

III. RELEVANCE OF THE SMALL COUNTRIES FINANCIAL MANAGEMENT PROGRAMME

30. The SCFMP's relevance was assessed using four elements: (i) the views of key informants; (ii) filling a niche in available programmes; (iii) participant selection; and (iv) relevance of the technical components. Normally the relevance of development assistance programmes would be evaluated in the context of the 17 Sustainable Development Goals (SDGs). The SDGs were adopted by the United Nations General Assembly in 2015,¹⁹ well after the SCFMC began operations. The SCFMC was not designed to make a major impact on achieving the SDGs. Thus, it is not appropriate to retroactively assess the relevance of the SCFMC in the context of the SDGs. However, it is appropriate to examine the broad consistency between the SCFMC's goals and objectives and the SDGs. The underpinning objectives of the SCFMP is to build capacity in key central agencies by providing training in both soft skills and technical skills in an *"international forum for sharing knowledge and driving innovation and a catalyst for change on financial integrity, prudent regulation, and economic management within small countries."*²⁰ The activities of the SCFMC are related to 3 of the SDGs.

31. **SDG17** (Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development) covers international support for targeted capacity-building, including strengthening domestic resource mobilization, sustainable debt management and macroeconomic stability. The importance of building stronger institutions involved in core macroeconomic functions, including public financial management and financial regulation, is widely recognized. The SCFMP syllabus includes modules that are directly related to SDG17 (Box C.1).

32. **SDG16** (Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective,

accountable and inclusive institutions at all levels) covers anti-corruption efforts (e.g., reducing illicit financial flows; reducing corruption; promoting accountable and transparent institutions). Improving public financial management, strengthening financial regulation and improving transparency are recognized as tools to reduce corruption.²¹ The SCFMP curriculum covers revenue and public expenditure management, taxation, anti-money laundering and financing terrorism that help to reduce corruption (Box C.2).

33. **SDG8** (Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all) covers economic management. Two SDG8 targets recognize that access to finance and a strong, well-regulated financial sector are essential to achieving this SDG. The SCFMP modules on financial regulation support these targets (Box C.2).

A. Views of Key Informants on the SCFMP's Relevance

34. ESurvey replies of heads of organisations, supervisors and participants show that the substantial majority **Strongly Agreed** with positive statements about various indicators of relevance. In particular, 92% of the 197 people expressing an opinion either **Agreed** (18%) or **Strongly Agreed** (74%) that the SCFMP was relevant for its target audience, i.e., people working in the financial and/or fiscal areas in small countries (Table C.1). Large majorities of respondents **Strongly Agreed** that the SCFMP was relevant because: (i) there is a continuing need for this type of programme for their organisation; (ii) a unique part of the programme is covering both management issues (e.g., leadership; negotiation; change management; stakeholder consultation) and technical areas in both the financial and fiscal areas; and, (iii) the SCFMP improves communication, negotiation,

¹⁹ About the Sustainable Development Goals. United Nations Sustainable Development Goals webpage.

²⁰ SCFMP Programme Mission on the SCFMC website.

²¹ Bruno Wilhelm Speck. Controlling Corruption and Promoting Good Governance A New Challenge for Aid Policy. SWP Research Paper. Stiftung Wissenschaft und Politik German Institute for International and Security Affairs. 2004.

management and leadership skills (Table C.1). The technical modules also contributed to the relevance of the SCFMP, although that view was not held quite as strongly as for the previously listed factors. Respondents **Agreed** that: (i) technical areas were a useful part of the SCFMP; and (ii) the SCFMP improves technical skills and knowledge.

35. Responses to open-ended questions broadly confirmed the quantitative results from the SCFMP ESurvey. When asked to identify three things that should be improved, most of the written responses (86 out of 112 answers) said “No opinion.” The remaining suggestions did not cluster in any one area. This suggests that the structure and topics covered in the SCFMP are relevant. This is further confirmed by the following quotes offered by respondents:

■ *“This Programme has served our small countries with distinction. I found it to be profoundly useful, and it gave me the well-needed momentum to implement difficult but well needed changes upon my return to work. It was one of the most useful and relevant training that I ever attended in my professional life.”*

■ *“Contents of the Programme (both management and technical aspects) were excellent and directly relevant. Topics and materials were very good. Lecturers, presenters/resource people were people with excellent academic and professional qualifications and experience. We had a rare opportunity to learn from these academic professors from reputable universities.”*

■ *“The inclusion of both the technical and management issues really brought balance to the program as it is targeted at senior officers who need both the soft skills and technical skills to do their jobs.”*

36. The country studies provided more context and details about the relevance of the SCFMP. The interviews provided collaborative evidence that the SCFMP is **Very Relevant**, the highest possible rating, for the needs of officials working in the financial regulatory and fiscal areas in small countries. Regardless of the metrics of assessment, there was overwhelming agreement among those interviewed in all three regions that the relevancy of the SCFMP was **Excellent** relative to the needs

of the participants, their organisations and small countries (Box C.3). This view was expressed in separate interviews with heads of departments, supervisors and participants. The positive rating of relevance reflected their views of the high quality, content, depth and usefulness of the programme that remains **Highly Relevant** for both past and more current participants in facilitating career progression and managing challenges in their respective fields. Those interviewed gave SCFMP high scores because of the focus on small country contexts and the content which included a good mix of theory and practice, complemented by case studies and practical exercises. Other positive features included the exposure to the equivalent of an Ivy League university, learning about the Isle of Man experience, networking and learning from other participants, the challenge component and the overall application to the work in financial regulatory agencies and ministries of finance. Combining both the technical and management skills in one programme added to the SCFMP’s relevance and was viewed as being unique. Many of the participants indicated that the programme was particularly appealing because it was “*solutions-based*” and provided participants with “*practical recommendations for addressing the everyday problems*” that they encountered in their jobs.

37. **View from the Caribbean:** The broad consensus of people interviewed in the Caribbean was that the SCFMP was **Very Relevant** for the needs of small countries and their organisations because of its design, structure and, most importantly, its content. None of the Caribbean participants interviewed had any serious concerns about the programme in terms of its relevance, content or structure. While most participants emphasised the value of the softer skills, there were no suggestions that the SCFMP’s technical components should be de-emphasised. Respondents felt that if other areas were to be included, this would come at the tremendous sacrifice of other components that would need to be deleted, or perhaps extending the length of the programme. Extending the length was not appealing to senior staff.

■ *“What we have received from this course in those two (2) weeks, is more useful and far more relevant to my work in terms of what we are trying to achieve*

in small countries... I can compare the programme to an MBA... an MBA is academic... this programme is professional and practical". A SCFMP participant from a Caribbean central bank.

Box III.1: Relevance of the SCFMP for Financial Sector Supervision

A Caribbean financial sector regulator reported that her challenge was based on strengthening the Financial Services Regulatory Commission's risk-based supervisory framework through offsite/onsite monitoring. This was important to help determine the appropriate level of controls to be applied for the various sectors. Her challenge was substantially improved during the SCFMP, providing her "with the ability to dig deeper to ascertain the various elements involved and the key stakeholders that may be impacted." After she returned home, she had the support of her supervisor who encouraged her to implement the challenge. Efforts to implement the challenge were achieved to a certain degree by the participant being a member of the National Financial Action Task Force established to address Money Laundering and Terrorist Financing risks for the country and also to her being on the Working Group involved in compiling and assessing data for the National Risk Assessment.

Source: SCFMC Evaluation

38. **View from the Pacific:** Combining both the technical and management skills in one programme added to the SCFMP's relevance and was viewed as being unique. The following technical modules were singled out as adding to the relevance: cash and debt management; financial regulation; the linkages between banking supervision and public funds management; and anti-money laundering. The soft skills identified adding to the SCFMP's relevance included: leadership; change management; frameworks for delivering change in the public sector; negotiations; and stakeholder consultation. All the participants indicated that the SCFMP was not duplicating other available programmes. Rather, the SCFMP fills a unique niche.

■ *"There is not much out there that practically addresses small countries needs in terms of public financial management."* He compared the programme to other training *"No one else offers*

it. It is a charitable organisation focused on small countries, that offers training that no one else does. It is easy to access and highly relevant." A Senior government official in the Pacific.

■ *"The Course is Highly Relevant given the needs of the central bank as a regulatory arm of government. It is very useful to have both technical and softer skills for the course. Any system is as good as the people that operate it"* Assistant Governor of a Pacific Central Bank .

■ The SCFMP was *Highly Relevant* for five reasons *"One, the length of tenure (was ideal) as it allowed attendees to develop close relationships with others who work in similar areas and to develop a new pool of contacts. All the staff that have attended have done that – short workshops don't make it possible to develop deeper relationships. Two, the prestige of being hosted at Oxford is significant along with the high calibre of presenters. Three, the Challenge was well articulated and they have improved on how they implement that each year. The process to prepare means that participants reap a lot of benefit from it. Four, for our alumni, when they hosted training here, they also met with alumni and there is a nice alumni formed in the country. Five, the calibre of the presenters and quality of sessions is very high. When the participants return, they are genuinely buzzing. They have taken on learning and criticisms of the challenge. It is one of the best professional opportunities available for my staff."* Pacific Supervisor of two SCFMP participants, who attended the course in 2011.

Box III.2: Relevance of the SCFMP for a Pacific Island Central Bank

The deputy governor of a central bank in the Pacific, who is an SCFMP alumnus, stated that SCFMP is Very Relevant to the needs of their organisation as the regulator of the financial system. This is consistent with the views of the three participants from the central bank who were interviewed. All three found the SCFMP to be very relevant to their role, and all gave the relevance of SCFMP a rating of 5, Very Relevant.

Source: SCFMC Evaluation

39. **View from Africa and the Indian Ocean:**

Participants, their supervisors and heads of the

organisations all found the SCFMP to be Very Relevant to the needs of their organisations. The leadership, negotiation and communication skills were particularly relevant as the participants were senior staff heading areas, departments or units and had many staff reporting to them.

“The SCFMP is very relevant. Because I am in a leadership position and the SCFMP helped me in applying the knowledge, for example, negotiation skills, leadership, particularly the adaptive approach.” A 2019 participant from a central bank in the Africa/Indian Ocean Region.

“For example, the last programme was more on the anti-money laundering. We are beefing up the anti-money laundering framework so we sent a staff who is doing that work. He came back with a lot of new ideas that were very useful and relevant. Also, the leadership skills were good. Four staff who attended are now in leadership positions.” Governor of a central bank in the Africa/Indian Ocean Region.

“The programme was Excellent. It covered a number of issues like management, leadership, negotiation as well as some technical issues. I think for the financial sector we need both management skills like soft skills and technical skills. It was Very Relevant. I deal with anti-money laundering and combating the financing of terrorism. So, the programme was Very Relevant and useful.” A 2015 participant from an African/Indian Ocean Ministry of Finance and Development Planning.

“This programme is unique. I have attended the IMF, World Bank and other international programmes but I have never attended such a well-rounded programme as this [the SCFMP]” A 2018 Participant from a Central Bank.

Box III.3: Relevance of the SCFMP to Prepare Leaders to Manage People

A participant from an African/Indian Ocean Monetary Authority said that at some point in time he and his colleagues will become leaders and will manage people. That means that a very important part of their jobs will be to inspire, manage and coach people. Often, they forget the importance of things like dealing with people, relationships and communications because they are so technically engrossed in their work. When reaching leadership/management positions, it is good to have such training which focuses on soft skills because we started in junior positions and rose

through the ranks because of our technical skills. In the past, we received technical training but never on the necessary people skills, which are essential when one is promoted to a leadership position. One day you become a supervisor for so many staff, different types of staff... this comes with the job but we have not been trained on how to deal with different types of people. The soft skills covered by the SCFMP are very relevant to being a leader.

Source: SCFMC Evaluation

40. Taken together, the evaluation evidence demonstrates that heads of organisation, supervisors and participants all believe that the SCFMP is **Highly Relevant**, both to the needs of the participants and those of their organisations.

B. Designing a Programme to Fill a Niche

41. Filling a niche in the universe of competing programmes contributes to the SCFMP’s relevance. Those interviewed identified factors that made the SCFMP unique and particularly relevant to their needs: (i) focus on small countries; (ii) covering both management and technical issues; (iii) the challenge; and (iv) the Oxford and Isle of Man branding.

I Focus on Small Countries

42. The focus on small countries contributed to the high relevancy ratings of the programme. The participants found that many of the issues that they faced were similar to those faced by the other participants. The programme’s focus on small states made it particularly relevant for participants and their organisations. For courses designed for worldwide audiences, most of the participants come from larger countries and most of the course material and examples are drawn from larger countries. That reduces the relevance of such courses for officials from small countries. The participants particularly valued the fact that at the SCFMP they could easily share experiences with their peers who were working on similar issues in similar contexts. Several of those interviewed for the country studies and ESurvey respondents felt that there was scope to further improve the already

excellent SCFMP relevancy if there were more small country case studies and more speakers from small countries, including inviting alumni back to speak on about how they implemented their challenges and applied the knowledge and skills gained at the SCFMP.

I Covering Both Management and Technical Issues

43. A unique feature of the SCFMP is that it has modules covering both management and technical issues related to financial sector regulation and public finances. This is unusual as programmes typically cover one or the other. Unlike most courses available to the participants, the SCFMP was designed to give the participants the skills and knowledge needed to successfully address management and leadership challenges. That usually involves people management skills and working with/negotiating with/persuading other people to change their opinions or do things differently, be it designing and implementing a new fiscal policy or financial regulation or restructuring an institution. Such skills become increasingly important as people move through the ranks from officer-level positions where people mostly apply technical skills to management and leadership positions in which people management and leadership skills become increasingly important. Senior ministry of finance officials and financial regulators are involved in negotiations virtually every day, be it with ministers, other agencies, other departments in their ministries, their staff, clients, international financial institutions, donors or international agencies. Leadership, negotiations and stakeholder consultation are important tools for change management and problem-solving. Most organisations do not adequately equip people with such skills – often they are learned on the job after promotion by “*trial and error*.” The fact that people are excellent performers at the technical level does not necessarily mean that they have good people management skills. While the world’s leading universities put on executive programmes to develop such skills, those programmes are typically

designed for private sector audiences and senior government officials in OECD countries rather than for small countries. Those programmes are put on for a profit so they are expensive and are often beyond the affordable price range of small countries. Also, such courses do not cover technical issues relevant for officials working in the public finance and financial regulation as they are designed for broader audiences.

44. Best practices are constantly being introduced by the international community in the public financial management and financial regulatory areas. The SCFMP structure (e.g., core modules on management issues and at other times participants choose either public financial management or financial regulatory sessions) increased the SCFMP’s relevance for participants with diverse backgrounds. Because new practices and standards apply to small countries as well as large countries, there is a need for specialised, high-level training and refreshment in these areas.

45. Although there are some differences, the IMF offers training to broadly similar target groups as does the SCFMC. The IMF’s training and capacity building activities reflect its mandate and cover macroeconomic and financial sector issues that bear on global stability. The IMF does not put on executive programmes focused on management topics. Rather, the IMF’s capacity building and training programmes are technical in nature. The IMF’s capacity development and training programmes focus on four broad areas,²² some of which overlap with the technical areas covered by the SCFMP: (i) public finances; (ii) monetary and financial sector; (iii) legal frameworks; and (iv) statistics. Capacity development has become increasingly important in the IMF over the years.²³ Although the IMF’s Institute for Capacity Development is located in Washington, about 90 per cent of the IMF’s training takes place in the regions through its global network of regional capacity development centres, including the technical assistance centres in the Pacific,²⁴ the Caribbean,²⁵ and Africa.²⁶ The IMF’s courses are valued by those who attend. In addition to

²² The IMF. Capacity Development Fact Sheet. March 2019.

²³ The IMF. The IMF Policy Paper. 2018 Review of the Fund’s Capacity Development Strategy—Overview Paper.

²⁴ The Pacific Financial Technical Assistance Centre (PFTAC)

²⁵ The Caribbean Regional Technical Assistance Centre (CARTAC)

²⁶ The five African Technical Assistance Centres (AFRITACs)

providing sound training in many technical areas, the region-based IMF courses also provide a venue for networking, sharing experiences and discussing common problems with other participants. However, participants attending those programmes do not bring anything akin to the SCFMP challenge.

I The Challenge

46. The challenge is a unique feature of the SCFMP that is designed to: (i) increase relevance by strengthening the linkage between the programme and the work of the participants; and (ii) increase the likelihood that the skills and knowledge learned will be used on-the-job, thus contributing to sustainable organisational impacts. Prior to their arrival at SCFMC, participants are required to describe in writing a challenge related to an issue that the participant was directly involved with and something that they would work on after returning to their jobs. This required the participants to do some work prior to their arrival and to think about how they would use the skills and knowledge learned at the SCFMP. Most people interviewed felt that being required to prepare a written challenge statement during the application phase and then reviewing and improving it during the programme was a key distinguishing feature of the SCFMP that helped to ensure its relevance for their jobs and the priorities of their organisations. By 2019 supervisors were required to sign off on the challenge, something that was designed to increase the organisational commitment to the challenge, and participants were required to report back to the SCFMC one year after completing the programme on the implementation status of the challenge. During the SCFMP, the challenges are reframed and improved based on the course material and feedback from the speakers and other participants.

47. While the quality and rigour of the challenges improved over time, there is still scope for improvement. Some are still not good enough and, when required, the Programme Director works with the participant to improve the challenge. Continued efforts are needed to strengthen the challenges during the application process. This could require more engagement with the supervisors to better

understand what the organisation seeks to achieve when the supervisor signs off on the challenge. The application process would be strengthened if it were a requirement to submit detailed, monitorable action plans to implement the challenges as part of the application process. Those implementation plans could be strengthened during the SCFMP and would provide a tool to monitor implementation after completion of the SCFMP.

I Oxford and Isle of Man Branding

48. The evaluation methodology was not designed to explicitly assess the importance of the Oxford and Isle of Man branding in contributing to the relevance of the SCFMP. However, participants commented that Oxford's involvement enhanced the relevance and prestige of the SCFMP. The following selected responses to open-ended questions on the ESurvey when respondents were asked to identify the best aspects of the SCFMP indicate that the Oxford and Isle of Man branding are important (more such quotes are shown in Box C.4):

I *"The week training at Oxford is an experience of a lifetime."*

I *"The focus on small countries and in particular the Isle of Man economic journey gave participants the hope and determination to know that their challenges may be unique but it is possible to change."*

I *"The two venues where the programme is held is a very good idea. Isle of Man emphasises the small countries success factors and Oxford brings in the leadership factor. Brilliant."*

49. The country studies provided additional evidence to support the notion that the Oxford/ Isle of Man branding contributed to the excellent rating of the SCFMP. Although not specifically asked, several people interviewed spontaneously volunteered that the branding was an important element of the relevance of the SCFMP:

I **View from the Caribbean:** Several Caribbean participants commented that the Isle of Man and Oxford location was ideal to support dedicated, focussed learning. One participant said that it was like *"when you are learning a foreign language and you are immersed for some time... well, we were*

being immersed in leadership training, listening to other facilitators immersed in another setting, and that allowed us to focus on what we were required to do.”

View from the Pacific: A major attraction of the SCFMP was the linkage to the Isle of Man and Oxford. The chance to go to Oxford was viewed as a key opportunity and participants said that the Oxford brand contributed to the prestige of the programme. One supervisor and previous participant mentioned that participants from small countries were very fortunate to have experienced the Isle of Man and being in a prestigious setting such as Oxford, which provided credibility and exposure.

View from Africa/Indian Ocean: Interviewees said that their positive assessment of the SCFMP reflected the content, the networking with other participants and the experience at Oxford University and the high quality of the speakers from Oxford. Taking participants to Oxford was seen as a privilege and an eye-opener which, in turn, was considered a “*plus point*” of the programme.

50. The ESurvey replies provide evidence that the SCFMP is filling a niche in the universe of programmes that officials from small countries can access. Respondents were asked to compare the scope and coverage of the SCFMP to courses offered at the IMF’s Headquarters by the Institute for Capacity Development, the IMF’s regional technical assistance centres, the World Bank, the regional development banks, executive training courses offered by universities and training provided by other institutions and agencies. Many participants, ranging from 30% to 70%, either felt that there was no comparable programme or could not offer an opinion. On average, the respondents who could offer an opinion felt that the scope and coverage of the SCFMP was **Broader/Significantly Broader** than the training courses offered by other institutions: (i) 69% for the IMF’s Institute for Capacity Development; (ii) 67% for the IMF’s regional technical assistance centres; (iii) 66% for the World Bank; (iv) 75% for the regional development banks; and, (v) 58% for executive training courses offered by universities and other organisations (Table C.2). Selected replies

on the ESurvey to open-ended questions provide further evidence of the niche filled by the SCFMP (additional quotes are given in Box C.5):

■ *“SCFMP is unique (and particularly relevant) in its focus on SMALL countries.”*

■ *“The training offered by the IMF and ADB that I am aware of are very specific oriented in terms of topics covered per training course, for example, a course on balance of payments or exchange rates. Compare that to the SCFMP where it covers an extensive and wide range of related or inter-connected topics in just one course.”*

■ *“Most programmes attended focused on only one aspect either technical or leadership. This is the first of its kind for me.”*

■ *“Mix of participants from other (small) countries.”*

■ *The modules are better tailored to address everyday practical issues.”*

51. The feedback obtained during the country studies corroborated the ESurvey findings that the SCFMP is filling a niche and is not duplicating other programmes. The strong consensus of those interviewed was that the SCFMP was excellent and cannot be compared to other programmes. The participants who had attended other courses generally rated the SCFMP as better.²⁷ The SCFMP was viewed as being well rounded because it was broader in scope in that it covered both management and technical issues while the others tended to be narrow, technical courses. The soft skills covered in the SCFMP helped to prepare participants for leadership roles, which was valued by small countries that have few funds to spend on capacity development.

■ *“It is absolutely a niche training. I have told numerous people here that it is the best professional development course that I have ever done.”* A Pacific supervisor who also attended the SCFMP.

■ *“The programme is better than others because of the broad scope. I have attended other trainings but not like this. The other trainings tended to be very specific.”* A Pacific participant.

■ *“This course does not compare to any other course. I have attended the IMF courses. They are very technical. The SCFMP covers leadership*

²⁷ Some Pacific interviewees viewed the SCFMP as being on par with programmes put on by the Australian National University and the National Attorneys General Training and Research Institute in the United States of America. This was viewed as a compliment to the SCFMP as those institutions have “*massive resourcing.*”

and negotiation skills... and the up and coming new issues. Other courses I attended are more theoretical and technical” A 2018 participant from a central bank in the Africa/Indian Ocean Region who is a supervisor of two other participants.

■ *“The SCFMP is very well suited for us. Other international programmes either focus on technical aspects or soft skills. So, people need to be sent to many programmes before they are equipped with all the skills this programme covered. So, in one programme all essential skills were covered.”*

A supervisor from a Ministry of Finance and Development Planning in the Africa/Indian Ocean Region.

52. The evaluation evidence shows the SCFMP is **Highly Relevant** and is filling a niche in the universe of available programmes. Four factors, i.e., the focus on small countries, the inclusion of both soft and technical modules, the challenge and the Oxford/ Isle of Man branding, distinguish it from other programmes.

C. Careful Participant Selection

53. Executive training programmes are only relevant if the right participants are selected who can benefit from, and apply, the skills and knowledge learned. Because the SCFMC pays all of the costs (e.g., travel; accommodation; meals) and because it is associated with one of the world's leading universities, great care must be taken to ensure that the right participants are selected. The SCFMC uses a rigorous participant selection process because there is no market-based test for its relevance. The selection criteria, which are posted on the SCFMC's website²⁸ and reflected on the application form, include: (i) country of residence; (ii) type of job; (iii) government endorsement; (iv) English language proficiency; and (v) the quality of the challenge.

54. Participant selection starts in mid-January when the forthcoming SCFMP is announced on SCFMC website. Also, the Executive Director Emails the details of the forthcoming programme to: (i) heads of relevant organisations in eligible countries requesting them to share details with appropriate senior colleagues and, if they consider it appropriate,

to nominate specific senior officers; (ii) alumni to ask them to share the information with their colleagues; and (iii) selected international organisations (e.g., ADB, CARTAC) to ask for names of senior officers they think may benefit from attending the programme. The application forms and closing date are available on the SCFMC website.

55. The applications are first reviewed by the Executive Director, who evaluates them taking into account seniority, role and responsibilities, number of staff managed, the quality of the challenge and the head of the organisation's endorsement. This initial screening filters out any clearly unsuitable applications. The initial screening results in a provisional list of participants, balancing the cohort by geography, type of organisation and gender. If there is more than one suitable candidate from an organisation, the Executive Director may informally discuss which the head of the organisation prefers. Although the maximum of two qualified applicants can be accepted from any one country, the second place will not normally be allocated if the programme is fully subscribed. The provisional list of participants is shared with Programme Director and the Academic Director for comment and suggested changes. Eventually joint agreement is reached and the successful and unsuccessful applicants are notified accordingly. Rejected well-qualified candidates are encouraged to apply the following year.

■ Application of the country selection criteria

56. Candidates must be a national of a developing country that meets three conditions: (a) has a population of less than 1.5 million – countries with a larger population must be a member of the Small States Network for Economic Development (SSNED) (or can demonstrate small country characteristics in the financial sector); (b) is a member country of the World Bank or ADB or is a dependent territory of a member country of the World Bank or the ADB; or (c) is eligible to borrow from the IBRD or IDA (or has secured such funding as part of a regional program to facilitate global public goods). In the case of an ADB member country, the country must be eligible to obtain OCR or ADF loans.

²⁸ <http://www.scfmc.im/>

57. The 43 eligible countries are disclosed on the SCFMC website. These include 14 countries in the Africa/Indian Ocean region, 12 in the Caribbean/Latin America region, 14 in the Pacific/East Asia region and two in other areas (i.e., Bhutan and Montenegro). Of the 43 countries, 39 are small countries and five are defined as having small country characteristics (i.e., Botswana; Lesotho; Jamaica; Namibia; Papua New Guinea). From 2013 to 2019, 169 participants attended the SCFMP (Table B.5). All of the participants were from eligible countries or regional institutions. There was a good balance from the three regions – 40% from Caribbean/Latin America, 30% from the Pacific/East Asia and 30% from Africa, Indian Ocean and the Rest of the World. A good balance of countries was represented – 31 out of the 43 eligible countries plus participants from the Eastern Caribbean Central Bank (ECCB). A broadly similar regional geographic distribution was reported in the 2012 evaluation (Table B.6)
58. There are 50 members of the World Bank's Small States Forum, of which 42 have fewer than 1.5 million people and eight other Small States Forum members have populations greater than 1.5 million but share similar challenges (i.e., Botswana, Gabon, The Gambia, Guinea Bissau, Jamaica, Lesotho, Namibia and Qatar). There is a high degree of consistency between the countries listed on the SCFMC website as eligible to send participants to the SCFMP and the World Bank's list of 50 small states — 41 of 43 countries are classified by the World Bank as small states. The exceptions are: (i) the Cook Islands, which is a member of ADB but not the World Bank and is classified by the Commonwealth as a small state; and (ii) Papua New Guinea, which is classified by the Commonwealth as a small state, and has small state-like characteristics, although its population is 8.5 million.
59. There are eight states²⁹ on the World Bank's list of small states that are not eligible to send officials to attend the SCFMP. Most of these countries can afford to pay for executive training courses. In addition to the 50 countries/territories identified by the World Bank as small states, there are other small island states. Those are mostly non-UN members or associate members of regional commissions,³⁰ many of which are not eligible to borrow from the World Bank or ADB.
60. Since English is the language of instruction at the SCFMP, language was the reason not to invite applicants from eight eligible countries – Cape Verde; Comoros; Djibouti; Equatorial Guinea; Gabon; Guinea-Bissau; Sao Tome and Principe. English is the dominant language in 5 other countries from which no participants were selected during the evaluation period (i.e., Guyana; Federated States of Micronesia; Nauru; Palau; Trinidad and Tobago). For Trinidad and Tobago, the SCFMC decided that the country was sufficiently wealthy to be able to pay for the type of training provided by the SCFMP. Given the fixed number of participants that could be accepted based on pedagogical grounds, the SCFMC did not want to be open to criticism for using Government development funds for relatively wealthy countries at the expense of financing candidates from poorer countries. The SCFMC has written to Guyana and Micronesia in the past, but those contacts did not elicit interest in any candidates applying to attend the SCFMP. Similarly, applications have not been received from Nauru and Palau.
61. Overall, the SCFMC has done a good job of defining countries that are eligible to nominate officials to attend the SCFMP and selecting candidates from those states. Based on the experience gained during the last decade, an analysis of the countries from which applicants have attended from the SCFMP and the demise of SSNED, it would be timely for the SCFMC to review the related criteria and list of eligible countries. In doing so, consideration could be given to whether: (i) countries should be dropped³¹ because of language or from which participants have not

²⁹ Bahrain; Barbados; Brunei; Cyprus; Estonia; Iceland; Malta; Qatar.

³⁰ Examples include Anguilla; Aruba; American Samoa; Bahrain; Bermuda; British Virgin Islands; Cayman Islands; Commonwealth of Northern Marianas; Curacao; French Polynesia; Guadeloupe; Guam; Haiti; Martinique; Montserrat; New Caledonia; Niue; Puerto Rico; Saint Maarten; Singapore; Turks and Caicos Islands; U.S. Virgin Islands.

³¹ Montenegro is a special case. It is not a developing country, is a member of NATO and has applied for membership in the European Union. Although its application for membership in the European Union has been a long, drawn-out process because of issues with Greece, in its 2016 assessment the European Commission said that Montenegro had the highest level of preparation for membership among the negotiating states. The SCFMC should carefully re-assess whether there is a continuing need to provide training for officials from Montenegro or whether it would be better to assign the available slot to a poorer, developing country.

applied and are unlikely to do so in the future; (ii) new countries should be added; and (iii) whether slots in the SCFMP should be offered to participants from relatively well-off countries or international organisations on a full or partial cost-recovery basis.

I Application of the type of job selection criteria

62. Candidates must be a public sector official at a senior or middle management level from financial regulatory bodies, central banks or ministries of finance, treasuries or equivalent bodies. The selection criteria explicitly stated that officials from other government departments whose work is directly related to the finance sector could be considered. Over the years the application form has required increasing amounts of information on the position of the applicants. The 2020 application form required the applicants to set out, or attach an organisational chart showing their position in the agency, including the title of the person to whom the applicant reported and how many people report to the applicant.

63. During the evaluation period officials from the ECCB began attending the SCFMP. It is not clear the ECCB employees would be considered to be “*public sector officials*” in the strict sense of the term. The decision to accept applicants from the ECCB is well-founded and does not appear to be inconsistent with anything in the SCFMC’s Articles of Association. The SCFMC should consider whether the eligibility criteria on the SCFMC homepage are broad enough to explicitly include participants from the ECCB and other similar organisations.

64. The data shows that the 2013 to 2019 participants came from the targeted organisations — 57% were from the financial sector, 39% worked in the fiscal sector and 4% worked in other organisations.³² The small number of participants from other organisations worked in agencies related to the ministries or finance or financial regulators (e.g., planning agencies; prime ministers offices; sub-national agencies). There were some differences in the mix of participants across the regions. While

4% of the participants from each region were from other agencies, financial regulators dominated (67%) the participants from both Africa, the Indian Ocean and the Rest of the World region and the Caribbean (61%). The fiscal sector dominated participants from East Asia and the Pacific (55%) (Tables A.9 and A.10).

65. The data shows that the 2013 to 2019 participants are from the target professional levels (Tables A.11 and A.12) — senior and middle management level public officials. Again, there were differences across the regions:

- 14% were heads or deputy heads of organisations (e.g., permanent secretaries, central bank governors, chief executive officers, managing directors or their deputies): 10% in the Caribbean; 25% in East Asia and the Pacific and 8% in Africa, the Indian Ocean and the Rest of the World.

- 40% were departmental director generals/directors or deputies: 46% in the Caribbean; 27% in East Asia and the Pacific and 43% in Africa, the Indian Ocean and the Rest of the World.

- 19% were managers, unit heads or deputies: 10% in the Caribbean; 20% in East Asia and the Pacific and 29% in Africa, the Indian Ocean and the Rest of the World.

- 27% were principle/senior officers/advisors or officers/advisors: 33% in the Caribbean; 27% in East Asia and the Pacific and 20% in Africa/the Indian Ocean/Rest of the World.

- The evaluation did not identify junior officers attending the SCFMP from 2013 to 2019.

66. Benchmarked against the 2009 to 2012 period, there were proportionately fewer participants in the head of organisation and director general groups in the 2017 to 2019 period. The difference was weakly statistically significant.³³ This suggests that going forward the SCFMC should place more emphasis on the seniority of applicants during the selection process.

I Application of the government endorsement criteria

67. The 2020 application form required the head of the organisation to endorse the application

³² Proportionately, there were more participants from the fiscal sector (55%) and fewer from financial regulatory agencies (41%) during the 2009 to 2012 period.

³³ The p value for the Chi Square difference in the distributions of types of positions for the two periods was 0.1409.

and explicitly stated that the SCFMC reserved the right to seek written confirmation from heads of organisations. By 2020 an increasing number of heads of organisation were nominating a specific officer, rather than allowing multiple applications from their organisation. This is a positive development as it indicates heads of organisations are giving increased attention to participant selection and the needs of their organisations. The SCFMC more rigorously enforced this selection criteria in 2020 than it did in 2015 when the application form simply asked the applicant to name the “Government entity that has nominated me and endorsed my application.”

I Application of the language selection criteria

68. Fluency in English is essential because all modules of the SCFMP are given in English. Participants are expected to interact with the speakers and participants from other countries in English and to read course material. The SCFMP application form asks applicants to certify that they are proficient in both spoken and written English and the application and supporting material must be submitted in English. Fluency in English has not been a major problem.

I Application of the challenge selection criteria

69. The challenge is an important feature of the design of the SCFMP and an important factor in participant selection. The 2020 application form states “Applicants are instructed to clearly describe the challenge/problem that they wish to work on during the programme. *“The challenges are reviewed during the selection process to see the degree to which they are appropriate and how participation in the course might serve to strengthen the challenge and make it more implementable.”*

70. By 2020 candidates were required to describe their challenge in considerable detail on the application form.³⁴ The application form included

an illustrative challenge poster to be used during the SCFMP to further develop the challenges. The poster format was designed to help participants focus on the nature and objectives of their challenge. Candidates were asked to define a work-related challenge that they were facing, the key stakeholders involved, the main obstacles and what success would look like in a year’s time. The challenges are refined during the SCFMP, encouraging creative and innovative thinking and the sharing of knowledge and expertise from the speakers and other participants. The intent is to provide participants with the skills and strategic understanding to implement their challenges when they return to their jobs. Thus, the challenge is a tool that helps to transfer knowledge from the classroom to the practical realities of the workplace. This element is missing from most executive training programmes and training funded by the donor community.

71. The challenge element of the application process evolved over time. The 2020 application form included specific criteria to assess the challenges: (i) the challenge needed to have clearly defined, measurable and deliverable outcomes, which can be assessed and identified at a later date; (ii) applicants were advised not to be too general or abstract in presenting their challenge; (iii) challenges must have a significant positive impact on the financial sector and must be linked to the participant’s organisation rather than being just a personal challenge; (iv) challenges should be something specific that will make a real difference to the success of the organisation and deliverable within 12-24 months; (v) the objectives and outcomes of the challenge must be directly related to the participant’s job – the participant must have direct responsibility and the authority to deliver the desired outcome; and (vi) the participant’s supervisor must sign off on the challenge confirming that it is relevant, realistic and deliverable. These criteria are much more specific and detailed than in 2015 when the application form simply asked that the challenge be briefly described and noted that it was a key factor in the selection process. Both the applicant and the supervisor must agree on the 2020 application form

³⁴ The Executive Director, Programme Director and Academic Director reviewed the challenges as part of the process of selecting applicants. If the challenges of accepted candidates require more development, prior to her retirement, the Academic Director worked with applicants to strengthen their challenge. In the future this role will be undertaken by the Programme Director.

to review implementation of the challenge one year after the completion of the SCFMP and to provide feedback to the SCFMC. This was not required in 2015. The SCFMC could strengthen its procedures to systematically follow-up to ensure that such feedback is received. The Executive Director’s plan to provide “nudges” to ensure that the challenges are implemented is endorsed. Compared to the findings of the 2012 evaluation, the evaluation evidence shows that the SCFMC has now adopted a more rigorous approach to making it clear to applicants what a suitable challenge would be, ensuring that it is endorsed by the supervisors and to weed out applicants who submit unsuitable challenges.

**Table III.1:
Record of SCFMP Applications and Acceptances**

Year	Applications	Acceptances
2013	NA	24
2014	NA	24
2015	48	24
2016	60	23a/
2017	73	24
2018	68	24
2019	46 b/	26
2020	52 b/	24

Notes NA = Not Available
a/ = 24 applicants were accepted but there was one late withdrawal.
b/ = The lower number of applications in 2019 and 2020 may reflect more identification of preferred candidates by heads of organisations. An increasing number of heads of organisations are only nominating one person to attend rather than endorsing multiple candidates as was the case in the past.

Source: SCFMC

I Conclusions on participant selection

72. The participant selection process became more rigorous during the evaluation period but there is still scope for improvement (e.g., modify the application form to ask for more information on the number of people supervised; more interaction with supervisors on the challenge as part of the application process; requiring the preparation of a detailed, monitorable plan to implement the challenge). Overall, the participant screening and selection process is generally functioning well. The participants are from the target countries, from the target types of organisations and generally at an appropriate level of seniority. The evaluation evidence indicates that the quality of the challenge is an important factor that is seriously considered in the participant selection process. The figures in Table III.1 show that there is competition for the available slots and that many applicants are turned down. If there were instances of some not well qualified or senior enough participants or had weak language and communication skills, it does not appear to have been a systemic issue and can be corrected by a more rigorous application of the participant selection criteria for individual cases.

73. The country studies found that participants viewed the application and selection process as being highly competitive and the candidates were happy to be selected. Participants expressed satisfaction with the selection process, with one Caribbean participant saying “There is a great deal

in this programme. They assume that you are already proficient, but the framing of the material is designed to enhance the work in a small island jurisdiction, so the participants were more or less on the same level, and can benefit from the leadership and negotiations training, supporting each other and enriching the learning experiences.”

Cases were identified during the evaluation where heads of organisations were directly involved in the selection process because of the importance that the institution placed on the SCFMP as a capacity-building initiative.

74. The lack of a fee presents a potential risk to the SCFMC as it may mean that organisations can nominate anyone, rather than their best people that might be more likely to be the case if a substantial fee were charged. Over the years the SCFMC has mitigated that risk by the fact that SCFMC can choose participants, as the SCFMP is oversubscribed by a factor of 2 to 3 times and the increasing emphasis placed on the assessment of the challenge and position of the applicant in the organisation during the participant selection process. These measures have largely mitigated this risk and overall the participants fit the desired profile. Overall, the SCFMC has done an **Excellent** job of applying its criteria to select appropriate applicants to attend the SCFMP.

75. Although gender is not identified as an official criterion, the SCFMC aims for two-thirds of the participants to be female. Having such a target is consistent with good practice in the development community and SDG5. The data shows that 62% of the 2013 to 2019 participants were female and 38% were male.³⁵ Thus, the SCFMC came close to achieving its goal of having two-thirds of its participants women. There were marked differences by region. Over three quarters (76%) of the Caribbean participants were women. However, the gender mix was closer to 50/50 in the other regions (Tables A.7 and A.8). The SCFMC can, and should, do more to encourage applications from women in those regions and from countries that score low on the Gender Inequality Index (Table C.5). Consideration should be given to including phrases on the SCFMC web page and the application form that women are particularly encouraged to apply. This could be re-iterated in the Emails to heads of organisations and alumni seeking nominations for the SCFMP. Other ways to integrate gender equality into the programme could include having a session that focuses on the challenges of women working in male-dominated fields, fostering a network of women alumni to share experiences of working in male-dominated fields, covering financial products that disproportionately benefit women (e.g., microcredit) or identifying factors that restrict women's access to credit. The SCFMC could also do more to promote gender diversity on its Board and faculty (Chapter V).

D. Relevance of the Technical Components of the SCFMP

76. The ESurvey asked 2013 to 2019 participants to rank elements of the programme from most (1) to least (7) useful. Since these replies were received between 1 and 7 years after completing the programme, the answers provide a broad gauge of the relative importance of the various items. The average ranking ranged from 2.3 to 4.7 on a scale of 7 indicating that all of the niche areas are broadly relevant. The rankings order from the

best to the worst were: (i) sessions on leadership, negotiation, stakeholder, consultation and change management (2.3); (ii) covering both technical and management issues (3.3); (iii) focus on small countries (3.5); (iv) technical sessions on financial regulation or fiscal issues (4.2); (v) opportunity to interact with colleagues from other small countries (4.4); (vi) developing the challenges prepared by participants (4.7); and (vii) introducing new ideas (4.7) (Table C.4). These results, plus the feedback received during the country studies and the analysis in Chapter IV on Effectiveness suggest while all of the niche elements of the SCFMP are relevant, the most valued components relate to the soft skills. That being said, the evaluation evidence also shows that the technical components are relevant for the target audience. To complement feedback received from the ESurvey and country interviews, the broad relevance of the technical components was also assessed by examining the focus of the small country programmes of the World Bank, ADB and the IMF.

77. Many small states face challenges related to fiscal management and financial regulation. Small states are vulnerable to external shocks because their open economies that are a part of the increasingly globalized world and because of natural disasters. Many of these shocks are transmitted through the financial sector. Small states typically face fiscal risks that need to be better monitored and managed, including debt sustainability and management.³⁶ Although the following was written about Pacific Island states, it applies to small states more broadly and summarizes the need for support in the areas of PFM and financial sector regulation:

■ *“Shortfalls in capacity and gaps in regulatory frameworks, systems, and processes continue to undermine sound macroeconomic management; PFM; revenue administration; financial sector management ... in Pacific DMCs. ... These challenges also undermine quality education and training of civil servants. As a result, public administrations in Pacific DMCs often face issues of weak and highly volatile capacity in policymaking, management,*

³⁵ The proportion for female participants during the evaluation period was higher than the 53% recorded for 2009-2012 (Table B.3).

³⁶ The IMF/World Bank Small States 2019 Forum. Addressing Debt Vulnerabilities in Small States. Most small countries were assessed as moderate risk (one third) or at high risk or in debt distress (two thirds). This general conclusion was confirmed by a 2015 ADB evaluation which found that most Pacific Island countries had limited capacity to service debt, which could become unmanageable. Independent Evaluation Department. ADB Support to Small Pacific Island Countries. Corporate Evaluation, March 2015.

and in administrative and technical functions. Particularly affected are technical functions that are not routinely used and require specific expertise, but high staff turnover and lack of adequate skills can also affect basic capabilities. Subsequently, weak and volatile capacity negatively affects the application, maintenance, and regular review and updating of regulatory frameworks, systems, and processes.

■ *In the public sector, this contributes to weaknesses in economic governance, and inefficient and ineffective public service delivery, as evidenced by little change in country performance assessment scores across core government functions since 2006. ... In view of the constraints, Pacific DMCs will require assistance in the development, supplementation, and substitution of public administration capacity, and TA to address specific problems, in the long term.”³⁷*

78. Macroeconomic (particularly fiscal) resilience is a major focus of the World Bank Group and regional development banks support for small states and addresses many aspects of fiscal and debt sustainability. The World Bank Group provides a broad range of assistance to small states designed to improve public revenue and expenditure policies and management, fiscal and debt management, establish debt units and debt monitoring systems and training. In the Caribbean, support of the World Bank Group was part of a larger effort that involved the IMF and other partners to strengthen ECCB’s capacity and that of individual countries for debt management assessments, medium-term strategies, and sustainability analysis. The IMF provides considerable assistance to small countries in the fiscal and financial regulatory areas, especially through its regional technical assistance centres. The evaluation of the World Bank’s work in small states concluded that there is a continuing need to strengthen policy and regulatory frameworks in these areas.³⁸

79. Corruption is the enemy of development as it undermines the capacity of countries to deliver

sustainable, inclusive growth that is necessary to lift people out of poverty. The IMF has identified ways in which corruption can affect public financial management and the financial sector.³⁹ In the fiscal sector that corruption: (i) can lower revenue collection by weakening a country’s capacity to tax and tax collection effort; (ii) create disincentives for taxpayers to pay taxes; and (iii) undermine sound public financial management. Corruption undermines sound public financial management by distorting budget allocations, weakening expenditure controls, providing for off-budget transactions and limited financial oversight, resulting in financial integrity failures. The combined effects of wasteful public spending and lower revenue result in large fiscal deficits and substantial debt accumulation. Strong fiscal institutions combat corruption.

80. To avoid sanctions and blacklisting small states must adopt and enforce policies and procedures that are consistent with the principles of global financial sector regulation and best practice (e.g., addressing concerns about money laundering, financing terrorism and avoiding taxation through offshore financial structures). Small states must implement the standards related to financial sector supervision and regulation. The IMF experience shows that the anti-money laundering (AML) framework is an increasingly important tool for fighting corruption and reducing funds used to finance terrorism.

81. The Panama and Paradise Papers demonstrated the scope of global financial secrecy and the potential it creates for tax evasion, money laundering and other criminal activities and the role that transparency can play in fighting corruption in offshore tax havens. When it becomes public, such information can damage the reputation of the countries concerned. Small states are vulnerable to the de-risking practices of global financial institutions terminating or restricting correspondent banking relationships with clients or categories of clients to avoid risk. Inadequate implementation of

³⁷ Since 1994 ADB has provided \$7.2 million to support PFTAC. Asian Development Bank. Technical Assistance Report. Pacific Financial Technical Assistance Centre, 2016—2022. October 2016. Pages 1 to 2.

³⁸ Independent Evaluation Group. World Bank Group. World Bank Group Engagement in Small States: The Cases of the OECS, Pacific Island Countries, Cabo Verde, Djibouti, Mauritius, and the Seychelles — Clustered Country Program Evaluation. May 2016.

³⁹ The IMF. Corruption: Costs and Mitigating Strategies. Staff Discussion Note. 2016

anti-money laundering standards can lead to de-risking. The AML framework of the Financial Action Task Force (FATF) sets international standards that require minimum levels of transparency. A 2016 assessment by the Council of Europe’s MONEYVAL watchdog made 40 recommendations to strengthen policies, procedures and implementation of the Isle of Man related to anti-money laundering and the financing of terrorism. Since then the Isle of Man has made significant progress in addressing these weaknesses.

82. The IMF believes that the “long-run performance of economies depends on the quality of their institutions and human capacity.”⁴⁰ There is a vast literature on the importance of sound institutions. The fact that the IMF, the World Bank and ADB all recognize the importance of strong ministries of finance and financial regulators underscores the **Relevance** of the technical components of the SCFMP.

E. Assessment of the SCFMP’s Relevance

83. Applying the rating and scoring system described in Chapter II, the Evaluation Team assessed the relevance of the SCFMP to the needs of officials working in the financial sector and the

fiscal area in small countries as **Excellent** (Table III.2). The analysis of the responses to the ESurvey and the feedback received during the interviews undertaken for the country studies in all three regions are consistent with an **Excellent** rating. The Evaluation Team assigned the highest weight to that element of the relevancy assessment since it reflects the opinions of head of departments, participants and supervisors several years after the participants returned to their jobs. The **Excellent** rating for filling a niche reflects the fact that the SCFMP is unique and does not duplicate courses put on by other agencies. This rating also reflects the relevance of the factors that make the SCFMP unique — focusing on small countries, covering both management and technical topics, the challenge and the Oxford/Isle of Man branding. Careful participant selection and the rigorous application of the selection criteria resulted in the desired participants, which was rated as **Excellent**. A lower weight was assigned to technical relevance because the assessment relies on secondary evidence and because some elements of this were also covered in the analysis of the ESurvey and country studies. In general, participants and their supervisors rated the soft skills more relevant than the technical skills to which many of them already had exposure.

Table III.2: Rating the Relevance of the Small Country Financial Management Programme

	Weight (%)	Rating ^a	Weighted Score ^b
ESurvey Results and Country Studies Assessment of Relevance	40%	5	2.00
Filling a Niche	25%	5	1.25
Appropriate Participant Selection	25%	5	1.25
Technical Relevance	10%	4	0.40
Total	100%		4.90 ^c

a 1=Poor; 2=Modest; 3=Average; 4=Good; 5=Excellent
 b Weighted Score = Weight*Rating
 c Cut off points:
 Poor≤1.5; 1.5<Modest≤2.5; 2.5<Average≤3.5; 3.5<Good≤4.5; 4.5<Excellent

Source: SCFMC Evaluation

⁴⁰ The IMF. The IMF Policy Paper. 2018 Review of the Fund’s Capacity Development Strategy—Overview Paper.