THE INTERNATIONAL MONETARY FUND'S MANAGING NATURAL RESOURCE WEALTH THEMATIC FUND – PHASE II (MNRW-II)

MID-TERM REVIEW OF PROGRESS FROM JANUARY 2017 TO SEPTEMBER 2021

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BASE

CONTENTS

ACRONYMS

Acronym	Description
CD	Capacity Development
DPs	Development Partners
EQs	Evaluation questions
EVR	Evaluator Rating
EGPS	(WB's) Extractives Global Programmatic Support Multi-donor Trust Fund
FAD	(IMF) Fiscal Affairs Department
FARI	Fiscal Analysis of Resource Industries
GIZ	German Development Cooperation
ICD	(IMF) Institute for Capacity Development
ICDGP	Institute for Capacity Development Global Partnerships Division
IGF	Intergovernmental Forum on Mining Minerals, Metals & Sustainable Development
IMF	International Monetary Fund
KII	Key Informant interviews
LICs	Low Income Countries
LNG	Liquified Natural Gas
MCM	(IMF) Monetary and Capital Markets Department
MMRC	Macroeconomic Management for Resource Rich Countries (course)
MRC	See MMRC
MNRW	Managing Natural Resource Wealth
MOOC	Massive Open Online Course
MOU	Memorandum of Understanding
OECD DAC	The Organization for Economic Co-operation and Development's Development Assistance Committee
OFD	(Norway's) Oil for Development
PFM	Public Financial Management
RBM	Results Based Management
RCDCs	Regional Capacity Development Centers
SC	Steering Committee
SDG	Sustainable Development Goals
SSA	Sub-Saharan Africa
STA	(IMF) Statistics Department
STA-GO	Statistics Department – Government Finance
STA-RE	Statistics Department – Real Sector
STX	Short-term expert
TA	Technical Assistance
TF	Thematic Fund
WB	World Bank

EXECUTIVE SUMMARY

The Managing Natural Resource Wealth Trust Fund (MNRW-TF) is a multi-partner fund established in 2011 by the International Monetary Fund (IMF) to build capacity in low- and lower-middle income countries in managing wealth from oil, gas and mining. The TF is overseen by a Steering Committee (SC) comprising IMF and key donor staff. It is endowed with an approximate budget of $30M.

This report is the mid-term review of Phase II of the TF (MNRW-II), which has been under implementation since 2017. It covers progress to September 2021. It was guided by the OECD DAC criteria and informed by document review, interviews and surveys targeting relevant stakeholders in a sample of six countries and five multi-country projects.

Overall, we rate the TF a 3 (a "good" in the IMF Results Based Management Framework scale) given notable progress despite the difficult context of the Covid-19 pandemic, further compounding absorption capacity challenges that affect the LICs targeted under the TF.

The TF has high **relevance** to key resource management challenges, except for work on monetary and macroprudential policy and central bank operations (module 4), which was disconnected from specific management challenges that governments face from large, and often unpredictable, resource revenue-related cash flows. MRNW-II interventions were also found to be highly relevant to the evolving needs of target authorities. While reviewed interventions were relevant, it was not clear why work on some themes in a given country was prioritized over others. Country strategies are needed to clarify this and make more explicit the links to national development plans and the assistance provided by other development partners. Finally, the TF has seen incipient focus on climate change and gender, but this has been narrow in scope. An acceleration on these areas is possible, and particularly urgent around energy transition issues.

In terms of **coherence**, except for module 4, we found good coherence within the MNRW and with broader IMF work not funded by the TF. In terms of external coherence, good synergies were identified with other development partners, with areas for improvement noted, especially on the need to resume in person coordination meetings with key players after the end of the pandemic. A key strength of the TF lies in its systematic promotion of interagency coordination at the country level. This "whole government" approach is essential to addressing the interrelated governance challenges that affect resource-rich countries.

In terms of **effectiveness**, our review surfaced improvements in i) beneficiary capacity, as also evidenced by improvements in knowledge tests, ii) systems and processes, with notable progress in building data and models that support evidence-based policy making, and iii) in the design and implementation of policies and laws. Beneficiaries deemed that the IMF contribution to these achievements was high.

In terms of **efficiency**, training and technical assistance were of high quality and well sequenced overall. The TF made proactive efforts to adjust to the onset of the Covid pandemic, but virtual delivery, while appreciated by beneficiaries, did not work as well as in-person assistance. TF spending is lagging, mostly due to country circumstances and the impact of the pandemic. Improvements are possible in terms of budget practice, including to prevent inflated budgets that lead to poor allocation of resources.

Despite encouraging progress in improving resource management, it is difficult to observe how these gains translate into **impact**, i.e., overall improvements in economic development of poverty reduction). There are attribution problems and lags. This said, there are important multiplier effects from this program on other players that ensure that MNRW-II gains are amplified and reach a higher number of countries and beneficiaries. Specifically, through FARI, the IMF has had a sizable influence on modeling practice in the sector.

Finally, **sustainability** is undermined by absorption capacity issues such as lack of resources and limited ability to tap into and retain capable staff. This in turn calls for continuous support and tweaks to the IMF HQ mission model to strengthen country level support in between missions.

In terms of **strategy and management**, the TF has applied its country eligibility criteria with flexibility and assistance has been deployed outside LICs where a case could be made. There are tradeoffs in maintaining a focus on LICs that should be considered by the SC. The SC is playing its role well but a refocus on discussing strategic issues is seen as important by both IMF and donor representatives. Finally, the SC has facilitated global and country level coordination, but improvements are possible, for instance by better leveraging the SC for coordination with the World Bank.

In terms of recommendations, we present here the top 5 recommendations in order of priority (the full report presents all 10 recommendations).

1. Climate change is an urgent challenge. The MNRW can do more. We recommend that the **IMF develops a strategy paper for SC discussion with options to bolster MNRW focus on energy transition**, mindful or the TF comparative advantage, and accounting for broader IMF climate work to harness synergies or establish clear demarcation.
2. The rationale for choosing workstreams needs to be anchored in **country strategies** that identify key policy gaps and resulting action priorities, how these align with country development plans and the work of other development partners or broader IMF work.
3. Limited financial resourcing, low staff capacity, and staff turnover jeopardize program gains. **Continuity of support is necessary**. This calls for RCDCs to assume an advisory role around tax policy advice, the bulk of MNRW assistance, and for a move from short-term assistance to long-term support modalities. In this vein, we note clear gains from the use of peripatetic advisers, a key innovation under phase II.
4. The TF can make better use of the **Steering Committee for strategic guidance.** This requires providing digestible information and key strategy questions for discussion at SC meetings as well as evidence of how SC inputs have been taken on board in practice.
5. The MNRW needs to **increase transparency of budgeting and spending**. In the immediate, spending reports should be organized along both project and functional lines and against revised *and* original budgets. Functional line reporting (e.g., staff costs, STX, workshops, travel etc.) will allow for a clearer understanding of which inputs/outputs are absorbing the bulk of financial resources and allow users to compare between modules and projects (or external benchmarks) for more detailed analysis. Project leads should be required to explain any end of project reallocation that exceeds 20% of the original budget to mitigate occurrences of inflated project budgets and late reallocations that divert resources form other more pressing endeavors.

INTRODUCTION

The Managing Natural Resource Wealth Trust Fund (MNRW-TF) is a multi-partner fund established in 2011 by the International Monetary Fund (IMF). It funds a host of interventions to build capacity in low- and lower-middle income countries to better manage wealth from oil, gas and mining. Phase II (MNRW-II) has been under implementation since 2017 until 2024. The MNRW-II is endowed with a budget of around $30 million, with contributions from Australia, the European Union, the Netherlands, Norway, Switzerland and the United Kingdom. Representatives from governments in these countries also sit on the TF's steering committee (SC), along with IMF representatives. They provide oversight and strategic guidance. The IMF's Fiscal Affairs Department provides overall coordination.

MNRW-II is rooted in analytical work (i.e., research, handbooks, templates, modelling tools etc.) that informs country-level capacity development (i.e., technical assistance, workshops, and conferences), and a set of multi-country interventions (i.e., courses, workshops). Phase II has been articulated around five interlinked areas of assistance (or modules): 1: fiscal regimes, licensing, and contracting; 2: revenue administration; 3: Macro-fiscal, public financial management, and expenditure policy; 4: Exchange rate regimes and macroprudential policies; and 5: Statistics for managing natural resources.

Around 21 countries have received assistance in phase II: Bolivia, Cameroon, Chad, Democratic Republic of Congo, Ghana, The Gambia, Guyana, Kenya, Liberia, Mauritania, Mongolia, Mozambique, Myanmar, Niger, Nigeria, Sierra Leone, Senegal, Solomon Islands, Uganda, and Uzbekistan. Other countries have benefited from the program's training and conferences.

This report is the mid-term review of the MNRW-II, conducted between July 2021 and May 2022. It looks at the period January 2017 to September 2021. It was driven by the OECD-DAC research questions and additional strategy and management questions of interest to the SC. The evaluator considered a sample of 6 countries which included projects covering the different workstreams (or modules) that were broadly representative of the MNRW-II as a whole. A sample of multi-country projects was also reviewed: Fiscal Analysis of Resources Industries (FARI), Macroeconomic Management in Resource-Rich Countries course (MRC course), Monetary and Capital Markets Department (MCM)-led interventions and Statistics Department (STA)-led interventions.

The report was informed by a review of documentation (i.e., proposals, progress reports, TA reports etc.), 54 interviews (with SC members, IMF staff, short-term experts, development partners, and staff and leaders from beneficiary authorities) and two surveys (i.e., a global survey targeting SC members and other development partners that received 21 complete/partial responses or a 57% response rate; and a beneficiary survey targeting only country level beneficiaries that received 34 complete/partial responses for an overall response rate of 28%). Response rates are deemed significant. Data from these sources was triangulated to arrive at evidence-based conclusions.

Data collection and analysis were informed by the IMF results-based management (RBM), which provided analytical grounding to this effort. In line with RBM guidance, the evaluators applied ratings to different evaluation questions and workstreams (the range is: 4= excellent; 3=good; 2= modest, 1= poor) and provided narrative explanations to back up these ratings. Effectiveness ratings were informed by IMF logframe ratings.

This is a public report, and no reference is made to the countries included in the sample. Interviews were conducted under confidentiality and with no direct attribution. Section 1 of this report provides the core of this evaluation. It assesses the program against the six evaluation criteria of relevance, coherence, effectiveness, efficiency, impact and sustainability and provides trends across workstreams covered in the sample. Section 2 provides an assessment of management and strategy questions. The report concludes with a set of prioritised recommendations.

PROJECT-BASED EVALUATION

The project-based evaluation consists of an overarching assessment that compares evaluation ratings across workstreams and assessments for each of the six OECD DAC criteria retained for this review.

OVERALL ASSESSMENT BY WORKSTREAM AND EVALUATION QUESTIONS

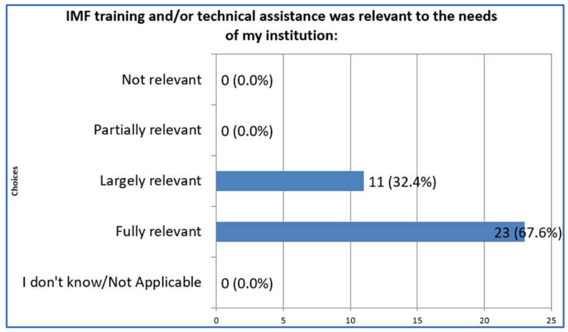
The evaluator's overall assessment for the TF is a 2.70 (rounded to 3 or "good"). The highest scoring workstream in the sample is training. However, we could not assess impact and sustainability given the difficulty of observing progress in what are multi-country-training interventions, and this pushes the ratings of this workstream up. Other than training, national account statistics scores the highest and central bank operations the lowest. However, it should be noted that these ratings relate to single projects. When looking at workstreams that featured in multiple projects and objectives in the sample, the highest ranking workstream is tax policy and lowest is PFM. The lower ratings for PFM projects are largely explained by country circumstances that slowed down implementation. The low performance of Monetary and Macroprudential Policy and Central Bank Operations is explained in greater detail in the body of this report.

In terms of evaluation questions, relevance scores the highest in our evaluation sample with a 3.44 (rounded to 3 or "good) followed by coherence with a 3.09 (rounded to 3) and efficiency with a 2.63 (rounded to 3). The other evaluation questions rate lower, with effectiveness at 2.47 (rounded to 2, a "modest"), impact at 2.33 and sustainability at 2.23 (also rounded to 2). The main report provides explanations to back up these ratings.

Module	Workstream	# of projects in workstream	# of Objectives in Workstream	Relevance	Coherence	Effectiveness	Efficiency	Impact	Sustainability	Overall (average)	Overall Rounded
1	Tax Policy	6	9	3.56	3.33	2.89	2.89	2.67	2.44	2.96	3.00
2	Revenue Administration	4	10	3.50	3.00	2.60	2.80	2.20	2.30	2.73	3.00
3	Public Financial Management	3	7	3.57	3.57	2.14	2.29	2.14	2.00	2.62	3.00
4	Monetary and Macroprudential Policy	1	2	2.00	1.50	1.50	2.00	2.00	2.00	1.75	2.00
4	Central Bank Operations	1	1	3.00	2.00	1.00	1.00	1.00	1.00	1.50	2.00
5	National Accounts Statistics	1	1	4.00	3.00	3.00	3.00	3.00	2.00	3.00	3.00
5	Government Finance Statistics	1	1	3.00	3.00	2.00	3.00	3.00	3.00	2.83	3.00
	Training	1	1	4.00	3.00	3.00	3.00	N/D	N/D	3.25	3.00
	Total for sample (average)			**3.44**	**3.09**	**2.47**	**2.63**	**2.33**	**2.23**	**2.70**	**3.00**
	Total for sample (rounded)	**18**	**32**	**3**	**3**	**2**	**3**	**2**	**2**		**3.00**

RELEVANCE

Relevance consistently scores high across all workstreams (all ratings ranging between 3 and 4). The only exception is Monetary and Macroprudential Policy, as explained below. The TF has high relevance in terms of resource managemet challenges. MRNW-II interventions were found to be highly relevant to the needs of target authorities, as evidenced also by survey data. The program is building relevance to climate change and gender debates, but impovements are possible in these areas going forward. It is also possible to better account for beneficiary baseline capacity in select interventions. In general, relevance of individual workstreams need to be better anchored to overall country strategies that demonstrate why work on some workstreams should take priority over others.



RELEVANCE TO NATURAL RESOURCE MANAGEMENT CHALLENGES	**Conceptually and practically, IMF CD under the MNRW offers solutions to a host of interrelated resource governance problems. The program has a link to the UN SDGs. However, actual CD on Monetary and Macroprudential Policy and Central Bank Operations (module 4) provided under phase II has a tenuous link to resource governance.**

Under phase II, the **IMF provided CD on policy issues that are critical to addressing natural resource governance challenges**. At the core, FAD's work on tax policy helps diagnose and improve fiscal regimes. Work under revenue administration helps countries identify and manage key risks in, and improve, tax administration. Work on PFM helps improve resource revenue forecasting to support more accurate public expenditure budgets and medium-term plans, while also assessing compliance with fiscal rules, or special funds. STA aims to improve the statistical data that are critical to inform evidence-based policy making. FARI brings much of this work together: it has been deployed in phase II to address challenges arising across workstreams modules 1-3, while potentially leveraging data produced under module 5.

FAD- and STA-led **interventions also supported the UN's SDGs** (and specifically, Goal 17, Target 17.1: "Strengthen domestic resource mobilization, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection"). Also, the TF had a link to UN SDG Goal 5 on gender equality, as further explained below.

Module 4 relevance was tenuous: **its workstreams appear largely disconnected from both core resource governance considerations and the conceptual grounding provided in the program document**. Specifically, much work focused on improving monetary policy communications, an area that is arguably not related specifically to resource governance issues per se. Even work on managing exchange rate volatility and related monetary policy issues (such as domestic liquidity and inflation), which can arise from natural resource flows, made little reference in actual implementation to resource governance issues. This disconnect arises also at the level of country selection: MCM-led work took place in countries that are not highly dependent on natural resource export earnings. Interview responses suggested that it was difficult to build demand from more resource-dependent countries.

CONSULTATION AND ALIGNMENT WITH PLANS	**For country level CD, there is evidence of genuine consultation with clients at design stage, including through scoping missions and other tactics. However, consultation does not always correspond to real buy in. In addition, the IMF should explain why at country level, it strategically chose to focus on certain workstreams over others.**

Under this phase, the FAD has made a **concerted use of scoping missions** to build and verify demand for CD across the three workstreams under its purview. This has led to the development of solid needs assessments that have aided consultations with beneficiary authorities and led to clear implementation roadmaps and milestones used for project monitoring. When it comes to other departments, other consultation strategies have been used. For instance, STA has prioritized leveraging its regional workshops to observe, assess and discuss support needs with countries that appeared most deserving of, and interested in, TA support after training courses. This appears to have worked well.

In the sample reviewed, there was at least one project where assistance built on previous engagement where commitment from authorities had been mixed. An IMF written offer to extend additional assistance met with simple acquiescence on the part of the beneficiary institution, with no real engagement with or feedback on the substance of the support being offered. In hindsight, this was revealing of poor buy-in or insufficient commitment to IMF CD plans from the client side. It set the stage for subsequent delays and poor participation in CD efforts. The IMF is currently exploring whether to extend or discontinue assistance. In the future, it may be helpful to deploy tactics to ensure that beneficiaries digest what is on offer and understand and commit to what is required of them. This could take the form of a remote or in person meeting to discuss the scope of CD, clarify what is required from the client and agree targets and workplans for the target institutions/staff.

It was not consistently clear why work on select workstreams was prioritized in a particular country. A particular challenge here is that **IMF project proposals provide rationale for engagement at the workstream level but there is no comprehensive analysis of what drives the strategic choice to work on select workstreams over others**. A stronger justification for chosen focus could be achieved via country-wide resource governance diagnostics (where feasible linking with diagnostics such as TADAT and PEFA), possibly resulting in country strategies that explicitly link IMF programming choices back to the most urgent governance challenges. Linking these assessments to national development plans or strategies where available, and broader work by the IMF and other development partners (see more under coherence), would provide stronger grounding for IMF interventions. This evaluation noted several examples where workstream choices in phase II had a clear link to building on interventions in phase I (e.g., where work on tax policy has led to important gains in phase I, focus shifted on revenue administration to help authorities make the most of improved fiscal regimes). This level of thinking is therefore assumed to be implicit in IMF practice, but it would be of benefit to other stakeholders, including the SC, that this be made explicit in future iterations of the MNRW.

RESPONSIVENESS TO BASELINE CAPACITY	**In country CD, there was good adaptation and responsiveness to beneficiary capacity. For multi-country training interventions, adaptation and tailoring was good in FARI workshops, but less responsive in STA workshops.**

When it comes to country CD that had strong training components, one successful practice was the development of a training plan that was rooted in a comprehensive skills gap assessment, in turn informed by IMF testing/questioning of target institution staff. This resulted in an understanding of departmental and individual needs and the deployment of tailored training and mentorship interventions. The assignment of a **peripatetic adviser was a key factor enabling close assessment and responsive support that may be harder to achieve in interventions that do not benefit from the same level of dedicated support** (see more under sustainability).

When it comes to multi-country training interventions, all workshops reviewed made use of data and case studies that were relevant to the region of training. But **assessment and consideration of baseline capacity was inconsistent across workshops**. FAD-led FARI regional workshops included pre-course requirements (e.g., excel, modelling concepts) that helped participants build essential knowledge to make the most of in-person training. Conversely, STA-GO workshops did not include any pre-training requirements. Reportedly, there was also no focus on assessing/confirming baseline capacity to adapt material to varying levels of knowledge. Interviews suggest a mismatch between the highly technical content presented in a short time and the ability of lower skilled participants to absorb it. Further, in at least one workshop for the Africa region, content was delivered in English without interpretation to participants from a mix of English and French-speaking countries. Interviews suggest that most French speakers lacked sufficient English skills to make the most of the training. Running a pre-course assessment would have helped avoid this. FAD's practice should be leveraged as an example of how to adjust to the varying levels of capacity of training targets and lifting them to a minimum level of capacity to effectively digest training. Capacity assessments or pre-course requirements should be run before all future in person workshops.

RELEVANCE TO CLIMATE CHANGE	**MNRW-II's ambitions on energy transition were modest from the onset. Yet, the program has enabled progress on energy subsidy reform, carbon pricing and data for monitoring energy transitions that provide a springboard for strengthening focus on energy transition in the future.**

So far, the program's focus on climate has been modest since this was an emerging area of work at the start of phase II. This said, three initiatives have been implemented:

- **Building capacity to tackle energy subsidy reform**. In the 2018-2020 period over 2500 individuals registered for the Energy Subsidy MOOC and around 350 completed the course. The course helped them better understand the economic social and environmental impact of subsidies and equipped them with workable strategies for reform. IMF pre- and post-course test data demonstrate clear learning gains but it was not possible to confirm to what extent this has supported actual reform. With course expenditure of only 75k, this course represents a relatively small investment in the MNRW training portfolio.
- **Deployment of FARI to tackle energy transition.** A noteworthy innovation introduced in 2020 includes the integration of carbon pricing into the fiscal regime analysis, which provides an intellectual foundation for incorporating the pricing of carbon at production stage, which presents clear benefits outlined in IMF progress reports. However, prevailing debates are centred around pricing carbon at consumption stage (including border taxing on imports); it is also unclear if there is sufficient global appetite and capacity at country level (especially in LICs) for pricing carbon at any level. Separately, the IMF is working on a model for the LNG sector, seen by some as an important sector for energy transition. Both developments generally demonstrate how the IMF can stay true to its comparative advantage in tackling the energy transition agenda. Interestingly, FARI was also used in the October 2019 IMF Fiscal Monitor: How to Mitigate Climate Change to assess the fiscal implications of climate change for fossil fuel-rich countries.
- **Supporting the compilation of data to track energy transition pathways**. STA collaboration with EITI supported building the capacity to compile data which can inform EITI members' thinking around energy transition and generally serve as a public good for independent monitoring of energy transition pathways.

The IMF increasingly recognizes the urgency of this issue and the importance of deepening efforts in this area. Surveys show some level of demand for additional assistance, especially from producers that grapple with the question of costing investment and the possibility of stranded assets. The SC suggests that an acceleration of CD in climate change issues should be a priority. Looking ahead, it is now important to define the shape of climate work within the MNRW and specifically how different workstreams can inform climate work, as well as defining synergies/demarcation with broader IMF (and other DPs such as World Bank) focus on climate.

RELEVANCE TO GENDER	**The TF had a modest focus on gender from the onset. Conceptually, it aimed to support the collection of gender disaggregated employment data but there is no evidence this has happened in practice. Practically, the TF tracked gender disaggregated participation in workshops and courses. Despite constraints arising from the predominantly male client base the IMF deals with, there is more that the program can do to advance gender parity.**

The extractive sector remains male dominated and IMF counterparts tend to be for the most part men. In its TA, as well as linked regional workshops, the IMF inevitably works with those individuals in roles and position of influence and has limited room to alter this. This said, the TF incorporated gender considerations at two levels. Substantively, it encouraged the collection of employment data by gender (a direct link to UN SDG Goal

5), via the National Accounts templates populated under STA-RE leadership. However, the **evaluation could not confirm that the project aided with the compilation of gender disaggregated employment data** in sample countries due to the poor quality of country labour statistics.

Practically, the **TF tracked the number of women attending its courses**, to populate a relevant indicator in the program's log frame. **It is generally unclear how these data inform program adaptation**. For ICD, this effort was only launched after the scope of this review for the April 2022 progress report. Based on IMF data, the level of women participation in ICD-led courses appears low (i.e., ranging from 16% to 33% for different courses). Gender balance in FAD- and STA-led regional workshops is also low and reflects prevailing disparities in target regions, with exceptions (i.e., for FARI workshops, 23% of women in the East Africa track and 3% in the West Africa track; for STA-GO workshops, 32% in Africa, 40% in Middle East and Central Asia, and 50% in the Western Hemisphere; and for one STA-RE in the Middle East workshop, 55%)[1]. Based on feedback from ICD, the IMF asks authorities to consider nominating women for its courses, but no additional strategies were deployed to increase women attendance (e.g., marketing towards women professionals and women associations working on extractives). At least for ICD-led courses, which can tap into a broader and less rigid stakeholder pool (as well as higher numbers) than regional workshops, there is room to strengthen thinking of how the IMF can reach out to women and encourage their participation in greater numbers. When it comes to regional workshops, room for improvement is constrained given the narrow catchment pool. This said, women that attended previous workshops allegedly performed brilliantly and discussions with the FAD suggest that there is more that MNRW can do to showcase the leadership of women in extractives, for instance, by giving them a platform in future workshops or training programs.

The IMF needs to be more cognizant of gender imbalances in its workforce and expert base. Out of the 12 project leads flagged for interview for this evaluation, only one was a woman. All interviewed STXs were men. This sends out the wrong signals and, as the IMF continues to expand its expert base, it should consider gender (in addition to linguistic and technical proficiency) as a key criterion. There are limitations from context but this is an area where IMF control is arguably stronger.

Overall, there are discrepant views on whether the MNRW is doing enough in this area, with SC members supportive of greater ambition and IMF concerned about drifting away from core MNRW issues. This review concludes that these objectives are not mutually exclusive, with some recommendations provided below.

COHERENCE

Coherence scores high across all workstreams (rating of 3 or more) with exception made for Monetary and Macroprudential Policy and Central Bank Operations which score in the range of 2, given poor internal coherence, as explained below. Other workstreams display synergies and coherence within the MNRW portfolio, with other IMF interventions outside the scope of the TF and with those of DPs. A significant strength of the TF lies in fostering interagency coordination. Improvements are possible in terms of external coherence and on a handful of other areas.

COHERENCE WITHIN THE MNRW	**There is good coherence within the MNRW program. The deployment of FARI provided a unifying framework for interventions on tax policy, revenue administration and PFM helped create synergies within FAD-led work. Synergies were also established with ICD-led courses and STA-led data compilation.**

[1] Only a sample of participants lists were requested and/or made available to the evaluation team and reviewed.

This review found good conceptual coherence within the MNRW II, except for module 4 workstreams. This conceptual coherence was further backed up by tangible collaboration within and across departments. Examples include the following:

- *Coordination within departments*: The use of FARI to inform work on tax policy, revenue administration and PFM has seen FAD, the host of FARI, strengthen internal collaboration, with missions planned at the same time to harness synergies. This was particularly noted in countries where work on tax policy and revenue administration was taking place simultaneously.
- *Coordination across departments*: FAD and STA contributed to the development of new modules on FARI and statistics that were added to ICD-led MRC courses. In turn, the FARI MRC module was later used by FAD as online material for regional workshops when in-person activities were suspended due to Covid. Similarly, where a strategic case could be made in response to country authorities requests, collaboration took place between FAD and STA in respective TA missions to the same country. Examples of collaboration were also noted with country offices and resident country advisors and experts in RCDCs.

In addition to noting the little practical coordination that appear to have taken place between MCM- and FAD-led work at country level (only one country in this evaluation's sample), this review identified two areas where internal MNRW coherence could be strengthened: ICD input into regional workshops led by others and strengthening the deployment of MOOCs for country level CD. These are discussed under efficiency.

COHERENCE WITH NON-MNRW IMF INTERVENTIONS	**There is good coherence with RCDCs and broader research and applied interventions led by the IMF outside the scope of the MNRW.**

Building on phase I work, conceptual coherence was maintained with other IMF analytical frameworks. For instance, the Summary data template (SDT), jointly developed and tested with the EITI is aligned with key concepts from Government Finance Statistics Manual 2014 (GFSM 2014). Further, FARI work informed broader IMF research.[2]

As for applied practice, there appears to be good collaboration with RCDCs around country CD and multi-country training. As for country CD, in at least three countries in the sample, synergies and collaboration were established with RCDCs on revenue administration, PFM and national accounts statistics.[3] In the remaining countries that received CD in revenue administration and PFM from the RCDCs, this review found no duplication and a clear demarcation of responsibilities between the MNRW and relevant RCDCs.[4] There are ways to improve collaboration with RCDCs in the area of tax policy, which is further discussed under "sustainability".

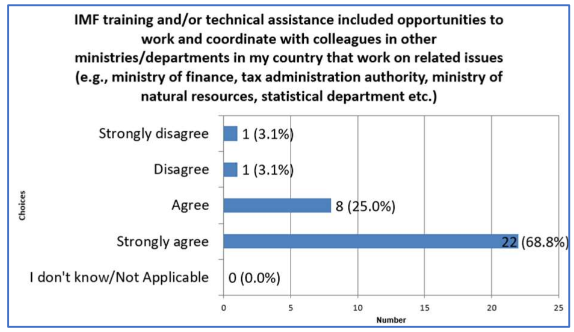
Finally, there is good coordination between the MNRW and broader IMF surveillance. This ranged from MNRW project leads providing inputs or participating in surveillance missions to alignment between recommendations provided by the MNRW and those provided under surveillance programs such as those contained in Article IV reports.

[2] For instance, the Fiscal Monitor: How to Mitigate Climate Change in 2019, and Tax Avoidance in Sub-Saharan Africa's Mining Sector in 2021.

[3] In addition, interviews highlighted examples of collaborating with RCDCs for countries outside the sample, or of more recent collaboration around FARI workshops, past the timeframe of this review.

[4] In addition to investigating linkages between MNRW-led country work and RCDCs, the evaluation team also undertook a review of annual and mid-year progress reports for the 5 Africa RCDCs to establish potential overlaps and complementarities.

FOSTERING CLIENT-SIDE COHERENCE	**The IMF's explicit focus on interagency coordination is crucial for a "whole government" approach to effective extractive sector governance. The IMF has consistently facilitated this coordination via interagency teams, though country context variables have led to different degrees of success in interagency team effectiveness and sustainability.**

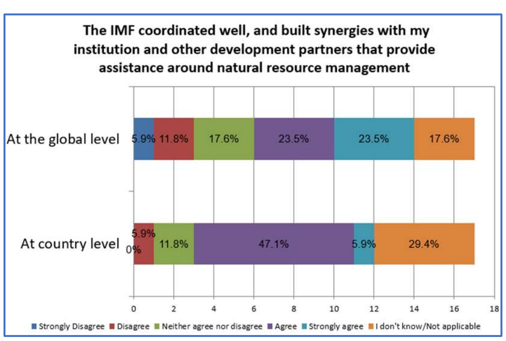


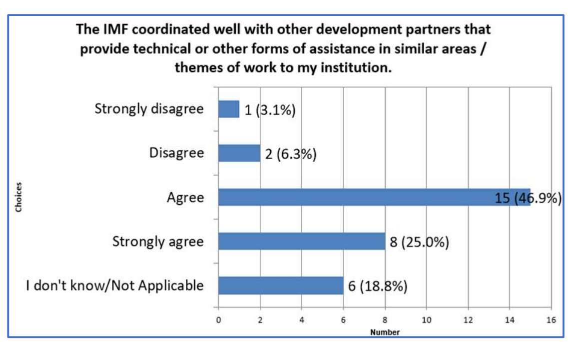
The IMF fostered coordination through use of interagency teams bringing together staff and managers from different government ministries and departments. This was noted in FAD-led and STA-led workshops and TA. Given the interconnectedness of policy decisions in the extractives decision chain, this approach is essential to ensuring coordination and coherence of policy and implementation, including through much needed sharing of data and joint modeling for policy analysis and decision making across workstreams. In general, this review found that FAD-supported interagency teams worked well. In some instances, the use of MOUs helped spelled out mutual agency responsibilities and areas of coordination. But some teams continued to rely on IMF stewardship and support to deliver work. Only in one instance did this review identify a gap in coordination between the lead country counterparts on tax policy and revenue administration. While an interagency team existed in the country primarily for FARI modeling-driven work, this did not foster coordination around the review of fiscal regime legislation that saw little inputs from country's tax authorities, preventing them from commenting on the feasibility of administering the new regime and preparing for future audits. This seems an isolated case.

Similar approaches animated STA-GO-led work, whereby the IMF convened representatives from several agencies involved in statistical compilation (i.e., national statistical office, ministry of finance, ministry of natural resources, and EITI national secretariats) in its regional workshops and country activities as a way of fostering collaboration. Participants noted siloed operations as a key challenge to their work and therefore highly valued efforts on inter-agency cooperation. It was further noted that strengthening coordination between ministries of finance and national EITI secretariats was an essential contribution of the STA-GO project.

Overall fostering interagency coordination is a key strength of the MNRW, as also highlighted by survey responses, and should be maintained going forward.

EXTERNAL COHERENCE	**There is overall good coordination with other Development Partners, albeit with areas for improvement. At the country level, it is important to better anchor IMF interventions in the work of other DP at the conceptualization stage. Also, select factors affect the quality of coordination. They include temporary factors such as covid's impact on in person coordination and other factors that relate to the IMF positioning, such as deference to clients' prerogatives on confidentiality of information.**





Except for module 4, efforts to coordinate with other development players were noted across all reviewed projects/workstreams under review. At global level, the SC served as a key vehicle for coordination with key players (see strategy section). Beyond the SC, FAD coordinated with a variety of players in developing its FARI strategy and updating the FARI models. These players included industry actors as well as think tanks that use FARI in their analytical work, but it did not include other DPs that use modeling in their work (e.g., Word Bank, IGF, OfD and others). Discussions on programmatic collaboration or sharing of models also took place with the IGF and African Development Bank. STA-GO coordinated with the international EITI secretariat who participated in several regional workshops. Finally, STA-RE's coordination with other players mostly occurred during phase I though bearing some results at the start of phase 2. It should be noted that however a few planned partnerships outlined in STA project proposals did not materialize.[5] The global partner survey confirmed an overall positive appreciation for IMF global coordination efforts with some sparse negative outliers.

When it comes to country level coordination, it was reported that staff and experts consistently attempted to meet with key DPs during missions. Where national donor coordination mechanisms existed, the IMF tapped into them, including to provide grounding and continuity to its interventions (e.g., in countries that benefitted from PFM support, IMF interventions were framed within long-term or broader assistance provided by the EU or World Bank). Data from both the global partner and country beneficiary surveys confirm good levels of country coordination, but ratings are lower than for other coherence questions. Also, beyond the day-to-day coordination on the ground during missions, the IMF can better delineate how its interventions complement the work of others at design stage. While project proposals outline the work of others, they often do not explain how IMF work is conceptually different or builds on the work of other DPs.

Finally, several factors affected (or may affect) the quality of coordination. Some are of temporary nature; others relate to the IMF's posture and relationships with clients and may be difficult to address:

- **Covid** led to the suspension of in person interaction at global and country level. This included regular meetings with the WB at HQ level, which were noted as useful by both the IMF and the WB to coordinate globally and at the country level. There is a shared recognition of the need to resume these meetings.
- **Transparency.** For organizations that value transparency by default, the IMF's rules on deferring disclosure/publication (for e.g., of TA reports) to clients may limit propensity to collaborate. This said, it was reported that the IMF encourages clients to disclose information, but this is not always taken on board. In this vein, the IMF has recently adopted a revised guidance on dissemination of capacity building information that encourages dissemination of reports and publications.
- **Client desiderata.** Building on the previous point, this review surfaced at least one example where country authorities asked the IMF not to coordinate with other DPs, admittedly because ensuring DPs' coordination was a government prerogative. It was not clear if the government was ensuring adequate coordination across DPs.

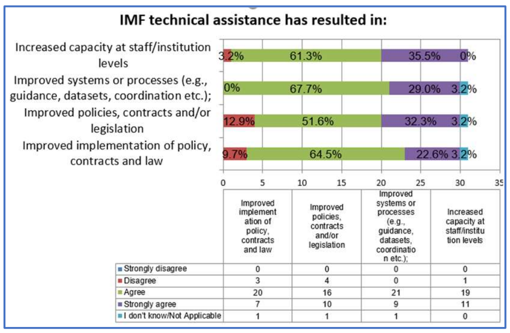
EFFECTIVENESS

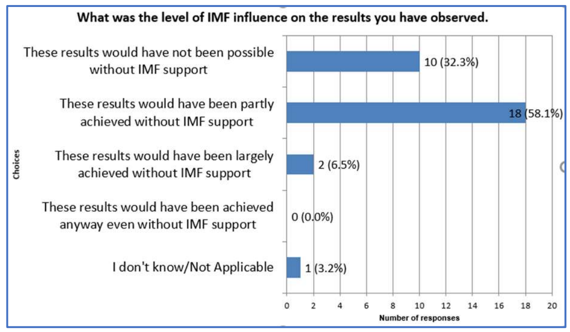
TF effectiveness is rated a 2 overall in the evaluation project sample. It should be noted however that the perfect average for the TF is 2.47. The evaluator attempted a comparison of evaluation ratings with IMF objective ratings, where these were available (i.e., projects had been closed and objectives rated - a total of 4 instances). With the exception of government finance, which is rated marginally higher by the relevant department than in the evaluation, evaluator ratings track with IMF ratings, even when these were low (i.e.,

[5] These include a planned partnership between STA-GO and the OECD on using data for SDG monitoring (though exchanges occurred at joint events). Also, no evidence was found of proposed efforts to strengthen STA-RE partnerships with phase 1 partners such as the Oslo and Ulaanbaatar working groups, the Advisory Expert Group on National Accounts, and the Extractive Industry Transparency Initiative (EITI)

poor or modest for Monetary and Macroprudential Policy and Central Bank Operations). When looking at projects whose objectives had not been rated but had rated outcomes and milestones, evaluator ratings track or compare favorably with IMF ratings. In some instances, this was due to recent progress made by the TF that had not been captured yet in the logframe. We also noted that two tax policy objectives (same project) and one for training (MRC project) have been closed but not rated by the IMF. This may be because new projects with similar scope replaced them. Overall, IMF self-ratings appear realistic and adequate in light of the findings from this review.

TYPES OF RESULTS	**There is evidence that IMF's assistance under the MNRW has resulted in improved capacity, improved systems and processes as well as better laws and policy. Importantly, there are examples of improved policy implementation, which may lead to positive gains for target countries over the long term. By and large, beneficiaries see the IMF's contribution to these changes as fundamental.**





This review surfaced examples of improvements at multiple levels, which are confirmed by positive feedback in the beneficiary survey. Survey responses also suggest that most of these changes would have not been possible without IMF support.

At **capacity level**, new agencies were built and supported by the IMF. Staff and leaders at these authorities report improved confidence and ability to fulfil their roles, including by leveraging data and models to undertake forecasts or inform audit and oversight among others.

At **system and process level**, key changes reported included examples of improved intergovernmental coordination, collection of data and development of models to inform policy making tasks.

At **policy level**, key changes include the development of new policies or laws as well as the amendment and finetuning of existing laws. There is also evidence of the IMF supporting the development of implementation rules that are essential for laws to be applied in practice.

Box 1 provides a summary of salient MNRW-II achievements. It is noted that results were not even across target countries and some countries fared better than others. Also, delays have been observed in delivering milestones, but these are largely explained by country-specific circumstances.

Box 1 – Examples of salient achievements

- On tax policy
  - Modelling expertise developed in government for independent revenue forecasting and related decision-making.
  - Approval of revised tax or general extractive sector legislation in line with good practice and/or ensuring consistency of rules for all extractive projects.
- On revenue administration
  - Detailed assessment of capacity gaps and bespoke mentoring plans for improved revenue administration

- Development of in-house expertise for resource sector tax audits, including via the development of new specialised resource industry tax administration units
    - Development of risk matrix to define and identify key risks as a way of informing and focusing compliance management
- On PFM:
    - Revised organisational structures that supports better medium-term budgeting;
    - Detailed annual calendar for the preparation of the macro-budgetary framework;
    - Mandatory requirements to prepare cash flow and expenditure commitment plans;
    - Consolidation of intergenerational resource funds into national budget;
- Cross-cutting
    - Improved statistical data compilation for evidence-based policy decisions
    - Improved coordination between different agencies, including through MOUs spelling out respective roles and protocols for sharing of information;
    - FARI is now used by a host of DPs to inform their work and advice to governments, civil society and other stakeholders in MNRW countries and beyond, with evidence of strong multiplier effects.

LEARNING GAINS	Participant knowledge tests show tangible learning gains after training. At least in the case of FAD, these tests informed program adaptation.

In general, pre-and post-course tests demonstrate learning gains between capture points. The following table shows progression between capture points for select workshops sampled by the evaluator.[6]

Training	Lead	Source and level of verification	Pre-course test score	Post-course test score	Change in percentage points
2020-21 virtual face-to face MRC	ICD	Self-reporting, no verification. Data is an aggregate for 3 courses	Not available	Not available	+16
2020-21 self-paced MRC	ICD	Self-reporting, no verification. Data is an aggregate for 2 courses	Not available	Not available	+14
2020 FARI workshop 2, remote	FAD	Raw data and analysis verified by evaluator	49%	67%	+18
2020 FARI workshop 3, remote	FAD	Raw data and analysis verified by evaluator	32%	44%	+12
March 2019 MCD workshop at CEF	STARE	Raw data and analysis verified by evaluator	34%	44%	+10
November 2019 MCD JVI workshop at CEF	STARE	Raw data and analysis verified by evaluator	43%	62%	+19

Progress tends to be similar across MNRW-II courses and workshops being reviewed. Also, progress is partly in line with two benchmarks set by ICD for its own courses: a 15 percentage points progression between capture points was achieved in half of the trainings reviewed; a minimum of 60 percent on the post-course test was also achieved in half of the workshops reviewed. Note that these indicators did not apply to FAD- and STA-led workshops and these benchmarks are used only to provide a better sense of the scale of progress.

These assessments were used to generate relevant insight not just on learning gains but on how to recalibrate training, at least in FAD's case. Specifically, FAD analysis noted that learning gains were more sizable when answering multiple choice questions and more marginal when questions required participants to undertake

[6] Only data from a sample of workshops were requested for verification and these are presented in the table. Evaluator analysis is consistent with IMF analysis.

calculations[7]. This in turn informed FAD's ongoing thinking on how to strengthen modelling and excel capacity as part of its workshop series.

CD VALUE OF TA	**There is room to be more explicit on the considerations that drive the deployment of assistance with a capacity development value (where the IMF builds beneficiary capacity as it provides assistance) vs. "traditional TA" (where the IMF delivers outputs with more limited involvement of beneficiaries)**

IMF CD under the MNRW ranges from traditional technical advice, whereby IMF staff or experts take the lead in delivering outputs (e.g., laws or models) and TA with hands-on capacity building value, whereby IMF staff work hand in hand with beneficiaries to develop those outputs, and in the process build their capacity. Both approaches have value. While a traditional TA approach allows the IMF to achieve policy outcomes, including in countries where beneficiary capacity is low, this approach represents a missed opportunity to build applied capacity via TA, including to evolve and implement laws or models. For instance, this review identified a piece of legislation that was primarily developed by IMF experts with beneficiaries coming in only at review stage and generally providing limited input to the legislative development or review process. In this instance, it may have been possible for experts to work in harness with beneficiaries and reversing roles, with beneficiaries leading the drafting and experts providing backstopping. This would have taken longer and greater investment of resources on the IMF side, including to build beneficiary leadership of the process. But, doing so may have brought gains in terms of strengthening beneficiary legislative development skills and built greater beneficiary ownership to independently update laws at later stages. The IMF explained that training and regional workshops are one key mechanism that it uses to build capacity. While this is accepted, TA could be more intentionally mobilized as a CD tactic. Or, at least, the considerations that drive the choice of pure TA need to be explicit (it was suggested in interviews that beneficiary baseline capacity is a key discriminant). Ultimately, this evaluation suggests that "traditional" TA should be the exception and criteria be used to drive explicit analysis on why in select cases pure TA may be the best way to go. It is recognized that building capacity via TA comes with resourcing implications and potentially longer timeframes for interventions that would need to be budgeted.

EFFICIENCY

The evaluator rates efficiency a 3 overall. This is due to the high quality of CD, good sequencing of interventions and efforts to adjust delivery to the onset of the Covid 19- pandemic. Spending is low, mostly due to country circumstance and the impact of the pandemic. Improvements are possible in terms of budget practice and on other areas covered below.

In terms of workstreams, most rate a rounded 3, with the exception of Public Financial Management (a 2.29, rounded down to 2), and the Monetary and Macroprudential Policy Central Bank Operations workstreams that rate low due to issues in follow up and spending.

BUDGETING SPENDING & REPORTING	**The TF is underspending; this is mostly explained by COVID and country circumstances. It was not possible to undertake a systematic review of spending or a value for money analysis given the aggregate nature of spending data shared with the evaluator. However, there is evidence of overbudgeting in select projects, late reallocations of budgets, and an overall opaque budget practice.**

The evaluator requested detailed activity costing and spending data from the IMF. However, this request could not be met due to a reported transition in financial systems. The data shared with the evaluator included a breakdown by project, and a limited breakdown by costing functions (e.g., HQ, staff costs, seminars) but the use of internal coding nomenclatures made it impossible to reconstruct and analyse spending by functions. For

[7] For instance, in the third workshop, scores went from 37% to 57% for MCQs but only from 14% to 17% for questions requiring calculations.

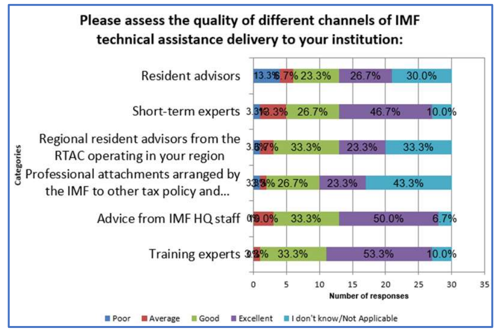
future evaluations the IMF should share more detailed budget data for meaningful analysis to be undertaken. This means approvals and spending by budget function as well as a list of transactions to back up spending data. Despite this limitation, the following can be noted when it comes to budgeting and spending:

- **The program is underspending**. Execution for the TF stands at 64% (as of September 2021). This can be explained by a reduction of costs during the covid-19 pandemic, due to a mix of pausing on work and moving to remote delivery. Some project milestones in the sample are late but this is explained by country circumstances. The IMF projections suggest the TF will spend the remainder of funding by end of this phase in FY2024. Given lack of assumptions underlying those projections, it is not possible to confirm if these spending plans are realistic.
- **Select project budgets were significantly inflated**. The STA-RE project initially budgeted $2,320k[8] for six regional workshops and 12 TA missions. This was later reduced by ~207k, following a partial reallocation of funds to the STA-GO led project. Final spending for the STARE-project was reported at 1,338k with activities delivered as per the initial plan. This is 58% of the initial budget with an underspend of $932k at project closure. Interviews with project leads suggest some efficiency gains (reduction of participants and fewer experts involved in missions). This could not be verified but it is unlikely that efficiency gains can alone explain this sizable underspend. The same was noted for the MCM project earmarked to a particular country where all planned missions were delivered spending 54% of the budget (211k of an initial allocation of 388k). Similar issues could be at play around the multi-country MCM project which however appears still open at the time of this review.
- **Some reallocations only took place at project closure. This was avoidable**. This review noted that most reallocations arose as a result of changes in circumstances/plans during project implementation. This is sound budget practice. However, there were a handful of exceptions where reallocations only took place after projects were closed, even though it was possible to conclude much earlier in the project life cycle that not all funds would be needed. This is again the case of STA-RE and MCM as per above. The global MCM project is currently underspending, and it is urgent to decide whether this budget should be reallocated to other projects or returned to donors.
- **Current IMF spending reporting practice is opaque and does not support scrutiny.** There are two issues in this respect. First, interviews suggest that budgets are created by the finance team using project managers' inputs in terms of activities and their duration (e.g., 1 TA for a week, 1 workshop for 20 people lasting 3 days at a specific RCDC). While this approach to budgeting ensures consistency withing MF practice, it is difficult to scrutinize the assumptions that underly the final figures. Secondly and more importantly, budget spending reports present project spending against project budgets after they have been reallocated. Initial reallocations are removed from spending reports and execution presented against the most recent reallocation. This is an opaque practice that does not allow potential users of the budget (i.e., SC or evaluators) to form an immediate understanding of which projects have allocated budgets that were not aligned with needs. Future budgets should systematically present spending against both original and amended allocations.

QUALITY OF TA	**IMF TA is rigorous, practical, timely and reform orientated. There is good appreciation for various channels of TA used by the IMF and IMF TA is regarded as superior to that of other development partners.**

[8] Different documents reviewed report inconsistent figures. The figure used is drawn from the project proposal and linked budget. Later documents mention a lower initial allocation of 2,272k. Despite probing, it was not possible to clarify what generated this discrepancy.

TA reports shared with the evaluator were of sound quality. They combined rigour of analysis with practical recommendations that pinpointed shortcomings and areas for client action. Survey results suggest that IMF is timely and that TA missions are the most favoured form of engagement for country beneficiaries (over in-country and multi-country training). Importantly they also suggest that IMF assistance is regarded as superior to that provided by other development partners. Among areas for improvements is the need for more realistic delivery timeframes and the need to follow up on TA reports, a specific gap in one of the MCM-led interventions.



There is also a positive appreciation for all key channels of delivery of assistance, with training experts and TA from HQ staff rating the highest. Appreciation appears lower for resident advisors – it is not clear what explains this – but still within an overall positive appreciation.

QUALITY OF TRAINING	**IMF practice in the design, delivery and assessment of workshops is sound but inconsistent across departments. There appears to be an institutional gap in terms of advice and monitoring of rigour in training design and assessment**.

When it comes to regional workshops delivered under the TF, these were generally found to be rigorous in terms of both technical content and suitability for adult learners. Specifically, **the use of an array of teaching methods appears to be a strength in all reviewed curricula**. While most of the content was lecture-based, which can be expected where training needs to impart complex technical concepts, departments deployed applied approaches such as exercises, discussions, participant-led presentations and/or case studies to facilitate digestion and application of learning. Similarly, **all departments run end of workshop satisfaction surveys**, which rate IMF efforts in the favourable range of around 4.4/5 and above.[9]

In other areas, practice is less consistent. Specifically, in addition the inconsistencies around needs assessments/pre-course requirements noted under relevance, the following observations can be made:

Choice of incremental vs. one-off training: IMF practice in this area varies widely between different types of workshops delivered. As mentioned above, FAD articulated a complex training series to facilitate preparation and gradual abortion. Conversely, STA-led regional workshops were one-off events. While the scope of the learning to be imparted varied significantly between departments, with FAD-led workshops being most complex and technical, FAD's own reflections underscore the limited value of one-off training, a conclusion that tracks with broader literature on training effectiveness. Similarly, beneficiaries from countries that did not benefit from follow up TA missions emphasized that the lack of follow up support after STA-led courses was a critical limitation. This calls for more consistent thinking on how to stagger learning journeys and combine training with pre- and post-course requirements and support where follow up TA is not an option. FAD's practice offers a blueprint for future efforts.

Inconsistent application of knowledge tests to assess learning gains. All departments run end of workshop feedback surveys. However, while FAD and STA-RE (and ICD for global course) consistently assessed learning gains by running pre- and post-course tests, STA-GO did not, despite this was a key progress indicator for the project. STA-GO staff explained these were discarded due to limited time in 3-day trainings, but information gathered suggests a loss of focus on measuring these indicators due to multiple staff transitions in the leadership of the project.

[9] This applies to select FAD, STA and ICD interventions for which data was available. Agendas suggest STA-GO run satisfaction surveys, but no data was availed to the evaluator or noted in progress reports.

These inconsistencies may be enabled by an apparent institutional gap in terms of whose role it is to strengthen/monitor quality of workshops and facilitate the flow of lessons/good practice across departments. While ICD provides guidance on assessing training, it reportedly has no role in advising on curriculum design, needs assessment, or generally monitoring that good training practices are consistently observed. Similarly, RCDCs' training role was limited to hosting and administrative and logistical support.

SEQUENCING AND SYNERGIES OF INTERVENTIONS	**The sequencing of activities is sound. Analytical tools and frameworks informed applied work. Within applied work, training was used to build baseline knowledge to make the most of TA; ascertain needs and determine priorities for TA; catalyse beneficiary demand for country TA. There is room to strengthen alignment of global courses with country CD.**

In terms of sequencing, **the development and testing of major analytical products in phase I** (i.e. Guide to Analyse Natural Resources in National Accounts and template tables, EITI Summary Data Template) or prior (i.e. FARI) **set the stage for a deepening of applied work in phase II**. During this phase, major analytical outputs were finetuned, updated and/or published. This was notably the case of FARI that underwent a major review, resulting in analytical and functional improvements as well as updated petroleum and mining models after extensive testing at the country level work and review by industry and civil society.

These analytical foundations lay the ground for applied work: **training and TA were overall synergetic**. Regional workshops were used to impress the relevance of these tools and build capacity to use them. Regional workshops also provided an opportunity to determine a subsample of countries that would be most likely to make the most of TA. Staff used these workshops to ascertain demand, reform commitment, and actual support needs. Importantly, this review found an example of cross-fertilization where the participation of a country delegation in the MRC course led to the development of a complex country CD package, underscoring the positive role that ICD-led offerings can play in building demand for assistance.

Finally, it should be noted that the IMF smartly leveraged its MNRW investments to extend the reach beyond the MNRW. By mobilizing own resources or country sponsorships, participants from outside the MNRW eligible country list were invited to targeted through global courses and workshops (i.e., ICD's MOOCs and STA-RE's regional workshops). This extended knowledge provision, and stimulated peer-learning with countries not prioritized under the MNRW.

There may be room to strengthen alignment of global courses with country level CD. While it is acknowledged that these courses bring multiplier effects, as noted under "impact", a review of ICD-led global workshop participants between 2018 and 2020 showed that only 3 out of 99 names on the evaluator's list of officials for interview/survey (i.e., officials that had been receiving direct CD under the MNRW program) in our sample, attended those courses. This data suggests there may be room to further strengthen how the IMF leverages global courses for in-country CD. This could involve ensuring that a minimum number of participants in these courses are also involved in country level work or the use of ICD offerings as entry level requirements or refreshers for staff targeted at the country level. FAD's experimentation with the online FARI module is a step in that direction.

REMOTE DELIVERY	**Despite proactive efforts to move to remote delivery during the pandemic, this came with challenges in uptake and there is a strong demand and rationale for a wholesale return to in-person delivery, with integration of lessons from virtual delivery.**

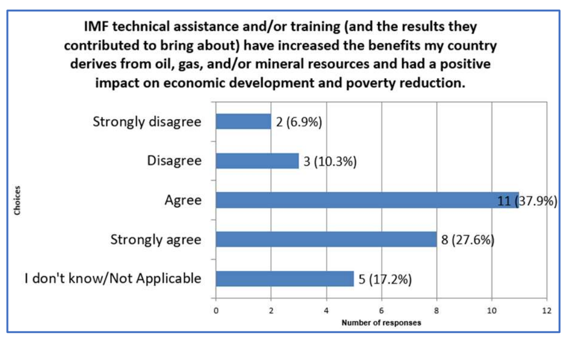
Ernest efforts were made by the IMF to adjust to remote delivery after the onset of the pandemic. They include proactive offers of remote TA and redesign of in-person workshops towards blended learning curricula that made the most of existing online tools (e.g., MOOC modules) or via the development of new video material. **By and large, these efforts did not deliver comparable results to in-person delivery**. Staff or experts reported limited use of remote TA. Similarly, regional workshops that had a strong remote component saw large drops in participation (e.g., 70% of participants did not complete the remote sessions of the FARI regional workshop for Anglophone Africa). Several factors explain this: while in office or at home, beneficiaries are distracted by their day-to-day duties; also, technical difficulties limit beneficiaries' ability to engage remotely. Besides, there appears to be a strong preference for in person delivery. Among reasons cited for this is the ability to devote time to work hand in hand with IMF staff and experts over several days. Last, when new IMF staff and/or new client staff/ managers become involved in a project, it was hard to build the necessary levels of trust to engage effectively. While beneficiaries appreciated that the IMF continued to support them remotely during the pandemic**, there is a desire to move back to face-to-face assistance**. The IMF should consider how to deliver some content remotely (e.g., in preparation or follow up of in person-missions and TA) to make the most of in-person time during missions and workshops. FARI workshops offer important lessons in this area, which have been noted earlier in this report.

IMPACT

The evaluator rates efficiency a 2 overall. Despite encouraging progress in building capacity, improving processes and systems, laws and policies (and how they are applied) it is difficult to observe how these gains translate into overall improvements in economic growth and stability. There are attribution and lags problems at this level. This said, there are important multiplier effects from this program on other players that ensure that MNRW-II gains are amplified and reach a higher number of countries and beneficiaries.

At workstream level, progress is more visible from tax policy (examples of project interventions possibly leading to better laws that will allow countries to make the most of extractives), national accounts (better data leading to GDP rebasing) and government finance interventions (data and knowledge from the project used to inform EITI data collection). There were also examples of improvements in the detection of better tax administration in at least one country in the sample that may result in increased revenues.

IMPACT ON ECONOMIC DEVELOPMENT	**Impact from IMF country CD on countries' economic development will take time and may be difficult to observe but there is anecdotal evidence of possible economic benefits. Measuring impact from pure training interventions is even more challenging but the high quality of training and relevance of professionals trained support conversion of learning gains to improved professional practice**



Survey results suggest that **a significant proportion of respondents believe that IMF assistance will generate positive returns for economic development at the country level**. Examples identified in this review include improved policy and laws that are easier for authorities to administer and monitor. There are also examples of better resourced and enabled institutions that are competent to carry out their mandate. There were reports, for example, that IMF CD may already be contributing to gains in the form of improved tax collection in one country in our sample. This said, **it difficult to assess meaningful progress against impact on such a short timeframe**, and **the evaluator's review of evaluation sample projects suggests a more sobering picture**.

Measuring impact for multi-country courses and workshops that are not linked to in-country TA is difficult. The quality of IMF workshops and courses and the professional relevance of participants is high enough to conclude that the learning gains observed at the end of training will result in improved practice with possible gains for countries. As part of its monitoring practice, **the IMF should consider sending out surveys to alumni to capture some of the results that may be emerging from training interventions**. This could be done one year after training and could be repeated over time. It is understood this is already part of ICD practice and there is room for mainstreaming across IMF departments and sharing findings back to the SC.

MULTIPLIER EFFECTS	**Coherence with external conceptual frameworks, partnerships with other global players, and the IMF's leadership on FARI have had a clear influence on the work of other players, with multiplier effects within and outside the MNRW country portfolio.**

The strong anchoring of project interventions in broadly accepted reference frameworks led by IMF or other players (i.e., FARI, GFSM 2014, UN System of National Accounts 2008) ensured that key analytical outputs produced under this project could be leveraged by other development partners in strengthening resource governance in a complementary way within and outside the MNRW country portfolio. Two examples stand out in this respect: STA-GO partnership with the EITI and the adoption by the EITI of the SDT has resulted in the EITI providing training and mentorship on GFSM2014 to all EITI implementing countries, thus extending the reach of STA-GO's interventions to a broader pool of countries; secondly, **FARI has had a sizable impact at the global level, with important multiplier effects on the work of other organizations that complement the IMF's work**.[10] This places the IMF at the centre of a growing extractive modelling community, with sizable influence on the work of others.

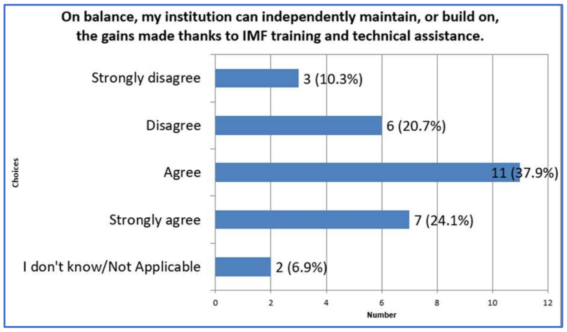
When it comes to FARI, there is room for more ambition. At the global level, the IMF can be more intentional in its outreach to other players that leverage modelling in their work (as noted earlier, by associating them to future FARI strategy discussions or review of models) to facilitate even broader uptake. At the country level, in select cases outside this evaluation's sample, the IMF successfully worked with country authorities to disclose models more broadly, either publicly or selectively to multi-stakeholder groups. This helped to build broader societal awareness and helped forge multi-stakeholder consensus. While this needs to be approved by IMF clients, the IMF is encouraged to consistently discuss this with country authorities. Feedback also suggested that this may create stronger willingness to collaborate with the IMF by those players that value transparency by default in their dealings with governments.

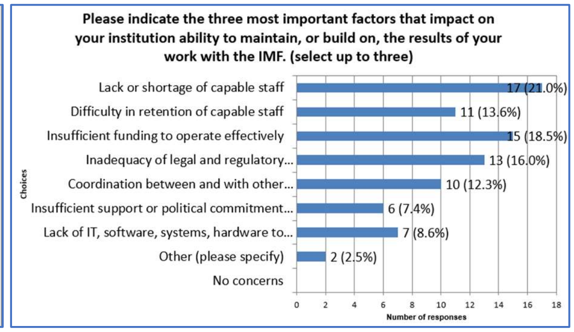
SUSTAINABILITY

Sustainability is rated a 2. Only government finance rates a 3 and this is exclusively due to the fact that project gains can be sustained by and via the EITI. All other workstreams rate in the range of 2 due to a mix of factors that impact on LIC's ability to independently maintain and build on the gains of MNRW-II assistance.

SUSTAINABILITY AND FACTORS THAT IMPACT IT	**Despite authorities' confidence in their ability to maintain independently their gains from the MNRW program, several factors undermine sustainability, with staff capacity, resourcing and staff retention being the main ones. There is evidence of the IMF considering how to lessen these challenges, but they are of difficult resolution.**

[10] Specifically, evidence has been found of public FARI mining and petroleum models informing the work of Open Oil's work in Guyana, NRGI's work in Tunisia and IFG's model-driven country assistance. Other examples of organizations that are taking up FARI include the World Bank and the African Development Bank, with results that may materialize in the future.





Surveys suggest that country authorities are confident about their ability to maintain gains from the program. But the distribution of answers is less concentrated in the positive range than for other survey questions. Also, all respondents report factors that impact on their ability to sustain gains. Unsurprisingly, **key concerns relate to resourcing, be that adequacy of funding or ability to tap into and retain capable staff**. These factors were also confirmed by the evaluation's in-depth project review. As a case in point, in several countries we noted turnover of staff that had been previously trained by the IMF. These were mostly poached by the private sector or other institutions who can provide more attractive remuneration than government ministries. FAD had considered proposing job retention schemes as a condition for their assistance. This denotes consideration of tactics to reduce high turnover, but retention schemes seem difficult to implement and often comes up against civil service pay scales that governments are reluctant to deviate from. Ultimately, this is a challenge that is difficult to resolve but one that underscores the need for continuous support, as outlined below.

ABSORBTION CAPACITY AND CONTINUITY OF SUPPORT	**Continuous support, over more years than contemplated under a short-term project, is needed in some low-capacity contexts to deliver sustainable capacity. A capacity assessment should be addressed at project preparation stage with the skill gaps clearly defined and presented to client governments. There are limits to the IMF "mission model" but also lessons and innovations on how these limits can be mitigated.**

Overall program gains and their sustainability are uneven across countries and institutions targeted. **Continuous support, over several years, is needed to bring CD efforts to bear, especially in the low-capacity contexts targeted under the MNRW**.

In this respect, the **IMF "CD (or TA) mission model" brings inherent strengths and weaknesses**. Among its strengths, this review noted the ability to work on tangible analysis and recommendations that is shared with country authorities in timely fashion. Where targets were receptive, time in-between missions supported digestion of recommendations and integration into policy and practice. However, where baseline capacity was low and/or the project met mixed level of political or managerial commitment to reform, the CD mission model struggled to deliver. In at least one country under review, meaningful progress only happened when IMF project staff or experts were physically in the country. There are however some lessons that emerge from this review on how to obviate the limitations of the TA mission model.

- **Embedding IMF interventions in the work of players with in-country presence.** This review noted that in some cases IMF interventions were supported by players and partners with in-country presence (e.g. EU on PFM) or embedded fellows/ secondments (e.g., ODI fellows). These players continued to provide assistance in between IMF missions and played an instrumental role in assuring continuity of support that was needed for project interventions to continue or reform to progress.
- **Expanding support from RCDCs across workstreams.** As noted earlier, RCDCs provided important backstopping to MNRW projects on revenue administration, PFM and national account statistics. The continuous support provided by RCDC experts concerned both preparations before HQ missions and follow up of recommendations. However, interviews with the IMF explained that tax policy assistance is

exclusively delivered from HQ. This was explained as a long-standing strategic decision given the supposedly more operational focus of revenue administration and PFM vs. the policy orientation of tax policy, which is centralized to ensure coherence of advice. Leaving aside whether this policy differentiation holds in practice, lack of specialized tax policy staff in the field presents a real challenge in sustaining programming and providing follow up support. Since the bulk of the projects in the MNRW are on tax policy, this is a notable gap.

- **Deploying peripatetic advisers where authorities need/request continuous support.** In a country in the sample, the IMF appointed a peripatetic advisor as a way of providing capacity building and mentoring. This modality supported trust building, closer observations of capacity gaps and development of targeted capacity development plan, rooted in identified needs and gaps, which strengthened the impact of HQ-led interventions. While this model may not be suitable across all countries, experience from phase II suggests that it can provide continuity where a clear demand for regular support and mentoring exists. We understand that deploying an additional RCDC peripatetic adviser to support capacity development where needed on a regional basis is under consideration.

PROTECTING REFORM ACROSS POLITICAL CYCLES	**Changes in governments and political directions are another factor undermining gains from the program. This calls for more concerted thinking on how to build broader societal buy-in to demand and protect reform**

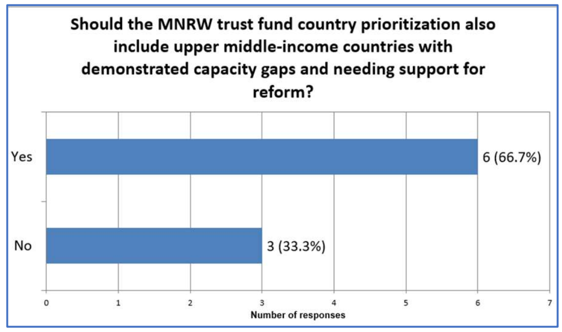
In at least one country under review, important reforms achieved with IMF support were being reversed with the arrival of a new political leadership. This in turns reveals limitations in the IMF approach. The IMF does not have a mandate to engage with other societal forces such as independent institutes, parliaments and other formal or informal entities that influence policy or represent citizens next to governments. While **a sole focus on government** helps the IMF preserve its nonpartisan status, which is important to build and maintain trust with government counterparts, it **impedes broader societal engagement and the development of multi-stakeholder consensus and citizen buy in on the importance of promoting and preserving reforms across political cycles**. While the IMF may not be best placed to play this multi-stakeholder role, it is important to ensure that other actors in the development ecosystem, including and extending beyond the government, engage with the broader public. At a minimum, the IMF can play a stronger role in helping governments to better communicate to the public the importance and substance of reforms.

EVALUATION OF MNRW-II STRATEGY AND MANAGEMENT

This section presents an assessment of management questions as well as other strategy questions that are not assessed under the project-based evaluation.[11]

STRATEGY QUESTIONS

COUNTRY ELIGIBILITY	**While priority is accorded to resource-rich LICs and lower-middle income countries (LMICs), the country eligibility process has allowed for exceptions where a case could be made (including allowing for inclusion of upper middle income countries that were EITI implementers). There are suggestions to expand criteria to include gaps of support, including on energy transition. This is a matter for SC deliberation.**



In general, **a majority of SC members is supportive of broadening country eligibility to include middle income countries but there is no consensus**, and some members feel the current focus on LCIs and LMICs remans important. In terms of benefits, a focus on LICs/LMICs that are, or are likely to become, resource dependent, allows the MNRW to focus on countries that are most likely to succumb to resource governance challenges without external support. Against this, LMICs and, especially, LICs suffer from greater absorption capacity challenges. This requires greater investment of resources and may limit the TF's ability to generate reforms with example-setting value, including to motivate peer countries to do better. Interviews suggested that other IMF TFs do not have similar country lists.

In practice, **there has been flexibility in applying this eligibility requirement**. Middle income countries that are EITI members have benefited from MNRW support. There is also the case of a middle-income country that received country CD, given the strong strategic rationale (but also one that was not). And the IMF has leveraged its complementary resources to expand support to other countries in multi-county interventions.

Ultimately, this is a matter for SC deliberation. The SC should consider whether establishing a priority list has signaling power internally (i.e., it may discourage proactive IMF outreach outside the list) and externally (i.e., it may discourage demand from countries outside this list). If this is not a concern, then the current process has allowed for sufficient flexibility that may not require a shift in approach. Other sparse suggestions related to the need to introduce a more complex set of criteria (vulnerability to shocks, a climate lens by prioritizing countries that need support on the energy transition, including developed ones, or are crucial producers of critical minerals etc.).

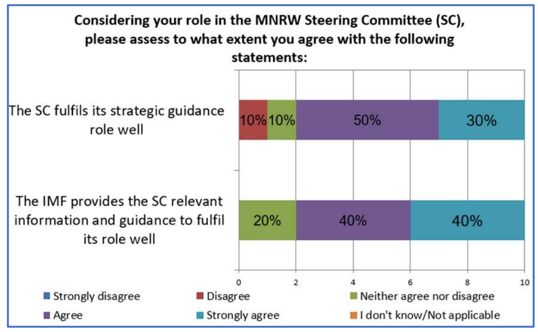
MANAGEMENT QUESTIONS

STEERING COMMITTEE GUIDANCE	**There is positive appreciation of the role played by the SC and the level of information provided by the IMF. Beyond sparse suggestions for improving the sharing of information, there is consensus on the need to focus on strategy level discussions; for example, the IMF**

[11] The original TOR and inception report assumed that the following aspects would be covered in this section, but these are now cored in the project-based assessment: MNRW adaptation is covered under relevance and, as concerns Covid, under efficiency; allocation of resources is covered under efficiency; impact on international standards is covered under impact; MNRW modular design synergies are covered under relevance and coherence; sequencing of activities is covered under efficiency.

	should feedback on what actions it has taken in response to SC suggestions and should encourage strategy discussions by tabling its own strategic issues for debate.

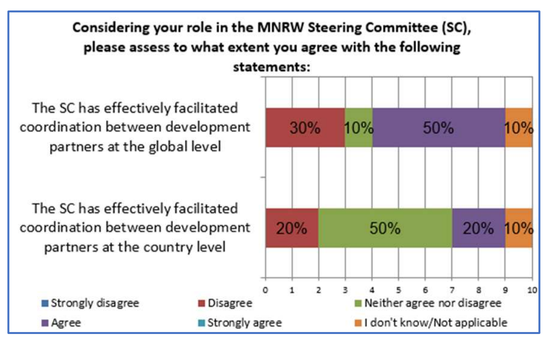
Survey results suggest that overall, SC members are happy with the level of information they are provided, and the role played by the SC (8 of 10 answers to the survey in the favorable range). This is true for external and internal (i.e., IMF) members. Among positives, there were mentions of the practice of sending reports before SC meetings, and the possibility to provide inputs before and after SC meetings, which enabled SC members to consult within their home institutions. This said, a number of **suggestions were made for improving practice**:



- **Presentation and type of information:** There is a desire for reporting that summarizes key data in visuals for better absorption. Also, one suggestion related to the need to better surface results or engage in case study discussions.
- **Access to information:** in addition to biannual reports, there was a mention of improving sharing of information by simplifying access to the donor portal and flagging when new information is added.
- **Strategic focus.** There was a mention from an IMF member that meetings should focus on strategic issues. However, some external members reported that they do not feel empowered to do so by current IMF practice. Specifically, there was a mention of the need for the IMF to be more forthcoming with its assessment of challenges at program or country level for SC feedback. One external member also noted that the IMF should put forward strategic/policy questions to the SC for guidance.
- **Responsiveness to feedback**: there was at least one comment of the need to improve responsiveness to SC feedback, including by demonstrating how SC comments have been taken on board.

THE STEERING COMMITTEE AS A VEHICLE FOR DONOR COORDINATION	**Data suggest there is more that can be done to leverage the SC for global and country level coordination. Key suggestions for improvement include more proactivity from IMF staff in engaging in mission briefings and debriefings and better leveraging the SC for coordination with the World Bank. This said, some reported that they saw positive improvements in coordination compared to past practice.**

When it comes to the role that the SC plays in ensuring coordination, survey data suggest room for improvement. Only half respondents agreed that the SC has facilitated global coordination. Most SC members neither agree nor disagree that the SC has facilitated country level coordination.



Suggestions from interviews and surveys are sparse but there is a demand for more **systematic briefings and debriefings for DPs** that are active at the country level and a suggestion that **IMF staff can be more proactive in their outreach to DPs**. This said, at least two **respondents reported improvements on past country coordination practice**. And some noted that annual bilateral coordination meetings, or meetings on request, helped build good working relationships at global and country levels.

SC responses also suggest that the **SC can be a more effective vehicle for coordination with the World Bank**. Specifically, the IMF invited, and the WB attended two MNRW SC meetings. One SC member suggested that this participation should be assiduous. Conversely, WB invitations to attend the EGPS have not been accepted by the IMF. It is also important that both the IMF and World Bank attend respective TFs SC meetings to strengthen information sharing and maximize opportunities for coordination.

CONCLUSIONS AND RECOMMENDATIONS

Overall, the MNRW is making an important contribution to lifting the quality of governance in resource-rich low and lower-middle income countries. The focus on interrelated policy challenges creates a comprehensive assistance package that is strongly aligned with the IMF's comparative advantage, such as the rooting of applied practice in high quality guidance frameworks models and analysis. IMF's work also appears clearly demarcated from the work of others and, where possible, synergies with other development partners have been created. Important progress is noted in this review, but ongoing focus is needed to bring investments in capacity to long term sustainability, given the low baseline in several countries and absorption capacity issues jeopardizing CD absorption.

The following table presents ten actionable recommendations emerging in this review in order of priority that can be implemented in the remainder of phase II. They inevitably focus on areas for improvement. This should not distract from recognition of the many strengths and good practices of MNRW noted in this review.

	Findings	Recommendations
1	**Climate change** is the leading challenge of our time and addressing it requires clarity of direction and a build-up of programming.	Despite positive initiatives noted in this review, the IMF should be more intentional in tackling energy transition via the MNRW. This includes completing and sharing publicly the carbon pricing integration into FARI. A future phase of STA work could also have a stronger focus on collecting, and using for analysis data, to monitor energy transitions, including in partnership with the EITI. The IMF approach to CC embraces three pillars: mitigation, adaptation and transition; MNRW is best equipped for transition. For example, under PFM work streams MNRW could advise on "green" budgeting, including relevant infrastructure projects funded by taxes on natural resources. Far more could be done on energy subsidy, which the IMF estimates (before the recent price surges) costs about USD six trillion a year. The debate with the SC is critical and the consequences for the design of any phase III may impact other priorities, including eligibility criteria. We recommend that the MNRW produces a strategy paper outlining direction of travel on energy transition, outlining efforts that can bolster MNRW focus on climate in the current phase and next phase, while being explicit about broader IMF efforts on climate to ensure synergies or clear demarcation of efforts.
2	The rationale for choosing workstreams needs to be anchored in **country-wide assessments**	The choice of workstreams prioritized in country level CD must be anchored to broader country strategies that i) include country diagnostics that identify key resource governance issues and gaps ii) explain how MNRW work builds on or complement other IMF initiatives or iii) the efforts of other development partners, including with broader societal forces beyond governments and iv) how IMF efforts align with national reform priorities. This is best done as new proposals are developed or in the next phase, but the remainder of phase II can provide time to think about how to realistically elevate current practice in this area.
3	**Absorption capacity** undermines program gains	Limited financial resourcing, low staff capacity, and staff turnover jeopardize program gains. Continuity of support, especially in low-capacity contexts is necessary. This cannot be assured exclusively by HQ staff/expert missions. Where the IMF cannot tap into the work of other development partners with a country presence, it should consider how to provide this support directly. Where demand exists, this could take the form of a peripatetic adviser that is available remotely and in person for responsive support. On a more general level, the linkage to RDCDs must be strengthened. For this to have a real impact within the MNRW, RCDCs must assume an advisory role around tax policy advice. In addition, TA with CD value should be the default mode of CD unless a case for pure TA can be made. This will require longer implementation timeframes and adequate resources.

4	The TF can make better use of the **Steering Committee for strategic guidance**	Steering committee meetings need to be oriented towards surfacing advice on key challenges, policy or strategy issues that the IMF is grappling with. This requires providing key questions for discussion, digestible information to inform SC feedback and updates on how SC inputs have been taken on board in practice. The SC should also play a role in overseeing that the EV recommendations are addressed in the remainder of phase II. The SC is also a good vehicle for engagement with the World Bank who should be invited to attend all meetings with IMF honouring invitations to attend EGPS SC meetings.
5	Current IMF **budget** practice is opaque and prevents scrutiny	The MNRW needs to increase transparency of budgeting and spending. In the immediate, spending reports should be organized along both project and functional lines. Execution should be reported against revised *and* original budgets, as well as projected annual allocations. Project leads should be required to explain any end of project reallocation that exceeds 20% of the original budget. Future evaluators need to be availed with transaction data for meaningful analysis.
6	There is room to further **broaden the uptake of FARI** at the global and country level.	Significant multiplier effects were noted from other organizations using FARI. And yet, not all modelling organizations use FARI. While there may be reasons behind this that the IMF cannot overcome, it can be more concerted in its outreach to other modelers (e.g., OfD, GIZ and WB staff and experts, ODI fellows) including by proactively sharing revisions of the mission model and involving them in future strategy discussions to build collective buy-in in the use and ongoing success of FARI. In addition, the IMF should continue to proactively broach disclosure of country models with country authorities so that these models can become public goods that inform the work of other players and societal forces.
7	More ambition is possible on **gender**	The MNRW should frame more clearly realistic ambitions around gender. At a minimum, it should maintain the collection of gender disaggregated participant data and include these in progress reports with details on tactics to improve gender balance. Internally, the IMF can consider how to send positive signals by showcasing the leadership of women in its courses, including as presenters. Ongoing analysis of the gender of IMF training or TA experts and staff should be considered to monitor internal gender imbalances and inform efforts to expand the IMF expert pool.
8	The relevance of **MCM's work** to resource governance challenges is tenuous	The MNRW should decide whether to discontinue MCM interventions before the end of phase II. There is a rationale for continuing or resuming aborted MCM work but it is hard to justify that this work is MNRW-funded and the disconnect from resource governance flows induced monetary issues. The original mandate for MCM seemed highly relevant for MNRW i.e. "to support economic growth and financial stability by helping LICS to adapt their policy framework to large and unpredictable swings in commodity prices", but for a variety of reasons MCM was unable to implement this mandate.
9	**Training practice is good but inconsistent** and its efficiency can be improved	Internal guidance should be developed to improve consistency in future training efforts with ICD potentially playing a stronger role in familiarizing staff from other departments and monitoring adherence. One off-training should be avoided where it is not part of longer learning journeys including needs assessments, pre- and post-course requirements or mentorship that support incremental learning and application, particularly where deploying fully fledged country CD is not possible. Pre- and post-course assessments need to be run consistently. Post-course surveys need to be sent for all courses including those not delivered by ICD and results shared with the SC to capture impacts from courses. Global courses need to be more supportive of country CD**.** This includes leveraging them to prepare staff for more in-depth training and to refresh staff knowledge over time. The MNRW also needs to regularly collect and share in its progress reports to what extent global courses include staff involved in country CD (and not just generally individuals from MNRW countries).

10	Stronger **societal buy-in** is necessary to demand and protect reform	Changes in reform commitment across political cycles are another factor undermining gains and sustainability. In its work with governments, the MNRW can consider how to support governments in better communicating the importance of reform to a broader range of actors to support multi-stakeholder consensus and a collective commitment to protect reform across political cycles. Doing this effectively will require tactfully persuading government counterparts of the benefits of broader disclosure and transparency. Where they exist, multi-stakeholder mechanisms should be tapped into to support this.