

Foreign Private Capital Capacity Building Programme

COUNTRY CAPACITY EVALUATION: **METHODOLOGY AND** **GUIDELINES FOR PHASE 3**

Prepared by:

BCEAO, BEAC, CEMLA, DFI, MEFMI, WAIFEM

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¹ This document contains the following additions and amendments to the first draft (9/2/06):

- Revised Overview (Section 1)
- Clarification of process and the linkages between CCE and Logframe (Section 2)
- Guidelines added (Section 3) which account for agreements after Steering Committee 7 on how to deal with Investor Perception and CSR (these impact more widely on Areas I, II, V, IX, XII)
- Methodology merged into one section from two as all Areas relate to Logframe, with some outstanding edits (eg, replacing “FPC Strategy” with “Policy Action Plan” in XIII) (Section 4)
- Enhanced guidelines for converting scores from Phase 2 to 3 format based on practical experiences and PIP agreements, which are now annexed given limited applicability (Annex 1)

1. Overview

These combined Methodology and Guidelines are to assist the Participating Implementing Partners (PIP) and countries in Phase 3 of the Foreign Private Capital Capacity Building Programme (FPC CBP) to assess comprehensively their FPC monitoring and management capacity. While many features from Phase 2 remain, it has been necessary to include new Areas of assessment, and reorganise in line with donor reporting requirements. This Section summarises the main features, and outlines the rest of the Document.

Areas of assessment have increased from 12 to 14, as shown in **Table 1**.

Table 1: Phase 3 Areas of CCE Assessment

I	Capacity to Comply with International Codes and Standards
II	FPC Policy Action Plan
III	Legal and Institutional Framework
IV	Management, Supervision, and Working Environment
V	Acceptance of Data, Analysis, and Policy
VI	Trained Team Available to Monitor and Manage FPC
VII	Human Resources
VIII	Conduct of Surveys
IX	Non-Survey Reporting Mechanisms
X	Recording and Compilation
XI	FAL and Macroeconomic Analysis
XII	Investor Perception and CSR Analysis
XIII	Political Priority and Leadership
XIV	Transparency, Evaluation and Control

These Areas link directly to the Logical Framework (**Logframe**), the means by which PIPs and donors assess CBP progress. **Process** for completion remains the same as for Phase 2. Each country will prepare its own score at least twice yearly, in line with donor reporting requirements. Regional Organisations will initiate the process, and PIPs will quality control scores with each country. **Section 2** presents the process and linkages to the Logframe.

Guidelines retain most of the Phase 2 features. Each Area (except VI) has 5 *Criteria* or attributes which need to be assessed individually. Each Criterion must be given a *Score* from 1 (lowest) to 5 (highest). *Averages* may be calculated for each Area, groups of Areas, or all combined to indicate overall capacity. **Section 3** presents the revised Guidelines.

Methodology has been enhanced, yet content overlaps closely with Phase 2. The scoring system remains very clearly defined to maximise objectivity and ensure comparability over time and across countries. **Section 4** presents the revised Methodology.

NOTE FOR COUNTRIES THAT HAVE PARTICIPATED IN PHASES 2 AND 3: Countries that have participated in both Phases 2 and 3 will need on one occasion to convert their Phase 2 scores to the Phase 3 format so as to establish a consistent time series. **Annex 1** presents a reconciliation of the two formats with conversion guidelines.

HELP: if after reviewing this document there are any questions on any aspect of CCE content or procedure, please contact the Regional Organisation concerned, or DFI (see **Table 2** below).

2. Process, Use, and Links to the Logframe

2.1. When to Complete?

In addition to enabling a country to check its progress against targets, CCE is a necessary means of progress reporting to donors. Therefore CCE scores need to be updated at least twice a year, to coincide with:

- Interim Donor Report (submitted May, so scores necessary by April)
- Steering Committee Report (submitted November, so scores necessary by October)

2.2. Process

The process will be initiated and led by the respective Regional Organisation (DFI for countries not members of any such organisation). The country would either need to complete its scores and e-mail or fax them, or a CBP country mission close to the time of the Interim or Steering Committee reports would take the opportunity to verify and collect scores from NTF on-site. By region, scores would be submitted to (or advice and assistance sought from) the following:

Table 2: PIP Counterparts by Region

Region	PIP Counterpart*
BCEAO	Khaddy Beye Camara (copied to Jeannette Laouadi at DFI)
BEAC	Frank Mangouka (copied to Jeannette Laouadi at DFI)
CEMLA	Jaime Coronado (copied to Nils Bhinda at DFI)
MEFMI	Charles Assey (copied to Nils Bhinda at DFI)
WAIFEM	Momodou Foon (copied to Nils Bhinda at DFI)
* Refer to the Contact Us page on www.fpc-cbp.org .	

Once a country has submitted its scores, the relevant Regional Organisation and DFI would check, and respond to the NTF with any comments. The country would then be expected to address the comments so as to arrive at a finally agreed score.

2.3. Who Completes (Role of National Taskforce)?

As different institutions and departments will be involved in FPC management, it is therefore recommended that representative staff from within the National Taskforce are selected to complete (or at least agree) the evaluation. This is necessary to ensure that all represented public (and if applicable private) representatives have their say. The Chairman of the NTF would therefore be responsible for:

- Ensuring proper representation and that the process is transparent and inclusive
- Final approval (although in some countries this needs to be referred up to top level staff)
- Submission of scores to the relevant Regional Organisation and DFI
- Addressing comments from Regional Organisation and DFI, and submitting finalised scores

2.4. Uses of Information and Links to Logframe

Detailed Scores will form the basis of reporting to donors, and assessment by PIPs of country progress. Countries will use the Scores to highlight priority areas for improvement, progress against targets, and identify remedial actions in consultation where relevant with the FPC CBP. Summary Scores will be published (eg, in the Newsletter). Scores may also be shared with cooperating partners working closely or coordinating with the FPC CBP, such as the IMF and World Bank.

The Phase 3 Logframe presents the expected short, medium, and long-term results of the CBP, with related Performance Indicators. These will be used to monitor the progress of individual participating countries and the CBP as a whole. **Table 3** shows how the CCE Scores feed into the Logframe:

Table 3: Links between CCE and the Logframe

Logframe Results	Performance Indicators for Results	Assessed by CCE Area...
<u>Long-Term Result:</u> Participating countries maintain high level of FPC management as a result of CBP Phase 3 and other efforts	<u>Performance Indicator:</u> Number of countries showing improved overall capacity to monitor FPC	I-XIV (average)
<u>Medium Term Result 2:</u> Participating countries have strengthened their capacity to monitor and manage FPC	<u>Performance Indicator 2.1:</u> Number of countries meeting GDSS standards for FPC	I
	<u>Performance Indicator 2.2:</u> Number of countries implementing FPC Policy Action Plans	II
	<u>Performance Indicator 2.3:</u> Number of countries with high-quality legal and institutional frameworks for FPC	III-IV (average)
<u>Medium Term Result 3:</u> Increased national, regional and international awareness and acceptance of project achievements	<u>Performance Indicator 3.1:</u> Increased awareness and acceptance of data and policy recommendations produced by project	V
<u>Short Term Result 3:</u> Countries have enhanced knowledge and skills in FPC monitoring and management	<u>Performance Indicator 3.1:</u> Availability of trained personnel in countries capable of monitoring and analysing FPC	VI

Thus all 14 Areas feed into the Logframe. In reporting to donors, each country Score as well as the average capacity of all participating countries will be assessed against a **Baseline** (actual capacity level on entry into the CBP / Phase) and a **Target** (projected capacity level a country would attain over a defined period (eg, end of phase)). At the outset therefore, PIPs would have worked with countries to define their respective Baselines and Targets.

The Logframe groups these Scores into 3 **Bands** or ranges ($A \geq 3.45$; $B = 2.46 - 3.44$; and $C \leq 2.45$), with related targets for Areas, Countries, Regions, and the overall CBP. Macro (CBP/country) level Bands/Scores conceal micro (Area) level variations so it is necessary not to lose sight of the detail when assessing CCE or defining response.

3.0. Guidelines for Completing the CCE

This Section presents the Guidelines for completing the CCE, which should be consulted before and referred to while using the Methodology (**Section 4**).

3.1. Reporting Format

The full CCE template is presented as an Excel spreadsheet in **Annex 2**. It is advised that the scores be completed and submitted in **Excel**, as this facilitates calculation of average scores, and analysis. Countries are encouraged to store previous scores in the same spreadsheet so as to build up a time series, and to refer to these when completing the latest round of scores.

3.2. Overview of the Spreadsheet

As indicated earlier, the FPC management evaluation system can be used to evaluate capacity at a particular point in time, to identify gaps, causes, and steps necessary to achieve a higher level of capacity. To support this, the attached template facilitates the definition of rank, priority, gaps, recommended solutions, and institution(s) responsible.

Table 4 presents the format, with a worked example for Area I...

Table 4: CCE Format with Example for Completion

Area of Assessment	Score (1-5)	Challenge	Remedial Action	Priority (1-3)	Institution Responsible
<i>I. Capacity to Comply with International Codes & Standards</i>	<i>2.9</i>				
I.1. Knowledge and experience in latest codes and standards in BPM5 & SNA linkages	4	Advanced BOP / IIP analysis	Training; consult other countries	1	Central Bank Stats Office
I.2. Knowledge and experience in latest codes and standards (Debt Guide) in PSED	2	Lack of training Staff turnover	Train in analysis and management Retain staff	2	Central Bank
I.3. Knowledge and experience in guidelines in Investor Perceptions & CSR	2	Lack of training / awareness	Raise awareness Train staff	2	IPA Chamber
I.4. Knowledge and experience in latest codes and standards of the GDDS	3	Gaps in GDDS knowledge; no analysis	Refresh GDDS; Train in analysis	3	Stats Office Central Bank
I.5. Outcome: Country on BPM5 / SNA / Debt Guide / GDDS for external sector	3	Moving to BPM5; Debt Guide; GDDS; IP/CSR	See I.1-I.4	3	Central Bank Stats Office

Column 1: Area of Assessment.

This column lists all XIV of the Areas of Assessment with each of their related Criteria. For illustrative purposes the table above presents only for Area I, but the attached template presents for the whole CCE.

Column 2: Score (1-5)

This column is for countries to enter the scores for each Criterion. Please note:

- **Use the Methodology:** the detailed description of scores *for each Criterion* (**Section 4**) must be consulted when completing this column. These are presented in Section 4 of this document (for Areas I-VI) and Section 5 (for Areas VII-XIV). Note: descriptions for each score are written objectively, thereby minimising scope for error and subjectivity, enhancing comparability over time and across countries

- **Refer to previous scores:** for countries that have completed CCE previously, current scores should be assessed against the finally agreed previous score for each Criterion, so as to ensure consistency and facilitate judgment as to whether or to what extent progress has been made
- **Assess capacity of responsible institutions within NTF only:** some scores will be applicable to the whole NTF, others to selected institutions responsible for particular tasks. Scores should be assessed net of technical assistance, and based on the capacity of the institution responsible (or the average capacity of institutions combined where applicable), as identified in Column 6. Scores should not be calculated with respect to institutions that would not be expected to be involved in particular tasks (eg, knowledge of BPM5 and GDDS would usually be assessed for the Central Bank and / or Statistics Office, but not for other NTF members such as a private chamber or Investment Promotion Agency)
- **Score between 1-5:** referring to the Methodology in Section 4, please score each Criterion from 1 to 5. For simplicity please use whole numbers as much as possible. On the occasion where a Criterion falls between two defined scores, please use a one decimal place split
- **Calculate the Area average:** once all Criteria have been completed, calculate the Area average score, which can be presented to one decimal place. All Areas have 5 Criterion, except for VI, which only has one.

Note: a few Criteria will not be applicable to all countries. Specifically this is with respect to whether or not countries monitor investor perception and CSR. This applies to **Areas I (I.3); II (II.3); V (V.2 & 4); IX (IX.2 & 3); XII (XII.1-5)**. Thus for countries covering:

- **Both IP and CSR:** all Criteria in all Areas need to be completed and Area averages calculated accordingly
- **IP only:** for **Areas I, II, and V** complete I.3, II.3, V.2, and V.4 with respect to IP only and divide each Area total by 5; for **Areas IX and XII** omit answering IX.3 and XII.3, answer XII.5 with respect to IP only, and divide each Area total by 4
- **CSR only:** for **Areas I, II, and V** complete I.3, II.3, V.2, and V.4 with respect to CSR only and divide each Area total by 5; for **Areas IX and XII** omit answering IX.2 and XII.2, answer XII.5 with respect to CSR only, and divide each Area total by 4
- **Neither IP nor CSR:** I.3; II.3; V.2; V.4; IX.2; IX.3; XII.1-5 are not relevant, and Area averages should be calculated as follows: for **Areas I, II:** divide each Area total by 4; for **Areas V and IX:** divide each Area total by 3. **Area XII** would not be completed, and average score for all Areas combined would therefore be based on the remaining 13 Areas only

Example for completing Column 2:

In the table above, this country has given itself scores based on the following justifications (see Section 4):

- I.1 = 4: this Criterion has been completed on the part of the Central Bank and Statistics Office only, as the only two applicable agencies in the NTF. With reference to Section 4, we see that the country feels that while its staff have average experience of less than 5 years in BPM5 and SNA linkages, they are sufficiently trained and qualified to perform BOP/IIP management functions and basic BOP/IIP analysis
- I.2 = 2: this Criterion has been completed on the part of the Central Bank only, as in this example the agency directly responsible for private sector external debt monitoring. With reference to Section 4, we see that capacity is fairly low – staff have average experience of less than 2 years and are not sufficiently trained or qualified
- I.3 = 2: this Criterion has been completed on the part of the Investment Promotion Agency and Chamber of Employers only as the directly applicable agencies on the NTF. With

reference to Section 4, we see that this is a relatively new area for this country as the IPA and Chamber combined have less than 2 years relevant experience and insufficient training

- Etc

This has generated an **Area I average score of 2.9**, which can now be compared against Baseline and Target scores, as part of a trend taking into account any previous scores.

Column 3: Challenges / Column 4: Remedial Actions

Column 3 is for the country to highlight major challenges hindering attainment of sustainable capacity for each Criterion. This is necessary to generate resolutions (Column 4), which would be the subject of discussion with PIPs and donors in identifying how best to build capacity or overcome bottlenecks:

- **Prioritise key strategic and technical areas:** the country must ensure that this is completed, especially for Criteria where current capacity is low, and (in the case of Areas I-VI) where it falls short of its Logframe Target scores
- **Identify challenges from the methodology:** it should be straightforward to identify the challenges from the score given in Column 2 with reference to the wording in the Methodology in Sections 4 and 5. (Note: countries are encouraged to think well beyond financial constraints to focus instead issues relating to institutions, coordination, technical capacity, human resources etc)
- **Match each challenge with a remedy:** once Column 3 has been completed, it should be easy to complete Column 4 with respect to remedial actions. For every challenge identified, the country should identify at least one resolution

Example for Completing Columns 3 and 4:

In the table above, the country has made reference to the Methodology in Section 4, and completed Columns 3 and 4 on the following reasoning:

- I.1 (Score = 4) highlights challenges to overcome to attain a score of 5
- I.2 (Score = 2) highlights challenges to overcome to attain a score of 4 or above
- I.3 (Score = 2) highlights challenges to overcome to attain a score of 4 or above
- I.4 (Score = 3) highlights challenges to overcome to attain a score of 4 or above
- I.5 (Score = 3) highlights challenges to overcome to attain a score of 4 or above

In completing the remedial actions:

- I.1-I.4: for each Criterion these relate directly to the challenge highlighted, and provide the basis for practical discussion by NTF with PIPs and donors (eg, awareness creation, training, human resources...)
- I.5: it was not necessary to indicate action because this is an outcome whose actions are summed up in the previous Criteria

Column 5: Priority (1-3)

Each Criterion should be assigned a priority ranging from 1 (low) to 3 (high). Countries should refer to the following guidelines:

- **Consider relative priorities:** it would be very easy to assign every Criterion a high priority, but this would not be helpful in designing remedial action plans. Countries are therefore urged to review Criteria within each Area as a group, and consider priorities relatively
- **Take account of Targets:** countries must refer to their Targets (for Areas I-VI, these are given in the Logframe; but countries may also have established internal targets for Areas VII-

XIV). If for example a score falls well short of the Target, then by definition it would be attached a higher priority

- **Prioritise:** based on considerations of relative priority and meeting targets, attach a priority to each Criterion: 1 (low), or 2 (medium) or 3 (high)

Example for Completing Column 5:

The example in the table above shows that the country has defined its relative priorities, so as to define clear response. This might be based on the following considerations:

- Top priorities are Criteria I.4 and I.5, which have moderate scores, because this country recently signed up to IMF GDDS, and is committed to reporting in line with latest codes and standards
- Medium priorities are Criteria I.2 and I.3. Although these have lowest scores in this Area, this country does not identify PSED and CSR as a priority at this stage, and is therefore seeking to focus its efforts on aggregate FAL (Note: a country already performing strongly on FAL would likely want to prioritise efforts and resources to PSED and CSR)
- Low priority is Criterion I.1. The score is highest in this Area and the country deems that it is either well on track to attaining, or already meets its Target

Column 6: Responsible Party/ies

As discussed with reference to Column 2 above, the CCE needs to be completed with respect to the institutions that are directly responsible, and this is very likely to vary across Areas. Those completing the CCE therefore need to take into account the division of responsibilities agreed between each institution participating in the National Taskforce in defining the responsible parties. Usually this will relate to some form of Inter-Institutional Agreement or Memorandum of Understanding signed between the agencies, and may include both public and private bodies.

Example for Completing Column 6:

In the example above, the National Taskforce consists of the Central Bank, Statistics Office, Investment Promotion Agency, and Chamber of Commerce and Industry:

- The Central Bank and Statistics Office are both signed up to the GDDS and it is in the interests of both to meet related codes and standards of BPM5, SNA etc. Hence these are the responsible parties for Criteria I.1, I.4 and I.5
- The Central Bank is solely responsible for private sector external debt, as reflected for Criterion I.2 (Note: in some countries, this might be the Ministry of Finance)
- The Investment Promotion Agency and Chamber are both directly interested in and leading on investor perception and corporate social responsibility issues, as reflected for Criterion I.4 (Note: in some countries, this might include line ministries such as for Trade and Industry, Tourism, etc)

4. Methodology for Completing the CCE

This Section presents the Methodology for completing the CCE, and should be consulted alongside the Guidelines in **Section 3** when completing or updating the CCE spreadsheet. For convenience, it repeats some of the Guidelines in Section 3 with respect to IP and CSR.

<i>CCE Area I</i>	Capacity to Comply with International Codes and Standards
<i>Medium Term Result 2</i>	Participating countries have strengthened their capacity to monitor and manage FPC
<i>Performance Indicator 2.1</i>	Number of countries meeting GDDS standards for FPC

Technical capacity in BOP, PSED, IIP, IP, CSR and GDDS is required to monitor broad FPC areas at international codes & standards. The outcome of this would be the country reporting to stakeholders on BPM5/SNA/Debt Guide/GDDS standards. Therefore, the following are required:

1. Knowledge and experience in latest codes and standards in BPM5 & SNA linkages
2. Knowledge and experience in latest codes and standards (Debt Guide) in PSED
3. Knowledge and experience in guidelines in Investor Perceptions & CSR*
4. Knowledge and experience in latest codes and standards of the GDDS
5. Outcome: Country on BPM5/SNA/Debt Guide/GDDS for external sector

** Countries covering either IP or CSR only should complete I.3 with respect to IP or CSR only, and derive the Area I average score based on all 5 Criteria. Countries covering neither IP nor CSR should omit answering I.3 and derive the Area I average score based on the other 4 Criteria.*

The Criteria taken into account in the evaluation are therefore:

1. Knowledge and experience in latest codes and standards in BPM5 & SNA linkages

1. Average length of experience less than 1 year, with poor qualifications and no training
2. Average length of experience less than 2 years, insufficient training or qualifications for most staff to carry out even basic BOP/IIP management functions (data gathering, compilation, analysis, dissemination).
3. Average staff experience less than 3 years, not enough training or qualifications for all basic BOP/IIP management functions to be successfully performed, virtually no analytical training.
4. Average staff experience less than 5 years, adequate training and qualifications to carry out all basic BOP/IIP management functions and basic BOP/IIP analysis.
5. Average staff experience over 5 years, sufficient training to carry out all BOP/IIP management functions including advanced analysis (see Area IX).

2. Knowledge and experience in latest codes and standards (Debt Guide) in PSED

1. Average length of experience less than 1 year, with poor qualifications and no training.
2. Average length of experience less than 2 years, insufficient training or qualifications for most staff to carry out even basic PSED management functions.

3. Average staff experience less than 3 years, not enough training or qualifications for all basic PSED management functions to be successfully performed, virtually no analytical training.
4. Average staff experience less than 5 years, adequate training and qualifications to carry out all basic PSED management functions and basic BOP/IIP analysis.
5. Average staff experience over 5 years, sufficient training to carry out all BOP/IIP/PSED management functions including advanced analysis

3. Knowledge and experience in latest guidelines in Investor Perceptions & CSR

1. Average length of experience less than 1 year, with poor qualifications and no training.
2. Average length of experience less than 2 years, insufficient training or qualifications for most staff to carry out even basic IP & CSR management functions.
3. Average staff experience less than 3 years, not enough training or qualifications for all basic IP & CSR management functions to be successfully performed, virtually no analytical training.
4. Average staff experience less than 5 years, adequate training and qualifications to carry out all basic IP & CSR management functions and basic analysis.
5. Average staff experience over 5 years, sufficient training to carry out all IP & CSR management functions including advanced analysis.

4. Knowledge and experience in latest codes and standards of the GDDS

1. Average length of experience less than 1 year, with poor qualifications and no training.
2. Average length of experience less than 2 years, insufficient training or qualifications for most staff to carry out even basic GDDS reporting.
3. Average staff experience less than 3 years, not enough training or qualifications for all basic GDDS reporting functions to be successfully performed, virtually no analytical training.
4. Average staff experience less than 5 years, adequate training and qualifications to carry out all basic GDDS reporting functions and analysis.
5. Average staff experience over 5 years, sufficient training to carry out all GDDS reporting functions including advanced analysis.

5. Outcome: Country on BPM5/SNA/Debt Guide/GDDS for external sector

1. BOP/PSED/IIP data monitored on BPM4 standards; IP/CSR not monitored
2. BOP/PSED/IIP data monitored on BPM4 standards; IP but not CSR monitored
3. BOP/PSED/IIP monitored on BPM4-transition-to-BPM5/SNA standards; IP and CSR monitored
4. BOP/PSED/IIP monitored on BPM5/SNA/Debt Guide/GDDS, but not all standards are met; IP and CSR monitored
5. BOP/PSED/IIP monitored on full BPM5/SNA/Debt Guide/GDDS standards; IP and CSR monitored

CCE Area II	FPC Policy Action Plan
<i>Medium Term Result 2</i>	Participating countries have strengthened their capacity to monitor and manage FPC
<i>Performance Indicator 2.2</i>	Number of countries implementing FPC Policy Action Plans

In order to design and implement a Policy Action Plan, countries need to ensure they have in place effective coordination mechanisms among the relevant agencies. This is reflected in the quality of the different parts of the overall Policy Action Plan, in particular with respect to FAL, to Investor Perception, and to Corporate Social Responsibility. Countries also need to ensure that action plans are disseminated effectively among NTF represented agencies and departments, to interested national agencies and departments not represented on the National Taskforce, as well as to strategic organisations at regional, and international levels. Finally, countries need to ensure that the Policy Action Plans are put into effect among NTF represented agencies, on a wider national level, and by strategic organisations on regional and international levels.

Countries should therefore be assessed on:

1. Effectiveness of coordinating bodies in generating a FPC Policy Action Plan
2. Quality of FAL and macroeconomic part of Policy Action Plan
3. Quality of IP and CSR part of Policy Action Plan*
4. Dissemination of Policy Action Plan
5. Execution of Policy Action Plan

** Countries covering either IP or CSR only should complete II.3 with respect to IP or CSR only, and derive the Area I average score based on all 5 Criteria. Countries covering neither IP nor CSR should omit answering II.3 and derive the Area II average score based on the other 4 Criteria.*

The Criteria taken into account in the evaluation are therefore:

1. Effectiveness of coordinating bodies in generating a FPC Policy Action Plan

1. No Policy Action Plan
2. Poor working relationship with scope for major improvements
3. Formal co-ordination
4. Good working relationship with some scope for improvement in efficiency
5. Well-coordinated and efficient exchange of information, with all relevant agencies involved, smooth flow of information, well prepared team.

2. Quality of FAL and macroeconomic part of Policy Action Plan

1. Not included in Policy Action Plan
2. Poor – partially done
3. Adequate – basics done well but infrequently
4. Good – basics done well regularly
5. Excellent – basics and advanced done well regularly

3. Quality of IP and CSR part of Policy Action Plan

1. Not included in Policy Action Plan
2. Poor – partially done
3. Adequate – basics done well but infrequently
4. Good – basics done well regularly
5. Excellent – basics and advanced done well regularly

4. Dissemination of Policy Action Plan

1. No dissemination
2. Dissemination among departments represented on NTF only
3. Full national dissemination (including non-NTF) and partial regional dissemination
4. Full national and regional dissemination, but partial international dissemination
5. Full national, regional, and international dissemination

5. Execution of Policy Action Plan

1. No execution
2. Execution by departments represented on NTF only
3. Full national execution (including non-NTF) and partial regional execution
4. Full national and regional execution, but partial international execution
5. Full national, regional, and international execution

<i>CCE Area III</i>	Legal and Institutional Framework
<i>Medium Term Result 2</i>	Participating countries have strengthened their capacity to monitor and manage FPC
<i>Performance Indicator 2.3 (also CCE Area IV)</i>	Number of countries with high-quality legal and institutional frameworks for FPC

Experience across many countries indicates that there is no a priori superior institutional structure for FPC management. In some countries, it has been possible to centralise all core FPC managing functions in one agency, but most countries spread them among different agencies, due to legal mandate, institutional and historical reasons (for example, FPC analysis by the Central Bank; FPC data gathering & compilation by the Statistics Bureau; and Investment Boards for investment facilitation and promotion). To best use available legal and institutional resources, including Investment Promotion Agencies & Private Sector Associations, requires more units/institutions to be involved. Also, institutional arrangements should focus on minimising duplication (eg. by merging BOP and Investor perception questions into 1 survey) but also in coordinating survey efforts.

Whatever the division of labour, an efficient institutional structure should meet five key Criteria:

1. Clear institutional and departmental responsibilities, which are defined by law, are comprehensive and up to date in covering all executive, management and technical

functions, minimize duplication among agencies, and are supported by clear implementing regulations.

2. Comprehensive and consistent provisions (and implementing regulations) on private sector obligations and/between data confidentiality by public sector, and concomitant penalties / fees.
3. Comprehensive and high-quality legal provisions (and implementing regulations) on publication and provision of public information on all major aspects of FPC monitoring and analysis.
4. Clear coordinating mechanisms, focusing also on coordinating national survey efforts thereby minimizing duplication and overlap at political and technical levels, supported by procedures to ensure recommendations are transmitted between them, and flexible mechanisms to deal with issues in more detail.
5. Comprehensive, clear and detailed regulations requiring information flow among agencies.

The Criteria taken into account in the evaluation are therefore:

1. Clear institutional and departmental responsibilities for FPC monitoring and analysis

1. The responsibilities and functions of the various agencies are not supported by legal instruments/regulations or decrees of implementation/memoranda of understanding or terms of reference.
2. The functions of some but not most agencies are specified; these are not comprehensive or up to date, do not avoid duplication among agencies, AND are not supported by appropriate legislation/regulations or decrees/memoranda of understanding or terms of reference.
3. The responsibilities and functions of the main agencies are supported by legal or other instruments but some elements are either not comprehensive, or not up to date, or not minimizing duplication. Appropriate legislation/regulations or decrees/memoranda of understanding or terms of reference exist for some agencies but have the same faults.
4. There are clear, comprehensive and up to date legal or other instruments for the institutional and departmental responsibilities of all agencies, but the appropriate legislation/regulations or decrees memoranda of understanding or terms of reference are not always in place or are faulty.
5. The responsibilities and functions of all agencies are supported by legal or other instruments and legislation/regulations or decrees/memoranda of understanding or terms of reference which cover all functions while minimizing duplication, and which are flexible and practical (rather than bureaucratic) in order to adapt to new circumstances.

2. Comprehensiveness and consistency of law/legal provision on private sector obligations and/between data confidentiality by public sector, and concomitant penalties/fees

1. There are no legal provisions defining requirements for private sector obligations/data confidentiality by public sector. There are no penalties/fees on individual data divulging by public sector, nor any sanctions on private sector providing misleading or no information.
2. There are legal provisions defining requirements for private sector obligations/data confidentiality by public sector, but lack

comprehensiveness/clarity/are not up to date/have no appropriate regulations. There are penalties/fees for only one party (public or private sector) in the legislation.

3. There are clear and consistent legal provisions defining requirements for private sector obligations/data confidentiality by public sector, which lack somewhat in comprehensiveness/do not all have appropriate regulations. There are consistent penalties/fines for both public and private sector in the legislation but appropriate regulations may not exist or do not always quote all relevant Acts or sanctions.
4. There are clear and consistent legal provisions defining requirements for private sector obligations/data confidentiality by public sector, but regulations are not all clear/comprehensive. Those that exist do quote relevant Acts and penalties/fines.
5. There are high-quality laws defining requirements for private sector obligations/data confidentiality by public sector, supported by high-quality regulations.

3. Comprehensiveness and quality of law / legal provision on publication and provision of public information on all major aspects of FPC monitoring and analysis

1. There are no legal provisions on publication and provision of public information on all major aspects of FPC monitoring and analysis.
2. There are legal provisions defining requirements for publication and provision of public information on all major aspects of FPC monitoring and analysis, but lack comprehensiveness/clarity/are not up to date/have no appropriate regulations.
3. There are clear and consistent legal provisions defining requirements for publication and provision of public information on all major aspects of FPC monitoring and analysis, which lack somewhat in comprehensiveness/do not all have appropriate regulations.
4. There are clear and consistent legal provisions defining requirements for publication and provision of public information on all major aspects of FPC monitoring and analysis, but regulations are not all clear/comprehensive.
5. There are high-quality laws defining requirements for publication and provision of public information on all major aspects of FPC monitoring and analysis, supported by high-quality regulations.

4. Coordination mechanism among agencies

1. There are no coordinating mechanisms for FPC monitoring & analysis at political and technical levels.
2. There are coordinating mechanisms for FPC monitoring & analysis, but responsibilities are not clearly defined, some units are not included, some aspects of FPC monitoring & analysis are not covered, and the supporting regulations/other instruments are not appropriate.
3. There are clear coordinating mechanisms, which include all the necessary agencies but some aspects of FPC management are not covered, and the supporting regulations/other instruments are not appropriate. These coordinating mechanisms focus only on FPC management, and do not feed into or consider broader statistical priorities.

4. There are clear coordinating mechanisms at either the political or the technical level, which covers all aspects of FPC monitoring & analysis and are supported by clear regulations/other instruments. Broader statistical priorities are considered, but mechanisms do not exist to ensure that necessary actions/recommendations are always transmitted to other statistical mechanisms on national statistical priorities; or to policy-makers or technicians on FPC issues.
5. There are clear coordinating mechanisms at both political and technical levels, with working groups to deal with issues, which need more detailed vertical or horizontal liaison. Each mechanism has a head and secretary, to ensure that all necessary actions are recommended to other policy-makers/technicians on FPC specific but also wider national statistical priorities.

5. Regulations on information flows among agencies

1. There are no regulations/other instruments for information flow among agencies.
2. There are regulations/other instruments for information flow among agencies, but these are not comprehensive, not clear or sufficiently detailed, and not up to date.
3. The regulations/other instruments for information flow among agencies lack two of the above characteristics.
4. The regulations/other instruments for information flow among agencies lack one of the above characteristics.
5. The regulations for information flow among agencies are comprehensive, clear/detailed, and up to date.

<i>CCE Area IV</i>	Management, Supervision, and Working Environment
<i>Medium Term Result 2</i>	Participating countries have strengthened their capacity to monitor and manage FPC
<i>Performance Indicator 2.3 (also CCE Area III)</i>	Number of countries with high-quality legal and institutional frameworks for FPC

In addition to efficient human resource management, all FPC management unit(s) needs good working conditions and procedures, supported by continual capacity building in order to overcome staff changes and upgrade skills in line with the latest technology. For example, these units may include the NTF, and teams within or related to it such as a Software Team, and Analysis and Report Writing Team, etc.

Management should also consider the effects of and progress on other national statistical efforts, so as to avoid duplication (merging surveys where relevant, considering maximising timing of FPC surveys within a roster of national survey implementation, etc) and to create synergies (eg. placing simple exploratory FAL questions in national business enterprise surveys to improve sampling frameworks). Therefore the following must be achieved for FPC monitoring and management units:

1. Approved, recorded, transparent and operational procedures manual.
2. Constant work planning and monitoring

3. Capacity-building plans which are systematically updated and fully implemented
4. Regular meetings of nominated NTF members and excellent information flows within and among units
5. Excellent working conditions: equipment, office space, supplies and electricity.

The Criteria taken into account in the evaluation are therefore:

1. Work unit systems and procedures

1. There are no manuals of procedures
2. The majority of work units do not have manuals of procedures
3. Most work units have procedures manuals, but these are not always fully approved or recorded, and are rarely transparent or operational
4. All work units have approved and recorded procedures manuals, but these are not always fully transparent or operational
5. There are approved, recorded, transparent and operational procedures manuals for all the work units

2. Work planning and monitoring

1. There is no work planning.
2. Work planning is not updated and there is no mechanism for monitoring compliance.
3. Work planning is updated occasionally, but with no monitoring mechanism.
4. Work planning is updated regularly, but the monitoring mechanism is inadequate.
5. Work planning is updated regularly and the monitoring mechanism works well.

3. Capacity-building plans

1. There is no capacity building plan
2. There are capacity-building plans in place which are not updated and not implemented
3. Capacity-building plans are updated and implemented on an ad hoc basis.
4. Capacity-building plans are systematically updated or implemented (not both).
5. Capacity-building plans are systematically updated and fully implemented.

4. Effectiveness of coordination/adequacy of information flows within and among FPC management units

1. Work units never meet. Information does not flow at all.
2. Work units meet less than quarterly. The flow of information is very poor.
3. Work units meet less than once a month. Adequate flow of information within units, insufficient among units. Work units do not consider wider statistical priorities.
4. Work units meet monthly to coordinate their actions on FPC and within the national survey roster; but also to consider its effects on national statistical priorities. Information flows correctly among and within units, but not always on time and comprehensively.

5. Work units meet monthly or more often and coordinate FPC within a national survey roster that reflects the priorities and strategic statistical plan of the country. Conclusions are implemented. Information flows smoothly among and within units, on time and comprehensively.

5. Adequacy of working environment

1. Very poor working conditions: virtually no computers and other equipment, overcrowded office space, supplies/stationery/electricity almost nonexistent.
2. Working conditions inadequate: equipment and computers insufficient/out of date, insufficient/inappropriate office space, frequent shortage of supplies/energy.
3. Adequate working conditions: equipment sufficient but needs upgrading, office space adequate but poorly furnished/configured, supplies sometimes short.
4. Good working conditions: equipment updated but not optimally configured, office space adequate but not optimally configured, occasional short supplies
5. Excellent working conditions: equipment and office space fully fitted to the need of the users, full availability of supplies and electricity.

CCE Area V	Acceptance of Data, Analysis, and Policy
<i>Medium Term Result 3</i>	Participating countries have strengthened their capacity to monitor and manage FPC
<i>Performance Indicator 3.1</i>	Number of countries with high-quality legal and institutional frameworks for FPC

Once high quality data and analysis and resulting Policy Action Plans have been prepared, they need to be accepted, so that the results of the exercise may be put to use in the most effective ways possible, by relevant groups. This is a key challenge within the NTF, at a wider national level, in regional forums, and at the international level. Acceptance by national, regional, and international organisations of:

1. FAL data
2. IP and CSR data*
3. FAL and macroeconomic analysis
4. IP and CSR analysis*
5. Policy Action Plans

** Countries covering either IP or CSR only should complete V.2 and V.4 with respect to IP or CSR only, and derive the Area V average score based on all 5 Criteria. Countries covering neither IP nor CSR should omit answering V.2 and V.4, and derive the Area V average score based on the other 3 Criteria.*

The Criteria taken into account in the evaluation are therefore:

1. Acceptance of FAL data

1. No Acceptance.
2. NTF meets and accepts the data, but no acceptance beyond NTF.

3. Data accepted by NTF and other interested national institutions
4. Data fully accepted at national level, and partially at regional level (BCEAO and BEAC Regions (CEMAC, UEMOA); CEMLA Region (CEPAL, CARICOM); MEFMI Region (SADC, EAC, COMESA); WAIFEM Region (WAMZ)).
5. Data fully reconciled and published at national, regional, and international levels (IMF BOPSY, UNCTAD WIR, BWI Programme Documents, IFC, BIS).

2. Acceptance of IP and CSR data

1. No Acceptance.
2. NTF meets and accepts the data, but no acceptance beyond NTF.
3. Data accepted by NTF and other interested national institutions
4. Data fully accepted at national level, and partially at regional level
5. Data fully reconciled and published at national, regional and international levels (Donors, UNCTAD, World Bank, UNIDO)

3. Acceptance of FAL and macroeconomic analysis

1. No Acceptance.
2. NTF meets and agrees the analysis, but no acceptance beyond NTF.
3. Analysis accepted by other interested institutions at national level.
4. Analysis fully accepted at national level, and partially at regional level.
5. Analysis fully reconciled and reflected in analysis at national, regional, and international levels (UNCTAD WIR, BWI Programme Documents, IFC).

4. Acceptance of IP and CSR analysis

1. No Acceptance.
2. NTF meets and agrees the analysis, but no acceptance beyond NTF.
3. Analysis accepted by other interested institutions at national level.
4. Analysis fully accepted at national level, and partially at regional level.
5. Analysis fully reconciled and reflected in analysis at national, regional, and international levels (Donors, UNCTAD, WEF, World Bank, UNIDO)

5. Acceptance of Policy Action Plans

1. No Acceptance.
2. NTF meets and accepts the Policy Action Plan, but no acceptance beyond NTF.
3. Policy Action Plan accepted by other interested institutions at national level.
4. Policy Action Plan fully accepted at national level, and partially at regional level (BCEAO and BEAC Regions (CEMAC, UEMOA); CEMLA Region (CEPAL, CARICOM); MEFMI Region (SADC, EAC, COMESA); WAIFEM Region (WAMZ)).
5. Policy Action Plan accepted at national, regional and international levels (BWI)

CCE Area VII	Human Resources
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Any FPC monitoring & analysis units need adequate staffing levels and time allocation to fulfil all functions, with sufficient motivation and well-designed job descriptions. In addition, in any reorganisation of structures, it is vital to ensure that existing capacity and experienced personnel are retained, and that their skills are transferred to any new location by a well-designed comprehensive transfer plan.

Therefore an efficient human resource management, that addresses FPC management within the context of the national priorities, may meet the following Criteria:

1. Adequacy of staff numbers and time allocation compared to workload, appropriate structure in terms of seniority and allocation among different functions, adequate procedures for recruiting/replacing staff
2. Qualifications/experience/training of staff adequate for FPC monitoring & analysis
3. Motivation and compensation of staff that encourages staff retention
4. Appropriate job descriptions which cover all necessary aspects of FPC monitoring and analysis
5. Appropriate staff assessment and development plans, and operational practical training

The Criteria taken into account in the evaluation are therefore:

1. Staff numbers and allocation

1. Far too few staff in the FPC monitoring units or time allocated for the workload, too many/too few senior staff, poor distribution among the different functions of FPC management, extremely cumbersome procedures for recruiting/replacing staff
2. One of the standards is met but the other three are not
3. Two of the standards are met but two are not
4. Three of the standards are met but one is not
5. All the standards are met: staffing numbers and time allocated are appropriate for the workload, well distributed across the functions of the FPC management units, the units have an adequate structure, and recruitment procedures are efficient

2. Qualifications or experience of staff for jobs

1. Average length of experience under 1 year, with poor qualifications and no training.
2. Average length of experience under 2 years, insufficient training or qualifications for most staff to carry out even basic FPC management functions.
3. Average staff experience under 3 years, not enough training or qualifications for all basic FPC management functions to be successfully performed, virtually no analytical training.
4. Average staff experience under 5 years, adequate training and qualifications to carry out all basic FPC management functions and basic analysis.
5. Average staff experience over 5 years, sufficient training to carry out all FPC management functions including advanced analysis.

3. Motivation and compensation of staff

1. The staff salary scale in the FPC management unit(s) is appreciably (more than 25%) lower than the salary level in the overall civil service, with no additional compensation.
2. The staff salary scale in the FPC management unit(s) is slightly (more than 10%) lower than the salary level in the overall civil service, with no additional compensation.
3. The staff salary scale in the FPC management unit(s) is lower than the salary level in the overall civil service, but the personnel enjoy some benefits.
4. The staff salary scale in the FPC management unit(s) is the same as in the overall civil service, but still lacking in all comparable benefits.
5. The staff salary scale and benefits in the FPC management unit(s) is the same as in the overall civil service.

4. Appropriate job descriptions, which holistically cover all necessary aspects of FPC management within jobs

1. There are no job descriptions.
2. There are job descriptions only for some minor tasks and some staff.
3. The job descriptions do not cover all tasks or staff AND are not clear/detailed.
4. The job descriptions EITHER do not cover all tasks or staff OR are not clear/detailed.
5. The job descriptions cover all major tasks and staff and are clear and detailed.

5. Appropriate staff assessment and development plans, and operational practical training provided on FPC within a holistic approach covering all national priorities

1. There are no staff assessment and development plans, and no training provided
2. There is ad hoc training, but no staff assessment and no development plans
3. There are staff assessment and development plans, but these are not updated regularly or comprehensive, and training is provided on a case-by-case basis
4. There are staff assessment and development plans, which are up-dated regularly and comprehensive, but regular training is not always practical or operational.
5. There are comprehensive staff plans based on a capacity-building plan for FPC management, which are regularly updated and supported by targeted regular operational/practical training.

<i>CCE Area VIII</i>	Conduct of Surveys
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A well functioning FPC management system needs comprehensive identification, sampling and utilisation of survey and non-survey sources of information. This Section focuses on the first (survey methods) and the following Section on non-survey reporting mechanisms. For surveys, a comprehensive investor register and representative sampling; clear demarcation and integration of surveys where possible to avoid overlap; well-designed forms and reporting formats; an appropriate timing of launch and a sound media campaign; good enumeration and other types of follow-up; and pro-active monitoring and management of fieldwork activities and response/non-response, is crucial. This process culminates in response (number of returns as a % of sample, excluding non-locatable, dormant or closed entities) and coverage rates (an estimate of the %

foreign liabilities and assets covered) that reflect high quality data:

1. Comprehensive investor register and representative sampling, in terms of enterprises with foreign assets (using domestic and foreign sources) & liabilities, sectors and regions
2. Clarity and user-friendliness of design of forms
3. Appropriate timing of launch and comprehensiveness of media campaign
4. Effective enumeration and management of survey fieldwork activities
5. Adequacy of response and coverage rate

The Criteria taken into account in the evaluation are therefore:

1. Comprehensive investor register and representative sampling, in terms of enterprises with foreign assets (using domestic and foreign sources) & liabilities, sectors and region

1. Basic investor register and sample covering some Foreign Liabilities but no Foreign Assets enterprises; covering some sectors and regions; using 1 - 2 key domestic sources; no documentation or basis for up-rating.
2. Basic investor register and sample covering most Foreign Liabilities and some Foreign Assets enterprises; covering most sectors and regions; using 3 - 4 key domestic and 1 regional/international source; little documentation; and up-rating possible from only one key source.
3. Good investor register and sample covering most Foreign Liabilities and Foreign Assets enterprises; covering all sectors and regions; using 5 - 6 key domestic and 2 regional /international sources; basic documentation; and basic up-rating possible from two key sources.
4. Very good investor register and sample covering most major Foreign Liabilities and Foreign Assets enterprises; covering all sectors and regions; using 7 - 8 key domestic and 3 regional /international sources; more comprehensive documentation; advanced up-rating possible from multiple relevant sources.
5. Comprehensive investor register and sample covering all significant Foreign Liabilities and Foreign Assets enterprises; covering all sectors and regions; using 9 or more key domestic and 4 or more regional/international sources. advanced documentation; advanced up-rating possible from all relevant sources.

2. Clarity/user-friendliness of design of form(s) and its/their integration with other surveys where possible

1. Basic form(s) designed; some questions missing; some surveys not designed; form(s) not user-friendly; no explanation of purpose & benefits, legal mandate or institutional implementation; poor explanation of concepts & definitions.
2. Basic form(s) designed; some questions missing; all surveys designed but no integration with other national surveys; form(s) fairly user-friendly; poor explanation of purpose & benefits, legal mandate or institutional implementation; fair explanation of concepts & definitions. Significant overlap of surveys or survey questions remains.
3. Good form(s) designed; all relevant questions in and others added (eg. by country/ for investor perceptions); all surveys designed but limited integration with other surveys; form(s) are user-friendly; purpose & benefits, legal mandate or institutional

implementation are explained; good explanation of concepts & definitions. Some overlap of surveys or survey questions remains.

4. Very good form(s) designed; all relevant questions in and others added (eg. by country/ by currency/ for basic Private Sector External Debt loan-by-loan/ for investor perceptions/ for basic Corporate Social Responsibility); all surveys designed with significant integration; form(s) are very user-friendly; purpose & benefits, legal mandate or institutional implementation are well explained; good explanation of concepts & definitions with few examples. No overlap of surveys but minor overlap of survey questions remains.
5. Excellent form(s) designed; all relevant questions in and others added (eg. by country/ by currency/ for investor sustainability forecasting/ for advanced Private Sector External Debt loan-by-loan/ for investor perceptions/ for advanced Corporate Social Responsibility); all surveys designed with full integration; form(s) are extremely user-friendly; purpose & benefits, legal mandate or institutional implementation are very well explained; excellent explanation of concepts & definitions with appropriate examples. No overlap of survey questions or surveys remains

3. Appropriate timing of launch and comprehensiveness of media campaign

1. No consideration of launch timing; no media campaign.
2. Limited consideration of company financial reporting cycle, launch is dictated by NTF workplan; basic campaign – covering a few press releases (during Opening workshop/ implementation/ Closing workshop); no use of other media; regular NTF consultation with one relevant private sector body; very little and irregular consultation with DFI/RO. No publication of any sort that spell out the national survey efforts or strategy
3. Good integration of NTF workplan and company financial reporting cycle; good campaign – covering more press releases; 1 - 2 talks/presentations at appropriate business/industry associations; limited use of radio and TV; minor articles in one-two relevant business association publication(s); some reference in major publications of some of the participating institutions; regular NTF consultation with two relevant private sector bodies. Occasional publication of a roster of national surveys, with some limited information on coordinating institutions, target audience and timing
4. Very good integration of NTF workplan and company financial reporting cycle; very good campaign – covering appropriate and good press releases; some talks/presentations at appropriate business/industry associations; good use of radio and TV; major articles in more than two business association publications; some reference and write-ups in major publications of all of the participating institutions; some use of websites; regular NTF consultation with three relevant private sector bodies. Annual publication of a roster of national surveys, with some information on coordinating institutions and/or target audience and/or purpose and/or legal mandate and/or benefits and/or timing and/or feedback mechanisms
5. Excellent integration of NTF workplan and company financial reporting cycle; excellent campaign – covering appropriate and almost continuous press releases; major talks/presentations at appropriate business/industry associations; appropriate and almost continuous use of radio and TV; major articles in most relevant business association publications; major reference and write-ups in major publications of all of the participating institutions; good use of websites of all participating institutions; regular NTF consultation with four or more relevant private sector bodies. Annual publication of a roster of national surveys, with coordinating institutions, target audience, purpose, legal

mandate, benefits, timing and feedback mechanisms

4. Effective enumeration and management of survey fieldwork activities

1. No enumeration: only postal delivery and receipts of forms; no editing & checking; no follow-ups on queries and non-response; no management of survey fieldwork activities.
2. Combination of postal and hand delivery of forms; most delivered to inappropriate contact persons (eg. receptionists); no explanation of purpose & benefits/ legal mandate/ institutional implementation/ concepts, definitions and questions; no usage of Filter Questions; no confirmation of deadlines; some editing & checking; some follow-ups on queries and non-response; limited and ad-hoc management of non-response; some deletion/addition of obsolete/new companies to sample; no update of investor register; little performance management of fieldwork activities.
3. Appropriate combination of postal and hand delivery of forms; most delivered to appropriate contact persons; good explanation of purpose & benefits/ legal mandate/ institutional implementation/ concepts, definitions and questions; some usage of Filter Questions; confirmation of deadlines; good management of resources, so as to focus on editing & checking of all returns; follow-ups on queries and non-response; good management of non-response (on sectors, regions and large companies); thorough deletion/addition of obsolete/new companies to sample; some update of investor register; some performance management of fieldwork activities.
4. Appropriate combination of postal and hand delivery of forms; almost all delivered to appropriate contact persons; very good explanation of purpose & benefits/ legal mandate/ institutional implementation; concepts, definitions and questions; good usage of Filter Questions; confirmation of deadlines; editing & checking of information on-site using logic, own knowledge & internal checks; editing of information; very good management of resources, so as to focus on editing & checking; follow-ups and management of response and non-response in general; thorough deletion/addition of obsolete/new companies to sample; infrequent but comprehensive update of investor register; good performance management of fieldwork activities.
5. Appropriate combination of postal and hand delivery of forms; all delivered to appropriate contact persons; excellent explanation of purpose & benefits / legal mandate / institutional implementation; concepts, definitions and questions; excellent usage of Filter Questions; confirmation of deadlines; editing & checking of information on-site using logic, own knowledge, internal and external checks where available; editing of information; excellent management of resources, so as to focus on editing & checking; follow-ups and management of response and non-response (on sectors, regions and large companies); thorough deletion/addition of obsolete/new companies to sample; frequent and comprehensive update of investor register; excellent performance management of fieldwork activities.

5. Adequacy of response and coverage rate

1. Response rate reflects previous efforts (typically around 20% and 40%); coverage rate not measured. Data cannot be used for compilation, analytical or policy purposes.
2. Response rate 41% to 55% and coverage rate 41% to 60%. Large gaps in regional or sectoral representation. Data can only be used for compilation, analytical or policy purposes within a large degree of uncertainty and with major qualifications and up rating.
3. Response rate 56% to 65% and coverage rate 61% to 75. Some gaps in regional or sectoral representation. Data can be used for compilation, analytical or policy purposes,

with a medium degree of uncertainty and with some qualifications and up rating.

4. Response rate 66% to 75% and coverage rate 76% to 85%. Minor gaps in regional or sectoral representation. Data can be used for compilation, analytical or policy purposes, with relatively high degree of certainty and with minor qualifications and up rating.
5. Response rate over 76% and coverage rate over 86%. Very minor gaps in regional or sectoral representation. Data can be used for compilation, analytical or policy purposes, with certainty and with very minor qualifications and up rating.

CCE Area IX	Non-Survey Reporting Mechanisms
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This section focuses on non-survey broader FPC methodology. Typically this can take the form of setting up direct and regular reporting mechanisms for FDI (eg. investment agencies, relevant ministries and parastatals, counter party information from regional BOP compilers), Portfolio Investment (eg. stock exchanges, brokers, financial markets departments in central banks, counter party information from regional and international stock exchanges) and Other Investment (eg. money and banking statistics, trade sources, debt sources, counter party information from international institutions). Similarly, it covers non-survey investor and CSR methodology, including possible use of focus investor group discussions on topics of national interest, and use of non-survey sources of CSR (information already captured by NTFs; or by other public, NGO groups or research bodies; regulatory sources; media; or the private sector through company reports and websites). To this end, the following is needed, culminating in a comprehensive and well-designed non-survey reporting system covering broad FPC issues that reflect addition to and cross-checking of high quality data (Criterion 5):

1. Effective non-survey reporting mechanisms on FPC
2. Effective non-survey mechanisms on investor perceptions*
3. Effective non-survey reporting mechanisms on CSR*
4. Effective utilization of counter party and other information
5. Adequate design of non-survey reporting mechanisms

** Countries covering IP only should omit answering IX.3, and derive the Area IX average score based on the other 4 Criteria. Countries covering CSR only should omit answering IX.2, and derive the Area IX average score based on the other 4 Criteria.*

The Criteria taken into account in the evaluation are therefore:

1. Effective non-survey reporting mechanisms using national sources on FPC

1. No usage, system or documentation of non-survey methods.
2. Basic use and documentation of non-survey methods (3 key national sources identified and set up to regularly report to the NTF, one per major data category).
3. Good use and documentation of non-survey methods (6 key national sources identified and set up to regularly report to the NTF, 2 per major data category).
4. Very good use and documentation of non-survey methods (9 key national sources identified and set up to regularly report to the NTF, 3 per major data category).
5. Comprehensive use and documentation of non-survey methods (all relevant national sources identified and set up to regularly report to the NTF, 3+ per major data category).

2. Effective non-survey mechanisms using national sources on investor perceptions

1. No usage, system or documentation of non-survey methods on investor perceptions; no identification of national issues to be covered in group discussions with the private sector.

2. Basic usage, but no system or documentation of non-survey investor perceptions methods; limited identification of national issues to be covered in group discussions with private sector.
3. Good usage and system but limited documentation of non-survey investor perceptions methods; identification of national issues to be covered in group discussions with private sector; 1 key issue identified and agreed with management & policy makers and being tracked via focus group(s).
4. Very good usage and system and good documentation of non-survey investor perceptions methods; comprehensive identification of national issues to be covered in group discussions with private sector; 2 - 3 key issues identified & agreed with management and being tracked via focus group(s).
5. Excellent usage, system and documentation of non-survey investor perceptions methods; comprehensive identification of national issues to be covered in group discussions with private sector; all relevant key issues identified & agreed with management & policy makers and being tracked via focus group(s);

3. Effective non-survey reporting mechanisms using national sources on Corporate Social Responsibility

1. No usage, system or documentation of non-survey methods on Corporate Social Responsibility.
2. Basic usage, but no system or documentation of non-survey methods on Corporate Social Responsibility; limited identification of national priorities; only 1 non-survey area covered.
3. Good usage and system but limited documentation of non-survey methods on Corporate Social Responsibility; identification of national issues; 2 non-survey areas covered;
4. Very good usage and system and good documentation of non-survey methods on Corporate Social Responsibility; comprehensive identification of national issues and agreed with management; 3-4 non-survey areas covered.
5. Excellent usage, system and documentation of non-survey investor methods on Corporate Social Responsibility; comprehensive identification of national issues and agreed with management and policy makers; all relevant non-survey areas covered.

4. Effective utilization of regional/international counter party information

1. No usage, system or documentation of regional/international counter party information.
2. Basic usage, but no system or documentation of regional/international counter party information; only 1 broad FPC area (eg. BOP & IIP) covered using 1 source.
3. Good usage and system but limited documentation of regional/international counter party information; 1 broad FPC area covered thoroughly.
4. Very good usage and system and good documentation of regional/international counter party information; 1 broad FPC area covered thoroughly, the other area (Investor Perceptions) covered by 1 source.
5. Excellent usage, system and documentation of regional/international counter party information; both broad FPC areas covered thoroughly through multiple non-survey sources.

5. Adequacy of design of non-survey reporting mechanisms

1. No non-survey reporting system; no documentation.
2. Basic system of non-survey reporting; limited use of broad FPC non-survey sources by NTF; no comprehensive or regular reporting to NTF; no documentation.
3. Good system of non-survey reporting; use of some key broad FPC non-survey sources by NTF, including limited regional/international sources; some irregular reporting to NTF; limited documentation.

4. Very good usage and system and good documentation; use of most key broad FPC non-survey sources by NTF, including some regional/international sources; comprehensive but irregular reporting to NTF; good documentation.
5. Excellent usage, system and documentation of national, regional and international non-survey information; comprehensive and regular reporting to NTF.

<i>CCE Area X</i>	Recording and Compilation
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In order to ensure a good basis for FPC management, countries should ideally have a reasonable computerised and tested FPC and Debt tool(s) and the ability to amend and run this; awareness of FPC relationships with other debt software; complete and comprehensive data compilation practises consistent with BPM5/External Debt Guide; regular data updates/revisions and estimates; timely and accurate information sharing; and regular reporting that addresses the needs of different target audiences. This involves:

1. Existence/quality of computerized tool(s), and awareness of relationships with debt software
2. Ability to test/run/amend all applications of the tool or tools
3. Completeness/ comprehensiveness / timeliness of database(s)
4. Accuracy, consistency and information sharing – quality of data, frequency and regularity of reconciliation / up-rating procedures and statistical proximity of records of different institutions, frequency/regularity of information exchange
5. Outcome – accuracy and timely reporting to all interested stakeholders

The Criteria taken into account in the evaluation are therefore:

1. Existence /quality of computerized tools and awareness of relationship with debt software

1. No computerized tool for FPC management or for debt management, manual recording, no awareness of basic relationships with debt software
2. Basic spreadsheet system(s) with no analytical capacity and/or just beginning to install FPC generic software and debt software; some awareness of relationships with debt software
3. Spreadsheet(s) validated and some analytical tools, FPC generic software (or equivalent) and debt software installed/recorded but not used effectively (or only an old version); awareness of most of the relationships with debt software.
4. Appropriate version of FPC generic software (or equivalent) and debt software used for all basic FPC management and debt management functions, but not installed in all necessary sites; awareness of all relationships with debt software.
5. Appropriate version of FPC generic software (or equivalent) and debt software installed in all necessary sites in a network; awareness of all relationships with debt software.

2. Ability to test/run/amend all applications of the tools:

1. The tools are not used at all, country team can't test or amend them and need basic training
2. The tool is used mainly for basic FPC and Private Sector External Debt compilation, country can do basic testing and amendments but need more training. Updates are done irregularly
3. Knowledge of some advanced features, can do most testing and amendments, but still need some advanced training
4. Ability to run most advanced features and do advanced testing and amendments, but need training in output customisation
5. Knowledge of all relevant advanced features and able to conduct all customisation.

3. Completeness/ comprehensiveness / timeliness of database(s):

1. Only FDI equity and Other Investment loans are monitored; overall database very rarely updated (less than annually) and many transactions omitted.
2. Only FDI equity, retained earnings, Other Investment loans, currency & deposits are monitored; Investor Perceptions partly monitored; overall database updated only annually and some transactions or items omitted.
3. All FDI, and Other Investment loans, currency & deposits, trade credits and Portfolio Investment debt securities are monitored; Investor Perceptions fully and Corporate Social Responsibility partly monitored; database updated only semiannually and occasional transactions or items omitted.
4. All FDI, PI & OI are monitored; IIP partly monitored; Investor Perceptions and Corporate Social Responsibility fully monitored; database updated quarterly and only a very few complex transactions or items omitted.
5. All FDI, PI, OI & IIP are monitored; Investor Perceptions and Corporate Social Responsibility fully monitored. All transactions included in quarterly updates.

4. Accuracy, consistency and information sharing:

1. Very low quality of data, no up rating, no checking or reconciliation with other sources, no exchange of information with other agencies. No documentation.
2. Low quality of data, minimal checking or reconciliation, up rating and exchange of information. Limited documentation.
3. Reasonable quality of data, checking, and reconciliation and up rating and exchange of information but not on a regular basis, considerable unexplained discrepancies (>10%) with other sources. Basic documentation.
4. Good quality of data, regular checking and reconciliation and up rating procedures, regular information exchange, occasional or smaller (<10%) unexplained discrepancies. Good documentation.
5. Excellent quality of data, close statistical proximity (<5% unexplained discrepancies) of stock and transactions to other sources, frequent and regular checking and reconciliation procedures, up rating and information exchange. Comprehensive documentation.

5. Outcome: accurate and timely reporting to all interested stakeholders:

1. No reporting on broad FPC areas
2. Occasional ad hoc and basic reporting on some elements of broad FPC areas, generally

within individual government agencies or shared among very few.

3. Detailed occasional analysis of broad FPC areas, transmitted to some routine users within government and international organisations.
4. Detailed regular reporting with clear procedures on all aspects of FPC areas, degree of disaggregation and frequency not always adequate, most routine government, civil society and international community users of broad FPC reports supplied and satisfied.
5. Systematic and comprehensive reporting on all aspects of broad FPC areas, all routine users of broad FPC reports satisfied, rapid and open response to requests for ad hoc reports.

<i>CCE Area XI</i>	FAL and Macroeconomic Analysis
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Beyond basic FPC management, the country needs to have developed for itself the capacity to analyse and interpret the information, to link the results with policy recommendations so as to affect macro-economic/FAL policy changes. Countries need to consider how other issues can be improved on as appropriate and as realistic (eg. recommending that national accounting standards be changed to reflect resident and non-resident transactions, market values, etc). Analysis feeds into the design of an appropriate Policy Action Plan (Section X). Basic coordination also means considering efforts in areas not directly under FPC management (eg. recommending on: computerisation of Registrar of Companies' databases, improvements in the culture of accounting reporting according to existing legislation, etc). The following are required:

1. Effectiveness of political and technical coordinating bodies/groups/task forces in generating FAL /macroeconomic analysis
2. Quality of analysis of FAL.
3. Quality of analytical linkages to and effects on other macroeconomic variables/sectors
4. Quality of linking results to specific policy actions
5. Outcome: Dissemination of FAL and Macro economic analysis.

The Criteria taken into account in the evaluation are therefore:

1. Effectiveness of political and technical coordinating bodies/groups/task forces in generating FPC analysis

1. No coordination for analysis
2. Poor working relationship with scope for major improvements
3. Formal co-ordination, but no consideration of wider statistical (other national surveys) and other issues (eg. accounting, Registrar of Companies, etc)
4. Good working relationship with some scope for improvement in efficiency; some consideration and integration of other wider issues
5. Well-coordinated and efficient exchange of information, with all relevant agencies involved, smooth flow of information, well prepared team. Full consideration and integration of other, wider issues

2. Quality of Macroeconomic/FPC analysis

1. Very poor – only data are reported

2. Poor – analysis only describes the data
3. Adequate – analysis compares data with previous and other data sets
4. Good – analysis focus on some national priorities
5. Excellent – analysis focus on all applicable national priorities

3. Quality of analytical linkages to and effects on other macroeconomic variables/sectors, including sustainability analysis (usage of appropriate ratios, linkages and possible effects)

1. Very poor - only data are reported
2. Poor – analysis covers a few linkages and effects (eg. with the real sector) but no sustainability analysis.
3. Adequate – analysis covers most major linkages and effects (eg. real, fiscal, monetary) and sustainability.
4. Good – analysis covers all major linkages, effects and sustainability.
5. Excellent – analysis focuses on all applicable national priorities

4. Quality of linking results to policy recommendations

1. Very poor - only data are reported
2. Poor – analysis makes one policy recommendation
3. Adequate - analysis makes two applicable policy recommendation
4. Good – analysis makes three applicable policy recommendations
5. Excellent – analysis makes all applicable policy recommendations

5. Outcome: Dissemination of FAL and Macro economic analysis

1. No dissemination
2. Dissemination to departments represented on NTF only
3. Dissemination to NTF and other interested departments and institutions not in NTF
4. Full national dissemination but partial international dissemination
5. Full national and international dissemination

<i>CCE Area XII</i>	Investor Perception and Corporate Social Responsibility Analysis*
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Beyond macroeconomic/FAL analysis, experienced countries need to have developed the capacity to analyse and interpret investor perception and CSR. The following are required:

1. Effectiveness of political and technical coordinating bodies for IP/CSR analysis
2. Quality of analysis of investors perception and intention data*
3. Quality of analysis of CSR data*
4. Quality of linking results to specific policy actions
5. Outcome: Dissemination of IP and CSR analysis*

** Countries covering neither IP nor CSR do not need to complete this Area (average score for all Areas combined would therefore be based on the remaining 13 Areas). Countries covering IP only should omit answering XII.3, answer XII.5 with respect to IP only, and derive the Area XII average score based on the 4 applicable Criteria. Countries covering CSR only should omit answering XII.2, answer XII.5 with respect to CSR only, and derive the Area XII average score based on the 4 applicable Criteria.*

The Criteria taken into account in the evaluation are therefore:

1. Effectiveness of political and technical coordinating bodies for IP / CSR analysis

1. No coordination for analysis
2. Poor working relationship with scope for major improvements
3. Formal co-ordination but no consideration of wider (other national, regional or international surveys and their priorities) and other issues
4. Good working relationship with some scope for improvement in efficiency; some consideration and integration of other wider issues
5. Well-coordinated and efficient exchange of information, with all relevant agencies involved, smooth flow of information, well prepared team. Full consideration and integration with other, wider issues

2. Quality of analysis of investors perception and intention data.

1. Very poor analysis and inappropriate or non-use of data and possible effects
2. Poor analysis and inappropriate use of data and possible effects
3. Good analysis and appropriate use of data and possible effects
4. Very good analysis and appropriate use of data and possible effects
5. Excellent analysis and appropriate use of data and possible effects

3. Quality of analysis of Corporate Social Responsibility data

1. Very poor analysis and inappropriate or non-use of data & possible effects
2. Poor analysis and inappropriate use of data & possible effects
3. Good analysis and appropriate use of data & possible effects
4. Very good analysis and appropriate use of data & possible effects
5. Excellent analysis and appropriate use of data & possible effects

4. Quality of linking results to specific policy actions

1. Very poor - only data are reported
2. Poor – analysis makes one policy recommendation
3. Adequate - analysis makes two applicable policy recommendation
4. Good – analysis makes three applicable policy recommendations
5. Excellent – analysis makes all applicable policy recommendations

5. Outcome: Dissemination of IP and CSR analysis

1. No dissemination
2. Some dissemination to departments represented on NTF only
3. Dissemination to NTF and other interested departments and institutions not in NTF
4. Full national dissemination but partial international dissemination
5. Full national and international dissemination

CCE Area XIII	Political Priority and Leadership
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The crucial element in effective FPC and wider statistical and macroeconomic management, and poverty reduction, is political commitment. Experience shows that the best way to transform such commitment from principles into action is for technical officials to elaborate a Policy Action Plan, and then for political leaders to ensure national leadership of compilation, analysis, policy recommendations within this context. Indications include commitment by decision-makers to minimise reliance on external advice or assistance (by giving priority to building and retaining the capacity of national staff), and determination to discuss national Policy Action Plans widely within the nation, and implement strategies in conjunction with civil society and the donor and investment community.

Assessments are therefore based on the following:

1. Profile of FPC management in government (Cabinet discussions, frequency)
2. Implementation of capacity building recommendations - Commitment to legal and institutional change, staff reinforcement, etc (sections I to III above) and coordinating bodies
3. Implementation of recommended FPC policy changes
4. Transmission of Policy Action Plan conclusions to key national and international meetings
5. Commitment to use national capacity rather than technical assistance and national funds rather than donor financing (judge by presence or refusal of TA in areas which countries can conduct for themselves and by % national contribution to local costs²)

The Criteria taken into account in the evaluation are therefore:

1. Profile of FPC management in government discussions

1. No Policy Action Plan discussion in Cabinet meeting
2. Ad hoc discussion of Policy Action Plan
3. Regular discussions of Policy Action Plan
4. Discussion and formal adoption of an annual Policy Action Plan, institutional reform plans/capacity building
5. Semi-annual (or more frequently) discussion on the Policy Action Plan, implementation and strategy reformulation needs.

2. Implementation of capacity building recommendations

1. Not implemented
2. Poor implementation – informal task force without a clear mandate, or partial staff reinforcement, after long delays
3. Adequate implementation – commitment to make task force function, more reinforcement of staff
4. High implementation- formal institutional and legal/other changes, ad hoc follow up of results, general reinforcement of staff
5. Very high implementation- regular follow-up of changes and results

3. Implementation of Policy Action Plan recommendations

1. Not implemented

² For Phase 2 targets for countries participating since the pilot phase were 15% in year 1, 35% in year 2, 55% in year 3 and 75% in year 4. For new entrants, targets were 25% in year 1, 50% in year 2, 75% in year 3. These targets are retained for Phase 3 as guidelines only.

2. Poor implementation – ad hoc selection and implementation of the most urgent recommendations, after long delays
3. Adequate implementation – quite balanced but informal implementation of the various recommendations
4. Good implementation – formal adoption of recommendations as government policy and regular follow-up.
5. Very high implementation – follow-up of new policy results with regular updates of Policy Action Plan

4. Transmission of Policy Action Plan conclusions to national and international meetings

1. No strategy, so no transmission.
2. Irregular and selective ad hoc transmission of results
3. Regular transmission of summary strategy results with limited discussion
4. Discussion in every high level national or international meeting of conclusions
5. Proactive organization of meetings on conclusions at national and international levels, mobilization of stakeholders to support conclusions, continuing debate until change of policies/opinions

5. Commitment to use national capacity (see Footnote 2 on national funding guidelines)

1. Very low – almost all work done by technical assistance or international missions, and national funding 10% or more, below Phase 2 targets
2. Low – most work done by technical assistance or international missions and national funding 5% to 9 % below Phase 2 targets
3. Adequate – ad hoc use of nationals for essential tasks but some reliance on Technical Assistance, and national funding equals Phase 2 targets
4. High – systematic use of nationals, technical assistance limited to specific urgent cases or to relatively low national capacity areas, and national funding up to 5% above Phase 2 targets
5. Very high – proactive action to replace technical assistance by nationals, by implementing capacity building plans, and national funding over 5% above Phase 2 targets

<i>CCE Area XIV</i>	Transparency, Evaluation and Control
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FPC management (including wider statistical and other issues) needs transparency and control of project funding and expenditures, and self-evaluation of progress. Therefore, the following are necessary:

1. Interaction/discussion with civil society on FPC monitoring, analysis and strategy
2. Interaction/discussion with political structures (Parliament, parastatal and decentralized structures)
3. Interaction/discussion with local and foreign investors and the wider international community
4. Internal and external control of FPC donor related funding and expenditures
5. Self-evaluation of FPC management capacities (frequency, realism, comprehensiveness)

The Criteria taken into account in the evaluation are therefore:

1. Interaction/discussion with civil society on FPC monitoring & analysis and strategy

1. No discussion/interaction

2. Passive interaction – response to media or other questions
 3. Ad hoc active interaction – meeting not frequent and participation restricted
 4. Systematic interaction – representative annual conferences
 5. Inclusion of civil society in the process of strategy formulation
- 2. Interaction/discussion with political structures (Parliament, parastatal and decentralized structures)**
1. No discussion/interaction
 2. Rare and passive discussion in Parliament – response to media or other questions
 3. Ad hoc active interaction – presentation of annual results
 4. Annual discussion in Parliament on FPC management and strategy
 5. Semi-annual discussion in Parliament on FPC management and strategy
- 3. Interaction/discussion with local & foreign investors and the wider international community**
1. No discussion
 2. Ad hoc discussion with a few local/foreign investors or with the wider international community during meetings held for other purposes
 3. Active discussions with these stakeholders – during trade fairs, sensitisation or feedback seminars, BWIs/donors/other missions
 4. Regular and formal discussion on every formal occasion – investor road shows and other formal meetings/seminars, consultative groups, Round Tables, negotiations with BWIs, other
 5. Creation at national level of coordinating structures (task force with stakeholders) with regular quarterly meetings. Advocacy at other regional/international fora (eg. SADC Capital Markets Committee)
- 4. Internal and external control of FPC donor related funding and expenditures**
1. No control at all
 2. Internal control from time to time, no implementation of recommendations
 3. Regular internal and external control, but only partial, low implementation of the recommendations
 4. Comprehensive quarterly reviews, reasonable implementation of the recommendations
 5. Comprehensive quarterly reviews with rapid/comprehensive implementation of the recommendations
- 5. Self-evaluation of FPC management capacities (frequency, realism, comprehensiveness)**
1. No self-evaluation
 2. Informal and/or partial self-evaluation
 3. Ad hoc self-evaluation – like questionnaires completed at the end of DFI/RO workshops
 4. Comprehensive self-evaluation – like this exercise – but recommendations not implemented
 5. Comprehensive and implemented self-evaluation

Annex 1: Reconciling the new Phase 3 Format with Phase 2

This annex addresses how to convert historical scores from the Phase 2 format to the Phase 3 format. It applies only to countries that have participated in both Phases 2 and 3, and should only need to be addressed only once.

The table below shows that several Phase 3 Areas remain the same as for Phase 2 albeit renumbered (I, III, VII, VIII, IX, X, XIII, and XIV), so no action needs to be taken. However, some areas are either new, or have been amended, for which action needs to be taken. These are Areas II, IV, V, VI, XI and XII.

PHASE 3 AREA...		...LINKS TO PHASE 2 AREA...
I	Capacity to Comply with International Codes & Standards	VII. No change to content
II	FPC Policy Action Plan	New Area (replaces X – DFS)
III	Legal and Institutional Framework	I. No change to content
IV	Management, Supervision, and Working Environment	III. Amended slightly to focus on FPC units
V	Acceptance of Data, Analysis, and Policy	New Area
VI	Trained Team Available to Monitor & Manage FPC	New Area
VII	Human Resources	II. No change to content
VIII	Conduct of Surveys	IV. No change to content
IX	Non-Survey Reporting Mechanisms	V. No change to content
X	Recording and Compilation	VI. No change to content
XI	FAL and Macroeconomic Analysis	Crosscut VIII Basic & IX Advanced analysis
XII	Investor Perception and CSR Analysis	Crosscut VIII Basic & IX Advanced analysis
XIII	Political Priority and Leadership	XI. No change to content
XIV	Transparency, Evaluation and Control	XII. No change to content

The rest of this section describes how to convert Phase 2 historical scores to the Phase 3 format.

II. Policy Action Plans (replaces Phase 2 CCE X)

Policy Action Plans (PAP) are more focused than, and replace Development Financing Strategies (DFS)³. Therefore for the historical score, please drop the estimate backwards for Policy Action Plans (and not use DFS as a proxy). It is likely most countries will be starting on a low base in this area anyway, and the previous and current scores might therefore be the same.

IV. Management, Supervision and Working Environment (links to Phase 2 CCE III)

Focus has changed slightly but otherwise it corresponds with Area III in the previous methodology. Therefore it would be acceptable to take previous scores for Area III as a proxy.

V. Acceptance of Data Analysis and Policy (new area)

This area is new, so needs to be estimated for the current period, and, if applicable, retrospectively for the previous period.

VI. Trained team available (new area)

This area is new. Therefore estimate for the current situation, and if data is not available for previous period either leave blank, or estimate.

³ For descriptions of PAP refer to Newsletter 27 (p13), and DFS to Newsletter 21 (p13), both available from www.fpc-cbp.org.

XI. FAL and Macro analysis (crosscuts Phase 2 CCE Areas VIII and IX)

XII. IP and CSR analysis (crosscuts Phase 2 CCE Areas VIII and IX)

Given the enhanced focus adopted under Phase 3, the old and new methodology crosscut in these Areas, which thus need to be dealt with together. In the new methodology XI separates out FAL into one area, and XII combines IP and CSR (in the previous methodology “basic” FAL and IP were grouped together, and “advanced” FAL and CSR were grouped together). To convert Phase 2 scores to the new format, take the following 2-step approach:

Step 1 - calculate for XI and XII as follows...

- XI.1: calculate from Phase 2 CCE scores as $((VIII.1 + IX.1) / 2)$
- XI.2: calculate from Phase 2 CCE scores as $((VIII.2 + IX.2) / 2)$
- XI.3: calculate from Phase 2 CCE scores as $((VIII.3 + IX.3) / 2)$
- XI.4: calculate from Phase 2 CCE scores as $((VIII.4 + IX.4) / 2)$
- XI.5: this is a new category, and would therefore need to be estimated retrospectively as well

- XII.1: calculate from Phase 2 CCE scores as $(VIII.1 + IX.1)/2)$
- XII.2: calculate from Phase 2 CCE scores as $(VIII.2 + IX.2)/2)$
- XII.3: calculate from Phase 2 CCE scores as $(VIII.3 + IX.3)/2)$
- XII.4: calculate from Phase 2 CCE scores as $(VIII.4 + IX.4)/2)$
- XII.5: this is a new category, and would therefore need to be estimated retrospectively as well

Step 2 - revise to account for strengths and weaknesses in FAL, IP and CSR analysis...

Note that Step 1 will give the same scores for XI and XII, so discretion is needed here to differentiate for FAL and IP/CSR. Therefore consider revising the scores for XI and XII up if a country was particularly strong on the particular areas or down if weak. As a check for the adjusted historical scores, the average of Phase 3 Areas XI and XII should more or less equal the average of Phase 2 areas VIII and IX.