

# MID-TERM EVALUATION REVENUE MOBILIZATION THEMATIC FUND (RMTF)

VOLUME I - FINAL REPORT & SURVEY ANNEX

FINAL REPORT

**seo** • amsterdam economics

---

## **AUTHORS**

NIENKE OOMES, THIERRY BELT, CLAUDIO CORTE COI, MAARTJE DE GROOT, ELISABETH HOOLE, LENA LENZHOFER, HARALD MEIER

## **COMMISSIONED BY**

INTERNATIONAL MONETARY FUND

AMSTERDAM , FEBRUARY 23

## Executive summary

The Revenue Mobilization Thematic Fund (RMTF) is a multi-donor initiative for financing Capacity Development (CD) support related to tax policy and revenue administration, primarily in low and lower middle-income countries. The objectives of this mid-term evaluation were to assess the overall performance of the RMTF in achieving its mandate as envisaged in its program document, and to formulate recommendations for improvement.

The key findings and key recommendations of this mid-term evaluation are summarized in Tables S.1 and S.2 below.

The key findings by OECD-DAC criteria are as follows:

- **Relevance:** RMTF projects are generally highly relevant, in that they address important needs of recipient countries in the area of Domestic Resource Mobilization (DRM). The identification and approval process of RMTF projects appears adequate for ensuring that CD activities are aligned with country priorities and needs, but more could be done at the project proposal stage to assess the extent to which there is country ownership for DRM-related reforms. The modular approach was found to be an appropriate framework to cater to different situations, needs, and preferences of recipient countries. The RMTF was also found to have adjusted well to COVID-19.
- **Effectiveness:** RMTF projects largely achieved their milestones and outcomes, and stakeholders were generally positive about the RMTF's effectiveness. However, while RMTF projects were generally effective in transferring knowledge and improving capacity, there was less evidence that they also contributed to tax reform implementation and improved revenue collection. While the latter is a long-term result that is influenced by many other factors as well, RMTF project managers could usefully pay more attention to "change management": taking measures to increase the likelihood that knowledge transferred is applied in practice and translated into organizational change. Also, the Results-Based Monitoring (RBM) framework and its application to RMTF projects could be further improved.
- **Impact & Sustainability:** The results regarding impact and sustainability were mixed and generally dependent on the prerequisites for maintaining such benefits over time. While it remains difficult to assess impact and sustainability at this (early) stage, the evaluation team identified several factors (lack of political support, insufficient staff capacity, short duration of missions) as risks to sustained impact. Despite the fact that it was often too early to speak of "long-term impact" in the case study projects and the impact was often limited by external factors, there were some signs that the RMTF CD contributed to increased DRM.
- **Coherence:** The RMTF was found to have coordinated well internally with other IMF departments (in particular, area departments via a CD prioritization process) and other IMF CD activities, including those conducted by Regional CD Centers (RCDCs), for example via joint scoping/diagnostic missions. Coordination with other Development Partners (DPs) was also taking place and had improved, for example by contributing to building (donor or country) coordination groups. Although coordination of DPs is the ultimate responsibility of the local authorities, the RMTF could do more to systematically exchange information and coordinate with DPs in advance in order to avoid duplication, strengthen complementarities, and maximize synergies with other external CD projects. This is particularly important when it comes to expanding activities on cross-cutting issues (e.g., climate, gender, equity/inclusion, digitalization).

- **Efficiency:** There were no major concerns about the RMTF’s timeliness, operational efficiency, or output efficiency, but the recruitment process for short-term experts could be more transparent and competitive. Considering its reasonable costs, the good quality of the outputs provided, and the value of the outcomes reached, the RMTF was generally found to provide good “value for money”.

Table S.1 Aggregate RMTF evaluation ratings by OECD-DAC Criterion

Criteria	RMTF-wide assessment	Project level assessment	Overall rating
Relevance	4	3.5	<b>4</b>
Effectiveness	3	2	<b>2.5</b>
Impact	2	2	<b>2</b>
Sustainability	2	2	<b>2</b>
Coherence	3	3	<b>3</b>
Efficiency	3	3	<b>3</b>

1 = Not Achieved; 2 = Partially Achieved; 3 = Largely Achieved; 4 = Fully Achieved. The overall score was determined by using equal weights for the assessment at both levels and rounding to the nearest half a point.

Table S.2 Summary of key recommendations ranked by potential impact, urgency, effort, and costs

Recommendations			Criteria			
#	Category	Brief description	Potential impact (low-high)	Urgency (low-high)	Effort (low-high)	Costs (low-high)
2	Relevance, Sustainability	Assess the political context and ownership more systematically	High	High	Medium	Medium
3	Impact, Sustainability	Assess absorption capacity more systematically	High	High	Medium	Medium
4	Impact, Sustainability	Take measures to mitigate staff rotation risks and focus on achieving organizational change.	Medium	High	Low	Low
5	Coherence (Internal)	Systematically map potential complementarities between RMTF CD and other IMF interventions	Medium	High	Low	Low
9	Effectiveness, Efficiency	Improve project reporting at outcome and impact levels	Medium	High	Low	Low
1	Relevance	Improve relevance assessment in project proposals and progress reports.	Medium	High	Medium	Low
6	Coherence (external)	Systematically map potential complementarities between RMTF CD and other non-IMF CD	Medium	High	Medium	Low
7	Coherence (external)	Further increase synergies with other development partners	Medium	High	Medium	Low
8	Efficiency	Review whether the use of LTXs and STXs could be increased	Low	Low	Low	Low

Note: All recommendations are deemed actionable (under the control of the IMF) and are therefore not scored explicitly. Green is positive (e.g., low costs or high potential impact), red is negative (e.g., high costs or low potential impact), orange is neutral. The “number” of the recommendations refers to the numbering as used in the recommendations section.

## List of abbreviations

BEPS	Base Erosion and Profit Shifting
CD	Capacity Development (the combined efforts of technical assistance, training, conferences and other knowledge sharing activities)
DRM	Domestic Resource Mobilization
FAD	Fiscal Affairs Department (IMF)
ICD	Institute for Capacity Development (IMF)
ITAS	Integrated Tax Administration System
LEG	Legal Affairs Department (IMF)
LTO	Large Taxpayer Office
LTX	Long-Term Expert
IMF	International Monetary Fund
MCM	Monetary and Capital Markets Department (IMF)
MTRS	Medium Term Revenue Strategy
OECD	Organization for Economic Cooperation and Development
OTA	US Treasury Office of Technical Assistance
RCDC	Regional Capacity Development Center (IMF)
STX	Short-Term Expert
TA	Technical Assistance
TADAT	Tax Administration Diagnostic Assessment Tool
ToR	Terms of Reference
WB	World Bank

# Table of Contents

Executive summary	i
List of abbreviations	iii
1 Introduction	1
1.1 Background of the RMTF	1
1.2 Purpose and Scope of the Evaluation	1
2 Analysis and Findings	4
2.1 Relevance	4
2.2 Effectiveness	8
2.3 Impact & Sustainability	14
2.4 Coherence	18
2.5 Efficiency	22
3 Key findings and recommendations	27
3.1 Key findings	27
3.2 Key recommendations and lessons learned	28
Annex A Research Approach	35
A.1 Methodology	35
A.2 Evaluation questions	36
Annex B Case Study Selection	38
Annex C Considerations for improving the RBM	43

# 1 Introduction

The Revenue Mobilization Thematic Fund (RMTF) is a multi-donor initiative for financing Capacity Development (CD) support related to tax policy and revenue administration, primarily in low and lower middle-income countries. The objectives of this mid-term evaluation were to assess the overall performance of the RMTF in achieving its mandate as envisaged in its program document, and to formulate recommendations for improvement.

## 1.1 Background of the RMTF

**Implemented by the International Monetary Fund (IMF) as executive agency, the RMTF's main objective is to increase Domestic Resource Mobilization (DRM), which in turn is expected to promote long-term economic development and sustainable growth.** Designed for a period of seven years, June 2016 – May 2023, the RMTF has a total budget amounting to US\$77 million. The resources are provided by fourteen donor agencies.<sup>1</sup> The RMTF builds on the results of its predecessor, the Tax Policy and Administration Topical Trust Fund (TPA-TTF). The RMTF portfolio during FY2017-FY2022 included 48 projects.<sup>2</sup>

**The RMTF adopts a modular approach, with six focus areas and four complementary areas.** The focus areas entail support for areas such as tax policy design, reform strategy, and tax administration organization, whereas the complementary areas entail support for training, conferences and fiscal tools development.

**Depending on the CD requirements, the RMTF employs different CD delivery "modalities". The two main types of CD are Technical Assistance (TA) and Training.** TA also includes diagnostic and review missions on revenue administration and tax policy, including using tools such as the Tax Administration Diagnostic Assessment Tool (TADAT) and the Revenue Administration-Gap Analysis Program (RA-GAP). In addition to IMF staff from the Fiscal Affairs Department (FAD), the RMTF deploys short-term experts (STX) and long-term experts (LTX) to provide specialized technical inputs and to accompany implementation of reforms on-site. Workshops, seminars, targeted training and applied analytics and research supplement the CD interventions.

## 1.2 Purpose and Scope of the Evaluation

**The RMTF Program Document stipulated that an independent evaluation be carried out around three years into the program phase.**<sup>3</sup> According to the Terms of Reference, the overall objective of the evaluation is "to assess the overall performance of the RMTF in achieving its mandate as envisaged in its program document and to

---

<sup>1</sup> Australia, Belgium, Denmark, European Union, France, Germany, Japan, Luxembourg, The Netherlands, Norway, Republic of Korea, Sweden, Switzerland, and United Kingdom, as well as the ACP-EC Partnership Agreement.

<sup>2</sup> The fiscal year runs from May 1 the year before until April 30 of the given year (i.e., FY 2017 runs from May 1, 2016, until April 30, 2017).

<sup>3</sup> <https://www.imf.org/external/np/ins/english/files/RMTFProgramDocument.pdf>

formulate recommendations for improvement". The evaluation has both an accountability objective (inform the SC about the performance) and a learning objective (provide lesson learned).<sup>4</sup>

**In line with the ToR, this evaluation follows the IMF's Updated Common Evaluation Framework<sup>5</sup> and covers the period starting in January 2017.** The Common Evaluation Framework presents guidelines for the implementation and presentation of evaluations. As per the ToR, the original evaluation period was January 2017 – December 2020, but it was decided in consultation with the IMF that the mid-term evaluation could also include more recent information for 2021 and 2022.

**The evaluation consists of two main parts: (1) an RMTF-wide assessment, and (2) a bottom-up assessment of individual RMTF-funded CD projects (six case studies, outlined in Table 1.1).** The first part includes a portfolio analysis of the available RBM data for RMTF projects, as well as an assessment of RMTF strategy and management. Following the ToR, the second part assesses a selection of individual CD projects and focuses on "the degree to which the CD projects have achieved their objectives and related outcomes, as defined in the IMF's RBM framework, according to the relevant OECD DAC criteria".

Table 1.1 Overview of case studies for mid-term evaluation.

CS	Country	Project ID	Start date	End date	Number of missions	Mission Types
1	Benin	FAD_BEN_2018_01	05/2017	04/2020	19	4 scoping missions, 12 STX missions, 3 TA missions
2	Democratic Republic of Congo	FAD_COD_2018_02	07/2018	06/2022	6	2 STX missions, 4 TA missions
3	Ethiopia	FAD_ETH_2018_01	05/2017	04/2022	36	8 scoping missions, 23 STX missions, 5 TA missions
4	Guatemala	FAD_GTM_2018_01	05/2017	12/2020	24	1 surveillance mission, 1 expert briefing, 2 scoping missions, 2 long term advisor missions, 9 STX, 3 TA missions, 6 TA seminars
5	Mongolia	FAD_MNG_2018_01	05/2017	04/2020	63	4 scoping missions, 4 long term advisor missions, 43 STX, 12 TA missions
6	Sri Lanka	FAD_LKA_2018_01	04/2017	10/2020	27	4 scoping missions, 17 STX missions, 6 TA missions

Source: SEO Amsterdam Economics based on RMTF project-level data (RAP). Data until April 2020.

**Both the RMTF-wide and the case study assessment evaluate the various objectives along the OECD-DAC criteria.** For the RMTF-wide assessment this entails a review of the entire RBM-portfolio (see Annex B) in the case of effectiveness and a fund-level review based on interviews, survey and desk research in the case of the other criteria. For the case study assessment, the RBM data is used as well, but project-specific documents and interviews allowed the evaluators to go one layer deeper. For both assessments, the evaluation team has focused on the "core objectives": "Improved tax and non-tax revenue policy", "Strengthened core tax administration functions", and

<sup>4</sup> Terms of Reference for The External Mid-Term Evaluation of the Revenue Mobilization Trust Fund (RMTF), IMF, December 2020, paragraph 8, page 3.

<sup>5</sup> <https://www.imf.org/en/Publications/Policy-Papers/Issues/2020/09/24/Updated-Common-Evaluation-Framework-For-IMF-Capacity-Development-And-Guidance-Note-49779>

“Strengthened revenue administration management and governance arrangements”. Together, these “core objectives” account for 88 percent of all the objectives the total portfolio (more detail in Annex B). These objectives also constitute the main unit of observation.

**The case studies for this evaluation are a sample of six CD projects selected from the overall RMTF list of CD projects, based on a list of selection criteria to maximize representativeness.** These criteria aimed to balance the selection across regions, assignment type, fragile states, RCDC intensity, income classification, intensity of CD, and overall coverage of the core RMTF objectives. These criteria were discussed and agreed with the IMF (FAD and ICD) during the inception phase. More detail can be found in Annex B, alongside the anonymized sample of case studies.

**This report presents the aggregate findings of the RMTF-wide assessment and the project level assessments.** The report is organized by OECD-DAC criteria, i.e., for each criterion we first discuss the RMTF-wide findings and then the project level findings. As requested in the ToR, the evaluation also provides a general assessment of the Results Based Management (RBM) framework (included under “Effectiveness”), as well as lessons learned and recommendations.

## 2 Analysis and Findings

### 2.1 Relevance

RMTF projects are relevant in that they generally address the needs of recipient countries. The identification and approval process of RMTF projects appears adequate for ensuring involvement of local authorities and alignment with country priorities and needs.

Table 2.1 Evaluation questions – Relevance

No.	Question
1.1	To what extent were the CD objectives derived from capacity gaps identified by the authorities, IMF surveillance/program, and other partners/institutions?
1.2	Do the national authorities consider the CD objectives among the priorities of the country and/or agency?
1.3	Was the design and implementation sensitive to the context (e.g., economic, political economy, technical capacity of the beneficiaries, qualifications of experts) in which it took place?
1.4	Were the CD objectives and design successfully adapted to changing circumstances?
1.5	How well has the RMTF adapted and/or flexibly responded to emerging issues and changing external circumstances, e.g., addressing issues such as climate change, gender, COVID-19, etc.? <sup>*</sup>
1.6	To what extent are diagnostic tools used to define and inform reform priorities and CD design? <sup>*</sup>

Note: <sup>\*</sup> RMTF strategy & management questions.

#### 2.1.1 Relevance: RMTF-wide assessment

**The identification and approval process of RMTF projects appears adequate for ensuring that CD activities are aligned with country priorities and needs.** A key first step in the process is that the country authorities submit a formal CD request to the RMTF team. These requests can emerge from different situations, ranging from the application of a diagnostic tool to a suggestion from IMF area departments (country teams) in the context of their regular surveillance or lending activities.<sup>6</sup> As a result, some projects may not strictly speaking be “demand driven”, given that the “supply side” can also usefully assist with identifying country priorities and needs, but the requirement that the authorities themselves submit a formal request is a good minimal requirement for ensuring relevance and ownership.<sup>7</sup>

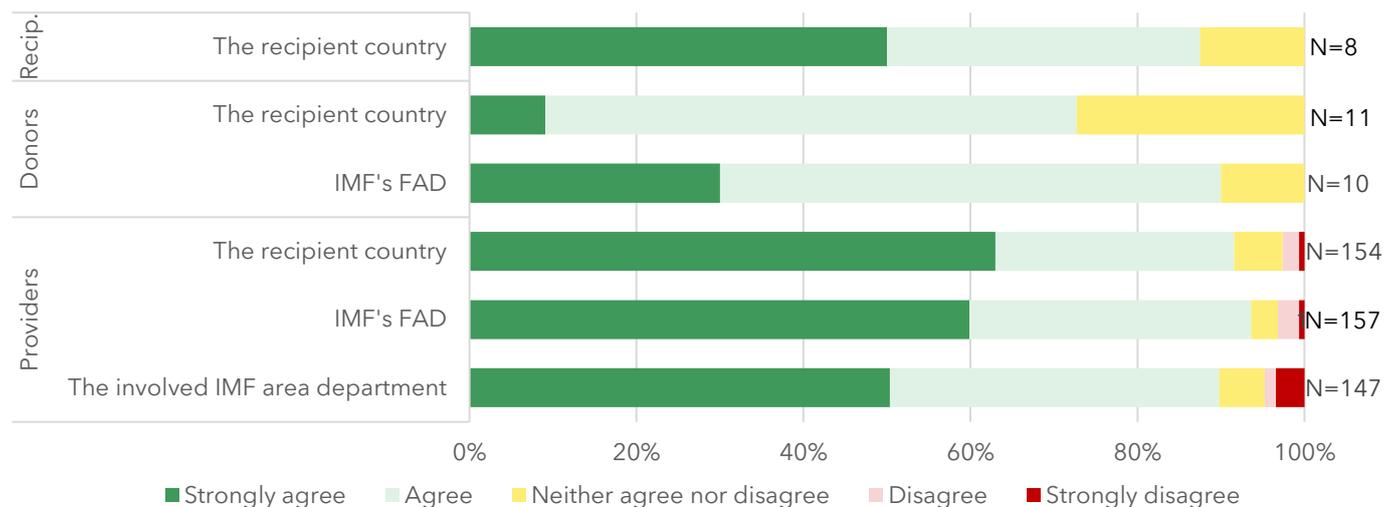
<sup>6</sup> The integration of the latter with capacity development has been identified as one of the lessons learned from the RMTF’s predecessor, the TPA-TTF (RMTF Program Document, page 26). See also the section on Coherence.

<sup>7</sup> In this context we note that the principles of the IMF’s CD delivery are summarized in a staff report published in 2014, prepared by the IMF’s Institute for Capacity Development. It lays out guiding principles for IMF staff when carrying out capacity development activities, for technical assistance and training alike. It explains the governance of CD activities (detailing the roles and responsibilities of the Executive Board, Management, the Committee on Capacity Building, the area and CD departments, as well as the Regional Technical Assistance Centers (RTACs) and Regional Training Centers (RTCs). The “statement” also attends to prioritization that aims to “guide the allocation of scarce resources across regions, countries, and topic areas, as well as between short and medium-term needs”. The IMF’s strategic CD planning process and country demand are key elements of the prioritization, according to the “statement”. Principles regarding donor funding and partnerships, CD delivery, result dissemination, and monitoring and evaluation of CD activities provide additional guidance. See: IMF Policies and Practices on Capacity Development, IMF, 26 August 2014.

**Stakeholders largely see the RMTF CD as reflecting the priorities of the main stakeholder groups.** Figure 2.1 shows that donors, recipients and providers all agree that the RMTF not only reflected the priorities of the recipient country but also that of FAD itself and the respective area department. According to providers, the design of the provided CD also took the country’s absorption capacity (e.g., available technical and human capacity) and ownership into account.

Figure 2.1 Survey respondents largely agreed that RMTF CD reflected priorities of the main stakeholder groups

"To what extent did RMTF CD reflect the priorities of the following parties?"



Source: SEO Amsterdam Economics, based on a survey among 181 stakeholders.

**The process of fine-tuning a project proposal is also geared towards ensuring relevance.** Prior to being submitted for approval, CD requests are discussed internally (within FAD and the relevant area department) and fine-tuned in a project proposal jointly with the country authorities that submitted it, as well as development partners in the respective country. While there is no formal written requirement that this is part of the process, IMF stakeholders reported that consultation with development partners is always expected during missions and is often also done prior to designing a new CD project. We obtained information for several of our case studies that such consultations had taken place, albeit not on a systematic basis. The fine-tuning often requires in-depth consultations and supplementary diagnostics. Interviewees considered these consultations and supplementary diagnostics as important procedural steps to rendering the CD activities relevant. Approval of project proposals by the RMTF Steering Committee is required if the CD intervention requires resources above US\$ 50,000. Although no country project proposal has been formally rejected by the SC, some requests by countries to FAD are not proposed to the SC because the country or request does not meet the criteria of the RMTF or does not fit within the CD priorities.<sup>8</sup>

<sup>8</sup> As the IMF reported to the SC ahead of the December 2022 SC meeting “Typically, the formal submittal of a country CD request is preceded by discussions with country authorities along those lines and it may well happen that country authorities are advised prior to the submission that FAD is unlikely to be able to respond positively. [...] only those CD projects that meet the parameters of eligibility set forth in the RMTF Program Document (PD) are submitted for consideration to the RMTF SC”.

Surveyed recipients also expressed their overall satisfaction with the way in which the RMTF shaped the CD project.<sup>9</sup> Overall, they perceived the RMTF to be relevant.

**The modular approach seems an appropriate framework to cater for different situations, needs, and preferences of recipient countries.** Apart from defining the areas in which the RMTF aims to add value, the modalities allow the design of CD activities to align with the specific contexts in which they are implemented. In the survey, recipients also indicated to be content with how the RMTF assessed their country's strengths and weaknesses, whilst considering the country's priorities.<sup>10</sup>

**The regional distribution of CD activities tends to be uneven, partly explained by the "demand-drivenness" of the Fund.** The RMTF Program Document stated that CD activities will be prioritized based on needs and commitment by the respective countries, whilst striving towards a "relatively even distribution across regions" (page 31). However, in our interviews with donor representatives, some argued that the RMTF focuses too much on the African continent (AFR countries) and too little on Asia and Pacific region (APD countries). By looking at the portfolio of projects, the evaluation team confirms that the regional balance is off. RMTF staff also acknowledged that fewer requests are coming from the APD region, but they explained that this is the case in other IMF workstreams too. RMTF management is reportedly undertaking measures to address this situation, including by raising more awareness in APD countries. In their view, the relatively large share of AFR countries reflects the fact that (a) African countries tend to have larger revenue gaps and thus higher demand,<sup>11</sup> and (b) RMTF gives priority to low-income countries and fragile states, of which there are more in Africa. From the point of view of relevance, perspective regional imbalance is not in itself a problem if there is indeed more demand coming from certain countries and/or certain countries actually have higher gaps.

**Most recipient countries appear to have sufficient ownership for DRM-related reform, but one out of four RMTF projects was seen as having "low" political support.** IMF self-reported risk data<sup>12</sup> shows that, for most ongoing projects, support by country authorities was medium to high,<sup>13</sup> while risks related to country authority support for DRM-related reforms were seen as low overall. However, one out of four RMTF projects was classified by the IMF as having low political support. This could either signal low relevance of the original project design (due to low ownership), or it could suggest that some RMTF projects did not adapt swiftly enough to domestic political changes. Either way, low political support is an important concern as it can have ramifications for a project's effectiveness, impact, and sustainability of its results. In our stakeholder survey, however, both CD providers and CD recipients indicated that recipient institutions had, in their view, sufficient opportunity to influence the objectives and activities of the CD project.<sup>14</sup>

<sup>9</sup> Almost the entire subsample (albeit small) of recipients was satisfied with how the RMTF CD was developed (e.g., by building on prior diagnostic tools, considering existing strategic plans, support provided by other DPs and the overall absorption capacity of the recipient authorities (see Survey Annex).

<sup>10</sup> Six out of seven surveyed recipients agreed that RMTF CD was built on the findings of prior diagnostic tools (such as TADAT), whilst all of them argued that it was in line with their countries' priorities.

<sup>11</sup> Considering that RMTF always had sufficient resources to respond to CD requests, it reportedly was never in a position in which it had to decide between requests.

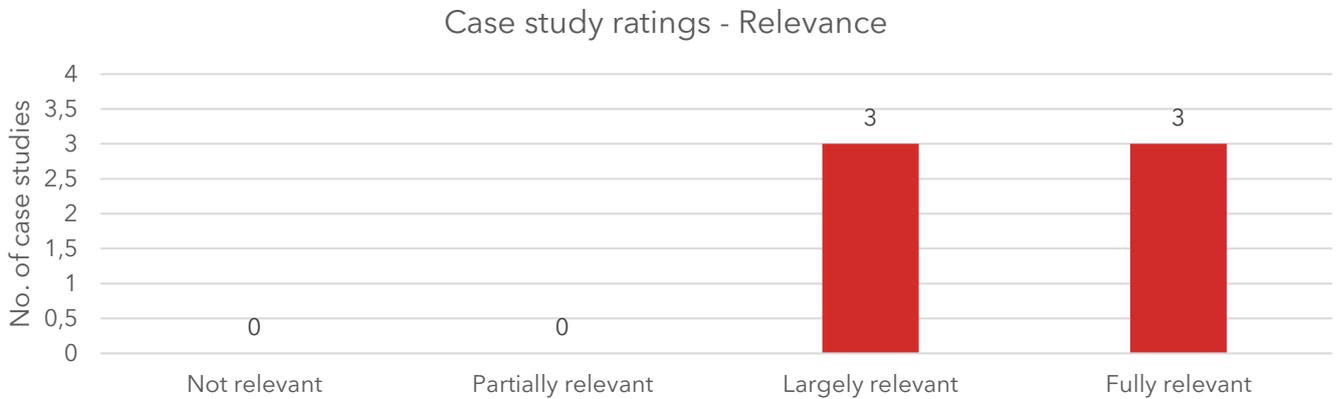
<sup>12</sup> The RMTF project progress reports contain an assessment of five risk categories, including political support and management support and technical staff commitment.

<sup>13</sup> Source: FY22 Mid-Year Report.

<sup>14</sup> All 8 recipients indicated that the recipient institutions had sufficient opportunity to influence the objectives and activities of the CD project, compared to more than 50 and 80 percent of donor partners and CD providers respectively.

## 2.1.2 Relevance: project level assessment

Figure 2.2 All six case study projects were scored as either largely or fully relevant.



Source: SEO Amsterdam Economics.

**All six case study projects were scored as either largely or fully relevant (see Figure 2.2) in terms of addressing capacity gaps identified by the authorities and adapting to changing circumstances.** Projects were seen as demand driven (focused on country requests) and designed in coordination with country authorities. Moreover, virtually all case study projects were found to have appropriately shifted focus and modality in response to the COVID-19 pandemic, based on country priorities, although some stakeholders mentioned that this process was not straightforward.

**Having said this, the case studies highlighted two points that might need more attention.** First, although the projects were generally seen as relevant, interviews and project proposals review suggested that project proposals do not always sufficiently justify that the project focuses on the most relevant topics or segments for the country, in terms of revenue gaps or potential contributions to revenue. For example, in one case study it was not fully clear why the RMTF decided to move away from strengthening the administration of large taxpayers, in favor of improving the compliance of SMEs. Second, multiple case studies found that the CD project did not always fully take into account the political economy of reform, including potential governance issues, in their risk assessment and design. For example, in one case study, the project set revenue collection targets that later could be argued to be unrealistic, given high political and climate-related risks.<sup>15</sup>

<sup>15</sup> In particular, an Economic Intelligence Unit (EIU) report on the country had identified high risks related to economic recovery, conflict and droughts, but the RMTF medium-term revenue mobilization plan in 2020 still foresaw a potential revenue increase of more than 7 percent of GDP in five years.

## 2.2 Effectiveness

RMTF projects largely achieved their milestones and outcomes, and stakeholders were generally positive about RMTF's effectiveness. However, more could be done to ensure that knowledge transferred is applied in practice and translated into organization change. Also, the Results-Based Monitoring (RBM) framework and its application to RMTF projects could be further improved.

Table 2.2 Evaluation questions - Effectiveness

No.	Question
3.1	To what extent were the CD outcomes and objective, as defined by the RBM framework, achieved or are they likely to be achieved?
3.2	In the process, validate the RBM ratings for outcomes and objective.
3.3	Assess to what extent the observed direct results were attributed to/happened as a result of the CD.
3.4	To what extent has the RMTF been effective in financing countries for intensive vis-à-vis targeted CD projects? Regarding intensive CD projects, how strong are linkages across tax policy and administration design, timing, and results?
3.5	Has the RMTF been effective in financing customs CD needs where there are linkages with tax administration?*
3.6	To what extent are diagnostic tools used to measure reform progress in the RMTF beneficiary countries?*
3.7	To what extent are the different CD delivery modalities, including long-term experts, and CD training, being used to effectively address CD demands? What are the benefits of each modality? What other modalities should the RMTF consider?*

Note: \* RMTF strategy & management questions.

### 2.2.1 Effectiveness: RMTF-wide assessment

**Case studies suggested that the RMTF was generally more effective in contributing to strengthened tax administration rather than to improved revenue policy.**

- **Regarding tax administration, case studies showed that the CD provided by the RMTF was generally effective in terms of implementing the envisaged outputs, and also some outcomes.** For example, the CD developed country-specific compliance improvement strategies, data and risk management strategies, audit and verification programs, and strengthened centralized databases with taxpayer information. However, progress towards these outcomes, as a result of the CD, was mixed. For example, some countries saw an increase in the proportion of taxpayers meeting their payment obligations, while others did not, and some countries were more successful than others in developing a more accurate (or even new) taxpayer centralized database.
- **Regarding revenue policy, case studies showed that the CD was effective in terms of implementing outputs but not so much (yet) regarding outcomes.** On the one hand, projects were often effective in creating *outputs* that were targeting revenue policy, such as reform proposals or Medium-Term Revenue Strategies (MTRS). On the other hand, these rarely translated into targeted policy-related *outcomes*, as reform proposals were not (yet) implemented by country authorities. While the development of reform strategies did contribute to improving countries' capacity to reform, there was less evidence that they also contributed to tax reform implementation, in part because the implementation of these reforms was not directly under the control of the RMTF, and in part because reform implementation may take more time.

**Stakeholders were generally positive about the RMTF’s effectiveness.** In our stakeholder survey, both recipients and providers were predominantly positive about the RMTF’s contribution to improving CD recipients’ knowledge and the way they conduct their daily jobs (Figure 2.3). Recipients were slightly less positive about the latter, while they did consider the knowledge gained as applicable. This suggests that more could still be done, both on the provider side and on the recipient side, to ensure that the knowledge gained is, in fact, applied in practice. Some stakeholders (respondents and interviewees) suggested that more attention could be paid to “change management”: translating individual learning into organizational change.<sup>16</sup> However, survey respondents did widely agree that RMTF CD also contributed to strengthening the recipient institution’s processes and guidelines, and also contributed to informed policy dialogue as well as concrete policy reforms.<sup>17</sup>

Figure 2.3 Respondents saw RMTF CD as contributing more to enhancing knowledge than to improving everyday practices



Source: SEO Amsterdam Economics, based on a survey among 181 stakeholders.

**Almost two-thirds of the RMTF projects covered by this evaluation either largely or fully achieved their milestones due.** In line with IMF’s reporting on RBM ratings in the RMTF projects’ progress reports (on a scale ranging from 1, “not achieved” to 4, “fully achieved”), the evaluation team analyzed the RBM ratings by RMTF project over FY2017-FY2022. Based on the latest data available, the left panel of Figure 2.4 shows that 2/3 of all project milestones due<sup>18</sup> were largely or fully achieved (scored as 3 or 4).

**Similarly, nearly half of the RMTF projects delivered well on their outcomes, further suggesting good implementation effectiveness.** Considering all most recent outcome ratings per RMTF project in the portfolio, Figure 2.4b illustrates that 45 percent of outcomes were either largely achieved or fully achieved (ratings of 3 and 4

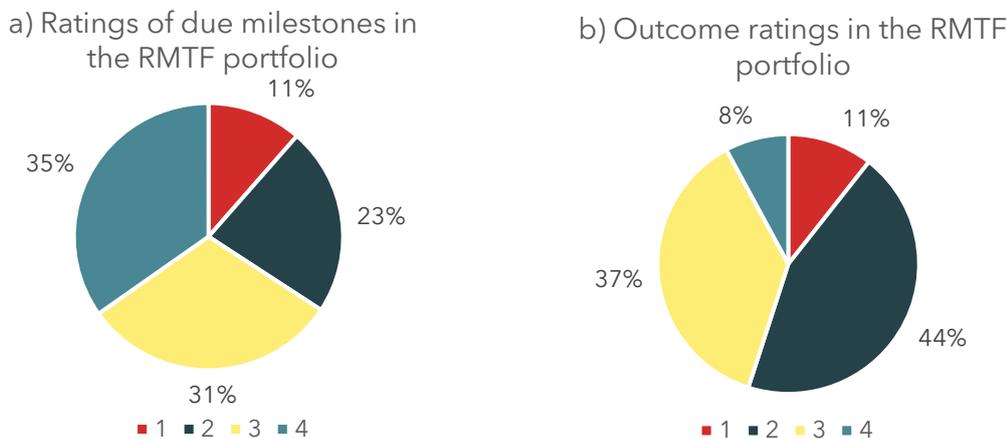
<sup>16</sup> In an open survey question provided to give more explanation, one development partner wondered whether the IMF is sufficiently considering the organizational culture, the incentives, and the political economy within the organizations in which the CD is delivered, so that the CD indeed brings about the intended behaviour changes.

<sup>17</sup> Overall, 80 percent of the survey respondents (strongly) agreed with this statement, especially the CD providers. 60 and 80 percent of CD recipients and donor partners respectively agreed with the statement, but this is based on a relative small subsample (see Survey Annex).

<sup>18</sup> Due milestone ratings measure whether a CD project is on track to achieve intermediate milestones towards the targeted outcomes.

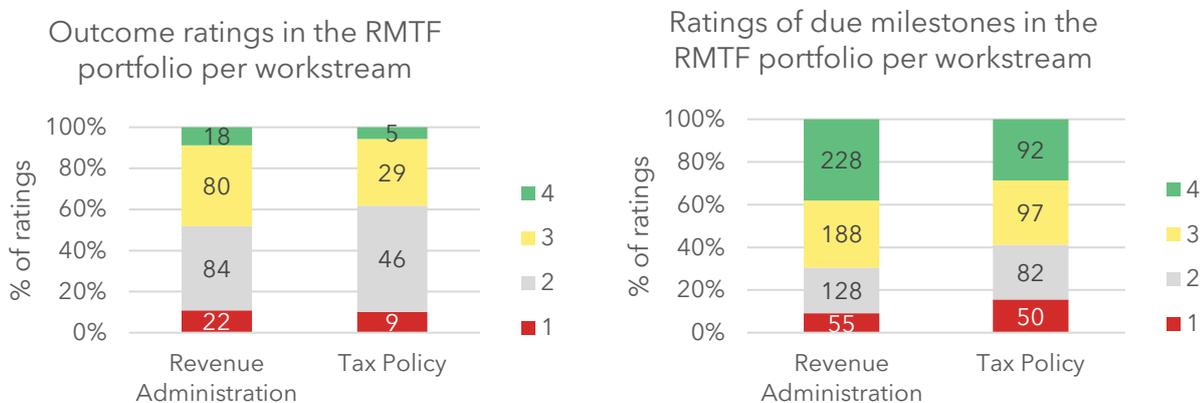
respectively). Note that this analysis includes active projects next to those completed between 2017 and 2022, while outcome ratings tend to be higher for completed projects.<sup>19</sup>

Figure 2.4 Two thirds of the due milestones within the RMTF portfolio were either largely (3) or fully achieved (4), compared with almost half of the outcomes.<sup>20</sup>



Source: SEO Amsterdam Economics based on RBM dashboard for RMTF reporting (April 2017 - April 2022).  
 Note: This includes all RMTF projects completed during FY17-FY22, as well as projects that were still active as of April 2022. Milestones are due when the moment at which a milestone is rated has passed the moment a milestone is planned. 1 = Not Achieved; 2 = Partially Achieved; 3 = Largely Achieved; 4 = Fully Achieved.

Figure 2.5 There is no evidence for large differences between the performance of RA and TP projects



Source: SEO Amsterdam Economics based on RBM dashboard for RMTF reporting (April 2017 - April 2022). Note: This includes all RMTF projects completed during FY17-FY22, as well as projects that were still active as of April 2022. 1 = Not Achieved; 2 = Partially Achieved; 3 = Largely Achieved; 4 = Fully Achieved.

**Across RMTF workstreams, the RBM data do not show large performance differences between revenue administration versus tax policy projects.** Figure 2.5 shows that the distribution of (due) milestone and outcome

<sup>19</sup> The analysis includes outcomes of active projects, because the RBM dashboard tracks the changes in outcome ratings at each run date. Rating updates for outcomes and due milestones typically occur around April/May and October of each year.

<sup>20</sup> Outcome and due milestone ratings are considered as of April 2022, including the most recent ratings for completed projects between FY17 and FY22. So, we also consider ratings for projects that were not yet completed by FY2022. Outcome ratings for completed projects tend to be higher in general. The ratings are as follows: 1 = not achieved; 2 = partially achieved; 3 = largely achieved; 4 = fully achieved.

ratings was rather similar across the two workstreams. In both cases, 60-70 percent of the due milestones were largely or fully achieved, compared to 40-50 percent of the project outcomes in the portfolio.<sup>21</sup>

**With respect to training activities (as opposed to CD), the RMTF has supported three key training programs under modules 7 and 8:**

- **Virtual Training to Advance Revenue Administration (VITARA)** was designed to support the CD delivery in all IMF beneficiary member states, including the countries supported by the RMTF. Its two-part course curriculum was tailored for senior tax administrators and contains tax administration modules on strategic management and reform management.<sup>22</sup>
- **Revenue Forecasting and Analysis (RFax)** is an online training course focused on building fundamental knowledge on quantitative revenue forecasting and tax policy analysis models and techniques. RFax covers i) good tax policy principles and necessary institutional structures; ii) revenue forecasting techniques; iii) forecasting and analysis of indirect taxes; and iv) forecasting and analysis of direct taxes.<sup>23</sup> By the time of the evaluation, RFax had mostly been used to support RMTF CD missions in African countries.<sup>24</sup>
- **VAT Webinars** have been offered to RMTF countries from FY21 onwards. In FY21, two webinars were conducted in AFR countries and two in APD countries, using online methods including pre-recorded material. These and the FY22 webinars “provided a platform for authorities to discuss the current role of VAT in revenue mobilization and learn from their peers.”<sup>25</sup>

**While it was decided not to include these training programs in our case studies (as they are relatively recent and cover multiple countries), document review yielded the following findings:**

- **For at least one training program, there is evidence that it contributed to reducing knowledge gaps.** In a post-course survey conducted by the IMF among RFax participants, nearly all 165 respondents reported having achieved their primary goal of being able to apply the course knowledge gained to their career development. Moreover, 75 percent of these survey respondents noted that RFax provided them with learning opportunities and materials that they would otherwise not have had access to.<sup>26</sup>
- **There are some indications that training programs were linked to CD missions and tailored to the needs and demands of participants, but more reporting on this would be welcomed.** With regard to the online RFax course, CD participants were encouraged in some cases to complete this course prior to a CD mission. In other cases (e.g., non-Anglophone countries) the material in RFax was used as a reference point for the development of additional tailored revenue forecasting workshops. Regarding VAT webinars, the IMF conducted a post-webinar survey among the participants of four FY21 VAT webinars,<sup>27</sup> in which 36 percent of respondents stated that they would like future webinars to focus on specific VAT design issues.<sup>28</sup> In response,

<sup>21</sup> The difference between outcome and milestone ratings can be explained by the fact that the portfolio also includes projects that are still active, which typically have lower outcome ratings. Considering outcome ratings for completed projects only, however, does not change the picture that much: 55 percent of the outcomes are largely or fully achieved.

<sup>22</sup> RMTF FY21 Annual Report (June 2021), p. 26.

<sup>23</sup> RMTF FY21 Annual Report (June 2021), p. 26-27.

<sup>24</sup> The RMTF FY22 Mid-Year Report of December 2021 (p. 23) stated that RFax supported CD missions in Eswatini, Angola, Kenya, and Somalia. In the remainder of FY2021/22 there were further plans to support additional CD missions in The Gambia and Mali, but also in Cambodia.

<sup>25</sup> RMTF FY21 Annual Report (June 2021), p. 8.

<sup>26</sup> RMTF FY22 Mid-Year Report (December 2021), p. 22-23.

<sup>27</sup> The FY21 Annual Report did not include survey results about the extent to which the webinars addressed knowledge gaps.

<sup>28</sup> RMTF FY21 Annual Report (June 2021), p. 25-26.

the IMF organized three webinars in FY22 tailored to this need.<sup>29</sup> Since the first VITARA module was launched in July 2021, and the number and availability of the modules were limited, the integration of VITARA into FAD's CD work did not materialize in FY22 and detailed information on VITARA was therefore not yet available.<sup>30</sup>

## 2.2.2 Effectiveness: assessment of RBM framework

**Stakeholders generally valued the RBM reporting of the RMTF but saw room for improvement.** RMTF donors considered RBM reporting as extensive and insightful in general and praised FAD for having made “a very good attempt” at formulating comparable RBM outcomes that can be used across RMTF (and other FAD) projects. However, some donor partners preferred to have more quantitative outcome indicators. Steering Committee members saw the RMTF as transparent in its reporting, including on reasons for delays or partial execution, and “appreciated the openness with which IMF staff were prepared to discuss projects that are not performing as well as initially expected”.

**Based on interviews, document review, and case studies, the evaluation team identified a number of issues with the application of the RBM system by RMTF project managers:**

- **IMF project managers do not apply and interpret RBM outcome ratings consistently, although the ICD and FAD guidelines are reasonably clear.** Some PMs interpret outcome ratings as an assessment of “levels”, while others interpret the ratings as assessments of changes (which we understand is what ICD intended them to reflect). Similarly, some PMs interpret outcome ratings as indications of the performance of a country, while others see them as reflecting the performance of the RMTF project. As a result of these interpretation differences between PMs, comparisons of outcome ratings (such as we did in the previous section) should be treated with great caution.
- **While outcome ratings are expected to be based on outcome indicators, the RBM framework does not contain ratings of these indicators.** Reporting and tracking outcome indicator ratings could support the improvement of tracking and reporting of project outcome progress in the RBM framework.
- **RMTF project managers generally see milestones as more informative than outcomes.** In several case studies, we noted that RMTF project teams took the milestones very seriously, and used them for project management purposes, but considered the outcomes more of a “nuisance”. In particular, the evaluation team observed doubts among IMF staff (including RMTF project managers and RMTF management representatives) regarding the extent to which the RBM outcomes were in fact useful for tracking progress and project management.<sup>31</sup>
- **The database management system of the RBM framework, while being improved, does not yet facilitate the analysis of changes in milestone ratings over time.** For example, milestone descriptions can be changed during a project by program managers, making it difficult to compare milestone ratings over time. The statement of one interviewee summarizes the concerns well: “If a milestone shows as ‘not achieved’ one wonders whether the CD intervention failed, whether the context changed, or both?”

**There could be greater clarity regarding the aggregate results at outcome (and impact) level.** The development partners interviewed believed that outcome indicators capture the project implementation well.

<sup>29</sup> More specifically, the webinars covered issues in VAT taxation of digital transactions, VAT issues in select sectors, and VAT issues in the crediting and refunding mechanism (RMTF FY22 Mid-Year Report, p. 24.)

<sup>30</sup> The RMTF FY22 Annual Report does mention that “VITARA participants often highlighted the unique nature of the program, its high technical qualities as well as practicality and usefulness” (p.25).

<sup>31</sup> Note that the portfolio sample of 47 RMTF projects contains 13 completed projects that have outcomes with ratings lower than 4 out of 4, indicating that these completed projects have uncompleted project outcomes.

However, some of them wished to see improved reporting at outcome and impact levels. One idea to address this concern was to better show quantitative indicators (for instance, tax to GDP ratio) for each country that receives RMTF CD at regular intervals, including in a dedicated study; others suggested a systematic before/after analysis based on diagnostic instruments such as the TADAT assessment framework (even if applied as a “mock” TADAT assessment for selected indicators – only those relevant to the specific project).

### 2.2.3 Effectiveness: project level assessment

**Based on their RBM ratings, we find that most case studies were only partly effective.** As of June 2022, five out of six case study projects were completed, only one of which had almost fully achieved most project milestones. Two of these case studies had RBM scores that indicated relatively large shares of milestones and outcomes being largely achieved. The remaining three case studies had overall partially achieved their outcomes and milestones according to RBM data. While the one active case study project had not yet achieved the project outcomes (or at least did not yet have outcome ratings), this project was largely on track since its milestones were largely or fully achieved during the project.

**Case study projects had mixed findings regarding the contribution of the RMTF project to the achievement of its outcomes and objectives.** In multiple case studies, we could attribute (part of) the revenue administration and tax policy achievements to the RMTF project. Determining the attribution of the RMTF to such effects was explicitly difficult to determine for one case study. Similarly, the evaluation of two other case studies did not result in sufficient information to draw conclusions on the attribution of the RMTF to project achievements.

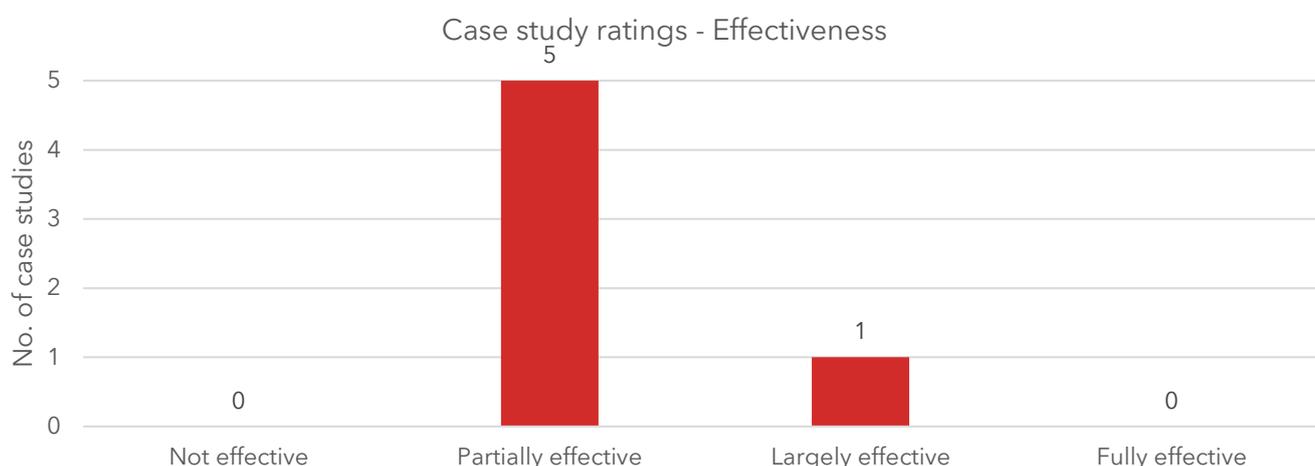
**Similarly, the reported progress in the revenue administration and tax policy workstreams differed across case study projects.** While one case study performed well on its revenue administration outcomes and objectives, it did not perform well on the tax policy side, which was attributed to “lack of engagement” from the Ministry of Finance. In this case study, several stakeholders suspected that political economy factors explained this lack of engagement, but our interviews and the documentation reviewed did not show that the project attempted to address those. Conversely, two other case studies did show progress in tax policy, but less so in tax administration. For one of these case studies, this was partly attributed to the short timeframe of the evaluation and the project.

**Most case study projects faced implementation gaps following the pandemic and the resulting shift from in-person to online TA activities, yet the evaluation team also observed examples of positive results coming from the shifted attention towards online tax administration measures and tools.** A stakeholder in one case study identified the lack of IT-infrastructure as a missing link, as attention on improving digitization and automation could be increased. This gap became visible during the pandemic, when virtual missions struggled with obtaining the needed data. Usually, data collection happens at the start of physical missions through department visits by IMF staff. Further weaknesses during the pandemic were related to fiscal contracts and fiscal sustainability in a second case study. Transforming TA from in-person to online can also have positive effects in terms of the possibilities to improve tax administration. For example, a third case study saw a shifting focus towards implementing measures on digitalizing tax administration, such as e-invoicing, following the project adaptation to COVID-19. Further case studies did not contain findings in this regard, as these projects ended around the beginning of the pandemic and hence consisted of mostly offline activities.

**In some case study projects, external factors obstructed progress in the implementation of reform measures.** Apart from the above-mentioned difficulties that were caused by the onset of the COVID-19 pandemic, there were some cooperation issues. In one case study, a previous head of tax administration was resistant to proceed with

reforms. In a second case study, the progress of a case study project was impacted by limited cooperation by the Ministry of Finance. In a third case, the project progressed well at the technical level, but several political constraints and unforeseeable events negatively affected implementation, and the government was reluctant to continue.

Figure 2.6 Case study projects were only partially effective in achieving the (due) milestones and outcomes



Source: SEO Amsterdam Economics.

### 2.3 Impact & Sustainability

The results regarding impact and sustainability are mixed and generally dependent on the prerequisites for maintaining such benefits over time. While it remains difficult to assess impact and sustainability at this stage, we note that insufficient political support and staff capacity, as well as too short duration of missions pose a significant risk to sustained impact.

Table 2.3 Evaluation questions - Impact & Sustainability

No.	Question
5.1	To what extent has the CD project enhanced the country’s fiscal sustainability (as measured by the tax gap or tax capacity (tax/GDP ratio))?
5.2	Assess any consequences of the CD project on relevant development and Fund strategic priorities, such as climate change and inequality (economic, gender, and financial inclusion).
6.1	To what extent are the prerequisites for preserving the net benefits of the CD project (e.g., establishment of relevant reform modernization governance or organizational design changes, upgrading of skills of the officials and local counterparts, etc.) likely to remain in place after CD? Discuss the likelihood of the net benefits continuing over the medium and long term.
6.2	Assess the capacity of the recipient country’s system to sustain the net benefits of the CD project over time.

### 2.3.1 Impact and sustainability: RMTF-wide assessment

**The long-term impact the RMTF aims at is, according to its strategic objectives, to help developing countries “mobilize tax revenue to promote sustainable and inclusive development.”** To operationalize the measurement of such impact, the RMTF strategic logical framework originally defined two outcomes, measured by two indicators:

1. Average tax-to-GDP ratio trends up in RMTF beneficiary countries; and
2. Average tax gaps reduce over time in RMTF countries.

**Assessing the longer-term impact that the RMTF makes at an aggregate level is difficult for several reasons.**

First, any impact at this level can, by definition, only be observed in the long run, and many RMTF projects were only recently completed or not yet completed. Second, one needs to control for other factors, such as the COVID-19 pandemic, which had a large negative economic impact and led to a significant worsening of the tax-to-GDP ratio in many RMTF countries.<sup>32</sup> Third, results reporting on these indicators (as defined in the RMTF strategic logical framework) is fragmented: annual progress reports do not report consistently on the long-term impact targets.<sup>33</sup> Finally, there is no other aggregate measurement framework available, e.g. a consistent assessment of TADAT scores – although the RMTF does report occasionally on changes in TADAT scores in countries in which it provides CD. Nevertheless, surveyed donors, recipients and providers all saw the contribution of RMTF CD to the revenue potential of recipient countries.<sup>34</sup> However, they were all less convinced compared to the contribution to their overall skills and knowledge.

**While RMTF CD was not seen as directly contributing to the IMF’s strategic priorities (related to reducing economic and gender inequality and climate change adaption), it has the ability to indirectly contribute to these priorities in the longer run, by contributing to improving countries’ fiscal space.** Asked about the extent to which RMTF CD contributed to these strategic priorities, survey respondents generally did not see the link between RMTF CD and these elements.<sup>35</sup> The other information sources did not claim otherwise either. This finding might not come as a surprise, since the RMTF Program Document only contained a few general references that the IMF would provide advice consistent with its “core principles in reforming tax policies and administration”, one of which is equity, and that taxes shall “remain unbiased about gender, and [shall] encourage environmentally sound economic activity”.<sup>36</sup> Regarding climate change the document went a little further, mentioning that the RMTF “could include work on environmental taxation, such as carbon taxes, to support climate change objectives by combating the externalities caused by underpricing of energy”. We note that, at the time the RMTF was designed, it did not primarily focus on cross-cutting priorities such as climate and (gender) inequality, as they were not yet strategic priorities of the IMF. Particularly, the RMTF’s program was designed to address the Addis Ababa Action Agenda, primarily focused on DRM. Therefore, this evaluation did not conduct an in-depth assessment of the RMTF against these dimensions. During the next phase, the IMF expects these strategic priorities to be more explicitly reflected in the RMTF, including through linkages between revenue mobilization and public expenditure policy.

<sup>32</sup> However, a preliminary analysis suggests that the drop in the tax-to-GDP ratio was lower in RMTF countries than on average across low-income countries.

<sup>33</sup> While the FY19 Annual Report contains the RMTF Strategic Logical Framework, this is not the case for subsequent reports. In the FY19 Annual Report at least one of the two impact indicators - S1: Domestic tax revenue performance improves in RMTF countries and S2: Taxpayer compliance improves in RMTF countries - is reported on.

<sup>34</sup> Overall agreement to the actual contribution to DRM and the ability to collect more revenues ranged from 70 percent (recipients) to 90 percent (donor partners).

<sup>35</sup> Only 20 percent of the respondents saw a link between RMTF CD and climate change adaptation or a reduction in gender inequality. However, RMTF was seen as connected with a reduction in economic inequality by around 40 percent of the respondents.

<sup>36</sup> RMTF Program Document, pp. 15 and 42

**Box 2.1** While women remained a minority among RMTF providers and recipients, the RMTF increasingly started paying attention to gender equality

As mentioned above, the RMTF Program Document did not contain explicit goals with regard to gender equality. However, in its July 2022 Annual Report presentation, the RMTF team provided the following information regarding its work and the nexus with gender equality:

- **Diversity:** On average, some 20 percent of all short-term experts being deployed under the RMTF have been women. While there had been an increase from 17 to 23 percent between FY19-FY20, the ratio remained stable since then.
- **CD participation:** In 2021, roughly 44 percent of participants in training and learning events (including VITARA) were women.
- **Analytical work:** The July 2022 presentation announced forthcoming analytical work covering, among other aspects, promoting gender equity within revenue; strengthening women's economic contributions; and strengthening with adequate measures by revenue administrations. The technical note was part of the IMF's Revenue Administration Gender Initiative (RAGI).

Source: FY 2022 Annual Report.

**For similar reasons, it is difficult to assess the likelihood that the results of RMTF projects will be sustainable over time**, but we were able to list several factors that have the potential to undermine sustainability of RMTF results:

- **Insufficient political support:** Without the political will to implement reforms or adopt recommendations, the continuity of a project is at risk after the project comes to an end.
- **Insufficient staff capacity or financial resources:** Although the RMTF supports the development of local staff capacity (human capital), local authorities often lack the human resources (e.g., general understaffing; ability to attract good experts) or the financial means to act upon RMTF recommendations.
- **High rates of staff rotation among recipient authorities, and short durations of missions:** Without proper anchoring of CD outputs in recipient authorities, staff rotation results in the need for ongoing support to maintain (rather than further develop) capacity.

**This shows that effective change at the individual level does not automatically translate into change at the organizational level.** Strengthening knowledge and skills at the individual level is often a necessary but not a sufficient condition for achieving organizational change. In order to achieve sustainable organizational change, newly acquired knowledge should be shared within the institution, and should be embedded in improved organizational processes and procedures in order to mitigate the risks of staff turnover.

**Assessing risks at the project level is a good management practice that bodes well for sustainability, if acted upon.** At the project level, the RMTF does not consistently report on sustainability in annual reports. However, each of the project fact sheets contained therein includes a table in which five risk dimensions are scored (high, medium, low). This includes "political risks" and "management support and technical staff capacity" risks. Assuming that these are two important contributors to sustaining CD results, we can take a higher score on these two dimensions as a proxy to assess the sustainability of the RMTF CD. The risks scores reported in the 2022 Mid-Year Annual Report show that 24 percent of the countries received a high-risk score with regard to the political risks, while 16 percent of them received a high risk score on "management support and technical staff capacity" risks. Taking into account the overlap between these two categories, this suggests that there are significant risks to sustainability in about one third of RMTF CD projects.

**Surveyed recipients and providers were confident that the various reforms by the RMTF are likely to be sustainable over the medium and long term but acknowledge the high risk of staff rotation in recipient countries.** More than 80 percent of the respondents indicated that staff training needs to be repeated often due to

staff rotation. In addition, the survey also shows that there are specific technical resource challenges that impede the recipient's ability to achieve change.<sup>37</sup> Thus, the survey respondents' views on sustainability are probably somewhat exaggerated.

### 2.3.2 Impact and sustainability: project level assessment

**Our case studies illustrated that the achievement of long-term impact was constrained by external factors.**

The six case studies showed that the pandemic naturally hindered the achievement of objectives related to revenue generation. While the projects were reasonably successful in substituting CD activities with remote alternatives, the pandemic still reduced economic activity which in turn typically resulted in downward pressure on tax-to-GDP ratios. In addition, political instability and governance issues also hindered the achievement of long-term outcomes and objectives. In contrast with the emergence of a worldwide pandemic, issues such as political stability and governance were sometimes already considered in the risk assessment of RMTF projects, but this could be done more systematically. In general, little to no adverse consequences of the Fund's strategic priorities were observed.

**Nevertheless, controlling for the effects of the pandemic, there were some signs among the case studies that the RMTF CD contributed to increased DRM.** One case study country saw an increase in its tax revenues during the evaluation period, whilst another experienced a reversal of a downward trend in pre-COVID times. In a third country, the RMTF project clearly contributed to improving the country's revenue potential by increasing the number of registered taxpayers. Two other countries were marked by conflict, and revenue decreased.

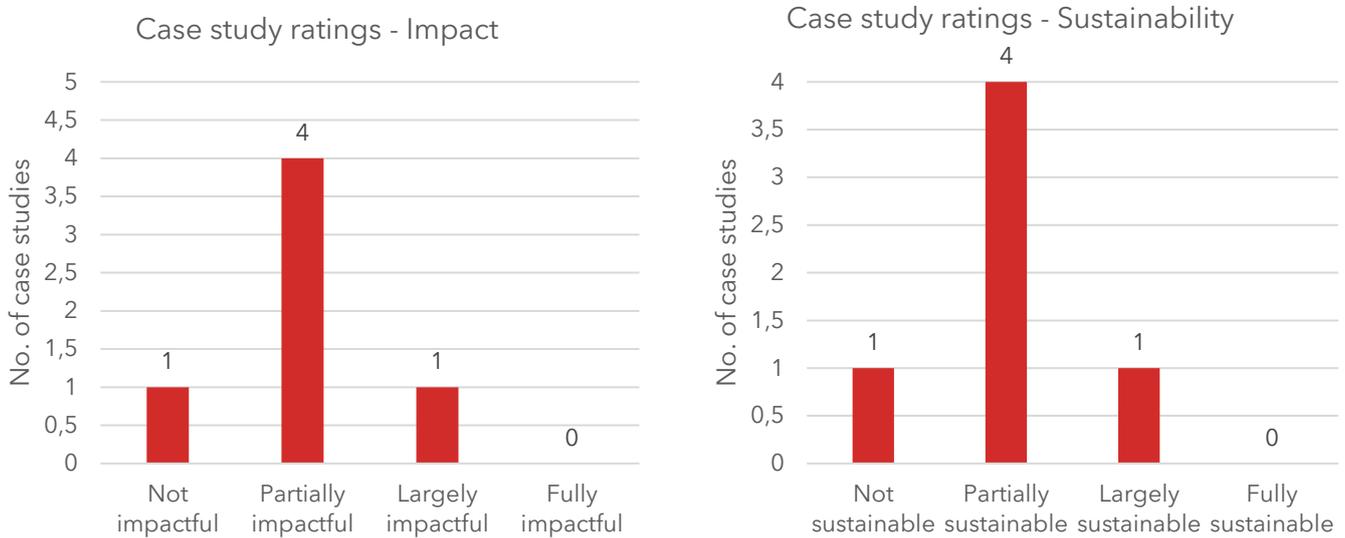
**The case studies also illustrated that political economy factors are key to the sustainability of RMTF results over the long run.** In one of the case studies, the key to sustainability was the involvement of and ownership from the Minister. Earlier, this ownership was missing, and the sustainability of earlier projects was at risk. In a second case study country, it even remained uncertain whether the local government would react to the recommendations of the CD project at all. After the project ended, the local authorities never requested an extension, nor were they available for interviews as part of this evaluation. Similarly, in a third case study, the project's success with tax administration reforms and its lack of success with tax policy reforms were entirely linked to the interest of the revenue administration, respectively the lack of interest from the Ministry of Finance, which was explained by stakeholders as being political in nature. More generally, various stakeholders noted that tax policy reforms face larger sustainability risks than tax administration reforms, as they tend to be more politically sensitive.

**While it is too early to tell whether case study projects contributed to a sustainable increase in DRM, the likelihood of this happening depends on whether the prerequisites for preserving the net benefits of the CD project are in place.** In several case studies there was evidence that the RMTF contributed to strengthening the capacity of revenue authorities and that this would likely last beyond the duration of case study projects. For example, in one case study the local authorities committed to conducting continued TADAT-based self-evaluations with the aim of making continuous improvements. In other case studies, and noted in one RMTF-wide interview, there was a perception that, for CD to be effective and bring about change, it is essential that the design of CD is adapted to the organizational culture, incentives, and the political economy within the recipient organization. Another factor that was frequently mentioned as limiting a sustained increase in capacity was high staff turnover (e.g., training or TA recipients leaving within a year of receiving the CD), which often reduced the probability that a project would result in a sustainable increase in capacity. In such cases, it is also less likely that a project will

<sup>37</sup> 85 percent of both recipients and providers argued that specific technical resource challenges impeded the recipient's ability to achieve change.

contribute to sustainable change at the organizational level (e.g., establishment of relevant reform modernization governance or organizational design changes).

Figure 2.7 Most case studies were only rated as partially impactful and sustainable.



Source: SEO Amsterdam Economics.

## 2.4 Coherence

The RMTF is well coordinated with other IMF initiatives. Although coordination of Development Partners (DPs) is the ultimate responsibility of the local authorities and has already improved recently, the RMTF could do more to avoid duplication, strengthen complementarities, and maximize synergies.

Table 2.4 Evaluation questions - Coherence

No.	Question
2.1	To what extent does the CD project support or undermine other interventions (particularly policies), and vice versa?
2.1.1	<u>Internal coherence</u> : Assess synergies and interlinkages between the CD project and other interventions carried out by the same agency/government. <sup>38</sup> Also, assess the consistency of the CD project with other IMF recommendations from surveillance, program, and other CD.
2.1.2	<u>External coherence</u> : Assess the consistency of the CD project with interventions by development partners.

### 2.4.1 Coherence: RMTF-wide assessment

Internal coherence

**The RMTF builds on the CD framework and priorities of the IMF and, being part of the IMF’s CD work program, is guided by the interdepartmental Committee on Capacity Building (CCB).** As stated in the Program

<sup>38</sup> We cover the interlinkages between the CD projects and the intervention carried out by the recipient in the relevance section.

Document, the CCB annually reviews CD priorities “in light of members’ demands and overall Fund priorities”. The IMF then uses the CCB conclusions to align capacity development objectives with broader institutional priorities and to develop work plans to cover issues in individual countries. Part of these workplans is covered by the RMTF, depending on Steering Committee endorsement, and aligned with TADAT. As a thematic fund, the RMTF focuses on domestic resource mobilization, except those issues covered by the Managing Natural Resource Wealth Thematic Fund (MNRW-TF), such as mining sector taxation. The survey results showed that the RMTF’s CD was seen as coordinating well with other thematic funds such as the MNRW, but also with IMF program work (e.g., via structural benchmarks) and surveillance work in the country (e.g., Article IV consultations).<sup>39</sup>

**One example of coordination is with the IMF Regional Capacity Development Centers (RCDCs).** As part of the consultations following a CD request, the RMTF engages with RCDCs typically as part of a scoping or diagnostic mission, according to IMF staff. Examples of coordination are also referenced in the annual reports, including in Ethiopia, Sri Lanka, and Zimbabwe. These consultations offer an opportunity for coordination and alignment – both internally at the IMF as well as with other organizations and development partners. There is less evidence in the RMTF-wide documentation – specifically the RMTF Annual Reports – regarding the extent to which the engagement also extends to the delivery of the CD interventions, the quality of the engagements, and the resulting synergies. Neither the document review nor the interviews revealed major concerns regarding the coherence of the technical assistance rendered under the RMTF and RCDCs respectively. Some interviewees wondered whether such division is useful. They argued that tax policy issues also require deep context knowledge that is typically stronger at RCDCs because of their on-site presence.

**The RMTF program document and IMF interviewees highlighted that IMF lending and surveillance can strengthen CD and vice versa.** In fact, the program document reports that “RMTF CD engagement can provide useful input for the design of structural benchmark (lending programs) or policy recommendations (under Article IV’s consultations)” and that “The work done by the IMF’s area department teams, which are in charge of surveillance and lending activities, helps identify and prioritize CD (e.g., when CD activities may help reduce macro-fiscal risks), as well as monitor and encourage implementation”. Several interviewees also indicated that there is a clear process within the IMF whereby area departments and functional departments (in this case FAD) work together on prioritizing CD.

**Annual reports provide examples of how the RMTF coordinates with other internal IMF CD activities (such as RCDCs), but there is no systematic overview of such complementarities.** One example from the FY2019 Annual Report is Guatemala. It was noted that the RMTF project had provided support “in key areas such as VAT administration, large taxpayer compliance management, audit and enforcement”, whereas the IMF’s Regional CD Center for Central America, Panama, and the Dominican Republic (CAPTAC-DR) had provided complementary CD in specific areas of tax and customs administration. This is useful information that illustrates that overlap is avoided, but as far as we know such information is not yet available on a systematic basis for all RMTF projects. Nevertheless, both surveyed providers and recipients indicated that they strongly see the synergies and interlinkages between the RMTF and other IMF initiatives.<sup>40</sup>

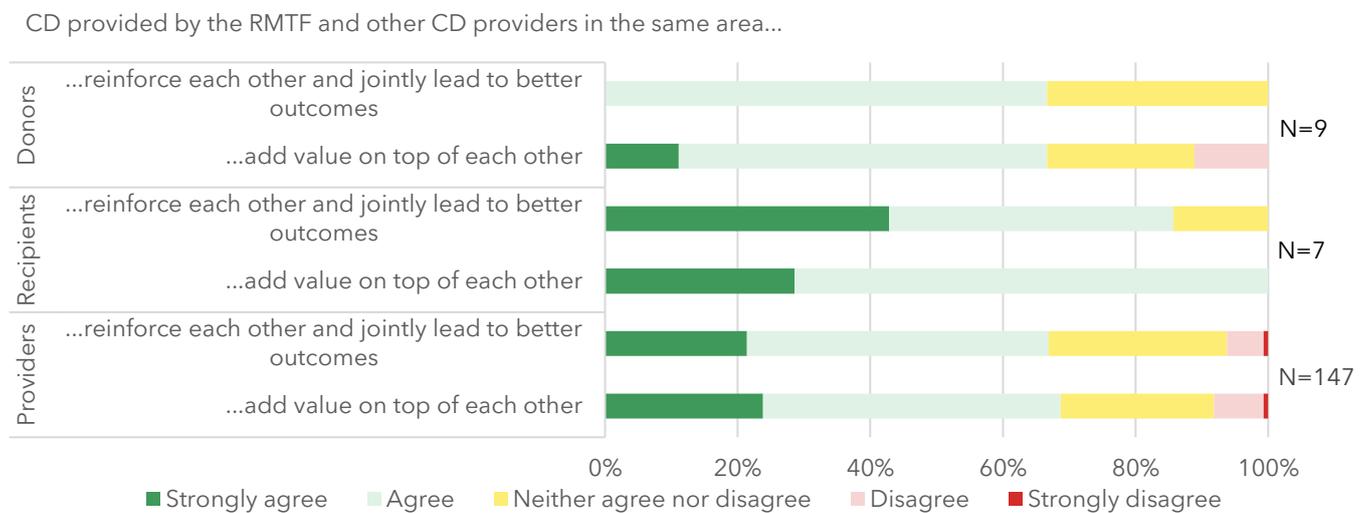
<sup>39</sup> 65 percent of recipients considered the RMTF as closely linked with CD work in other thematic funds (such as MNRW), whilst 85 and 90 percent agreed that it was closely linked with, respectively, IMF surveillance work (e.g., Article IV consultations) and IMF program work (e.g., structural benchmarks in an IMF program) in the country (see Survey Annex).

<sup>40</sup> Respectively 100 and 85 percent of recipients and providers argued that the RMTF created synergies with other IMF initiatives. A similar share of respondents argued that the RMTF is also consistent with other interventions carried out by the country itself.

External Coherence

**Coordination is taking place and has improved with a wide range of development partners, but more could be done to avoid overlap and maximize synergies.** Various stakeholders indicated that some coordination is usually happening, as consultants have incentives to do so, but it remains project and people dependent (i.e., is not strictly guaranteed by clear guidelines and processes, but usually happens anyway). Overlap and conflicting policy advice is usually avoided, but more could be done to create synergies and add value on top of each other. In the stakeholder survey, many respondents were positive regarding coherence, but not as positive as they were on other questions. Although the local authorities bear the ultimate responsibility for coordination of DPs, there is still room for the RMTF to improve synergies and complementarities with other DPs.

Figure 2.8 Relatively speaking, respondents were less positive about RMTF’s coherence with other CD providers



Source: SEO Amsterdam Economics, based on a survey among 181 stakeholders.

**In interviews and documents, several RMTF SC members stated that the Platform for Collaboration on Tax (PCT) had improved collaboration by development partners on DRM.**<sup>41</sup> However, they also outlined that the RMTF and DPs could exploit it more to further improve complementarity, additionality, and synergies of capacity development interventions related to domestic resource mobilization. Addressing the concerns is a work in progress: one of the steps towards more coordination is an online CD repository for information sharing. While the repository itself does not ensure coordination, it is considered an important basis. Strategically, the concept of the Medium-Term Revenue Strategy (MTRS) is a means of coordinating support for country-led tax reform.

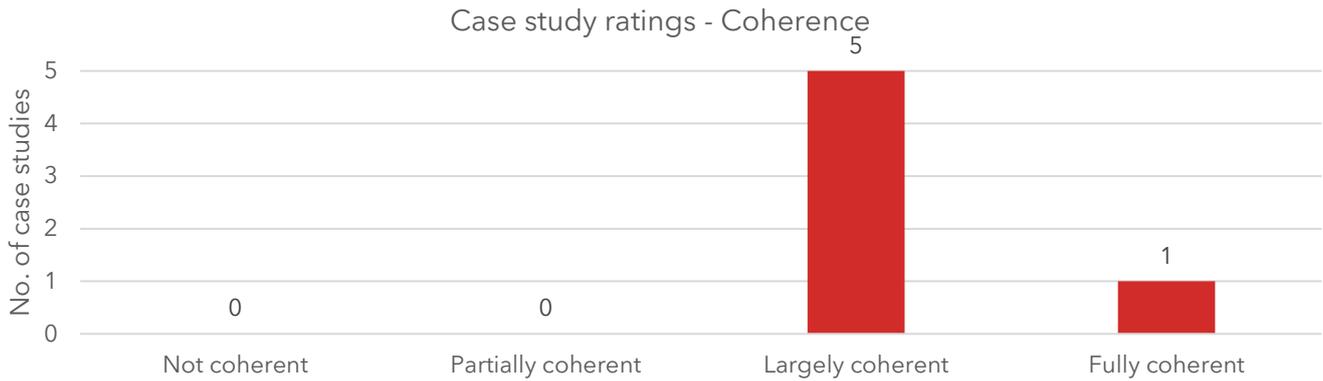
**RMTF annual reports provide detailed examples of how the RMTF coordinates CD activities with other development partners for specific projects, but a systematic overview of other relevant CD activities by DP and project is not yet available for all RMTF projects.** An example where the annual RMTF report provides details on the complementarities and synergies with other DPs is the case of Myanmar in FY2019: “the IMF was responsible for guiding the overarching reform strategy, reform management and governance, organizational design, and tax law design and drafting, the US Treasury Office of Technical Assistance (OTA) covered the large taxpayer office (LTO) development and audit, and the WB supported audit and the Integrated Tax Administration System (ITAS)

<sup>41</sup> The Platform for Collaboration on tax is a collaborative effort of the IMF, WBG, UN, and OECD that is supported very several development partners that also contribute to the RMTF

procurement". Another example that outlines synergies is Guatemala, although the complementarities among the different DPs were not as clear as in the previous case.<sup>42</sup>

### 2.4.2 Coherence: project level assessment

Figure 2.9 Case study ratings indicate that all six projects were largely or even fully coherent.



Source: SEO Amsterdam Economics.

**While none of the case studies identified major issues with coherence, coordination of RMTF projects with others in the IMF was generally rated better than coordination with other development partners.** Regarding internal coherence, none of the internal stakeholder raised any major concerns. Interviewees generally mentioned fruitful cooperation with RCDCs, and other IMF CD activities. In the analyzed countries, Article IV reports highlight gaps and areas for improvements that seem to be addressed by the RMTF, although the reports never explicitly mention the RMTF. Regarding external coherence, there is an exchange of information with other development partners, although it still seems to be too people dependent. Positive efforts include the contribution of the RMTF in building (donor or country) coordination groups, whereas areas of improvements include a more systematic information provisions about RMTF CD missions to other DPs. We also acknowledge that external coherence is in large part a responsibility of the recipient country, as where the recipients have a local coordination unit, coordination among DPs is generally good.

<sup>42</sup> This is again described in the RMTF’s FY2019 annual report: “In early 2016, the IMF organized a series of meetings among donors to offer a common response to the call for help from the new authorities. The partner organizations agreed a framework to align their individual CD programs with specific reform initiatives. In May 2016, the IMF carried out a diagnostic mission, in collaboration with WB staff, which proposed a strategy to improve tax and customs compliance and strengthen the tax administration. The WB then prepared a major project to support various aspects of the administration’s operations based on that mission’s main conclusions and recommendations.”

## 2.5 Efficiency

There were no major concerns regarding the RMTF’s timeliness, operational efficiency, or output efficiency, but the recruitment process for short-term experts (STXs) could be more transparent and competitive. Considering its reasonable costs, the good quality of the outputs provided, and the value of the outcomes reached, the RMTF provides good “value for money”.

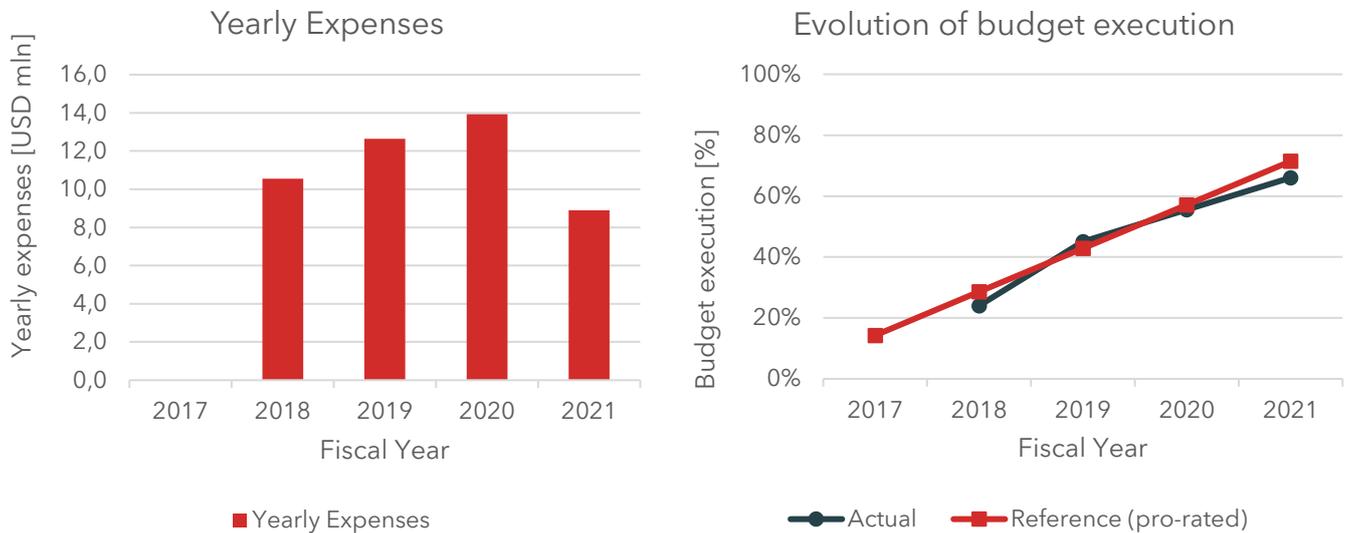
Table 2.5 Evaluation questions – Efficiency

No.	Question
4.1	Were the CD inputs converted to outputs, outcomes, and impact in the most cost-effective way possible, as compared to feasible alternatives?
4.2	Assess the operational efficiency of CD delivery, including the quality of output and backstopping and timeliness of delivery.
4.3	Considering the level of CD effectiveness and the efficiencies of delivery including cost, to what extent does CD provide value for money?*

Note: \*\*Not part of the ToR but added on request of the IMF.

### 2.5.1 Efficiency: RMTF-wide assessment

Figure 2.10 Budget execution was in line with the expectations, assuming a pro-rated execution (right). Yearly expenses slowed down in FY2021 due to the pandemic (left).



Source: RMTF annual reports and SEO calculations.

**The RMTF has been reporting continuously on the execution of planned activities as well as budget spending.** Budget execution was at 45 percent in FY2019, 56 percent in FY2020 and 66 percent in FY2021 (Figure 2.10).<sup>43</sup> Assuming a pro-rated budget execution across the six-year funding period (FY2017-FY2023, following extension) and in light of the decline of CD activities caused by the pandemic, budget execution rate seems adequate. The

<sup>43</sup> Budget execution is defined as actual expenditures over approved budget, to date.

pandemic induced changes to the way CD missions are delivered: many missions were carried out online, resulting in lower spending (US\$ 8.9 million in FY2021, compared to US\$ 13.9 million in FY2020). Interviews also suggest that reconfiguring the delivery modalities, including the costs thereof, were met with open arms by development partners.

**The timeliness and operational efficiency of the program were good, although there is room for improvement.** Experts generally reported interventions to be timely, although a few survey respondents highlighted a few minor issues. First, the actual time needed per mission was sometimes longer than estimated; in principle it was straightforward to ask for an extension, but some less experienced experts felt disincentivized to do so. Second, some STXs noted that they would appreciate more background information and involvement in the project design, in order to effectively carry out their work. Third, some CD providers expressed difficulties with the transition to the new CD management system, which slowed down processes in some cases and was a likely obstacle to timely responding to CD needs. Nevertheless, the document review suggested that the RMTF transparently reported on and realistically explained the reasons for delays or partial execution. A case in point was that "... SC members appreciated the openness with which IMF staff were prepared to discuss projects that are not performing as well as initially expected and from which lessons can be learned to inform future project development."

**Overall, the quality of outputs and backstopping was seen as high.** Multiple development partners who were interviewed by the evaluation team highlighted the strong technical expertise of the RMTF team and the experts deployed; the vast resources and experience the IMF can leverage in RMTF projects; the diversity of themes covered by the ten CD modules and the range of CD delivery modalities; as well as the fact that the RMTF can build on the IMF's lending and surveillance activities. They furthermore stated that the RMTF management team performed well and that steering arrangements were adequate.

**There were no major concerns about the RMTF's output efficiency, the process whereby inputs (trust fund resources) are converted into outputs (CD activities).** Our document review and interviews confirmed that the RMTF follows standard FAD/IMF procurement processes and procedures for recruiting experts and determining daily rates, per diems, and other allowances. According to an RMTF management representative, following such standard procedures is efficient, as it avoids additional high managerial overhead costs: there is no need to assess for each project whether costs were reasonable as long as the number of days and the modality were reasonable, and standard FAD/IMF procurement rules are followed. The evaluation team agrees with this assessment.

**Providing a numerical estimation of output efficiency is not straightforward with the available data.** There is high variability among projects, due to the number of missions and modality. The annual costs of an LTX are in the range of US\$ 350,000-400,000 per year compared to an estimated US\$ 20,000-30,000 per STX mission.<sup>44</sup> Moreover, it is inherently driven by country-specific factors (e.g., travel expenses, per diems) and project-specific factors (online vs in person; HQ or STX fielded). While diagnostics and technical issues are often best served with the STX modality, the development and implementation of a Medium-Term Revenue Strategy usually justifies an LTX engagement. Context plays a role too; particularly fragile contexts usually require intense and continuous support and may not lend themselves for a short-term modality. A more reliable indicator is the number of actual days per mission for each modality, according to which the RMTF is in line with other IMF trust funds e.g. TA-TTF, MNRW).

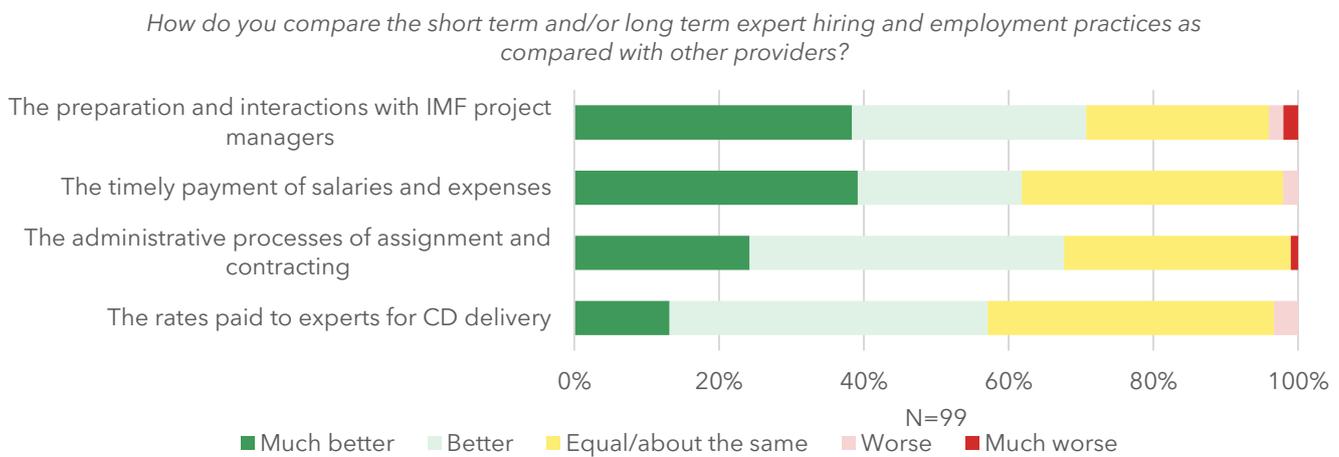
**Several external stakeholders noted that the recruitment process for STXs could be more transparent and competitive.** While this is an IMF-wide policy rather than an RMTF-specific policy, there was a general feeling that

---

<sup>44</sup> Cost estimates received by RMTF managers.

more transparency in the recruitment process is desirable, as it is not clear to outsiders how STXs are selected and “how to get on the list”. Relatedly, our survey results (Figure 2.11) indicated that more than half of experts surveyed generally found the IMF’s remuneration better compared to other providers, with 12 percent even considering the rates paid to experts “much better”. This could either suggest that the selection process is not sufficiently competitive, or that the IMF/RMTF demands more selective and high-level expertise, which could be scarcer to find. In any case, we do not see the cost of experts as a major issue, given the high potential “value for money” of these experts (as discussed further below). In addition, IMF representatives reported that at the time of this evaluation a working group was currently in action to improve several aspects regarding STXs.<sup>45</sup>

Figure 2.11 The majority of RMTF providers considered hiring and employment practices for external experts to be (much) better than those of other providers.



Source: SEO Amsterdam Economics, based on a survey among 181 stakeholders.

**This evaluation found that RMTF stakeholders are typically not concerned with costs, but are more interested in outcome efficiency (“value for money”):**

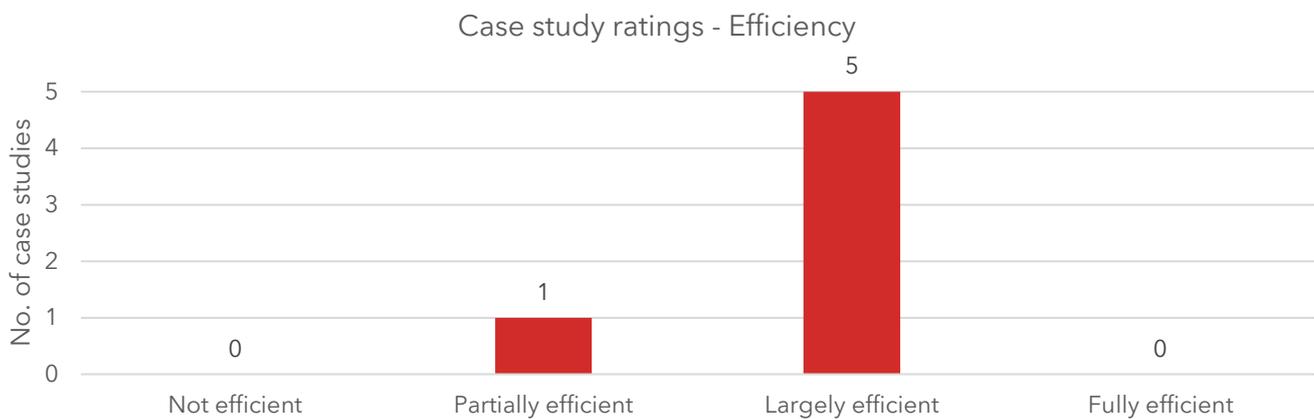
- **IMF stakeholders** acknowledged that trust funds follow a public sector spending logic (maximizing budget execution rather than output efficiency). They believed that the process is already “reasonably efficient”, and any attempt to structurally reduce costs was expected to cost more than any cost savings that could be achieved through such optimization effort. Most importantly, the potential benefits of DRM-related CD were seen as “far” outweighing their costs.
- **Donors** are seen as being more concerned with overall outcome efficiency (“value for money”) than with output efficiency.
- **Recipients** have thus far not had incentives to (ask the IMF to) reduce costs, given that they do not co-fund RMTF CD projects.

<sup>45</sup> This is a cross-division collaborative working group, led by the Deputy Division Chiefs, and under the governance of the Division Chiefs in Revenue Administration 1 and 2 in FAD (R1/R2). IMF representatives reported that deliverable of this working group regarding STXs in FY 2022 included, among others: developing a more robust vetting process for adding new experts to the roster; an active internal campaign from divisional management to seek new experts with diverse skills; a survey sent to all active revenue administration experts on FAD’s roster that updated skill sets into an internal tool to help FAD project managers better identify experts with particular skills for upcoming CD activities; a clean-up of the roster of experts; and a separate process for identifying high-demand experts (HDE) and assigning one of the four Deputy Division Chiefs as relationship managers to each HDE.

**Considering its reasonable costs, the good quality of the outputs provided, and the value of the outcomes reached, the RMTF provides good “value for money”.** Based on the analysis of project and program-wide documents, the evaluation team did not have any major concerns regarding the outcome efficiency of the RMTF, i.e., the value of outcomes in relation to their costs. Interviews and the survey suggested that stakeholders were generally satisfied with outcome efficiency, although in some cases they believed that longer-term support may have been more effective. The evaluation team’s assessment, in line with IMF stakeholders’ views, is that the potential benefits of the outcomes of RMTF projects (e.g., in terms of improving the tax to GDP ratio) far outweigh their costs. This is especially true for HQ missions and STXs/LTXs, as opposed to seminars and training events. Given the identified tax gaps, the potential revenue gains are expected to be high in comparison to the costs of CD needed to address such gaps.

### 2.5.2 Efficiency: project level assessment

Figure 2.12 Case study ratings indicate mixed results about efficiency. In four cases outputs and outcomes were largely delivered in an efficient way; two other cases were only partially efficient.



Source: SEO Amsterdam Economics.

**Case studies projects were rated as partially to largely efficient.** Actual costs were largely in line with budgeted costs. In one case study, the processes were found to be especially efficient with regard to diagnostics and the mobilization of technical expertise. However, in some cases costs were higher than budgeted. Higher costs were generally due to HQ staff costs being higher than budgeted, while the use of short-term consultants generally drove down costs. Several stakeholders in more than one case study noted that experts, especially when they are from the region and have deep knowledge about the recipient institutions, provide a cheaper alternative to HQ staff in some cases (e.g., follow-up work). Although no major issues with operational efficiency were highlighted, one case study identified some difficulties regarding IT systems, central database improvements and risk management techniques as inspection tools. These difficulties were mainly related to the lack of qualified staff, relatively slow procurement, incomplete quality controls and a lack of clear risk management processes.

**While the choice of CD delivery modalities seemed appropriate overall, there was an interest from multiple stakeholders in reviewing whether the use of LTXs and STXs could be increased.** For example, multiple stakeholders in two case studies highlighted the need for more longer-term experts and/or longer TA missions. The observed lack of long-term experts in one of these case studies was linked by stakeholders to measures being implemented unevenly. IMF staff acknowledged that many recipients naturally prefer long-term experts, and that

increasing their use can potentially help improve both effectiveness and efficiency,<sup>46</sup> but noted that there is a lack of qualified LTXs. IMF staff also noted that HQ staff, LTXs and STXs are typically complementary rather than substitutes and that there are limits to the extent to which HQ staff can be substituted by LTXs and STXs. Finally, IMF staff stressed that the use of blended CD (combination of online and face-to-face CD activities) had already improved the continuity of CD support, and that this was likely to reduce the need for physical local presence. The evaluation team concurs with this assessment but would recommend reviewing the optimal distribution across delivery modalities (HQ staff, LTXs, STXs) more thoroughly, as an increased use of STXs, and in some cases LTXs, could potentially improve both effectiveness and efficiency.<sup>47</sup> Another potential benefit from increasing the use of LTXs is that they can contribute to assessing whether the CD was successful in transferring knowledge to participants.

---

<sup>46</sup> In one case study the costs of missions were mainly due to STXs travel, suggesting that replacing some STX activities with an LTX could potentially reduce travel costs. However, whether or not this is possible should be judged on a case-by-case basis and depends to a large extent on the availability of strong LTXs with sufficient technical expertise to cover multiple areas of support.

<sup>47</sup> The efficiency of using LTXs rather than HQ staff is not clear, however, and depends on whether the annual costs of using an HQ staff member are higher than the annual cost of using an LTX with the same qualifications, which may not always be the case.

## 3 Key findings and recommendations

### 3.1 Key findings

- **Relevance:** RMTF projects are generally highly relevant, in that they address important needs of recipient countries in the area of Domestic Resource Mobilization (DRM). The identification and approval process of RMTF projects appears adequate for ensuring that CD activities are aligned with country priorities and needs, but more could be done at the project proposal stage to assess the extent to which there is country ownership for DRM-related reforms. The modular approach was found to be an appropriate framework to cater to different situations, needs, and preferences of recipient countries. The RMTF was also found to have adjusted well to COVID-19.
- **Effectiveness:** RMTF projects largely achieved their milestones and outcomes, and stakeholders were generally positive about the RMTF's effectiveness. However, while RMTF projects were generally effective in transferring knowledge and improving capacity, there was less evidence that they also contributed to tax reform implementation and improved revenue collection. While the latter is a long-term result that is influenced by many other factors as well, RMTF project managers could usefully pay more attention to "change management": taking measures to increase the likelihood that knowledge transferred is applied in practice and translated into organizational change. Also, the Results-Based Monitoring (RBM) framework and its application to RMTF projects could be further improved.
- **Impact & Sustainability:** The results regarding impact and sustainability were mixed and generally dependent on the prerequisites for maintaining such benefits over time. While it remains difficult to assess impact and sustainability at this (early) stage, the evaluation team identified several factors (lack of political support, insufficient staff capacity, short duration of missions) as risks to sustained impact. While long-term impact in case study projects were constrained by external factors, there were some signs that the RMTF CD contributed to increased DRM.
- **Coherence:** The RMTF was found to have coordinated well internally with other IMF departments (in particular, area departments, via a CD prioritization process) and other IMF CD activities, including those conducted by Regional CD Centers (RCDs), for example via joint scoping/diagnostic missions. Coordination with other development partners was also taking place and had improved, for example by contributing to building (donor or country) coordination groups. However, more could still be done to more systematically exchange information with other development partners, and coordinate with them in advance to avoid duplication, strengthen complementarities, and maximize synergies with CD projects conducted by other development partners. This is particularly important when it comes to expanding activities on cross-cutting issues (e.g., climate, gender, equity/inclusion, digitalization).
- **Efficiency:** There were no major concerns about the RMTF's timeliness, operational efficiency, or output efficiency, but the recruitment process for short-term experts could be more transparent and competitive. Considering its reasonable costs, the good quality of the outputs provided, and the value of the outcomes reached, the RMTF was generally found to provide good "value for money".

Table 3.1 Aggregate RMTF ratings by OECD-DAC Criterion

Criteria	RMTF-wide assessment	Project level assessment	Overall rating
Relevance	4	3.5	<b>4</b>
Effectiveness	3	2	<b>2.5</b>
Impact	2	2	<b>2</b>
Sustainability	2	2	<b>2</b>
Coherence	3	3	<b>3</b>
Efficiency	3	3	<b>3</b>

## 3.2 Key recommendations and lessons learned

Based on the findings of this evaluation, the evaluation team has identified several key recommendations and lessons learned to better achieve the RMTF's overall objectives. We distinguish three levels:

- **Actionable recommendations for the RMTF:** As per the ToR and the Common Evaluation Framework (CEF), the evaluation team provides a set of nine actionable and cost-effective recommendations in a prioritized manner.<sup>48</sup>
- **Lessons learned for the RMTF:** These include positive lessons learned from the previous phase that the RMTF should continue to do in the next phase. It does not require a change in the way the RMTF is implemented but is merely a comment to highlight what has gone well in the recent past.
- **Considerations for improving the RBM:** Although the CEF did not foresee any recommendations at a level beyond the RMTF itself, we take the opportunity to highlight areas for improving the RBM system that go beyond the RMTF itself and are therefore not necessarily actionable for the RMTF. These are reported in Annex C.

<sup>48</sup> RMTF Terms of Reference for External Evaluation Phase II, p.11

## Recommendations for the RMTF

Table 3.2 provides an overview of the recommendations in a prioritized manner (i.e., ranked by potential impact, urgency, effort and costs required). Each recommendation is explained in more detail below the table.

Table 3.2 Actionable recommendations for the RMTF, ranked by impact, urgency, effort and costs

Recommendations			Criteria			
#	Category	Brief description	Potential impact (low-high)	Urgency (low-high)	Effort (low-high)	Costs (low-high)
2	Relevance, Sustainability	Assess the political context and ownership more systematically	High	High	Medium	Medium
3	Impact, Sustainability	Assess absorption capacity more systematically	High	High	Medium	Medium
4	Impact, Sustainability	Take measures to mitigate staff rotation risks and focus on achieving organizational change.	Medium	High	Low	Low
5	Coherence (Internal)	Systematically map potential complementarities between RMTF CD and other IMF interventions	Medium	High	Low	Low
9	Effectiveness, Efficiency	Improve project reporting at outcome and impact levels	Medium	High	Low	Low
1	Relevance	Improve relevance assessment in project proposals and progress reports.	Medium	High	Medium	Low
6	Coherence (external)	Systematically map potential complementarities between RMTF CD and other non-IMF CD	Medium	High	Medium	Low
7	Coherence (external)	Further increase synergies with other development partners	Medium	High	Medium	Low
8	Efficiency	Review whether the use of LTXs and STXs could be increased	Low	Low	Low	Low

Note: All recommendations are deemed actionable (under the control of the IMF) and are therefore not scored explicitly. Green is positive (e.g., low costs or high potential impact), red is negative (e.g., high costs or low potential impact), orange is neutral. The “number” of the recommendations refers to the numbering as used in the next subsection.

While the relevance of RMTF projects is already good, their relevance could improve further (and could be communicated better) by more systematically assessing revenue gaps, capacity gaps, ownership and absorption capacity.

**1. Improve the assessment of relevance in project proposals and progress reports.**

- Provide clearer guidelines in the project proposal template to guide project managers on how to assess relevance and coherence in project proposals (see also other recommendations under Relevance and Coherence).
- To assist project managers with this assessment, consider developing a database with available proxies for revenue gaps and capacity gaps (e.g., TADAT scores; tax-to-GDP ratios; available FAD data on the revenue contribution of different taxes, already used in policy notes and Article IV reports, ideally benchmarked to comparable countries).
- Ideally, these ex-ante assessments of relevance are also updated in progress reports and extension requests, which could then be used to adjust project designs where needed, and which could facilitate monitoring, evaluation and learning.

**2. Assess ownership and the political context more systematically,** in order to ensure that RMTF projects address reform areas for which there is in fact political willingness and technical ability to reform.

- Ask project managers, in coordination with area departments (notably, Res Reps), to devote more attention to assessing the political context and potential governance risks in project proposals. This is already done to some extent for the self-reported risk assessment but could be done more in depth; potentially with the help of dedicated political advisors (which the IMF currently lacks), or by improved coordination between Res Reps and project managers.
- In progress reports and extension requests, update these assessments, so as to facilitate rapid project adjustments in case of changes in the political context or technical absorption capacity.

Several steps could be considered to improve the impact and sustainability of outcomes:

**3. Assess absorption capacity more systematically,** in order to mitigate the risk that RMTF projects work on reform areas before ensuring that recipients have sufficient capacity and resources to carry out these reforms.

- Ask project managers, in coordination with area departments (e.g., Res Reps), to devote more attention to assessing the technical absorption capacity of CD recipients in project proposals; not only for the self-reported risk assessment, but also to improve the project design, including milestones.
- In progress reports and extension requests, update these assessments, so as to facilitate rapid project adjustments in case of changes in (the assessment of) technical absorption capacity.
- Improve the design of conflict sensitive programming to strengthen capacity in fragile and conflict-affected states (FCS).

**4. Take measures to mitigate staff rotation risks.**

- If staff rotation risks are high, encourage project managers to design CD projects with more focus on creating knowledge transfer products (e.g., guidelines, presentations) and knowledge sharing activities (e.g., train-the-trainer programs); and identify opportunities for follow-up training by either future RMTF projects or other development partner training programs.
- In order to mitigate the impact of staff rotation, project managers could be asked to focus more on processes to embed the knowledge in recipient organizations, e.g., by encouraging recipient institutions to have knowledge sharing processes in place (e.g., policies that require individuals to report back to their colleagues after having received training or CD) and to link successful participation in CD projects to annual performance reviews of their staff.

*While no major issues were reported regarding internal coherence, there are opportunities to improve monitoring and reporting on internal complementarities.*

5. **Create a systematic mapping of potential complementarities between RMTF CD projects and other related IMF interventions in the same country**, in collaboration with other CD departments (e.g., LEG, MCM) and area departments.
- Provide clearer guidelines in the project proposal template to guide project managers on how to assess a CD project's internal coherence, e.g.:
    - Identify policy recommendations that can potentially be linked to RMTF CD, in coordination with area departments (in the context of the CD strategy)
    - Identify structural benchmarks in IMF lending programs that are linked to RMTF CD. E.g., how many CD recommendations have turned into structural benchmarks?
    - Identify changes in fiscal or expenditure policies that can directly or indirectly be linked to RMTF CD, in coordination with area departments (in the context of the CD strategy).
    - Consider using these linkages to "score" RMTF projects (ex-ante or ex post) on their internal coherence;
  - In progress reports, extension requests, and RMTF annual reports, report more systematically on these linkages (for each RMTF project).

*Coordination with other development partners is taking place and has improved (e.g., various development partners attend each other's SC meetings), but more could be done to avoid overlap and maximize synergies:*

6. **Create a systematic mapping of potential complementarities between RMTF CD projects and other related CD projects conducted by development partners operating in the same country**, in collaboration with the PCT or with development partners who are making similar assessments.
- Provide clearer guidelines in the project proposal template to guide project managers on how to assess external coherence (e.g., rather than mentioning several related CD projects, aim to have a comprehensive assessment of all relevant related CD projects and identify opportunities for potential synergies).
  - To assist project managers with this process, assess to what extent existing information (e.g., the PCT's Online Integrated Platform, or coherence assessments conducted by other development partners) can be used to set up a database with all relevant DRM-related projects per country and by topic, which can be used by all relevant development partners and is regularly updated.
7. **Further increase synergies with other development partners:**
- Restart the discussion on the feasibility and desirability of a more formal division of labor with other development partners active in the area of DRM (e.g., with each partner leading in certain areas as a default). For example, the IMF could lead in terms of tax policy and the WB could specialize more in specific thematic tax areas, based on the WB's expertise in broader development areas such as health, climate and gender/equality.
  - If a clear division of labor between different development partners is not feasible (which needs to be established at the level of institutions and is beyond the scope of the RMTF alone), consider making bilateral agreements with the most relevant partners to share (draft) project proposals, TA reports, and other project documents more frequently and on a timely basis (given that some development partners still report being insufficiently informed).
  - Encourage project managers to look for opportunities for increased collaboration at the start of the process, e.g., by co-designing more CD projects, or requiring/encouraging relevant development partners to review RMTF project proposals prior to approval.
  - Make more active use of existing development partner coordination working groups. Where possible, project managers and Res Reps should ideally both attend such meetings (which is becoming easier with hybrid meetings) or at least coordinate closely on who organizes and attends such meetings.

- Further improve coordination with other relevant institutions (e.g., WB, OECD, UN) on cross-cutting issues (e.g., climate, gender, equity/inclusion, digitalization). In particular:
  - Aim for a division of labor that minimizes risks of overlap and maximizes complementarities and synergies, while leveraging each organizations' core areas of expertise.
  - Any specific division of labor between institutions should be decided at the higher institutional level, not at the trust fund level.

*Although output efficiency is not a major concern, there is room for improving outcome efficiency:*

8. **Review whether the use of LTXs and STXs could be increased**, as they may add more local/regional knowledge, and STXs are also less expensive, thereby potentially improving both efficiency and effectiveness. Another potential benefit from increasing the use of LTXs is that they can contribute to monitoring and evaluating the impact of CD activities. However, any STX or LTX involvement should be decided on a case-by-case basis and their involvement should be increased only if CD quality ("value for money") is not jeopardized.
- Review the optimal distribution across delivery modalities (HQ staff, LTXs, STXs) more thoroughly, and assess more systematically whether an increased use of LTXs and STXs could potentially improve effectiveness or efficiency.
  - As an alternative, consider lengthening short-term missions (requested by recipients) or otherwise improving the continuity of the engagement (also via blended CD).
  - Make STX recruitment procedures more transparent and competitive and increase outreach (particularly to female candidates) so as to have more and better candidates to choose from.<sup>49</sup>

*The RMTF could focus more on longer-term outcomes by making the RBM system more useful for RMTF project managers:*

9. **Improve project reporting at outcome and impact levels:**
- Ensure that FAD project managers complete outcome ratings in CD-MAP and provide more guidance to ensure that they interpret RBM ratings correctly and consistently. Specifically, as noted in both the ICD operational guidelines and the FAD RBM guidance note, an outcome rating should be interpreted as a change, rather than a level assessment: "Outcomes are changes or improvements that are expected to occur in beneficiary countries with the assistance of FAD TA."
  - Consider using RMTF as a "volunteer trust fund" to experiment with making several improvements to the RBM system. While we understand that the RBM system is currently being reviewed at the IMF-wide level, the RMTF could already experiment with certain improvements, such as (a) asking all RMTF project managers to rate outcome indicators (which is currently not mandatory); (b) allowing RMTF project managers to propose additional project-specific outcomes and indicators ("tagged" onto the standardized outcomes and indicators); (c) including quantitative outcome indicators (e.g., tax-to-GDP ratio) not only at the program level, but also at the project level.
  - Consider executing a systematic before-after analysis based on diagnostic instruments such as the TADAT assessment framework (even if applied as a "mock" TADAT assessment for selected indicators - only those relevant to the specific project).
  - Review the linkages between outcome indicators and strategic indicators used at program level.

<sup>49</sup> One of the aims of the working group on STXs is to expand the diversity (regional representation and gender).

## Lessons Learned

In addition to our recommendations, we formulate the following lessons learned that could be useful to take into account for future RMTF activities.

### Relevance

- **Considering ownership and absorption capacity helps ensure the relevance of RMTF projects**
  - The requirement that the authorities themselves submit a formal request for a project is seen as a good minimum requirement to ensure ownership (but not a sufficient condition for ownership).
  - In multiple case studies, the design of projects appropriately took the country's absorption capacity (e.g., available technical and human capacity) and ownership into account, making adjustments to project activities and objectives when it was unrealistic given the country's capacity levels.
- **Existing project development processes help to ensure relevance**
  - The existing procedure of fine-tuning a project proposal – which includes internal and external discussions, in-depth consultations, and supplementary diagnostics, functions to help ensure relevance.
  - The existing modular approach helps to cater to different situations, needs, and preferences of recipient countries as the modules allow to design CD activities that align with the specific contexts in which they are implemented.
- **Scoping missions and TADAT assessments help to better assess revenue gaps and capacity gaps**
  - In one case study, the use of short-term scoping missions during the initial stages of the project and a TADAT assessment was helpful in identifying major gaps, bottlenecks and reform areas. This can be done in future projects during the design or initial stage, to better understand and cater to the country context.

### Effectiveness and Impact

- **Involving local consultants in RMTF missions can improve their impact**
  - In one case study, stakeholders reported that RMTF missions had a greater impact than other CD activities because it involved more local consultants with relevant local knowledge.
- **Transparent reporting on project implementation is appreciated by SC members.**
  - Insights from documents and interviews showed that SC members appreciated the RMTF's transparent reporting on projects and willingness to discuss projects that are not performing well.
- **The increased use of remote CD activities, as a result of COVID-19, has had several positive "side-effects".**
  - Whilst acknowledging that there had been a drop in intensity or quality in some of the CD activities when moved online, interviewees did not identify significant concerns regarding the overall effectiveness of the remote delivery of CD.
  - One advantage of the increased use of online CD delivery methods has been the increase in contact with recipients, thereby also facilitating follow-up activities.
  - Online CD activities sometimes yielded new opportunities for improving tax administration. For example, increased attention to digitization and automation led to the identification of gaps in IT infrastructure and data collection capacities. In some cases, this in turn led to a shift in CD focus towards implementing measures on digital taxation, such as e-invoicing.

### Sustainability

- **Involvement and ownership by country authorities can help to ensure sustainability.**
  - In one of the case studies, the key to the sustainability of the project was the involvement of and ownership from the Minister. In other case studies, unsustainability was linked to the lack of interest of the revenue administration and/or the Ministry of Finance (MoF).

- **Continuous IMF engagement in a country can improve sustainability of CD projects.**
  - The sustainability of several case study projects was improved by the continuity of IMF engagement in the country, where subsequent visits by IMF FAD followed up on previous work, and where the project focused on continuing improvements of strategic planning capacities.

#### Coherence

- **RMTF contributions to donor coordination and joint diagnostic missions can improve external coherence.**
  - In several countries, the RMTF contributed to building or strengthening donor coordination groups. In one case study, the RMTF helped to create a DRM-specific donor group that meets around once every six weeks to update each other on activities.
  - Joint diagnostic missions conducted with other development partners were found to improve external coherence.
- **Strong coordination between RMTF project teams (FAD) and area departments (beyond what is required during the official CD prioritization process) can further improve internal coherence.**
  - In one case study, good coordination between FAD and the country team was found to have improved the linkages between the CD and the structural benchmarks in the IMF program.
  - In another case study, the local economist from the Resident Representative (RR) office would sit in on all TA meetings (opening and concluding meetings). While this is not required and not always feasible, it was found to spur internal coherence.
- **The PCT has improved donor coordination, but its role can be further strengthened.**
  - The role of the PCT in donor coordination can be further improved, e.g., through the online CD repository that is currently being developed for information sharing between donors.
- **Coordination between different relevant IMF CD projects can enhance internal coherence.**
  - In one case study, the different IMF CD providers on DRM worked as a team, including different CD activities funded by the RMTF, other FAD projects, and an RCDC.

#### Efficiency

- **Providing a mix of online and on-site CD support has proved useful.**
  - The experience with online CD delivery during the pandemic has shown that remote CD activities can have high “value for money”. Online support is relatively inexpensive and ensures that recipients can receive support on a more continuous basis, without a major reduction in effectiveness (particularly if combined with some on-site CD support).
  - Going forward, the RMTF team is keen to leverage this experience of the recent past and to increase the share of remote missions, remote training, and combinations of remote and on-site CD delivery.
- **Increasing the share of STX/LTX experts (relative to HQ staff) can be efficient.**
  - STX provide a less expensive alternative to HQ staff, while case studies yielded relatively few concerns about their quality. On the contrary, in cases where a deep knowledge of recipient institutions was needed, the involvement of an STX/LTX with strong knowledge of the local context was found to contribute to higher outcome efficiency (more “value for money”).
  - This having said, the excessive use of short-term experts could reduce operational efficiency, and some high-level expertise is difficult to find externally and should remain available at HQ level. The most efficient (and effective) mix of external experts and HQ staff therefore remains to be assessed separately for each individual RMTF project.
  - LTXs, when present, can contribute to assessing whether the CD was successful in transferring knowledge to participants.

# Annex A Research Approach

## A.1 Methodology

### Information sources

The evaluation will use the following information sources:

1. **Six in-depth case studies.** These form the main source of information in answering the evaluation questions. The selection of case studies follows the criteria outlined in Annex B.
2. **Interviews with stakeholders.** These are carried out with general stakeholders (non-project-specific).
3. **Stakeholder survey questionnaire.** In line with ToR, we have developed an online survey questionnaire for stakeholders in beneficiary countries. The respondents of this survey included three groups: (1) CD recipients (officials in RMTF recipient countries); (2) CD providers (IMF staff, STX, LTX); and (3) development partners/donor partners. The survey was designed by the evaluation team and sent out by IMF staff using its CVent tool.
4. **RBM data.** RBM data is used as a primary source of information for all case studies as well as the portfolio analysis. These data are analyzed at project-specific level to identify whether the relevant objectives and outcomes have been achieved towards the assessment of “effectiveness”. In addition, we conducted an analysis of RBM data for the entire RMTF portfolio.
5. **Desk research.** This includes program documents, annual reports, mission briefs, TA reports, end-of-project reports, IMF country reports, strategy and planning documents, budget and financial documents, etc.

### Scoring OECD-DAC Criteria

**As stipulated in the ToR, the evaluation scored each OECD-DAC criterion** (Relevance, Coherence, Efficiency, Effectiveness, Impact, and Sustainability) at two different levels:

- The individual CD project level (case studies)
- The overall RMTF portfolio level (all projects)

**At the individual CD project level,** the evaluation provides scores for each OECD-DAC criteria on a 1–4 scale. Each scoring is accompanied by an explanatory narrative. The scoring triangulates all information sources, following the steps below:

1. Reviewed each selected CD project’s RBM log frame and the rating of objectives/outcomes/indicators, to assess Effectiveness and Impact.
2. When RBM ratings are not available, we use other information sources to reconstruct ratings for each outcome/objective/indicator.
3. Reviewed project documents (e.g., CD proposals, CD mission briefs, TA reports, end-of-project reports, IMF country reports, strategy and planning documents) to score Relevance, Coherence, Efficiency and Sustainability.
4. Carried out (online) interviews with stakeholders (providers, recipients, other related stakeholders), to score Relevance, Coherence, Efficiency and Sustainability.

**At the RMTF portfolio level,** the evaluation provides scores on a 1-4 scale by following the steps below:

1. Presented aggregated OECD-DAC scores per objective from case studies by aggregating them.

2. Reviewed RMTF-level documents (e.g., annual reports and workplans, progress reports, program budget documents, etc.).
3. Carried out in-depth (online) interviews with key stakeholders at RMTF level: donors, RMTF program manager, FAD department staff and other IMF staff.
4. Sent out a stakeholder survey to the various types of stakeholders using the IMF's Cvent tool.
5. Triangulated all the above information sources into an overall score for each OECD-DAC criterion.

## A.2 Evaluation questions

**In discussion with the IMF, the evaluators identified 22 evaluation questions, along the lines of the OECD-DAC criteria.** These included 18 questions at the level of the CD projects and 5 RMTF strategy and management questions. To answer these questions, the evaluation team made use of various information sources, including desk review, data analysis and stakeholder interviews, both at the RMTF-wide level and at the level of the six case studies.

Table A.1 Evaluation questions

Category	No.	Question
Relevance	1.1	To what extent were the CD objectives derived from capacity gaps identified by the authorities, IMF surveillance/program, and other partners/institutions?
	1.2	Do the national authorities consider the CD objectives among the priorities of the country and/or agency?
	1.3	Was the design and implementation sensitive to the context (e.g., economic, political economy, technical capacity of the beneficiaries, qualifications of experts) in which it took place?
	1.4	Were the CD objectives and design successfully adapted to changing circumstances?
	1.5	How well has the RMTF adapted and/or flexibly responded to emerging issues and changing external circumstances, e.g., addressing issues such as climate change, gender, COVID-19, etc.?*
	1.6	To what extent are diagnostic tools used to define and inform reform priorities and CD design?*
Coherence	2.1	To what extent does the CD project support or undermine other interventions (particularly policies), and vice versa?
	2.1.1	<u>Internal coherence</u> : Assess synergies and interlinkages between the CD project and other interventions carried out by the same agency/government. Also, assess the consistency of the CD project with other IMF recommendations from surveillance, program, and other CD.
	2.1.2	<u>External coherence</u> : Assess the consistency of the CD project with interventions by development partners.
Effectiveness	3.1	To what extent were the CD outcomes and objective, as defined by the RBM framework, achieved or are likely to be achieved?
	3.2	In the process, validate the RBM ratings for outcomes and objective.
	3.3	Assess to what extent the observed direct results were attributed to/ happened as a result of the CD.
	3.4	To what extent has the RMTF been effective in financing countries for intensive vis-à-vis targeted CD projects? Regarding intensive CD projects, how strong are linkages across tax policy and administration design, timing, and results?
	3.5	Has the RMTF been effective in financing customs CD needs where there are linkages with tax administration?*
	3.6	To what extent are diagnostic tools used to measure reform progress in the RMTF beneficiary countries?*

Efficiency	3.7	To what extent are the different CD delivery modalities, including long-term experts, and CD training, being used to effectively address CD demands? What are the benefits of each modality? What other modalities should the RMTF consider?*
	4.1	Were the CD inputs converted to outputs, outcomes, and impact in the most cost-effective way possible, as compared to feasible alternatives?
	4.2	Assess the operational efficiency of CD delivery, including the quality of output and backstopping and timeliness of delivery.
Impact	4.3	Considering the level of CD effectiveness and the efficiencies of delivery including cost, to what extent does CD provide value for money?***
	5.1	To what extent has the CD project enhanced the country's fiscal sustainability (as measured by the tax gap or tax capacity (tax/GDP ratio)?
Sustainability	5.2	Assess any consequences of the CD project on relevant development and Fund strategic priorities, such as climate change and inequality (economic, gender, and financial inclusion).
	6.1	To what extent are the prerequisites for preserving the net benefits of the CD project (e.g., establishment of relevant reform modernization governance or organizational design changes, upgrading of skills of the officials and local counterparts, etc.) likely to remain in place after CD? Discuss the likelihood of the net benefits continuing over the medium and long term.
	6.2	Assess the capacity of the recipient country's system to sustain the net benefits of the CD project over time.

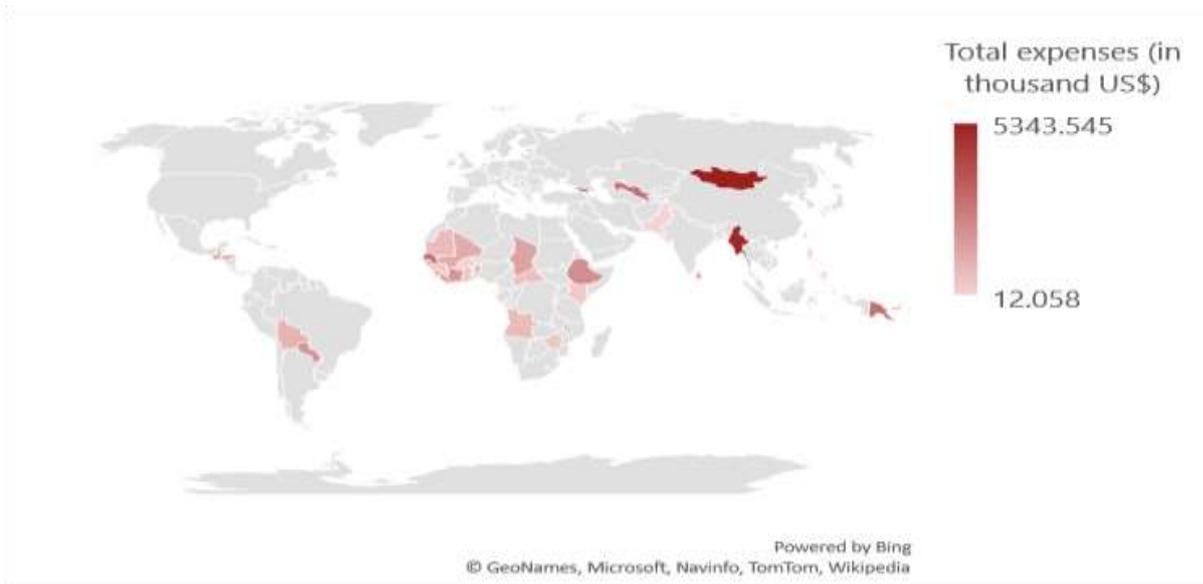
Note: \* RMTF strategy & management questions. \*\* Not part of the ToR but added on request of the IMF.

# Annex B Case Study Selection

## B.1 Description of RMTF Portfolio

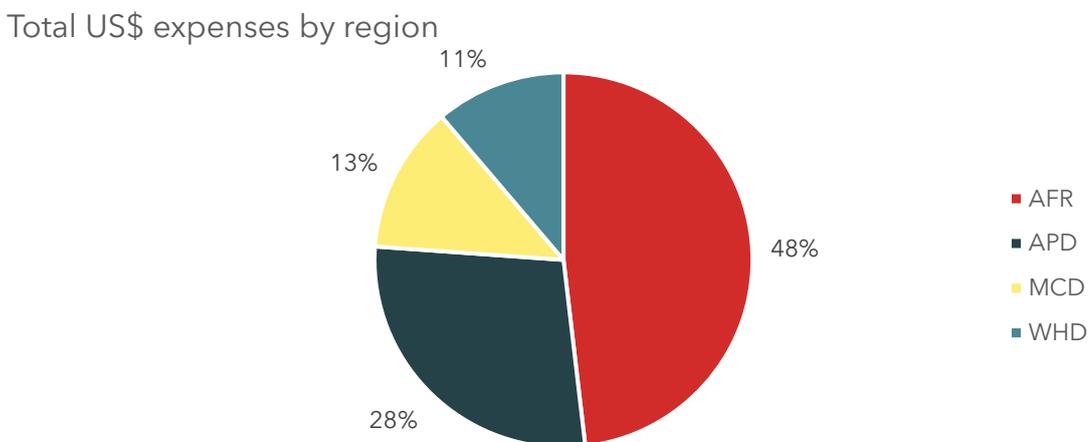
**The largest part of the RMTF’s budget goes to Africa.** Portfolio data shows that nearly 50 percent of the US dollars spent go to the AFR department. The second largest is Asia Pacific (APD). Middle East and Central Asia (MCD) and Western Hemisphere (WHD) take a minority of the total budget.

Figure B.1 The RMTF has high expenses in Asian and African countries.



Source: SEO Amsterdam Economics based on RMTF Program Financial Status (April 2022).  
 Note: Including projects that were completed between FY17 and FY22, as well as projects that are still active.

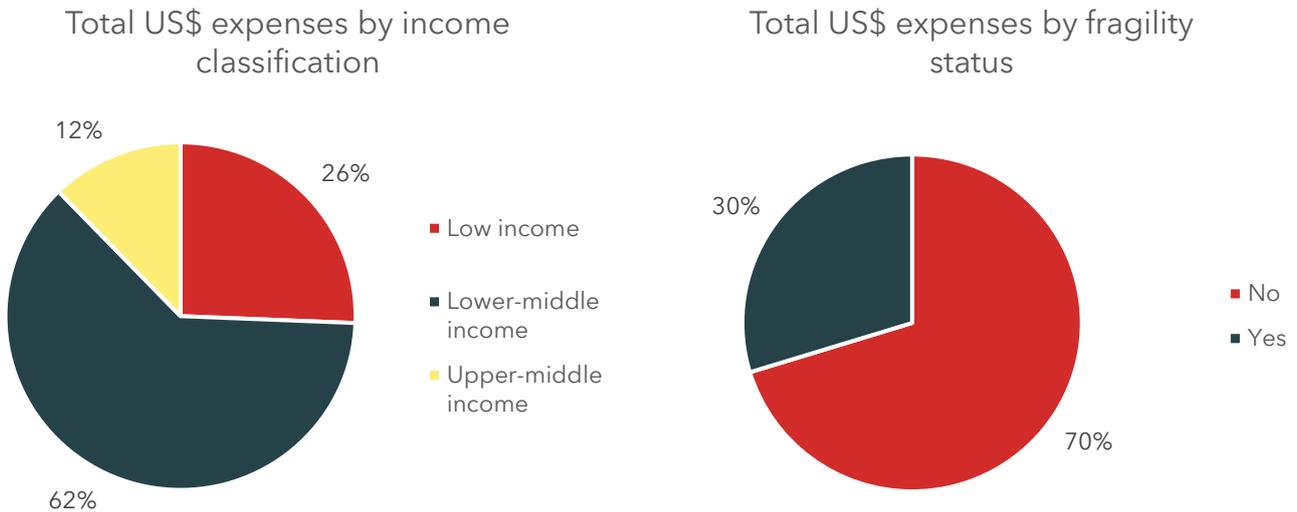
Figure B.2 Most RMTF project expenses occur in Africa (48%) and Asia (28%).



Source: SEO Amsterdam Economics based on RMTF Program Financial Status (April 2022).  
 Note: Including projects that were completed between FY17 and FY22, as well as projects that are still active.

**A significant portion of the RMTF budget goes to fragile and lower-middle income countries.** Almost one third of the expenses corresponds to fragile states, and 62 percent to lower-middle income countries. Low-income countries make up 26 percent of the budget.

Figure B.3 Lower-middle income countries receive the majority of RMTF project expenses (62%). Almost one third of RMTF expenses is allocated to countries with a fragile status.

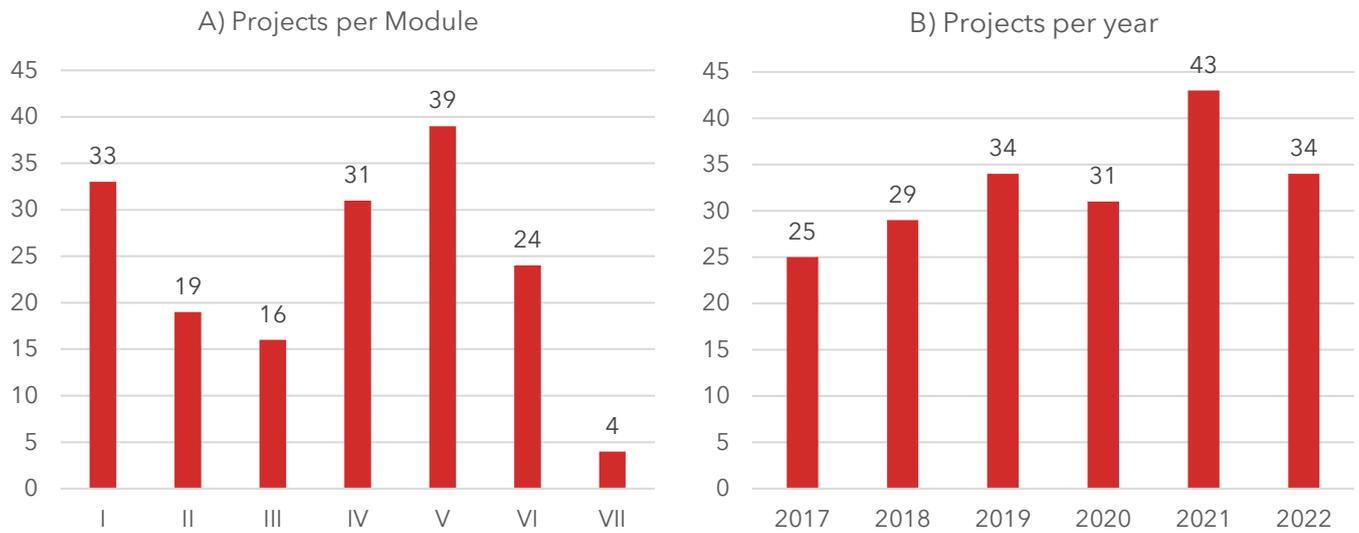


Source: SEO Amsterdam Economics based on RMTF Program Financial Status (April 2022).  
 Note: Including projects that were completed between FY17 and FY22, as well as projects that are still active.

**The number of projects per year peaks at 43 in 2021, and Module V is covered by most RMTF projects.** Of the 48 projects in the studied portfolio, 39 cover Module V. Note that multiple Modules can be covered by one RMTF project. Modules VII and VIII are not illustrated in the graph, given that they are each covered by one IMF project only. Similarly, Module IX is covered by two IMF projects.<sup>50</sup>

<sup>50</sup> With IMF projects we refer to RMTF projects that are not (directly) specifically tailored to one country.

Figure B.4 Module V contains the most projects, whilst the total number of projects has been relatively stable.

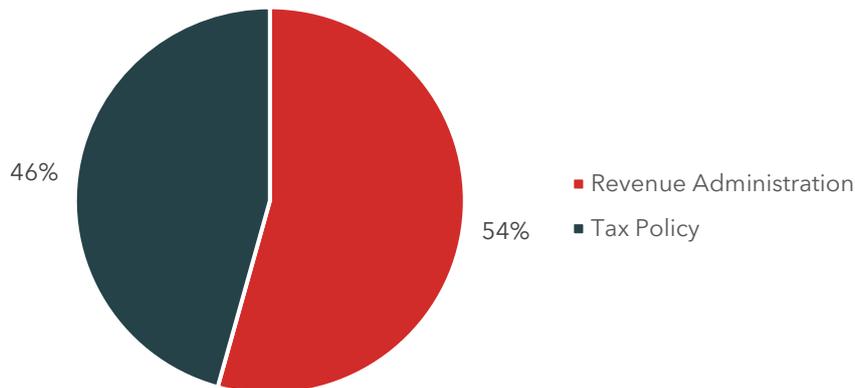


Source: SEO Amsterdam Economics based on RBM dashboard for RMTF reporting (April 2017 - April 2022).  
 Note: Including projects that were completed between FY17 and FY22, as well as projects that are still active.

**In terms of mission type, the majority of the projects corresponds to revenue administration (vs tax policy).** The distribution of these workstreams across projects is relatively balanced, as 54 percent of the portfolio covers revenue administration, while the remaining 46 percent is related to tax policy.

Figure B.5 More than half of the RMTF portfolio covers Revenue Administration (54%).

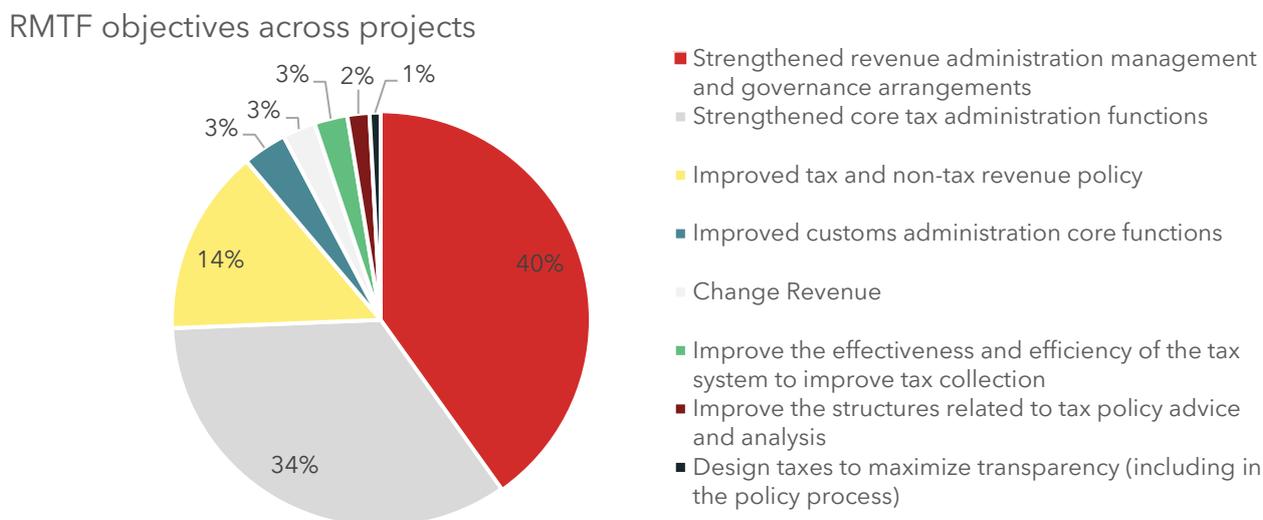
RMTF projects by mission type



Source: SEO Amsterdam Economics based on RBM dashboard for RMTF reporting (April 2017 - April 2022).  
 Note: Including projects that were completed between FY17 and FY22, as well as projects that are still active.

**RMTF’s projects are predominantly focused on three objectives.** These “core objectives” account for 88 percent of the total of 8 different objectives. For the evaluation, we focused on these “core objectives” as they make up the bulk of the portfolio and all three core objectives appear in at least 5 of the 6 case studies as well. This approach allowed us to select a sample that is representative along all selection criteria and to make a general statement per objective-criteria combination based on multiple observations.

Figure B.6 RMTF’s projects are predominantly focused on three objectives



Source: SEO Amsterdam Economics based on RBM dashboard for RMTF reporting (April 2017 - April 2022).  
 Note: Including projects that were completed between FY17 and FY22, as well as projects that are still active.

## B.2 Selection criteria

**As per the ToR, we have selected a diverse and representative selection of 6 case studies.** Since these case studies constituted an important source of information for the evaluation, it is important that the selection is representative of the overall portfolio of RMTF activities. The following selection criteria were used in consultation with IMF FAD and ICD department staff in this evaluation’s subcommittee:

- Region
- Assignment type
- Fragility status
- RCDC intensity
- Income classification
- Intensity of CD
- Coverage of core RMTF objectives

Following these criteria, we selected six case studies (at the level of individual projects rather than at the level of the countries themselves, as in some countries the RMTF has conducted multiple projects). The table below shows that the case study sample matches the overall portfolio distribution on the key characteristics.

Table B.1 The case study sample matches the overall portfolio distribution on the key characteristics.

Criteria	Case study sample	Portfolio
<b>Regional balance</b>		
- AFR	42%	50%
- APD	54%	32%
- WHD	4%	8%

- MCD	0%	9%
<b>Income classification</b>		
- Low-income	32%	28%
- Lower-middle-income	64%	64%
- Upper-middle-income	4%	8%
- High-income	0%	6%
<b>% Fragile</b>	32%	41%
<b>% Intensive</b>	42%	39%
<b>RMTF missions/project</b>	29	17
<b>RCDC missions/project</b>	28	19

Source: SEO Amsterdam Economics based on RMTF Portfolio data. The selection includes both revenue administration and tax policy components.

Table B.2 The core objectives are widely covered by the selected case studies

Objective	CS 1	CS 2	CS 3	CS 4	CS 5	CS 6
Strengthened revenue administration management and governance arrangements	✓	✓	✓	✓	✓	✓
Strengthened core tax administration functions	✓	✓	✓	✓	✓	✓
Improved tax and non-tax revenue policy	✓	✓	✓	✓		✓

Source: SEO Amsterdam Economics based on RMTF Portfolio data.

## Annex C Considerations for improving the RBM

*The evaluation team has several recommendations that are beyond the scope of the RMTF and could potentially be used by ICD to improve the effectiveness of IMF CD more widely, including by further improving the RBM system:*

- **Provide more guidance to CD project managers regarding the use of the RBM framework.**
  - This evaluation established that there is confusion among CD project managers regarding the interpretation of outcome ratings. ICD could therefore usefully clarify their use (e.g., whether they should be seen as a level or a change; whether it is the country or the project that should be rated).
  - This evaluation established that there are many projects with incomplete ratings in RBM. ICD could therefore usefully consider measures to encourage project managers to complete the outcome ratings (including by explaining their importance for internal and external monitoring, evaluation, and learning).
- **Consider using milestones more clearly as an indicator of whether outcomes are likely to be achieved.**
  - Since the linkages between milestones and outcomes are often not clear, and sometimes missing, ICD could consider requiring a more direct link between milestones and outcomes.<sup>51</sup> This would be consistent with the ICD guidelines, which already state that “When [outcome] indicator information is not available, progress toward milestones should also be considered [for outcome ratings]”.
  - Since milestones are often focused on outputs or short-term outcomes, ICD could also consider requiring the development of more medium-term milestones along clear outcome pathways (ideally with a project-specific Theory of Change developed for each project).<sup>52</sup>
- **Consider reporting progress towards outcomes at the outcome indicator level by rating the indicator of a project outcome.**
  - Currently, the RBM framework reports outcome progress by rating the overall outcomes, while progress towards milestones is reported by milestone ratings. In other words, the reporting of progress towards outcomes is not directly linked to the achievement of accompanied outcome indicators.
  - To avoid a situation in which RBM framework users wrongfully perceive project milestones as the indicators of project outcomes, ICD could consider including progress reporting of outcome indicators through ratings in the RBM framework.
  - Adding the outcome indicators to the RBM framework could potentially reduce confusion regarding the definition and use of milestones and milestone ratings vis-à-vis outcomes and outcome ratings.
  - Reporting progress at the outcome indicator level could also ensure that the structure of the RBM framework allows for clearer links between overall project outcome achievements and progress at the outcome indicator level. Such clearer links within outcome progress reporting in the RBM framework could provide new insights into the pathway to the achievement of project outcomes.
- **Report more clearly on the contribution of IMF CD activities towards observed outcomes.**
  - Consider introducing a contribution rating, along each outcome rating, to indicate the perceived contribution of the CD activities towards achieving an observed outcome (in progress reports or at least in completion reports).
  - Ask project managers to also identify positive or negative contributions of other key factors, for example:

<sup>51</sup> Outcomes are generally achieved only at or after project end, so they are primarily relevant for ex-post assessments of project achievements (and should ideally be compared to a baseline), while milestones are project management tools that can show progress toward achievement of an outcome. They can be used as proxy for project performance during the project (“ex-durante”).

<sup>52</sup> A Theory of Change “explains how activities are understood to produce a series of results that contribute to achieving the final intended impacts. It can be developed for any level of intervention – an event, a project, a program, a policy, a strategy or an organization.” (See: [https://www.betterevaluation.org/en/resources/guide/theory\\_of\\_change](https://www.betterevaluation.org/en/resources/guide/theory_of_change))

- When the outcome is achieved in part due to the intervention of another development partner (or the authorities themselves); in that case the observed outcome cannot be exclusively attributed to the IMF CD.
- When the outcome is not achieved because of factors outside of the CD project's control, e.g., because a new political party or DG is unwilling to implement certain reforms; in that case, the fact that the outcome is not achieved cannot be attributed to the IMF CD.

# RMTF STAKEHOLDER SURVEY

VOLUME I - FINAL REPORT & SURVEY ANNEX

SURVEY ANNEX

**seo** • amsterdam economics

# 1 Background questions

Figure 1.1 The survey respondents were mostly providers.

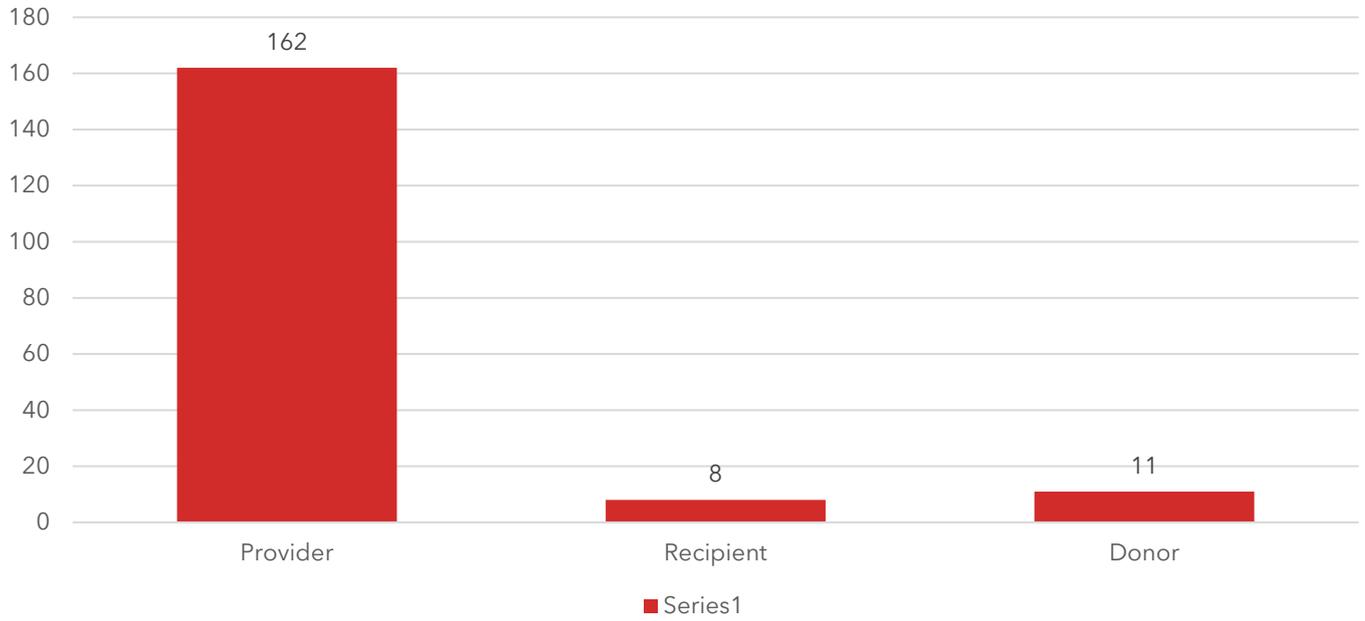


Figure 1.2 Three quarters of the survey respondents were male.

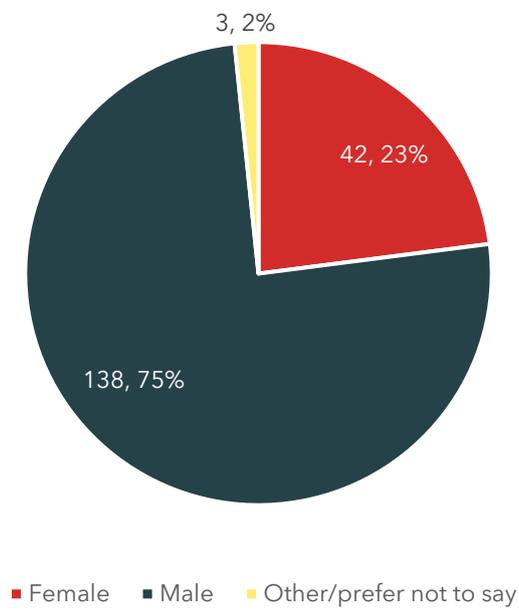


Figure 1.3 Experience with TA predominantly stems from the last two years for both providers and recipients.

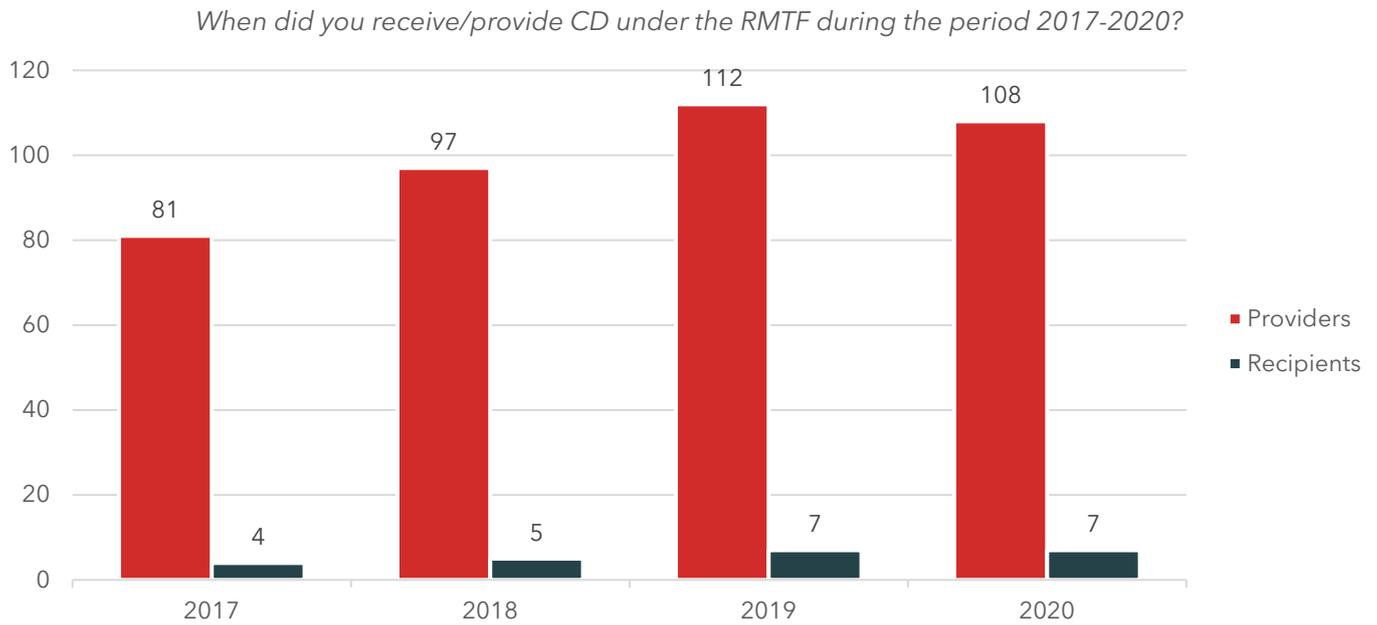


Figure 1.4 Providers that responded to the survey mostly contributed to the GTP as an STX.

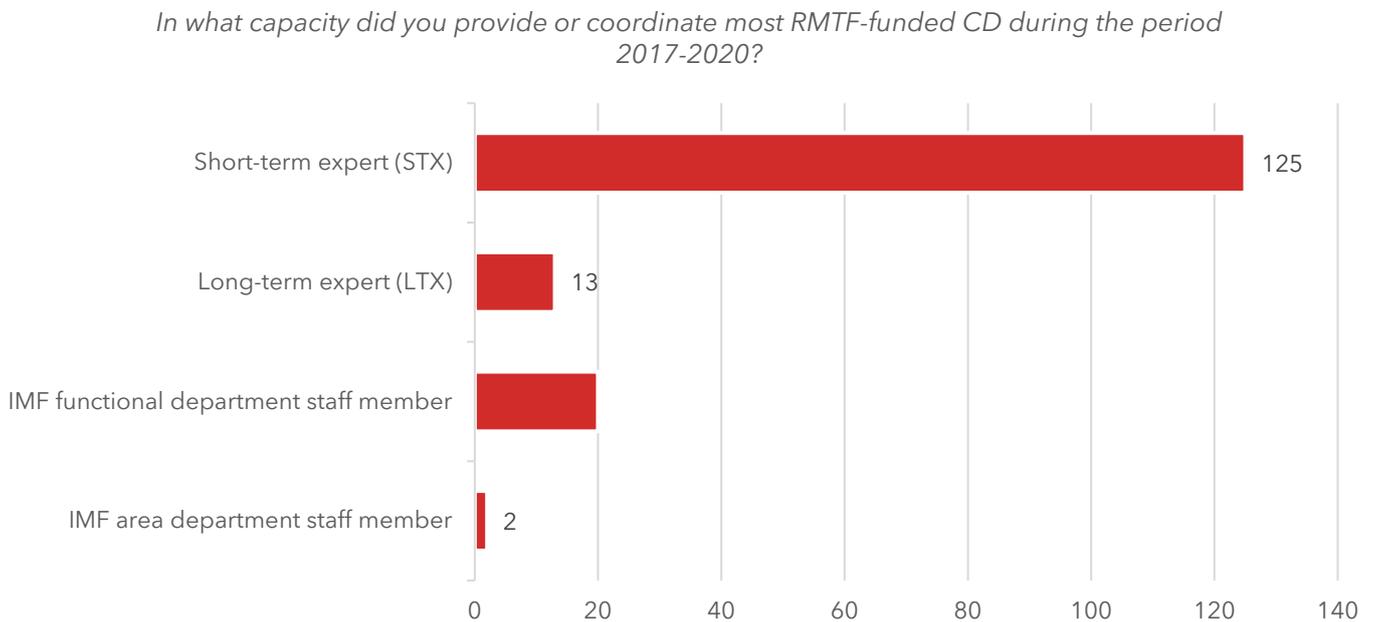
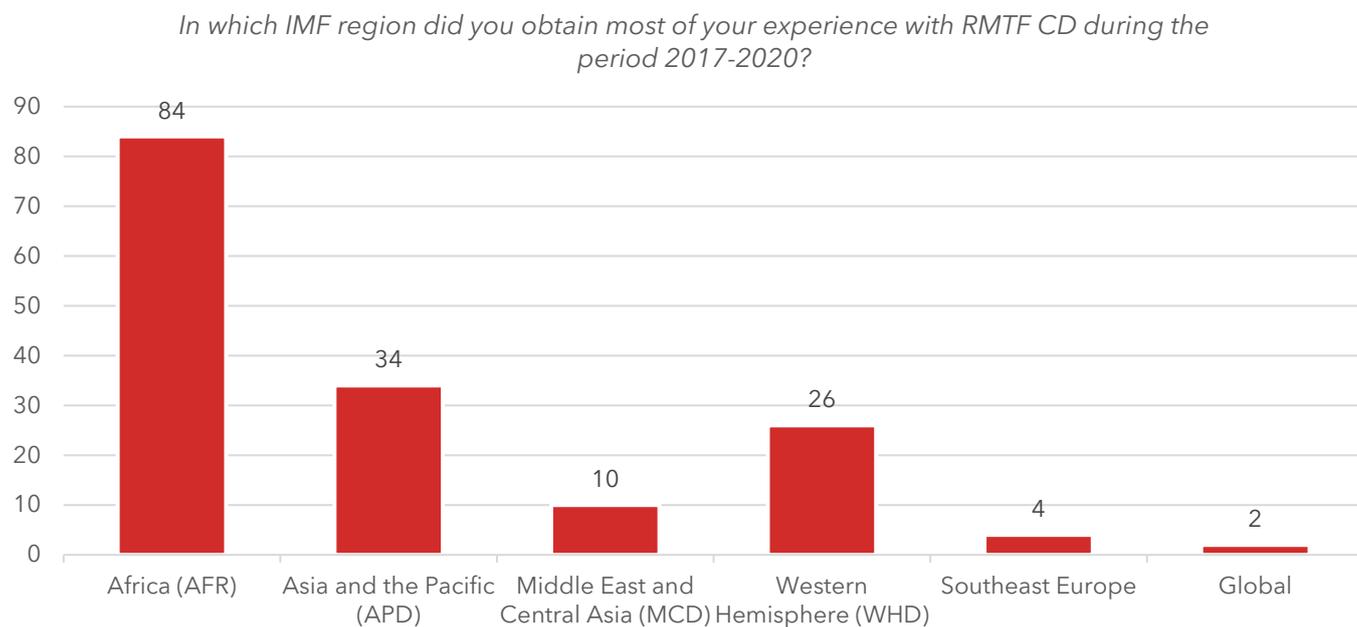


Figure 1.5 Providers that responded to the survey predominantly obtained experience in Africa.



## 2 Relevance

### Priorities of recipient countries

Figure 2.1 Survey respondents largely agreed that RMTF CD reflected priorities of the main stakeholder groups

"To what extent did RMTF CD reflect the priorities of the following parties?"

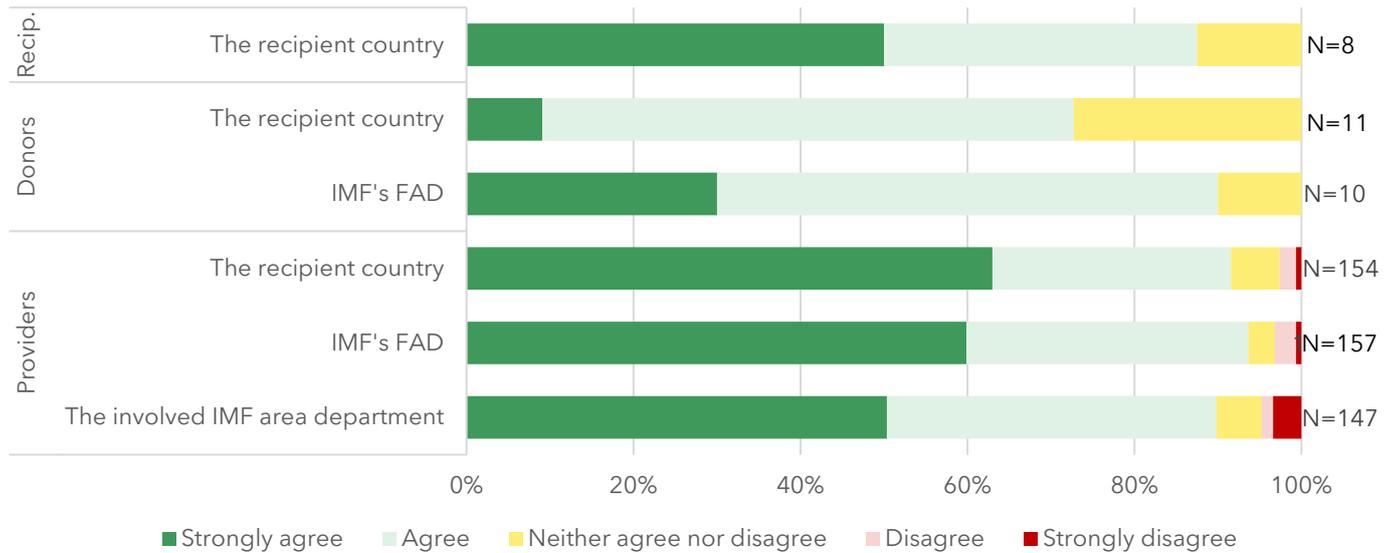


Figure 2.2 RMTF stakeholders widely saw RMTF CD as relevant, although donors believed less strongly that the CD is aimed at countries that need it most

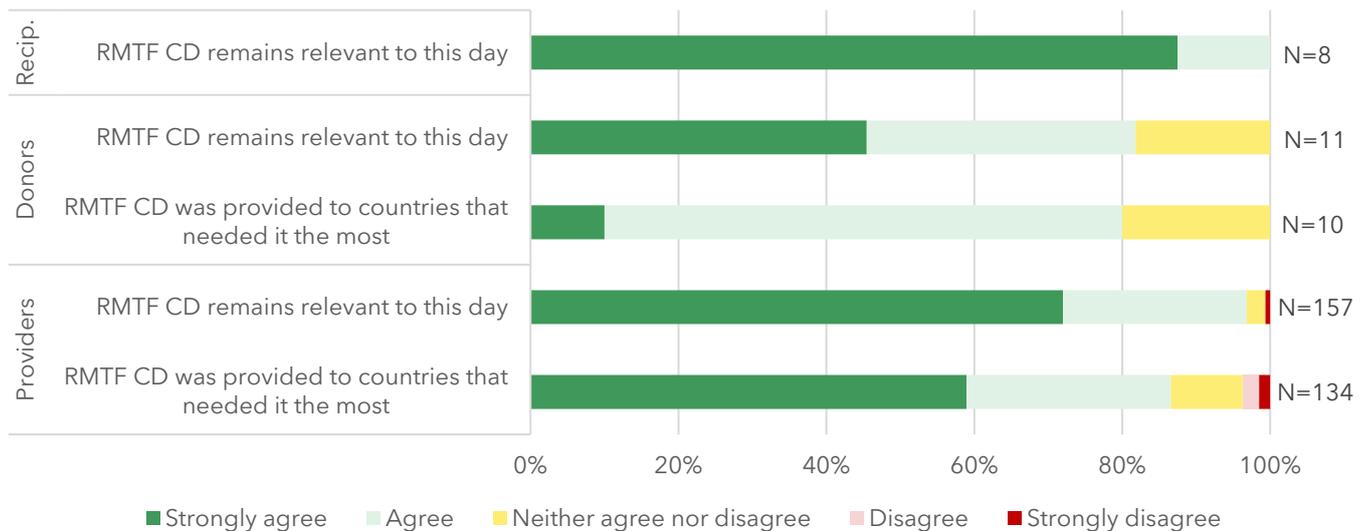
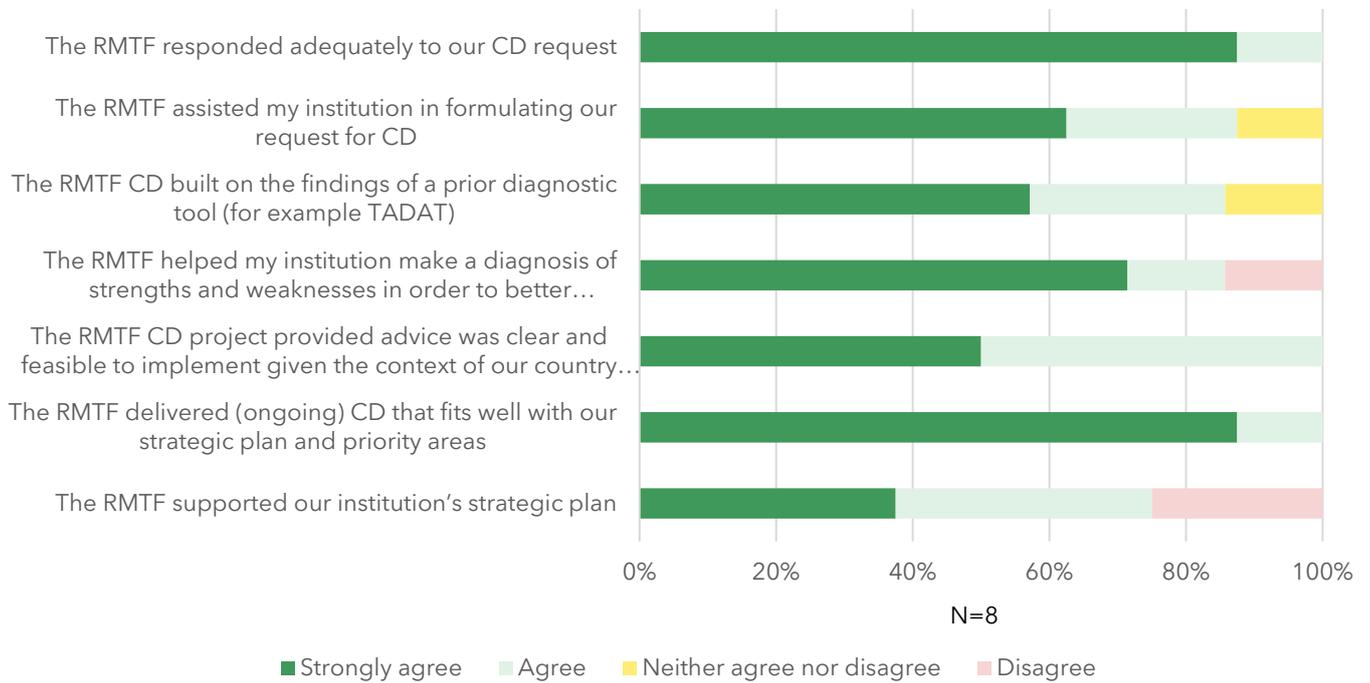


Figure 2.3 Recipients appreciated RMTF because it is in line with their needs and previous work in the country



## Adaptation & tailoring

Figure 2.4 Most providers believed that the design of RMTF CD took absorption capacity and ownership into account

The design of the provided CD took into account the recipient country's...

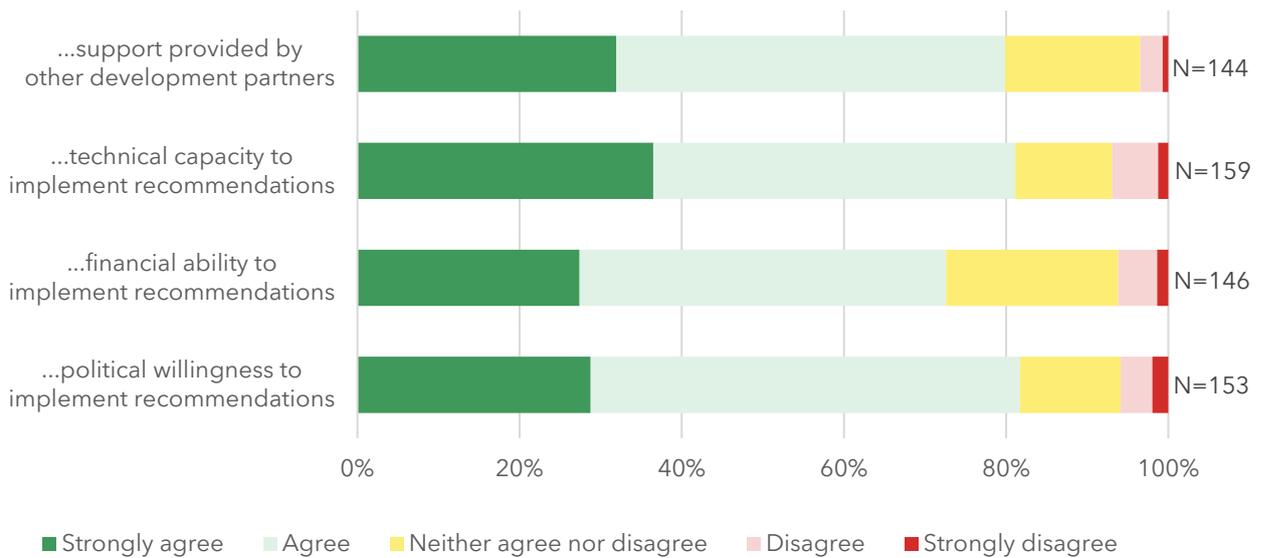


Figure 2.5 Respondents largely agreed that recipients had sufficient influence over RMTF CD projects

“Recipient institutions had sufficient opportunity to influence the objectives and activities of the CD project”

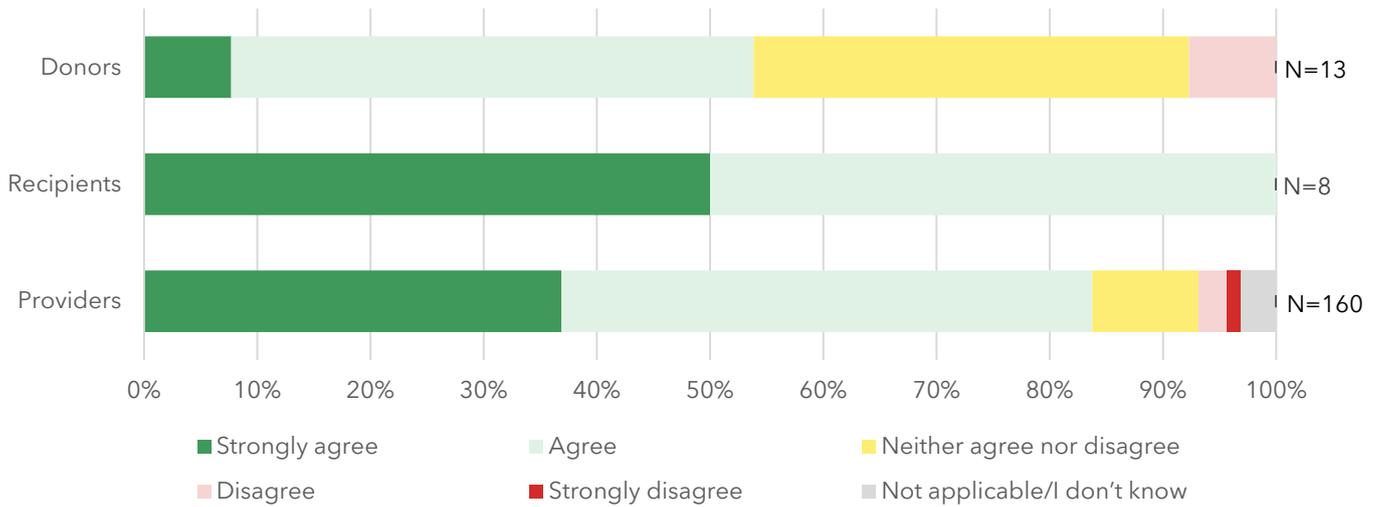
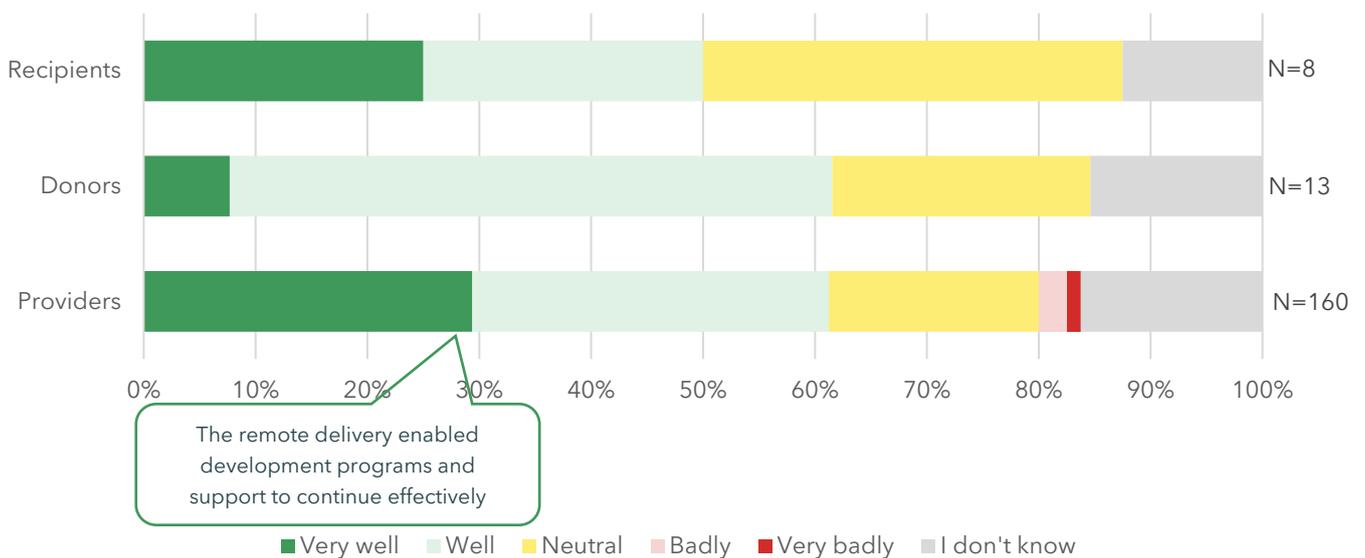


Figure 2.6 Respondents were positive about the way RMTF adapted to COVID-19

Based on your overall experience with RMTF’s CD, please rate the extent to which the RMTF has adapted its CD in response to COVID-19.



**Very well:** RMTF completely transformed CD delivery with innovative alternative approaches, techniques, tools.

**Well:** RMTF partly transformed CD delivery with innovative alternative approaches, techniques, tools.

**Neutral:** RMTF moved as much CD delivery online as was feasible.

**Badly:** RMTF dropped or delayed part of the CD delivery due to COVID-19.

**Very badly:** *RMTF dropped or delayed CD delivery entirely due to COVID-19*

Note: One respondent mentioned: The deliver remotely enabled development programs and support to continue effectively over these challenging times.

### 3 Coherence

#### Internal coherence

Figure 3.1 Most providers saw close linkages between RMTF CD and other IMF activities

The RMTF's CD is generally closely linked to the IMF's...

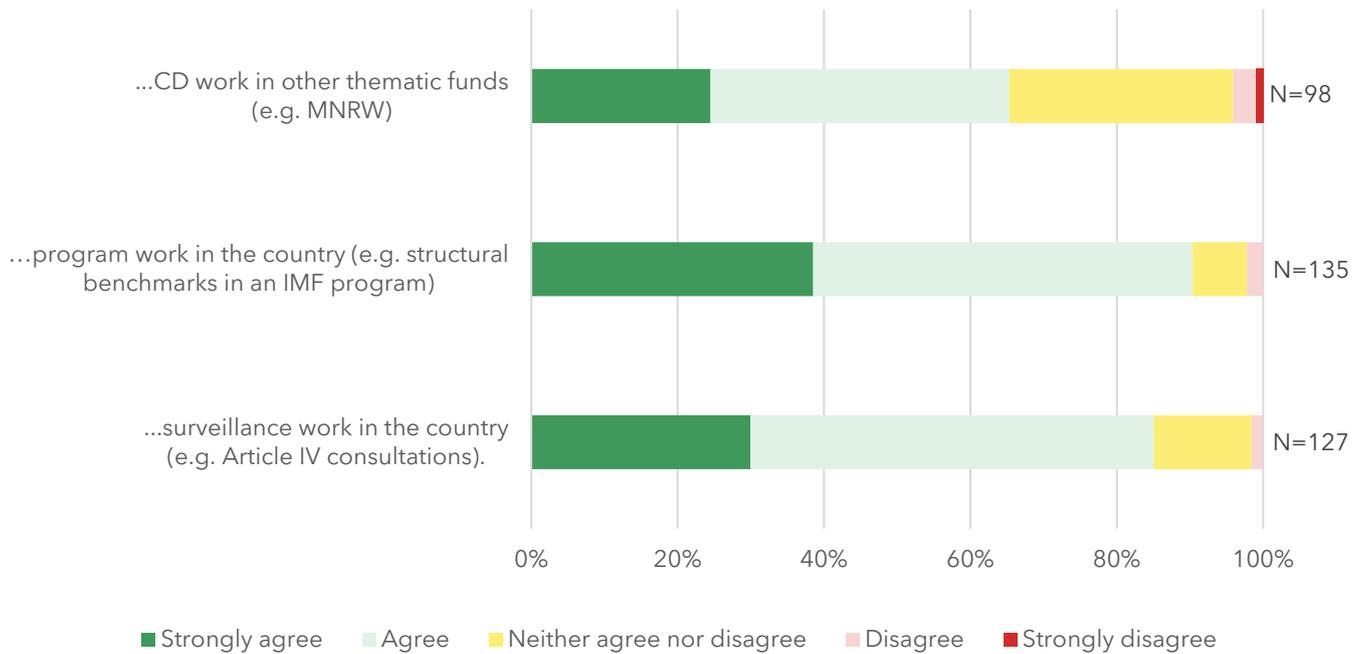
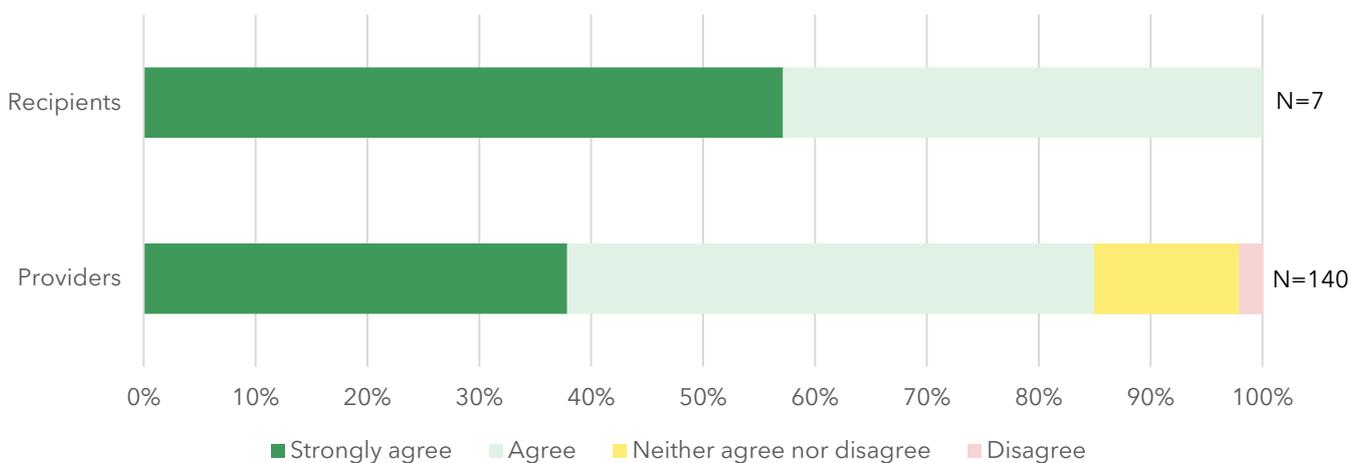


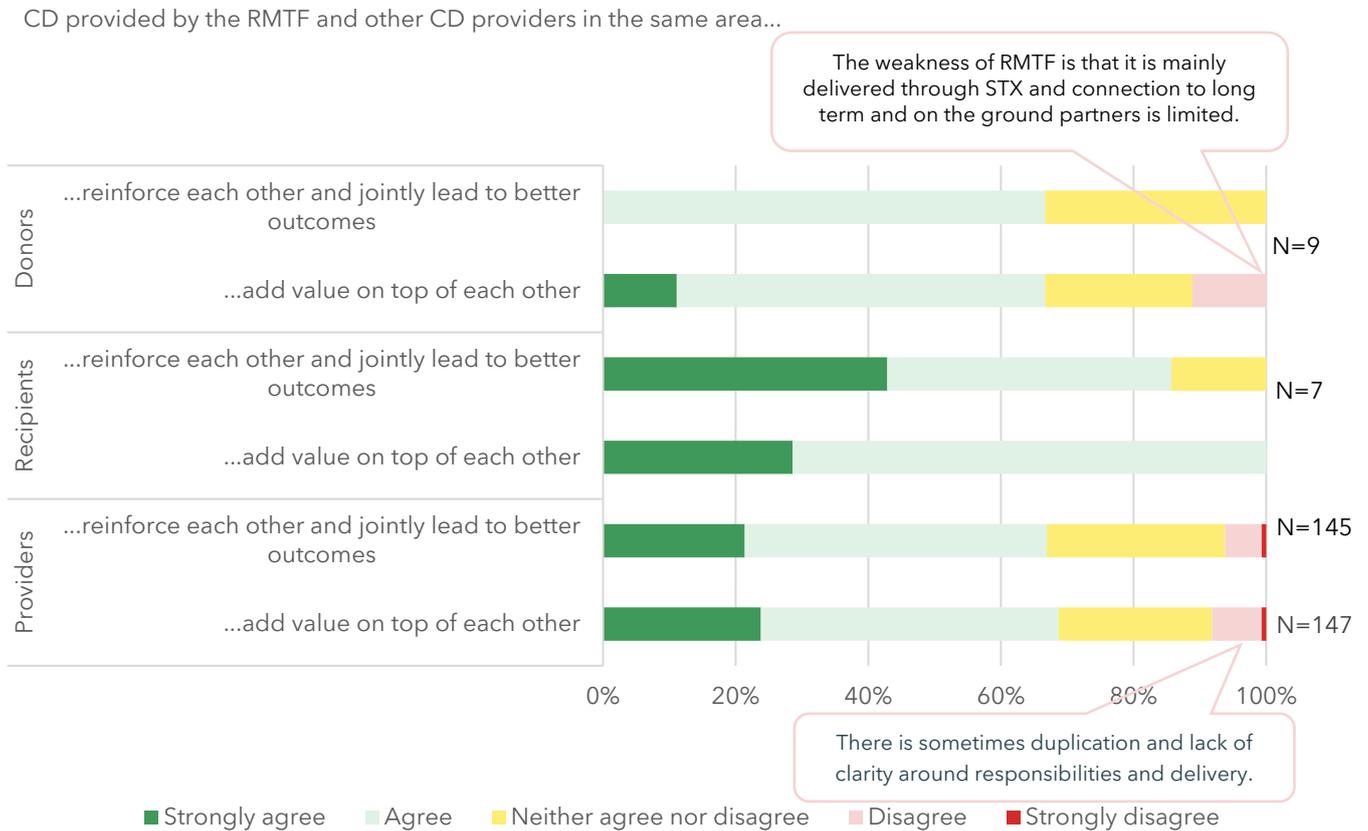
Figure 3.2 RMTF CD was widely seen as internally coherent with other IMF initiatives

*"CD provided by the RMTF created synergies and interlinkages with other IMF initiatives in the recipient country"*



## External coherence

Figure 3.3 Respondents were somewhat less positive about RMTF's external coherence with other CD providers



Note: One respondent mentioned: There is sometimes duplication and lack of clarity around responsibilities and delivery with other CD providers. Another respondent mentioned: The weakness of RMTF is that it is mainly delivered through STX and connection to long term and on the ground partners is limited. This should be compensated by linking up to donor groups through briefing and debriefings.

# 4 Effectiveness

## Knowledge and practices

Figure 4.1 Respondents saw RMTF CD as contributing more to enhancing knowledge than to improving everyday practices

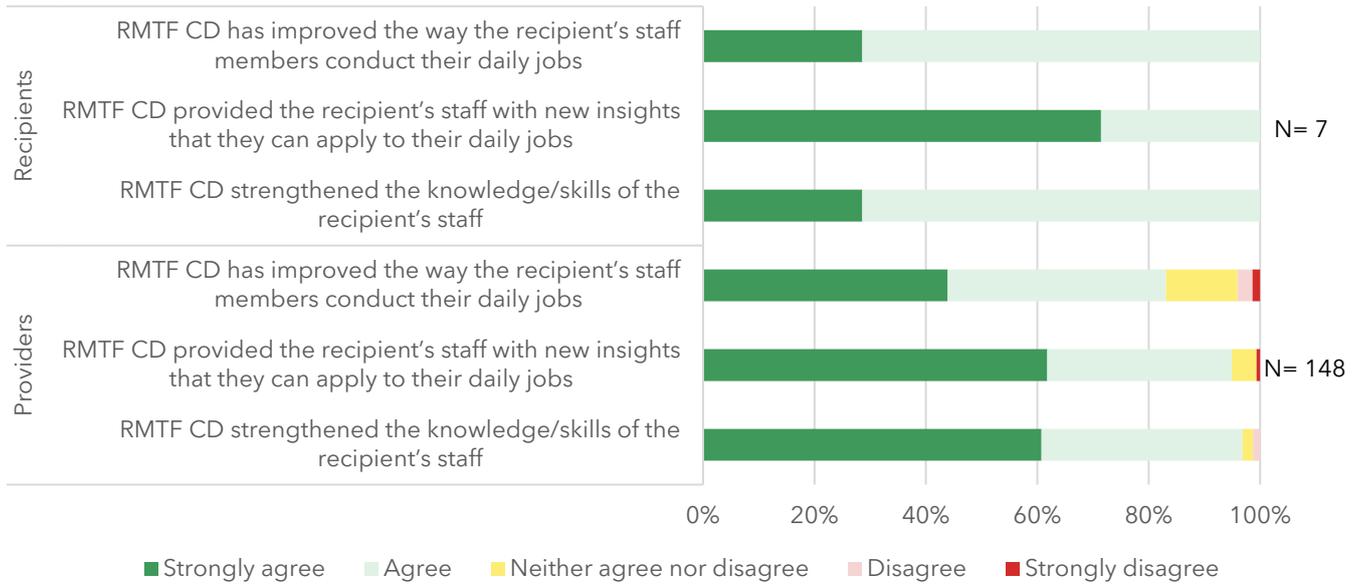
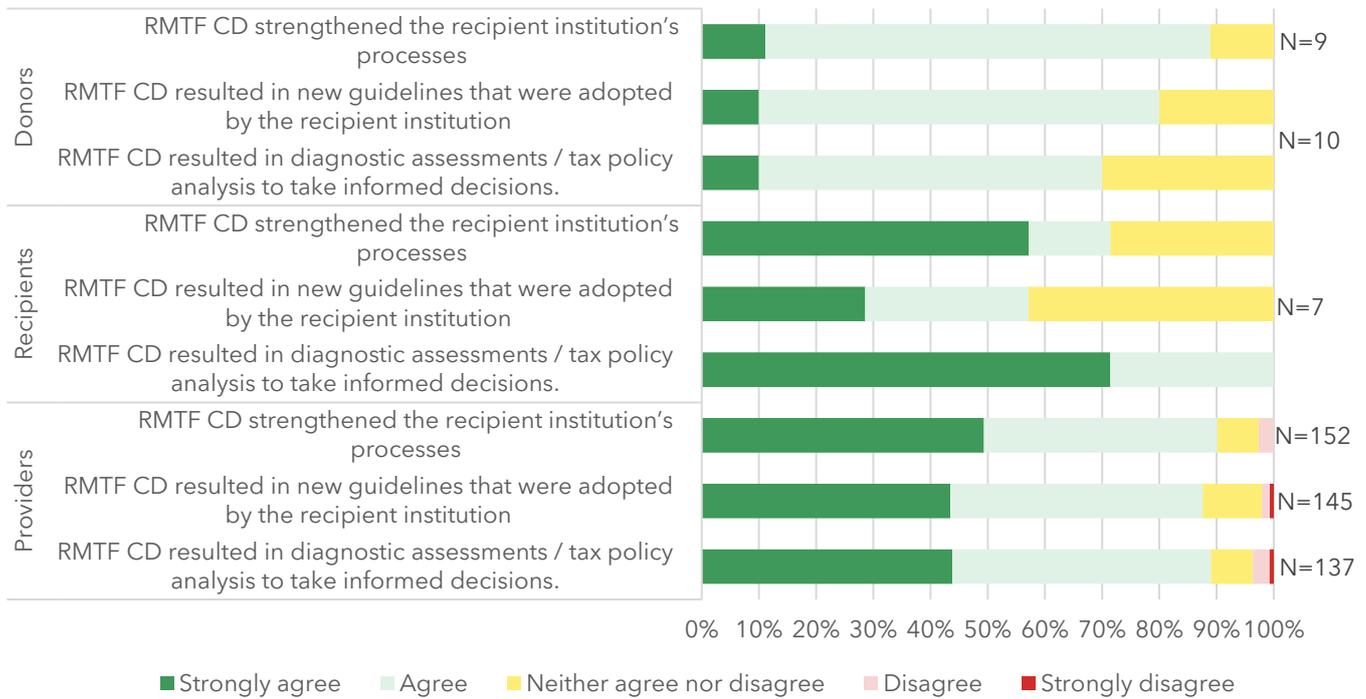


Figure 4.2 CD providers were relatively more positive than others about their CD’s contribution to better informed decisions and new guidelines



### Impact

Figure 4.3 Stakeholders were positive about RMTF CD’s contribution to policy discussions and reforms

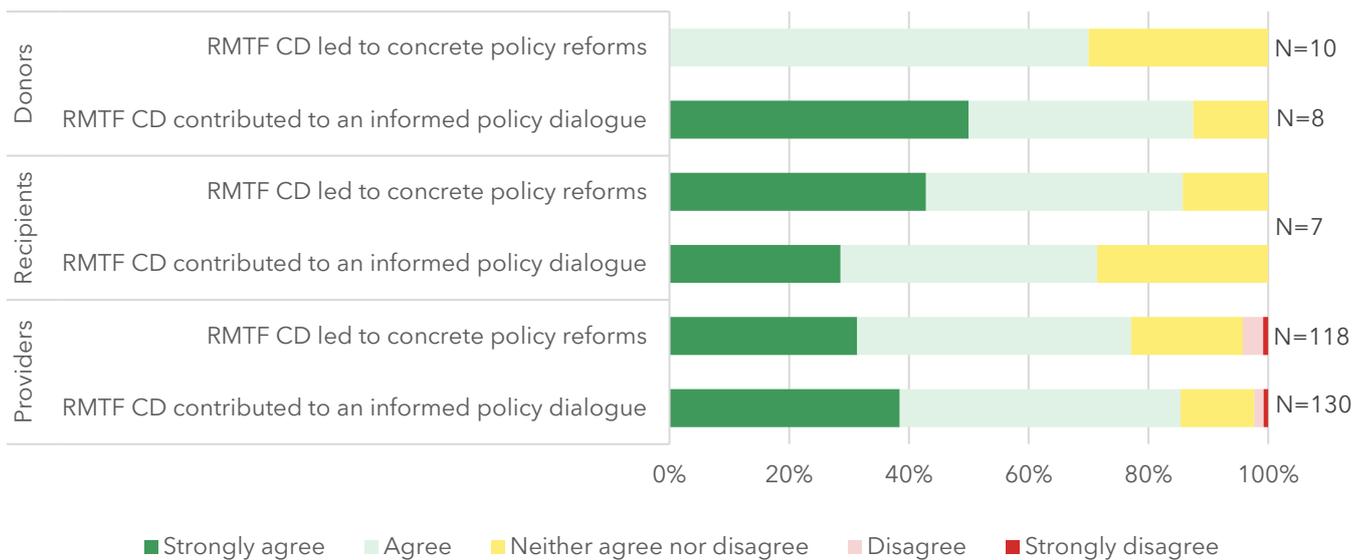


Figure 4.4 Donors and recipients saw the (potential) effects on DRM less strongly than providers

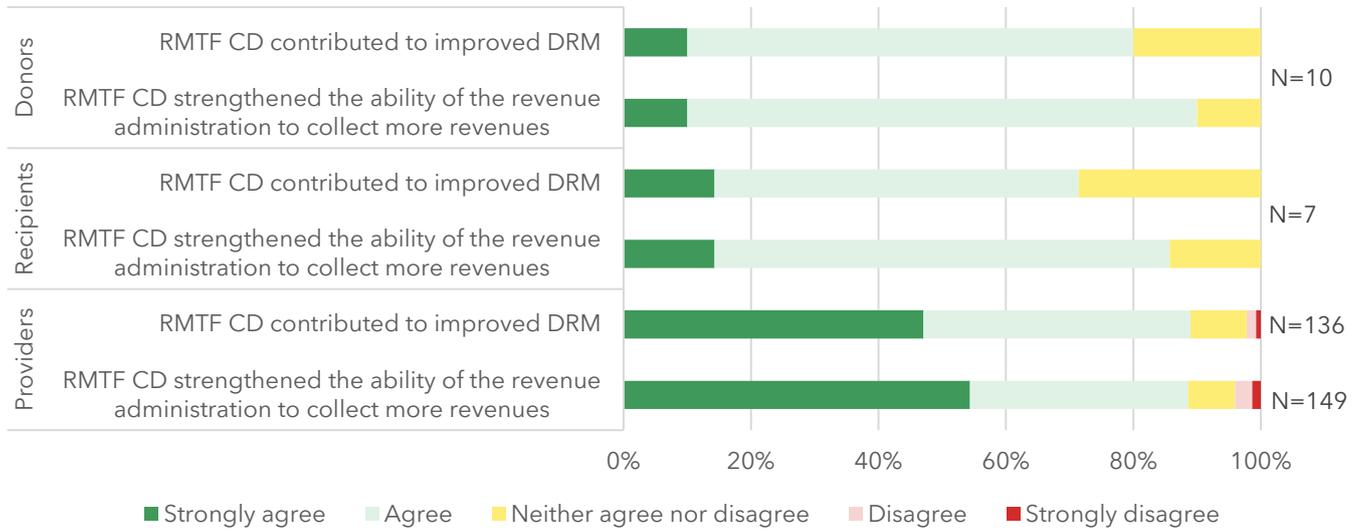
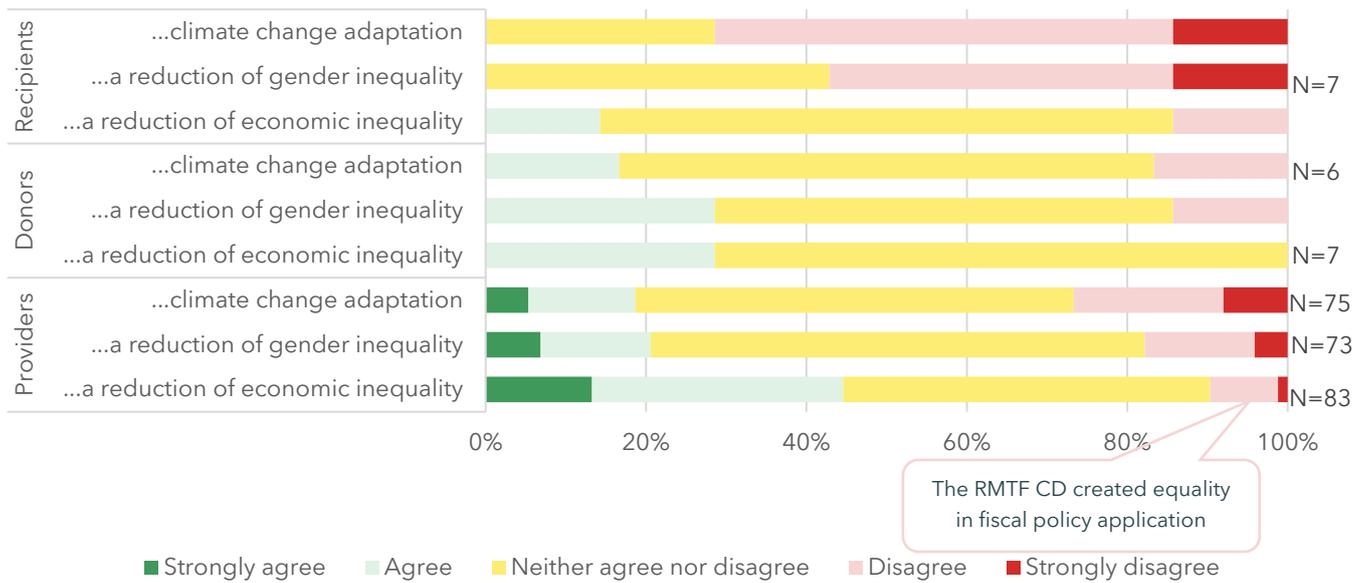


Figure 4.5 Very few respondents saw a link with climate change or a reduction in (gender) inequality

The RMTF CD contributed to...

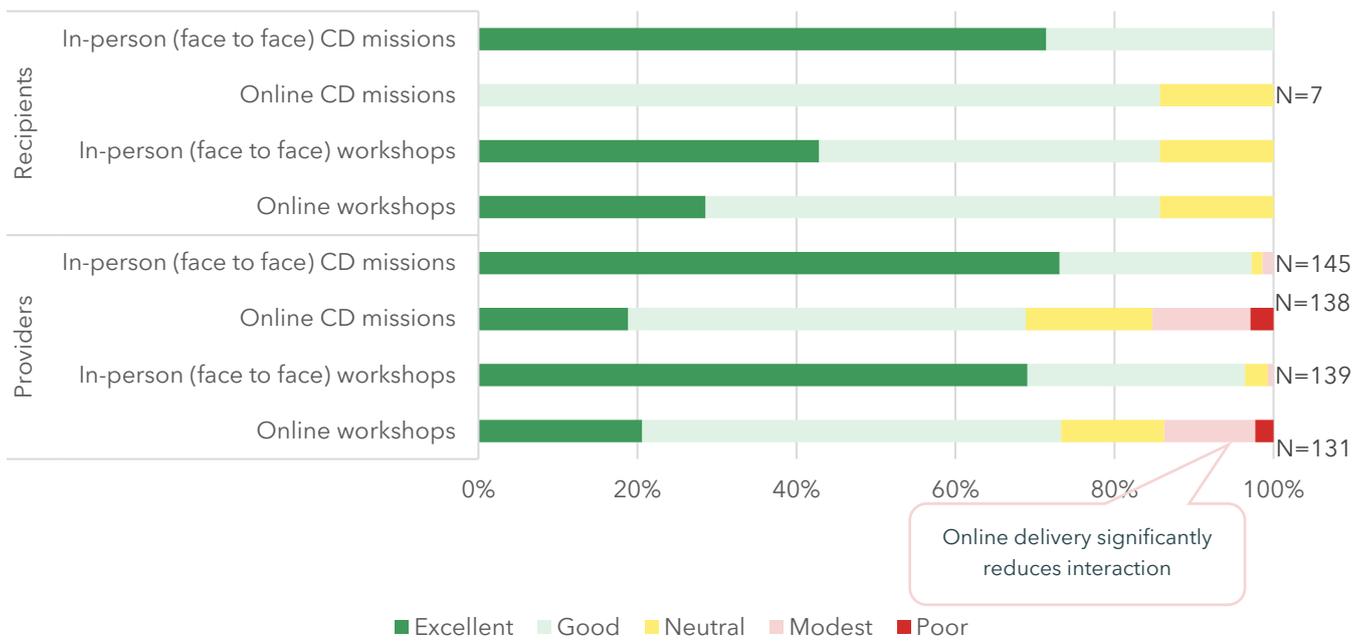


Note: One respondent mentioned: The RMTF CD has created equality in application of fiscal policies, however, in terms of gender equality much has not been achieved. Climate change adaptation is yet to be realized.

## Online modalities

Figure 4.6 Recipients and providers both agreed that online CD was good, but relatively less effective

"Please rank the effectiveness of the different modalities through which the RMTF provides CD in the area of revenue administration"

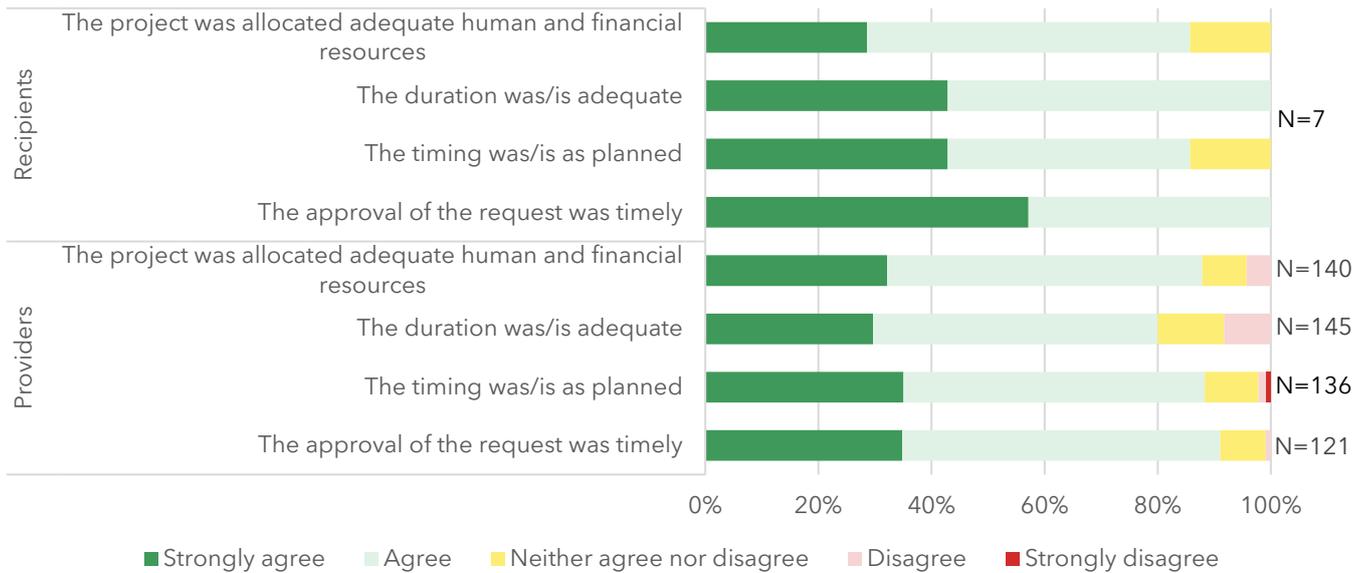


Note: One respondent mentioned: Online delivery of technical workshops significantly reduces interaction, the ability to develop key themes and understanding of the level of engagement. It is often hard to judge the audience, because there are generally many ghost participants (who are simply silent, and quite possibly carrying out their 'day job' simultaneously).

# 5 Efficiency

## CD project

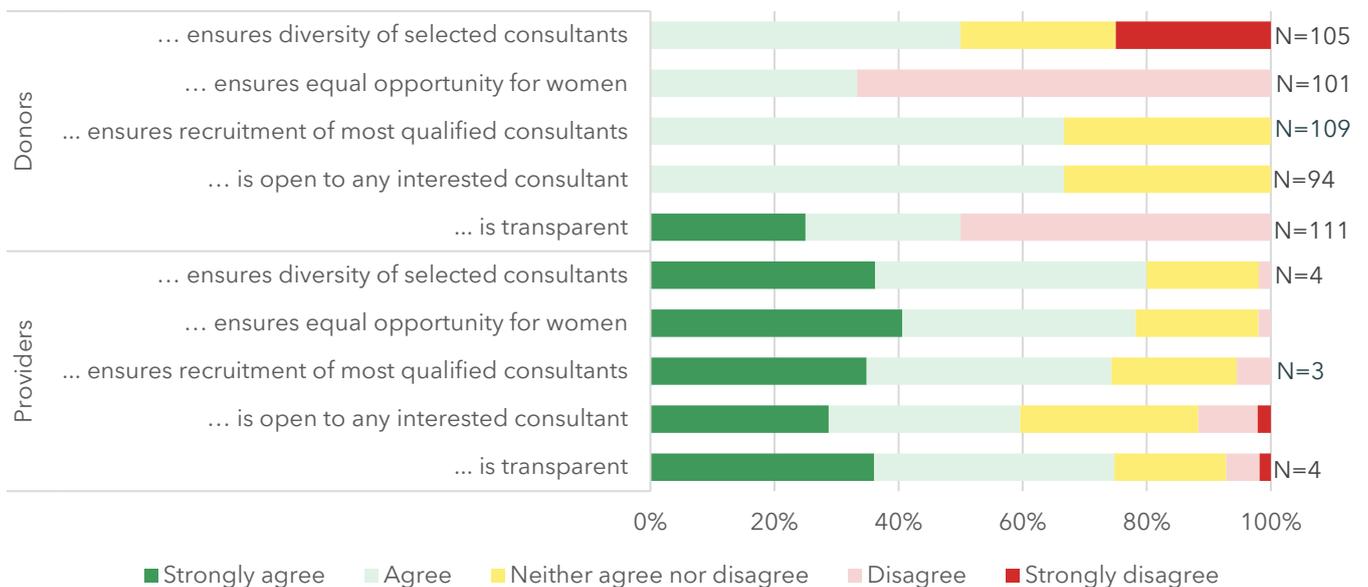
Figure 5.1 Recipients and providers seemed satisfied with the organizational set-up of CD, although some providers considered the duration inadequate (too few days)



## Recruitment

Figure 5.2 Donors and providers were relatively less positive about RMTF consultant recruitment processes

The process for hiring consultants for RMTF CD...

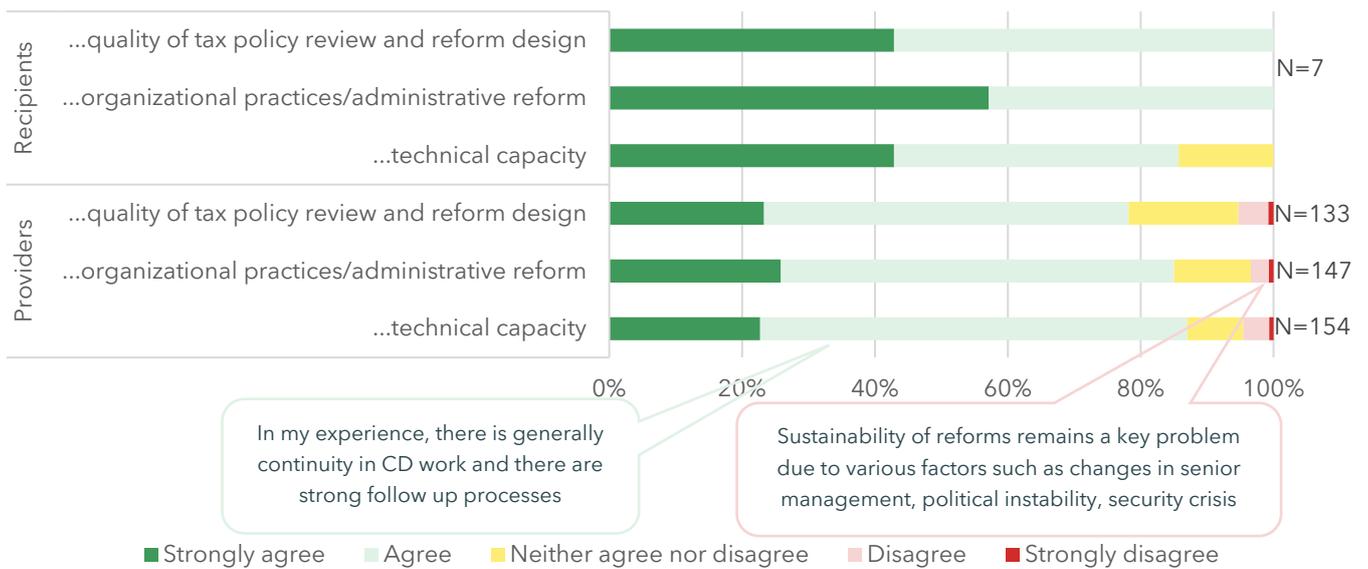


# 6 Sustainability

## Reforms

Figure 6.1 Recipients were more positive than providers about the sustainability of RMTF-supported reforms

The following reforms supported by the RMTF in the recipient country are likely to be sustainable over the medium and long term:



Note: One respondent mentioned: Sustainability of reforms remains a key problem due to various factors such as changes in senior management, political instability, security crisis. Rather than repeated training of staff, the authorities should commit to implement reasonable human resource policies, and cease in particular, discretionary and excessive staff rotations.

## Recipient capacity

Figure 6.2 Absorption capacity from a budgetary and political point of view was seen as a major issue for sustainability

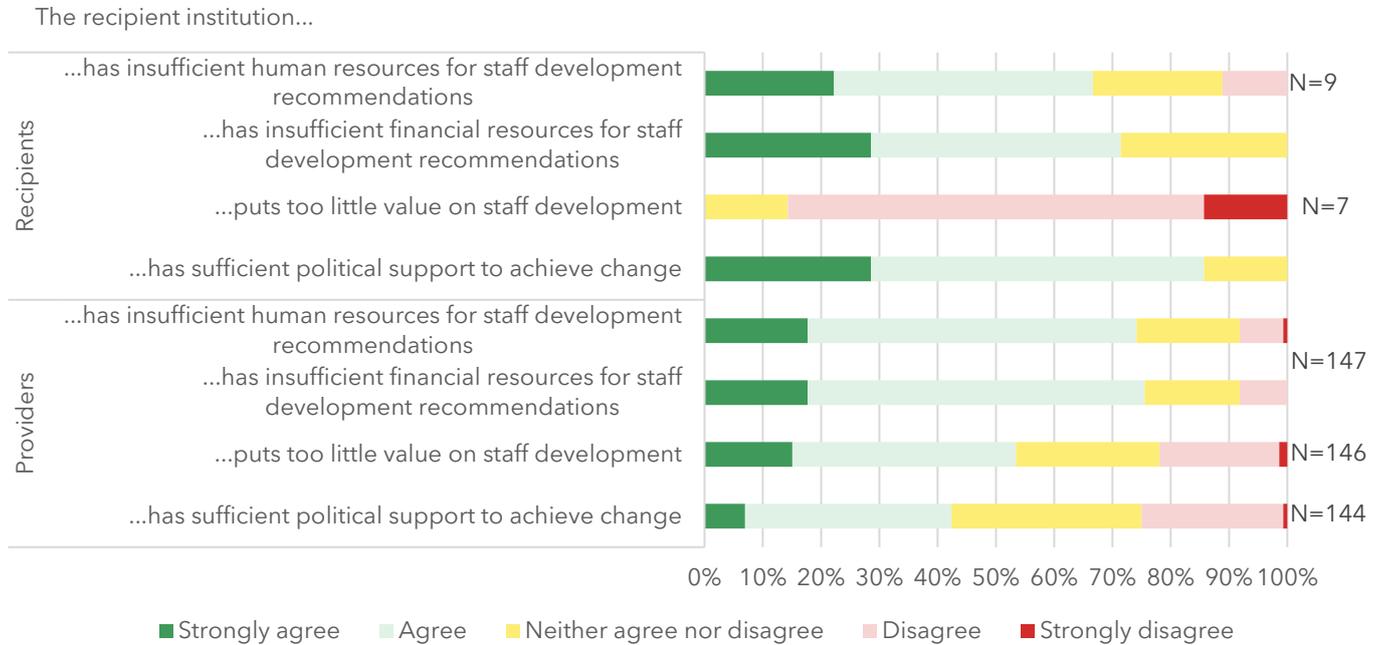
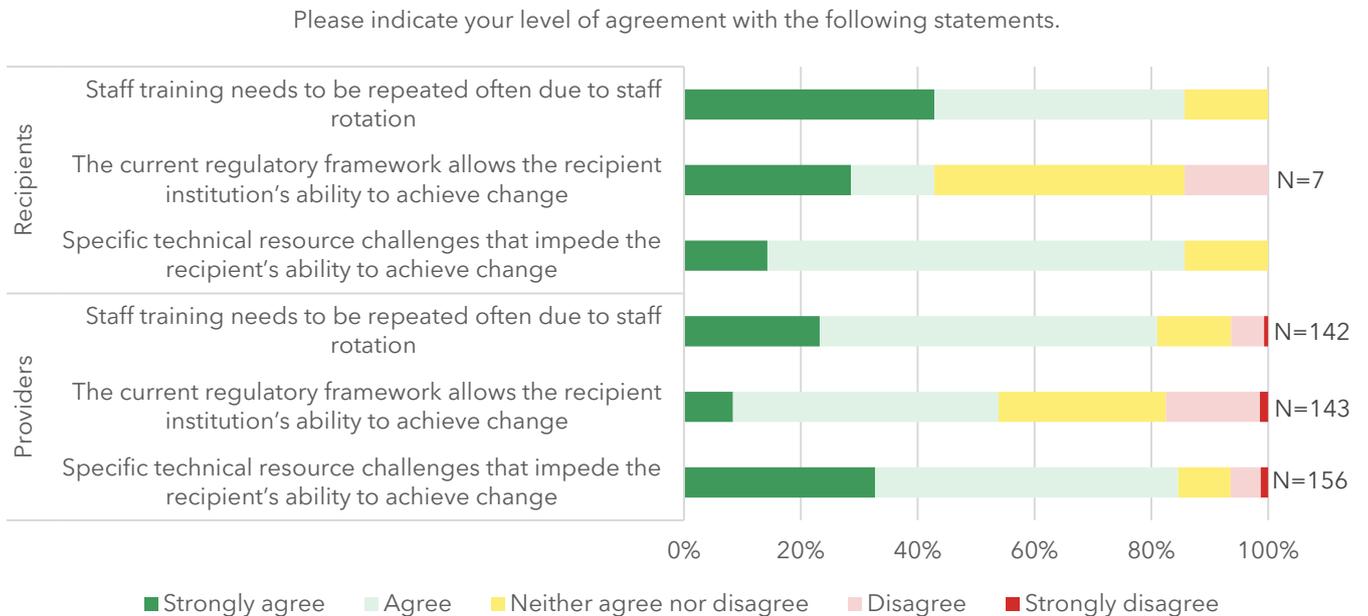
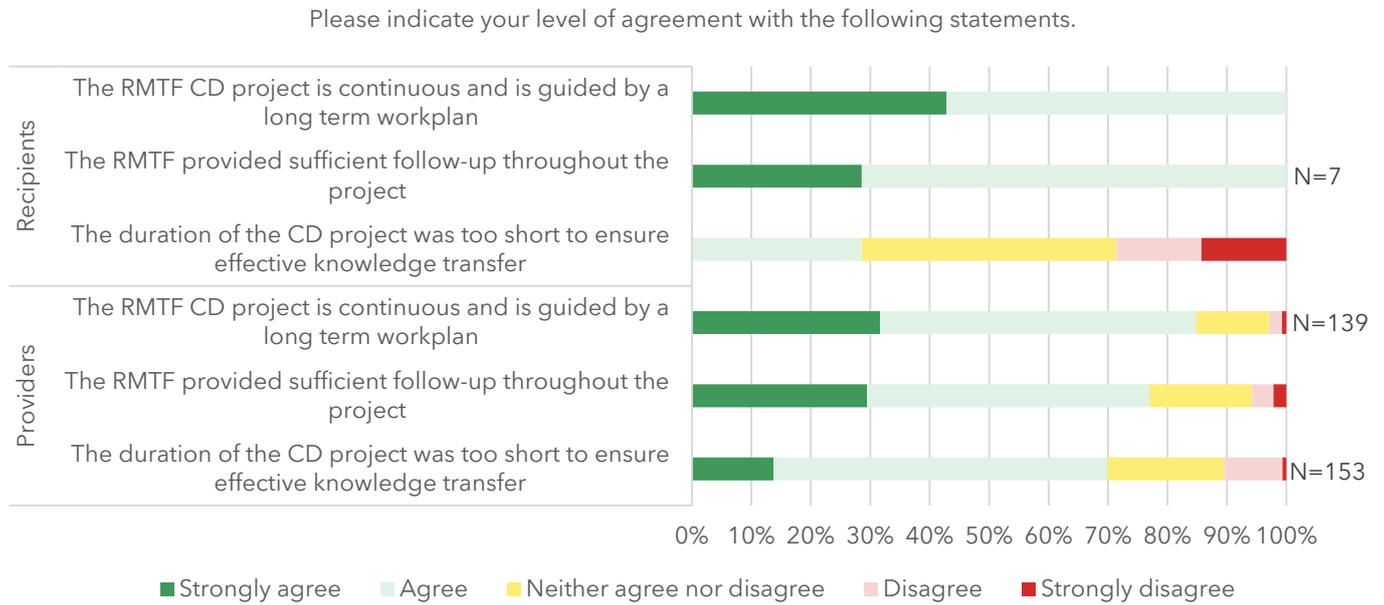


Figure 6.3 Staff rotation and technical difficulties were seen as hampering the sustainability of the RMTF's impact



## Design of the CD project

Figure 6.4 RMTF CD projects were seen as long term, but their (short) duration was flagged as a concern



## Donor interaction

Figure 6.5 Respondents (especially donors) were relatively less positive about the usefulness of the RM TF’s M&E system (RBM)

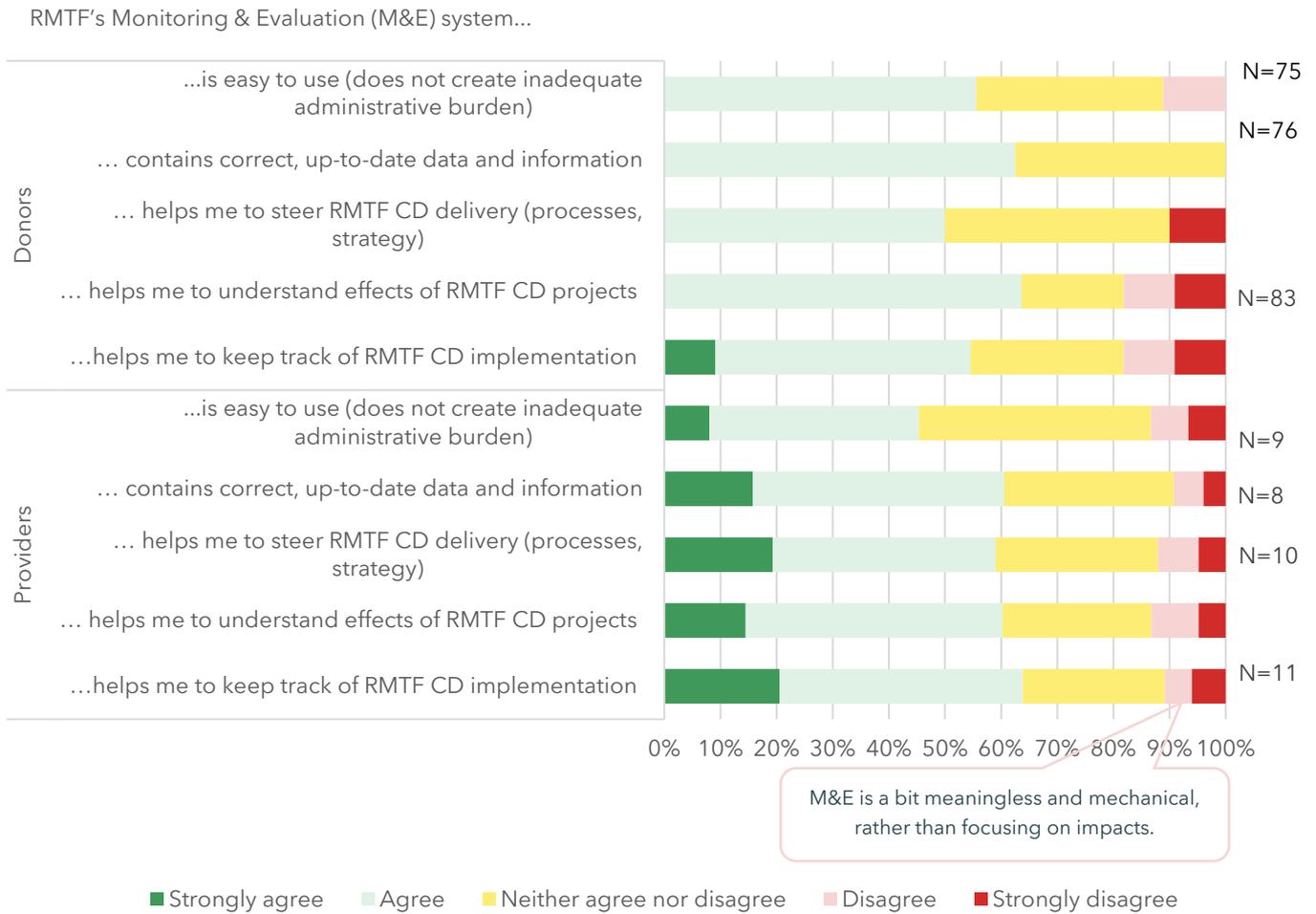
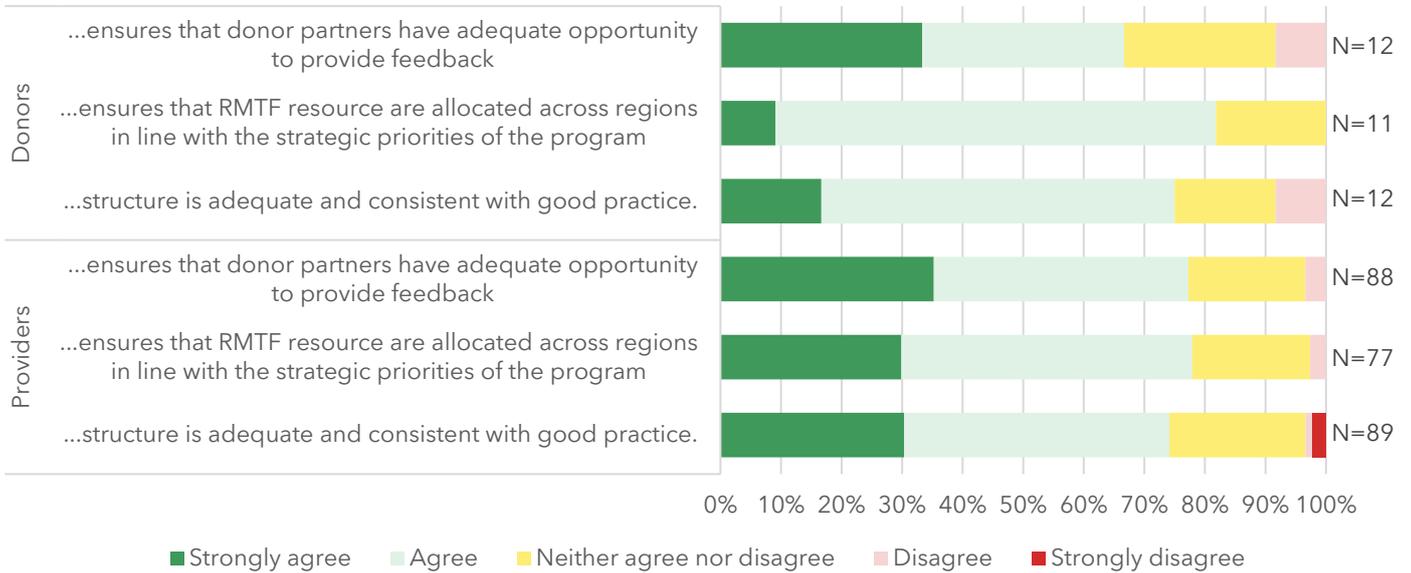


Figure 6.6 About a quarter of the respondents had mild concerns about RMTF’s governance

RMTF's governance...



# 7 Other charts

Figure 7.1 Recipient respondents seemed to prefer longer-term to short-term experts, although the small sample makes this hard to judge

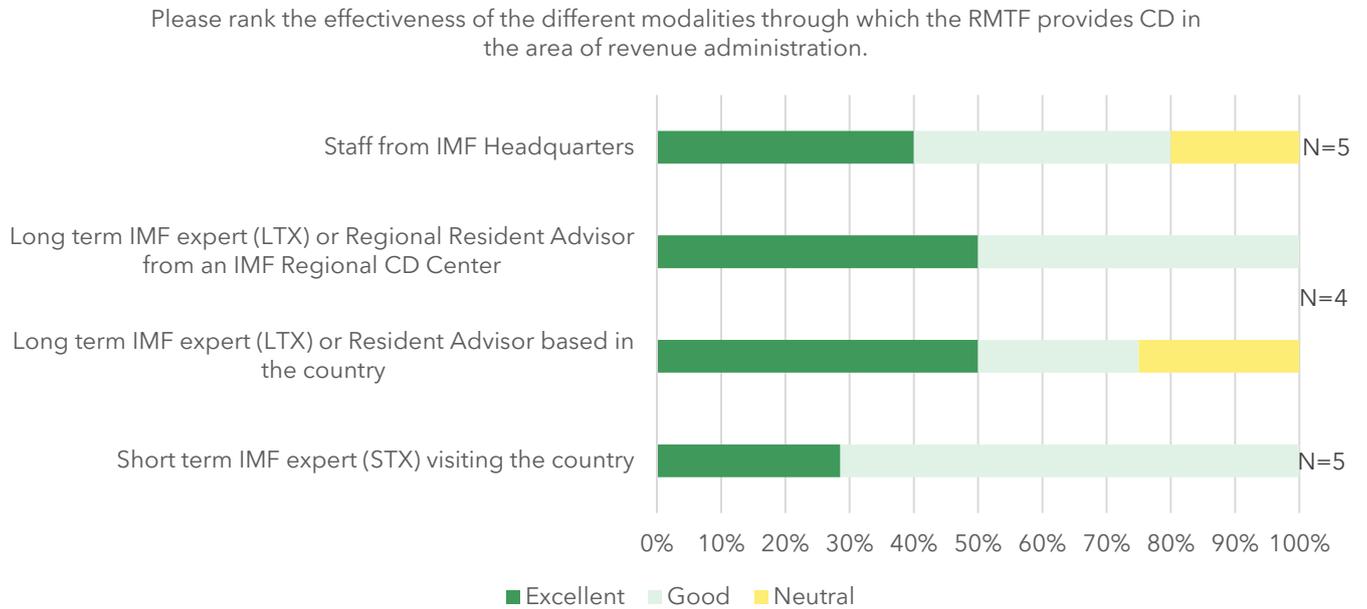


Figure 7.2 The few surveyed donors were more conservative than recipients regarding the assessment of the impact of RMTF CD

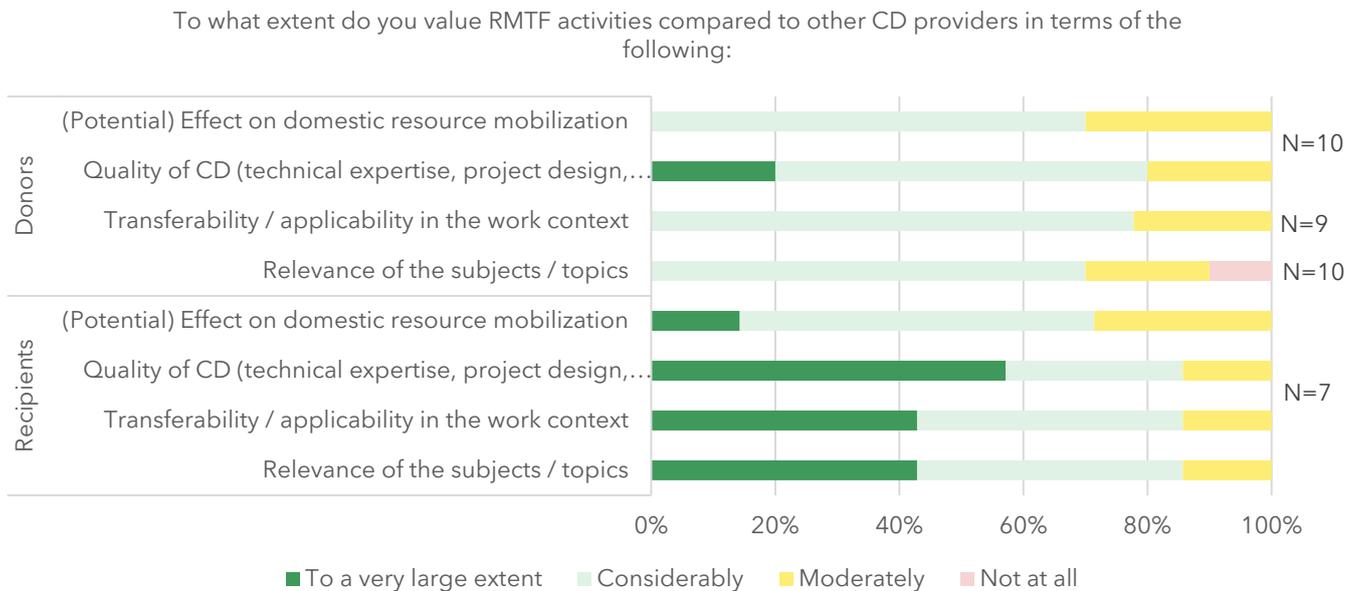


Figure 7.3 Most recipients tended to prefer RMTF CD to that of other CD providers, whilst many providers were 'unaware'.

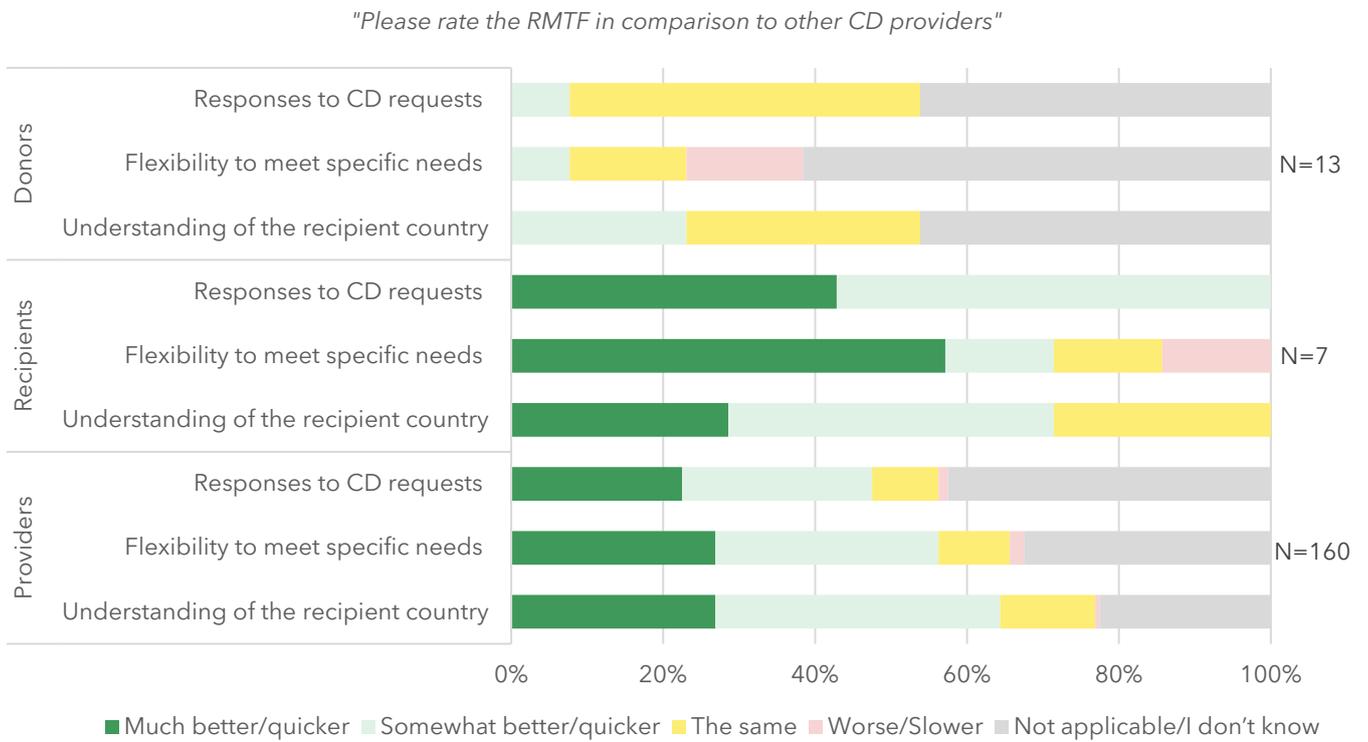


Figure 7.4 The majority of RMTF providers considered hiring and employment practices for external experts to be (much) better than those of others such as the WB

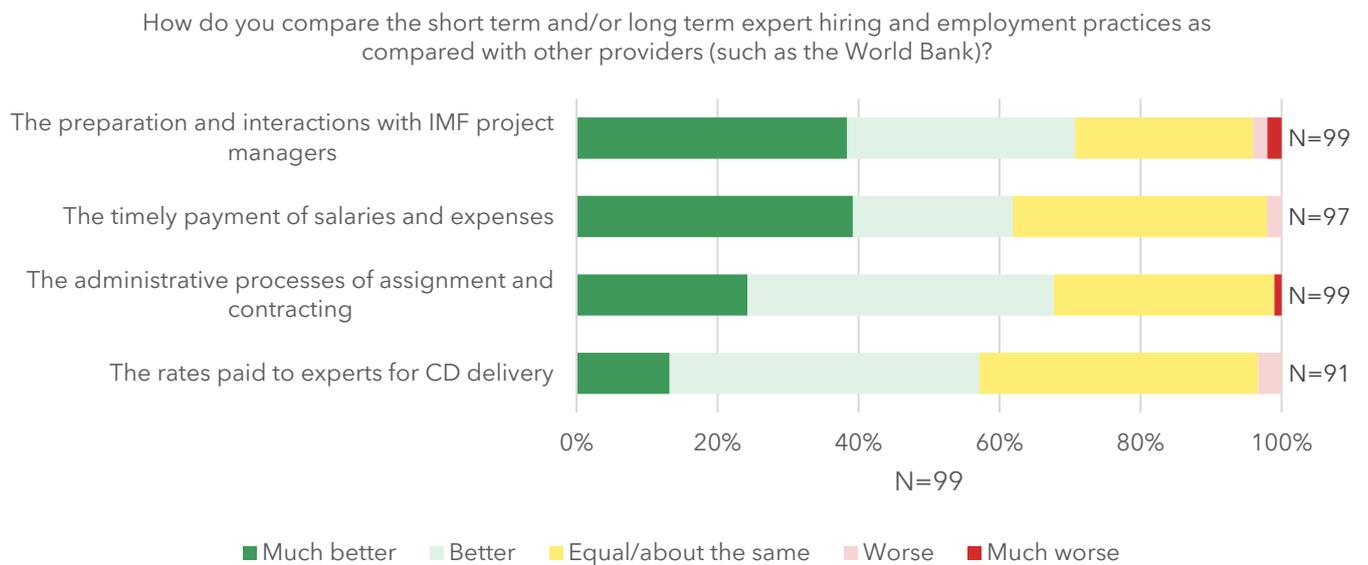


Figure 7.5 All recipients indicated to have (or to be working on) a strategic development plan

Does your institution have a strategic plan to achieve improvements in the area where it received CD?





# “Solid research, Sound advice.”

SEO Amsterdam Economics carries out independent applied economic research on behalf of national and international clients – both public institutions and private sector clients. Our research aims to make a major contribution to the decision-making processes of our clients. Originally founded by, and still affiliated with, the University of Amsterdam, SEO Amsterdam Economics is now an independent research group but retains a strong academic component. Operating on a nonprofit basis, SEO continually invests in the intellectual capital of its staff by granting them time to pursue continuing education, publish in academic journals, and participate in academic networks and conferences. As a result, our staff is fully up to date

**SEO-report nr.** 2022-129

**ISBN** 978-90-5220-243-3

## **Information & Disclaimer**

SEO Amsterdam Economics has not performed any research on the obtained information and data that would constitute an audit or due diligence. SEO is not responsible for errors or omissions in the obtained information and data.

## **Copyright © 2023 SEO Amsterdam.**

All rights reserved. Data from this report may be used in articles, studies and syllabi, provided that the source is clearly and accurately mentioned. Data in this report may not be used for commercial purposes without prior permission of the author(s). Permission can be obtained by contacting: [secretariaat@seo.nl](mailto:secretariaat@seo.nl).

Roetersstraat 29  
1018 WB, Amsterdam  
The Netherlands

**+31 20 525 1630**  
[secretariaat@seo.nl](mailto:secretariaat@seo.nl)  
[www.seo.nl/en/](http://www.seo.nl/en/)