



**Inception Note**

**Independent External Mid–Term Evaluation**

**Pacific Financial Technical Assistance  
Center (PFTAC)**

Submitted to:

International Monetary Fund

By:

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### 1.0 Introduction

#### 1.1 Background

In July 2014 the International Monetary Fund (IMF) solicited proposals for a mid-term evaluation of the Pacific Financial Technical Assistance Centre (PFTAC). The evaluation team that was chosen is headed by Dr. Kenneth Watson.<sup>1</sup> The Inception Phase of the evaluation began in August 2014.

An Evaluation Subcommittee is overseeing this evaluation. The IMF Institute for Capacity Development's Global Partnerships Division (ICDGP) is managing the evaluation day-to-day and supporting information-gathering. The PFTAC Coordinator has been consulted and is helping coordinate the evaluators' contacts with stakeholders in the Pacific.

#### 1.2 Objective of this Inception Note

This Inception Note is a milestone report for the first phase of the Independent Mid-Term Evaluation of PFTAC Phase IV. It describes the approach to be taken in the evaluation, the evaluation methodology and the work plan for the following phases of the evaluation.

#### 1.3 Evaluation Approach and Methods

The evaluation study will answer the evaluation questions set out in the Terms of Reference. The framework for analysis will be the objectives set out in the Program Document, the LogFrames and the OECD/DAC performance criteria. The Terms of Reference state that the objective of the evaluation is to assess the relevance of the program document and the extent to which PFTAC has achieved tangible results. The evaluators will assess the quality of the Program Document and the LogFrames and consider the extent to which the underlying logic for PFTAC is still valid; whether there is still a clear role for PFTAC; whether the PFTAC model is the best approach to developing capacity and achieving policy objectives; and whether given its size and skills mix, the Center is able to fulfill its mandate effectively, and whether its level of operations is sustainable financially.

The evaluators will assess the efficiency and effectiveness of the Centre's work. They will also assess the impact of PFTAC and whether the results of its work have been sustained. They will report on any significant lessons that can be drawn from the experience of PFTAC highlighting strengths and weaknesses, and will provide a focused and prioritized set of recommendations for improvement and for the future direction of PFTAC.

The evaluators will review the progress of the Centre on the commitments made in regard to the recommendations of the most recent independent evaluation (2009).<sup>2</sup>

The findings of the evaluation will inform discussions on PFTAC's future operations.

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<sup>1</sup> Dr. Watson led the CARTAC Cost-Effectiveness Study in 2011. He also led the evaluation team that assessed the IMF Technical Assistance funded by Japan world-wide in 2014. He is supported by Dr. Munir Sheikh, former Chief Statistician of Canada and Associate Deputy Minister Department of Finance, Ms Vinita Sikand Watson, former Canadian Executive Director at the Inter-American Development Bank and Assistant Deputy Minister Finance Canada, Dr. Anne Perkins Survey Coordinator, and several technical specialists in PFTAC's areas of work.

<sup>2</sup> B. Murray et al, *Independent External Evaluation of the Pacific Financial Technical Assistance Centre*, June 2009

### Scope of the Evaluation

The evaluation is external and independent. It will cover all areas of PFTAC's work in its member countries in the Pacific. The evaluation period is the first part of the fourth funding cycle. That cycle runs from July 2011 to April 2016. The evaluation will address the work of the Centre from July 2011 to April 2014, which is approximately three IMF fiscal years – that is, FY 2012 (less May and June 2011), FY 2013 and FY 2014 (ending on April 30 2014).

### Deliverables

The evaluation team will write four reports. These are:

**Inception Note:** This Inception Note sets out the methodology for data collection and analysis, including samples of countries, stakeholders and case studies; draft interview and survey instruments; a work plan for data collection; and a draft table of contents for the evaluation report.

**Field Work Note:** At the end of field work the evaluators will submit a Field Work report which will include a description of the completed field work. (This deliverable is not noted in the Terms of Reference in Appendix 9.)

**Draft Evaluation Report.** The draft Evaluation Report will present the evaluation analysis, discuss the evaluation questions, draw conclusions and lessons, and make preliminary recommendations. We understand that it will be disseminated to all members of the SC for comments; and that the committee may request a video or teleconference to discuss consolidated comments to the draft report. As the Terms of Reference requires this draft report will not exceed 40 pages, excluding annexes. The report will include an executive summary.

**Final Evaluation Report.** The final evaluation report will be a revised and polished version of the draft report, taking into account comments received. The final stand-alone report will not exceed 40 pages, excluding executive summary and annexes. The report will contain no more than 10 recommendations that are focused, prioritized, and implementable. A summary presentation in PowerPoint format will accompany the final report and will be the basis for a later presentation by the Evaluation Team Leader to the Steering Committee<sup>3</sup>

## 2.0 Evaluation Questions and “Evaluation Matrix”

The Terms of Reference for the evaluation stated the evaluation questions to be answered. They are listed in Appendix 4 and Appendix 9. Each question is followed by a brief indication of the relevant methodology for analyzing that issue and the likely sources of data.

### 2.1 Sources of information

The evaluation will draw on information from a range of sources, particularly IMF documents and data; interviews with country authorities and the members of the Steering Committee (including staff of beneficiary countries and donor representatives); surveys and case studies. Each evaluation criterion would be assessed using at least two different information sources.

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<sup>3</sup> Once discussed by the SC, we understand that the IMF will make the final evaluation report available on the PFTAC website.

See Section 4 for details of Survey Design.

### **2.2 Document Review, Briefings and Interviews**

The evaluation team will analyze all available materials, including work plans, project/mission TORs, TA reports, SC minutes, SC member comments in the context of written consultations, previous evaluations of PFTAC and other RTACs, and internal transaction documents produced by the center coordinator, resident advisors, and STXs. Financial information and activities information will also be analysed.

As context, the evaluators will review trends in the main macroeconomic indicators in the member countries, to assess the extent to which countries are succeeding in achieving macroeconomic policy reforms and targets.

In the Inception Phase the IMF ICD and PFTAC have provided documents for the Evaluation Team's review. These have included the Program Document, Annual Reports, Annual Work Plans, Result-based Management (RBM) LogFrames, and various topical assessments.

The team has visited the IMF headquarters twice for discussions with staff of the Asia Pacific Department and management, the IMF functional (TA) departments, the Institute for Capacity Development (ICD) and the former PFTAC Coordinator, former resident advisors (LTX) and IMF managers. Meeting reports were circulated after the first visit and follow-up questions discussed during the second visit.

The Evaluation Team also met with IMF staff and consultants who are involved in the IMF's RBM initiative to discuss RBM in the RTACs in general and PFTAC in particular.

(See Appendix 5 for a list of persons interviewed in the Inception Phase.)

### **2.3 Interviews and Focus Groups**

The evaluators will conduct interviews with PFTAC staff, with donors and development partners (some individually and some in a focus group discussion at PFTAC HQ), with country authorities, with SC members and representatives of regional bodies. The questionnaires for each stakeholder groups will guide these interviews. (Appendix 7)

While all interviewees will be given the opportunity to comment across the full scope of the evaluation, interviews with country authorities will cover in particular the appropriateness and responsiveness of the technical assistance and training provided by IMF resident advisors (LTX) and short-term experts (STX) and explore and document specific results.

The evaluations have interviewed staff of IMF TA Departments in Washington DC and staff and managers in the IMF Asia Pacific Department and the Institute for Capacity Development (ICD). This has involved both individual interviews and group discussions

### **2.4 Descriptive Data Tables**

The Evaluation Team has designed a set of descriptive data tables that will enable it to review PFTAC activities and costs over several funding cycles, with the emphasis on Phase IV. (See Appendix 8)

### 2.5 Case studies

The evaluators will prepare seven case studies with an emphasis on identifying impacts.

#### PFM

1. **Revamping of PEFA and PFM roadmap processes.** PFTAC has substantially modified processes to increase country involvement. Countries in which to discuss this include Cook Islands, Fiji, Samoa (Tokelau whilst in Samoa), and Solomon Islands.
2. **Non-tax revenue reviews.** This is a new area in PFTAC Cycle IV and is conducted in conjunction with the Australian Department of Finance. The first completed case is Samoa and there are plans to conduct reviews in Fiji, Solomon Islands and Vanuatu.
3. **Audit.** This area is important but relatively weak (See PEFAs). Countries in which to discuss this topic include Fiji & Vanuatu.

#### Revenue

4. **VAT reforms.** During this cycle VAT has been introduced in Kiribati and implementation has started in Palau. PFTAC has helped Tonga in VAT administration. We understand that little progress has been made in RMI or FSM. Coordination is a factor. Countries in which to discuss this topic include: Kiribati and Tonga.

#### Financial Sector

5. **Strengthening off-site bank supervision.** This includes assistance with introducing/improving reporting forms, FSIS development (data management), and internal reporting and analysis of results. Countries in which to discuss this topic include: Samoa, Solomon Islands and Tonga.

#### Statistics

6. **Capacity building vs. capacity supplementation.** This is an issue in financial sector, macroeconomics, and PFM in small countries, but is particularly acute in the statistics area. It is also an issue for other providers and donors. Countries in which to discuss this topic include Fiji and Samoa (good scope for capacity building), Kiribati and Tonga (difficulty building capacity), and Solomon Islands (progress being made).

#### Macroeconomics

7. **Development of forecasting and financial programming capacity.** This has been a key area of work for PFTAC. We are told that early efforts, and the hopes of members, may have been too ambitious. PFTAC has been working to simplify and put better processes in place. Countries in which to discuss this topic include Fiji, Samoa, Solomon Islands and Tonga.

### 2.6 Action on the Recommendations of the Previous Evaluation

The most recent independent external evaluation of PFTAC reported in June 2009.<sup>4</sup> It made eight recommendations. We will examine PFTAC's implementation of the agreed Action Plans arising from this study.

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<sup>4</sup> B. Murray et al, Independent Evaluation of the Pacific Financial Technical Assistance Centre

### 3.0 Evaluation Criteria and Performance Rating Scales

#### 3.1 Performance Rating Scheme

The Terms of Reference for the evaluation require that PFTAC be assessed against the OECD/DAC performance criteria. The evaluation team will assess the relevance, efficiency, effectiveness, impact and sustainability of TA and training provided by PFTAC, during the evaluation period. Impact will be assessed wherever possible, bearing in mind that some activities are very recent and that capacity building is a long-term venture.

The evaluators will use a performance rating scheme similar to that used in previous and concurrent IMF evaluations of RTACs.<sup>5</sup> This will promote transparency in the evaluation judgments and enable the IMF ICD to aggregate ratings and results across RTACs or across functional areas.

The rating scale proposed is a continuous<sup>6</sup> scale of 0 to 5. We believe that it is important that the scale be anchored at zero to enable correct calculations of average ratings and comparisons across criteria and stakeholder groups. Stakeholders will be invited to indicate their ratings on this scale assuming 0.5 increments – that is, a rating between, say 2 and 3, will be taken to be 2.5. The midpoint of the scale is in fact 2.5 although we prefer not to emphasize the mid-point too much.

The choice of rating scale is not particularly important as long as expressed preferences can be assumed to be consistent and transitive. For example we assume that a rating of 2 on a scale of 0-4 is the same as a rating of 4 on scale of 0-8. Given this assumption one can standardize scores to any scale for comparisons across studies. We have chosen a scale of 0 to 5 for two reasons. First, it allows somewhat finer distinctions than, say, a scale of 0-4, without appearing to require artificially-precise ratings. Second it is a widely used scale.<sup>7</sup>

#### 3.2 Average Ratings

As was done in previous evaluations of IMF RTACs, we will calculate average performance ratings by area of work and for PFTAC as a whole. There are several points worth stating about the averaging procedure. First if one criterion is not applicable in a certain case then it will be rated as such (given a N/A not a zero). In essence it will be rated on four criteria, not five. Most likely this will only apply to some instances of the sustainability criterion and the impact criterion. If it is too early to judge impact or sustainability, which it may be for activities in FY 2014 say, then their ratings must be regarded as interim but not necessarily low.

The second issue worth considering about average ratings is the method of calculation (the form of the objective function). In some circumstances ratings can be simply added and an average calculated by dividing the total score by the number of ratings. This is the method frequently used. However it has a major drawback. For example a project or program could receive a 0 on relevance and still get 80% out of 100% so to speak. In circumstances where

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<sup>5</sup> The Terms of Reference contain a rating scheme consistent with that used in the most recent 2012/13 external evaluations of AFRITAC East, AFRITAC West, and CAPTAC-DR.

<sup>6</sup> Rating scales can be continuous or categorical but it should be clear which one is the case. The two should not be confused.

<sup>7</sup> The most widely used psychometric scale for questionnaires is the Likert Scale which is categorical and has five points/categories on the scale.

it is important that ratings be good on all criteria, a multiplicative objective function has advantages. If ratings are multiplied, and then normalized<sup>8</sup> against the possible maximum score, then a zero on any single rating will result in a zero on the overall average rating.

### 3.3 Weighted ratings

Evaluations of other IMF RTACs have used weighted ratings. The criteria weights express professional, but partly subjective, judgments about how much importance should be ascribed to each criterion in the case of PFTAC. We propose to use the following weights:

Relevance	30%
Efficiency	20%
Effectiveness	20%
Impact	10%
Sustainability	20%

Impact has a relatively small weight because we will be assessing initiatives that were implemented in the past three fiscal years and some of those initiatives might reasonably be expected to have a significant impact only over a longer time.

However in order to give the reader of the evaluation report as much information as possible we will do two things. First, we will present both the weighted and the unweighted ratings and average ratings. Second, we will do a sensitivity analysis, varying the weights within reasonable ranges, and showing the results. For example the evaluators might explore whether equal weights would significantly change PFTAC's performance rating overall or by area of work. Similarly the evaluators will explore the effects of higher weights for the results-focused criteria - that is, effectiveness, impact and sustainability.

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<sup>8</sup> We propose to use simple standardization. If a project received 4 out of 5 on one criterion and 3 out of 5 on a second criterion then its multiplicative rating would be 12 out of a possible maximum score of 25 or 45%.



## 4.0 Data Collection and Field Work

### 4.1 Sample of Beneficiary Countries

We have selected a sample of beneficiary countries to include relatively large and smaller countries and countries in different sub-regions of the Pacific and countries with different levels of capacity. The countries that the evaluation team intends to visit are as follows (in chronological order of visits):

- Cook Islands
- Fiji
- Kiribati
- Tonga
- Solomon Islands
- Samoa (Tokelau)

Field work is scheduled from November 4<sup>th</sup> to December 4<sup>th</sup>, 2014.

(See Appendix 1 Evaluation Tasks and Timing; and Appendix 2 Field Work Itinerary Summary)

### 4.2 Surveys

Two groups of stakeholders will receive questionnaires. (See Appendix 7) These are:

- Beneficiary country officials (PFTAC “clients”)
- Steering Committee members and IMF staff (Coordinator, LTX, STX, Area Department staff, TA Dept. Staff, ICD staff)

(See Appendix 6 for the target numbers of completed surveys by stakeholder group.)

As far as possible we will use the same questions in each questionnaire to enable comparisons of perceptions across groups of stakeholders, but some questions will be specific to a single group.

We will provide the questionnaire to people in several formats including email-out-email-back form and as an on-line web-based survey with a secure provider approved by the IMF (*cvent* surveys). The key consideration in each situation is which mode will elicit the best response rate.

The stakeholders are expected to include the following: ( ) PFTAC Coordinator or former Coordinator; ( ) long-term expert/LTX based in Suva or former LTX ( ) short-term expert STX engaged by the IMF/PFTAC to an assignment in the Pacific ( ) Backstopper or other IMF staff based at IMF headquarters ( ) Regional country representative and member of the PFTAC Steering Committee ( ) Non-regional representative and member of the Steering Committee ( ) Observer Steering Committee Observer ( ) Official of member Government (PFTAC client representative)

### 4.3 Sampling and Target Response

The target response to the evaluation survey (the target number of completed questionnaires) is approximately 85. (See Appendix 6: Target numbers of complete

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questionnaires by stakeholder strata.) Our expected response rate after follow-up is approximately 70%. Therefore we will identify 120 stakeholders to receive a questionnaire.

All members of some stakeholder groups will be surveyed. They will not be sampled. These groups include current members of the Steering Committee, the current Coordinator and the former coordinator, and the current resident advisors (LTX).

Some stakeholder groups will be sampled. These include short-term experts (STX), IMF staff (backstoppers and other IMF HQ-based staff who have knowledge of PFTAC) and PFTAC “clients” (officials in participating countries, generally in central agencies, Departments of finance and central banks). They also include past members of the Steering Committee and past LTX.

To identify members of the groups to be sampled we will consult IMF HQ managers (particularly ICD), the Center Coordinators and project documents and Donor suggestions. Once the members of the groups are identified and lists compiled we will select a random sample of the appropriate size from each stratum.

The group lists are presently being compiled and the sampling will be done at the start of the Fieldwork phase.

### 4.4 Questionnaire Design

There is a long version the evaluation questionnaire for people who have a substantial knowledge of PFTAC and who can be expected to be able to take an overview of PFTAC’s work across its member countries. These include members of the Steering Committee, PFTAC staff (Coordinator, LTX and some STX) and IMF HQ staff (backstoppers and managers). This questionnaire contains 33 questions. (See Appendix 7A) It addresses the evaluation questions in our Terms of Reference and is organized into the following sections:

- Relevance
- Efficiency
- Effectiveness
- Impact
- Sustainability of results
- Coordination and cooperation
- Results-based management
- Institutional sustainability
- Governance
- Main strengths and weaknesses

There is also a shorter version of the questionnaire that contains 22 questions (See Appendix 7B). This version is for country officials (PFTAC “clients”) who will generally be familiar with one particular area of PFTAC’s work – say, revenue administration – and who can speak about PFTAC’s activities in their country rather than throughout the Pacific. This questionnaire covers the same topics as the longer questionnaire, listed above, with the exception of governance and institutional financial) sustainability.

The questionnaires include both scaled questions (check a box or indicate a mark on a scale) and open-ended questions. The open-ended questions are designed to elicit thoughtful, in-depth responses, which will allow for a richer understanding of key issues.

In general the questionnaires will also serve to guide interviews. Our preference in fact is that a questionnaire should be completed before each interview so we can probe the

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answers further in the interview but this is unlikely to always be possible logistically. We have found that asking interviewees to complete a written questionnaire before the mission has several advantages. It facilitates comprehensive and structured information gathering, and it enables us to start the in-depth interviews with many of the basic points covered so we can complete each interactive interview at a higher level than we might otherwise be able to reach in the allotted time.

In order to ensure candid responses, the evaluators will assure respondents that their responses will be confidential.

The survey will be done in phases.

1. **Design of survey instrument and materials** (questions, covering letter, etc.) and contact lists will be developed in consultation with IMF. This is substantially complete.
2. **Pre-test.** In the Inception Phase we have tested the draft questionnaire with a sample of stakeholders and revised it accordingly.
3. **Introduction.** When the surveys are launched an introductory email will be sent by PFTAC to the contact list to introduce the evaluators and to indicate that a questionnaire will follow. The initial email from PFTAC will help develop a clean and current list of names and addresses. We have found that an authoritative introductory letter/email is also useful in improving the response.
4. **Distribution.** Once the introduction is completed, a second email will be sent to the corrected contact list, by cvent web surveys, with a link to the questionnaire on the Internet.
5. **Follow-up.** After a reasonable period of time we will send another email and/or telephone to prompt the participants who have not yet completed the questionnaire to do so. If the respondent prefers to download the questionnaire, complete it on paper and email it back to the survey coordinator that is acceptable as well.

Because of the open-ended nature of some survey questions and the need to keep the identification of respondents confidential, we believe a combination of web-based survey, email-out/telephone-follow-up is likely to be the most effective approach.

### 4.5 Confidentiality and Respondent Characteristics

Respondents will be assured that their name will not be linked with any specific response. The evaluators will, however, know who has responded (to enable them to follow-up to encourage response) and will be able to analyse the data by stakeholder group.

Confidential information (not to be disclosed by consultants) will be kept on each respondent masked by a unique numeric identifier. These data include name, position and country, email address and telephone number.

**Role:** ( ) PFTAC Coordinator or former Coordinator; ( ) resident advisor/LTX based in Suva or former LTX ( ) short-term expert STX engaged by the IMF/PFTAC to an assignment in the Pacific ( ) Backstopper or other IMF staff based at IMF headquarters ( ) Regional country representative and member of the PFTAC Steering Committee ( ) Non-regional representative and member of the Steering Committee ( ) Observer Steering Committee Observer ( ) Official of a PFTAC member government/ PFTAC client

## APPENDIX 1: EVALUATION TASKS AND TIMING

This evaluation study began in August 2014 and the draft final report is expected to be ready to be disseminated to the Evaluation Sub-Committee (ESC) by February 2015 and presented to the PFTAC Steering Committee in mid-March. The work will proceed in three phases: a desk phase, a field phase, and an analysis/synthesis/reporting phase.

### **Desk Phase/Inception Phase:**

In the Inception Phase the evaluators have done the following:

- Conducted a desk review of documents and designed descriptive data tables on PFTAC activities and expenditures during the evaluation period.
- Visited IMF headquarters twice to interview staff and managers.
- Prepared this Inception Note.

### **Field Phase**

We will visit PFTAC and its beneficiaries in six countries plus interviewing representatives of Tokelau in Samoa. This will ensure adequate consultation with, and involvement of, a variety of stakeholders, working closely with government authorities and agencies, and where relevant, donor offices.

Visits will include face-to-face interviews, some discussion groups where appropriate, prompting response to our questionnaires, and phone and e-mail exchanges.

The deliverable from the field work phase will be a Field Work Report describing the consultations completed and listing those consulted.

### **Analysis and Synthesis Phase**

The synthesis phase will be mainly devoted to analysis of the data relevant to the evaluation questions and drafting the evaluation report. Follow-up interviews during this period to fill any remaining gaps in information can probably be conducted by phone, web-based communications such as Skype and email.

We will ensure that our assessment is objective and balanced and recommendations realistic, practical, implementable and prioritized. We will draft a report in English presenting the main findings, lessons learned, and recommendations, accompanied by a summary of the information gathered.

Evolving evaluation findings will be discussed in Mid-January 2015.

The draft final report will be circulated in mid-February 2015.

The evaluation team leader will present the evaluation findings to the PFTAC SC in mid-March 2015.

**Milestones**

**Inception Phase**

- Deliverable: Inception Report
- Approximate Date: October 2014

**Field Work Phase**

- Deliverable: Field Work Report
- Approximate date: December 2014

**Synthesis and Analysis Phase**

- Deliverable: Draft Evaluation Report
- Approximate date: February 2015

**Revision, Reporting and Presentation Phase**

- Deliverable: Final report.
- Approximate date: Before April 2015
- Final Deliverable: Presentation to Steering Committee

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**WORK SCHEDULE - MID-TERM EVALUATION OF PFTAC**

	<b>WEEK</b>	<b>PFTAC EVAL</b>
<b>August</b>	<b>11-15</b>	Evaluation starts Aug 11
	<b>18-22</b>	Evaluation team does preliminary reading and research
	<b>25-29</b>	Team visit to IMF HQ
<b>Sept.</b>	<b>01-19</b>	Document review, interview notes, evaluation design
	<b>22-26</b>	Team visit to IMF HQ
	<b>29-03</b>	Write Inception Note
<b>October</b>	<b>06-10</b>	Inception Note
	<b>13-17</b>	
	<b>20-24</b>	
	<b>27-31</b>	
<b>November</b>	<b>03-28</b>	Field work in Pacific. Evaluation Survey in progress (Cut-off for survey returns 15 <sup>th</sup> December.).
<b>December</b>	<b>01-05</b>	
	<b>09-12</b>	Field work Report
	<b>15-02</b>	Data analysis (survey), Issue analysis
<b>January</b>	<b>05-09</b>	
	<b>12-16</b>	Team visit to IMF HQ. Brief IMF ICD in person and PFTAC Coordinator by teleconference on emerging findings
	<b>19-30</b>	
	<b>February</b>	<b>02-20</b>
<b>March</b>	<b>16</b>	Present Evaluation to SC in person
<b>April</b>	<b>20-24</b>	<b>Submit Final (revised) report</b>

**APPENDIX 2 FIELD WORK ITINERARY (Summary)**

Cook Islands November 6 to 8

Fiji November 10 to 12; and 22-23

Kiribati November 13-16

Tonga November 17-20

Solomon Islands 26-28

Samoa (Tokelau) November 30-December 5

Draft

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2.2. Phase IV Objectives (Program Document, RBM Strategic Log Frame).

### 3. PFTAC's Performance

3.1 Public Financial Management

3.2 Revenue Administration and Policy

3.3 Macroeconomic Analysis

3.5 Financial Sector Supervision

3.6 Macroeconomic Statistics

Each of these sections will cover:

- Regional situation
- Objectives and strategy
- Activities (TA/Training)
- Resources Deployed
- Results Achieved
  - ✓ Percent work plan complete at end of third FY in Phase IV
  - ✓ Degree to which Phase objectives have been achieved.
  - ✓ Performance ratings (Table: Relevance, Efficiency, Coordination, Effectiveness, Impact and Sustainability)
  - ✓ Observations

### 4. Conclusions and Recommendations

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## APPENDIX 4 EVALUATION MATRIX – QUESTIONS, DATA SOURCES AND METHODOLOGY

DAC Criterion	Question
<b>Relevance</b>	<ul style="list-style-type: none"> <li> <p>• <b>Is PFTAC meeting the priority needs of member countries (including the unique challenges of small states). Is TA aligned with national reform priorities and are the interventions consistent with the Program Document?</b>  Methodology: There are several components to this question.  Main source of data/information: Documents, interviews, surveys.</p> </li> <li> <p>• <b>To what extent are PFTAC activities effectively coordinated with and complement the work of other IMF TA Programs (e.g. Topical Trust Funds) and the work of development partners operating in the same sectors (including regional bodies)?</b>  Methodology: Compare IMF activity in the Pacific in different modes. Link with coordination.  Assess how PFTAC resources are in fact aligned by country and sector.  Main source of data/information: Annual Reports, ICD Databases Interviews with staff of PFTAC, ICD and IMF Functional Depts. ICD database</p> </li> <li> <p>• <b>Is the SC effective in ensuring strong country ownership of PFTAC activities and governance of the Center, including strategic direction and oversight?</b>  Methodology: Compare SC responsibilities and accountabilities against good governance criteria. Link with governance,  Main source of data/information Questionnaire and interviews with members of the Steering Committee</p> </li> <li> <p>• <b>Has PFTAC succeeded in establishing a clear comparative advantage compared with other sources and delivery modes of related TA?</b>  Methodology: Describe the role of RTACs in general and PFTAC in particular and its pros and cons relative to other TA modalities.  Main source of data/information IMF documents. PFTAC Annual Reports.  Questionnaire for PFTAC beneficiaries. Interviews in member countries.</p> </li> </ul>
<b>Efficiency</b>	<ul style="list-style-type: none"> <li> <p>• <b>Are PFTAC activities delivered efficiently in terms of (i) implementation (e.g., timeliness in executing the work plan, follow up on TA delivered)<sup>9</sup>; (ii) use of resources (i.e., cost efficient achievement of results, including overhead cost, also in comparison with other TA providers); and (iii) monitoring and reporting (including dissemination of TA reports)?<sup>10</sup></b>  Methodology: Timeliness can be judged by comparing what was achieved in an example year, say FY 2013 Annual Work Plan and what was carried over to FY 2014.  Main source of data/information: PFTAC documents and interviews with the</p> </li> </ul>

<sup>9</sup> One aspect of this question is to what extent is PFTAC able to operate efficiently over such a large span of countries and what challenges to efficiency (and effectiveness) does the large country footprint present? Methodology: Examine the pattern of work by country. Are some countries receiving less attention because they are harder to reach from Suva? Are some countries receiving less attention because of cultural or linguistic reasons? Main source of data/information: PFTAC mission records.

<sup>10</sup> One aspect of efficiency is to what extent does PFTAC efficiently balance between resident advisors and short-term experts, sectoral approach vs. a more holistic approach to addressing countries' inter-related TA needs, and in-house TA vs. workshops? Methodology: Compare these types of activities during a sample year, say FY 2014, or over the first three years of Phase IV. Main source of data/information: PFTAC work plans and resource plans.

## Mid-Term Evaluation of PFTAC Phase 4 – Inception Note

DAC Criterion	Question
	<p>Coordinator and the LTX.</p> <ul style="list-style-type: none"> <li>• <b>To what degree do PFTAC’s systems and institutional set-up allow for retention of organizational memory (e.g. to facilitate follow-up as needed, avoid duplication of effort, improve handovers, etc.)?</b>  Methodology: Define what “organizational memory” means. What systems exist? What are benchmark systems in similar organizations? Examine PFTAC’s systems for tracking client contacts, capturing lessons and maintaining client relationships.  Main source of data/information: Interviews at PFTAC. Examine PFTAC records including PFTAC website and intra-net. Interviews, including interviews with development partners and regional bodies. Organizational memory literature.</li> <li>• <b>What actions could be taken to improve cost-effectiveness while maintaining a high quality of outputs?</b>  Methodology: Examine PFTAC’s activities and costs. Within limits of comparability, compare them with those of CARTAC which had a cost-effectiveness review in 2011.  Main source of data/information: IMF cost and activity databases. Interviews at PFTAC.</li> <li>• <b>To what extent has backstopping by the IMF added value to PFTAC’s TA?</b>  Methodology: Interview LTX and backstoppers.  Main source of data/information Questionnaires and interview data.</li> </ul>
<b>Effectiveness</b>	<ul style="list-style-type: none"> <li>• <b>To what extent have PFTAC TA and training led to tangible and lasting results and strengthened capacity?</b>  Methodology: Case studies.  Main source of data/information. Interviews in member countries. Stakeholder questionnaires</li> <li>• <b>Has the Center helped to integrate TA and training?</b>  Methodology: Obtain examples of the integration of TA and training, including training workshops by PFTAC LTX, IMF TA Dept. workshops and ICD courses.  Main source of data/information Interviews with IMF staff.</li> <li>• <b>What contribution has PFTAC made to build a robust network of local experts in the region, and to systematically identify and optimize the use of local and regional expertise?</b>  Methodology: Establish what Pacific nationals/local experts have been used by PFTAC, how many are on IMF rosters and what systems and practices are in place to foster their use.  Main source of data/information IMF databases. Interviews at PFTAC and at IMF HQ.</li> <li>• <b>Is the provision of TA under five-year funding programs effective?</b>  Methodology: There are several sub-questions: Is 5 years a good length for one Phase and funding cycle? Should there be more provision for ad hoc funding during a cycle to respond to fiscal crises for example? Should PFTAC be regarded as a single “program” or should its main functional areas of work be regarded as several programs?  Main source of data/information Interviews with the Coordinator and LTX.</li> <li>• <b>Has the RBM framework improved PFTAC’s effectiveness?</b>  Methodology: Examine the PFTAC LogFrames from the point of view of quality (relevance of outcomes, measurability of outcomes and logical links between outputs and outcome). Examine the implementation of the LogFrames. What have they been used for and what, if any, have the constraints on use been?<sup>11</sup></li> </ul>

<sup>11</sup> One aspect is the **extent to which the RBM framework is actually used for planning, monitoring and reporting, and does it adequately meet the needs of all stakeholders?** Methodology: Assess the RBM framework, mainly by reviewing

(Continued)

## Mid-Term Evaluation of PFTAC Phase 4 – Inception Note

DAC Criterion	Question
	<p>Main source of data/information: Documents including the LogFrames and the background documents on RBM in the IMF.</p>
<b>Sustainability</b>	<ul style="list-style-type: none"> <li> <p>• <b>What factors affect sustainability of TA and training delivered by PFTAC? How are these factors (e.g., absorptive capacity of beneficiary countries) incorporated into the planning of the PFTAC work programs?</b>  Methodology: Have the effects of PFTAC TA and training been sustained? What are the factors that make sustainability more likely or less likely? What are the differences between capacity building and supplementing capacity; and where has PFTAC TA been on this spectrum between the two?  Main source of data/information Interviews with the PFTAC Coordinator and LTX, and interviews in beneficiary countries. Case studies.</p> </li> <li> <p>• <b>How have beneficiaries incorporated recommendations from PFTAC TA into their daily operations?</b>  Methodology: Case examples.  Main source of data/information Interviews in beneficiary countries. Questionnaires.</p> </li> <li> <p>• <b>What are the challenges and risks faced in conducting TA and training in PFTAC member countries and sustaining the results achieved? Does PFTAC manage these challenges and risk appropriately in order to ensure its delivery of effective TA?</b>  Methodology: Case studies. Are challenges and risks greater or different in countries in fiscal crisis including Program countries?  Main source of data/information Interviews with PFTAC staff and with officials in beneficiary countries.</p> </li> </ul>
<b>Impact</b>	<ul style="list-style-type: none"> <li> <p>• <b>Is the PFTAC aggregated project level impact as defined in the program document being achieved or likely to be achieved?</b>  Methodology: Compare the targets stated in the Program Document with achievements.  Main source of data/information PFTAC Annual reports and other documents. Studies. Interviews. Questionnaires.</p> </li> <li> <p>• <b>What RBM measures or monitoring tools are in place (or could be put in place) to systematically track the impact of TA over time?</b>  Methodology: Examine the current state of development of RBM within the IMF and the plans for measurement systems and practices.  Main source of data/information Documents. Interviews at PFTAC and IMF HQ.</p> </li> <li> <p>• <b>What difference did the PFTAC TA and training bring to the beneficiary countries?<sup>12</sup> Specifically how has PFTAC contributed to economic growth, stability and improved public financial management in beneficiary states?</b>  Methodology: High-level overview of the medium and long-term impact of PFTAC.  Main source of data/information Documents including past evaluations and TA reports. Feedback data on training.</p> </li> <li> <p>• <b>To what extent have external factors affected the impact of PFTAC TA (such as changes in basic policy environments, general economic and financial conditions, political instability, natural disasters, presence of IMF programs or budget support, etc.)?</b>  Methodology: This question is related to the question above on risks and challenges and</p> </li> </ul>

the outcomes and the logic linking outputs and outcomes. Ask stakeholders about PFTAC's use of RBM. Main source of data/information: Documents (the LogFrames) and evaluation survey data.

<sup>12</sup> This is an overview question that requires synthesis of information from many sources. In comparison with other possible funding mechanisms (including other RTACs), is the PFTAC funding model the most efficient use of resources and a sustainable model that best meets the PFTAC programming objectives? Methodology: Synthesis of evidence to obtain an overview of the costs and benefits of the PFTAC model. Main source of data/information: All sources.

## Mid-Term Evaluation of PFTAC Phase 4 – Inception Note

DAC Criterion	Question
	would be approached in a similar way. Main source of data/information: Case examples.

### Appendix 5 Persons Interviewed in the Inception Phase

Name	Title	Email
Holger Floerkemeier, ICDGP	Deputy Division Chief	<a href="mailto:Hfloerkemeier@imf.org">Hfloerkemeier@imf.org</a>
Katarzyna Kardas, ICDGP	Sr. Technical Assistance Officer	<a href="mailto:Kkardas@imf.org">Kkardas@imf.org</a>
Petra Orogvanyiova, ICDGP	Technical Assistance Officer	<a href="mailto:Porogvanyiova@imf.org">Porogvanyiova@imf.org</a>
Maria McClain, ICDGP	Sr. Budget Analyst	<a href="mailto:Mmcclain@imf.org">Mmcclain@imf.org</a>
Nune Pambukhchyan, ICDGP	Sr. Budget Analyst	<a href="mailto:Npambukhchyan@imf.org">Npambukhchyan@imf.org</a>
Robert Powell, ICDSE	Division Chief	<a href="mailto:Rpowell@imf.org">Rpowell@imf.org</a>
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Michael Filippello, ICDSE	Sr. Projects Officer	<a href="mailto:Mfilippello@imf.org">Mfilippello@imf.org</a>
Matt Davies, APD	Deputy Division Chief	<a href="mailto:Md Davies@imf.org">Mdavies@imf.org</a>
Hoe Ee Khor, APD	Deputy Director	<a href="mailto:Hkhor@imf.org">Hkhor@imf.org</a>
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Christopher L Wilson, MCMFR	Senior Financial Sector Expert	<a href="mailto:Cwilson@imf.org">Cwilson@imf.org</a>
Peter Barrand, FAD	Deputy Division Chief	<a href="mailto:Pbarrand@imf.org">Pbarrand@imf.org</a>
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## Mid-Term Evaluation of PFTAC Phase 4 – Inception Note

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## Appendix 6: Target Number of Completed Surveys from Each Group of Stakeholders

The target number of complete surveys is shown by group/strata in the following table.

<b>SURVEY SAMPLE</b>	<b>PFTAC</b>
<b>Group 1</b>	
IMF staff (Functional Depts., Area Dept., ICD)	12
Center Coordinators (present and past)	2
LTX (present)	6
LTX (recent past)	5
STX	5
<b>Sub-total</b>	<b>30</b>
<b>Group 2</b>	
Donors	5
Other members of the Steering Committee	9
Other regional organizations	2
Development partner organizations	2
<b>Sub-total</b>	<b>18</b>
<b>Group 3</b>	
Client/beneficiaries (persons not on Steering Committee)	40
<b>Sub-total</b>	<b>40</b>
<b>TOTALS</b>	<b>88</b>

The "client/beneficiaries" include the following:

- (1) Country representatives who have attended a SC ("long" questionnaire)
- (2) Senior civil servants in member countries who are familiar with PFTAC but have not been part of the SC ("short" questionnaire)
- (3) Other staff of authorities who have interacted with a PFTAC LTX to a substantive degree (could be from various organizations including Government Departments, regulatory authorities, central agencies like Prime Minister's Office, central banks, etc.)

## Appendix 7A Evaluation Questionnaire (Long Version)

### QUESTIONNAIRE FOR MEMBERS OF THE STEERING COMMITTEE, IMF STAFF AND EXPERTS

#### Confidentiality

Responses to this questionnaire will be kept confidential by the evaluation consultants. No person's name will be linked to any particular response. The consultants need respondents' names to know when to cease follow-up but the information collected by this survey will be aggregated and reported anonymously.

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### FAMILIARITY WITH PFTAC

#### 1. How familiar are you with PFTAC's activities?

- I am familiar with all or most of PFTAC's work
- I am mainly familiar with a particular area of PFTAC's work:
- Other. Please explain:

#### 2. What is the single area of PFTAC's activities with which you are most familiar?

Check one area only.

- Public Financial Management
- Revenue Administration and Policy
- Financial Sector Supervision
- Macroeconomic Statistics
- Macroeconomic Analysis
- Other. Please explain.

*(We will assume that your responses to the questions that follow refer mainly to the area of PFTAC's work with which you are most familiar.)*



## RELEVANCE

3. How relevant has PFTAC been to member countries' needs and priorities? (Place a check mark on the scale either on one of the numbers or between numbers for a half-score such as 2.5 for example.)

Not relevant 0 1 2 3 4 5 Highly relevant

or ( ) No opinion

4. Are there country needs or priorities that PFTAC has not been able to address so far?

- A. ( ) No opinion  
B. ( ) No  
C. ( ) Yes, some needs or priorities have not been fully addressed (yet).

Please explain:

5. How relevant have PFTAC's achievements been so far in Phase IV (FY 2012, FY 2013 and FY 2014) to the objectives stated in its Program Document?

- A. ( ) No opinion  
B. ( ) On track to address all objectives.  
C. ( ) On track to address some objectives fully but not others.

Please explain:

6. Are the topical areas in which PFTAC works sufficient to meet all member country needs or are there other areas where PFTAC should work?

- A. ( ) No opinion  
B. ( ) The topic areas cover the needs  
C. ( ) There are other topics on which PFTAC could work to increase its relevance.

Please explain your response:

7. Does PFTAC LTX staff have all the skills needed?

- A. ( ) No opinion  
B. ( ) Yes  
C. ( ) PFTAC staff needs some more or different technical and consultation skills

Please explain.

8. Is PFTAC's present membership optimal?



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- A.  No opinion
- B.  No
- C.  Minor delays only
- D.  Some significant delays

Please explain.

**14. Should there be more provision for ad hoc funding at mid-phase to respond to surges in demand for TA?**

- A.  No opinion
- B.  No
- C.  Yes

Please explain.

**15. Could PFTAC do more to integrate TA and training?**

- A.  No opinion
- B.  No
- C.  Yes

Please explain:

**16. Has PFTAC leveraged its resident advisors with enough short-term experts?**

- A.  No opinion
- B.  Yes
- C.  No

Please explain.

**17. Are there ways in which backstopping could be improved?**

- A.  No opinion
- B.  No
- C.  Yes

Please explain.

**18. Could PFTAC's "organizational" memory be improved?**

- A.  No opinion
- B.  No
- C.  Yes

Please explain.

## EFFECTIVENESS

**19. How effective has PFTAC been in helping member countries manage their economies?**

0   1   2   3   4   5

Not effective Highly effective

**20. Where could PFTAC be more effective? (Check all that apply.)**

- A.  No opinion
- B.  No change is needed
- C.  More effective in providing practical advice
- D.  More effective in helping establish up-to-date systems and practices
- E.  More effective in helping build sustainable institutions
- F.  More effective in training government officials
- G.  Other

Please explain.

## IMPACT

**21. How substantial has PFTAC's impact on member countries' policies, institutions and economies been in your opinion?**

0   1   2   3   4   5

No impact Very great impact

Please explain.

**22. What has been PFTAC's main impact in your opinion?**

Please explain.

Or  No opinion

**23. Has PFTAC made a significant contribution to building a robust network of local experts in the region; and to systematically identifying and using local and regional expertise?**

No opinion

- No  
 Yes

Please explain:

## SUSTAINABILITY OF RESULTS

24. How well have PFTAC's results in member countries been sustained?

Not sustained 0 1 2 3 4 5 Highly sustained

or  No opinion

25. What could PFTAC do to improve the sustainability of its results? (Please check all that apply.)

- A.  No opinion  
B.  No action is needed.  
C.  Be more selective on the basis of country readiness  
D.  Have longer and more continuous programs of TA and training  
E.  Pay more attention to risks and have contingency plans  
F.  Undertake more systematic follow-up after a period of time  
G.  Involve more diverse stakeholders in-country  
H.  Involve local consultants in TA missions  
I.  Link TA/training more closely to strategic advice and Program commitments  
J.  Other

Please explain your response.

## COORDINATION AND COOPERATION

26. How could PFTAC improve its cooperation with other providers of technical assistance in the Pacific? (Check all that apply.)

- A.  No opinion  
B.  No action is needed.  
C.  Have an open calendar of events and missions on its website  
D.  Participate in more donor coordination meetings in-country  
E.  Be open to joint activities with other TA providers and training providers  
F.  Help participating governments develop an annual plan for all TA and training  
G.  Other

Please explain.

## RESULTS-BASED MANAGEMENT

**27. Do you think that PFTAC's Strategic Framework (RBM, LogFrame) has helped or will help it to be more effective?**

- A.  No opinion
- B.  No
- C.  Yes.

Please explain.

**28. How useful do you think PFTAC's RBM framework is for planning, monitoring and reporting?**

- A.  No opinion
- B.  Very useful
- C.  Modestly useful and worth the effort
- D.  Not useful enough to justify its cost

Please explain your response.

## INSTITUTIONAL SUSTAINABILITY

**29. How (financially) sustainable is PFTAC as an institution in the medium and long-term?**

- A.  No opinion
- B.  There is little risk to institutional sustainability.
- C.  There are significant risks to institutional sustainability.

Please explain.

**30. How could PFTAC improve its institutional (financial) sustainability?**

- A.  No opinion
- B.  No action is needed
- C.  Asking donors for longer-term commitments
- D.  Asking beneficiary countries for a contribution
- E.  Other

Please explain.

## GOVERNANCE

**31. How could the PFTAC Steering Committee improve its provision of strategic direction and oversight? (Check all that apply.)**

- A.  No opinion
- B.  No action is needed.
- C.  Have high(er)-level representation from member countries
- D.  Meet more frequently
- E.  Have more formal decision making processes
- F.  Have a different mandate or powers
- G.  Longer tenure of Committee members

H. ( ) Other

Please explain:

### **MAIN STRENGTHS AND WEAKNESSES**

**32. What do you think are PFTAC's main strengths? In particular does PFTAC have strengths that give it a comparative advantage over other sources of technical assistance?**

**33. What do you think is the main way in which PFTAC needs to improve?**

Thank you.  
Dr. Anne Perkins, Survey Team Leader  
aperkins@magma.ca  
613 826 3297

## Appendix 7B Evaluation Questionnaire (Short Version)

### QUESTIONNAIRE FOR OFFICIALS IN PFTAC BENEFICIARY MEMBER COUNTRIES

#### Confidentiality

Responses to this questionnaire will be kept confidential by the evaluation consultants. No person's name will be linked to any particular response. The consultants need respondents' names to know when to cease follow-up. However the information collected by this survey will be aggregated and reported anonymously.

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### FAMILIARITY WITH PFTAC

#### How familiar are you with PFTAC's activities?

- I am familiar with all or most of PFTAC's work
- I am mainly familiar with a particular area of PFTAC's work:
- Other. Please explain:

#### What is the single area of PFTAC's activities with which you are most familiar?

##### Check one area only.

- Public Financial Management
- Revenue Administration and Policy
- Financial Sector Supervision
- Macroeconomic Statistics
- Macroeconomic Analysis
- Other. Please explain.

*(We will assume that your responses to the questions that follow refer mainly to the area of PFTAC's work with which you are most familiar.)*



## RELEVANCE

How relevant has PFTAC been to your country's needs and priorities? (Place a check mark on the scale either on one of the numbers or between numbers for a half-score such as 2.5 for example.)

Not relevant 0 1 2 3 4 5 Highly relevant

or ( ) No opinion

**Has your country had needs or priorities that PFTAC has not been able to address so far?**

- D. ( ) No opinion
- E. ( ) No
- F. ( ) Yes, some needs or priorities have not been fully addressed (yet).

Please explain:

**Are there other topics on which PFTAC should work?**

- D. ( ) No opinion
- E. ( ) The topic areas cover the needs
- F. ( ) There are other topics on which PFTAC could work to increase its relevance.

Please explain your response:

**Do PFTAC advisors have all the skills needed?**

- D. ( ) No opinion
- E. ( ) Yes
- F. ( ) PFTAC staff needs some more or different technical and consultation skills

Please explain.

**Could PFTAC do more to promote regional integration, including by providing regional solutions and strengthening regional institutions?**

- D. ( ) No opinion
- E. ( ) No
- F. ( ) Yes.

Please explain what more could be done.

## EFFICIENCY

**How efficient is PFTAC?**

Not efficient      0   1   2   3   4   5      Highly efficient

How could efficiency be improved?

**Should all PFTAC LTXs be resident in Suva or are there more efficient or effective alternatives?**

- No opinion
- All LTX should be resident in Suva
- Not all need to be resident in Suva

Please explain:

**Have there been significant delays in executing PFTAC work plans in your country?**

- No opinion
- No
- Minor delays only
- Some significant delays

Please explain.

**Could PFTAC do more to integrate TA and training?**

- No opinion
- No
- Yes

Please explain:

**Does PFTAC provide a good mix of resident advisors and short-term experts?**

- No opinion
- Yes
- No

Please explain.

## EFFECTIVENESS

How effective has PFTAC been in helping your country manage its economy?

Not effective                      0   1   2   3   4   5                      Highly effective

Where could PFTAC be more effective? (Check all that apply.)

- No opinion
- No change is needed
- More effective in providing practical advice
- More effective in helping establish up-to-date systems and practices
- More effective in helping build sustainable institutions
- More effective in training government officials
- Other

Please explain.

## IMPACT

How substantial has PFTAC's impact on your policies, institutions and economy been in your opinion?

No impact                      0   1   2   3   4   5                      Very great impact

Please explain.

What has been PFTAC's main impact in your opinion?

Please explain.

Or  No opinion

Has PFTAC made a significant contribution to building a robust network of local experts in the region?

- No opinion
- No

Yes

Please explain:

## SUSTAINABILITY OF RESULTS

How well have PFTAC's results in your country been sustained?

Not sustained 0 1 2 3 4 5 Highly sustained

or  No opinion

What could PFTAC do to improve the sustainability of its results? (Please check all that apply.)

- No opinion
- No action is needed.
- Be more selective on the basis of country readiness
- Have longer and more continuous programs of TA and training
- Pay more attention to risks and have contingency plans
- Undertake more systematic follow-up after a period of time
- Involve more diverse stakeholders in-country
- Involve local consultants in TA missions
- Link TA/training more closely to strategic advice and Program commitments
- Other

Please explain your response.

## COORDINATION AND COOPERATION

How could PFTAC improve its cooperation with other providers of technical assistance in the Pacific? (Check all that apply.)

- No opinion
- No action is needed.
- Have an open calendar of events and missions on its website
- Participate in more donor coordination meetings in-country
- Be open to joint activities with other TA providers and training providers
- Help participating governments develop an annual plan for all TA and training
- Other

Please explain.

## RESULTS-BASED MANAGEMENT

Do you think that PFTAC's Strategic Framework (RBM, LogFrame) has helped or will help it to be more effective?

- No opinion
- No
- Yes.

Please explain.

## MAIN STRENGTHS AND WEAKNESSES

What do you think are PFTAC's main strengths? In particular does PFTAC have strengths that give it a comparative advantage over other sources of technical assistance?

What do you think is the main way in which PFTAC needs to improve?

Thank you.  
Dr. Anne Perkins  
Survey Team Leader  
aperkins@magma.ca  
613 826 3297

## Appendix 8 PFTAC Activity and Costs Data Tables (Example Formats)

**Table 1: PFTAC Funding, Phases I to IV**

Funding*	Phase I	Phase II	Phase III	Phase IV** Feb. 2011-April 2016	Total
Nominal Dollars	2,848,678	4,029,848	6,730,661	25,427,255	39,036,442
Constant Dollars					
Average Resources per Annum (nominal \$)					
Average Annual Resources Available (constant \$)					

Unit: US\$

Source: IMF ICD and PFTAC, September 2014

\* Does not include a funding on a project level under FAA instrument (JSA \$613,200 and Korea \$170,758)

\*\* Amounts received to September  
2014

Constant dollar equivalents are expressed in September 2014 values, discounted by 4% per annum from the mid-point of each Phase (I to III).

**Table 2: Contributions to PFTAC by Source and Phase**

Donors	Phase I	Phase II	Phase III	Phase IV 1/	Total	% Total
Asian Development Bank	1,299,000	800,000	999,999	1,000,000	4,098,999	11%
Australia	1,106,665	1,291,869	2,200,000	7,500,001	12,098,535	31%
European Union	-	-	-	7,460,172	7,460,172	19%
Korea	-	-	813,564	2,300,365	3,113,929	8%
New Zealand	443,013	1,937,979	2,717,098	7,166,717	12,264,807	31%
<b>Sub-total</b>	<b>2,848,678</b>	<b>4,029,848</b>	<b>6,730,661</b>	<b>25,427,255</b>	<b>39,036,442</b>	<b>100.00%</b>
In-kind Contributions (Fiji)			76,566	210,000		
Other income including Interest*	20,134	83,696	8,044	8,076	119,950	
<b>Total**</b>	<b>2,868,812</b>	<b>4,113,544</b>	<b>6,815,271</b>	<b>25,645,331</b>	<b>39,156,392</b>	

Source: PFTAC and IMF ICD, September 2014

(1) Contributions received to September 2014

Note: Contributions received up to-date are based on exchange rate at the time of receipt.

\*Remaining balance from Phase I,II and III is still earning interest. Interest earned after the end of Phase III as of September 30, 2014 is \$584.

\*\*Does not include contribution from JSA and Korea subaccounts under FAA.

**Mid-Term Evaluation of PFTAC Phase 4 – Inception Note**

**Table 3: PFTAC Activities, FY 2012-FY 2014 inclusive, by Sector and by Country**

	Activities					
	Total Number of Missions	Number of LTX Mission Days	Number of STX Mission Days	Number of Seminar Participant Person Days	Number of Attachments	Number of TA Reports
<b>SECTOR</b>						
FAD - Revenue Admin.	79	262	388	351		22
FAD - PFM	67	643	403	388		9
<b>Sub-total FAD</b>						
MCM - Central Banking	28	231	181	108	30	3
MCM - Financial Markets						
<b>Sub-total MCM</b>						
STA	52	529	24	215	5	24
LEG	3	0	29			
APD	40	471		340		13
<b>Total:</b>	<b>269</b>	<b>2136</b>	<b>1025</b>	<b>1402</b>	<b>35</b>	<b>71</b>
<b>COUNTRY</b>						
Cook Islands	23	186	128	62		6
Fiji	38	157	282	238		8
Fed States Micronesia	7	56	24	119		2
Kiribati	34	300	52	60	5	9
Marshall Islands	11	90	60	61		1
Nauru	9	76	25	47		4
Niue	5	45	28	37		0
Palau	18	164	31	65		2
Papua New Guinea	14	177	26	127		5
Samoa	27	279	89	127	30	8
Solomon Islands	25	194	45	135		9
Timor Leste	2	19	0	15		1
Tokelau	1	0	6	16		1
Tonga	28	139	162	101		5
Tuvalu	5	55	22	45		3
Vanuatu	22	199	45	147		7
<b>Total:</b>	<b>269</b>	<b>2136</b>	<b>1025</b>	<b>1402</b>	<b>35</b>	<b>71</b>

Source: PFTAC September 2014

**Mid-Term Evaluation of PFTAC Phase 4 – Inception Note**

**Table 4: PFTAC Expenditures by Budget Item - Phase III and Phase IV FY 2012-FY2014**

Expenditures	Annual in Phase III 2008-2010.	%	FY 2012	FY 2013	FY 2014	Total FY12-FY14	%
<b>Field TA Providers</b>	<b>1,640,560</b>	<b>51%</b>	<b>1,551,235</b>	<b>2,690,021</b>	<b>2,570,274</b>	<b>6,811,530</b>	<b>55%</b>
.. Long-term advisors	834,933	26%	1,012,484	1,792,652	1,951,135	4,756,271	38%
.. Short-term experts	805,626	25%	538,751	850,804	534,701	1,924,256	15%
.. Diagnostic experts (IMF/HQ staff)	-	0%	-	46,565	84,438	131,003	1%
<b>Seminars</b>	<b>213,369</b>	<b>7%</b>	<b>339,937</b>	<b>376,679</b>	<b>315,050</b>	<b>1,031,666</b>	<b>8%</b>
.. Participants (PFTAC)	213,369	7%	-	-	-	-	0%
.. Workshop materials (PFTAC)	-	0%	-	-	-	-	0%
<b>Professional Attachments</b>	<b>34,768</b>	<b>1%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0%</b>
<b>Other Travel</b>	<b>203,465</b>	<b>6%</b>	<b>315,098</b>	<b>518,066</b>	<b>648,164</b>	<b>1,481,328</b>	<b>12%</b>
.. Regional travel advisors/staff	203,465	6%	315,098	518,066	648,164	1,481,328	12%
<b>Local Administration</b>		<b>0%</b>					<b>0%</b>
In-kind (IMF & Host Country)*	651,038	20%	420,134	435,259	450,990	1,306,383	10%
.. Local support staff	26,342	1%	120,000	124,800	129,792	374,592	3%
<b>Other</b>	<b>41,224</b>	<b>1%</b>	<b>66,750</b>	<b>106,747</b>	<b>82,032</b>	<b>255,529</b>	<b>2%</b>
.. Misc./Office communications	6,502	0%	40,294	55,706	52,875	148,875	1%
.. Project equipment	798	0%	-	-	-	-	0%
..SC Meeting	33,923	1%	26,456	51,041	29,157	106,654	1%
<b>Evaluation</b>	<b>36,652</b>	<b>1%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0%</b>
<b>Other IMF HQ Services</b>	<b>-</b>	<b>0%</b>	<b>125,402</b>	<b>191,283</b>	<b>171,071</b>	<b>487,756</b>	<b>4%</b>
.. Backstopping	-	0%	97,164	124,644	121,520	343,328	3%
.. Project management (Expert & Gen.Mgmt.)	-	0%	28,238	66,639	49,551	144,428	1%
<b>Sub-Total</b>	<b>2,847,417</b>	<b>88%</b>	<b>2,938,556</b>	<b>4,442,855</b>	<b>4,367,373</b>	<b>11,748,784</b>	<b>94%</b>
<b>Other Fees</b>							
.. IMF/TFM management (7%)**	370,164	12%	167,890	271,796	265,061	704,747	6%



## Mid-Term Evaluation of PFTAC Phase 4 – Inception Note

<b>Sub-Total</b>	<b>370,164</b>	<b>12%</b>	<b>167,890</b>	<b>271,796</b>	<b>265,061</b>	<b>704,747</b>	<b>6%</b>
<b>TOTAL COST</b>	<b>3,217,582</b>	<b>100%</b>	<b>3,106,446</b>	<b>4,714,651</b>	<b>4,632,434</b>	<b>12,453,531</b>	<b>100%</b>

Source: IMF ICD September 2014

\*Estimates: CC salary, CC regional travel and office rent.

\*\* TFM fee does not apply to IMF and Host Country contribution. It is 13% under FAA instrument.

### Table 5: PFTAC Expenditures By Department, FY 2012 to FY 2014

Department/Area	Expenditures			
	FY 2012	FY 2013	FY 2014	Total
Fiscal Affairs (FAD)	941,752	1,409,816	1,578,629	3,930,197
Monetary & Capital Markets (MCM)	306,328	566,283	352,016	1,224,627
Statistics (STA)	276,988	525,517	550,815	1,353,320
Legal (LEG)	-	19,414	47,089	66,503
Asia and Pacific Department (APD)	143,143	403,300	313,956	860,399
<b>Sub-total</b>	<b>1,668,211</b>	<b>2,924,330</b>	<b>2,842,505</b>	<b>7,435,046</b>
Institute for Capacity Development				
<i>ICD Project Management</i>	-	-	-	-
<i>Local Administrative Support Staff</i>	-	-	-	-
<i>Other</i>	721,785	946,378	933,897	2,602,060
<b>Sub-total</b>	<b>721,785</b>	<b>946,378</b>	<b>933,897</b>	<b>2,602,060</b>
Finance Department (FIN)	8,426	12,088	10,190	30,704
Trust Fund Management Fee 7%	167,890	271,796	265,061	704,747
In-kind (IMF & Host Country)	540,134	560,059	580,782	1,680,975
<b>Totals:</b>	<b>3,106,446</b>	<b>4,714,651</b>	<b>4,632,435</b>	<b>12,453,532</b>

Source: IMF ICD September 2014

**Mid-Term Evaluation of PFTAC Phase 4 – Inception Note**

**Table 6: PFTAC's Cost Per Mission Day, FY 2012-FY2014, by Sector**

	FY2012-FY2014 (inclusive)					
	Total Dept. Expenditure		Number of Mission Days		Avg. Cost Per Mission Day	
	LTX	STX	LTX	STX	LTX	STX
Fiscal Affairs TA						
Monetary & Capital Markets TA						
Statistics TA						
Legal LEG						
Asia and Pacific APD						
<b>Sub- total</b>						
LTX travel (ICD)**						
<b>Total:</b>						
Trust Fund Management Fee 7%						
<b>Total:</b>						

Source: PFTAC October 2014

**Table 7: PFTAC's TA Delivery Costs by Type of Activity, and Overheads, FY2012-FY2014**

	Phase IV (Revised Operational Budget)	Phase IV ( Annual Avg.)	%	FY 2012	%	FY2013	%	FY2014	%
LTX, STX, Diagnostic	14,473,583	2,894,717	53%	1,551,235	50%	2,690,021	57%	2,570,274	55%
Seminars, Travel, and Others	6,297,709	1,259,542	23%	721,785	23%	1,001,492	21%	1,045,246	22%
Evaluation	300,000	60,000	1%	0	0%	0	0%	0	0%
Backstopping	1,133,090	226,618	4%	97,164	3%	124,644	3%	121,520	3%
Regional Project Management 1/	1,331,262	266,252	5%	245,787	8%	255,618	5%	265,844	6%
<b>TA Delivery</b>	<b>23,535,644</b>	<b>4,707,129</b>	<b>87%</b>	<b>2,615,971</b>	<b>84%</b>	<b>4,071,775</b>	<b>86%</b>	<b>4,002,884</b>	86%
			0%		0%		0%		0%
Trust Fund Fee	1,584,911	316,982	6%	183,118	6%	285,024	6%	280,202	6%
Project Management	437,199	87,440	2%	28,238	1%	66,390	1%	49,551	1%
Local Support Staff	649,959	129,992	2%	120,000	4%	124,800	3%	129,792	3%
In-Kind IMF & Host 2/	926,834	174,347	3%	174,347	6%	179,641	4%	185,147	4%
<b>Total Overhead</b>	<b>3,598,902</b>	<b>708,761</b>	<b>13%</b>	<b>505,703</b>	<b>16%</b>	<b>655,855</b>	<b>14%</b>	<b>644,691</b>	14%
<b>Total Expenditures</b>	<b>27,134,547</b>	<b>5,415,890</b>	<b>100%</b>	<b>3,121,674</b>	<b>100%</b>	<b>4,727,630</b>	<b>100%</b>	<b>4,647,575</b>	100%

Sources: IMF, ICD September 2014

(1) IMF- In-kind contribution; 65% of center coordinator salary and travel allocated to TA

(2) Includes Host Country In-Kind Contributions for office rent and utilities; IMF-In Kind contribution for administrative assistants & expenditures; 35% of center coordinator salary and travel-IMF In-Kind

## APPENDIX 9 BACKGROUND, EVALUATION QUESTIONS, METHODOLOGY, TIMING AND DELIVERABLES IN THE TERMS OF REFERENCE

### I. BACKGROUND AND OBJECTIVES OF THE EVALUATION

#### A. Background

- The International Monetary Fund's (IMF) Pacific Financial Technical Assistance Center (PFTAC) was established in 1993 in Fiji to help countries in the region build their capacity for effective macroeconomic management and to support the region's further integration into the world economy. PFTAC's specific objective is improved economic management and sustainable economic growth across the Pacific Island Countries. Its activities are directed to five areas that are common policy challenges for member countries: revenue policy and administration; public financial management; financial sector supervision; macroeconomic statistics; and macroeconomic analysis and forecasting.
- PFTAC delivers capacity-building technical assistance (TA) in its areas of expertise to 16 beneficiary states<sup>13</sup> over a five-year cycle. The current cycle, the fourth, started in July 2011 and will end in April 2016. PFTAC's operations are funded by contributions from the IMF, and bilateral and multilateral donors<sup>14</sup>. The total budget of PFTAC for the current five-year funding cycle, including the IMF contribution and the host country in-kind contribution, is US\$30 million.
- Operations are guided by a rolling annual work plan within a results-based management (RBM) framework. This approach ensures that activities are planned and implemented, as integral part of the overall IMF TA program, on the basis of beneficiary country needs, and are complementary to other forms of IMF TA and those of TA providers. PFTAC is guided by a steering committee (SC) composed of representatives of the authorities of the PFTAC countries, the donors, and the IMF. The SC meets annually to discuss the Center's strategic directions, review progress against its work plan, and discuss and endorse a work plan for the next year and beyond.
- PFTAC's assistance to beneficiary countries, which is provided through seven resident advisors, short-term experts (STXs) visits, and HQ-led diagnostic missions, is based on assessment of the TA and training needs of member countries, TA demands from those countries, and IMF TA priorities for the region. The activities in the Center, which may also include TA in areas not covered by the resident advisors, are backstopped by subject-matter specialists at IMF headquarters.

#### B. Objectives of the Mid-Term Evaluation

- The terms and conditions governing establishment and operation of the PFTAC multi-donor trust fund call for independent evaluation of the Center's activities. They specify that evaluation of activities financed by the PFTAC subaccount "will be initiated no later than 40 months after the activities financed under the subaccount with respect to each funding cycle have begun." In response, the PFTAC Program Document requires that such an evaluation will be initiated "after no fewer than three years of operation...[to] assess PFTAC's effectiveness and sustainability of its TA, bearing in mind the long-term nature of capacity building [so that PFTAC can] formulate recommendations for improvement. The findings of the evaluation will inform discussions on PFTAC's future operations."<sup>15</sup>

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<sup>13</sup> Cook Islands, Fiji, Kiribati, Marshall Islands, Federated States of Micronesia, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Timor-Leste, Tokelau, Tonga, Tuvalu and Vanuatu

<sup>14</sup> Donors include Australia, the European Union, New Zealand, Korea, and the Asian Development Bank. Government of Fiji provides in-kind contribution in the form of office space.

<sup>15</sup> Page 53, paragraph 108 of the PFTAC Program Document which can be found at: <http://www.imf.org/external/np/exr/key/RTACs.htm>.

## Mid-Term Evaluation of PFTAC Phase 4 – Inception Note

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This evaluation covers the fourth funding cycle (i.e., July 2011 to April 2016).<sup>16</sup> Its objective is to assess the relevance of the program document, and the extent to which PFTAC has led to tangible results and is achieving its objectives efficiently and effectively and whether the TA delivered is sustainable. The Center has been in operation for twenty years. The evaluation will assess whether the results of the previous cycles were sustained in the current phase. The IMF will prepare an official management response to the evaluation's findings within two months of the receipt of the final report. The response will include a detailed implementation plan with actions to be taken at PFTAC and the IMF headquarters, and their deadlines. The evaluation will inform PFTAC's program for the remainder of the current and the next cycle.

- The evaluation will assess the extent to which PFTAC is achieving the advantages typically associated with delivering TA through Regional Technical Assistance Centers (RTACs): sound identification of country TA needs, cost-effective, rapid and flexible TA delivery, close interaction with beneficiary country authorities, strong country ownership, and effective exchange of information with other TA providers and donors in the region. The evaluation will identify the challenges and risks that PFTAC has faced in conducting TA and training, and what has been done to address these challenges and mitigate risks. On the basis of PFTAC's work and experience the evaluation will identify key lessons learned and make recommendations for improvement in the delivery of the Center's capacity development. The evaluation will also look into how the recommendations of the 2009 PFTAC evaluation have been taken into account (see Appendix A).
- To address these objectives, evaluators will consider a set of linked questions, detailed below, that relate to (a) the relevance of PFTAC TA and training activities; (b) the efficiency by which resources (human resources/expertise, financial resources, and time) were allocated to achieve the desired outcomes at reasonable cost; (c) the effectiveness of PFTAC TA and training—i.e., the extent to which the outcomes identified in the Program Document are being achieved; (d) the extent to which these are likely to be sustained; and (e) impact of PFTAC TA on beneficiary countries.
- PFTAC has recently introduced new tools to support RBM, including a strategic logical framework (log frame) for the Center, a series of topical log frames for each country to guide the work of the resident advisors, and a new format for the work plan to track inputs. PFTAC has also built a database that provides for flexible management and reporting of the log frame and work plan. The evaluation will assess PFTAC's utilization of these tools to improve the efficiency of its operations.

### C. Steering Arrangements for the Mid-Term Evaluation

- The IMF Institute for Capacity Development's Global Partnerships Division (ICDGP) will serve as secretariat of the evaluation, managing the procurement process, supporting information-gathering for the evaluation, and keeping the evaluation process on track. While the evaluation report will be addressed to the entire SC, an Evaluation Sub-Committee (ESC) has been established to guide the evaluation. The creation of ESCs is part of IMF evaluation practice and allows SCs to actively participate in the evaluation process. ICDGP will also serve as secretariat of the ESC.
- The role of the ESC is to provide strategic guidance for the evaluation and to ensure that it takes into account issues relevant to stakeholders. The ESC will (1) review, comment, and agree on the draft terms of reference (TOR); (2) review and advise on the Inception Note prepared by evaluators; and (3) review and comment on the draft evaluation report. Whilst the ESC will guide the evaluation, and provide comments on draft outputs, it will have no power to determine what is included in the reports, and the evaluators will remain free to reach their own conclusions.

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<sup>16</sup> While the evaluation will formally not cover the previous phases, it will be informed by analysis of the previous cycles.

## Mid-Term Evaluation of PFTAC Phase 4 – Inception Note

The ESC will include representatives of: SC Chair, Member countries: Fiji, Kiribati, Samoa, Solomon Islands, Donors: Australia, the European Union, New Zealand, and IMF: APD, ICD, FAD, MCM, and STA.

### II. EVALUATION QUESTIONS

- The evaluation will address linked questions aligned with best international practice and reflect the OECD's Development Assistance Committee criteria of relevance, efficiency (including cost-efficiency), effectiveness, sustainability, and impact. Of these, relevance is fundamental — without it, no interventions can be effective, and where relevance and effectiveness are absent, efficiency is not a major concern. Finally, without relative success in the other three dimensions, no intervention is likely to be sustainable.
- Table 1 summarizes the basic evaluation questions.

**Table 1. Basic Evaluation Questions**

DAC Criterion	Question
Relevance	<ul style="list-style-type: none"> <li>• Is PFTAC meeting the priority needs of member countries (including the unique challenges of small states), is TA aligned with national reform priorities and are the interventions consistent with the Program Document?</li> <li>• To what extent are PFTAC activities effectively coordinated with and complement other IMF TA programs (e.g., Topical Trust Funds) and the work of development partners operating in the same sectors?</li> <li>• Is the SC effective in ensuring strong country ownership of PFTAC activities and governance of the Center including strategic direction and oversight?</li> <li>• Has PFTAC succeeded in establishing a clear comparative advantage compared with other sources and delivery modes of related TA?</li> </ul>
Efficiency	<ul style="list-style-type: none"> <li>• Are PFTAC activities delivered efficiently in terms of (i) implementation (e.g., timeliness in executing the work plan, follow up on TA delivered); (ii) use of resources (i.e., cost efficient achievement of results, including overhead cost, also in comparison with other TA providers); and (iii) monitoring and reporting (including dissemination of TA reports)?</li> <li>• To what degree do PFTAC's systems and institutional set-up allow for retention of organizational memory (e.g. to facilitate follow-up as needed, avoid duplication of effort, improve handovers, etc.)?</li> <li>• What actions could be taken to improve cost-effectiveness, while maintaining a high quality of outputs?</li> <li>• To what extent has backstopping by the IMF added value to PFTAC's TA?</li> </ul>
Effectiveness	<ul style="list-style-type: none"> <li>• To what extent have PFTAC TA and training led to tangible and lasting results and strengthened capacity?</li> <li>• Has the Center helped to integrate TA and training?</li> <li>• What contribution has PFTAC made to build a robust network of local experts in the region, and to systematically identify and optimize the use of local and regional expertise?</li> <li>• Is the provision of TA under five-year funding programs effective?</li> <li>• Has the RBM framework improved PFTAC's effectiveness?</li> </ul>
Sustainability	<ul style="list-style-type: none"> <li>• What factors affect sustainability of TA and training delivered by PFTAC? How are these factors (e.g., absorptive capacity of beneficiary countries) incorporated into the planning of the PFTAC work programs?</li> <li>• How have beneficiaries incorporated recommendations from PFTAC TA into their daily operations?</li> <li>• What are the challenges and risks faced in conducting TA and training in</li> </ul>

## Mid-Term Evaluation of PFTAC Phase 4 – Inception Note

DAC Criterion	Question
	PFTAC member countries and sustaining the results achieved? Does PFTAC manage these challenges and risk appropriately so to ensure its delivery of effective TA?
Impact	<ul style="list-style-type: none"><li>• Is the PFTAC aggregated project level impact as defined in the program document being achieved or likely to be achieved?</li><li>• What difference did the PFTAC TA and training bring to the beneficiary countries? Specifically, how has PFTAC contributed to economic growth, stability and improved public finance management in beneficiary states?</li><li>• To what extent have external factors affected the impact of PFTAC TA (such as changes in basic policy environments, general economic and financial conditions, political instability, natural disasters, presence of IMF programs or budget support, etc.)?</li></ul>

- Building on the answers to the evaluation questions, evaluators will assess the quality of the program document, consider the extent to which the underlying logic for PFTAC is still valid; whether there is still a clear role for PFTAC; and whether given its size and skills mix, the Center is able to fulfill its mandate effectively, and whether this level of operations can be sustained financially.
- The evaluation should report on any significant lessons that can be drawn from the experience of PFTAC and other RTACs, highlighting strengths and weaknesses, and provide a focused, prioritized set of recommendations for improvement. It should also respond to any suggestions received during the course of the review on the direction of PFTAC operations and areas of work.

### III. METHODOLOGY

#### A. Evaluation Criteria and Ratings

- A quantitative rating scheme will be used to (a) ensure transparency in the judgments made by evaluators; and (b) allow for aggregation across RTACs or functional areas. As an example, Appendix B presents a rating scheme consistent with that used in the most recent 2012/13 external evaluations of AFRITAC East, AFRITAC West, and CAPTAC-DR. In an Inception Note, evaluators will assess the adequacy of this rating scheme considering that a consistent methodology will facilitate comparative analysis across all evaluations. The evaluators may propose amendments or refinements to the rating scheme. To minimize the risk that these changes may undermine adequate comparative analysis with previous evaluations of PFTAC and other RTACs, the evaluators should explain: how the recommendations to change the scheme would affect making these comparisons, and how the ESC and the Steering Committee will conduct such comparisons following changes to the scheme.

#### B. Information Sources

- The evaluation will draw on information from a range of sources, particularly IMF documents and data (see Appendix C for a list of documents); interviews with country authorities and the SC (including staff of beneficiary countries and donor representatives); and case studies. Each evaluation criterion should be assessed using at least two different information sources.

**Document and data analyses:** Evaluators will be expected to analyze all available materials, including work plans, project/mission TORs, TA reports, SC minutes, SC member comments in the context of written procedure consultations, previous evaluations of RTACs, and internal transaction documents produced by the center coordinator, resident advisors, and STXs. Financial information to assess cost-effectiveness will also be provided. Evaluators will also review recent trends in the main macroeconomic indicators in the member countries, to assess the extent to which countries are

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already succeeding in achieving macro policy targets—which will have a bearing on the nature and scale of PFTAC.

**Interviews:** Evaluators will conduct semi-structured interviews with country authorities, SC members, PFTAC staff, and other development partners. While all interviewees will be given the opportunity to comment across the full scope of the evaluation, interviews with country authorities are expected to cover in particular the appropriateness and responsiveness of the TA and training provided by both resident advisors and STXs and explore and document any specific results. Evaluators can propose to meet and interview those who served as counterparts when the TA was delivered and who may now be serving elsewhere in the government. Evaluators will also be expected to meet in Washington, with staff from IMF TA and area departments and ICD.

**Survey:** Evaluators should conduct a survey to consult a wider range of individuals in beneficiary countries and the SC. Other donors currently not SC members as well as other TA providers should also be surveyed or consulted. Use of any online survey tool will be subject to review and approval by the IMF IT Security team. If Evaluators intend to use an online survey tool, evaluators are required to provide information about the tool in their response to this RFP.

**Case studies (sample of countries/projects):** To provide deeper analysis and illustrate successes, challenges and gaps, evaluators will be expected to visit three or four countries in the region to draw up case studies that can be disseminated. Evaluators will propose a diverse and representative set of countries/case studies, both geographically and with respect to the Center's areas of activity.

### IV. TIMING AND DELIVERABLES

#### A. Timing

- The evaluation is expected to begin in September 2014. To ensure that final recommendations will arrive in time for the SC to consider before the July 2015 SC meeting and allow implementation of recommendations before the end of the current cycle, the draft evaluation report should be disseminated to the SC no later than February 2015. The evaluation process will be carried out in three phases: a desk phase, a field phase, and a synthesis phase.
  - **Desk Phase:** Within four weeks after the contract is signed, and before the field phase begins, evaluators will (i) conduct a desk review of documents; (ii) visit IMF headquarters to interview staff in the ICDGP, TA departments, and the Asia and Pacific Department (APD)), including the center coordinator in Suva, Fiji, and other stakeholders (key donors, SC Chair, etc); and (iii) prepare an Inception Note (see below), to be finalized in consultation with ICDGP and the ESC. Before embarking on the field phase, evaluators will hold a briefing for IMF staff.
  - **Field Phase:** Evaluators will visit PFTAC and beneficiaries in at least three countries. They will ensure adequate consultation with, and involvement of, a variety of stakeholders, working closely with government authorities and agencies, and where relevant, donor offices. This will take place through face to face interviews, survey, phone and email exchanges. PFTAC will cooperate in providing contact details, where requested, and will provide official documentation explaining the Center's support for the evaluation that will help to ensure collaboration from member countries and other stakeholders. However, PFTAC will not assist with logistical arrangements, as this could affect the independence of the evaluation.
  - **Synthesis Phase:** This phase is mainly devoted to drafting the report and any necessary follow-up interviews with IMF staff. Evaluators will make sure that their assessment is objective and balanced and recommendations realistic, practical, implementable and prioritized. The evaluation team will draft a report in English presenting the main findings,

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lessons learned, and recommendations, accompanied by a summary of the information gathered. The draft will be submitted electronically to the entire SC. After receiving SC comments on the draft, the evaluation team will finalize the report. The revised draft report with comments incorporated should be delivered no later than April 30, 2015. Evaluators will present the report findings to the PFTAC SC at its annual meeting planned for July 2015, or earlier. The final report will be posted on the PFTAC website after SC endorsement.

### B. Deliverables

The evaluation team will provide three deliverables:

- **Inception Note:** The Inception Note will set out the methodology for data collection and analysis, including criteria for selection of samples or case studies; draft interview and survey instruments; a detailed work plan for data collection; list of potential interviewees; and an outline of the draft evaluation report table of contents. Evaluators should also propose a detailed list of intermediate deliverables and their due dates to enable progress tracking. The draft Inception Note will be disseminated to the ESC and the final version endorsed by the ESC. This note should not exceed 10 pages, excluding annexes.
- **Draft Evaluation Report.** The draft Evaluation Report will be disseminated to the entire SC for comments. The ESC may request a video or teleconference to discuss consolidated comments to the draft report. This draft stand-alone report should not exceed 40 pages, excluding annexes. The report should also include an executive summary of no more than two pages.
- **Final Evaluation Report.** The ESC or the SC may request a brief presentation of the main messages of the report. This final stand-alone report should not exceed 40 pages, excluding annexes. The report should contain no more than 10 recommendations that are focused, prioritized, and implementable. A summary presentation in a format to be agreed with the IMF will accompany this final report. Once discussed by the SC, the IMF will make the final evaluation report available on the PFTAC website.

## APPENDICES

### C. Recommendations from the 2009 PFTAC Evaluation

#### Summary of Recommendations

- More follow-up and diligence will be needed by all members of the PFTAC governance structure to implement the recommendations in this evaluation so that they will have more influence than the 2004 evaluation appears to have had.
- Recommendation 1: By the end of calendar year 2010, Tripartite Review Committee (TPRC) and IMF should develop a strategic plan that sets out a vision for where PFTAC should be in five years time. Scaling up the successful PFTAC model would be consistent with the findings of the evaluation. This would involve increasing the number of resident advisors (see Recommendation 2), making greater use of short-term experts (Recommendation 3), increasing the chance that the benefits of PFTAC's assistance will be sustainable (Recommendation 4), making greater use of Pacific expertise (Recommendation 5) and intensifying the use of regional approaches (Recommendation 6). Broad agreement on the way forward should be reached at the June 2009 TPRC meeting.

Response: This recommendation was endorsed by the steering committee. The 2011 Program Document sets out the details of the vision—which is for PFTAC to remain a leading



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technical resource for Pacific Island countries on improving their macroeconomic management.

- Recommendation 2: By the end of FY2010, consensus should be reached at TPRC on the priorities for additional Resident Advisors. Based on its work, the Evaluation Team identified three priority areas for additional Resident Advisors: (i) Macroeconomic Advisor; (ii) second PFM Advisor; and (iii) second Statistics Advisor.

Response: The steering committee agreed that a controlled increase in advisors was appropriate and endorsed the evaluation's recommendations: additional advisors in macroeconomics, statistics and PFM. The 2011 Program Document accommodates these recommendations.

- Recommendation 3: Beginning in FY2010 PFTAC should make greater use of short term experts to leverage the expertise and associated fixed costs of Resident Advisors, particularly in the financial sector supervision and statistics areas.

Response: The steering committee agreed with this, but noted that this should be done in a controlled manner. The steering committee emphasized the importance of continuity of provision through the resident advisors rather than through regularly changing short-term experts. PFTAC has already scaled up the use of experts in the financial sector; further expansion will be contingent on resource availability.

- Recommendation 4: By the end of FY2010 the TPRC, PFTAC Coordinator, Resident Advisors and the TA Departments should develop a strategy to increase the probability that the benefits of PFTAC assistance will be sustainable.

Response: The steering committee agreed that this was an important issue but were cautious about the resource costs of developing separate strategies in the middle of the funding cycle. PFTAC will continue to target sustainability by focusing its activities on building systems rather than individuals, by ensuring that training is included in technical missions and by helping countries support each other through establishing professional associations. In this funding cycle improvements in sustainability will be addressed through increasing the use of regional approaches.

- Recommendation 5: Beginning in FY2010 PFTAC should make a more concerted effort to develop and use Pacific expertise.

Response: The steering committee agreed with this recommendation, although it did note the challenges involved and the importance of not pulling from the scarce pool of talent available to many PICs. PFTAC aims to increase the use of Pacific experts in the next funding cycle and to promote country-to-country cooperation.

- Recommendation 6: By the end of FY2011 TPRC and PFTAC should develop a strategy to intensify and extend the use of regional approaches to build capacity in the Pacific Region in a manner that builds on and supports country based efforts.

Response: The steering committee agreed with this recommendation. This forms the core of PFTAC's strategy to improve sustainability.

- Recommendation 7: By the end of FY2011 PFTAC should, in coordination with the TA Departments, define medium term objectives to be achieved in each functional area in each country and verifiable indicators against which to monitor progress.

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Response: The 2011 Program Document outlines regional target results and likely priority countries that will be used as a basis for results-based management.

- Recommendation 8: By the end FY2010 PFTAC should develop formal action plans for each recommendation accepted by the TPRC, identifying the necessary resources and monitorable benchmarks to implement those recommendations and report on the implementation status of the action plans to the TPRC in FY2011 and again in FY2012.

Response: The 2011 Program Document is that action plan and report.

### D. Evaluation Sub criteria and Weights used in the 2009 Evaluation

DAC Criteria and Weights	Indicative Evaluation Questions	Sub criteria and Weights
Relevance (30%)	<ul style="list-style-type: none"> <li>• Is PFTAC meeting the priority needs of member countries, especially given the changing conditions and new challenges in the region?</li> <li>• Is there strong country ownership of PFTAC activities?</li> <li>• Are PFTAC activities appropriately focused in terms of subject areas, taking into account IMF expertise, the priority needs of the beneficiary countries, HQ activities, and the work of other development partners?</li> </ul>	<p>The evaluation will begin with an overview of quantitative and qualitative data on PFTAC activities (TA and training) since its inception. This will include an assessment of whether the TA and training delivered were relevant in terms of (a) priorities identified in the Program Document; (b) the needs of the member countries and the region; and (c) whether it was appropriately coordinated with other stakeholders.</p> <p><b>Ratings and weights will be:</b></p> <p>(i) <b>Consistency with the program document and government priorities (60%):</b> Particular attention to the link between PFTAC TA and training and the macroeconomic reform and capacity-development programs formulated by ministries of finance, central banks and statistical agencies, regional organizations, and other recipients of PFTAC TA and training.</p> <p>(ii) <b>Coordination with development partners (20%):</b> Whether there has been sufficient effort, including outreach, to coordinate with development partners.</p> <p>(iii) <b>Consistency with IMF headquarters' activities (20%):</b> The extent to which PFTAC TA and training are integrated with TA, surveillance, and lending activities of IMF HQ; evidence of consistency could be examined by drawing on the results obtained from a review of documents and interviews with staff of area and TA departments and IMF resident representatives.</p>
Efficiency (22%)	<ul style="list-style-type: none"> <li>• Is PFTAC delivering activities efficiently while ensuring the quality and timeliness of expert input (including management and backstopping by</li> </ul>	<p>The mid-term evaluation will consider issues of efficiency, including management and use of resources and the extent to which locational efficiencies have been achieved, i.e., the cost benefits of being based in the region.</p>

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DAC Criteria and Weights	Indicative Evaluation Questions	Sub criteria and Weights
	IMF headquarters-based staff)?	<p><b>Ratings and weights will be:</b></p> <p>(i) <b>Process and implementation efficiency (40%):</b> Covering such factors as internal IMF management of PFTAC activities, appropriate selection of counterpart/ workshop participants, and the quality and timeliness of management and backstopping of PFTAC TA and training by HQ staff; planning for timely recruitment of qualified resident advisors; and the efficiency of planning and executing TA and training.</p> <p>(ii) <b>Efficient use of resources (40%):</b> Whether expenditures have been in line with annual work plans; whether PFTAC TA and training are cost-effective compared to TA delivered by others; whether opportunities for efficiency gains are explored. Respondents to the TA and training evaluation survey may be asked to give their perceptions on the relative cost-efficiency of TA and training by PFTAC compared to that of other TA providers, for example.</p> <p>(iii) <b>Monitoring and reporting (20%):</b> The degree to which PFTAC uses self-evaluation (i.e., monitoring) and better reporting to improve the efficiency and effectiveness of its activities. This involves examining PFTAC use of TAIMS and efforts to put RBM in place.</p>
Effectiveness (28%)	<ul style="list-style-type: none"> <li>• Is PFTAC appropriately focused on delivering outputs that contribute to the achievement of priority reforms, including assessing, to the extent possible, outcomes and impacts at topic, country, and regional level?</li> <li>• What is the quality and timeliness of activities undertaken and outputs produced and the reporting and monitoring of these?</li> </ul>	<p>(i) <b>Use of PFTAC outputs (40%):</b> Including assessment of the use of outputs of each topic area and whether the outputs are leading, or are likely to lead, to the outcomes identified in the Program Document; whether the TA and training have delivered outputs that contribute to achieving capacity-building reforms of the beneficiary country.</p> <p>(ii) <b>Planned vs. actual achievements (30%):</b> Actual outputs compared to the planned outcomes stated in the PFTAC Program Document, work programs, and other documentation. Often there will be an unfinished agenda. In such cases, evaluators may form a judgment about whether the expected outcomes are likely to be achieved.</p> <p>(iii) <b>Significance of contribution to developing core economic functions and institution building (30%):</b> The contribution of PFTAC activities and outputs to the development of core economic functions and strengthening institutions in beneficiary countries. Evaluators need to carefully distinguish between <i>attribution</i> and <i>contribution</i>. While it may be true that progress was made, the</p>

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DAC Criteria and Weights	Indicative Evaluation Questions	Sub criteria and Weights
		<p>progress may reflect joint efforts of PFTAC, HQ assistance, support provided by other development partners, and a government's own initiatives. Evaluators may estimate the relative importance of PFTAC contributions by considering whether the results could have been achieved without PFTAC involvement.</p>
Sustainability (20%)	<ul style="list-style-type: none"> <li>• Have PFTAC TA and training led to tangible and lasting results?</li> <li>• What constraints do PFTAC member countries face that prevent them from taking full advantage of PFTAC TA and training? How can such constraints be addressed?</li> <li>• What are the challenges and risks faced in conducting TA and training? What has been done to address these challenges and mitigate risks?</li> </ul>	<p>(i) <b>Executing agency ownership and use of the outputs (75%):</b> Whether participants and trainees use the knowledge gained in workshops and seminars on the job. Participant selection may be examined for this weighting. For example, how are TA outputs embedded in the routine business practices of the executing agencies?</p> <p>(ii) <b>Promoting the use of regional expertise (25%):</b> The extent to which PFTAC has promoted the use of regional expertise, building local capacity, and contributed to sustainability in providing TA. Evaluators need to assess how effective PFTAC has been in identifying regional expertise.</p>

List of Documents to be provided by the IMF: Program Document, Work plans, Annual reports, Minutes of Steering Committee meetings, Activity reports, Annual budgets, Project/mission TORs, TA reports, previous evaluations of RTACs, General information on IMF TA, RTACs, etc.