



SCFMC
THE SMALL COUNTRIES FINANCIAL
MANAGEMENT CENTRE

The Small Countries Financial Management Programme



The 2020 Independent Evaluation: *An Overview*

“ Colleagues from around the world explore the professional challenges they face and build the networks for future collaboration. ”



Photo: Isle of Man Steam Railway, Train Station, Douglas, Isle of Man

Small Countries Financial Management Programme

“Expertise and experience shared. That is the mission of the Small Countries Financial Management Centre.

Through its annual programme the Centre enables regulators and public finance officials from small nations to deepen their specialist technical knowledge and their capacity for strategic analysis, negotiation and team leadership.

Two weeks' study in the Isle of Man and Oxford provide the chance to exchange ideas, broaden horizons and test new approaches.”





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“ The idea for the Small Countries Financial Management Centre germinated from a perceived need to strengthen government and regulators’ leadership capacity. ”

Photo (right): Tower Insurance, Victoria Street, Isle of Man
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I Introduction

I HISTORY AND ROLE OF THE CENTRE

The idea for the Small Countries Financial Management Centre (SCFMC), a charity registered in the Isle of Man, germinated from a perceived gap in leadership and management training for senior officials working on fiscal management and financial regulation in small countries.

In 2008, Tim Cullen MBE, then a Commissioner at the Isle of Man Financial Supervision Commission and an associate fellow at the University of Oxford's Saïd Business School, had moved back to the island having retired from the World Bank. His view was that small countries weren't best served by the capacity-building provided by existing international institutions. There was a niche for small countries to be better served if small country solutions could be applied to small country problems, as opposed to the application of large country solutions to small countries.

Cullen persuaded the Isle of Man Treasury Minister, Allan Bell, that this might offer benefits for the island. This is where Mark Shimmin MBE, came in.

"I was Chief Financial Officer working to the Minister in the Treasury," says Mark Shimmin, Executive Director of SCFMC. "The timing was fortuitous, in the sense that we were at that point coming under international pressure in relation to tax issues. The Ministry line was that we were part of the solution, not part of the problem. And we saw this as an opportunity to actually do something tangible in the development space which would benefit small countries but could also help to ensure that they were better prepared to deal with the international challenges that they were faced with," says Shimmin.

The idea was to set up a financial centre, headquartered on the island, dedicated to offering an executive education programme, the Small Countries Financial Management Programme (SCFMP) to individuals from small, developing countries. The Treasury minister agreed to set up funding for an initial three-year period. After that, the Cabinet Office and the Treasury working together found different ways of funding the Programme that has lasted to this day.

I STEPHEN PICKFORD



“We’re trying to help people develop a common set of skills and attributes which people need in order to be effective in their countries.”

Since its inception in 2009 the SCFMC has received the majority of its funding from the Isle of Man Government, primarily to fund the annual Small Countries Financial Management Programme, or SCFMP. In 2016, the Isle of Man Government committed £300,000 a year until 2021-22 to the SCFMC. In 2018-19 it provided a further one off grant of £50,000.

The Centre's USP is to assist small developing countries through a high quality executive education programme targeted at senior officials working in ministries of finance, central banks and financial regulatory bodies in small developing countries, in the Isle of Man and the University of Oxford, akin to what they could experience in a business school – but critically, provided at no cost to them.

Shimmin explains “The SCFMC meets the full costs of the SCFMP: we pay for the faculty, we pay for all the travel and accommodation for those senior officials invited to attend. We provide them with a small per diem for meals. And we do all the organising to get them to and from the Island, the UK and home. The only cost that falls on a participating country is the opportunity cost of being away from the desk for two weeks.”

I MAKING A DIFFERENCE

The SCFMC does not apply a one-size-fits all approach. A small country in the Pacific might have different requirements to one from located in the Caribbean, for example.

According to Stephen Pickford, a former senior UK Treasury official who is now the chair of the SCFMC, every country's circumstances are different, but

“We aim to make a tangible contribution to development in a wide range of small countries in different parts of the world.”

Mark Shimmin

there is still much uniformity in what a Finance Ministry does – which is basically looking after the public finances. A central bank looks after the monetary system and the financial system and is complemented by a financial regulator, whether it's the United States or Samoa.

That means there isn't an excessive need to tweak the programme to the individual country circumstances too much.

“There are fairly common norms and standards to which people work,” says Pickford. “Every country tailors it to their own circumstances. But what we're trying to help people develop is a sort of common set of skills and attributes which people need to develop in order to be effective in their countries.”

The SCMFC differentiates itself from other small country programmes through its offer of “soft skills”.

Pickford says “What some of the other bodies are basically doing is taking a relatively narrow issue and training people in quite some detail and giving them the technical skills to address that issue. We do some of that, but what we're not so much about technical upskilling but providing an effective executive education programme. We're giving people the skills to become effective managers.”

While most business schools can offer short programmes on executive education that provide certain relevant generic skills there are none that combine both technical aspects and “soft skills”, which are of particular relevance to the SCFMC's target audience in finance and public management areas.”

The 2020 Evaluation Report reveals how the Programme's innovative approach has made a real difference – with the data to back it up.

“One of the really interesting things is that it shows pretty conclusively that not only does it benefit

individuals who've gone on the Programme, but that it also increases the capacity of the organisations they work for,” says Pickford.

“Because central banks and finance ministries are very key institutions in these countries, it's improving the overall administrative capacity of the countries and that should be a very good thing for their citizens.”

The Centre's leadership is very encouraged by the results of the Evaluation Report. “What it does is demonstrate that we're clearly on the right track in terms of providing a fairly unique offering which actually helps and which is tailored to what those participating can benefit from most,” says Pickford.

Countries can learn to become adaptive and respond to different circumstances better. Being adaptable, and being able to learn from what works and doesn't work in different circumstances is a key benefit in terms of improving the quality of the administration in these countries.

KEY AIMS OF THE CENTRE

- (a) the organisation and provision of targeted executive education and technical training programmes and material conducted by practitioners and academics to provide improved skills, deeper understanding and general best practice around financial regulation, risk management, and broader management of government financial activities;
- (b) the provision of an international forum for sharing knowledge, encouraging debate and discussion, and driving innovation by the advancement of education and training by hosting conferences, seminars, working groups and networking events for global regulators and industry practitioners from small countries;
- (c) the establishment of an international research and training centre for developing, facilitating, promoting and carrying out research and training into global regulatory issues concerning the international financial services markets in small countries in order to obtain a better understanding of such issues and to publicise, disseminate and publish the useful results of such research and provide a forum for their discussion;

SCFMP's Participating Countries



What of the future? The Centre isn't intending to stand still, and will evolve its Programme as the situation demands. "We would like to do more regional programmes and there is destined to be demand for that," says Pickford. "The problem of course is the funding, but we'll continue working on

that. The evaluation report says we should carry on trying to explore new sources of financing. The Isle of Man government has been incredibly generous up to now. It's up to us to be able to do more, and we are going to have to find additional sources of income."



APPRECIATING INTERNATIONAL ACTORS' PERSPECTIVES

“This is real life – in contrast to many university or technical training courses. You get to learn from those with hands-on experience. It is a brilliant programme.”

Leena Doman was formerly head of licensing and now plays a leading development role at the Mauritius Financial Services Commission, which regulates insurance, pensions, global business and capital markets.

A Programme participant in 2018, she has drawn on the personal, political and negotiating skills that it taught, in her engagement with other key actors – the foreign affairs and finance ministries, the Economic Development Board and financial services industry organisations.

And the technical regulatory sessions have helped Leena

prepare for the external scrutiny of Mauritius by the IMF, in its periodic “Article IV” review, by the OECD Financial Action Task Force and by the joint World Bank-IMF team that carries out the Financial Sector Assessment Programme (FSAP).

“On the technical side, the Programme is really robust. Being taught by experts who had actually been involved in these processes was so useful for my understanding of what these external assessment missions are looking for.”

And the experience of spending two weeks in the Isle of Man and Oxford with colleagues from other small countries around the world brought the added dimension of shared experience: “Although our issues and experiences are all different, we do tend to behave in a certain manner. We have many similar problems. For

example, because we are small, we don’t always have the in-house capacity or the broad range of university courses you might find elsewhere.”

Leena also appreciated the requirement to arrive at the Programme with a “challenge” to be tackled – in her case, how to regulate fintech effectively, but without suffocating the sector through over-burdensome constraints.

“Beforehand, I had to submit a briefing on my plans, which I was then asked to revise and improve – which pushed me to research more,” she recalls.

“Then over the course of the two weeks, it was extensively discussed with experts and scrutinised by my colleagues from other countries. This is where you get insights and new ideas and ways to improve.”

And since returning home, Leena has indeed put this much improved model into practice, leading the creation of Mauritius’ new authorisation regime for Fintech.

“Being taught by experts who had actually been involved in these processes was so useful for my understanding.”

Why the Isle of Man?

THE EMPATHY FACTOR

“We understand first-hand the challenges and problems other small countries face, particularly in relation to delivering to international standards with resource and depth of skill constraints. We understand that small countries don't have the luxury of being able to employ large numbers of people with deep specialist knowledge. And we've got to try and find a way which works for us, both in terms of the resources and the organisational culture we have, but that also meets those international standards, in a way that we can deliver.”

Mark Shimmin,
Executive Director, SCFMC

Why the Isle of Man? Central to the value proposition is “the empathy factor”: it is a small country, even though not a sovereign state. The island has its own parliament, Tynwald, and its own laws, courts, government and Treasury – responsible for direct and indirect taxation and a financial services authority encompassing both banking and insurance regulation.

The Isle of Man shares common characteristics with small countries (a small population; small institutions; limited resources). Yet it also has considerable expertise and experience in dealing with financial sector and fiscal challenges.

“We have an ethos and culture which is empathetic to those small countries’ issues, allied with a clear focus on finding practical solutions tailored to small countries’ needs and resources,” says Shimmin.

“We’ve got a population of about 83,000, and have all the interior services for that, but we’re also having to increasingly deal with the international pressures, and deal with other governments and international bodies.”

While it can’t change its small size (the island covers 221 square miles), it can nonetheless assist in how small countries conduct their financial management.

“We also understand that we are fortunate in the sense that even now we have greater financial resources than many to draw upon. But we are also very sensitive to the challenges they face in terms of having a limited public sector,” says Shimmin.

The SCFMC understands that senior officials in small countries have to be “Jack and Jills of all trades”. They are expected to have a depth of knowledge on a much wider breadth of subjects than their counterparts in larger organisations. They need a strong blend of technical, managerial and leadership skills, with the ability to work effectively both within their country’s culture and resources, while also being able to represent their organisation and country on international stages.

Meanwhile, the island’s distinct culture, history and scenery – very different to those of most delegates’ countries – add to the pleasures of a visit.

Locating the Centre in the Isle of Man has obvious benefits for the Island itself in terms of helping to

raise its international profile. However, right from the start, it was deemed to be of paramount importance that the SCFMC’s management and operation should be completely independent from the government.

“We were insistent that, if we did take funding from the Isle of Man government, we would be totally in charge, and they supported us in that. It was in everyone’s interest, because, if it had looked like a PR exercise for the island, the Programme would not have had the credibility it has today,” Cullen says.

However, officials from the island’s administrative bodies play an important role and offer their experience and expertise to delegates as part of the SCFMP. Evening receptions also take place, where participants meet prominent people in the Isle of Man government and business community and which are supported by the Island’s Lieutenant Governor, The President of Tynwald (the Island’s Parliament) and the Chief Minister.

■ VALUABLE EXPERIENCE SHARED

When these people share their experiences, attendees discover that the similarities between the last 60 years of the Isle of Man’s history and those of many small countries around the world are more striking than some may have imagined.

Learning from experience, the island enjoyed a steady and sustainable recovery, leading to today’s much improved economy compared to 20 years ago, even allowing for fluctuations related to the health of the global financial system and now the Covid-19 pandemic. Residents have also returned to the island over the years with the population today nearly double that in 1960.

“We tell people very openly about all the things the Isle of Man got wrong and right in the early days of its economic development; how a financial regulator was established, and how various things were tried,” Cullen says. “It’s highly relevant, as it shows an evolution of learning by doing, which is exactly what we’re trying to do with the SCFMP. People really identify with those Isle of Man sessions. They are some of the most popular ones we do.”

Small Countries Financial Management Programme

TECHNICAL DEPTH – AND WIDENING HORIZONS

The modern professional can never afford to stop learning.

In today's fast-evolving world, higher education and technical training provide an essential platform. But it can only be a starting point.

As their careers develop and they take on wider responsibilities, financial officials are confronted by new challenges – whether they are regulators, central bankers or part of the treasury or debt management team.

However small their countries, they must still deal with our ever more complex international environment and the sometimes unforeseen problems that it can present.

Moreover, they have to be able to collaborate effectively with colleagues in their own institution and cope with the complications presented by the wider government and political context.

“At the SCFMP, we certainly aim to develop our participants' mastery of the latest technical issues in their particular fields. But we also seek to go much further, developing their capacity to think in strategic terms and to work out how to negotiate with other actors to find solutions that can actually be implemented,” says Programme Director Paul Fisher.

And the two-week programme has been carefully structured to support this broader agenda, alternating detailed technical sessions, with coverage of much broader policy ideas and the major focus on the “soft skills” required to deal effectively with people and institutions.

“The aim is that participants not only strengthen their technical knowledge but that they also develop their capacity in negotiation or how to advance change in the public sector,” explains Fisher.

“We focus on how to move beyond process and achieve results. Rather than just training people how to do particular tasks, we encourage them to

concentrate on the outcome they need – and we try to take a quantitative and tangible approach.”

And this is where the role of the Isle of Man, as the host for the first segment of the Programme, fits in. The island is itself an example of a small country, whose government must manage an economy and public finances, deliver essential services and oversee a financial sector which has become an important provider of revenue and employment.

So right from the outset, participants arriving from small countries around the world are surrounded by this reality: in the lecture room and on external

WHAT THE SCFMP DELIVERS

“We aim to achieve our objectives primarily through the provision of executive education programmes targeted at senior public sector officials from small developing countries,”
explains the SCFMC's Mark Shimmin.



It is conducted by a faculty of eminent practitioners, business school presenters and academics to provide improved leadership, strategic management and negotiation and influencing skills, and a deeper understanding of best practice around financial regulation, risk management, and improved management of government financial activities.

Eleven years on, the Centre has succeeded in meeting its aim of improving financial governance and reducing poverty by promoting economic development, through the promotion of learning relating to the government financial sector in small countries. The Evaluation Report covering the 2013-2019 period, released in mid-2020, found that it had delivered an identifiable and sustained improvement in the capacity and performance of individual participants and organisations.

visits, they learn about the island's government and economy, the development of its financial sector – and the institutions and the culture of supervision through which it is regulated.

But the Programme also looks at the much broader international context for all small countries as economies seeking to identify viable paths for growth and development.

Participants are encouraged to make a direct connection between what they are learning and their working lives in government and financial regulation. Before travelling to the Isle of Man, each is asked to identify a significant “challenge” that they face – which could range from a specific technical issue to an institutional, political or budgetary complication. And the coaching of participants and the development of their analytical skills starts even before they arrive for the Programme.

“We work with them on the challenge before they travel to attend the Programme,” says Fisher. “Then we pursue this work with them during the whole two weeks.”

On the first day of the Programme participants present and discuss their challenges and also learn about the issues that were faced by past alumni and how these were resolved.”

The next 10 days provide participants with a chance to explore ideas and approaches in discussion with faculty and fellow participants, so that by the end of the Programme they have developed fresh – and feasible – ways of tackling these challenges, which of course will be waiting to be tackled once they return home.

“We stay in touch with alumni and their institutions, to see how they are progressing in resolving these challenges,” Fisher notes.



↑ RISING TO THE CHALLENGE

“We were encouraged to understand what the issues were, and look for smaller wins to start with.”

The skills learnt in the Isle of Man and Oxford have proved invaluable, says LaTeisha Sandy, Director of the Financial Intelligence Unit (FIU) of the St Vincent & The Grenadines government, who attended the Programme in 2019. She highlights the benefits of sharing experiences with a group of other professionals from small countries in such an immersive setting.

Role play and sessions relating to the “challenge” that every participant must seek to overcome during the fortnight proved particularly helpful, she says. The FIU had recently been vested with responsibility

for supervision of designated non-financial businesses and professions, from lawyers to car dealers. Part of Sandy’s challenge involved finding ways to persuade these entities that the Financial Action Task Force’s anti-money laundering measures were necessary and wouldn’t be as invasive as they might think.

“In the role play, we were encouraged to understand what their issues were, and look for smaller wins to start with, rather than making major demands that may have been regarded as intrusive. Reframing questions to be more acceptable is definitely something I learned and which

I have put into practice since I attended the Programme.” Follow-up sessions online in 2020 enabled participants to stay in touch and for the Centre to provide further expertise in a fast-changing operating framework, which must now take account of the COVID-19 pandemic.

“The Programme is designed to promote the continued development of participants and the benefits of this were highlighted with the sessions we had over the summer period on leadership and the role of Fintech in the time of COVID. These have been very useful,” says Sandy.

GOVERNMENT IN A TECHNICAL AGE

A major theme of the Programme's opening phase is an understanding of the major strategic issues that face governments and regulators today – far beyond the specific concerns relating to financial supervision or financial management.

For as participants develop their careers, they often move on from dealing with specialist but narrow technical concerns to take on senior management or leadership roles in which they need to think “big picture” and long term. Many alumni of past annual Programmes have subsequently assumed top posts at national or even regional level.

So, through its Programmes, the SCFMC is helping small countries to build up a cadre of talented future leaders of financial government.

For governments and the public sector in countries large and small are under huge pressure to deliver administration and services in more efficient and adaptable forms. Resources are not infinite, yet expectations continue to rise.

That can demand big changes in public sector institutions that are not always comfortable with difficult change. The programme explores the ways in which they can adjust to today's evolving and often tough circumstances.

Risk is also inherent to the task of government, and not just the realm of financial regulation. This too is an area where Programme participants are encouraged to think back to first principles and develop an understanding of the issues that have to be weighed up in assessing risk and the ways that it can be managed, contained and regulated.

The Programme is constantly evolving, in response to the changing government and financial environment in which its alumni work.

For example, with information technology such an integral part of economic life and the functioning of both the state and the financial sector, the Programme has developed a section addressing fintech and the challenges that it presents.

“We are building up our coverage of development issues and financial stability, taxation, monitoring and financial sanctions,” reports Fisher. “And now we are preparing to introduce a segment on financial crime.”

PAUL FISHER



“We work with each participant on a key professional challenge.”

Meanwhile, the effective management of public finances and the rigorous regulation of banks and other institutions depends on a thorough mastery of the detailed technical issues relating to these areas. So mid-way through the Programme, participants divide into two groups – regulatory and non-regulatory – for two days of specialist teaching.

While the regulators deepen their knowledge of issues such as licensing, standards, the supervision of troubled institutions and the prevention of terrorism financing, financial crime and consumer protection, the non-regulators study public finance cash and debt management.

The programme is pretty intensive, but there is also space to breath. The first week of the Programme concludes with a tour of the Isle of Man, its historic sights and its rugged uplands and spectacular coastline.

The next morning brings a flight back to the United Kingdom in preparation for a week at Oxford University's Harris Manchester College.

LEADING IN A SOCIAL CONTEXT

And after a first phase focussed largely on the work of government and financial regulation, this second stage of the Programme is oriented largely towards the “soft skills” of personal leadership and influence, and how to persuade and negotiate – taught in part by faculty from the University's Saïd Business School.

In real working institutional life, participants will have to make the case for their ideas, understand the concerns of their colleagues and counterparts in other divisions of government, and negotiate to



GETTING THE BIG PICTURE

“Speakers brought decades of experience to the Programme.”

“The course contents provided a good mix of issues for discussions,” says Ianesi Faasisila Enosa, human resources manager at the Central Bank of Samoa. “The information shared was significant in terms of volume and depth, and also in terms of the quality of content. Speakers that were engaged by the Programme came with decades of experience, and spoke confidently of the challenges and solutions that could be adopted by small island states. The calibre of participants was also very high. The level of engagement was high, and the competency of participants in the respective fields they represented was quite impressive.”

Enosa also appreciated the way that the Programme suggested ways of reframing issues – which is something that regulators need to do, as they develop different approaches, to get better outcomes and react to the changing environment in the global financial sector.

“One of the most interesting benefits was around soft skills and our self-awareness... Advocacy skills, active listening, inquiring and effective communication are key. Secondly, using principles of negotiation...being aware of biases and being aware of different cultural norms and expectations.”

The programme’s encouragement for participants to look at the wider picture “get off the dance floor and onto the balcony” was also helpful, Enosa felt.

“As leaders of regulatory institutions and national economies, we needed to step back and reflect. We needed to look at the big picture. We needed to look at the impacts of our actions, and recast how we could do things differently and smarter.

“I was mesmerised with the variety of information available to us not only from the speakers, but the wide experiences shared by the participants. I was personally inspired by most of the content and knowledge of speakers, and the passion of individuals to drive what in their minds would be the best options and solutions for the challenges faced within small economies.

Killer aspects of the Programme that I quite enjoyed were topics around the soft skills – from transformational leadership to being powerful influencers. The topics on negotiations in terms of applying negotiation skills and strategies, and conducting negotiations across cultures were insightful.” The session on inspirational leadership was quite refreshing.”

“As leaders of regulatory institutions and national economies, we needed to step back and reflect... We needed to look at the impacts of our actions, and recast how we could do things differently and smarter.”

secure vital resources of funding and manpower. They will have to argue and convince, to build alliances and see how they can accommodate the worries faced by those they are dealing with.

“By the second week, participants are playing out roles and boosting their soft skills. We have a big session on influence and understanding the perspectives of other people and how to identify sources of power within organisations,” Fisher explains.

More than a day is given over to the teaching of negotiation skills and this concludes with a lengthy role play, in which the participants take parts in a fictional financial sector case study and act these out, to apply the techniques and understanding they have been taught in the earlier part of the session.

There is a segment exploring how to provide inspirational leadership, drawing lessons from Shakespeare’s Henry V.

The Programme also addresses negotiation across cultures – an unavoidable part of governance in small countries that accept foreign investors and often regulate offshore institutions, that must deal with the likes of the World Bank, IMF and OECD and work with other states to build alliances and win arguments within the international system.

“There are lots of technical centres out there. But the USP of our programme is the teaching of these soft skills,” says Fisher. “We even have a group of actors who coach body language and pitch of voice, how to move and how to express ideas for an audience.”

Yet, as in the first phase of the Programme, these broader themes are also constantly related back to the real world of government and financial regulatory institutions where the participants will return to work when they are back home.

There is a briefing on small state challenges in the global economy – a sobering listen – and then a return to the participants’ own challenges and the progress they have been able to make over the two weeks in developing their strategies for tackling these.

And in response to the stresses that Covid-19 has presented, the programme is developing an online dimension, to run over the months before and after each year’s programme, and including elements

TIM CULLEN



“Learning by doing – that’s our aim at the SCFMP.”

especially tailored to current circumstances, such as the management of teams remotely.

The overall aim is to blend people skills with technical capabilities.

“The technical themes are sometimes easier to master and yet even here we are trying to encourage the capacity to analyse, explain and present, to broaden perspectives and stimulate fresh ways of thinking,” says Fisher.

“One of the opening messages of the programme is to ‘get out onto the balcony’ and think big picture. We do get into a lot of the granular stuff – but always within the macro environment.

“And one of our priorities is to ensure that people use what they learn. We are deepening our engagement with our alumni – of whom we have 270 or so, who have participated in 11 programmes. For example, we now have WhatsApp groups.”

“The Programme is in really good shape. But we are always looking to keep that balance between the theoretical and the practical, between hard skills and soft skills and to build up our network through which participants present and past, in small countries around the world, can share their experiences and ideas.”



I The Second SCFMP Evaluation Report – its rationale and scope

An independent evaluation of the SCFMC was published in 2020, covering the Centre's work between its inception in 2009 and 2019, with a focus on the period from 2013 onwards. This is the second such evaluation, the first report having been published in 2012.

The purpose of the evaluation is to enable the Board to assess the performance and impact of the SCFMC and SCFMP, identifying strengths and weaknesses, and providing a robust evidence base for determining future strategic, policy and funding decisions.

The evaluation report is also regarded as an important tool for the donors who finance the Programme and to enable organisations whose staff may take part in the Programme to gauge its effectiveness.

Providing such evaluations requires considerable expertise and effort. Both the consultancy McKinsey and the IMF's Institute for Capacity Development have recognized the challenges involved in evaluating training programmes. There are few independent evaluations of such programmes that assess how the skills and knowledge learned are applied on-the-job, the impact on job performance and career progression and sustainable organisational impacts.

But the Centre believed that the heavy investment of time and resources by skilled professionals required to do a thorough job was highly worthwhile. Right from the Centre's inception, periodic independent evaluations were regarded as essential for its success.

"We wanted to operate like a mini version of a rigorous multilateral organisation and commissioned these evaluations as part of our efforts to do that. That is also reflected in our decision to have representation from beneficiary countries, as well as donors, on the Board," Tim Cullen, SCFMP's founder, says.

I AN EXPERT EYE

The second evaluation, like the first, was led by Bruce Murray, who brought his deep experience in the field to the task. He was the first Director of the Evaluation Office at the Asian Development Bank and has carried out evaluation work for the IMF, among many other development roles. The team also included former government officials and experts with considerable experience of the financial sector in small countries.

I The Evaluation Team

- I **BRUCE MURRAY** – team leader, had overall responsibility for preparing the evaluation approach and methodology, designing the online tracer surveys and preparing the report.
- I **LAURA ANTHONY BROWNE** – former Director of Planning/National Authorising Officer of the government of St. Vincent and the Grenadines, former head of the Debt Management Unit in the Eastern Caribbean Central Bank and an SCFMP alumnus (2010) prepared the Caribbean report.
- I **HILARY GORMAN** – independent researcher, adviser and development practitioner, prepared the Cook Islands' report;
- I **SIOSI JOYCE MAFI** – former governor of the Reserve Bank of Tonga, prepared the Tonga report;
- I **DR. MARIYAM SHAHUNEEZA NASEER** – Education and Research Consultant and Founding President of ConVEYE Maldives, prepared the Indian Ocean/ African report;
- I **KOLONE VAAI** – former Financial Secretary for Government of Samoa and now Managing Director of KVAConsult Ltd, was involved in the 2012 SCFMC evaluation and prepared the Samoa report.
- I **EMMA MURRAY** – survey administrator, undertook the statistical analysis.

I A COMPREHENSIVE APPROACH

The evaluation focused primarily on the SCFMP, but also covered the Cook Islands' Negotiation Programme and the High-Level Forum on Governance and Strategy.

While the evaluators were contracted by the SCFMC, they had complete freedom to form their own opinions and to reach conclusions based on their analysis. If there were differences of opinion between the evaluators and the SCFMC, the views expressed in the report were those of the evaluators.

The directors and management co-operated fully with the evaluators in answering their questions and providing clarification where sought, but did not seek to influence the findings and recommendations of the evaluation.

Central to the evaluation were extensive interviews with former Programme alumni, many of whom now hold prominent roles in finance ministries, regulatory bodies and other organisations. The team assessed how effective the Programme had been in assisting those alumni with their work, and what needed to be done to improve its effectiveness.

Evidence was also gathered from these alumni's employer organisations, augmented by extensive data research.

The evaluation team's main findings are summarised in the next section, followed by some of the key points in the SCFMC Board's response to the team's recommendations.

I THE EVALUATION REPORT FINDINGS: A SUMMARY

The evaluation team concluded that the SCFMC had "developed and delivered very good products" and that it was meeting the objective of improving the on-the-job performance of participants and contributing to building the capacity of ministries of finance and financial regulators in small countries.

The team identified various lessons to be learned and made associated recommendations, but stressed these were designed to fine-tune an already good product rather than strategic recommendations that would have a major impact on the SCFMC.

The evaluation was designed to answer one overarching question and several more specific

questions. The main findings and the team's recommendations are outlined below.

For the evaluation team's more detailed responses, please see the full Evaluation Report, available to download on the SCFMC website www.scfmc.im

I THE "OVERARCHING" EVALUATION QUESTION

"Has the SCFMP delivered an identifiable and sustained improvement in the capacity and performance of individual participants and organisations?"

The evaluation team concluded that the SCFMP had clearly delivered identifiable, sustained improvements in the capacity and performance of both participants and organisations.

Almost a third of organisations reported they received an **Exceptional Benefit** (i.e. the participant contributed to important organisational, policy or procedural changes). Most of the remaining two-thirds reported receiving a **Good Benefit** (i.e., clear improvement in the on-the-job performance in technical, management and/or leadership areas) from their staff attending the SCFMP).

All nine country studies made for the report and the special study of the Eastern Caribbean Central Bank found that both participants and organisations benefitted from the SCFMP.

The Relevance, Effectiveness (i.e., quality and use) and Efficiency of the SCFMP were all rated as **Excellent**. Sustainability and Impact were rated as **Good**.

The evaluation team reported that participants used what they had learned on-the-job, and that management skills had also proved portable across jobs, even if technical skills required may change in a new role. The erosion of the benefits to countries, organisations and participants because of staff turnover or migration was found to be low.

There was evidence that sending multiple participants from individual organisations to the SCFMP over the years – as has often been the case – builds up a trained cadre of senior officials that strengthens the organisational benefits of the Programme.

Attending the SCFMP contributes to improved on-the-job performance, preparing participants to handle high-profile, complex tasks and making them better managers. These factors increase the likelihood of promotion, according to the Evaluation Report.

All country studies found multiple examples of new/improved policies and procedures and some examples of organisational change or improved legal/regulatory frameworks, relating to areas covered in the Programme.

I SPECIFIC QUESTIONS

Are the objectives of the SCFMC clear, consistent with the purpose/objectives of the SCFMC, and relevant to the goals of the participants, institutions, and countries?

The team said evidence was compelling that all training provided by the SCFMC was **Highly Relevant** for the target audiences and countries.

The Programme content was rated highly in terms of topics covered and addressing the needs of small countries and senior officials working in the fiscal and financial regulatory areas. The Programme filled a niche and does not duplicate programmes put on by other agencies.

Overall, the relevance of SCFMC's Programmes was rated as **Excellent**.

Factors contributing to the relevance and uniqueness of the Programmes are the focus on small countries, careful participant selection, covering both management and technical issues, the "challenge" component and the Oxford/Isle of Man branding.

The excellent speakers and pedagogical techniques contributed to the high quality of the Programmes, the team reported.

Consistent with the SCFMC's objectives, the Programme content is unbiased by any particular regime, draws on the practical experience in small countries and elsewhere and reflects an understanding of global regulators and good industry practices.

The SCFMC is a small organisation with limited staff and budget and has not allocated any resources to undertaking and publishing research. In the evaluation team's opinion, it was a wise strategic decision to focus limited resources on staging relevant, first-class executive training programmes, rather than financing research.

How did SCFMP perform in relation to its stated objectives?

The work and activities of the SCFMC were rated as **Good**, bordering on **Excellent**.

The SCFMC fulfilled its mandate of providing relevant training for senior officials in small countries. Feedback was overwhelmingly positive about the relevance, content, quality, practicality and delivery of all training Programmes.

What was the impact of the Programme on the growth and development of participating individuals, and their ability to deliver improvements in their organisations and countries?

The SCFMC's flagship Programme, the SCFMP, had a **Good** impact on both the performance and career progression of participants and at the organisational level. The Cook Islands' Negotiation Programme also contributed positively to career progression.

The team said there was robust evidence that attending the SCFMP contributed to career progression and promotion by improving on-the-job performance and equipping participants with managerial skills.

I What are the "challenges"?

As part of the application process, participants are required to prepare a challenge related to their work, and their supervisors are required to sign off on it. During the Programme, the challenges are refined and strengthened based on what is being learned during the SCFMP and with input provided by the speakers and other participants. The participants are encouraged to consider new ways of thinking about their challenges, how to reframe them and how to provide leadership in tackling the challenges in practical ways, given the realities of working in small developing countries.

The “challenge” was a key element of the Programme design that helped the SCFMP to contribute to organisational impact (e.g. organisational changes, introducing or changing laws, policies, procedures or regulations).

During the evaluation period, the SCFMC improved the way that the challenges were formulated and improved during the Programme. Many, but not all, participants succeeded in implementing their challenges. The country studies identified significant numbers of challenges that were implemented and resulted in organisational impacts.

What was the quality, relevance and usefulness of what was taught during the SCFMP?

The effectiveness of the SCFMP was **Excellent** in terms of the quality, design and delivery of the SCFMP; and use of the knowledge and skills. The content, speakers and pedagogical techniques were all **Excellent** for the SCFMP, the Cook Islands’ Negotiation Programme and the High-Level Forum on Governance and Strategy. Participants frequently use the skills and knowledge learned on-the-job, according to the team.

What lessons were learned, including gaps and areas for improvement that require particular attention from the SCFMC in the future?

The evaluation did not find major problems that seriously detracted from the relevance, effectiveness, efficiency, sustainability and impact of the SCFMC.

However, the team concluded that some issues should be addressed to improve an already good level of performance:

- (i) Finding mechanisms to allow more small country representation and diversity on the Board.
- (ii) Fine-tuning the list of eligible countries.
- (iii) Diversifying the SCFMC’s sources of financing.
- (iv) Taking more vigorous steps to promote networking among participants.
- (v) Making further efforts to encourage the implementation of challenges.
- (vi) Actively encouraging participants to formally share SCFMP materials and what was learned in their organisations.

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

How much appetite is there among participating organisations and countries for the SCFMC to develop ongoing engagement with past participants, online learning, and regional and second-generation programmes?

There is clear evidence that there is interest in all regions for the SCFMC to have ongoing engagement with the alumni.

One of the benefits of the SCFMP is engaging during the Programme with participants from other small countries who are working on similar issues and are facing similar challenges. The networking opportunities were valued, but the SCFMC had not taken active measures to promote post-SCFMP engagement, the team noted.

There is a demand for regional niche programmes that the SCFMC provides, especially for “soft skills” type training, assuming that the SCFMC maintains the excellent quality and unique features of current Programmes.

The Cook Islands’ Negotiation Programme and the High-Level Forum on Governance and Strategy demonstrate that the SCFMC can successfully deliver customised training at the local level, either in partnership with a government or with the IMF regional technical assistance centres.

I LESSONS AND RECOMMENDATIONS

The evaluation report identified four lessons and made corresponding recommendations.

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

The SCFMC has been able to organise and deliver a world-class executive training programme for its target audience, while keeping cost per participant nearly constant over the decade.

Over the years, small country representation on the Board has fallen. Initially, there were three

representatives from small countries on the Board, one from each region. Now, there is only one small country representative. Also, the Board lacks gender and ethnic diversity.

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

Providing Customised Regional Programmes:

The Cook Islands' Negotiation Programme and the High-Level Forum on Governance and Strategy show how the SCFMC can deliver high quality, customised regional programmes. Those programmes can either be for one country in partnership with the government and focus on management skills, or be delivered in partnership with the IMF's regional technical assistance centres. They include both technical and management modules.

There is also demand for regional refresher programmes for alumni.

A local partner must be involved to gain support for a regional programme, market the programme, help select participants and look after local administrative and logistical issues.

While the need for such training is clear, considerable work would be needed to develop a workable model to mobilise the necessary financing. Identifying a source of financing will be the key to make putting on regional programmes a reality. The evaluation team believes that the sources of funding with the best potential are the World Bank and the regional development banks.

It will be easier to mobilise such funding if there is a written request from one or more regional ministers of finance or central bank governors. By increasing Board representation from small countries, the SCFMC would be better placed to mobilise support for such funding.

Mobilising funding for customised regional programmes would also help diversify sources of funding, thus multiplying the value of, and reducing reliance on, Isle of Man government financing.

However, the team noted that the SCFMC is a small organisation with no full-time staff, and the speakers have other jobs. These factors, together with the

need to mobilise funding on a case-by-case basis, limit the number of customised regional training programmes that the SCFMC would be able to put on.

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

Strengthening Sustainability of SCFMP

Benefits: The SCFMP already provides sustainable benefits for both participants and their organisations. However, further steps could be taken to strengthen sustainability. These include, among others:

- (i) Engaging more with supervisors to determine what organisations want to get out of "challenges".
- (ii) Developing formal, monitorable action plans to implement the challenges.
- (iii) Taking more proactive measures to follow-up on the implementation of the challenges.
- (iv) Using low-cost technologies to video record the views of participants and supervisors on the status of the implementation of their challenge for monitoring purposes and teaching material.
- (v) Engaging more actively to encourage participants to take steps to share what was learned at the SCFMP in their organisations.
- (vi) Pro-actively nurturing networks among alumni to share experiences and lessons learned.

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

Fine-Tuning the List of Eligible Countries:

After a decade of operation, the SCFMC should fine-tune and update the list of eligible countries. The SCFMC should also consider drawing up criteria or a list of regional organisations that are eligible to nominate candidates to attend its Programmes.

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

SCFMC Board's response to the Evaluation Report: main points in summary

The SCFMC Board fully accepts all the findings of the evaluation and agrees with its recommendations. The evaluation will greatly assist the Board as it reviews its strategy and develops its activities further.

The Board thanks the evaluation team for the thoroughness, rigour and professionalism with which they conducted such a complex assessment.

The Board is pleased to note that the Evaluation concluded that the overall relevance of the SCFMP was rated as **Excellent** and that the work and activities of the SCFMC were rated as **Good** bordering on **Excellent**.

The Board is particularly pleased with the Evaluation's overall conclusion that the SCFMC has developed and delivered very good products, is contributing very positively to building the capacity of central banks, finance ministries and financial regulators in small countries, and is improving the on-the-job performance of individual participants.

By tracking the career paths of Programme alumni, the high rates of retention within government service and the transferability of acquired skills, and by documenting examples of impact even several years after attending the SCFMP, the evaluation will help the Centre to calibrate its Programmes to maximise long-term impact.

RESPONSE TO RECOMMENDATIONS

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

The Centre has successfully achieved high female participation in the Programme from across the Caribbean, Pacific and Africa /Indian Ocean, as the evaluation notes.

The Directors fully support the objective of strengthening the Board by delivering greater regional, ethnic and gender diversity. This is an

issue the Board has previously identified and on which it has already been working to achieve improvement. It commits itself to intensifying its actions in this regard.

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

The Board remains committed to developing customised regional programmes, based on specific regional needs and priorities. The Board agrees with the need to continue to test the market for such programmes, seeking appropriate partnerships with relevant international organisations and support from senior regional officials.

The Centre will also renew its efforts to acquire new additional funding and partners with which to develop and deliver such regional programmes. It will do so by utilising existing Board and management contacts with key regional and other decision makers to seek their support in assisting in the further development of the SCFMC's activities, whilst always maintaining the quality and reputation of the SCFMC's brand.

The Board will task management with devising and implementing a structured outreach programme and the Board will review both that programme and its relative success on a regular basis, at least annually.

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

The Board is very mindful of the necessity to maintain and strengthen the sustainability of the SCFMP's benefits and will continue to review (and where appropriate revise) our strategy for the delivery of this important recommendation.



This will be achieved by maintaining and developing positive relationships with existing donor organisations and by seeking financial and other resource support from appropriate prospective new donors.

The Board has already initiated a series of online Alumni Engagement events during the summer of 2020, on a range of relevant and varied topics. These have used existing faculty as presenters and have proved popular with attending alumni. The Centre intends to continue to develop its online offering and consider additional means of enhancing further engagement with and between alumni.

The Board is pleased that the evaluation report found the “challenge” to be a unique feature of the SCFMP and that it has been successful in translating the learning gained on the SCFMP into action and impact when participants returned to their work.

The Board intends that additional improvement be achieved by continued engagement with participants and their supervisors to monitor the implementation of the challenge to further strengthen effectiveness, sustainability and impact.

The Centre will also adopt a more pro-active approach to communicating with relevant international organisations, heads of participating organisations and potential donors.

In relation to financial sustainability, the Board notes that the evaluation report acknowledged that Official Development Assistance (ODA) budgets are under increasing pressure in all OECD countries.

The general ODA environment is likely to become increasingly difficult and add to the challenges the Board faces in continued development of the SCFMC and its capacity building activities.

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

The Board agrees the need to ensure the list of eligible countries and organisations remains relevant and appropriate, both in terms of the objectives of the SCFMC and those of our funding bodies, and will formally review the list annually at its Annual General Meeting, prior to seeking participants for each annual SCFMP.

“ The SCFMP has delivered identifiable, sustained improvements in the capacity and performance of both participants and organisations. ”



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Photo (right): Tower Insurance, Victoria Street, Isle of Man
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Designed and produced by Artstream Graphic Design
Copy written and edited by InDepth Reporters

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