

VII. IMPACT OF THE SMALL COUNTRIES FINANCIAL MANAGEMENT PROGRAMME

162. Assessing the impact of executive training programmes is challenging and is not often done. Indicators and examples of impact cannot be solely attributed to the SCFMP. There are many factors other than the training provided by the SCFMP that influence whether or not impact takes place. At most, it is only possible to conclude that the SCFMP contributed in some way to changes that led to impact. Two indicators were used to assess impact: (i) impact on participants' on-the-job performance and career progression; and (ii) organisational impacts such as organisational changes or changes in policies and procedures.

A. Impact on Participants' Performance and Career Path

163. One indicator of impact is whether supervisors believe that their organisations benefitted from staff attending executive training programmes (i.e., the benefits outweighed the cost of staff being away from the office for a prolonged period). On average, the supervisors believed that their organisations received a **Good Benefit** (i.e., a clear improvement in job performance in technical, management and/or leadership areas), with 62% replying that this was the case. A further 31% felt that their organisation received an **Exceptional Benefit** (i.e., the participant contributed to important organisational, policy or procedural changes in the organisation). Only 6% of the supervisors could not offer an opinion or felt that there was a **Modest Benefit** (i.e., a modest improvement of on-the-job performance) (Table G.1). Thus, there is a consensus among supervisors that the SCFMP helped to improve the on-the-job performance of participants. Supervisors felt that participants **Frequently** used the skills and knowledge to improve the technical aspects

of their performance and their interactions/communications/negotiations with superiors, other staff, other government organisations and the private sector. The soft skills were **Occasionally** used to improve interactions/communications/negotiations with international organisations or other countries (Table G.2).⁵⁹

164. Assuming that the probability of promotion is partly related to on-the-job performance, the rate of promotion of participants provides an objective measure to validate the feedback received from supervisors. About half of the participants have been promoted since attending the SCFMP. The passage of time, seniority, a vacancy in a higher-level position and the level of the participant (e.g., heads of agencies cannot be promoted as they are already at the apex of the organisation) also factor into the promotional data. Not unexpectedly, the promotion rate varied over time: (i) 59% for the 2009-12 cohort; (ii) 61% for the 2013-16 cohort; and (iii) 23% for the 2017-19 cohort (Table G.3⁶⁰).

165. Of the 74 participants from the 2017-19 cohort, 73 were still working in the same organisation. A total of 17 (23%) were promoted over a three year period, equivalent to an annual promotion rate of 7.7% per year. Another four people made lateral transfers, implying an annual transfer rate of 1.8%. Together the promotions and lateral transfers imply a career path ratio⁶¹ of 81% over the three year period. It was not possible to develop a true comparator against which to benchmark the promotion and lateral transfer rates. However, data for the 2016 fiscal year is available from the Society for Human Resource Management.⁶² The annual promotion rate, based on replies from over 1,000 companies, was 6%, the transfer rate was 3% and the career path ratio was 0.70. Although the comparison

⁵⁹ The data in Table G.2 broadly confirms the responses of participants on frequency of use given in Table D.4.

⁶⁰ The data used to analyse whether or not participants were promoted was an amalgam of the SCFMC administrative data, ESurvey responses and follow-ups if Emails bounced to find current Email addresses, information collected during the country studies and the results of Google searches.

⁶¹ The career path ratio is defined as the ratio of promotions in an organisation to total movement (promotions and transfers). This ratio expresses the amount of upward mobility in an organisation. The larger the ratio, the more promotions occurred during the fiscal year.

⁶² The Society for Human Resource Management (SHRM) is the world's largest human resource management professional society with 285,000 members in 165 countries. SHRM Customized Human Capital Benchmarking Report. Page 12.

is imperfect, this data is consistent with the hypothesis that attending the SCFMP enhances career prospects and increases the likelihood of promotion, thus confirming the feedback received during country studies and from the ESurvey.

166. The country studies provided strong, collaborative evidence that the SCFMP helped to improve the performance of participants. Many supervisors gave examples of how the SCFMP increased the capacity of their staff and made a difference by making them more flexible in terms of accepting new ideas and more willing to look at things differently. The supervisors cited examples of their staff acquiring new skills, particularly in the areas of management, leadership, negotiation, communications and stakeholder consultation. Supervisors also reported seeing increased levels of confidence, including more confidently dealing with senior officials. Supervisors said that many things factored into promotion decisions such as on-the-job performance, seniority and the availability of a suitable vacancy. However, by contributing to better performance and equipping participants with management skills, attending the SCFMP increased the likelihood that participants would be promoted (Box G.1).

167. **View from the Caribbean:** The supervisors, particularly those who had attended the SCFMP, identified specific areas of improvement in the professionalism and competencies of participants. Areas that were frequently mentioned included improved levels of confidence, which was assessed based on participation in, and contributions to, decision-making processes and improved leadership styles. Supervisors went on to say that while attending the SCFMP did not guarantee a promotion, it certainly “helps rather than hurts” participants’ chances of being promoted because it contributes to improved performance on-the-job.

“This programme is exceptional in the way in which it provides thought leadership and in grooming public sector leaders to take on responsibilities that they have to assume in a few years.” The SCFMP was “an executive grooming and leadership programme.”
A Participant.

“The SCFMP heightened/enhanced leadership skills, particularly in being a change agent. For example, one of my staff had to restructure the entire department. She applied elements from the SCFMP to manage that organisational change. The programme was critical in helping her because she, as the head, and the rest of her team engage with OECD and other global forum and used the negotiation skills and training regularly when doing so. A Supervisor of 4 participants

“While my staff was always technically competent and efficient with her work, what is different since her return from the programme are her leadership and management competencies. She has taken control and not in an offensive way. I attribute this to her participation in the programme.”
A Supervisor.

168. **View from the Pacific:** The SCFMP impacted positively on staff performance and the likelihood of promotion. Many participants who have not been promoted since attending the SCFMP have been assigned more responsibility and are being considered for promotion. According to the heads of organisations the SCFMP contributed **A Great Deal** towards improved performance. Participants felt that they had a higher chances of getting a promotion when the opportunity arises because they attended the SCFMP.

“The SCFMP enabled my staff to see the bigger picture and has raised awareness on the latest trends and developments on important central bank and government issues. It has significantly boosted their confidence and improved their performance. Given the limited training opportunities available, the SCFMP has become our programme for training and professional development for our senior managers. SCFMP has contributed to staff retention and they are better managers after the SCFMP.” Deputy Governor of a Central Bank.

“My deputy chief executive officers who attended SCFMP became better financial managers, more open-minded to consider all options and better able to deal with issues on hand and directives from the Minister” Chief Executive Officer, Finance

“The programme helped to some degree in preparing staff for a promotion. All of our staff have attended the training except for administrative

and new staff. Of the five staff who have attended the program, two have been promoted and three remain in the same role. Staff attrition has not been an issue.” A Supervisor.

Box VII.1: Improved Staff Performance in a Pacific Central Bank

A deputy governor, who attended the SCFMP, confirmed that the performance of her staff improved significantly after they attended SCFMP. The deputy governor said that one participant was motivated to implement her challenge upon returning to her job. Her leadership and negotiation skills improved a lot as is evident from the outcome of the renewals of staff and building insurance policies, new building projects, etc. The assistant governor, who attended the SCFMP, stated *“Because both myself and one of my senior managers attended SCFMP, we could work together better and more effectively. What we learned from the SCFMP has contributed a lot to how we address and manage operational matters from the perspective of the central bank as a whole. We learned a lot from the technical programs but much more from the softer skills of leadership and negotiation. We are both better managers, better able to consider and incorporate issues from the policy areas of the central bank and we can negotiate things more professionally and effectively, like building maintenance projects, IT projects and the building and staff insurance policies.”* He explained that the SCFMP helped them to be better prepared to present and convince the executive management and the Board of directors. According to the deputy governor, an assistance governor became a better manager after attending the SCFMP. He gives better financial statements and human resource management advice. She stated that she *“could trust him more to manage operational issues. His preparation of the financial statements and annual budgets are clearer, more effective and very timely because he now appreciates the bigger picture and the overall functions of the central bank. After attending the SCFMP, he better appreciated the cost of monetary policy measures, anti-money laundering related measures, financial supervision issues and their linkages to the operation of the central bank.”*

Source: SCFMC Evaluation

Box VII.2: Improved Confidence and Performance of Staff in a Pacific Central Bank

An assistant governor has seen improved levels of performance among his staff who have attended the programme. There have been noticeable changes in terms of attitude and confidence to facilitate issues with both financial and non-financial institutions. The participants are from the middle management level in the central bank. It is clear to the assistant governor this resulted from attending the SCFMP. There has been a lot of sharing and re-visiting approaches by those staff in managing the issues and challenges that the central bank encounters. The Assistant Governor believes that the *“world is bigger than their Pacific Island”* so opportunities to be further exposed and to contextualise the knowledge and skills gained to their own unique issues are welcome. The challenge component of the SCFMP provides a realistic opportunity for countries, through their participants, to strategize in a team environment, receiving input from both the speakers and other participants facing similar issues. Those who have not attended and but are under the leadership of those managers appreciated the knowledge gained from the programme and imparted to them by their managers. That is evident from the processes being used to negotiate and consult with the central bank’s clients. The SCFMC should continue to provide this opportunity. The assistant governor rated the return on the time invested in staff attending the SCFMP as an **Exceptional Return**.

Source: SCFMC Evaluation

169. **View from Africa/Indian Ocean:** Those interviewed stated that their organisations got a **Good Return** on the time invested in staff attending the SCFMP. Improvements were seen in the performance of participants although *“it cannot be quantified”*. Heads of organisations, supervisors and participants all agreed that the SCFMP gave participants the skills and knowledge to improve their on-the-job performance and take on greater responsibilities and more challenging assignments (e.g., being assigned more challenging and complex tasks, being appointed to committees to represent the organisation at various levels, including at national and regional levels; being able

to handle difficult situations and difficult people). Thus, attending the SCFMP contributed positively to career progression and most of the participants have been promoted.

“I notice that those who attend the SCFMP have been promoted easily. The programme has given me confidence and improved the way I work. That resulted in me being assigned more complex, high profile tasks. I consider that to be good because as soon as a slot is available, I will more likely to be promoted. I am a member of regional committees. Before I was on my organisation’s committees but after I attended the SCFMP I improved my communication skills and knowledge about finance modules. I contribute more and now I am on more committees at the national and regional levels.” A 2018 participant from a Non-Bank Financial Institutions Regulator.

“One of the four has been promoted. Others have been assigned more responsibilities. One participant is considered to have the potential to be a deputy governor. The others are likely to get promoted to heads of section. We are assessing them. For example, one who attended is very much into technology. I think that in the year he attended there was a module on technology and a lot of aspects are covered. He is on the way to promotion.” Governor of a central bank.

“The course has made them more confident, they are more active and they have taken on more responsibility. They are in line for promotion. This course has brought out their potential and they are more confident.” Head of a ministry of finance, trade, investment and economic planning.

170. Taken together the responses to the ESurvey, feedback from the country studies in all three regions and an analysis of career progression data present consistent evidence that attending the SCFMP contributed to: (i) improved professional performance; and (ii) increased the likelihood of promotion. The evaluation evidence demonstrates that the SCFMP made a Good contribution to improving on-the-job performance and enhancing career development.

B. Impact on the Organisations

171. In assessing organisational impact, the evaluation was looking for things that would have

a lasting, strategic or operational impact on the organisation as opposed to day-to-day activities. Two categories of impactful change were identified: (i) contributing to introducing legal, organisational and structural changes; and (ii) contributing to developing new, or refining existing policies and procedures. The evaluation evidence does not allow for firm, quantitative estimates to be developed that aggregates indicators of organisational impacts. These examples were validated during separate interviews with the participants and their supervisors and sometimes with heads of organisations.

172. Supervisors responded on the ESurvey that their staff **Occasionally** used what was learned at the SCFMP to contribute to introducing organisational and structural changes and used the skills on the border between **Occasionally** and **Frequently** to contribute to developing new, or refining existing, policies and procedures (Table G.4). The challenge, a unique feature of the SCFMP, was designed to tighten the linkage between what was taught in the classroom and the real world that participants face on-the-job. Challenges are the major mechanism that transmit the knowledge and skills learned into contributions that have organisational impacts. The ESurvey results demonstrate strong, positive feedback about including the challenge in the SCFMP. Participants **Neither Agreed nor Disagreed** that more time should have been spent on challenges during the SCFMP. This indicates that in terms of time allocation, the SCFMP design allocates about the right amount of time to the challenges. The ESurvey respondents from the 2017-19 cohort **Agreed** that:

- The challenge helped to prepare them for the SCFMP.
- Practical ideas gained during the programme improved the way challenges were addressed, something that bordered on the cut-off point for **Strongly Agreed**.
- After returning to their jobs, they successfully implemented their challenge.
- They needed more post-course monitoring and support to take the action necessary to effectively address their challenges, something that bordered on the cut-off point **Neither Agreed nor Disagreed** (Table G.5).

173. ESurvey responses confirm that the challenges reinforced the practical, results-focused orientation of the SCFMP and contributed to its relevance by raising the probability that the knowledge and skills learned would be used to help solve real problems when the participants returned to their jobs. That increased the likelihood of the SCFMP contributing to organisational changes. The interviewees were impressed with the way that the challenges were digested and incorporated into the programme. Gaining practical ideas during the programme of new ways to address their challenges enhanced the SCFMP's relevance, usefulness, impact and sustainability of benefits. These views were broadly confirmed during the country studies. Heads of organisations, supervisors and participants all rated the challenge as **Very Useful** as it helped to make the SCFMP relevant to the work of participants. That helped to move the SCFMP from a theoretical classroom approach to something that was “hands-on” and related to the real world.

174. Not all participants were able to successfully implement their challenge – 70% of the participants attending the SCFMP between 2013 and 2019 **Agreed** (39%)/**Strongly Agreed** (31%) on the ESurvey that they were able to successfully implement their challenge (Table G.5). This implies that about 30% failed to implement their challenges. This figure appears to be the upper bound of the proportion of participants that contributed to an organisational impact after attending the SCFMP. The majority (55%) of participants reported on the ESurvey that they used what was learned **Frequently** (29%)/**A Great Deal** (26%) to contribute to organisational changes or structural improvements. Marginally more (61%) said that they used the skills and knowledge learned **Frequently** (28%)/**A Great Deal** (33%) to contribute to improving policies or procedures in their department or organisation (Table D.4). Supervisors were more conservative in their estimates of the frequency that participants used their skills for something that would have an organisational impact. The corresponding figures for supervisors were that 40% [**Frequently** (21%)/**A Great Deal** (19%)] to contribute to organisational changes or structural improvements and 54% [**Frequently** (37%)/**A Great Deal** (17%)] to

contribute to improving policies or procedures in their department or organisation (Table G.4). Although the estimate is not precise, it appears that about half of the participants implemented challenges that had an organisational impact. Based on the experience of the Evaluation Team this is an impressive result for an executive training programme that is not custom designed for a particular organisation and is attended by only 1 or 2 people in an organisation per year.

175. The country studies found that while the majority of participants implemented their challenges, not all were able to do so because of a lack of resources, a change of jobs, changes in governments or organisational priorities or other reasons. Boxes VII.3 and VII.4 illustrate why some challenges could not be implemented. In some cases there were staff shortages (Box VII.3) and in others the challenge was too complex and required support for organisations like the IMF or the World bank (Box VII.4). Because of the strategic importance of these issues, the organisations still hope to implement the challenges when sufficient resources and support are available. These experiences, as well as the experience of some of the challenges that were (or are being) successfully implemented, indicate that it may take several years before a challenge is fully implemented. It further underlines the point that initiatives that lead to organisational impacts cannot be solely attributed to the SCFMP as many other factors are involved.

■ *“It took me two or three years to start the implementation of the challenge due to an initial lack of resources. Once I started, unfortunately, a decision was taken at the national level that the challenge would be implemented by another division under the guidance of a national committee so I was not involved in the implementation. But sometimes, I got reports and they asked for my perspectives.”*

A 2013 participant from a Ministry of Finance and Development Planning in the Africa/Indian Ocean Region.

■ *In one Caribbean country two of the three participants interviewed either did not remember the challenge at all, or the details about the challenge.*

Box VII.3: Legislation to Strengthen Financial Stability in the Africa/Indian Ocean Region

Legislation provides the legal framework for financial sector regulation. Drafting and passing laws in any country is a complex process. A 2019 participant's challenge related to new legislation to enhance financial stability, one of the strategic objectives of a central bank. When the participant went to the SCFMP, he had a different perspective but after getting useful feedback and comments from the participants and speakers, the approach was reframed and improved. Developing a new piece of legislation involves consultations with many stakeholders with diverse interests and opinions. The challenge could not be implemented in the second half of 2019 because of staff shortages. However, the participant is hopeful that the legislation will be developed and introduced in 2020 since he now has two staff who will be helping to address this issue.

Source: SCFMC Evaluation

Box VII.4: Attempting to Implement Basel II and Basel III

Basel II and Basel III are international banking regulations adopted by the Basel Committee on Bank Supervision in June 2004 and November 2010, respectively. Implementing Basel II and III is a major challenge for regulators and financial institutions. Basel II focused on the amount of capital banks must hold to protect their solvency given the financial and operational risks they face and set disclosure requirements. Basel II was implemented in most major economies by 2008. Basel III was designed to reflect the lessons of the 2007/2008 global financial crises to further strengthen the capital requirements of banks by increasing bank liquidity and decreasing bank leverage. Worldwide, implementing Basel III has been slower and more complex than expected. Originally it was expected to be introduced from 2013 until 2015 in major economies but the implementation period was extended until 1 January 2022. The challenge of an official from the central bank in the Africa/Indian Ocean Region who attended the 2014 SCFMP

related to how to implement Basel II and Basel III. The participant stated that some of the technical modules of the SCFMP provided new perspectives on how to address Basel II and III, which was very helpful. Upon returning to his job, the participant tried to implement the challenge. However, implementation is still a work in progress. Although the central bank had a timeline to implement Basel II and Basel III, it was not adhered to. Implementing Basel II and Basel III is a very complex undertaking that requires extensive capacity building and human capital, both in the central bank and in local financial institutions. Doing so was beyond the capacity of the central bank and external assistance is required. There are ongoing efforts to try to mobilise technical and financial assistance from the IMF and World Bank assistance but that has taken longer than expected.

Source: SCFMC Evaluation

176. **View from Caribbean:** While many of Caribbean participants implemented their challenges, the country study found that some of the participants made no attempt to do so. Samples of the implementation of challenges are summarised in Boxes VII.5 to VII.7. These three examples illustrate some organisational changes that the SCFMP contributed to including strengthening the procedures for resolving failing financial institutions, strengthening the capital budgeting process and improving the documentary procedures for a monetary council. Examples of changes that were not implemented and suggestions of how to increase the probability that challenges would be implemented include:

■ The governor of a central bank believes that the requirement for the submission of a challenge and the attempt to focus on a resolution of that challenge *“gives the programme a unique advantage over programmes of similar nature.”* However, he believes that more follow up is needed on the implementation of the challenge after the participants return to their jobs. He went on to say *“the region should become intentional in giving focus to implementing the challenges.”* He suggested that could be achieved through a regional alumni network so that participants can

draw on support from each other when trying to resolve developmental challenges as they arise. He further believes that countries should not lose the advantages of the SCFMP by ensuring that they empower participants to implement their challenges on return from the programme.

Box VII.5: Creating Financial Stability in a Caribbean Banking System

The challenge of a participant from a bank supervision department involved establishing a resolution regime designed to ensure that failed banks were resolved in a way that minimized damage to the financial system and impact on public finances. Several of the topics covered in the SCFMP prepared him for the reality of trying to implement a fairly large and complex legislation package. On returning home, he realised he *“needed to spend time building consensus, and while I had focussed on the technical proficiency, I had also learnt that I needed to focus on social engineering.”* As a result, meetings were held with various stakeholders. Some aspects of his challenge have been implemented. There is now draft legislation to be tabled and debated in parliament in 2020. Prior to his attending the SCFMP, there was nothing in place to systematically resolve failing financial institutions in a manner that limited the damage to the financial system. Overall, he felt that *“this programme is exceptional in the way in which it provides thought leadership and in grooming public sector leaders to take on responsibilities that they have to assume in a few years”*. He also stated the *“negotiations aspects of the course were excellent.”*

Source: SCFMC Evaluation

Box VII.6: Revamping the Project Development Process in a Caribbean Country

A participant’s challenge involved the failure of line ministries to include maintenance costs in their capital budget submissions during the project approval process. That often led to financial issues after project completion, which put the fiscal and financial systems under stress. With the help of the SCFMP, she reshaped her challenge as a broader capital project development concern. The solution lies in providing more appropriate training in project development across ministries, with the ultimate aim of changing the way that

capital projects are presented for inclusion in the annual budget. Working with key stakeholders, including the Financial Secretary’s office, some small but useful changes have been introduced in the project development process. Some officers from line ministries have received specific training on this matter. The participant recognized the fully addressing this concern *“is a work in progress”*, but she is confident that with the continued support of key stakeholders, capital project submissions by all ministries will conform with internationally accepted norms. Her supervisor confirmed that she has seen how *“incomplete submission of project proposals”* has caused problems for the Ministry, and is *“pleased with the small, but important steps which are being made to address the concerns.”* She attributes these changes to her staff attending the SCFMP.

Source: SCFMC Evaluation

Box VII.7: Changing the Preparation of Papers for a Caribbean Monetary Council

The challenge of a senior director in a central bank who attended the programme in 2016 was a re-examination of how the papers prepared for the monetary council were presented. Since returning from the programme, *“we have changed how we present papers to the Council”*. This was important because those papers often presented information that supported requests for making strategic decisions. Even though she has since been promoted to a new position in the central bank, the participant stated that *“I was able to transfer the skills from the old department to the new department. The projects which I prepare are not only for the bank, but also for our sovereign member countries. They have a long-lasting strategic impact on the organisation and on the countries. Overall, the SCFMP helped me to become a better leader and better manager by understanding how to break down a problem into manageable bits. Also, to see how other people approach things and to get the cross-cultural aspects and to appreciate a wider global perspective.”* *“I also see how people who have attended the programme are able to apply the knowledge to their work”*. The participant said that *“other programmes are more narrowly focussed, the SCFMP – it is more strategic. It builds a cadre of professionals who can assist in implementing the*

region's development agenda. Also, I found the programme to be a lot more useful, more impactful as a manager and leader, than other similar programmes which I have attended". Furthermore, "in the region, it builds a cadre of professionals, who are able to assist the public sector reform and public sector improvement which is so necessary for regional advancement and to build the regional development agenda."

Source: SCFMC Evaluation

177. **View from the Pacific:** The Pacific country studies identified examples of participants using the skills and knowledge to help build the capacity of their organisations by implementing their challenges. Heads of organisations and supervisors confirmed in separate interviews that attending the SCFMP contributed to these changes. Five specific examples of organisation impacts are described in Boxes VII.8 to VII.12 that covers both financial regulation and public financial management. The examples of institutional impact cover areas such as regulatory enforcement and compliance, including AML, business continuity/disaster recovery/cybersecurity plans, improving treasury functions and public procurement. Some of the examples show that when several participants from one organisation attend the SCFMPs over a number of years, there can be a cumulative impact on the organisation as a cadre of well-trained senior officials is built up. All of the examples show that improved staff performance was a major contributing factor associated with the organisational impact.

Box VII.8: Cumulative Impact of Strengthening the Regulatory Function in the Pacific

An assistant central bank governor was the manager for banking systems when he attended the 2010 SCFMP, one year after the deputy governor attended. Since then, 4 other central bank officials have attended. As the manager for banking systems, he oversaw the soundness and stability of financial institutions. This entailed ensuring that financial institutions had enough liquidity to service their financial obligations, adequate capital and effectively managed risks. In retrospect he believes that his country had limited exposure to

issues such as anti-money laundering. Including both technical and management skills in the SCFMP was useful in strengthening the central bank's regulatory capacity over the years. Those skills have helped develop the necessary regulatory policies and standards. These skills sets enabled the central bank to undertake more successful consultations with financial institutions and negotiate policies and standards collaboratively with minimal unfavourable responses. The SCFMP provided the opportunity to discuss, reframe and improve the challenges prepared in advance of the course. The assistant governor believes that the all-encompassing approach in implementing the challenges in the workplace has helped to lift the level of compliance of the financial institutions. *"Over the last ten years, so much has changed in these areas especially with the level of compliance. This was overcome mainly through a change in approach and how we dealt with them and applied the knowledge acquired. The environment is more transparent. We have better working relationships. Part of this success is the application of this approach."* Attendance of central bank staff over the years has helped strengthen and improve financial regulation and monitoring.

Source: SCFMC Evaluation

Box VII.9: Managing Relationships as a Financial Regulator in the Pacific

The deputy commissioner of a financial regulator attended the 2017 SCFMP, after having been in that position for a year and a half. She felt that was an ideal time to attend as she was no longer new in her role and was able to apply the knowledge and skills. Her challenge was how to get all the stakeholders on board to prepare for the Mutual Evaluation on Anti-Laundering and Countering Financing for Terrorism. This participant described learning through theory, specific content and by example as being effective learning methods. *"It is useful to understand the principles behind how you approach your work and sit back and consider what drives our work."* *"Specific learning from the training included the importance of having a document register, coordination of people, communicating with people and being proactive. The result of the evaluation was that the*

report was noted for a high degree of technical compliance and a very good report for the country – the best result possible was achieved.” “Week one was practical from the regulators perspective.” “The second part of the training was particularly useful for my challenge because it was around people management and included sessions on negotiation and communicating.” She learned from the way the SCFMP was organised and managed. “One of the main things that I learned was around organisation and the importance of being organised, because the training itself was so well organised and structured.” She reflected “It’s all about managing relationships with people, especially about the best way to exercise professional judgement... (The training) provides insight on how to manage people, that is a key role of our organisation – to gently manage people and not so gently as the last resort.”

Source: SCFMC Evaluation

Box VII.10: Improving Public Financial Management in the Pacific

The challenge of the deputy chief executive officer, treasury was the “*lack of public finance management capacity.*” She strongly believes that there is no use in having a robust public financial management system and recommending a lot of reforms without having the right people/capacity to drive implementation. Delegating financial authority is needed but taking up that responsibility, especially at the line ministry level, has been challenging due to limited institutional capacity. Investment in staff capacity is key to implement and sustain long-term positive impacts in the performance of public finance management by the treasury, the line ministries and the whole of government. Financial management roles are centralized at the ministry of finance. It must have the people with appropriate knowledge and skills working for the treasury department. They need to understand and appreciate the importance of managing public funds and their accountability to taxpayers and stakeholders. Her challenge was discussed and improved during the SCFMP group discussions. It was reframed to revise the treasury instructions to make them clearer, more user friendly and to train treasury and line

ministry staff on the revised instructions. She was keen to implement the proposed solutions on her return to her country. She provided a back to office report to the head of division meeting with the chief executive officer, sharing the focus of the SCFMP, her challenge and the proposed solutions and how useful and relevant the SCFMP was to her and the ministry of finance. She provided recommendations to revise the treasury instructions and to streamline some processes. She drafted a communication strategy to be used within the treasury division, trained and upskilled her team and liaised and consulted more with financial managers in line ministries. All this contributed to improving the public finance management capacity not only within treasury but across line ministries. The soft skills covered in the SCFMP like leadership, negotiation and change management were very useful in implementing the challenge. Executive management has noted that the overall performance of the treasury division has improved. With streamlined processes in place, a revised treasury checklist and trained staff, payment processing turnaround time has improved significantly. Treasury division staff are more confident in carrying out their financial roles within the division, they are starting to recognise the importance of the underlying principles of accountability and transparency and in carrying out their duties more generally. Relationships with line ministries has improved. Implementation of the reframed challenge resulted in an improved, more efficient and more effective public financial management processes, improved payment processes, better compliance, better customer service and happier stakeholders and customers. This will have long-lasting, positive impacts on the treasury and the ministry of finance.

Source: SCFMC Evaluation

Box VII.11: Business Continuity, Disaster Recovery and Cyber Security Plans

The challenge for a participant from a Pacific central bank was how to convince executive management and the Board of directors of the importance of a comprehensive set of Business Continuity, Disaster Recovery and Cyber Security Plans. Her Pacific Island country often faces natural

disasters like cyclones. During such times the central bank must ensure uninterrupted, smooth operations like daily settlements with domestic and international commercial banks, staying connected with international clients, following developments in international markets, etc. The central bank must have a proper Disaster Recovery Plan in place to be activated when natural disasters occur. While there was one in place, it had weaknesses. The rapid development of cyber-crimes also required the central bank to have a comprehensive plan in place to protect its information and technology systems and to manage related risks. Because developing such plans requires long periods of time and substantial costs, the executive management seemed reluctant to commit to investing in these plans. However, after adopting what she learned from SCFMP, she reframed her challenge and clearly linked it to the objectives of the central bank like maintaining financial stability and promoting a sound and efficient financial system. She divided the project into phases to spread the costs. She was then able to convince executive management on the importance of Business Continuity Plan and Disaster Recovery Plan. Implementation of the plan will start during the next financial year.

Source: SCFMC Evaluation

Box VII.12: Improving Public Procurement in the Pacific

The challenge of the deputy chief executive officer, procurement in a ministry of finance was *"the appropriate procurement thresholds for small island economies."* This challenge was important to ensure prudent management of public funds and to demonstrate that increased procurement thresholds do not compromise the financial stability of the government and contribute to efficient and effective financial management. Because of the nature of a small island country, the government plays a vital role in the economic and social development of the country. The procurement unit manages all large procurements of goods and services for the public sector and therefore deals a lot with line ministries and the private sector. This challenge was discussed and improved during the group discussions of challenges and sharing by other participants on how they deal

with similar issues. This made the participant more open-minded to consider all options and to better appreciate the other side's perspectives when negotiating. The challenge was reframed to revise the regulatory and treasury instructions to make them clearer, more flexible and easier to understand. The challenge was presented to management, including the chief executive officer and all the deputy chief executive officers, upon return from the SCFMP. A specialised legal expert was recruited to draft the relevant changes to the regulations. The treasury instructions were revised, fiscal implications were clarified and the instructions were communicated to all stakeholders. Awareness and training programmes were conducted for the procurement staff in the ministry of finance and line ministries. The procurement process is now clearer and line ministries are more accountable and more careful in procuring goods and services. The procurement threshold was raised and internal controls were enhanced to ensure transparency and compliance. The knowledge and soft skills learned on leadership and negotiation were very useful in conducting of awareness and training programmes. The negotiation skills are also useful for her job in negotiating large projects. The implementation of the challenge has improved the effectiveness and efficiency of the management of government procurement of goods and services and the management of public funds.

Source: SCFMC Evaluation

178. **View from Africa/Indian Ocean:** The main linkage between organisational impact and the SCFMP was through the challenge. Organisational change is a complex process that requires strong commitment from top leadership, a conducive policy/organisational environment, the contributions of many people and considerable resources and time. Some, but not all, participants implemented their challenges after returning from the SCFMP. In some cases, units needed to be established to implement challenges because of its nature, strategic importance and workload. It sometimes took several years to fully implement a challenge. The four sample challenges summarized in Boxes VII.13 to VII.16 cover improving monetary policy, demutualizing a stock exchange, strengthening the legal framework for financial

regulation and developing a strategic plan for a financial regulator. All of these cases have a strategic impact on the sector or organisation. The participants stated that they improved their challenges during the programme based on the course content and inputs for the speakers and other participants.

■ *“The SCFMP is very well structured. It was aimed at getting participants to think about the context and the stakeholders in a way that it is a win-win to all parties involved.”* A 2018 central bank Participant who supervises two other participants.

■ *“It is very good that a real-world challenge is included in the design of the SCFMP. Because that way the participants will have to be alert and active. Most of the time, participants attending international courses just attend to have fun. Challenge made them pay attention and learn new things. There is no scope or room for participants to hide behind other participants and come back with less than they should. In this programme they had to be actively involved and to contribute. The challenge was excellent part of it.”* A Ministry of Finance and Development Planning Supervisor.

Box VII.13: Demutualisation of a stock exchange in the Africa/Indian Ocean Region

Demutualisation of stock exchanges, a key component of the capital market development strategy for many countries, is a lengthy, complex process. It involves changing the legal status, structure and governance of a stock exchange, converting it into an investor-owned corporation and separating the ownership of the exchange from the right to trade on the exchange. This process, which took four years to complete, was overseen by a national committee with representatives of the government and brokers, the Minister of Finance and Economic Development and the management of the stock exchange. The country's stock exchange became the seventh of 28 African stock exchanges to be demutualised, which was a historic event for the country. A 2015 SCFMP participant played a leading role in the demutualisation of the stock exchange. A few months before the SCFMP, the participant was promoted to be the director of finance and banking in the ministry of finance. Her background was in taxation but her

new position required a much broader knowledge of finance and banking, management/leadership skills and managing people. The participant said that the SCFMP was useful and that the timing was ideal, given that she was starting a new position. In addition to learning the soft skills, some of the technical modules were helpful, particularly anti-money laundering. After her return, both the participant and her supervisor said that her on-the-job performance and ability to handle important projects improved. The softer skills learned helped to transform the participant from a manager into a leader. She led the demutualisation of the stock exchange at the technical level from start to finish. The participant, her supervisor and the head of her agency felt that without the negotiation skills, leadership skills and the technical knowledge that she gained from the SCFMP she would not have been able to have successfully undertaken that complex project. A lot of high-level negotiations, influencing and convincing of stakeholders with different points of view and interests were required to ensure the ministry approved the process and the valuation of the exchange, to ensure that the shares were equitably divided between the government and the brokers and to adopt the constitution of the stock exchange.

Source: SCFMC Evaluation

Box VII.14: Improving Monetary Policy in the Africa/Indian Ocean Region

Effectively implementing monetary policy is a major goal of all central banks. The challenge of a 2015 participant related to improving the implementation of monetary policy under a fixed exchange rate regime with liberalized capital accounts. Effective monetary policy implementation is challenging in these circumstances. Drawing on the feedback from participants and speakers, the challenge was improved during the programme. During the SCFMP the participant learned how other countries tackled similar issues. There were some divergent views within the group. The SCFMP made the participant aware how other countries dealt with similar issues, which was a useful *“take home”*. Upon returning to the office, the participant included many of the ideas learned during the SCFMP in the strategic action plan designed

to strengthen monetary policy. With what was learned during the SCFMP the participant gained confidence to implement the challenge and make proposals to improve the implementation of monetary policy. Specially, the negotiation and communication skills helped the participant to convince his seniors and other stakeholders about the need to take certain actions.

Source: SCFMC Evaluation

Box VII.15: Strengthening the Legal Framework for Financial Regulation in the Africa/Indian Ocean Region

Periodically laws governing financial sector regulation need to be amended to reflect best international practice and to avoid countries being sanctioned or losing correspondent banking privileges. A country was given a deadline by the Financial Action Task Force (FATF), an intergovernmental organisation founded by the G7 in 1989 to set standards and promote effective implementation of legal, regulatory and operational measures for combating money laundering, terrorism financing and other related threats to the integrity of the international financial system. The FATF review found issues that required changes in the Banking Act and the Financial Intelligence Act and the adoption of regulations for the electronic payment services for remittances. A 2015 SCFMP participant played a key role in managing the necessary changes to align the laws and regulations with the FATF recommendations. The participant also chaired the committee that drafted the country's anti-money laundering and combating the financing of terrorism strategy, a topic that was covered in several modules of the SCFMP. That strategy was approved in October 2019. That committee involved about 20 or so agencies and institutions (e.g., law enforcement agencies, the police, the security people and a number of regulators like the central bank, the regulators for the non-bank financial institutions and the financial intelligence agency) that had divergent opinions. Amending laws and developing the strategy required many high-level meetings and consultations with stakeholders that had different interests and agendas. To do that effectively, the participant needed to have the confidence to talk

to the stakeholders to explain why changes were needed. The industry and regulators needed to be convinced and meetings with parliament and the cabinet were required as the drafting process proceeded. The knowledge and skills learned at the SCFMP, especially the soft skills like negotiation, convincing, influencing, persuading, leadership and consultation with stakeholders, helped the participant to manage and drive the process. The participant's supervisor stated that the knowledge and skills gained from the SCFMP helped the participant to successfully undertake these major assignments and equipped her to succeed in her job. The participant now has good communication skills and is confident proposing changes to regulations and in convincing people about the need for the changes. The supervisor stated that the SCFMP contributed to improving the participant's performance.

Source: SCFMC Evaluation

Box VII.16: Designing the Five Year Strategic Plan for a Financial Regulator in the Africa/ Indian Ocean Region

The five-year plan is a key document that sets strategic priorities and directions for the main financial sector regulator. Preparing the draft document involves a lot of challenging negotiations to get buy-in from many stakeholders and to gain approval from the senior officials and the head of the organisation. A 2015 SCFMP participant was appointed as the key leader to design the regulator's strategic plan. The participant and his supervisor said that the knowledge and skills gained at the SCFMP, particularly the soft skills like communications, negotiations, convincing people, presenting strong cases and the exercises undertaken during the SCFMP, helped the participant to successfully implement the challenge, which was strengthened at the SCFMP, and manage the complex process of designing the five-year plan. That involved working with many different types of stakeholders. What was learned at the SCFMP helped the participant to make transparent, detailed presentations that were clear to the team. Because of the SCFMP experience, the participant encouraged other stakeholders to contribute and listened to the views of others.

That increased buy-in for the plan and helped to steer the team members towards one goal. While there were some challenges, in the end it helped to produce a better product. The head of the regulatory agency felt that the strategic plan meetings were well managed to get agreement from a diverse group, which is often a difficult task. The head financial regulator said that while his staff receive technical training, they do not typically receive training in the soft skills that are necessary to manage this type of complex process that involves many different stakeholders with divergent opinions and interests. In 2018 the financial regulator launched the new strategic plan, which was a major milestone for the agency.

Source: SCFMC Evaluation

and the time, effort and resources required, impact evaluations are not undertaken for most programmes. In interpreting the evaluation results, it is important to recall that many factors influence whether or not impacts are achieved. There is no direct, causal relationship between one person attending the SCFMP and changes taking place that result in an organisational impact. The most that can be concluded is that attending the SCFMP was one of the factors that contributed to, or is associated with, achievements at the impact level. There is a reasonably robust body of evaluation evidence underlying the assessment of impact on participants' performance and career progression. There is an issue on the direction of the causality, i.e., whether attending the SCFMP caused the improved performance and likelihood of promotion or whether participants were selected that were identified as being good performers and on the fast track for promotion. In the judgement of the Evaluation Team, the causality likely runs in both directions. The evaluation evidence supporting the rating of organisational impact is less robust. It relies on perceptual feedback from the ESurvey, although the views of participants were triangulated against the views of supervisors/heads of organisations, feedback received during the country studies from separate interviews with heads of organisations, supervisors and participants and the identification of illustrative examples from countries that were largely selected randomly. There is also a risk that participants who were performing well, had been promoted and had successfully implemented their challenges were more likely to respond to the ESurvey and consent to be interviewed during the country studies. This potential upward bias cannot be quantified. The interpretation of SCFMP's impact rating must bear in mind these caveats and the lack of objective external benchmarks or metrics to judge success. With these caveats in mind, the rating of the impact of the SCFMP on career progression/promotion was assessed as **Good** as was the rating of organisational impacts. These dimensions of impact were assigned an equal weight resulting in a **Good** rating of the SCFMP's impact.

179. The evaluation evidence demonstrates that the challenges are reframed and strengthened at the SCFMP drawing on inputs from the course material, the speakers and other participants. That puts the participants in a better position to implement their challenges when they return to their jobs. While the majority of participants (i.e., over 50%) succeeded in implementing their challenges, not all do. It is not a reasonable expectation that all participants will succeed in implementing their challenges, i.e., a 100% success rate for implementing the challenges is not a reasonable metric for good performance. The Evaluation Team is not aware of comparable benchmarks that can be used to judge success in this area. The country studies identified a good number of illustrative case studies in all regions where challenges were implemented that could plausibly be expected to have a strategic or organisational impact. Based on the Evaluation Team's experience and judgement, the performance of the SCFMP in this area is rated as **Good**.

C. Assessment of the SCFMP's Impact

180. The literature on executive training programmes shows that evaluating the impacts of training courses is the most challenging aspect of training evaluation. Because of the evaluation challenges, the lack of well-defined evaluation metrics

Table VII.1: Rating the Impact of the Small Country Financial Management Programme

	Weight (%)	Rating^a	Weighted Score^b
Quality, Design and Delivery	50%	4	2.00
Use of Knowledge and Skills	50%	4	2.00
Total	100%		4.00 ^c
<p>a 1=Poor; 2=Modest; 3=Average; 4=Good; 5=Excellent</p> <p>b Weighted Score = Weight*Rating</p> <p>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</p>			
Source: SCFMC Evaluation			