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This action is funded by the European Union

**ANNEX 3**

of the Commission Implementing Decision on the Annual Action Programme 2016 Part IV and 2017 Part I in favour of the Asia region to be financed from the general budget of the European Union

**Action Document for the South Asia Regional Training and Technical Assistance Center (SARTTAC) 2017-2021**

<b><u>INFORMATION FOR POTENTIAL GRANT APPLICANTS</u></b>	
<b><u>WORK PROGRAMME FOR GRANTS</u></b>	
This document constitutes the work programme for grants in the sense of Article 128(1) of the Financial Regulation (Regulation (EU, Euratom) No 966/2012, in the following sections concerning grants awarded directly without a call for proposals: 5.3.1.	
<b>1. Title/basic act/ CRIS number</b>	<b>Support to the South Asia Regional Training and Technical Assistance Center. CRIS number: ACA/2016/376-624</b>
<b>2. Zone benefiting from the action/location</b>	The action shall be carried out at the following location: Bhutan, Bangladesh, Nepal, India, Maldives, Sri Lanka
<b>3. Programming document</b>	Regional programme for Asia Multiannual Indicative programme 2014-2020
<b>4. Sector of concentration/ thematic area</b>	Regional Integration DEV. Aid: YES
<b>5. Amounts concerned</b>	Total estimated cost: indicatively EUR 55.000.000 Total amount of EU budget contribution EUR 10.000.000. This action is co-financed in joint co-financing by: - Republic of Korea for an amount of EUR 4.436.950 ; - Australia for an amount of EUR 1.641.450 - India for an indicative amount of EUR 27.500.000  This action is co-financed by direct grant beneficiary IMF for an indicative amount of EUR 0.
<b>6. Aid modality(ies) and implementation modality(ies)</b>	Project Modality  Direct Management: grant – direct award

<b>7 a) DAC code(s)</b>	15111 Public finance management			
<b>b) Main Delivery Channel</b>	International Monetary Fund (IMF) - 43000			
<b>8. Markers (from CRIS DAC form)</b>	<b>General policy objective</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Main objective</b>
	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	X
	Aid to environment	X	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality (including Women In Development)	X	<input type="checkbox"/>	<input type="checkbox"/>
	Trade Development	X	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	X	<input type="checkbox"/>	<input type="checkbox"/>
	<b>RIO Convention markers</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Main objective</b>
	Biological diversity	X	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	X	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	X	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	X	<input type="checkbox"/>	<input type="checkbox"/>
<b>9. Global Public Goods and Challenges (GPGC) thematic flagships</b>	N.A			

## SUMMARY

The proposed action will jointly finance the creation of the South Asia Regional Training and Technical Assistance Center (SARTTAC) in New Delhi, India. The Center will be a collaborative venture between the IMF, beneficiary countries, and development partners. It will be geared towards supporting the capacity development needs of six countries: Bangladesh, Bhutan, India, Maldives, Nepal, and Sri Lanka

In line with the European Consensus on Development, the Agenda for Change and the DCI Regulation, the present action will contribute to eradicating poverty by supporting broad-based inclusive and sustainable growth, promoting conditions conducive to trade and integration within the region, enhancing governance, and increasing political and social stability.

Final beneficiaries are all citizens, as improved macroeconomic management will result in higher economic growth, better delivery of public services and improved economic opportunities.

The priority areas for the present action are technical assistance and training to beneficiary countries to develop capacity of their public administrations to more effectively implement their national PFM (and sub PFM strategies).

The general objective of the action is to contribute toward strengthening the institutional and policy frameworks of beneficiary countries to underpin sustained economic growth.

The specific objective is domestic revenue mobilisation, improved public finance management systems, and enhanced capacity for macroeconomic analysis.

## **1 CONTEXT**

### **1.1 Sector/Country/Regional context/Thematic area**

Countries covered by this action encompass a range of income levels, but have several characteristics in common. At one end, the Maldives has a nominal income per capita of around USD 6,900, while at the other end, Nepal's income per capita is just under USD 700. Despite this variation in income, wider socio-economic indicators such as the UN's Human Development Index (HDI) indicate that the countries are at broadly similar levels – almost all SARTTAC countries are ranked above 100 (out of 187), with the exception of Sri Lanka (ranked 73). Gini coefficients for all countries are in the range of 30-40 %.

Despite healthy growth rates, inflation has generally been relatively high in SARTTAC countries. Inflation has averaged over 6% in recent years, with notably high levels in Bangladesh, Bhutan, India, and Nepal. Overall fiscal balances point to emerging vulnerabilities in public finances in several SARTTAC countries. Over the past five years, with the exception of Nepal (prior to the devastating earthquakes in 2015), countries in the region have shown fiscal imbalances. Several countries have in place medium-term fiscal responsibility and budget management frameworks, but slippages have occurred due to untargeted subsidies and weaker than anticipated revenue growth.

#### ***1.1.1 Public Policy Assessment and EU Policy Framework***

Weak general government revenue is a major challenge in South Asia. Most of the countries in this region have very narrow revenue bases, and often rely greatly on trade related taxes. Revenue-to-GDP ratios have risen modestly in India, Nepal, and to a lesser extent Bangladesh, while they have deteriorated in Sri Lanka. One of SARTTAC's key objectives will be to help member countries improve domestic resource mobilization to reduce vulnerability and to create fiscal space for much-needed social and infrastructure spending. Developing comprehensive fiscal statistics that can better support the policy dialogue will be integral to this work.

External debt levels are moderate, with the exception of Bhutan. In Bhutan, external debt to GDP has risen to around 100 %, although this is entirely owed to official sector creditors and is expected to decline once several large hydropower projects come on line. Sri Lanka's external debt ratio has been in the range of 50% of GDP in recent years, with around 40 % of this owed to official creditors while its foreign reserves stand at below 20 % of the external debt. For the remaining countries, external debt is below 30% of GDP.

The six countries in the region have made significant progress in reducing poverty and improving macroeconomic performance. But consolidating these gains requires important policy decisions and capacity development measures over the next decade, underpinned by strong country ownership.

In line with the European Consensus on Development, the Agenda for Change and the DCI Regulation, the present action will contribute to eradicating poverty by supporting broad-based inclusive and sustainable growth, promoting conditions conducive to trade and integration within the region, enhancing governance, and increasing political and social stability. It will contribute to the Priority Sector related to Regional Integration in the Regional programme for the Asia Multiannual Indicative programme 2014-2020. It will directly benefit six countries of South Asia, all Members of South Asian Association for Regional Cooperation (SAARC)<sup>1</sup>. Public Finance management is at the heart of regional integration. One of the first steps to start regional integration is to ensure that countries and institutions can understand their respective economic environment. Without a common and consistent set of data on key macroeconomic and financial indicators, defining standards that will lead to integration is a real challenge.

South Asia is home to some of the fastest growing economies in the world. Helped by strong growth in India (which accounts for about 90 % of regional gross domestic product (GDP) on a purchasing power parity (PPP) basis), South Asian growth since the global crisis has been impressive. Improvements to policy frameworks and steady implementation of product, labour, and financial market reforms have broadly translated into rising living standards, lower rates of poverty, and greater integration with the global economy over the past two decades.

Nevertheless, South Asia is also home to a substantial share of the world's poorest citizens, and institutional weaknesses mean that increasing growth and poverty reduction is challenging. Although the share of people in South Asia living on less than \$1.90/day fell from 51 % in 1990 to 19 % in 2012, 34 % of the world's poor live in South Asia (more than in Sub-Saharan Africa).

### ***1.1.2 Stakeholder analysis***

Key economic institutions, as well as private sector banking and non-banking actors from the financial sector should benefit from this Action. The principle target groups of SARTTAC work are staff in ministries of finance, sector ministries, national statistical offices, and central banks. Target groups also include the private sector, in the context of SARTTAC work on financial sector supervision and regulation (both in the banking and non-banking sectors), and with regard to statistical data collection in the context of the external sector statistics programs, and the trading community in the context of revenue (and in particular customs).

The main constraints facing the public sector as a target group include the size of administrations, lack of leadership in some areas, and insufficient commitment in some areas. SARTTAC will address these constraints by delivering on a demand-driven basis, frequent follow up, training and technical assistance targeted to regional specificities.

Final beneficiaries are all citizens, as improved macroeconomic management will result in higher growth, better delivery of public services and improved economic opportunities.

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<sup>1</sup> Bangladesh, Bhutan, India, Maldives, Nepal, Sri Lanka

### 1.1.3 Priority areas for support/problem analysis

The priority areas for the present action is to provide to beneficiaries countries, technical assistance and training to develop capacity of their public administration to better implement their national PFM (and sub PFM strategy). The main problems the proposed action will address, and the opportunity that it aims to take advantage of, are following:

1. Revenue administration in order to improve the efficiency and effectiveness of tax administration by implementing stronger revenue strategies;
2. Public Financial Management (PFM) in order to assist member countries to strengthen core PFM functions as foreseen in their strategy and to introduce progressively more advanced PFM reforms;
3. Monetary policy framework operations in order to improve member countries' monetary policy management, strengthen operational instruments, and develop money markets with the objective of enhancing implementation of monetary and exchange rate policies.
4. Financial sector regulation and supervision. This will strengthen financial sector supervision and regulation that contribute to a stable financial system.
5. Real sector statistics. This will strengthen compilation and dissemination of national accounts and price statistics according to international statistical standards, including developing/improving statistical infrastructure, source data, service ability and metadata.

## 2 RISKS AND ASSUMPTIONS

<b>Risks</b>	<b>Risk level (H/M/L)</b>	<b>Mitigating measures</b>
Continued political commitment to structural and other reforms necessary to spur growth.	M	<ul style="list-style-type: none"> <li>• SARTTAC will increase its engagement with policy makers, through briefings and one-on-one meetings.</li> </ul>
Insufficient resources to implement and/or sustain reforms	M	<ul style="list-style-type: none"> <li>• SARTTAC will increase its engagement with key decision makers/senior management, through briefings and one-on-one meetings.</li> </ul>
Limited absorption capacity for TA, due to staffing and other	M	<ul style="list-style-type: none"> <li>• SARTTAC will increase its focus on institutional assessments to fine tune TA, and strengthen engagement with</li> </ul>

constraints specific to small states.		<p>high level decision-makers.</p> <ul style="list-style-type: none"> <li>• Particular attention will be paid to timing and sequencing of Technical Assistance.</li> <li>• Close collaboration with development partners to avoid overlaps (both of timing and/or content).</li> <li>• SARTTAC will promote regional solutions as and where they have the appropriate level of buy-in.</li> </ul>
<p><b>Assumptions</b></p> <ul style="list-style-type: none"> <li>• Sufficient ownership of reform measures and commitment by authorities to reach selected milestones.</li> <li>• No major exogenous shocks and no deterioration in political conditions in the member countries</li> <li>• Close collaboration with other development partners to avoid duplication of work.</li> <li>• Priorities are agreed with authorities according to their needs, capacities</li> </ul>		

### 3 LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

#### 3.1 Lessons learnt

Lessons are drawn from other Regional Technical Assistance Centres (RTACs) since the present action will finance a new one located in Delhi, India. The European Commission is one of the major fund providers for all RTACs around the world.

The flexibility and adaptability of the RTAC model is key to respond to changing circumstances and redirecting (or creating new) programmes to the highest priorities. The model of a core group of Resident Advisors, complemented by short-term experts, working in close collaboration with IMF Headquarters, and with a planning process guided by stakeholders, means that SAARTAC is well placed to reorient its focus to address emerging and urgent issues.

The programmatic approach recommended by other RTAC evaluations is an important way to ensure the sustainability of the assistance delivered. In particular; more explicit upfront agreement on deliverables and outcomes with beneficiary countries and donors.

Other elements identified during RTAC evaluation, suggest strengthening Result Based Management; to invest in the measurement of baselines and progress, and to better specify measurable objectives and targets.

### **3.2 Complementarity, synergy and donor coordination**

This Action has complementarity with other European Union programmes, especially budget support programmes in the region. The work of SARTTAC (particularly in the area of macroeconomic policy analysis and Public Finance Management (PFM)) indirectly assists countries eligible for budget support in achieving the macroeconomic and PFM eligibility conditions and to continue to meet these general conditions.

Donors such as the World Bank, the Asian Development (ADB), (Department for International Development (DFID-UK) also have ongoing and planned programmes in similar areas. During the implementation of the present action, these donors are being fully engaged, to take advantage of synergies and avoid duplication of efforts. During implementation, SARTTAC's Steering Committee meetings will provide a forum to engage these development partners and discuss issues of a strategic nature, to make formal presentations of recent results, and discuss and endorse plans and budgets for the coming period.

It is expected that SARTTAC will work closely with other Technical assistance initiatives from donors partners in related areas to ensure complementarity and additionally.

### **3.3 Cross-cutting issues**

It is expected that during the implementation of the action, environmental and gender issues will be addressed by:

- Mainstreaming gender and into existing programs for example, through Gender budgeting which should be incorporated in the PFM agenda. Environmental issues have not featured to date, however depending on demand from SARTTAC members, technical assistance and training on energy pricing or subsidy reforms (areas where the IMF has comparative advantage) could be programmed.
- Disseminating new research on gender and environment, through the website, social media and where possible, through seminars targeting policy makers. Over the past years, the IMF has conducted substantive research on gender issues as they pertain to macroeconomic performance and growth and SAARTAC is an appropriate vehicle to bring these to the attention of policy makers and to the wider audience.

This Action will also promote better governance, particularly through better PFM practices, as well as trade development in the region through improved customs administration processes and procedures.

## **4 DESCRIPTION OF THE ACTION**

### **4.1 Objectives/results**

This programme is relevant for the Agenda 2030. It contributes primarily to the progressive achievement of Sustainable development goals target 17 Strengthen the means of implementation and revitalize the global partnership for sustainable development,

This does not imply a commitment by the Nepal, Bhutan, India, Bangladesh, Sri Lanka Maldives benefiting from this programme.

The general objective of the action is to contribute toward strengthening the institutional and policy frameworks of beneficiary countries to underpin sustained economic growth.

The specific objective aims to:

- a. Improve the efficiency and effectiveness of tax administration by implementing stronger revenue strategy
- b. Assist member countries to strengthen core PFM functions and introduce progressively more advanced PFM reforms
- c. Improve member countries' frameworks for monetary policy, strengthen operational instruments, and develop money markets with the objective of enhancing implementation of monetary and exchange rate policies
- d. Strengthened financial sector supervision and regulation that contribute to a stable financial systems
- e. Strengthen compilation and dissemination of national accounts and price statistics according to international statistical standards

### **4.2 Main activities**

The main activities related to the present action are listed below:

- Implement all related capacity development activity and training in the following areas Public Financial Management, Revenue Administration, Financial Sector, Monetary and Exchange Operations, Real Sector Statistics, General Macroeconomic Training
- Engage with national capacity development institutions to maximize the impact of capacity development. The countries of the region have a large number of training institutions (some of them operating at the regional level), providing macroeconomic and financial training in areas related to the IMF's work. SARTTAC will therefore examine collaborating with these national institutions, build the capacity of these institutions, and benefit from their knowledge to refine capacity development delivery to meet regional needs.

- Ensure close coordination with other Capacity development providers in its core areas of expertise. Among institutions and countries providing capacity development to the region are the Asian Development Bank, Australia, Austria, Canada, China, Denmark, the European Union (EU), France, Germany, the International Finance Corporation (IFC), the Islamic Development Bank (IsDB), Japan, Korea, the Netherlands, Norway, the United Kingdom (UK), the United States (US), and the World Bank.
- Establish and organize all steering committee
- Launch a SARTTAC website with contact and work program information to foster development partner coordination.
- Provide development partner briefings, including through IMF's Resident Representative Offices. Information on SARTTAC missions will be posted on the SARTTAC website. SARTTAC missions will also seek to systematically brief development partners in the field.
- Publish SARTTAC annual reports. SARTTAC will produce in-depth reports on the work completed each year, focused on the progress made in achieving outputs and outcomes for each project and topic area.

### **4.3 Intervention logic**

The Regional Technical Assistance Centre (RTAC) methodology has been proven. The ability of a regional 'institution' with broad ownership (as reflected through its financing and governance arrangements) ensures that this new centre will be responsive to regional needs, and will be tailored to regional and country circumstances. Through its annual programming process, which involves extensive consultation with stakeholders, resources can be deployed to meet strategic priorities over the medium term, and also when urgent issues arise and need to be addressed. RTAC also provides support in a holistic manner by tackling problems through various channels and perspectives. For example, the creation of fiscal space for investments requires both public expenditure and revenue reforms, complemented by the capacity to formulate medium term macroeconomic frameworks using robust data and better forecasting.

An indicative logframe matrix is attached.

## **5 IMPLEMENTATION**

### **5.1 Financing agreement**

In order to implement this action, it is not foreseen to conclude a financing agreement with the partner country, referred to in Budget [Article 184(2)(b) of Regulation (EU, Euratom) No 966/2012].

## **5.2 Indicative implementation period**

The indicative operational implementation period of this action, during which the activities described in section 4 will be carried out and the corresponding contracts and agreements implemented, is 72 months from the date of adoption by the Commission of this Action Document.

Extensions of the implementation period may be agreed by the Commission's authorising officer responsible by amending this decision and the relevant contracts and agreements; such amendments to this decision constitute Budget technical amendments in the sense of point (i) of Article 2(3)(c) of Regulation (EU) No 236/2014.

## **5.3 Implementation modalities**

### **5.3.1. Grant: direct award – IMF/South Asia Regional Training and Technical Assistance Center (direct management)**

(a) Objectives of the grant, fields of intervention, priorities of the year and expected results

The objective of this PA grant is to support the operations of the South Asia Regional Training and Technical Assistance Center. As described in Section 4.2, the operations of SARTTAC comprise technical assistance and training across 6 broad sectors: Public Financial Management, Revenue Administration, Financial Sector, Monetary and Exchange Operations, Real Sector Statistics, General Macroeconomic Training. It is expected that these activities will “contribute toward strengthening the institutional and policy frameworks of beneficiary countries to underpin sustained economic growth.”

(b) Justification of a direct grant

Under the responsibility of the Commission's authorising officer responsible, the grant may be awarded without a call for proposals to the International Monetary Fund (IMF).

Under the responsibility of the Commission's authorising officer responsible, the recourse to an award of a grant without a call for proposals is justified because the present action has specific characteristics that require a particular type of body on account of its technical competence (Article 190 (1) (f) RAP).

The International Monetary Fund (IMF) promotes international financial stability and monetary cooperation. It also seeks to facilitate international trade, promote high employment and sustainable economic growth, and reduce poverty around the world. Created in 1945, the IMF is governed by its member countries and accountable to its member countries that make up its near-global membership. The IMF's primary purpose is to ensure the stability of the international monetary system—the system of exchange rates and international payments that enables countries (and their citizens) to transact with each other. To maintain stability and prevent crises in the international monetary system, the IMF is the only organisation pursuant its regular Article IV missions that reviews country policies and national, regional, and global economic and financial developments through a formal system known as surveillance. The IMF advises its member countries, encouraging policies that foster economic stability, reduce vulnerability to economic and financial crises, and raise living standards.

The IMF has created Regional Technical Assistance Centres to help it more effectively fulfil its internationally agreed mandate by providing highly qualified Technical Assistance. There are already 9 Centres in the World : one for the Pacific zone, one for the Caribbean, one for Middle East, 5 for Africa, one for Latin America. The above mentioned responsibilities, exercised by the IMF, empower it for the creation and maintenance of these centres as well as the new one, which will be based in New Delhi and will provide technical assistance in all specific objectives mentioned in paragraph 4.1 in this geographic zone.

(c) Eligibility conditions: n/a

(d) Essential selection and award criteria

The essential selection criteria are the financial and operational capacity of the applicant.

The essential award criteria are relevance of the proposed action to the objectives of the call; design, effectiveness, feasibility, sustainability and cost-effectiveness of the action.

(e) Maximum rate of co-financing

The maximum possible rate of co-financing for this grant is 100%.

In accordance with Articles 192 of Regulation (EU, Euratom) No 966/2012 applicable by virtue of Article 37 of (EU) regulation n° 323/2015 if full funding is essential for the action to be carried out, the maximum possible rate of co-financing may be increased up to 100 %. The essentiality of full funding will be justified by the Commission's authorising officer responsible in the award decision, in respect of the principles of equal treatment and sound financial management.

(f) Indicative trimester to conclude the grant agreement: first semester of 2017

#### 5.4 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

#### 5.5 Indicative budget

	<b>EU contribution (amount in EUR)</b>	<b>Indicative third party contribution, in currency identified</b>
5.3.1. – Grant: direct award – South Asia Regional Training and Technical Assistance Center (direct management)	10.000.000	EUR 0
<b>Totals</b>	10.000.000	45.000.000

## **5.6 Organisational set-up and responsibilities**

SARTTAC will be administered through a multi-donor trust fund, established under the IMF's policies and procedures as approved by the IMF Board. The Center will be governed by a Steering Committee, comprising the contributors to the trust fund, namely the member countries, the EU and other donors, the IMF. The Steering Committee will meet twice yearly to review the implementation of the Center's annual work program, and to provide strategic direction. The Center will be managed by a Program Coordinator—an IMF staff member whose costs are covered by the IMF, a core team of resident advisors, complemented by short term experts.

## **5.7 Performance monitoring and reporting**

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the logframe matrix. The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

## **5.8 Evaluation**

Having regard to the nature of the action, a mid-term evaluation will be carried out for this action or its components via an implementing partner. It will be carried out for problem solving, learning purposes, in particular with respect to the fact that this is will be the first experience of an RTAC in South Asia.

The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

## **5.9 Audit**

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

The financing of the audit shall be covered by another measure constituting a financing decision.

#### **5.10 Communication and visibility**

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation and supported with the budget indicated in section 5.5.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

## APPENDIX - INDICATIVE LOGFRAME MATRIX<sup>2</sup>

The activities, the expected outputs and all the indicators, targets and baselines included in the logframe matrix are indicative and may be updated during the implementation of the action, no amendment being required to the financing decision. When it is not possible to determine the outputs of an action at formulation stage, intermediary outcomes should be presented and the outputs defined during inception of the overall programme and its components. The indicative logframe matrix will evolve during the lifetime of the action: new lines will be added for including the activities as well as new columns for intermediary targets (milestones) for the output and outcome indicators whenever it is relevant for monitoring and reporting purposes. Note also that indicators should be disaggregated by sex whenever relevant.

	Results chain	Indicators	Baselines (2015)	Targets (incl. 2022)	Sources and means of verification	Assumptions
Overall objective: Impact	The institutional and policy frameworks of beneficiary countries to underpin sustained economic growth have been strengthened	Regional/country level growth rates	Baseline will be identified during the Inception phase	Target will be identified during the Inception phase	World Economic Outlook; Regional Economic outlook	Countries undertake structural and other reforms necessary to spur economic growth. Development partner financing is used effectively.

<sup>2</sup> The present logframe is indicative since the SARRTAC has not open yet. This logframe is based on indicators from the draft SARTTAC program documents and will be further developed with baselines and targets in 2017 once SARTTAC will have started its activities.

	<p>1) Improve the efficiency and effectiveness of tax administration by implementing stronger revenue strategy</p>	<p>1. Tax revenue-to-GDP per country</p>	<p>1. Estimated Tax revenue-to-GDP</p>	<p>1. Improved tax revenue-to-GDP in each country</p>	<p>IMF.org</p>	<p>No major exogenous shocks and no deterioration in political conditions in the beneficiary countries</p>
	<p>2) Assist member countries to strengthen core PFM functions and introduce progressively more advanced PFM reforms</p>	<p>2. Average PEFA score per country</p>	<p>2. Most recent PEFA score</p>	<p>2. PEFA score against original baselines have not deteriorate in each country</p>	<p>PEFA.org</p>	<p>There are no major exogenous shocks or deterioration in political circumstances</p>
	<p>3) Improve member countries' framework for monetary policy, strengthen operational instruments, and develop money markets with the objective of enhancing implementation of monetary and exchange rate policies</p>	<p>3.1 Status of operational frameworks for monetary policy per country</p>	<p>3.1. Baseline will be identified during the Inception phase</p>	<p>3.1. Target will be identified during the Inception phase</p>	<p>Reports and documents from Central Banks</p>	<p>Capacity/resources at Central Bank and banks to implement the amended provisions;</p>
		<p>3.2. Status of Central Bank laws per country</p>	<p>3.2. Baseline will be identified during the Inception phase</p>	<p>3.2. Target will be identified during the Inception phase</p>		
	<p>4) Strengthened financial sector supervision and regulation that contribute to a stable financial system</p>	<p>4.1. Status of Central Bank regulatory frameworks</p>	<p>4.1. Baseline will be identified during the Inception phase</p>	<p>4.1. Target will be identified during the Inception phase</p>	<p>IMF.org and report from Central Banks</p>	<p>Capacity/resources at Central Bank and banks to implement the amended provisions;</p>

<b>Outputs</b>	output will be identified during the Inception phase once the center will have open in 2017	Indicator will be identified during the Inception phase	Baseline will be identified during the Inception phase	Target will be identified during the Inception phase		
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