
Volume 1: Main Report

Bruce Murray (Team Leader)
Patrick Downes
Henry Gaperi
Isaac Njiemoun
AFRITACs deliver capacity-building technical assistance and training in Fund areas of expertise to 24 countries in Western, Central and Eastern Africa: Benin, Burundi, Burkina Faso, Cameroon, Central African Republic, Chad, Cote d'Ivoire, Democratic Republic of Congo, Equatorial Guinea, Eritrea, Ethiopia, Gabon, Guinea, Guinea-Bissau, Kenya, Malawi, Mali, Mauritania, Niger, Republic of Congo, Rwanda, Senegal, Tanzania, and Togo. The costs of running the AFRITACs is defrayed by grants from recipient countries for AFRITAC Central (Burundi, Communauté Économique et Monétaire de l'Afrique Centrale (CEMAC), and the Democratic Republic of Congo); the African Development Bank and 15 bilateral donors (Canada, P.R. China, Denmark, Finland, France, Germany, Italy, Japan, Luxembourg, Norway, the Russian Federation, Sweden, Switzerland, the Netherlands, and the United Kingdom), and contributions from the IMF. In complementing the Center’s resource pool, the host countries Gabon, Mali, and Tanzania as well as Kenya generously provide in-kind contributions.
LIST OF ABBREVIATIONS

ACBF - African Capacity Building Foundation
AfDB - African Development Bank
AFR - Africa Department (IMF)
AFRITAC - Africa Regional Technical Assistance Center
AFRISTAT - Observatoire Economique Et Statistique D'Afrique Sub Saharienne
AML/CFT - Anti Money Laundering/Countering the Financing of Terrorism
BCEAO - Banque Centrale des États de l'Afrique de l'Ouest (Central Bank of West Africa)
BEAC - Banque des États de l'Afrique Centrale (Central Bank of Central Africa)
CEMAC - Communauté Économique et Monétaire des États de l'Afrique Centrale
COBAC - Commission Bancaire de l'Afrique Centrale
CPI - Consumer Price Index
DfID - Department for International Development of the United Kingdom
EAC - East African Community
EXR - External Relations Department (IMF)
EU - European Union
FAD - Fiscal Affairs Department (IMF)
FSAP - Financial Sector Assessment Program
FY - Fiscal Year
GDDS - General Data Dissemination System
HIPC - Heavily Indebted Poor Countries
HRD - Human Resources Department (IMF)
LEG - Legal Department (IMF)
MDRI - Multilateral Debt Initiatives
IMF - International Monetary Fund
KSMS - Kenya School of Monetary Studies
MCM - Monetary and Capital Markets Department (IMF)
METAC - Middle East Technical Assistance Center
MEFMI - Macroeconomic and Financial Management Institute
MFI - Micro Finance Institutions
MTEF - Medium-term Expenditure Framework
OTM - Office of Technical Assistance Management (IMF)
PEFA - Public Expenditure and Financial Accountability
PFM - Public Financial Management
PRGF - Poverty Reduction and Growth Facility
PSIs - Poverty Support Instruments
PRSP - Poverty Reduction Strategy Paper
RAP - Regional Assistance Plan
RTAC - Regional Technical Assistance Center
SDDS - Special Data Dissemination Standard
SNA - System of National Accounts
STA - Statistics Department (IMF)
SYGADE - Système de Gestion et d'analyse de la Dette
TAIMS - Technical Assistance Information Management System
WAEMU - West African Economic and Monetary Union
UNCTAD - United Nations Conference on Trade and Development
UNECA - United Nations Economic Commission for Africa
UNDP - United Nations Development Programme
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(Note: Supporting Annexes are in Volume 2)
Executive Summary

1. This independent evaluation is part of the governance structure of the East, West and Central African Technical Assistance Centers (AFRITACs). The evaluation is based on interviews of government officials, workshop participants, AFRITAC staff and representatives of other TA providers and information gathered during visits to eight countries (Tanzania, Kenya and Rwanda in East Africa; Gabon and Cameroon in Central Africa; and Mali, Côte d’Ivoire and Guinea in West Africa), 815 responses to an electronic survey, interviews at IMF Headquarters and a review of available documents and data. The evaluation methodology involved the use of a quantitative rating methodology that allowed evaluations of relevance, effectiveness, efficiency and sustainability to be ranked and aggregated across functional areas and AFRITACs to assess the AFRITAC Initiative as a whole. When the field work was undertaken East and West AFRITACs had been operational for five to six years while Central AFRITAC for only 18 months.

2. The AFRITAC governance structure is designed to promote country ownership, donor involvement and accountability. Steering Committees have representatives from member countries, donors, and regional organizations. Selected observers are invited to attend meetings. Opening up IMF’s decision making processes to others was a major innovation of the AFRITAC model. Center Coordinators, who are staff of the Africa Department (AFR), manage the day-to-day activities of the AFRITACs. Resident Advisors and short term experts deliver the TAs. They are recruited, managed and supervised by IMF’s three TA departments [Monetary and Capital Markets (MCM); Fiscal Affairs (FAD); and Statistics (STA)]. Consistent with the IMF business model for TA and to maintain quality control, the three TA departments backstop the work of the Resident Advisors and short term experts. The Office of Technical Assistance Management (OTM) maintains relations with donors, mobilizes TA funds, monitors their use, manages the finances and commissions independent evaluations of TA activities.

3. Delivering TA through the AFRITACs is consistent with the calls in the 2003 Rome Declaration on Harmonization, the March 2005 Paris Declaration on Aid Effectiveness and the September 2008 Accra Agenda for Action for increased country ownership, greater donor harmonization and coordination and building institutional capacity. The donors identified IMF as the international organization with the comparative advantage for macroeconomic management TAs and then provided funds to it. This reduced the number of separate missions from donors, the amount of conflicting policy advice provided by different donors and the transaction costs for governments.

4. The overall rating of the performance of the AFRITAC Initiative was Good. In terms of the four dimensions of evaluation the highest scores were for relevance and the lowest scores were for sustainability (see Table 1). The AFRITACs are reliant on actions taken by the executing agencies or factors beyond their control (e.g., broader institutional capacity issues; staffing and budgetary issues in the executing agencies; political economy issues; decisions related to the continued funding of the AFRITACs) to achieve high scores in sustainability. There was a large body of evidence on which to base the evaluations of the East and West AFRITACs. For those AFRITACs, the Evaluation Team was on firmer ground relative to Central AFRITAC in making judgments about whether their TAs would achieve the desired outcomes.

5. The performances of the East, West and Central AFRITACs were all rated as Good, with East AFRITAC rated above the midpoint of the Good range and West and Central AFRITACs were close to, but below, the midpoint. While all AFRITACs have some of the
most challenging countries in the world as clients, a disproportionate number, some with very weak institutional capacity and challenging political economy conditions, are in the Central AFRITAC region.

Table 1: Rating the AFRITAC TAs

<table>
<thead>
<tr>
<th></th>
<th>Weights (%)</th>
<th>East AFRITAC</th>
<th>West AFRITAC</th>
<th>Central AFRITAC</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resident Advisor Input</td>
<td></td>
<td>161</td>
<td>269</td>
<td>86</td>
<td>516</td>
</tr>
<tr>
<td>(Person Months)</td>
<td>32%</td>
<td>3.3</td>
<td>3.2</td>
<td>3.0</td>
<td>3.2</td>
</tr>
<tr>
<td>Relevance</td>
<td>28%</td>
<td>3.1</td>
<td>2.8</td>
<td>2.7</td>
<td>2.9</td>
</tr>
<tr>
<td>Effectiveness</td>
<td>22%</td>
<td>3.0</td>
<td>2.8</td>
<td>2.9</td>
<td>2.9</td>
</tr>
<tr>
<td>Efficiency</td>
<td>18%</td>
<td>2.9</td>
<td>2.7</td>
<td>2.3</td>
<td>2.7</td>
</tr>
<tr>
<td>Sustainability</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Rating</td>
<td>100%</td>
<td>3.1</td>
<td>2.9</td>
<td>2.8</td>
<td>2.9</td>
</tr>
</tbody>
</table>

Note: Column weights were defined by the Evaluation Team and row weights were based on the proportion of person months of Resident Advisor input provided by each AFRITAC.

6. East AFRITAC is the doyen of the AFRITACs and has been the most successful in making a clear difference in supporting the effective implementation of reforms through its TA activities. The higher rating by the Evaluation Team for East AFRITAC is consistent with responses to the AFRITAC Evaluation Survey. For most questions slightly more positive responses were received for East AFRITAC than for the other two AFRITACs. East AFRITAC’s outreach efforts through its annual reports and fliers and working papers to benchmark its progress in key areas are commendable as are the professional standards it sets in delivering TAs. West AFRITAC, the largest provider of TAs, has delivered a consistent and solid performance. Significant progress has been made in many TAs but efforts to effectively monitor and disseminate the progress made have been somewhat lacking.

7. The fact that the performance of Central AFRITAC was rated as nearly being on par with West AFRITAC is commendable and indicates that it is off to a very good start. However, as Central AFRITAC was not quite halfway through its second fiscal year at the time the field work was undertaken for this evaluation. At this stage the best that can be done is to base the assessment of Central AFRITAC on the Evaluation Team’s judgment of potential for relevance, effectiveness, efficiency and sustainability rather than actual performance of TAs. Capacity building is a medium to long term endeavor that requires sustained input over several years to make an impact. Given the weakness of institutions and political economy challenges in many of its client countries and the fact that Central AFRITAC has just begun operations, it is not surprising that at this stage the Evaluation Team has some concerns about long run sustainability. The challenges and TA needs for the newest AFRITAC are similar to those of West Africa. Central AFRITAC should learn from the experience of West AFRITAC and use the lessons learned to improve TA delivery.
8. The AFRITAC TAs were grouped into five clusters: (i) monetary operations and debt management; (ii) financial sector supervision; (iii) public financial management; (iv) revenue administration; and, (v) statistics as one cluster covering macroeconomic statistics, central bank statistics and public finance statistics. The TA clusters were rated on a four point scale of Excellent, Good, Modest and Poor. These clusters were grouped into functional areas covered by the three TA departments – MCM, FAD and STA.

9. The portfolios of TAs in the areas of the three TA departments were all rated as Good (see Table 2). The TAs delivered tangible results that contributed to capacity building. The four dimensions of evaluation for the MCM related TAs were all rated as slightly higher than for the FAD and STA related TAs and the overall rating for the MCM TAs was above the midpoint in the Good range. The performance ratings for the FAD and STA TAs were slightly below the midpoint. The performance ratings of East AFRITAC’s Bank Supervision, the only cluster rated as Excellent, and Revenue Administration TAs, West AFRITAC’s Microfinance Supervision TAs and Central AFRITAC’s Debt Management TAs were particularly notable. Some TA clusters were rated below the midpoint in the Good range – PFM and Statistics in all AFRITACs; Monetary Operations in East AFRITAC; and Revenue Administration in West and Central AFRITAC. The results of the AFRITAC Evaluation Survey broadly validated the Evaluation Team’s ratings across the AFRITACs and TA clusters.

<table>
<thead>
<tr>
<th>Table 2: Rating the AFRITAC TAs by Functional Area</th>
</tr>
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<tbody>
<tr>
<td><strong>Weights (%)</strong></td>
</tr>
<tr>
<td>Resident Advisor Input (Person Months)</td>
</tr>
<tr>
<td>Relevance</td>
</tr>
<tr>
<td>Effectiveness</td>
</tr>
<tr>
<td>Efficiency</td>
</tr>
<tr>
<td>Sustainability</td>
</tr>
<tr>
<td><strong>Total Rating</strong></td>
</tr>
</tbody>
</table>

Note: Column weights were defined by the Evaluation Team and row weights are based on the proportion of person months of Resident Advisor input for each group of TA activities.
Highly Successful (Excellent) ≥ 3.5; 3.5 < Successful (Good) ≥ 2.5; 2.5 < Partly Successful ≥1.5 (Modest); Not Successful (Poor) < 1.5

10. The AFRITACs delivered high quality TA in an effective and efficient manner. The Evaluation Team found that: (i) AFRITAC TAs were responsive to countries’ needs and were “owned” by the countries; (ii) the involvement of recipient countries, donors and IMF staff in the AFRITAC governance structure has proven to be a successful model; (iii) the AFRITACs provided rapid and flexible services; (iv) all TA delivery modes were effective, particularly regional seminars and the mission work of Resident Advisors; (v) the quality of the expertise in the AFRITACs was good and the Evaluation Team did not identify instances where the
AFRITACs exposed IMF to reputational risk – on the contrary, AFRITACs have enhanced IMF’s reputation; (vi) AFRITACs are well suited to play an important role in IMF’s support for regional economic integration and harmonization; (vii) AFRITAC TAs supported countries’ Poverty Reduction Strategies particularly PFM, Revenue Administration, Debt Management, and Microfinance Supervision TAs; and (viii) some AFRITAC TAs, (e.g., PFM, Revenue Administration and Government Financial Statistics clusters) improved transparency, accountability and control, thus contributing to reducing opportunities for corruption.

11. Respondents to the AFRITAC Evaluation survey rated the AFRITACs as better than IMF Headquarters and other TA providers in terms of responsiveness, knowledge of the countries, flexibility, reaction times, cost effectiveness and use of African expertise. The views of officials the Evaluation Team met in the eight countries were consistent with this feedback. This conclusion, however, is based on perceptions rather than an objective analysis. By the end of 2009 data should be available to permit the costs of delivering Headquarters and AFRITAC TAs to be compared, thus allowing more detailed comparison of the relative cost of delivering Headquarters and AFRITAC TAs.

12. The cost to deliver a person month of TA did not vary significantly across AFRITACs or by functional area. Some low ratings of efficiency sub-criteria were related to delays on the part of all three TA departments of replacing Resident Advisors. The long periods during which some Resident Advisor positions were vacant disrupted the ability of East AFRITAC to complete its work program. Ways must be found to avoid long delays in filling vacancies.

13. While good work has been done in all regions and all functional areas, the performance of the AFRITAC Initiative can be improved by learning some of the lessons of experience identified by the evaluation. Some of the key lessons are distilled below:
   (i) Better grounding of AFRITAC TA programs: AFRITAC programs need to be better grounded in IMF country strategies, whether through the African Department’s annual country strategy notes, IMF country programs and surveillance reports, Poverty Reduction and Growth Facilities (PRGFs) or Poverty Support Instruments (PSIs). A stronger link is needed to follow-up strategies for implementing regional and country specific Financial Sector Assessment Program (FSAP) findings and recommendations or the Public Expenditure and Financial Accountability (PEFA) assessments. Better coordination is needed between MCM’s and STA’s “upstream” role (diagnostics and strategy) with AFRITACs “downstream” role (supporting implementation) to ensure effective implementation of the IMF’s overall business model for TA.
   (ii) Better sharing of lessons learned among the AFRITACs: Sharing experience across AFRITACs will become a more important issue with the establishment of two more AFRITACs. Preparing and disseminating working papers that chronicle experience in successful areas of TA delivery, such as has been done recently by East AFRITAC, is a model for replication in all AFRITACs. Although there have been periodic retreats to share information among AFRITACs (e.g., the AFRITAC retreat in Nairobi in July 2006; the RTAC Center Coordinator retreat in Washington in December 2008), such retreats should be held more regularly going forward.
   (iii) More effective donor coordination: Donor coordination consistently received the lowest ratings among the three relevance sub-criteria (consistency with government priorities; donor coordination; consistency with IMF Headquarters operations). Notwithstanding that individual country authorities have a lead role to play, all AFRITACs in all functional areas need to improve donor coordination and information sharing. This will require active support from all parties involved in the AFRITAC governance structure – beneficiary and donor representatives on the Steering Committees; observers attending Steering Committee meetings;
(iv) **More intensive engagement in post conflict countries**: The Resident Advisors are spread too thinly to be able to engage intensively in post conflict countries. In concert with TA departments, the AFRITACs need to apply the lessons of the MCM and FAD self evaluations of their TA programs in post conflict countries and engage more intensively in such countries. IMF’s efforts to establish a Topical Trust Fund to finance “upstream” and “downstream” TA for post-conflict countries, together with the expected funding for the next phases of the AFRITACs, should provide additional resources for this approach.

(v) **Better monitoring of results**: Despite the progress that has been made, the quality of reporting on results needs to be further improved in all AFRITACs and across all functional areas. The Steering Committees, TA departments, Center Coordinators and Resident Advisors all need to ensure that there is more meaningful tracking that emphasizes outcomes and impact rather than the delivery of outputs.

(vi) **Greater focus on sustainability through the effective implementation of TA recommendations**: The issue of implementing TA recommendations needs to be considered in the TA design. Providing good quality advice and largely leaving the implementation of the resulting recommendations to the authorities is not the way to achieve sustainable outcomes and impacts. Authorities should be encouraged to establish the necessary policy and institutional framework for initiating reform projects, including cabinet approved policy decisions, establishment of project teams, formulating realistic work plans and assigning medium/long term experts. Sometimes additional resources need to be mobilized to support the implementation of TA recommendations.

(vii) **Mitigate the loss of technical expertise and knowledge**: Staff turnover in some executing agencies eroded the sustainability of TA benefits. The authorities should be encouraged to effectively document policies and procedures in key reform areas. Succession planning and knowledge and skills transfer need to be done by member countries to ensure a lasting impact of AFRITAC TAs.

(viii) **Expand the range of monetary and financial system TAs available from West and Central AFRITACs**: There should be a level playing field for access to monetary and financial system TAs for all AFRITAC client countries, especially those which are not members of regional monetary unions in West and Central Africa and have their own central banks and currencies. Regional FSAPs have identified many serious short comings in the monetary operations framework that are impeding market development, effective intermediation, and sound cash and public debt management practices that need to be addressed.

(ix) **Find a strategic niche for PFM TAs**: Compared to some other TA providers, the AFRITACs have relatively modest amounts of PFM TA. Strategic niches need to be identified where the AFRITACs can add value. While IMF has experience and expertise in many PFM areas and there are clear needs, the AFRITAC’s human and financial resources are limited. More focus consistent with available resources is desirable.

(x) **Consolidate gains made in Revenue Administration**: Continued support in the Revenue Administration area is needed to achieve the modernization objectives, consolidate the gains made and deepen reforms.

(xi) **Better aligning the expectations in the AFRITAC program documents for statistics with the likely resource envelope**: The program document for East and West AFRITACs states that the Statistics Advisors will provide the following types of assistance in 7 to 10 countries -- National Accounts; Price Indexes; Incorporating Statistical Development Plans into Poverty Reduction Strategies; Balance of Payments; Government Financial Statistics; Institutional Issues and Exploiting Synergies with other Resident Advisors. Delivering such a wide ranging suite of services is beyond the capacity of even the most competent, hard working Advisors. More focus is needed. While many donors are active in the area of real sector
statistics, some with considerably more resources than the AFRITACs, few other TA providers are involved in central bank and government finance statistics.

14. **One of the purposes of undertaking evaluations is to learn from the past to improve future operations.** The Evaluation Team assessed the implementation record of the 2005 Evaluation’s recommendations and found that of the 20 recommendations, the implementation of 9 was rated as Poor, 7 as Modest and 2 as Good. The implementation status of two recommendations was not rated. More follow up will be needed by all members of the AFRITAC governance structure to implement this evaluation's eight recommendations so it they will have a more positive influence on improving AFRITAC operations than the 2005 Evaluation appears to have had.

Recommendation 1: OTM's presentations during the negotiations for the next financial replenishment should argue for additional resources to strengthen the human and financial resources of the AFRITACs and necessary support from Headquarters, including AFR, MCM, FAD, STA and OTM, contingent upon the AFRITACs, with the backstopping and guidance of the TA Departments, further improving the tracking and monitoring of results (see Recommendation 2), making credible commitments to improve information dissemination and coordination with other TA providers (see Recommendation 3) and identifying ways to improve the implementation of TA recommendations to promote sustainability (Recommendation 4).

Recommendation 2: The three AFRITACs should, in coordination with the TA Departments, by the end of calendar year 2010 adopt a three year plan for each cluster of TA interventions in a country that sets out the strategic objectives and outcomes that the capacity building initiative expects to achieve and provides a framework with indicators against which progress can be monitored.

Recommendation 3: While recognizing that beneficiary countries should lead donor coordination, all three AFRITACs need to strengthen their donor coordination and information dissemination strategies. This will involve: (i) all groups represented in the AFRITAC governance structure working together to improve coordination with other TA providers in the areas of macroeconomic management; (ii) West and Central AFRITACs preparing dissemination strategies by the end of calendar 2009; (iii) OTM securing adequate funding during the replenishment to implement the dissemination strategies; (iv) OTM, the AFRITACs and the Office of External Relations working together to develop and implement the dissemination strategies and operate a common portal on the IMF server; (v) IMF making a corporate decision to share the tables of planned TAs, including both Headquarters and AFRITAC TAs in the Regional Assistance Plans, that underpin the Regional Strategy Notes with the Steering Committees; and (vi) more frequent retreats for share experience among the AFRITACs.

Recommendation 4: All AFRITACs, their Steering Committees, Center Coordinators, Resident Advisors, the TA Departments and OTM must do some strategic thinking about how strengthen TA sustainability. Among other things, this will involve providing more follow up and financing to support the implementation of recommendations resulting from TAs.

Recommendation 5: Each AFRITAC should prepare a plan to indicate how it will use a regional approach to facilitate the development of the macroeconomic tools in its areas
of competence that are necessary to support regional integration and harmonization and present the plan to their Steering Committees in 2010.

Recommendation 6: By the end of FY2010 OTM should prepare a manual that codifies the organization, management and administrative procedures for the RTACs.

Recommendation 7: As part of the next RTAC Review, OTM should prepare a Ten Year Vision for RTACs that outlines the strategic implications for IMF. Among other things this would discuss the implications of a more decentralized model of TA delivery for the structure, role and functions of the three TA departments.

Recommendation 8: By the end of 2009 the AFRITACs and OTM should develop formal action plans for the accepted recommendations, identifying the necessary resources and monitorable benchmarks to implement the recommendation and report the implementation status of the action plans to the Steering Committees in FY2010 and FY2011.

15. The Evaluation Team believes that all of the recommendations are important and should be implemented. Doing so would be a challenging agenda. To help set priorities the recommendations were classified as highest priority or high priority using the following criteria: (i) no more than four recommendations could be included in the Highest Priority group; (ii) recommendations in the Highest Priority group could be expected to make a direct contribution to improving the effectiveness and sustainability of TAs in the medium term; and (iii) the recommendations in the Highest Group would have clear, positive, tangible impacts on the operations of the AFRITACs. Recommendations 1, 2, 3 and 4 were categorized as Highest Priority and Recommendations 5, 6, 7 and 8 were categorized as High Priority. Taken as a package Recommendations 1 to 4 should improve effectiveness and sustainability by addressing resource constraints, better monitoring results, improving donor coordination and information dissemination and providing more support for implementing TA recommendations.
I. BACKGROUND AND INTRODUCTION

### Key Messages

- The objective of the three AFRITACs is to support international and regional efforts to build institutional and human capacity in public financial management, revenue mobilization, monetary and financial systems and statistics.

- All AFRITACs have some very challenging client countries. Generally, institutional absorptive capacity is strongest in East Africa and weakest in Central Africa. Country characteristics and institutional weaknesses create risks for TAs achieving sustainable results and may have implications for the AFRITAC model going forward.

- The well documented lessons of the self evaluations of the experience of FAD and MCM providing TA in post conflict countries should be applied more vigorously in many AFRITAC client countries.

- There are no significant differences among the three AFRITACs in the cost of delivering one person month of input.

- The 2005 Evaluation of the East and West AFRITACs found that they were effective vehicles for delivering TAs, were responsive to client needs, enhanced country ownership of reforms, increased regional cooperation, increased the use of African experts and improved accountability in the delivery of TAs.

- Delivery of TAs through the AFRITACs is consistent with calls in the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action for increased country ownership, greater donor harmonization and coordination and building institutional capacity. The donors identified IMF as the international organization with the comparative advantage in macroeconomic management TAs and then provided funds to IMF. Steering Committees provide a voice to the beneficiary countries and selected donors in establishing priorities and monitoring the implementation of the work program.

- Extending the financing cycle to five years and providing more resources to increase the level of engagement in fragile/post-conflict countries would be consistent with the Accra Agenda for Action.

- A quantitative rating methodology was applied in an evaluation framework based on relevance, effectiveness, efficiency and sustainability. Evaluation findings were aggregated across functional areas and across AFRITACs.

- AFRITAC TAs were grouped into five clusters: (i) monetary operations and debt management; (ii) financial sector supervision; (iii) public financial management; (iv) revenue administration; and (v) statistics as one cluster.
A. Background and Objectives

1. The IMF's Africa Regional Technical Assistance (AFRITAC) Initiative was part of an international effort to build institutional and human capacity in African countries. There are three AFRITACs: (i) the **East AFRITAC** in Dar es Salaam covers Eritrea, Ethiopia, Kenya, Malawi, Rwanda, Tanzania, and Uganda; (ii) the **West AFRITAC** in Bamako covers Benin, Burkina Faso, Côte d’Ivoire, Guinea, Guinea-Bissau, Mali, Mauritania, Niger, Senegal, and Togo; and (iii) the **Central AFRITAC** in Libreville covers Burundi, Cameroon, the Central African Republic, Chad, the Republic of the Congo, the Democratic Republic of the Congo (DRC), Equatorial Guinea, and Gabon. When the Evaluation Team undertook its field work, the East and West AFRITACs had been operating for more than five years but the Central AFRITAC had only been operating for about 18 months. Central AFRITAC is roughly at the same level that the East and West AFRITACs were at when the 2005 evaluation of their operations was undertaken. The early stage of the Central AFRITAC’s operations must be considered when interpreting the evaluation findings.

2. The objective of the AFRITACs was to build institutional capacity in the core areas of the IMF’s expertise to achieve sound public resource management, well-developed financial systems, and high-quality macroeconomic statistics. There is an extensive literature that demonstrates that institutions matter for economic development and for the formulation and implementation of sound public policies. The recent Medium Term Strategy1 of the African Development Bank confirmed the importance of capacity building in Africa but noted the limited growth in the resources made directly available for investment in capacity building. This background provides a strong rational for the AFRITACs’ focus on building capacity for sound macroeconomic management.

3. Within IMF, the creation of the AFRITACs was viewed as an opportunity to improve the effectiveness of IMF TAs and to compliment a strategic shift in Headquarters delivered TA to “upstream” or “strategic” TA and to better integrate TA with the IMF surveillance and program activities. The AFRITACs were also designed to improve the coordination of IMF’s TAs with that provided by the World Bank and other TA providers and to promote country ownership of reforms. As is common with all organizational change initiatives, there was less than full support for the AFRITACs among some IMF staff.

4. AFRITAC TA was to be closely coordinated with TA provided from the IMF’s Headquarters to ensure that IMF’s total TA support to a country was complementary and mutually reinforcing. In general, IMF Headquarters (“upstream”) TAs were to address high level policy questions and the design of major reforms, with an emphasis on thorough diagnostic work and the development of strategy and implementation plans, while the AFRITAC (“downstream”) TAs were to provide practical advice to help implement the strategy proposed by Headquarters2. AFRITAC TA was to be incremental to the TA delivered by IMF Headquarters and subject to backstopping from Headquarters to provide quality assurance. All IMF TAs were to be provided within the framework of an annual regional plan for TA delivery, to reflect the needs of member countries. The AFRITAC component of the regional TA plan was to be negotiated annually with each AFRITAC and its Steering Committee.

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2 IMF. East and West AFRITACs Phase II Program Document. November 2005. Page 16. This model was more clearly followed in the fiscal area where the Fiscal Affairs Department (FAD) undertook comprehensive diagnostic studies than in the other functional areas. The Statistics Department (STA) felt that it was necessary for its back stoppers to travel to the regions to review downstream TAs.
5. The AFRITACs were established within the framework of IMF’s Regional Technical Assistance Center (RTAC) modality 3. Since 1993, IMF has provided TA through RTACs to groups of countries where there is value added associated with a regional approach to TA delivery. RTACs have become an increasingly important way for IMF to deliver TA. RTACs were designed to improve IMF’s ability to help countries to strengthen institutions and develop the skills needed for effective economic and financial management. In addition to the three AFRITACs, three other RTACs are in operation covering the Pacific, the Caribbean and the Middle East. Plans have reached an advanced stage to open two more AFRITACs and two other RTACs covering Central America and Central Asia.

6. Evaluations are mostly backward looking in terms of assessing the results achieved, identifying the factors that led to those results and identifying the lessons to be learned and making recommendations to improve future performance. However, it is important to put the evaluation in the context of recent policy developments. For this evaluation, the most important new policy is the 2008 IMF policy to enhance the impact of TA 4. The key features of that policy include: (i) better integrating TA and IMF surveillance and lending operations; (ii) improving the prioritization of TAs by better aligning TA with strategic objectives of countries; (iii) better integrating TA into IMF’s medium-term budget; (iv) using performance indicators to make TA more transparent and accountable – TAs will have clear objectives and deliverables against which progress will be measured and TA evaluation will become more systematic in monitoring and assessing results and better disseminate lessons learned; (v) improving the costing of TAs; and (vi) strengthening IMF’s partnerships with donors.

7. Because of the 2007 restructuring and budget cut backs, IMF’s internally financed TAs will decline by about 20% in real terms over the medium term. Thus mobilizing more external financing for TAs is strategically important since IMF would like the total volume of TA to increase. Since the volume of IMF’s internal resources available to finance TAs has declined, this implies a greater than proportional increase in mobilizing external financing. To augment its TA resources IMF is planning on launching a series of topical trust funds 5 in 2009. In addition to providing more resources, particularly for low and lower middle income countries, the topical trust funds are expected to strengthen IMF’s partnerships with donors by engaging them on a broader, longer-term, and more strategic basis and leverage IMF’s expertise and experience. Topics under consideration for such funds include: (i) fragile states/post conflict countries 6; (ii) general data dissemination standards/national strategy for the development of statistics; (iii) anti-money laundering/counter financing of terrorism; (iv) public financial management (PFM); (v) management of natural resource wealth 7; (vi) debt sustainability and public debt/asset management; and (vii) financial sector stability and development in lower income countries. Some of the proposed topical trust funds are directly related to the work of the AFRITACs (e.g., fragile states/post conflict countries; statistics; PFM; debt; financial sector stability).

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3 IMF. Review of the Fund’s Regional Technical Assistance Centers. 28 June 2005.
4 IMF. Enhancing the Impact of Fund Technical Assistance. 3 April 2008.
5 IMF to Launch Trust Funds to Support Technical Assistance. IMF Survey online. 29 September 2008.
6 Many donors have placed priority on supporting fragile states/post conflict countries. See for example the AfDB’s 2008 Medium Term Strategy.
7 The topical trust fund for resource rich countries could target some AFRITAC client countries to help prevent immediate negative macroeconomic consequences, create framework for intertemporal/intergenerational transfers and support for good governance.
8. IMF is in the process of introducing a new mechanism to charge countries for TAs so that they pass a market test to ensure that TAs are provided efficiently and cost-effectively. This is based on a theory that a free service is subject to excess demand. It is thought that charging for TA will provide incentives for recipients to use TA efficiently and for IMF to design TAs that address country priorities. Willingness to pay is seen as a proxy for country ownership. Externally financed TA, including that provided through RTACs, will be exempted from the charging mechanism because the market test is reflected in third-party financing and some beneficiary countries contribute to financing the RTACs. Assessing the pros and cons of charging for TA is beyond the terms of reference for this evaluation. However, there appears to be a risk that beneficiary countries will make requests for TA provided by AFRITACs to avoid paying directly for TA provided by Headquarters.

B. Governance, Organization and Management of the AFRITACs

9. The governance, organization and management structures of the three AFRITACs are similar and are designed to promote country ownership, donor involvement and AFRITAC accountability (see Figure I.1). For each AFRITAC a Steering Committee meets once or twice a year, with representation from member countries, donors, regional organizations and the IMF. The Steering Committees provide strategic guidance to the AFRITACs, review their work plans, and assess progress in TA delivery. The work plans are to: (i) reflect the needs of member countries, i.e., be demand driven; (ii) be closely linked to the poverty-reducing strategies; (iii) be coordinated with TA provided by other donors; and (iv) be integrated with the TA, surveillance, and lending activities of IMF Headquarters. This is a departure from IMF’s typical model in that beneficiary countries and some other donors have a role in the formal decision making process (e.g., setting priorities; determining work plans; monitoring implementation).

10. AfDB is represented on the Steering Committees for all three AFRITACs. During the meetings its representatives have stressed the importance of: (i) the need for more consultation in the choice of resident advisers; (ii) the need to promote regional expertise; (iii) the revision of the formats of reports submitted to the Steering Committees to ensure more efficient monitoring/evaluation; and (iv) better dissemination of information between project partners. As is detailed below, these are important issues and areas where the Evaluation Team believes that further progress would improve the effectiveness and efficiency of the AFRITACs.

11. IMF is responsible for the managerial, technical and administrative arrangements, provides supervision and backstopping services, and manages the cost-sharing contributions of donors and the financial arrangements. The Office of Technical Assistance Management (OTM) maintains relations with donors, mobilizes TA funds, broadly monitors their use, manages the finances and commissions independent evaluations of TA activities. OTM also develops IMF’s broader policies for TA management, with a view to improving effectiveness and efficiency.

12. The Center Coordinators are full time IMF staff who are appointed by, and report to, the Africa Department (AFR)9. The Center Coordinators, who are appointed for a three year period, with the possibility of extension, manage the day-to-day activities of the AFRITACs and

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8 The Steering Committees provide broad endorsement of the work programs but do not scrutinize them on a mission by mission basis.

9 Although it is informed after the selection process has been completed, the Steering Committee has no formal role in the selection of Center Coordinators or Resident Advisors.
are the secretaries of the Steering Committees. In some countries titles are important because they convey messages about status and importance of an individual within an organization. Consideration should be given to changing the title of the Center Coordinators to Directors. While this would not affect IMF’s internal position compliment system and levels, for some external observers the title of director might enhance their view of the importance of the role of Center Coordinators.

**Figure I.1 AFRITAC Organization Chart**

**Note:** Heavy solid lines indicate direct reporting lines. The broken lines indicate indirect influence.

**Note:** Solid lines to Steering Committee box indicate membership. Heavy solid lines indicate direct reporting lines. The broken lines indicate indirect influence.
13. Although the skill mix varies somewhat among the AFRITACs, the Resident Advisors as a group broadly have expertise in areas such as public financial management, revenue administration, macrofiscal programming, financial sector supervision including microfinance, monetary operations, public debt management, and macro-economic statistics. The Resident Advisors are identified, selected, and appointed by the three TA departments, (MCM, FAD, and STA) depending on their expertise. Center Coordinators and Steering Committees have no formal role in selecting or supervising Resident Advisors.

14. The Resident Advisors are appointed on one year contracts, which can be extended. The procedures for extension are not uniform across the three TA departments. Although the Program Document states that the process of selecting Resident Advisors is to be transparent, with due consideration given to candidates from the region, the positions of the Resident Advisors are not publically advertised as a matter of policy. While some positions were advertised internationally, others were only advertised on the IMF webpage, and some were not advertised. Some TA Departments prefer to select Resident Advisors from their rosters of vetted experts and only advertise in cases where difficulty is experienced in finding suitable and willing candidates. To improve transparency, the Evaluation Team believes that all Resident Advisor positions should be publicly advertised as a matter of policy. Although footnote 9 in the January 2006 RTAC Operational Guidance Note states that Resident Advisors may be IMF staff or external consultants, in practice Resident Advisors are not IMF staff. IMF's policies discourage staff from considering a position as a Resident Advisor.

15. The need for short-term experts depends on the AFRITAC work plan. Short-term experts are recruited and supervised by the TA departments, with due regard to using qualified African experts. To guarantee the quality of the TA delivered, all short-term experts undergo a stringent certification process by the relevant TA department. When the AFRITACs were established, there was concern that they might adversely affect IMF's reputation. To reduce this risk and ensure high quality advice and projects, Resident Advisors and short term experts are selected, supervised and backstopped by the TA departments. The backstopping system involves: (i) approving all missions, including their terms of reference and back to office reports; (ii) reviewing and approving all reports prepared by the Resident Advisors; and (iii) approving the terms of reference for, selection of and reports prepared by short term experts.

16. In practice the reported amount of back stopping appears to vary considerably across the three TA departments. This reflects interviews that the Evaluation Team had with staff in the TA Departments and the Resident Advisors. A significant amount of the time of FAD staff is reportedly spent on backstopping. MCM is at the other end of the spectrum and its backstopping was limited. This partly reflects the fact that MCM went through three departmental re-organizations in the last few years which had the effect of eliminating MCM's TA oversight structure led by regional advisors in the front office. As a result, MCM's AFRITAC

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10 In at least one case, a Steering Committee rejected the appointment of a selected candidate. In some cases Center Coordinators are involved in the interview process for candidates and their views are sometimes sought for the performance reviews of Resident Advisors.

11 The related administrative procedures are defined in the 8 page document: IMF Regional Technical Assistance Centers. Operational Guidance Note for Staff. 11 January 2006. Guidance on the detailed administrative, budget and accounting is provided in a separate Technical Guidance Note.

12 IMF staff must go on an unpaid leave of absence, thus adversely affecting employment benefits, including the accumulation of pension benefits. The benefits received by Resident Advisors are less generous than those received by IMF staff when posted outside of Washington.
Resident Advisors submit their reports to the MCM Africa Regional Division which has some functional expertise and is the first filter in the backstopping process. The Regional Division forwards reports to the concerned functional divisions when the backstopper determines a need for more specialized inputs. Some Resident Advisors working in the MCM areas are allowed to select short term experts and provide first level back stopping consistent with the level of operational autonomy of the Resident Advisor. In terms of level of effort devoted to backstopping, STA appears to be between MCM and FAD. STA defines the terms of reference for and selects the Statistics Advisors, supervises the implementation of their work plan and provides back stopping (e.g., responds to requests from the Statistics Advisors; reviews reports; some participation of Advisors in STA missions). The resource implications for the STA back stopping model are not inconsequential. Because the focus of the statistics TAs in all three AFRITACs was on real sector statistics, the burden of back stopping, and hence the resource implications, fell disproportionately on STA’s real sector division which has six economists. In FY2009, of the 215 missions worldwide by STA’s real sector division, 85 were to AFRITAC client countries. All three TA departments advised the Evaluation Team that the back stopping model was under stress because of a mismatch between a growing workload and shrinking resources.

C. Focus of AFRITAC Assistance

17. AFRITAC TAs address both: (i) institutional capacity building (e.g., legal/ regulatory frameworks; organizational structures; procedures, manuals, and systems; major reform programs; strengthening or streamlining structures and systems); and, (ii) human capacity building (e.g., staff competencies; knowledge to apply and use methodologies, best practices, procedures, manuals, and systems used by the institutions; professional integrity; professional networks). Depending on the needs, the TA is delivered by Resident Advisors, short term experts, workshops/seminars/training courses or professional attachments. Regional workshops provide forums to share experience among country delegations and to promote regional integration and harmonization. The AFRITACs also organize and finance in-country workshops to address country-specific needs.

18. To provide a framework for the evaluation, the Program Documents and AFRITAC operations were reviewed to identify the broad operational objectives, recognizing that not all objectives apply to all three AFRITACs. The resulting objectives were to:

(i) improve capacity for macroeconomic analysis, policy formulation, and forecasting;
(ii) improving the legal and regulatory framework including making the checks and balances in public financial management more effective, taking account of codes of good practices promoted by the IMF and other institutions;
(iii) make systems and procedures for budgeting, treasury operations, and expenditure planning and control, more efficient with appropriate safeguards in terms of oversight and auditing;
(iv) make the reporting of government financial operations more reliable and timely;
(v) improve monetary operations, debt management (including debt sustainability) and payment systems;

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13 Some of these missions were for the DFID’s funded Anglophone Africa GDDS project.
14 Many workshops were co-financed by the African Capacity Building Foundation (ACBF).
(vi) improve the legal and regulatory framework for financial sector supervision; and  
(vii) improve the compilation and dissemination of macroeconomic statistics.

19. The AFRITAC TAs were grouped into the following clusters:

(i) monetary/financial system: (a) monetary operations, debt management and financial markets; and (b) banking and microfinance supervision;
(ii) fiscal affairs: (a) public financial management; and (b) revenue administration; and,  
(iii) statistics: as one cluster covering macroeconomic statistics, central bank statistics and public finance statistics.

20. From FY2006 to FY2008 the three AFRITAC’s provided 702 person months of input from Resident Advisors and short term experts. Of this, 36% was provided by East AFRITAC, 49% by West AFRITAC and 15% by Central AFRITAC. The lower figure for Central AFRITAC reflects the fact that it was operational for less than half of the evaluation period, whereas both the East and West AFRITACs were fully operational for the three year period. About three quarters of the input was provided by Resident Advisors and one quarter by short term experts. The fiscal area accounted for 51% of the inputs, monetary/banking for 28% and statistics for 21% (see Table A.1 in Annex A).

D. Financing the AFRITACs

21. The cost of the AFRITACs and their operations are shared among the partners. All direct costs of the TA delivered are covered by the contributions. The host countries make cash or in-kind contributions towards the office space and the cost of some support staff. All three AFRITACs are housed in modern, spacious offices. IMF finances the cost of the Center Coordinators and some local staff costs. The IMF also provides backstopping, coordination and administrative support and administers the cost-sharing contributions and the associated accounting, reporting, and auditing. Figures are not available as to the cost of this indirect IMF support for the AFRITACs.

22. The East and West AFRITACs are financed by the African Development Bank, 13 bilateral donors, funds from the China TA Account and project/activity funding from Japan. Donor contributions for Phase II, covering the period from 1 May 2006 to 30 April 2009, totaled $23.455 million. The new donor money for Phase II totaled $21.297 million, a 17% increase over Phase I. During Phase II donors are expected to finance 85.7% of the costs of East and West AFRITACs, IMF 12.5% and the host governments 1.8%. The financing pattern for Central AFRITAC is very different. Only two traditional bilateral donors contributed to the financing of the Central AFRITAC. The African Development Bank pledged $1.5 million. The vast majority of the financing for the Central AFRITAC was provided by the beneficiary countries. From FY 2007 to FY 2010, beneficiary countries are expected to finance about 70% of the costs of the Central AFRITAC, donors 18% and IMF 12%. The dominance of the beneficiary countries in the financing of Central AFRITAC demonstrates strong country ownership.

15 Canada; Denmark; Finland; France; Germany; Italy; Luxembourg; Netherlands; Norway; Russia; Sweden; Switzerland; United States.
16 Including a carryover of $2.158 million from Phase I.
17 France ($1.28 million) and Germany ($640,000).
23. AfDB is the largest external contributor to the AFRITAC Initiative, providing a total of $4.5 million to the last funding phase, $1.5 million per AFRITAC. Among other things, the paper\textsuperscript{18} that the AfDB Board approved to support the three AFRITACs stressed the importance of: (i) capacity building to support sound macroeconomic management; (ii) the focus of the AFRITACs’ operations; (iii) monitoring and managing for development results; (iv) evaluation; (v) donor coordination; (vi) use of African expertise; and (viii) regional integration.

24. Expenditures on the three AFRITACs from FY2006 to FY2008 totaled nearly $27 million. Of this, 38% was for East AFRITAC, 46% was for West AFRITAC and 16% was for Central AFRITAC (see Table A.2 in Annex A). The low share for Central AFRITAC reflects the fact that it was not operational in FY2006 and was only functioning for a few months in FY 2007. The average cost, including overheads, of a person month of input, Resident Advisors and short term experts combined, was about $38,500\textsuperscript{19}. The three Centers were within plus or minus 6% of this average, suggesting that there are not major cost efficiency differences among the AFRITACs.

25. Kenya provides significant support for East AFRITAC by making the facilities of the Kenya School of Monetary Studies (KSMS) available at a reduced cost to host six to seven workshops/training courses each year. KSMS’s physical facilities are top-class and have modern equipment and technology and have conference, catering and sports facilities and in-house accommodation for 160 participants. The Nairobi Airport is well served by regional and international airlines and airfares are competitive which, together with the subsidized cost for conference and lodging facilities, explain why the costs per participant day of workshops hosted by Kenya School of Monetary Studies were lower than those held in other places.

E. Characteristics of the AFRITAC Client Countries

26. Country characteristics beyond the control of the AFRITACs, and IMF more generally, influence the capacity of institutions to successfully absorb TAs and for TAs to achieve effective outcomes and impacts that are sustainable. TAs are more likely to be successful in countries that have political and institutional stability, macroeconomic stability, and sound economic management. Institutions that are adequately staffed with capable people, who can define their needs, are more likely to be able to work as full partners with Resident Advisors or short term experts in implementing TAs. If these characteristics are absent in various degrees, it does not mean that TAs cannot be successful. However, it does mean that the TAs will be implemented in a more challenging environment and that the risk of not achieving the desired results is higher because of factors beyond the control of the AFRITACs.

27. The Evaluation Team assessed the strength of the institutional absorptive capacity for AFRITAC client countries drawing on the following data bases: (i) the Brookings Institution\textsuperscript{20} index of state weakness that ranks 141 countries; (ii) the Fund for Peace’s Failed States Index \textsuperscript{21} that is calculated for 177 countries; and (iii) the World Bank’s governance


\textsuperscript{19} This figure includes all salaries and overheads reflected in Tables D.1, E.1 and F.1, divided by the sum of the total person months of Resident Advisors and short term consultants. It does not include indirect costs such as the cost of backstopping. The Evaluation Team did not have access to comparable data from other TA providers.


\textsuperscript{21} Failed States Index Scores 2007. The Fund for Peace. www.fundforpeace.org
indicators\textsuperscript{22} that are available for 212 countries. Institutional absorptive capacity was rated as Excellent, Good, Modest and Poor. The detailed analysis supporting the overall ratings of institutional absorptive capacity given in Table I.1 is shown in Tables A.4 to A.9 in Annex A.

Table I.1: Institutional Absorptive Capacity Rating for AFRITAC Client Countries

<table>
<thead>
<tr>
<th>East Africa</th>
<th>West Africa</th>
<th>Central Africa</th>
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<tbody>
<tr>
<td>Eritrea*</td>
<td>Modest</td>
<td>Benin</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>Modest</td>
<td>Burkina Faso</td>
</tr>
<tr>
<td>Kenya</td>
<td>Modest</td>
<td>Côte d’Ivoire*</td>
</tr>
<tr>
<td>Malawi</td>
<td>Modest</td>
<td>Guinea*</td>
</tr>
<tr>
<td>Rwanda</td>
<td>Good</td>
<td>Guinea-Bissau*</td>
</tr>
<tr>
<td>Tanzania</td>
<td>Good</td>
<td>Mali</td>
</tr>
<tr>
<td>Uganda</td>
<td>Modest</td>
<td>Mauritania</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Niger</td>
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<td></td>
<td></td>
<td>Senegal</td>
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<tr>
<td></td>
<td></td>
<td>Togo*</td>
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</table>

| Burundi*           | Good              | Cameroon             |
|                   |                   | Central African Republic* |
|                   | Poor              | Chad                 |
|                   | Poor              | Republic of the Congo |
|                   | Poor              | Democratic Republic of the Congo* |
|                   | Poor              |                       |
|                   |                   |                       |

\* country classified by IMF as a fragile state

28. There are differences in the institutional absorptive capacity among AFRITAC client countries and across regions. For East AFRITAC, institutional absorptive capacity was rated as Good in two East African countries (Rwanda; Tanzania) and Modest in the other five countries. It was not rated as poor in any East AFRITAC client country. The institutional environment in some countries in which the West AFRITAC operates is more challenging. In West Africa, four countries were rated as having Good institutional capacity (Benin; Burkina Faso; Mali; Senegal). However three countries were rated as having Poor institutional absorptive capacity (Côte d’Ivoire; Guinea; Guinea-Bissau) and three as Modest. The institutional capacity in Central Africa was the weakest among the three regions. While Gabon and Cameroon were rated as Modest, the institution absorptive capacity for all other Central African countries was classified as Poor\textsuperscript{23}. The Evaluation Team’s classification accords reasonably well with the countries identified by IMF as being fragile states. Institutional absorptive capacity was rated as Poor for six of the eight countries categorized by IMF as fragile states. Although the other two (Eritrea; Togo) were rated as having Modest absorptive capacity, both countries scored just above the cut off point for Poor. Institutional absorptive capacity was assessed as Poor in two other countries (Republic of the Congo; Equatorial Guinea). The documentation reviewed by the Evaluation Team indicates that in some cases political tensions and lack of responsiveness in some member countries resulted in less delivery of TAs than was originally planned. For example, political instability and poor absorptive capacity in four West AFRITAC countries (Guinea, Guinea-Bissau, Côte d’Ivoire, and Mauritania) resulted in limited delivery of TA (e.g., Côte d’Ivoire) and repeats of TA missions in Guinea, Guinea-Bissau and Mauritania following personnel changes in beneficiary agencies. These factors negatively impacted on the effectiveness of TA delivery in West AFRITAC. Political, institutional and relationship issues limited the amount of TA that East AFRITAC could deliver to Eritrea.

\textsuperscript{22} See www.govindicators.org

\textsuperscript{23} The Program Document for Central AFRITAC states that “the capacity building needs of Central Africa are more acute than in other parts of Africa” (see Para 10 of that document). Five of the Central African countries (i.e., Burundi; Central African Republic; Chad; the Democratic Republic of Congo; the Republic of Congo) are post-conflict countries.
29. Both FAD and MCM have undertaken self evaluations of their experience in providing TA in post conflict countries. The general lessons apply to many of the AFRITAC client countries. The key lessons include: (i) substantial TA is needed but there are severe challenges for TA delivery; (ii) a TA strategy needs to be formulated at the outset to get the sequencing right – while the sequencing can vary, the issues covered include creating an appropriate legal/regulatory framework, establishing/strengthening the concerned institutions and designing appropriate policies; (iii) the difficulties of long-term planning means that judgment and flexibility are important to allow responses to changing circumstances; (iv) the levels of country ownership and commitment are important for the pace of reforms; (v) often long-term Resident Advisors are needed but they should train local staff to take over; (vi) initially focus on simple steps and procedures; (vii) while the initial policy recommendations may not be optimal, they may be the best possible alternative in the circumstances; (viii) effective donor coordination is important — there is scope for IMF to improve in this area; (ix) appropriate conditionality in IMF supported programs can facilitate implementation of reforms; (x) the development of local capacity often takes longer than envisaged; and (xi) the pace of implementation can be adversely affected by security issues. An issue to consider is whether the AFRITACs are appropriately resourced, both financially and in terms of the number of Resident Advisors, to operate effectively in countries with poor institutional capacity and in a manner that would be consistent with these lessons. IMF Management and donors need to be aware of the challenges faced by the AFRITACs. Going forward, among other things that should be considered is whether the AFRITAC model should be extended to allow for the use of long term Advisors in selected countries, something that would be a departure from the TA delivery model used to date and would have significant budget implications. Changing the AFRITAC model to provide for long term advisors would also need to carefully consider whether other donors or IMF Headquarters plan to provide such assistance. Given the magnitude of the issues involved, the provision of long term advisors by the AFRITACs could initially be considered on a pilot project basis. The West and Central AFRITACs may be over-extended to cope with countries with weak institutional absorptive capacity without the front loading of more “upstream” TA from IMF Headquarters and/or providing additional TA resources to the AFRITACs.

30. It was beyond the scope of the evaluation to undertake a detailed assessment of the institutional absorptive capacity in each beneficiary country. However, in general the national and regional central banks, regional financial supervisory agencies and autonomous revenue agencies had the strongest institutional capacities. Ministries of finance had more modest capacities and statistical agencies had the weakest capacities. However, there were some differences in this broad generalization in the eight countries visited by the Evaluation Team. Less information was available for the organizational capacity in the countries that were not visited. For those countries the Evaluation Team relied on information that was available in the documents reviewed and the knowledge gained in interviews with the Resident Advisors.

F. Other Factors Relevant for the Evaluation

31. There are a number of other issues discussed in the Program Documents that are relevant for the design of the evaluation: (i) regional integration and harmonization; (ii) poverty reduction; (iii) coordination and dissemination; and (iv) managing for development results. These issues are discussed in Chapters II and III.

G. 2005 Evaluation
32. The 2005 Evaluation of the East and West AFRITACs found these two Centers: (i) had effectively delivered TA; (ii) were responsive to client needs; (iii) responded quickly and were familiar with the local contexts; (iv) enhanced country ownership of reforms; (v) increased regional solidarity and the use of African experts; and (vi) improved accountability in the delivery of TA. The East and West AFRITACs were found to be effective in delivering capacity-building assistance and their proximity to member countries provided a significant competitive advantage in the delivery of TA. A summary of the key points in the 2005 Evaluation is given in Section VII in Annex A.

H. AFRITACs and the Accra Agenda for Action

33. Delivery of TA through the AFRITACs is consistent with the calls in the 2003 Rome Declaration on Harmonization, the March 2005 Paris Declaration on Aid Effectiveness and the September 2008 Accra Agenda for Action for increased country ownership, greater donor harmonization and coordination and building institutional capacity (see Table I.2). The AfDB’s 2008 Medium Term Strategy puts considerable emphasis on partnerships and commits AfDB to build more effective partnerships based on clearer and more specific agreements to deliver well-articulated results and to meet “higher standards and expectations with respect to harmonization, greater reliance on country systems, more joint operations (co-financing), joint missions and joint analytical work”24. The donors identified IMF as the international organization with the comparative advantage for macroeconomic management TAs and then provided funds to it. A Steering Committee provides an explicit voice to the partner countries and selected TA providers in establishing priorities and monitoring the implementation of the work program. By pooling their funds, donors reduced the transaction costs for beneficiary countries (e.g., fewer missions for TA providers addressing the same topic; less conflicting advice in areas related to macroeconomic management). Despite the progress made, to achieve the objectives of the Accra Agenda for Action more progress must be made in the areas of donor coordination and managing for development results. Extending the financing cycle to five years and providing the AFRITACs with the resources necessary to engage more effectively in fragile/post-conflict countries would be consistent with the Accra Agenda for Action. The latter would also be consistent with the 2005 Gleneagles commitment of G-8 heads of state to double the aid to Africa by 2010, a goal that seems increasingly unlikely to be achieved.

Table I.2: Consistency of the AFRITAC Model with the Accra Agenda for Action

<table>
<thead>
<tr>
<th>Accra Agenda for Action</th>
<th>Characteristics of AFRITAC Model</th>
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<tbody>
<tr>
<td>Promoting country ownership: Donors will respect country priorities and invest in their human resources and institutions.</td>
<td>Steering Committees provide a voice to the partner countries in establishing AFRITAC priorities. AFRITACs focus on building institutional capacity and strengthening human resources. The support for capacity development is largely demand-driven.</td>
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<tr>
<td>Building more effective and inclusive partnerships, reducing aid fragmentation and addressing the related management and coordination challenges: Aid effectiveness is reduced when there are too many uncoordinated, duplicating initiatives. Donors will reduce aid fragmentation by improving the complementarities of efforts and the division of labor among donors. Maximum efforts are needed to coordinate development co-operation.</td>
<td>The donors identified IMF as the international organization with the comparative advantage for macroeconomic management and provided funds to it. By pooling their funds, donors reduced the fragmentation and transaction costs for countries (e.g., fewer missions; fewer TA providers addressing the same topic; less conflicting advice in areas related to macroeconomic management). Donors represent constituencies on the Steering Committees but more progress is needed to successfully address broader coordination issues among TA providers.</td>
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<tr>
<td>Working with all development actors, including promoting South/South cooperation, and deepen engagement with civil society organizations.</td>
<td>The AFRITACs primarily interact with beneficiary governments and official TA providers and, to a lesser extent with some regional institutions. AFRITACs do not interact significantly with</td>
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Strengthen and use country systems. Successful development depends on the capacity of governments to implement policies and manage public resources through their institutions and systems. Donors committed to using those systems to the maximum extent possible. Where country systems require strengthening, donors will support the necessary reforms and provide capacity development assistance.

AFRITAC TAs strengthen country systems. PFM work helps to create fiscal systems that donors can use to scale up their aid using general budget support. Under the Accra Agenda for Action donors reaffirmed their Paris Declaration commitment to provide 66% of aid as program-based approaches and to channel 50% or more of government-to-government assistance through country fiduciary systems.

Achieving development results and openly accounting for them: Improve the management for results by (i) developing cost-effective results measurement instruments; (ii) better linking information in national statistical systems, budgeting, planning and monitoring systems and country-led evaluations; and, (iii) strengthening national statistical capacity.

All AFRITACs are in the process of developing systems to measure and monitor the results that they are achieving, although these systems need further work. All AFRITACs provide modest assistance to strengthen national statistical systems and extensive assistance to strengthen the fiscal systems.

Be more accountable and transparent to our publics for results, including the results obtained from development expenditures, undertaking independent evaluations and both donors and partner countries doing their utmost to fight corruption.

Independent evaluations are an integral part of the AFRITAC’s governance system. Much of the AFRITAC’s assistance in the fiscal area is designed to improve the transparency, accountability and control of public expenditures and revenues, essential elements of the fight against corruption.

Adopt aid policies for countries in fragile situations: The aid effectiveness principles need to be adopted in fragile states, including countries emerging from conflict to reflect weak ownership and weak capacity (see the Principles for Good International Engagement in Fragile States and Situations). Donors committed to working to address the issue of countries that receive insufficient aid.

All AFRITACs, particularly in West and Central Africa, are engaged in fragile/post-conflict states. However, the AFRITAC model is the same for all client countries and the resources envelop for each AFRITAC appear to be independent of the number of fragile/post-conflict states among its clients. Increasing the resources available to the AFRITACs to broaden their engagement their engagement in fragile states (e.g. through a Topical Trust Fund) would be consistent with the Accra Agenda for Action.

Increase medium-term aid predictability by: (i) strengthening budget planning processes for managing domestic and external resources and improving the linkages between expenditures and results over the medium term; and (ii) donors providing information on their rolling three- to five-year forward expenditure and/or implementation plans.

The past commitment to finance the AFRITACs over a three year period was consistent with improving the predictability of aid. Extending the time period covered by the next replenishment to five years would be consistent with this aspect of the Accra Agenda for Action.

I. Evaluation Approach and Methodology

34. Undertaking an independent evaluation is part of the governance structure of the AFRITACs. The objectives of this evaluation are to: (i) provide a combined assessment of the three AFRITACs overall performance, to give stakeholders a broad overview of the initiative’s achievements and challenges faced; (ii) undertake, and report separately on, AFRITAC-specific assessments; (iii) conduct a comparative analysis of the three AFRITACs’ performance to identify strengths/weaknesses which could help explain any Center-specific successes/shortfalls; and, (iv) make appropriate proposals for the future direction of the AFRITACs, including recommendations to address governance, financing, and sustainability.

35. The evaluation approach and methodology is described in detail in Annex B. The evaluation drew on information from documents and data available from IMF, interviews at IMF Headquarters and with AFRITAC Steering Committee members, Center Coordinators and Resident Advisors, government officials, workshop participants and representatives of other TA
providers. The Evaluation Team visited the three AFRITACs and 8 of the 25 countries served by the AFRITACs. To broaden the coverage of the evaluation an electronic survey was undertaken of key informants. A total of 815 responses were received.

36. The Evaluation Team is aware of the methodological challenges associated with evaluating TA, particularly TA for capacity building. Those challenges were addressed by using triangulation but the information base was incomplete and a considerable amount of judgment was applied. The evaluation methodology was designed to make those judgments transparent to readers. The Evaluation Team relied, to a considerable extent, on perceptional data, i.e., opinions, views and comments made by various key informants and answers on questionnaires. The Evaluation Team attempted to validate the perceptions with material in various reports. In making judgments, the Evaluation Team considered evidence from several sources to validate key conclusions.

37. The terms of reference required the application of a quantitative rating methodology within an evaluation framework that is based on relevance, effectiveness, efficiency and sustainability. Sub-criteria were used to assess the four dimensions of evaluation. The sub-criteria were rated as excellent (4), good (3), modest (2) and poor (1) and weights were applied to aggregate the scores. Standard descriptors, based on numerical cutoffs, describe the ratings: (i) Excellent (score greater than 3.5 on a scale of 4); (ii) Good (2.5 to 3.5); (iii) Modest (1.5 to 2.5); and (iv) Poor (less than 1.5). Using this approach, evaluation findings could be aggregated across functional areas, across AFRITACs and across sub-criteria.

38. For each AFRITAC, the TA clusters were rated against the specific sub-criteria for the four dimensions of evaluation. The scores for the clusters of activities were added together, weighted by the person months of Resident Advisor inputs used to deliver each cluster of activities, to provide the basis for evaluating the performance of the East, West and Central AFRITACs and the functional areas. A combined assessment of the AFRITAC Initiative was derived, based on the rating for the three AFRITACs, to give stakeholders a broad overview of performance of the entire AFRITAC program. The data used to derive these weights is given in Table A.1 in Annex A and the sub-criteria for each of the four dimensions of evaluation are described in Annex B, together with the weights.

39. The Evaluation Team consisted of four independent experts, none of whom had previously worked for, or with, any of the AFRITACs:

(a) **Bruce Murray**, team leader and evaluation specialist: Mr. Murray has 35 years of experience, including being the director general of evaluation at the Asian Development Bank. He is currently an adjunct professor with the Asian Institute of Management. Recently he was the team leader for the evaluation of IMF’s TA program for Iraq and was responsible for evaluating the related statistics TAs. For this assignment he was responsible for developing the evaluation approach and methodology, designing the survey instrument and analyzing the results, managing the team, coordinating the preparation of the report, analyzing cross cutting issues and contributing to the evaluation of the statistics TAs.

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25 Tanzania, Kenya and Rwanda in East Africa; Gabon and Cameroon in Central Africa; and Mali, Côte d’Ivoire and Guinea in West Africa. The criteria for selecting countries visited included: (i) the location of the AFRITACs; (ii) level of AFRITAC engagement; (iii) linkage with IMF operations; (iv) availability of local officials in the ministries of finance, central banks and statistics agencies; (v) maximize the number of countries covered; and (vi) ease of logistics. Feedback was received from the Steering Committees and Center Coordinators on the suggested country visits.
(b) **Patrick Downes**, monetary/banking expert: During his 35 plus years of experience, Mr. Downes has held senior management positions in both the IMF and the Central Bank of Ireland. He has had hands-on experience in monetary, banking and financial market issues and promotion of financial system stability, based on best practices and international standards and codes. Recently he was the monetary/banking expert for the evaluation of IMF’s TAs in Iraq. For this evaluation, Mr. Downes was responsible for evaluating all areas of the support provided by the AFRITAC Initiative in the finance and banking areas. He also contributed to developing the methodology and assessing the strategic issues identified by the evaluation.

(c) **Henry Kanyesiime Gaperi**, fiscal expert: Mr. Gaperi’s 19 years of professional experience includes many senior positions in Rwanda including the Director General of the Social Security Fund, Chairperson of Rwanda Capital Markets Advisory Council, Commissioner General of Rwanda Revenue Authority, Commissioner for Large Taxpayers, Chairperson for Rwanda Revenue Authority Modernization and Computerization Committees, Member of Tax Policy and Commissioner of Value Added Tax. Mr. Gasperi was responsible for evaluating all areas of the support provided by the AFRITACs in the fiscal area, including both PFM and revenue administration.

(d) **Isaac Njiemoun**, statistics expert: Mr. Njiemoun has over 35 years of professional experience and is the Vice President of the Association of Statisticians in Cameroon and a member of the African Association for Public Administration and Management. During his career in Cameroon, he was the Minister of Posts and Telecommunications, the General Manager of the Caisse Autonome d’Amortissement and held senior positions in the Ministry of Finance and the Department of Statistics and National Accounts. Mr. Njiemoun contributed to evaluating the support provided by the AFRITAC Centers in the statistics area.
II. MAIN EVALUATION FINDINGS

Key Messages

- The overall performance of the AFRITAC Initiative was rated as Good.
- The performance of the East, West and Central AFRITACs were all rated as Good. East AFRITAC is the doyen of the AFRITACs and has been the most successful. West AFRITAC, the largest provider of TAs, has delivered a consistent and solid performance. Central AFRITAC is off to an encouraging start, given that it is only midway through its first three year phase of operations.
- The performance of the TAs in the functional areas of the TA departments were all rated as Good. MCM TAs were rated slightly higher than FAD and STA TAs.
- The performance of one cluster of TAs, East AFRITAC’s Banking Supervision TAs, was rated as Excellent.
- The performance ratings of East AFRITAC’s Revenue Administration TAs, West AFRITAC’s Microfinance Supervision TAs and Central AFRITAC’s Debt Management TAs were at the high end of the Good Range.
- TA clusters that were rated below the midpoint in the Good range were PFM and Statistics in all three AFRITACs, Monetary Operations in East AFRITAC, Revenue Administration in West AFRITAC and Financial Sector Supervision in Central AFRITAC.
- The responses to the AFRITAC Evaluation Survey broadly validated the ratings of the Evaluation Team.
- The Good relevancy assessment indicates that the AFRITAC TAs were focused in the right areas. Donor coordination received the lowest ratings among the relevancy sub-criteria across all AFRITACs and functional areas.
- There was sufficient evidence to conclude that the AFRITAC TAs were broadly effective in building capacity, although ratings varied across clusters.
- The regional workshops were the highest rated TA delivery mode. Mis-selection of participants was not a problem and participants generally used the skills on the job. Improvements are needed in post workshop follow up and support.
- Efficiency was generally rated Good. There were no significant differences across AFRITACs or functional areas in the cost per person month of TA delivered.
- Long delays by the three TA departments in filling vacant Resident Advisor positions lowered some efficiency ratings for East AFRITAC.
- Although Sustainability was rated as Good, the scores were the lowest for the four dimensions of evaluation. Reasons related to a lack of implementation of TA recommendations in some countries, lack of follow up by over stretched Resident Advisors, institutional capacity and budget constraints, staff turnover, political economy factors and concerns about future funding.
- AFRITAC TAs, particularly those related to Debt Management, the Supervision of Microfinance, PFM, Revenue Administration and Statistics, indirectly supported Poverty Reduction Strategies.
- PFM, Revenue and Government Financial Statistics TAs improved transparency, accountability and control of government funds, thus helping to reduce opportunities for corruption, fraud and smuggling.
A. Introduction

40. The evaluation findings summarized in this chapter are based on the Evaluation Team’s field work, review of documents and an electronic survey. The building blocks for this chapter are detailed in Annex C, an analysis of the AFRITAC Evaluation Survey, and specific assessments by the Evaluation Team of the five TA clusters for East AFRITAC (Annex D), West AFRITAC (Annex E) and Central AFRITAC (Annex F). In Annexes D, E and F, which also draw on special runs of the survey results for each of the three AFRITACs, a detailed qualitative rating is applied to assess the TAs using the classic dimensions of evaluation, i.e., relevance, effectiveness, efficiency and sustainability described in Annex B. Annexes D, E and F are extensive, covering more than 60 pages each.

41. The electronic survey was designed to provide a voice to a larger group of key informants than the Evaluation Team could interview during its field work. The results of the survey are summarized in Annex C and are used in Annexes D, E and F to test and validate the conclusions of the Evaluation Team. In general, there was a high degree of consistency between the Evaluation Team’s findings and conclusions and the responses to the survey. A total of 815 responses were received when the AFRITAC Evaluation survey was closed on 17 December 2008. The response rate was 60% for the delivered E-mails and it ranged between 54% and 70% for the different categories of respondents26 (see Table C.1 in Annex C).

Government officials accounted for about 60% of the completed questionnaires. About 60% of the government officials were from East AFRITAC client countries, a quarter were from West AFRITAC countries and one in five were from the Central AFRITAC region. Responses were also received from a reasonable number of IMF staff (141), IMF consultants (99) and representatives of other TA providers (90). Of the government officials, 39% worked in ministries of finance, 27% in central banks, 22% in revenue administrations and 9% in statistical agencies. There was reasonable coverage of IMF staff from the various departments. The largest groups of TA providers included on the survey master list were from the African Development Bank and the World Bank. Other respondents in this category were from bilateral donors. The relatively small number of respondents from STA and statistical agencies raise some concerns about the robustness of the survey results for the statistical area. Nearly 650 respondents felt that they had enough knowledge to rate the performance of an AFRITAC -- 357 for East AFRITAC, 176 for West AFRITAC and 115 for Central AFRITAC.

42. Because of time and logistical constraints, the Evaluation Team could only visit 8 of the AFRITAC client countries. The Evaluation Team had considerably more firsthand knowledge and in-country observations for these countries than for the countries that were not visited. Thus there was a potential risk that the evaluation findings based on these country visits might not be representative of the performance of the AFRITACs in the countries that were not visited. The survey provided a mechanism through which officials living in the countries not visited by the Evaluation Team could make their views known. The results drawn from the survey replies were broadly similar to the findings based on the field work, indicating that the evaluation findings are relatively robust and were not biased by the feedback from the countries visited.

B. Relevance of the AFRITAC TAs

43. The Evaluation Team used three sub-criteria to assess relevance: (i) consistency with government priorities, which had the highest weight; (ii) coordination with development partners; and (iii) consistency with IMF Headquarters activities. The detailed ratings of each of the three

26 Government officials in East, West and Central Africa, TA providers, IMF and AFRITAC staff and IMF consultants.
sub-criteria for each TA cluster in the three AFRITACs as shown in Annexes D, E and F for East, West and Central AFRITAC respectively. In each annex, the five TA clusters are systematically rated against the sub-criteria for relevance, effectiveness, efficiency and sustainability.

44. Drawing on the detailed ratings in Annexes D, E and F\(^\text{27}\), the relevance of the AFRITAC program as a whole was rated as Good (see Table II.1). The relevancy assessment indicates that the AFRITAC TAs were focused in the right areas. The relevancy ratings were consistently Good across all three AFRITACs and across the functional areas – at or above the midpoint in the range. There were, however, some differences among the TA clusters. The relevance of three TA clusters, Revenue Administration and Financial Sector Supervision in East AFRITAC and Debt Management in Central AFRITAC, was rated as Excellent. The relevance of two other clusters, Debt Management and Microfinance Supervision in West AFRITAC was rated as Good bordering on Excellent. The relevance of four TA clusters was rated as Good but below the midpoint of the Good range (e.g., the PFM clusters in all three AFRITACs and the Monetary cluster in East AFRITAC). The relevance of the Statistics TAs was rated as Good for all three AFRITACs with slightly higher ratings for West AFRITAC because of the good coordination with AFRISTAT and the synergies between the Statistics and PFM Advisors in the areas of Government Finance Statistics.

<table>
<thead>
<tr>
<th>Table II.1: Relevance of AFRITAC TAs</th>
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<tr>
<td><strong>East AFRITAC</strong></td>
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<tr>
<td>Monetary/Finance TAs</td>
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<td>Monetary/Debt</td>
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<td>Financial Supervision</td>
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<td><strong>Total Monetary Finance</strong></td>
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<td>Fiscal TAs</td>
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<td>PFM</td>
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<td>Revenue Administration</td>
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<td><strong>Total Fiscal TAs</strong></td>
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<tr>
<td>Statistics</td>
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<td><strong>RELEVANCE Rating</strong></td>
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Note: Weights were based on the proportion of Resident Advisor person months used to deliver each TA cluster.

45. The Evaluation Team’s rating of relevance is consistent with the results of the AFRITAC Evaluation Survey. One third of the 616 respondents rated the relevance AFRITAC TAs as Excellent and 59% rated it as Good. Very few people rated relevancy as Modest (8%)
or Poor (1%). A higher proportion of survey respondents rated relevancy of the East AFRITAC TAs as Excellent than was the case for the West and Central AFRITAC.

46. The suite of products offered by East and West AFRITAC has remained relatively constant over the past six years. However, the development context and needs of the client countries change over time. The AFRITACs should continue to periodically undertake detailed needs assessments to ensure that they continue to provide TAs that meet the needs of their clients. Needs assessments, together with good coordination with Headquarters activities and other donors, are important tools to maintain high relevancy ratings.

1. Relevance of Monetary/Financial System TAs

47. The monetary and financial systems TAs were grouped into two broad clusters (i) monetary operations; and (ii) financial sector supervision. Based on the main characteristics and stages of development of financial systems in client the countries and the dominant common needs of countries in each region, the generic clusters had different subject emphasis in the AFRITACs. In East AFRITAC, where all client countries have central banks responsible for monetary policy implementation and banking supervision: (i) monetary operations TAs covered a broad range of topics, including public debt management, liquidity forecasting and market operations, payments and settlement systems; foreign exchange reserves management, accounting and other central bank governance issues; and (ii) financial sector supervision TAs emphasized banking supervision, particularly the shift from traditional to risk based supervision, although supervision of microfinance also received some attention.

48. In the regions served by West and Central AFRITACs, regional central banks and a common currency, pegged to the euro, predominate and there are many poorer countries, eligible for Heavily Indebted Poor Countries (HIPC) treatment. Accordingly, under the monetary operations cluster, only TAs for debt management and related public debt market development were delivered from the West and Central AFRITACs and mainly to the WAEMU and CEMAC client countries. Guinea and Mauritania (West AFRITAC clients) and Burundi and the Democratic Republic of the Congo (DRC) (Central AFRITAC clients) have their own currencies and central banks so have TA needs for a broader range of monetary operations TAs, akin to East AFRITAC countries. For the financial supervision cluster: (i) West AFRITAC TAs focus exclusively on supervision of microfinance, reflecting the rapid growth of this type of financing in the region in recent years and the reality that its supervision is carried out by ministries of finance in WAEMU region countries, rather than the BCEAO, though the latter does have responsibility for the legal and regulatory framework; and (ii) Central AFRITAC TAs mainly consisted of banking supervision assistance to the regional supervision authority (COBAC) and the central banks in Burundi and DRC, with some limited assistance on microfinance to COBAC and Burundi.

49. Reflecting both regional characteristics and country needs, all AFRITACs have a Resident Advisor in each of the two clusters as follows: (i) Monetary Operations Advisor and Banking Supervision Advisor in East AFRITAC; (ii) Advisors in Debt Management and Microfinance Supervision in West AFRITAC; and (iii) Advisors in Debt Management and Banking Supervision in Central AFRITAC. In West and Central AFRITACs, these arrangements are less than optimal when viewed from the perspective of the client countries with central banks. MCM seeks to provide TA in these countries but it is not clear that this arrangement works effectively for the countries concerned or is the most efficient way to provide the TAs. There is a need to ensure a level playing field for access to monetary and financial system TAs, especially monetary operations and banking supervision, for all AFRITAC
Although the AFRITAC’s work plans can be modified when they are considered by the Steering Committees, the amount of flexibility is limited in situations in which the demand for TAs exceeds the delivery capacity of the AFRITAC or the AFRITACs do not have the necessary skills to deliver the type of TA requested.

50. **The detailed ratings of relevance for the Monetary and Financial Systems TAs are given in Tables D.2, E.2 and F.2 for East, West and Central AFRITAC respectively.** The monetary operations/debt management and financial sector supervision TAs in all three regions had a high degree of relevance when measured against consistency with country/regional objectives and coherence with IMF country program or surveillance activities [including regional and in some cases national Financial Sector Assessment Programs (FSAPs)]. The ratings for coordination with other TA providers were lower. The relevance ratings for both clusters of Monetary and Financial TAs were both scored at 3.4, Good just below the cut off point for Excellent. Particularly high relevance scores were awarded to the Banking Supervision cluster in East AFRITAC and the debt management TAs in West and Central AFRITACs.

51. The relevance rating of the monetary and financial systems TAs would have been Excellent if: (i) East AFRITAC had been able to provide monetary operations services during the entire 2006 to 2008 evaluation period – the Monetary Operations Advisor position was vacant for much of the period; and (ii) West and Central AFRITACs had been able to provide a broader range of services to support the national central banks in their regions and developed a closer rapport with West and Central Africa central banks to support financial sector reforms identified in regional and country specific FSAPs. These suggestions have implications for resources and the skill mix of the Resident Advisors that need to be considered in the next funding replenishment. With many East African countries moving ahead with second generation financial sector reforms, there is a need to maintain the momentum of its monetary and financial TA delivery and East AFRITAC’s position as a role model of excellence for the other RTACs. Like the other AFRITACs, East AFRITAC faces a growing need for some additional resources to better meet the needs of its clients in the monetary/financial sector supervision area and to maintain its relevance. **Coordination with other donors, while commendable in a few instances, still requires improvement and a concerted effort by the AFRITACs and their Steering Committees is needed to address this issue.**

52. **The Evaluation Team’s rating of the relevance of Monetary/Financial TAs is consistent with the results of the survey.** Respondents rated the relevance of the Financial Supervision TAs as Excellent. The relevance of the Monetary/Debt Management TAs was rated as Good, above the midpoint in the range.

### 2. Relevance of Fiscal TAs

53. **The broad areas covered by PFM TAs included:** (i) developing appropriate legislative and regulatory frameworks for PFM; (ii) improving budget preparation and management to ensure better alignment of resource allocations to national priorities including pro-poor initiatives; (iii) supporting the introduction of GFSM 2001 based budget classification; (iv) promoting treasury reforms to improve management, transparency and accountability; (v) strengthening capacities to manage inter-governmental fiscal relations; and (vi) supporting the design and implementation of PFM reform agendas.

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28 The need for such assistance is clear from the data available in the World Bank’s data base on statistics. Few of the AFRITAC client countries report consolidated government accounts.
54. Revenue Administration TAs supported tax and customs authorities in fine-tuning their strategies and action plans in a number of areas: (i) modernizing revenue legal frameworks; (ii) strengthening tax administration and broadening the tax base; (iii) being more taxpayer focused by using segmentation approaches in managing large, medium and small taxpayers; (iv) promoting self-assessment systems; (v) reviewing business processes, including increasing transparency and strengthening accounting, internal control and audit; (vi) using risk management approach in revenue administration; (viii) using appropriate information technology systems in both the tax and customs areas; and (ix) ethics training supporting efforts to reduce corruption, fraud and smuggling.

55. The largest share of the AFRITAC’s resources was used to deliver fiscal TAs. All AFRITACs had a Revenue Administration Advisor and one to three PFM Advisors. The detailed relevancy ratings for the East, West and Central AFRITAC fiscal TA clusters is given in Tables D.16, E.16 and F.15 respectively and the summary relevancy ratings for each AFRITAC for the fiscal TAs is given in Table II.1.

56. The relevancy of the TA clusters in the fiscal area, both revenue administration and PFM, is underscored by their relationship to poverty reduction strategies. These strategies require financial resources to succeed, thus the relevance of revenue administration TAs. Once financial resources are mobilized, they must be managed efficiently and effectively, the purpose of PFM TAs. Good PFM is a necessary condition for donors to increase their support for poverty reduction through general budget support. The World Bank defines three characteristics for good PFM: (i) fiscal discipline to ensure that public spending is in line with available resources; (ii) effectively allocating resources to priority needs and shifting the resources from less effective uses to more effective ones; and, (iii) ensuring that public resources provide maximum value for money. Field interviews found that the fiscal TA clusters were consistent with country priorities and were relevant in all countries visited by the Evaluation Team. All the revenue administrations in East Africa except for Eritrea have developed medium term strategies and five of seven have developed PMF action plans. In West Africa, there have been PFM diagnostic studies for all countries except Senegal. The Resident Advisors have worked within these frameworks to prioritize TAs. Assistance provided has ranged from strengthening the legal/regulatory framework to building capacity in niche areas.

57. The relevance of Revenue Administration TAs is clear from a statement in East AFRITAC’s annual report for FY2007-FY2008 29  “Generating and administering national revenues is one of the most important functions of a state, a basic foundation upon which all else depends, from the running of schools and hospitals to the paying of salaries and pensions. Assisting the countries of East Africa in developing a solid revenue administration therefore contributes to the achievement of several important objectives: firstly, it is a key element in state-building and state-strengthening; secondly, it generates additional funds for the country’s development; and thirdly, it helps member countries reduce their dependency on external funding.” The Evaluation Team agrees with the general thrust of this statement and believes that it also applies to the Revenue Administration TAs in the West and Central AFRITACs.

58. The relevance rating of the Revenue Administration TAs was Good bordering on Excellent. The autonomy of revenue administrations in East AFRITAC client countries contributed to the Excellent relevance rating of those TAs – the autonomy enhanced TA ownership, facilitated the identification of TA priorities and increased the authorities

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active participation in the design and implementation of TAs. The relevance of the PFM TAs was also rated as Good but below the midpoint in the Good range. For both clusters of fiscal TAs, there was consistency with government objectives. Also, AFRITAC activities in the fiscal area were well integrated with TA, surveillance and lending activities of Headquarters. The PFM and Revenue Administration TA clusters received Good to Excellent ratings on these two relevance sub-criteria which together accounted for 80% of the weight in assessing relevance. For both fiscal TA clusters donor coordination generally received the lowest scores among the relevancy sub-criteria in the AFRITAC Evaluation Survey.

59. There is considerable interest in public finance management in the countries served by the AFRITACs and in the donor community because: (i) for direct budget support is needed to scale-up aid to support poverty reduction strategies; (ii) well functioning public finance management systems make positive contributions towards developing and implementing fiscal policy; and (iii) rationalizing, managing and monitoring public expenditures and ensuring timely budget execution increase transparency and accountability. Because of these factors there are many donors in the PMF area, some with considerably more funds than the AFRITACs. This contributes to making donor coordination more challenging in the PMF area than in the Revenue Administration area. Generally fewer donors are active in providing specialized assistance to the tax authorities and customs administrators. During meetings with other TA providers, sometimes concerns were expressed about the lack of outreach and sharing of information in the fiscal areas by the AFRITACs. Issues were also raised about how the AFRITACs can contribute most effectively when donors pool their funds to support a country’s action plan to improve PFM. The AFRITACs and IMF more generally do not pool their resources. Developing a strategy to enable the AFRITACs, which do not have a local presence, to work effectively in situations in which other donors have pooled large amounts of resources to support government PFM reform programs with periodic assessments of progress through PEFAs is an important issue to be considered going forward. Government officials and donors interviewed by the Evaluation Team affirmed that the AFRITACs have an important role to play in the PFM area, especially when it comes to quality assurance. The AFRITACs must find a niche role to add value in PMF and to compliment the often substantial TA of others. This would help to ensure that available resources are used effectively and are not spread too thinly and would facilitate better integration of AFRITAC support with that of other development partners.

60. The relative ranking of the two clusters of fiscal TAs based on the results of the survey was similar to the Evaluation Team’s ratings. The relevance of the Revenue Administration TAs was rated slightly higher than the relevance of the PFM TAs, although both were rated as Good.

3. Relevance of Statistics TAs

61. Tables D.27, E.27 and F.25 provide the detailed relevancy ratings on which the information on the relevance ratings for statistics TAs shown in Table II.1 are based.

62. At a conceptual level the relevance of statistics TAs is clear. Senior government officials need accurate, reliable and timely national accounts data to formulate and implement sound macroeconomic policies. Monitoring the implementation of national poverty reduction strategies requires tracking macro indicators such as gross domestic product (GDP) and prices. Central banks use timely monthly CPI figures to track inflation and to help formulate monetary policy. Accurate, timely Balance of Payment (BOP) estimates are needed by central banks in making decisions in the area of monetary policy, and currency and capital account management. Sound
Government Financial Statistics (GFS) promote efficient, transparent budget planning and execution and sound fiscal policies, more generally. IMF needs accurate and up to date estimates of real GDP growth rates, CPI, BOP and GFS for its lending, monitoring and surveillance work. There are weaknesses in the quality, timeliness and coverage of statistics and statistical practices in most African countries as is clear from an examination of information available on the World Bank’s Country Statistical Information Database. Addressing these weaknesses requires significant investment. In East and Central AFRITACs, statistics TA was delivered by one Statistics Advisor whose main expertise was in real sector statistics. There were two Statistics Advisors in West AFRITAC, one focusing on real sector statistics and one on GFS.

63. The international community sharpened its focus on poverty reduction as the overarching objective for donor assistance with the adoption of the Millennium Development Goals followed by the Paris Declaration and the Accra Agenda for Action (see Table I.2). Most countries in the regions covered by the AFRITACs have developed Poverty Reduction Strategies and Programs (PRSPs) which provide a framework to prioritize and coordinate donor assistance. The donor community has pledged to increase its support for poverty reduction programs, particularly in Africa. However, both beneficiary countries and donors have agreed that it is essential to manage these funds in a way that tangible results are achieved. This results based management approach requires evidence that the desired results are being achieved. There is a strong link between accurate, timely statistics and the evidence based monitoring and evaluation that are at the heart of success of PRSPs. In this context, TAs to improve real sector statistics are relevant.

64. The relevance of the work of the AFRITACs to help improve national accounts, price indices, balance of payments statistics and government financial statistics is clear. The relevance of the statistics TAs was rated as Good, a rating that was consistent across the AFRITACs. Generally the statistics TAs were consistent with government priorities and IMF surveillance and program activities. Several steps would need to be taken to increase the relevance rating to Excellent: (i) in some countries the statistical agencies are relatively weak. In such circumstances, the relevancy of AFRITAC statistics TAs would have been higher if they helped to address broad, strategic institutional development issues to try to resolve long standing staffing and budget issues; (ii) the relevancy rating would have been higher if there was closer collaboration with other partners working to improve the quality of statistics in Africa; (iii) the Statistics Advisors were not so over stretched trying to address national accounts, price, BOP and government finance statistics in multiple executing agencies in multiple countries; and (iv) there was more evidence of synergies between the work of the Statistics Advisors and the MCM and FAD Advisors – while there were good synergies between the work of the GFS and PFM Advisors in West AFRITAC, there was less evidence of strong synergies in East and Central AFRITAC or in other areas in West AFRITAC.

65. The importance the quality of the underlying data cannot be over stressed. Data quality can be defined as: “… the capability of data to be used effectively, economically and rapidly to inform and evaluate decisions. Necessarily, DQ is multidimensional, going beyond record-level accuracy to include such factors as accessibility, relevance, timeliness, metadata, documentation, user capabilities and expectations, cost and context-specific domain

31 This position is financed by the Japan Sub Account.
knowledge.” Some have recently concluded that “Data quality may emerge as one of the most critical factors affecting analysis in the coming decade.”

66. Given the number of countries covered, the breadth of the need to improve the quality of statistics in Africa and the current complement of Statistics Advisors, it is not possible for the AFRITACs to meet all of the countries’ needs in the statistics area. In such circumstances it is necessary to focus the efforts of the AFRITACs’ statistics TAs. Given that there are other TA providers active in this field, the AFRITACs could establish stronger partnerships with other institutions to provide assistance to these countries more effectively. Greater efforts to coordinate the efforts of the AFRITACs and organizations like the Observatoire Economique et Statistique D’Afrique Sub Saharienne (AFRISTAT), the World Bank, UNDP, the African Development Bank (AfDB), UN Economic Commission for Africa (UNECA), Paris 21 and some bilateral donors active in the area are needed to develop the synergies necessary to improve the effectiveness and efficiency of assistance designed to produce more accurate and timely statistics in Sub-Saharan Africa. Such active coordination is needed to find ways to address chronic strategic issues related to staffing and budget in national statistics agencies and to mobilize funding for the surveys that are necessary to improve the underlying quality of data. These are often more binding constraints than improving computational techniques and methodologies. Coordination must go beyond sharing information to find a coordinated approach to solve such strategic problems.

67. The AFRITAC Evaluation Survey responses were largely consistent with the rating of the Evaluation Team and also rated the relevance of the Statistics TAs as Good.

4. Common Findings on Relevance of AFRITAC TAs

68. As is discussed at length in Annexes D, E and F, feedback received from senior government officials during the fieldwork in all countries visited by the Evaluation Team was that AFRITAC TAs were country owned. This was confirmed by the survey results – over 90% Agreed/Strongly Agreed that the work of the AFRITACs was demand driven and responsive to the needs of the countries. About 80% felt that there was strong country ownership of AFRITAC TAs (see Table CX.5).

69. As documented in Annexes D, E and F, a review of IMF documents and interviews with IMF Staff, including Resident Representatives, found a strong link between the AFRITAC TAs and IMF surveillance and lending operations. This was confirmed by the survey results – about 90% Agreed or Strongly Agreed with the statements that AFRITACs’ work was closely linked to IMF’s surveillance work and program activities and that it complimented Headquarters TAs (see Table CX.5). Positive results were reported for all of the AFRITACs. Somewhat more people Strongly Agreed that the East AFRITAC TAs were country owned. The work of the West and Central AFRITACs was more strongly linked to Headquarters activities than that of East AFRITAC.

70. One of the lessons from FAD’s and MCM’s self evaluations of their operations in post conflict countries was the importance of formulating a TA strategy at the outset to

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get the sequencing right and to coordinate TAs among donors. It was concluded that it was important to have a strategic overview of issues related to the legal/regulatory framework, the need to strengthen institutions and designing TAs that were consistent with government priorities and institutional absorptive capacity. With the exception of the PFM area generally, revenue administration and bank supervision in East Africa and debt management and microfinance in West Africa, these broad diagnostics were sometimes missing. The relevancy of some TAs might have improved if more diagnostic work had been done by MCM and STA. For example, given the many needs of some statistical agencies, it was not always clear that the highest priority for AFRITAC assistance was to help improve the computational methodology. The AFRITACs and STA do not always have to play the leading role in developing broad strategic plans to improve statistics. Often these can and should be led by other TA providers. However, if the Statistics Advisors believe that such strategies are absent or are not being implemented, part of their donor coordination responsibilities should be to pro-actively help the concerned agencies mobilize the necessary support for their preparation and implementation.

71. An important element of the governance structure of the AFRITACs is the role of the Steering Committees in supervising, providing oversight and approving the work programs and budgets of the AFRITACs. Of the 350 survey respondents who rated the Steering Committees, 18% rated their performance as Excellent and two thirds gave a Good rating. The feedback from the government officials and Center Coordinators interviewed by the Evaluation Team was that the Steering Committees were effective in giving a voice to beneficiary countries and other TA providers and that the Steering Committee meetings were not dominated by IMF. There are, however, areas for improvement (e.g., poor meeting attendance by some donors and countries in West AFRITAC; a more comprehensive and forceful articulation of priorities by country representatives; stronger and more dynamic role for the national AFRITAC focal points and a greater recognition of their roles). Steering Committee members should more proactively support AFRITAC outreach in government organizations in their countries and with the local donor community. Donor representatives should more proactively share information among the constituencies that they represent. The experiment of opening up the decision making to people representing the views of concerned government officials and TA providers was a successful and useful innovation. It helped to increase country ownership and make AFRITAC TAs responsive to country needs, thereby improving the relevance of AFRITAC TAs.

C. Effectiveness of AFRITAC TAs

72. The Evaluation Team used three sub-criteria to assess effectiveness: (i) use of AFRITAC outputs; (ii) planned versus actual achievements; and (iii) significance of contributions to developing core economic functions and institution building --- with the highest weight on the first criteria. The Evaluation Team’s assessment of the effectiveness of the AFRITAC TAs, which draws on the detailed analysis in Annexes D, E and F, is summarized in Table II.2. The effectiveness ratings are shown for the AFRITAC program as a whole, each AFRITAC, each functional area and each TA cluster. The detailed effectiveness ratings for the Monetary and Financial Systems TAs are given in Tables D.5, E.5 and F.5 for East, West and Central AFRITACs. The corresponding effectiveness ratings for the Fiscal TAs are given in Tables D.20, E.20 and F.19. The corresponding effectiveness rating tables for the Statistics TAs are found in Tables D.32, E.31 and F.29.

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Table II.2: Effectiveness of AFRITAC TAs

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Note: Weights are based on the proportion of person months of Resident Advisor input used to deliver each TA cluster.

73. The Evaluations Team’s Effectiveness rating for the AFRITAC program as a whole was Good, although marginally below the midpoint of the Good range (see Table II.2). The effectiveness assessment indicates that there is sufficient evidence to conclude that the AFRITAC TAs were effective in building institutional capacity for macroeconomic management. The effectiveness rating was Good for all three AFRITACs, with East AFRITAC the only one rated above the midpoint in the range. Similarly the effectiveness of the portfolios of TAs in the monetary/financial system, fiscal and statistics areas were all rated as Good, with the rating for the Monetary/Financial Systems TAs rated above the midpoint in the Good range. There were clear differences in the effectiveness ratings across the TA clusters. The effectiveness of one TA cluster, Banking Supervision in East AFRITAC, was rated as Excellent and three others (i.e., Revenue Administration in East AFRITAC; Microfinance Supervision in West AFRITAC; Debt Management in Central AFRITAC) were rated as Good but approaching an Excellent rating. A number of clusters were rated as Modest bordering on Good (i.e., PFM for the West and Central AFRITACs and statistics for Central AFRITAC)\(^{35}\).

74. The AFRITAC Evaluation Survey also provided positive feedback on the effectiveness to the AFRITAC program, equivalent to a Good rating. Twenty three percent of the 605 respondents rated Effectiveness Excellent, 62% as Good, 14% as Modest and only 1% as Poor.

\(^{35}\) The Central AFRITAC Statistics Advisor had only been in office for about a year when the Evaluation Team visited Gabon.
A higher proportion of the East AFRITAC respondents, 28%, rated the TA effectiveness as Excellent than for West (18%) or Central (17%) AFRITAC (see Table C.4). Given the generally stronger institutional capacity in East Africa, these differences are not surprising. One caveat must be given to this positive outcome. Capacity building is a medium to long term objectives. Many of the TAs are works in progress and it is not yet clear whether all of the expected results will be achieved. Thus there is some uncertainty associated with the effectiveness ratings.

1. Effectiveness of Monetary/Financial System TAs

75. The two monetary/financial objectives were to: (i) improve monetary operations, debt management and payment systems; and (ii) improve the legal and regulatory framework for financial sector supervision. Broadly similar findings were reported in the AFRITAC Evaluation Survey across AFRITACs regarding progress being made in achieving these objectives. There clearly remains an unfinished agenda, however, as most people replied that while progress was being made, the objectives have not yet been achieved. Relatively few reported that the objectives had been achieved or that only modest progress was being made in achieving the objectives.

76. The portfolio of TAs provided in the Monetary/Financial System area were rated as Effective, above the midpoint in the Good range. There were, however, differences in the effectiveness rating of the two clusters in this area. The Financial System TAs were, as a group, rated as Highly Effective or Excellent. The Monetary/Debt Management cluster was assessed as being Effective. There was clear evaluation evidence that the TAs in the Monetary/Finance Systems functional area were delivering tangible outputs that were being used and made significant contributions to developing core macroeconomic management capacities. These ratings were broadly confirmed by the survey results. While both TA clusters received a Good rating for both the use of TA outputs and achieving tangible results, the rating was above the midpoint in the range for the Financial Supervision TAs and below the midpoint for the Monetary/Debt Management TAs.

77. East AFRITAC Banking Supervision TAs, consistently delivered by the same advisor over a four year period, was rated as Excellent or Highly Effective. The outputs covered: (i) the strengthening of baseline supervision; (ii) achieving greater compliance with Basle Core Principles; and (iii) addressing specific supervision issues. Together with (i) regional workshops, sometimes held in cooperation with other regional and international organizations; (ii) professional attachments for senior banking supervisors; and (iii) the meaningful development and propagation of risk-based supervision through the coaching of in-house teams to take the lead and effect implementation, these activities combined to set a standards of excellence in banking supervision capacity building for all other AFRITACs. Effective coaching a targeted cadre of staff to improve the quality of off and on site microfinance supervision in Côte d'Ivoire and Mali was a feature of the West AFRITAC Financial Supervision cluster that was rated as Effective, bordering on Highly Effective. This rating reflects the evidence of a capacity building process in West AFRITAC that works. Effective TAs that help to ensure that microfinance is developed in a sound and viable manner are particularly important since this source of credit is important for the less well off members of society, particularly the poor.

78. There was evidence that the Debt Management TAs in West and Central AFRITACs were effective in delivering tangible results. These TAs provided key inputs in an important area for poverty reduction, i.e. getting a number of countries closer to post HIPC achievement status and creating fiscal space for targeted spending on poverty reduction. The capacity
building process in West and Central AFRITAC’s TAs was found to work well. It included the development of legal frameworks for debt management (e.g., in Gabon and Mali) as well as the provision of technical advice through missions and workshops.

79. East AFRITAC’s monetary policy and operations TAs were effective in helping central banks to establish and sustain in-house capacity for relatively successful monetary policy implementation in areas covering money foreign exchange and domestic debt markets, liquidity forecasting, payment and settlement systems and reserves management. While these TAs were effective over the past 18 months, the unfilled vacancy in the Monetary Operations Resident Advisor for much of the evaluation period undercut the effectiveness of East AFRITAC TAs in this area, notwithstanding that MCM was partly covering TA needs from Headquarters. Some officials met by the Evaluation Mission complained about the protracted vacancy and the resulting inability of East AFRITAC to effectively meet their needs. The current Monetary Operations Advisor has been effective in delivering good quality work since his arrival in East AFRITAC.

2. Effectiveness of Fiscal TAs

80. The Public Expenditure and Financial Accountability (PEFA) Performance Measurement Framework is designed to measure PFM performance across countries in a consistent, objective and transparent way. The PEFA Performance Measurement Framework has six dimensions of performance and 28 explicit criteria that are scored and ranked. The status of the preparation of PEFA assessments for AFRITAC client countries is shown in Table B.1. Relatively recently completed assessments are available on the PEFA home page for all East AFRITAC client countries except Eritrea. However, PEFA assessments are available for only two West AFRITAC client countries (Benin; Burkina Faso) and one Central AFRITAC client country (Gabon). Given the time and resources available for the evaluation, and the fact that PEFA assessments were not readily available for most West and Central AFRITAC client countries, the Evaluation Team could not use the PEFA framework to assess the effectiveness of the PFM TAs. Rather, as described in Annex B, a simpler set of criteria were used to evaluate the effectiveness of the PFM TA clusters. The PFM Advisors were aware of the PEFA assessments. Many of the PFM TAs will contribute to addressing issues related to the PEFA criteria.

81. The AFRITAC’s fiscal objectives were to: (i) improve capacity for macroeconomic analysis, policy formulation, and forecasting; (ii) make the checks and balances in public financial management more effective, taking account of codes of good practices promoted by the IMF and other institutions; (iii) make systems and procedures for budgeting, treasury operations, and expenditure planning and control, more efficient with appropriate safeguards in terms of oversight and auditing; and (iv) make the reporting of government financial operations more reliable and timely. There is broad consistency between these objectives and the PEFA dimensions of performance. Survey respondents were asked to indicate whether these objectives were being achieved, a broad indication of their views on the effectiveness of the fiscal TAs. The broad picture suggested by the survey results was that while progress is being made, considerably more progress was needed to achieve the fiscal objectives. While this was true for all AFRITACs, comparatively fewer respondents in West and

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36 PEFA is jointly financed by the World Bank, the European Commission, the DFID, Switzerland, Norway, France and IMF. A Secretariat located in the World Bank implements the PEFA work.

Central AFRITAC felt that the objectives had been achieved than was the case in East AFRITAC.

82. The Evaluation Team found that in all of the countries that it visited, the fiscal TAs achieved some tangible results, although there were some cases where less than expected results had been achieved. The AFRITACs made effective contributions by championing the adoption of good practices. The effectiveness of the PFM TAs was rated as Good but on the cut off point for Modest, while the Revenue TAs were rated as Good, slightly below the midpoint in the range. The relative ranking of the two fiscal TA clusters was similar according to the survey results. For both the use of TA outputs and achieving tangible results, the weighted score for the PFM TAs was Good, but bordering on Modest. The weighted score for the same effectiveness sub-criteria for the Revenue Administration TAs was marginally below the midpoint in the Good range.

83. Among the clusters of fiscal TAs, the highest effectiveness rating was for the East AFRITAC Revenue Administration TAs. Its effectiveness was rated as Good, bordering on Excellent. In East Africa, there was clear evidence, in terms of increases in the revenue to GDP ratios in most countries, that TA outputs were being used to achieve results in revenue administration. Satisfaction was expressed by management, department heads and staff of the benefiting agencies that the East AFRITAC Revenue Administration TAs outputs were being used and that the desired outcomes were being attained. This success was attributed to strong ownership and involvement by the revenue administrations in the TAs and the considerable coordination regionally among the revenue administrations. They have a history of sharing training and assisting each other in skills transfer and capacity building. Their involvement in identifying the required TA ensured its effectiveness and instant usefulness. The lack of autonomy of the revenue administration departments in the ministries of finance and weak institutional framework undercut, to some degree, success in implementing TA recommendations in West and Central Africa, thus lowering the rating of Revenue Administration TA effectiveness.

84. For all AFRITACs there were more mixed results for PFM. The TAs related with the treasury in cash management and those related to budgeting were generally successful. Practices like the use of single treasury account for the governments have been particularly useful. TAs related to oversight are beginning to show positive signs but will need more effort to achieve the desired outcomes. The limited autonomy of most PFM departments in the ministries of finance hampered their ability to make decisions to implement TA recommendations. Once skills are attained, using those skills may require changes in the way departments operate. Making systemic changes in large departments like ministries of finance is a challenge and requires strong leadership from the most senior levels. The Evaluation Team recognizes that organizational change and change management are difficult in most organizations. Such changes cannot be driven by technical expertise alone. PMF TAs need to put more emphasis at the design stage on developing a strategy to implement technically sound recommendations in the country concerned. Delays in filling vacant PFM positions in East AFRITAC reduced effectiveness of the East AFRITAC PFM cluster.

3. Effectiveness of Statistics TAs

85. The statistics objectives were to: (i) upgrade the methodologies for compilation of economic and financial statistics to international standards; and (ii) improve the dissemination of macroeconomic data. Like the other two functional areas the unfinished agenda in the statistics
area is clear from the survey. Progress was reported in achieving the statistics objectives. Few people felt that the objectives had been achieved or that no progress was being made. A comparison of the published data in the September 2005 and October 2008 issues of IMF’s International Financial Statistics (IFS) indicates that progress has been slow and that data gaps and delays in timely publication remain in many countries. Also, the information in the World Bank’s Country Statistical Information Database indicates that many of the problems on statistical practice in AFRITAC member countries are enduring.

86. The effectiveness rating for the portfolio of statistics TAs was rated as Good but below the midpoint in the range for Good. The statistics TAs were rated as Good in terms of effectiveness in East and West AFRITACs, below the midpoint in both cases but Modest bordering on Good in Central AFRITAC. The delay in filling the vacancy in the East AFRITAC Statistics Advisor position contributed to lowering the rating of that cluster. The first East AFRITAC Statistics Advisor performed well and achieved results. The rating for West AFRITAC reflects, in part, the fact that it had two Statistics Advisors. As a result only West AFRITAC delivered significant TA in the GFS area to support the work of the PFM Advisors. The AFRITAC Evaluation Survey responses were consistent with a Good rating, near the midpoint of the range, for two effectiveness sub-criteria (see Table CX.23).

87. The Evaluation Team identified examples of clear progress and the use of TA outputs in the following areas: (i) revised series of annual GDP estimates that better reflect the economic structure and produce statistics based on the 1993 system of national accounts (SNA 1993) in East Africa; (ii) progress in rebasing and benchmarking of annual GDP figures, producing quarterly GDP estimates and the use of updated weights to better reflect consumption patterns and the recommended formulae for the calculation of the CPI to produce more accurate measures of inflation in East Africa; (iii) improved the institutional coverage, quality, and timeliness of the table on financial operations of the state in West Africa; (iv) improved the coverage, quality, and reliability of balance of payments data in East Africa and Guinea Bissau; (v) updating the metadata for the General Data Dissemination System (GDDS) in some countries; and (vi) clear progress in supporting budget classification consistent with the GSF Manual 2001 in some West AFRITAC client countries. However, there were also examples of statistics TAs that the Evaluation Team believes did not result in outputs that will be used in a meaningful way in the foreseeable future.

88. Most national statistics agencies in the three regions have large capacity building needs. The effectiveness of statistics TAs was undercut to some degree by the fact that the Statistics Advisors were being asked to cover too many countries. This was particularly evident in the post conflict countries where institutional absorptive capacity of national statistics agencies was weak. This sometimes resulted in limited follow up to effectively help implement recommendations.

4. Common Findings on Effectiveness of AFRITAC TAs

89. The AFRITACs use different ways to deliver TA: (i) Resident Advisors; (ii) short term experts; (iii) regional workshops; (iv) national workshops; and (v) professional attachments.

38 STA advised that the delay in filling the vacancy reflected the time needed to identify a suitable candidate, using a competitive process, who was willing to be posted in Dar es Salaam. To mitigate the adverse impact of the vacancy and to provide for some continuity and follow up, a temporary Statistics Advisor was posted in East AFRITAC for three months. Although this was a good initiative, some clients still complained to the Evaluation Team about a lack of service from East AFRITAC during the first seven months of 2008.

39 Use of TA outputs and achieving tangible results.
Because there have only been a small number of professional attachments, the Evaluation Team did not gather sufficient information to assess that TA delivery mode when it was in the field. Although the survey responses rated all ways of delivering TA as Good, there were some differences in the ratings across the modes of delivery (see Table CX.8). The majority of respondents rated the services provided by both Resident Advisors and short term experts as Good. These survey results are consistent with the Evaluation Team’s conclusions based on interviews with government officials and IMF and AFRITAC staff and an assessment of the monthly reports prepared by the Resident Advisors. The few complaints about quality were isolated instances. Resident Advisors were rated slightly better than short-term experts.

90. The Evaluation Team received feedback in the field that regional workshops were particularly appreciated because of the peer learning that took place among participants through sharing country experiences. The Evaluation Team held focus sessions with groups of workshop participants in each country visited. The large majority indicated that they used the skills learned on the job. In some cases staff turnover was reported to be a problem. In other cases the topics covered in regional seminars were not used in the participants’ organization. In these cases, the staff appreciated being exposed to best international practice that was being implemented in other countries and suggested that the AFRITACs intensify their policy dialogue with the senior staff in their organizations to adopt the policies, systems and procedures covered in the workshops. Some people attending statistics workshops suggested a better balance between the coverage of theoretical and practical topics, i.e., more emphasis on the practical. The lowest ratings for the workshops related to a lack of post workshop follow up and support. The Evaluation Team’s positive assessment of the workshops was confirmed by the responses to the AFRITAC Evaluation Survey (see Tables CX.8, CX.9, and CX.10). The overwhelming majority of the participants who provided feedback on the workshops that they attended either Strongly Agreed or Agreed that the topics covered were relevant for their jobs and that they used the skills learned on the job. The survey respondents, like the focus group participants felt that more follow up and support were needed to help implement the recommendations.

D. Efficiency of AFRITAC TAs

91. In the past IMF’s time recording system did not link IMF staff time to specific TA activities. Thus the data available was not adequate to undertake a proper cost efficiency analysis to assess the relative cost-effectiveness of AFRITAC and Headquarters TA. IMF’s new time recording system should capture IMF staff time spent on back stopping and TA delivery and administration. Such data should permit a better cost efficiency analysis of alternative IMF TA delivery modes in about one year’s time. Based on the available information, the Evaluation Team’s assessment of the efficiency of the AFRITAC TAs is summarized in Table II.3. As shown in Annexes D, E and F, for each TA cluster, three efficiency sub-criteria were rated: (i) process and implementation efficiency; (ii) efficient use of

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40 In assessing efficiency, the 2005 AFRITAC Evaluation concluded that: (i) the benefits of the AFRITACs were qualitative and thus were difficult to measure quantitatively; and (ii) cost comparisons between the AFRITAC TAs and Headquarters TAs was difficult because of the inherent difficulty of overhead cost measurement. The 2005 AFRITAC Evaluation made considerable effort to compare the cost of AFRITAC and Headquarters TAs. Because of the lack of data to assess overhead costs, the cost comparisons were subject to considerable errors of estimate. Despite the caveats, the 2005 Evaluation concluded that the AFRITACs were more cost effective than other IMF TA delivery modes (see pages 34 to 43 of the 2005 AFRITAC Evaluation). Since the data issues remain, the Evaluation Team decided not to try to repeat the cost analysis undertaken in the 2005 Evaluation.

41 See Tables D.9, E.9 and F.8 for the Monetary/Financial System TAs, Tables D.21, E.21 and F.20 for the Fiscal TAs and Tables D.33, E.32 and F.30 for the Statistics TAs.
resources; and (iii) monitoring and reporting. A relatively modest weight was assigned to the third sub-criteria. **Efficiency was rated as Good for all three AFRITACs and all functional areas.** Generally the efficiency ratings were in a narrow range and there were no significant difference across AFRITACs or across functional areas. Because of narrow range of efficiency ratings, details of the efficiency of the Monetary/Financial Systems, Fiscal and Statistics TAs are not discussed separately in this section. Rather general issues are discussed that apply more or less equally across the AFRITAC initiative. The perceptions of efficiency given by the AFRITAC Evaluation Survey respondents were similar across the AFRITACs and generally confirm the Evaluation Team’s conclusions (see Table C.7).

Table II.3: Efficiency of AFRITAC TAs

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<tr>
<td>Total Fiscal TAs</td>
<td>81</td>
<td>2.9</td>
<td>132</td>
<td>2.8</td>
</tr>
<tr>
<td>Statistics</td>
<td>31</td>
<td>2.6</td>
<td>72</td>
<td>2.8</td>
</tr>
<tr>
<td>Efficiency Rating</td>
<td>161</td>
<td>2.9</td>
<td>269</td>
<td>2.8</td>
</tr>
</tbody>
</table>

Note: Weights are based on the proportion of person months of Resident Advisor input used to deliver each TA cluster.

1. **Overview of Efficiency Findings**

92. The evaluation findings indicate that the AFRITAC TAs were reasonably efficient in terms of process implementation and, prima facie, value for money. However, with the delay in implementing TAIMs, together with the paucity of data available on overall IMF TA activities, it was not possible to make judgments of value for money and cost effectiveness relative to Headquarter TAs based on the use of data from IMF’s financial systems. The cost per person month of delivering TA was calculated for the three functional areas in each AFRITAC. The results of the analysis did not identify any significant differences across functional areas or across AFRITACs.

93. While the evaluation concludes that the AFRITACs are efficient, some findings that detracted from efficiency: (i) shortcomings in the monitoring and effective
benchmarking of progress achieved; (ii) problems in connectivity make it time consuming and difficult to use some of IMF’s computer systems from the AFRITACs; and (iii) inadequate investment in training local administrative staff undermined office efficiency.

94. The TAs were generally well grounded in international best practice, as documented by World Bank and IMF and back stopping by all three TA departments contributed value added and helped to ensure TA quality. The nature and resources devoted to back stopping varied considerably across the TA departments. The quality of FAD backstopping was appreciated by the Fiscal Resident Advisors and government officials because it: (i) gave an independent verification and second expert opinion; (ii) supplemented the knowledge of Resident Advisors; (iii) introduced international expertise and experience; (iv) contributed to quality control; and (v) helped to ensure consistency of AFRITAC TAs with IMF Headquarter activities. However, from the point of view of AFRITACs: (i) sometimes FAD’s backstopping was too onerous; (ii) backstopping should be a collegial relationship rather than a superior-subordinate relationship; and (iii) sometimes decisions taken by FAD delayed or disrupted the delivery of AFRITAC work programs. While MCM TAs were rated the highest among the three functional areas, backstopping was perceived to be limited relative to other TA departments. Despite the good results achieved to date, more consistent and substantive backstopping from MCM is desirable to maintain quality assurance for the future. No major problems were reported in the backstopping arrangements between the Statistics Advisors and STA. STA generally reacted promptly to the Statistics Advisors’ requests for information and assistance and comments on technical matters generally added value.

95. The efficiency ratings of three TA clusters in East AFRITAC (Monetary, PFM and Statistics) were scored at 2.6, Good but just above the cut off point for a Modest rating. Long delays in filling vacancies of Monetary, PFM and Statistics Advisor positions led to these relatively low rankings. The three TA departments are responsible for identifying and recruiting Resident Advisors. Those ratings do not imply that there were issues in the way that East AFRITAC used its financial and human resources. Indeed, the efficiency of East AFRITAC’s Financial Supervision and Revenue Administration TA clusters, for which vacancies were not a problem, were both rated the highest among all TA clusters – Good bordering on Excellent.

2. AFRITAC TAs Compared to Headquarters TAs and Other TA Providers

96. The terms of reference required the Evaluation Team to examine whether AFRITAC TAs were cost-effective in relation to other comparable TA delivery modes, as determined by the evaluators, and bearing in mind the difficulties inherent in measuring the benefits of capacity-building activities. IMF’s data base is not adequate to compare the cost of delivering AFRITAC and Headquarters’ TAs and the Evaluation Team does not have access to a comprehensive data bases to allow cost effectiveness comparisons between TA delivered by AFRITACs and other TA providers. Given the lack of objective data to compare AFRITAC TAs with other sources of TA, the Evaluation Team relied on subjective or perceptual data, as was done for the 2005 Evaluation. The AFRITAC Survey Respondents were asked a series of questions to compare the effectiveness and efficiency of AFRITAC TAs with TAs delivered by Headquarters and other TA providers. The results are summarized below and detailed in Annex C. In about a year or so data will be available from IMF’s new time recording system that will allow a cost comparison of AFRITAC and Headquarters’ TAs. That data base should be complemented by an evaluation to compare the effectiveness of TAs delivered by the RTACs and the three TA departments to test the hypothesis suggested by the perception
It will be important to examine both effectiveness and cost and not to restrict the analysis to only a cost comparison. In interpreting the results summarized below, one must bear in mind that the TA departments are involved in the AFRITAC TAs and contribute to its good quality through the strategic prioritization of TA, the selection of well qualified and experienced Resident Advisors and backstopping which helps to ensure good quality TA. The Evaluation Team could not separate the precise contributions of the AFRITACs and Headquarters staff to the generally good TA outcomes. Also, many of the people interviewed by the Evaluation Team and those responding to the AFRITAC Evaluation survey would not be aware of the role played by the TA departments in the delivery of effective and efficient AFRITAC TA.

97. **Survey respondents were asked to compare the TA delivered by the AFRITACs and TA delivered by IMF Headquarters.** About 80% to 85% of 350 to 400 respondents indicated that they strongly agreed or agreed that the AFRITACs responded more quickly to requests for assistance than did Headquarters, were more flexible than Headquarters, had a better understanding of country needs and were more responsive to those needs. Nearly 90% agreed/strongly agreed that the AFRITACs were more effective in supporting regional integration and harmonization than Headquarters. The large majority (92%) either agreed or strongly agreed that AFRITAC TAs supported the implementation of the policies and strategies identified by Headquarters42 (see Table CX.11).

98. Two thirds of survey respondents agreed or strongly agreed with the statement that the quality of expertise provided by AFRITACs was equivalent to or better than that provided by Headquarters. However, a sizable proportion of the 389 respondents, 35%, disagreed or strongly disagreed with that statement. This positive feedback on the AFRITACs relative to Headquarters was echoed during the interviews that the Evaluation Team had with senior government officials. Given these positive replies it should not be surprising that 29% of the respondents strongly agreed and 53% agreed with the proposition that IMF should reallocate staff and resources from Headquarters to AFRITACs. That proposition was also supported by most senior government officials interviewed by the Evaluation Team, although the importance of the TA departments backstopping to provide quality assurance was stressed by many officials (see Table CX.11).

99. **Respondents were also asked to compare the AFRITACs with other TA providers** (see Table CX.12). These other providers would include a mix of regional, bilateral and multilateral organizations. Because the other TA providers were defined in the minds of the respondents, the Evaluation Team cannot provide a breakdown of the other TA providers by type. About a quarter of the respondents strongly agreed and half agreed that the AFRITACs responded to requests more rapidly than other TA providers, were more flexible, had a better understanding of the client countries, were more responsive to country needs and were more effective in promoting regional coordination than other TA providers. However, a sizable proportion of people disagreed with those sentiments (20% to 25%), although relatively few strongly disagreed (3% or less).

100. To provide further perceptions on cost efficiency, the respondents were asked to state their views on the cost effectiveness of AFRITAC TAs compared to long-term in-country advisors funded by IMF Headquarters, short-term TA Missions from IMF Headquarters, training put on by the IMF Training Institute, long-term in-country advisors and short-term TA missions

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42 This is consistent with the “upstream”/ “downstream” division of work between the AFRITACs and Headquarters. Presumably the policies and strategies were developed by Headquarters TA missions in collaboration with the beneficiary countries.
financed by other TA providers and training/assistance provided by regional institutions (see Table CX.13). For all of the types of comparisons, between 40% and 50% of the respondents felt that the AFRITACs were more cost efficient and slightly less than 40% thought that the cost effectiveness was equivalent. The AFRITACs were rated as less cost effective by only 10% to 20% of the respondents, depending on the comparator.

101. The survey results confirm the feedback the Evaluation Team received in the focus groups with workshop participants on various dimensions of efficiency. The topics covered were rated as Excellent and the quality of presentations and the resource persons/presenters were both rated as Good bordering on Excellent (see table CX.9). The ratings of the workshops were broadly similar across the AFRITACs, although slightly more participants rated East AFRITAC workshops as Excellent than was the case for the other two AFRITACs. There were two areas where participants thought improvements could be made: (i) the duration of the workshops should be lengthened; and (ii) there was a need for more post workshop follow up and support. During group discussions many participants said that one week courses were too short and suggested that the courses be extended to 10 days or two weeks. The one area related to the workshops that was rated as Modest with few ratings in the Excellent column (7%) related to post workshop follow up and support. The Evaluation Team received similar feedback. Some participants indicated that the workshops they attended were one off events. Consequently, the knowledge gained was not used. However, such instances were a minority. In other cases there was excellent follow up through a series of workshops that built on the topics covered under previous workshops. The AFRITACs should address this issue in planning future workshops. In most cases a modest investment of time and resources after the workshop will increase the returns on the resources used to plan and deliver a workshop.

102. This section comparing AFRITAC TAs with TAs delivered by others concludes with two observations: (i) the 2005 evaluation also concluded that AFRITAC TAs were often more country owned, more flexible and responsive to country needs and were more timely than TA delivered by others; and (ii) reiterating the caveats given in the first paragraph in this section that these findings are based on the perceptions of officials in beneficiary agencies, AFRITAC staff, IMF Headquarters’ staff and representatives of other TA providers as expressed during interviews with the Evaluation Team and through the AFRITAC Evaluation Survey rather than objective data.

E. Sustainability of the Benefits of AFRITAC TAs

103. The Evaluation Team’s assessment of the sustainability of the benefits of the AFRITAC TAs is detailed in Annexes D, E and F43 and summarized in Table II.4. Sustainability depends on whether the institutional, policy and legal framework and human and financial resources are sufficient to sustain the TA benefits. The sub-criteria used to assess sustainability were: (i) political economy issues; (ii) executing agency ownership and use of the outputs; (iii) promoting the use of African expertise; and (iv) financial sustainability of the AFRITACs. The highest weight was assigned to executing agency ownership and use of the TA outputs. Many of the factors that impact on sustainability are beyond the direct control of the AFRITACs and IMF more generally. The related sub-criteria that are beyond the control of the AFRITACs account for 85% of the weight of the sustainability assessment. In some cases it may be that adverse

external factors overwhelm good work done by the AFRITACs and lower the overall performance assessment of a cluster of TAs.

Table II.4: Sustainability of AFRITAC TAs

<table>
<thead>
<tr>
<th>Monetary/Finance TAs</th>
<th>East AFRITAC</th>
<th>West AFRITAC</th>
<th>Central AFRITAC</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monetary/Debt</td>
<td>13 Person Months 2.7</td>
<td>29 Person Months 2.8</td>
<td>15 Person Months 2.7</td>
<td>57 Person Months 2.8</td>
</tr>
<tr>
<td>Financial Supervision</td>
<td>36 Person Months 3.1</td>
<td>36 Person Months 2.8</td>
<td>15 Person Months 2.6</td>
<td>87 Person Months 2.9</td>
</tr>
<tr>
<td>Total Monetary Finance</td>
<td>49 Person Months 3.0</td>
<td>65 Person Months 2.8</td>
<td>30 Person Months 2.7</td>
<td>144 Person Months 2.8</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fiscal TAs</th>
<th>East AFRITAC</th>
<th>West AFRITAC</th>
<th>Central AFRITAC</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>PFM</td>
<td>45 Person Months 2.7</td>
<td>60 Person Months 2.7</td>
<td>30 Person Months 2.1</td>
<td>135 Person Months 2.6</td>
</tr>
<tr>
<td>Revenue Administration</td>
<td>36 Person Months 3.2</td>
<td>72 Person Months 2.7</td>
<td>15 Person Months 1.9</td>
<td>123 Person Months 2.7</td>
</tr>
<tr>
<td>Total Fiscal TAs</td>
<td>81 Person Months 2.9</td>
<td>132 Person Months 2.7</td>
<td>45 Person Months 2.0</td>
<td>258 Person Months 2.7</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Statistics</th>
<th>East AFRITAC</th>
<th>West AFRITAC</th>
<th>Central AFRITAC</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 Person Months 2.8</td>
<td>72 Person Months 2.6</td>
<td>11 Person Months 2.1</td>
<td>114 Person Months 2.6</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sustainability Rating</th>
<th>East AFRITAC</th>
<th>West AFRITAC</th>
<th>Central AFRITAC</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>161 Person Months 2.9</td>
<td>269 Person Months 2.7</td>
<td>86 Person Months 2.3</td>
<td>516 Person Months 2.7</td>
<td></td>
</tr>
</tbody>
</table>

Note: Weights are based on the proportion of Resident Advisor person months input used to deliver each TA cluster.

The benefits of the AFRITAC Initiative were rated as sustainable, but below the midpoint in the range. The portfolios of TAs in the Monetary/Debt Management, Fiscal and Statistics areas were all rated as Sustainable but below the midpoint on the range with some bordering on the Modestly Sustainable. East and West AFRITAC TAs were rated as Sustainable, but below the midpoint in the range. The benefits of Central AFRITAC TAs were rated as Modestly Sustainable. The lower sustainability rating for Central AFRITAC should not be surprising. Central AFRITAC had been operating for only about 18 months when the Evaluation Team undertook its field work compared to between five and six years for East and West AFRITAC. It takes several years for the outputs of TAs to be fully implemented and embedded in the systems of executing agencies. While Central AFRITAC is off to a promising start, many of its TAs are not yet sufficiently mature to allow the Evaluation Team to conclude with certainty that the benefits will be sustainable. Another factor that contributed to the lower sustainability assessment was that the institutional absorptive capacity and political economy factors are more difficult in the Central AFRITAC client countries than in the countries served by East and West AFRITAC (see Tables B.2, B.3, and B.4).

In the order of 500 respondents felt that they had sufficient knowledge to rate the sustainability of the benefits of AFRITAC TAs. Thirty percent of the respondents rated...
sustainability as Excellent, 58% as Good, 11% as Modest and only 1% as Poor. The respondents felt that the benefits of all five TA clusters were sustainable. Sustainability was rated by the respondents above the midpoint in the range for only one TA cluster (Financial Supervision) and was below the midpoint for three clusters (Monetary/Debt Management; PFM; Revenue Administration). The sustainability rating given by the respondents was at the midpoint of the range for the cluster of Statistics TAs. The results of the AFRITAC Evaluation Survey broadly validate the sustainability ratings of the Evaluation Team.

106. The Evaluation Team identified instances when TA outputs were embedded in the businesses practices of the executing agencies, a very positive outcome in terms of sustainability. Good examples of this were found in the East AFRITAC Bank Supervision and Revenue Administration TAs, the only TA clusters that received sustainability scores above the midpoint in the Good range. There were also some examples of embedded outcomes in the statistics area, for microfinance supervision in West AFRITAC and debt management in West and Central AFRITACs. While there were some positive examples in the PFM area, relative to the amount of TA that was provided in this area, a smaller proportion resulted in changes that were embedded in the systems of executing agencies.

107. Despite some positive findings, the Evaluation Team’s overall assessment of sustainability is Good but below the midpoint on the range. This assessment of sustainability reflects several factors: (i) the limited institutional absorptive capacity, particularly in post conflict countries, which create risks for sustainability – this is a concern for some client countries of all AFRITACs but is particularly the case for Central AFRITAC (see Tables B.2, B.3 and B4 in Annex B); (ii) much of the TA could be described as works in progress – thus it is not clear at this stage if the benefits will be sustained once AFRITAC involvement ceases; (iii) all three TA departments indicated that the backstopping model is at risk; (iv) some Resident Advisors are covering too many countries and in some cases may not be able to provide the amount of follow up required to achieve sustainable results; (v) a lack of post workshop support and follow up; (vi) staff turnover in some executing agencies; and (vii) at the time of the evaluation there was no commitment on the part of the other partners or IMF to finance the next phase of the AFRITACs – it is possible that the budgetary pressure that traditional donors will face as a result of the global financial crises will lead in cuts for Official Development Assistance. Given the limited institutional capacity in some countries in all regions, sustainability of TA benefits will be at risk unless sufficient resources are mobilized for in-depth multi-year comprehensive capacity building programs. The experience documented in the FAD and MCM self evaluations of TAs in post conflict countries has shown that this type of intervention is needed to make meaningful progress in building institutional capacity in such challenging circumstances. IMF is in the process of mobilizing a topical trust fund to address this issue.

108. To enhance sustainability and the effective implementation of AFRITAC recommendations, authorities should be encouraged to establish the necessary policy and institutional framework for initiating reforms, including cabinet approved policy decisions, establishment of project teams, formulation of realistic work plans and assignment of medium/long term experts.

109. Retaining skilled staff is a key to sustainability. Given salary levels in the government, it is sometimes a challenge to retain trained staff in Africa. Staff turnover was

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44 The sustainability ratings were broadly similar across AFRITACs, although a slightly higher proportion of respondents assigned an Excellent rating for East AFRITAC (34%) than for West (25%) or Central (27%) AFRITAC.
reported to be a problem in some countries and functional areas -- bank supervision, cash management, computerization of financial management systems, budget policy analysis and reporting, revenue administration and statistics. To mitigate the loss of technical expertise and knowledge, authorities should be encouraged to undertake effective documentation of policies and procedures in key reform areas. Succession planning and knowledge and skills transfer are needed to ensure lasting impact of AFRITAC assistance.

110. One of the objectives of the AFRITACs was to make increasing use of African expertise, either as Resident Advisors, short-term experts or as resource persons in seminars\textsuperscript{45}. The Evaluation Team found that it was particularly useful for executing agencies to receive advice from people who have had recent experience implementing similar reforms in organizations that are facing similar challenges and are at roughly the same level of development. While African experts were welcome, during interviews senior officials stressed that they must be well qualified and have the knowledge and experience necessary to do the job. The survey results also indicate that people generally feel that the AFRITACs have done a Good job promoting the use of African expertise -- 26% of the 484 respondents rated the AFRITACs as Excellent in this area, 50% as Good, 19% as Modest and 5% as Poor (see Table CX.17). The AFRITACs are viewed as being more efficient in using African expertise than either IMF Headquarters or other TA providers. The positive feedback on the use of African expertise was consistent across the AFRITACs, although the ratings were marginally lower for East AFRITAC.

111. Two issues that have an important bearing on the sustainability of the benefits of workshops relate to participant selection and whether the skills learned are applied on the job. Generally, participant selection was not a problem. The right people attended the workshop and the few instances of mis-selection identified by the Evaluation Team were outliers. Several questions on the AFRITAC Evaluation Survey were designed to provide information in the use of knowledge and skills learned in the workshops (see Tables CX.9 and CX.10). The results were broadly similar for all three AFRITACs. The overwhelming majority (98%) of the participants either Strongly Agreed or Agreed that the topics covered in the workshops that they attended were relevant for their day to day activities. The large majority of participants responded that they used the knowledge on the job. Only 11% said that they seldom used the skills on the job. Very few respondents, less than 11% in all cases, said that the topics were too advanced for their organizations, they had changed jobs and no longer used the skills or that their organization did not have the information technology or computer systems necessary to use the knowledge gained. In some cases, however, the sustainability of workshop benefits was undermined by a lack of post workshop follow up support. The AFRITACs need to intensify their policy dialogue with the senior staff in their organizations to adopt the policies, systems and procedures covered in the workshops so that the participants can make optimal use of the knowledge and skills acquired.

F. Overall Assessment of the AFRITACs

1. Evaluation Team Ratings

112. Drawing on the assessments of Relevancy in Table II.1, Effectiveness in Table II.2, Efficiency in Table II.3 and Sustainability in Table II.4, the Evaluation Team rated the

\textsuperscript{45} The Evaluation Team did not have data that showed the amount of TA delivered by African and non-African experts.
performance of each AFRITAC (see Table II.5) and the TAs in the functional areas of the three TA departments (see Table II.6).

113. The overall rating of the AFRITAC Initiative was Good. In terms of the four dimensions of evaluation the highest scores were for relevance and the lowest scores were for sustainability (see Table II.5). The performances of the East, West and Central AFRITACs were all rated as Good, with East AFRITAC rated slightly above the midpoint of the Good range and West and Central AFRITACs slightly below the midpoint. The fact that the performance of Central AFRITAC was rated as essentially being on par with West AFRITAC indicates that it is off to a very good start. Since Central AFRITAC was only midway through its first three year phase of operations at the time the field work was undertaken for this evaluation, it is difficult to assess progress on a quantified rating basis using the four dimensions of evaluation over such a short time period. At this stage the best that can be done is to base the assessment of Central AFRITAC on the Evaluation Team’s judgment of potential for relevance, effectiveness, efficiency and sustainability rather than actual performance of TAs. Capacity building is a medium to long term endeavor that requires sustained input over several years to make an impact.

<table>
<thead>
<tr>
<th>Table II.5: Rating the AFRITAC TAs</th>
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</thead>
<tbody>
<tr>
<td><strong>Weights (%)</strong></td>
</tr>
<tr>
<td>-----------------</td>
</tr>
<tr>
<td>Resident Advisors Input (Person Months)</td>
</tr>
<tr>
<td>Relevance</td>
</tr>
<tr>
<td>Effectiveness</td>
</tr>
<tr>
<td>Efficiency</td>
</tr>
<tr>
<td>Sustainability</td>
</tr>
<tr>
<td><strong>Total Rating</strong></td>
</tr>
</tbody>
</table>

Note: Column weights were defined by the Evaluation Team and row weights were based on the proportion of person months of Resident Advisor input provided by each AFRITAC.

Highly Successful (Excellent) ≥ 3.5; 3.5 < Successful (Good) ≥ 2.5; 2.5 < Partly Successful ≥ 1.5
(Modest); Not Successful (Poor) < 1.5

114. TAs provided in the areas of the three TA departments, MCM, FAD and STA, were all rated as Good (see Table II.6). The relevance, effectiveness, efficiency and sustainability rating for MCM related TAs were all rated as slightly higher than the FAD and STA related TAs. As a result the overall rating for the MCM TAs was slightly above the midpoint in the Good range. The performance ratings for the FAD and STA TAs were slightly below the midpoint. The performance of all TA clusters was rated as Good. The performance ratings of East AFRITAC’s Bank Supervision, the only cluster to be rated as Excellent, and Revenue Administration TAs, West AFRITAC’s Microfinance Supervision and Central AFRITAC’s Debt Management TAs were particularly notable.
Table II.6: Rating the AFRITAC TAs by Functional Area

<table>
<thead>
<tr>
<th>Resident Advisors Input (Person Months)</th>
<th>Monetary/Financial Systems</th>
<th>Fiscal</th>
<th>Statistics</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relevance</td>
<td>32%</td>
<td>3.4</td>
<td>3.1</td>
<td>3.1</td>
</tr>
<tr>
<td>Effectiveness</td>
<td>28%</td>
<td>3.3</td>
<td>2.7</td>
<td>2.7</td>
</tr>
<tr>
<td>Efficiency</td>
<td>22%</td>
<td>3.0</td>
<td>2.9</td>
<td>2.7</td>
</tr>
<tr>
<td>Sustainability</td>
<td>18%</td>
<td>2.8</td>
<td>2.7</td>
<td>2.6</td>
</tr>
<tr>
<td>Total Rating</td>
<td>100%</td>
<td>3.2</td>
<td>2.9</td>
<td>2.8</td>
</tr>
</tbody>
</table>

Note: Column weights were defined by the Evaluation Team and row weights are based on the proportion of person months of Resident Advisor input for each group of TA activities.

Highly Successful (Excellent) ≥ 3.5; 3.5 < Successful (Good) ≥ 2.5; 2.5 < Partly Successful ≥1.5
(Modest); Not Successful (Poor) < 1.5

2. Validation from the AFRITAC Evaluation Survey Results

115. For each of the five TA clusters, the AFRITAC Evaluation Survey respondents were asked to rate AFRITAC TAs on a scale of excellent, good, modest and poor in the following areas: (i) relevance of the assistance in helping to build capacity; (ii) consistency with Government priorities; (iii) coordination of AFRITAC activities with those of other TA providers; (iv) coordination of AFRITAC activities with those of IMF Headquarters; (v) use of the outputs by the institutions that they are helping; (vi) effectiveness in achieving tangible results; (vii) significance of contributions to developing core economic functions/institution building; (viii) expertise and assistance available from the AFRITAC; and (vi) sustainability of the benefits associated with the work of the AFRITACs (see Tables CX.19 to CX.23).

116. All five TA clusters were rated in the Good range for the aggregation of the nine criteria which is broadly consistent with the ratings of the Evaluation Team. The highest ranking was for Financial Sector Supervision and the lowest rating was for Public Financial Management, the TA cluster to which the AFRITACs have allocated the largest share of the time of their Resident Advisors. The Evaluation Team was advised that FAD devoted considerably more resources to backstopping than did MCM. The results, both from the survey and the Evaluation Team’s assessment, do not provide evidence that larger amounts of resources devoted to backstopping increased the success of FAD TAs relative to the TAs back stopped by MCM and STA. When more information is available from IMF’s new time recording system, this issue merits a more detailed analysis in the context of the evaluations of other RTACs. If the result of that analysis is that there is no compelling evidence that FAD TAs achieve better results than those of the other TA departments, then questions must be raised about whether the resource intensive FAD backstopping model represents an effective and efficient use of scarce human resources.

117. All of the ratings from the survey for each criteria for each TA cluster were rated as Good, except for the relevance of the Financial Sector Supervision TAs which was rated as Excellent. The very positive rating of the relevance of the Financial Sector Supervision TAs reflects, in part, the fact that responses for East AFRITAC dominated the survey results. The feedback that the Evaluation Team received in Tanzania, Rwanda and Kenya indicated that the
former Bank Supervision Resident Advisor in East AFRITAC made excellent contributions to help in the successful transition from traditional bank supervision to risk based supervision. Very positive feedback was also received on microfinance supervision TAs of West AFRITAC and Revenue Administration TAs in East Africa.

118. Ratings in the bottom quartile of the Good range included three in the area of Public Financial Management (coordinating with other TA providers; use of TA outputs; achieving tangible results). Coordinating with other TA providers was also rated as relatively low for Revenue Administration, Monetary Operations/Debt Management, and Financial Sector Supervision. Coordinating with other TA providers received the lowest score among the nine criteria. During the field work, some donors complained about a lack of knowledge of AFRITAC operations and lack of access to reports prepared by the Resident Advisors. The issues of coordination and information dissemination are discussed in more detail in Chapter III.

3. Overall Conclusions About the Performance of the AFRITACs and Lessons for Future Directions

119. East AFRITAC is the doyen of the AFRITACs and has been the most successful in making a clear difference in supporting the effective implementation of reforms through its TA activities. The higher rating by the Evaluation Team for East AFRITAC is consistent with responses to the AFRITAC Evaluation Survey. For most questions slightly more positive responses were received for East AFRITAC than for the other two AFRITACs. East AFRITAC’s outreach efforts through its annual reports and reports to benchmark its progress are commendable as are the professional standards it sets in delivering TAs. West AFRITAC, the largest provider of TAs, has delivered a consistent and solid performance. Significant progress has been made in many clusters of TA but efforts to effectively monitor and disseminate the progress made have lacking. Central AFRITAC is off to an encouraging start. The challenges and TA needs for the newest AFRITAC are similar to those of West Africa. Central AFRITAC should learn from the experience of West AFRITAC and use the lessons learned to improve TA delivery.

120. While overarching issues that form the basis for most of the Evaluation Team’s recommendations are discussed in Chapter III, the detailed assessments in Annexes D, E and F identified some lessons of experience that may help to guide the future operations of the AFRITACs. The key lessons are distilled below:

(i) Better grounding of AFRITAC TA programs: AFRITAC programs need to be better grounded in IMF country strategies, whether through the African Department’s annual country strategy notes, IMF country programs and surveillance reports, Poverty Reduction and Growth Facilities (PRGFs) or Poverty Support Instruments (PSIs). A stronger link is needed to follow-up strategies for implementing regional and country specific FSAP findings and recommendations. Better coordination is needed between MCM’s and STA’s “upstream” role (diagnostics and strategy) with AFRITACs “downstream” role (supporting implementation).

(ii) Better sharing of lessons learned: Central AFRITAC learning the lessons of experience from West AFRITAC is the most obvious case for sharing experience

46 Feedback that the Evaluation Team received from country officials in: (i) Rwanda on the payments system modernization project; and (ii) in Côte d’Ivoire, Guinea and Mali on debt management and microfinance, provided evidence of some examples of good coordination between AFRITACs and other donors.
across AFRITACs. However, this will become a more important issue with the establishment of two more AFRITACs. Preparing and disseminating working papers that chronicle experience in successful areas of TA delivery, such as has been done recently by East AFRITAC, is a model for replication in all AFRITACs. Although there have been periodic retreats to share information among AFRITACs (e.g., the AFRITAC retreat in Nairobi in July 2006; the RTAC Center Coordinators retreat in Washington in December 2008), such retreats should be held more regularly going forward. Better information dissemination and the use of web pages are discussed in Chapter III.

(iii) **More effective donor coordination**: All AFRITACs need to improve donor coordination and information sharing, an issue that is discussed in Chapter III.

(iv) **More intensive engagement in post conflict countries**: The Resident Advisors are spread too thinly to be able to engage intensively in post conflict countries. The AFRITACs need to engage more intensively in such countries. IMF’s efforts to establish a Topical Trust Fund to finance “upstream” and “downstream” TA for post-conflict countries, together with the expected funding for the next phase of the AFRITACs, should provide additional resources for this.

(v) **Better monitoring of results**: Despite the progress that has been made, the quality of reporting on results needs to be improved in all AFRITACs and across all functional areas. The Steering Committees and the TA departments need to ensure that there is more meaningful tracking that emphasizes outcomes and impacts rather than delivery of outputs (see Chapter III).

(vi) **Greater focus on sustainability through the effective implementation of TA recommendations**: The issue of implementing TA recommendations needs to be considered in the TA design. Providing good quality advice and largely leaving the implementation of the resulting recommendations to the authorities is not the way to achieve sustainable outcomes and impacts. Authorities should be encouraged to establish the necessary policy and institutional framework for initiating reform projects, including cabinet approved policy decisions, establishment of project teams, formulating realistic work plans and assigning medium/long term experts. Sometimes resources need to be mobilized to support the implementation of TA recommendations. This issue is discussed in more detail in Chapter III.

(vii) **Mitigate the loss of technical expertise and knowledge**: The authorities should be encouraged to undertake effective documentation of policies and procedures in key reform areas. Succession planning and knowledge and skills transfer need to be done by member countries to ensure a lasting impact of AFRITAC TAs.

(viii) **Expand the range of monetary and financial system TAs available from West and Central AFRITACs**: It is important to ensure that there is a level playing field for access to monetary and financial system TAs -- especially for monetary operations -- for all country clients, especially those which are not members of WAEMU or CEMAC and have their own central banks and currencies.

(ix) **Find a strategic niche for PFM TAs**: Compared to some other TA providers, the AFRITACs have relatively modest amounts of PFM TA. Strategic niches

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47 In its comments on the draft report, OTM advised that IMF’s working model is that the planned TAs to be provided to a country would be described in the Regional Strategy Notes and would involve a mix of modalities (e.g., Headquarters TAs; short and long term experts; AFRITACs). While the Fragile States Topical Trust Fund would not be available at the direct discretion of the AFRITACs, IMF would aim to deliver an integrated, comprehensive package of assistance to fragile states.
need to be identified where the AFRITACs can add value. Areas of strength that could be built on include actively promoting the adoption of best practices in key areas (e.g., medium-term planning and budgeting; cash management and banking arrangements; migration to GFS 2001 classification; improved fiscal reporting; strengthening the legal and regulatory framework) and providing quality control and monitoring the implementation of PFM action plans. While IMF has experience and expertise and there are clear needs in all of these areas, the AFRITAC’s human and financial resources are limited. Thus, more focus to be consistent with the resource envelope would be desirable.

(x) **Consolidate gains made in Revenue Administration**: Continued support is needed to achieve the modernization objectives, consolidate the gains made and deepen reforms. Areas of focus could include improving transparency and accountability, taxpayer services, taxpayer segmentation and management, the increased use of risk-based compliance management approaches in both tax and customs, natural resources taxation management, business process review and design and the use of robust information technology platforms.

(xi) **Better aligning the expectations in the AFRITAC program documents for statistics with the likely resource envelop**: The program documents for East and West AFRITACs state that the Statistics Advisors will provide the following types of assistance in 7 to 10 countries -- National Accounts; Price Indexes; Incorporating Statistical Development Plans into PRSPs; Balance of Payments; Government Financial Statistics; Institutional Issues and Exploiting Synergies with other Resident Advisors. Delivering such a wide ranging suite of services is beyond the capacity of even the most competent, hard working Advisor. More focus is needed. While many donors are active in the area of real sector statistics, some with considerably more resources than the AFRITACs, few other TA providers are involved in central bank and government finance statistics. An overly wide area of responsibility sometimes resulted in a lack of follow up, something that is essential to achieve outcomes and impacts.

G. AFRITACs and Poverty Reduction

121. **The Program Documents describe the rational for the AFRITACs in the context of the concern of the development community about poverty reduction being the overarching rational for development assistance.** Since the turn of the Millennium, Sub-Saharan Africa generally experienced robust economic growth, inflation was largely under control and the fiscal and external imbalances narrowed (see Table A.3 in Annex A). **Despite this relatively good economic performance, Sub-Saharan Africa will likely not achieve most of the Millennium Development Goals by 2015. Economic growth remains below the 7% level needed to reach the Millennium Development Goal of halving income poverty by 2015. Poverty remains widespread** (see Table II.7).
Table II.7: Poverty Incidence in AFRITAC Client Countries

<table>
<thead>
<tr>
<th>Country</th>
<th>Year of Survey</th>
<th>% of Population Under the National Poverty Line</th>
<th>% of Population Under the International Poverty Line (Income of $1 per Day)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>East Africa</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eritrea</td>
<td>1993/94</td>
<td>53</td>
<td>--</td>
</tr>
<tr>
<td>Kenya</td>
<td>1997</td>
<td>52</td>
<td>1997 23</td>
</tr>
<tr>
<td>Malawi</td>
<td>1997/98</td>
<td>65</td>
<td>1997/98 42</td>
</tr>
<tr>
<td>Tanzania</td>
<td>2000/01</td>
<td>36</td>
<td>2000/01 58</td>
</tr>
<tr>
<td>Uganda</td>
<td>2002/03</td>
<td>38</td>
<td>--</td>
</tr>
<tr>
<td><strong>West Africa</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benin</td>
<td>1999</td>
<td>29</td>
<td>2003 31</td>
</tr>
<tr>
<td>Burkina Faso</td>
<td>2003</td>
<td>46</td>
<td>2003 27</td>
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<tr>
<td>Côte d’Ivoire a/</td>
<td>2008</td>
<td>49</td>
<td>2002 15</td>
</tr>
<tr>
<td>Guinea</td>
<td>1994</td>
<td>40</td>
<td>--</td>
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<tr>
<td>Guinea-Bissau</td>
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<tr>
<td>Mali</td>
<td>1998</td>
<td>64</td>
<td>1994 72</td>
</tr>
<tr>
<td>Mauritania</td>
<td>2000</td>
<td>46</td>
<td>2000 26</td>
</tr>
<tr>
<td>Niger</td>
<td>1989/90</td>
<td>63</td>
<td>1995 61</td>
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<tr>
<td>Senegal</td>
<td>1992</td>
<td>33</td>
<td>1995 22</td>
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<tr>
<td>Togo</td>
<td>1987/89</td>
<td>32</td>
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<tr>
<td><strong>Central Africa</strong></td>
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<td></td>
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<tr>
<td>Burundi</td>
<td>1990</td>
<td>36</td>
<td>1998 55</td>
</tr>
<tr>
<td>Cameroon</td>
<td>2001</td>
<td>40</td>
<td>2001 17</td>
</tr>
<tr>
<td>Central African Republic</td>
<td>--</td>
<td>--</td>
<td>1993 67</td>
</tr>
<tr>
<td>Chad</td>
<td>1995/96</td>
<td>64</td>
<td>--</td>
</tr>
<tr>
<td>Republic of the Congo</td>
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</tr>
<tr>
<td>Democratic Republic of the Congo</td>
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<tr>
<td>Equatorial Guinea</td>
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<tr>
<td>Gabon</td>
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</table>

Source: World Development Indicators 2006. World Bank except for Côte d’Ivoire which is from its PRSP.

122. The proportion of the population in client countries that are living on incomes that are below the poverty line is estimated to range between 15% and 72% for AFRITAC client countries using the $1 per day threshold and between 29% and 65% using the national poverty lines. Based on World Bank data, 271 million people in Sub-Saharan Africa, 46% of the population, were living on incomes of less than $1 per day in 1996. By 2002, 303 million people, 44% of the population, were living below in the international poverty line. Most Sub-Saharan African countries have not made significant progress in the war against poverty. Malnutrition, which is closely associated with poverty, is expected to fall in all regions of the world except in Sub-Saharan Africa.

48 Issues related to the challenges of measuring poverty and missing data are discussed in Annex A.

49 This information was abstracted from the World Development Indicators 2006, published by the World Bank.
123. Many authors have concluded that robust economic growth that is sustained over many years is a necessary pre-requisite for countries to successfully reduce poverty. The IMF’s mission in low-income countries is defined as helping them to achieve the macroeconomic and financial stability needed to raise growth and reduce poverty. The tools necessary for sound economic management and financial stability include good public expenditure management, sound revenue administration, good monetary policy, a sound, well regulated financial sector and good economic statistics. AFIRITAC work programs are focused on developing the tools necessary for sound economic management that will indirectly contribute to poverty reduction.

124. During its field work, some people indicated that they felt that the AFIRITACs should be doing more to directly tackle poverty reduction. The Evaluation Team does not believe that it is the primary role of the AFIRITACs to provide direct assistance in formulating and/or implementing poverty reduction strategies. Examples of AFIRITAC TAs relevant to poverty reduction include:

(i) Debt Management TAs helped to: (a) achieve HIPC debt reduction plans that free up resources for expenditures directly linked to poverty reduction; (b) put into place capacities to formulate debt sustainability framework for the medium term, including a proper data base, that helps to avoid countries falling into debt poverty trap again; and (c) promote the development of sub regional money and government debt markets that enhance cash management, budget financing and development investment.

(ii) Microfinance TAs promoted deepening of financial intermediation and providing access to credit to the less advantaged people not reached by conventional banking and supported small scale livelihood initiatives.

(iii) PFM and Revenue Administration TAs helped to ensure that adequate resources are available for health, education, and infrastructure, all of which promote growth, help poorer segments of the population, and track or shift expenditures to pro-poor areas (e.g., health, education, and livelihood and poverty reduction). Successful PFM TAs help to create an environment in which donors can feel more comfortable scaling up aid using general budget support and debt forgiveness to help address poverty.

(iv) Statistics TAs provide a better data base for policy development and planning and monitoring the progress being made in reducing poverty and implementing the poverty reduction strategies.

125. The AFIRITACs are not alone in adopting an indirect approach to poverty reductions and the Millennium Development Goals (MDGs). A paper analyzed the substance of the Poverty Reduction Strategy Papers (PRSPs) of 22 developing countries and the policy frameworks of 21 bilateral programs. The major conclusions were: (i) economic growth for income poverty reduction and social sector investments (education, health and water) are important priorities in most PRSPs; and (ii) PRSPs emphasized the importance of good governance to achieve the MDGs, but most of the focus was on economic governance rather than on participatory and equitable processes. The paper identified three uses of global goals: (i) consensus objectives; (ii) monitoring benchmarks; and (iii) planning targets. The paper

51 IMF. The Role of the Fund in Low-Income Countries. 16 June 2008.
concluded that “Most donor policy statements and PRSPs use MDGs as consensus objectives. Most PRSPs also use MDGs as planning targets, but without adapting them to local conditions and priorities. In most cases where MDG targets are set, they are in line with the MDG 2015 targets; this is not necessarily a sign of “ownership” because these targets are not accompanied by coherent action plans. If the MDGs are to be used as planning targets for resource allocation purposes, the international community could develop a more consistent and effective approach to the local incorporation of MDGs into national planning and priority setting.”

H. AFRITACs and Reducing Corruption

126. During the past decade, supporting efforts to reduce opportunities for corruption have become an increasingly important part of the development agenda. It is now widely recognized that corruption: (i) misallocates resources; (ii) diverts public resources to private gains and away from needed public spending on education, health and infrastructure; (iii) reduces public revenues and thus the funds available for public expenditure through tax fraud and non-compliance, smuggling and mis-declaration; (iv) adversely affects economic growth; (v) reduces investment; (vi) contributes to crony capitalism and the creation of rent seeking monopolies and oligopolies; (vii) impacts disproportionately on the poor; (viii) transfers capital out of developing countries; (ix) skews consumption towards imported luxury goods; (x) increases the cost of projects; and (xi) results in substandard construction and poor operations and maintenance. A lack of transparency and opaque rules and regulations hamper business and create opportunities for bribery and corruption. It has been estimated that up to one third of development investment in some countries is wasted. World Bank data indicates that 13 of the 25 countries served by the AFRITACs are ranked in the bottom 20% of countries in the world as far as control of corruption is concerned (see Table II.8). It is very difficult to reverse the wide spread and systematic corruption embedded in the structure of government. If tax payers in donor countries feel that there is a high likelihood that a portion of their tax dollars allocated to the development budget will be stolen, there is an understandable reluctance among the public to see their tax dollars spent in such countries.

53 Ibid. See abstract in the paper.
<table>
<thead>
<tr>
<th>Table II.8: Corruption Ratings of AFRITAC Client Countries</th>
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</thead>
<tbody>
<tr>
<td><strong>East AFRITAC</strong></td>
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<tr>
<td></td>
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<tr>
<td>Eritrea</td>
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<td>Ethiopia</td>
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<td>Kenya</td>
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</table>

Note: The percentages reflect the ranking of 212 countries. The higher the ranking, the less prevalent is corruption in the country.

Source: World Bank Governance Indicators

127. According to a September 2008 fact sheet, IMF's approach to combating corruption emphasizes prevention, concentrating on measures to strengthen governance and limiting the scope for corruption. IMF helps to prevent and address corruption in areas where it has a mandate and expertise. IMF's activities that can help to reduce opportunities for corruption can be divided into two areas: (i) *improving the management of public resources* through reforms covering public sector institutions (e.g., the treasury, central bank, public enterprises, civil service, and the official statistics function), including administrative procedures (e.g., expenditure control, budget management, and revenue collection); and (ii) *supporting the development and maintenance of a transparent and stable economic and regulatory environment conducive to efficient private sector activities* (e.g., price systems, exchange and trade regimes, and banking systems and their related regulations). IMF's approach to improving accountability and transparency to reduce opportunities for corruption focuses on promoting sound oversight and *operation of the internal control, auditing, and public financial reporting mechanisms*, improving accountability by enhancing transparency in policies, in line with internationally recognized standards and codes and combating money laundering and the financing of terrorism.

128. The AFRITACs have adopted a low key approach to combating corruption and rarely did the Evaluation Team find the word corruption mentioned in AFRITAC documents. However, many AFRITAC TAs were designed to promote transparency and accountability and were consistent with the types of initiatives mentioned in IMF's

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56 See also The IMF's Approach to Promoting Good Governance and Combating Corruption — A Guide, which is available on IMF’s web site and was last updated in September 2005.

57 In September 1997 IMF adopted a Guidance Note entitled The Role of the IMF in Governance.


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corporate documents that address anti-corruption measures. Examples of AFRITAC TAs that resulted in practical measures that should help to create an environment that will reduce opportunities for corruption include:

(i) supporting a clear legal or regulatory basis for budgetary and extra budgetary activities, and taxes, duties and fees;
(ii) strengthening public expenditure controls and expenditure tracking;
(iii) improving the reporting of revenue and expenditure transactions;
(iv) supporting the use of single treasury accounts and better cash-management and banking arrangements to improve transparency, accountability, control and auditing;
(v) improving the transparency and accountability of the public debt management and internal payment systems by: (a) drafting a payment procedure manual indicating clearly the delays of payment operations; (b) establishing an open, and transparent system of information that is available to the public -- the public should not have to meet those handling their files and negotiate for their payments; and (c) setting up standard ratios for follow-up on a secure computerization system;
(vi) making tax and customs procedures simpler, less complex and more transparent;
(vii) supporting the efforts of Customs Administration in combating smuggling, fraud, and mis-declaration of goods;
(viii) implementing modern tax compliance systems based on risk analysis;
(ix) supporting integrated tax administration systems and improved taxpayer services;
(x) addressing integrity issues for tax administration and customs officials;
(xi) introducing systems and procedures to improve transparency and accountability;
(xii) through improvements to payments systems, reducing the need for contacts between tax payers and the public with government officials in procedures related to cash transactions;
(xiii) reducing tax avoidance;
(xiv) promoting sound accounting systems and internal and external audit procedures;
(xv) improving the transparency of bank regulation and supervision;
(xvi) promoting consolidated supervision for banking groups within and across borders;
(xvii) enhancing off-site monitoring systems for banks and microfinance institutions;
(xviii) increasing the transparency in the reporting and management of the public debt;
(xix) promoting public disclosure; and,
(xx) promoting sound accounting, accounting and disclosure in financial institutions.

129. IMF’s Legal Department (LEG) processes and administers TAs that are directly related to reducing opportunities for corruption [e.g., strengthening the legal and regulatory frameworks for central banks, bank supervision and capital markets; developing clear legal and regulatory frameworks for budgetary and extra budgetary activities; combating smuggling, fraud and mis-declaration of goods; Anti Money Laundering/Combating Financing of Terrorism (AML/CFT)]. While the current arrangements do not cover the delivery of legal and AML/CFT TA through the AFRITACs, if IMF and the donors wish to raise the AFRITACs’ profile in supporting anti-corruption initiatives, future funding cycles would need to consider the relationship between LEG and the AFRITACs.
III. OVERARCHING ISSUES

Key Messages

- The AFRITACs’ good performance merits increasing the resources made available to them to allow them to more effectively service the growing demand for their services and to reflect the fact that they are operating in multiple countries, including post conflict countries with limited absorptive capacity.

- All parties involved in the AFRITAC governance structure need to work together to do a better job coordinating with other TA providers and sharing and disseminating information and reports -- West and Central AFRITAC should follow East AFRITACs good dissemination initiatives. If the AFRITACs are expected to develop and maintain web pages, they will need to be resourced accordingly.

- While some progress has been made to more effectively track and report on outcomes and results, the Steering Committees should demand more progress in this area, recognizing that this is an IMF-wide issue.

- Compared to 2005, improvements have been made in integrating AFRITAC TAs with Headquarters surveillance work and IMF programs.

- Evaluation findings indicate that the concern in 2005 that the involvement of the Steering Committee would undercut the ability of TA departments to ensure TA quality and result in reputational risks for IMF did not materialize.

- The backstopping model is under more pressure in 2008 than it was in 2005, although IMF’s plans to charge donors for backstopping and allocate the associated funds directly to be budgets of the TA departments should reduce this risk to the sustainability of the AFRITAC model.

- IMF’s operational and management procedures for RTACs need to be codified in a manual. Issues to consider include: (i) empowering the Resident Coordinators; (ii) lengthening the appointment of Resident Advisors; (ii) improving the recruitment procedures and succession planning for Resident Advisors; (iv) removing barriers in IMF policies that discourage staff from TA Departments working as Resident Advisors; (v) formalizing the role of the Resident Representatives for the AFRITACs; (vi) harmonizing backstopping across the TA Departments; (vii) improving administrative support for AFRITACs and training of local staff; (viii) strengthening financial management and control; and (ix) improving connectivity. Some of these improvements will have resource implications to be considered in the next funding cycle.

- AFRITACs should do more to build on their comparative advantage to use a regional approach to help develop the macroeconomic management tools necessary to support regional harmonization and integration.

- IMF should prepare a long term vision statement for the AFRITACs that would address, among other things, the implications of more decentralized delivery and supervision of TA and a redeployment of some TA staff from Headquarters to the AFRITACs to build on, and expand, the successful model that has been documented in this evaluation and the 2005 evaluation.
A. Introduction

130. The evaluation identified a number of overarching issues that are relevant for all AFRITACs, some of which have implications for IMF as an organization and/or resource implications. Seven of these issues are discussed in this chapter: (i) increasing the resources for the AFRITACs; (ii) managing for development results; (iii) improving coordination and dissemination; (iv) implementing TA recommendations; (v) strengthening organization and management; (vi) using a regional approach to facilitate the development of the macroeconomic management tools that are necessary to support regional integration and harmonization, and (vii) recognizing the long run organizational implications of the RTAC model for IMF.

B. Increasing the Resources for the AFRITACs

131. There are large capacity building needs in AFRITAC client countries. The overwhelming majority of survey respondents replied that while progress has been made, the AFRITACs have not fully achieved their objectives. There is a large unfinished agenda. Looking to the future, Government officials in all countries visited by the Evaluation Team see a growing demand for AFRITAC TA. The characteristics of the client countries and the limited institutional capacity suggest that some Resident Advisors are spread too thinly. Capacity building requires sustained involvement over a period of years. Spreading the Resident Advisors so thinly undermines their ability to effectively service clients and to achieve results that have the desired impact and are sustainable. Covering multiple countries efficiently is also hampered by the difficult travel logistics, particularly in West and Central Africa. Capacity building in post conflict countries is a particular challenge. FAD and MCM self evaluations indicate that during the initial years, considerable resources are needed to achieve objectives in such environments. The AFRITACs are not adequately resourced for this purpose. IMF is planning on launching a series of topical trust funds in 2009, some of which are directly related to the work of the AFRITACs (e. g., fragile states/post conflict countries; statistics; PFM; debt; financial sector stability; management of natural resource wealth). These topical trust funds have the potential to address the problem of over stretched AFRITACs if they are well coordinated with the work of the AFRITACs.

132. To be successful, the AFRITACs require support from Headquarters. The 2005 Evaluation recommended that IMF’s Executive Board and Management should address needs of the Technical Departments and OTM for additional staff resources to, respectively, coordinate and backstop the RTACs. This recommendation was not implemented. In 2007 the IMF budget was cut by 15% but the reduction for TA was about 20%. The volume of TAs delivered through RTACs has increased since 2005. All three TA departments feel that the current backstopping model is not sustainable given the cuts in resources and growing demands for backstopping. Resource wise, OTM is under stress. Rather than being cut, OTM received one additional staff for a period of 24 months. However, OTM was also tasked with many TA reforms (e. g., establishing and running the new charging regime; establishing four new RTACs; designing and rolling out 7 new trust funds). These constraints are to be addressed by establishing a new time recording system that will allow donors to be charged for IMF’s full cost of delivering TA. This would generate additional financial resources to pay for backstopping and OTM staff as the funds would accrue to the departmental budgets rather than to IMF’s central budget.

133. The next funding replenishment must consider how to resource the AFRITACs in a manner that appropriately balances the growing demand for their services, necessary

60 IMF to Launch Trust Funds to Support Technical Assistance. IMF Survey online. 29 September 2008.
support from Headquarters and feasible levels of resource availability. AFRITAC capacity could be increased by a combination of: (i) transferring IMF staff from FAD, MCM and STA to the AFRITACs; (ii) increasing the number of donor funded Resident Advisors; (iii) increasing the AFRITAC budgets for travel and short term experts; and (iv) providing the AFRITACs with access to the topical trust funds. Increasing the budget for short-term consultants would allow the Resident Advisors to focus more on strategic planning and give more attention to benchmarking progress and outcomes.

134. Increasing the amount of resources made available to the AFRITACs would be consistent with the following positive evaluation findings: (i) AFRITAC TAs are responsive to countries’ needs and TAs are owned by the countries; (ii) the involvement of recipient countries, selected donors and IMF staff in the AFRITAC governance structure has proven to be successful; (iii) the AFRITACs use their proximity to provide rapid and flexible services; (iv) AFRITAC TAs were rated as relevant, effective, efficient and sustainable and received an overall rating of Good, a rating that was generally consistent across AFRITACs, across functional areas and for all TA delivery modes; (v) the quality of the expertise in the AFRITACs was comparable to that available from IMF Headquarters; (vi) respondents rated the AFRITACs as better than IMF Headquarters and other TA providers in terms of responsiveness, knowledge of the countries, flexibility, response times and use of African expertise; (vii) survey respondents felt that AFRITAC TAs were more cost effective than TA delivered by IMF Headquarters and other TA providers; and (viii) AFRITACs are well suited to play a leading role in IMF’s support regional economic integration and harmonization. Overall, the AFRITACs delivered high quality TA in an effective and efficient manner.

C. Managing for Development Results

135. Consistent with the calls in the Paris Declaration and the 2008 Accra Agenda for Action to manage for development results, there was considerable emphasis in the AFRITAC Program Documents on developing a results-based monitoring system to track the AFRITACs’ performance. The Program Documents committed the AFRITACs to introducing a results-based monitoring system. They were to use the computerized Results-Based Management System to track the implementation of TA projects and activities. Logical frameworks\(^{61}\) were to be used to monitor TA project implementation against specified objectives, outputs, and indicators using the Technical Assistance Information Management System (TAIMS). TAIMS was not a user friendly system and was not consistently used in IMF for most of the period covered by the evaluation. Information technology and communications infrastructure weaknesses compounded the problems for AFRITACs and made it difficult for them to access the system. A review of TAIMS was undertaken in 2007 and recommendations were made for improvement\(^{62}\). By mid-2008 an enhanced version of TAIMS was operational. Although it is too early to determine whether the enhanced version of TAIMS will result in IMF having a better TA management information system, the enhanced version of TAIMS has addressed many of the problems identified in the TAIMS usability assessment.\(^{63}\)

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\(^{61}\) AfDB developed a logical framework for the AFRITAC Initiative that specifies the overall objective, program objectives, activities and financing sources. It also includes expected outcomes, coverage, performance indicators, indicative timeframes and assumptions/risks. The AFRITACs did not use or modify this work to monitor their performance. See African Development Bank. Proposal for the Award of an ADF Grant of US$4.5 Million to Finance the Second Phase of the Regional Technical Assistance Centers Program (AFRITAC). 14 November 2006. Pages iv and v.


136. As of 1 May 2008, IMF management required that all TAs, regardless of source of financing, be monitored using TAIMS. This applies to both AFRITAC and Headquarters TAs. All AFRITAC work plan activities are to be included in TAIMS. Indicators are to be developed for every TA to facilitate an objective assessment of TAs through the use of monitorable, verifiable indicators. However, East AFRITAC recently found that while it was near full compliance in uploading documents, the TAIMS module used to produce East AFRITAC specific reports was deactivated as part of the effort to make TAIMS more user friendly. This reduced the utility of TAIMS for monitoring and reporting at the AFRITAC level.

137. The Steering Committee minutes indicate a desire for the AFRITAC’s to do a better job of reporting on results achieved rather than on inputs provided. The Steering Committees should be the main audience for AFRITAC reports on results based management and should actively demand such reports. The Steering Committees welcomed the progress reported on the implementation of the results-based management pilot, started in January 2006, and strongly supported by the integration of the AFRITACs into TAIMS. Despite the progress that has been made, the AFRITACs efforts to develop a good results based system remains an unfinished agenda. In interpreting this outcome, given the findings of the 2005 evaluation and the language in the AFRITAC program documents, it is important to recall three factors: (i) all TA providers are struggling to operationalize results based management systems; (ii) it is widely acknowledged that developing ways to measure and monitor capacity building TA is a major challenge; and (iii) as documented in the TA evaluation undertaken by the Independent Evaluation Office and the 2008 paper on improving the impact of TA, this is an IMF wide issue rather than just an AFRITAC specific issue. As an institution, IMF is investing considerable time and resources to improve results based monitoring and reporting. The AFRITACs should benefit from this effort. However, measuring performance in a meaningful way and moving to a results focused management of TAs will take time and will be an evolutionary process.

138. The use of TAIMS should help to improve the ability of the AFRITACs to report on the achievement of results rather than on inputs. However, the Evaluation Team believes that part of the problem relates to the rather short time frame, one year, that IMF uses to plan and manage TAs. Typically, it takes several years to achieve results for capacity building TAs. If a one year time frame is used, it is likely that the monitoring and reporting will focus on inputs and the achievement of short term, interim outputs rather than the medium to longer term outcomes. The most successful TAs in terms of achieving clear, substantial results (e.g., East AFRITAC’s bank supervision TAs) involved sustained input from the Resident Advisor over four years. Missions built on, and extended, the accomplishments of the earlier missions. It would be easier to report on results if a strategic objective was set for a cluster of TAs (e.g., moving from standard to risk based banking supervision in Tanzania; developing a modern payment system in Rwanda) to provide a framework to access the progress made by each mission or in a particular year. This approach would provide a framework in which to assess the many small steps that are needed to achieve a strategic objective in the area of capacity building, while keeping in view the big picture and strategic objective. That should make it easier to report on the outcomes achieved or that are on track to be achieved and to take corrective action if there appears to be a problem.

64 For example the April 2008 paper on improving TA impact states that: (i) IMF’s TA is not sufficiently standardized to facilitate effective monitoring and evaluation; and (ii) there is no common understanding of the parameters for performance measurement or common benchmarks for success.
139. TAIMS is not the only tool that should be used to monitor and track results. In some areas there are internationally accepted frameworks that can complement TAIMS. In the PFM area PEFA (see Annex B) provides a sound framework to monitor the progress of countries strengthening their PFM systems in a manner that reflects the combined contributions of all TA providers. Similarly, the FSAPs provide periodic assessments of the financial sectors and the World Bank’s Country Statistical Information Database could be used for similar purposes in the area of statistics. The need for internal mechanisms for IMF to track and monitor results, and for external mechanisms for IMF and other partners (e.g., donors, member countries) to track and monitor results are not mutually exclusive. Both are required and should be viewed as being complementary.

D. Improving Coordination and Dissemination

140. The Program Documents place considerable emphasis on the importance of the AFRITACs’ role in local donor coordination and stress the importance of working with the African Capacity Building Foundation (ACBF)\(^\text{65}\), bilateral donors and the World Bank. Although the beneficiary countries were expected to lead the coordination initiative, AFRITACs were to actively support government aid coordination efforts by providing expert advice, participating in aid coordination meetings and contributing to aid harmonization in macroeconomic management areas. The AFRITAC focal points were expected to play a key role in improving the integration of AFRITAC assistance into overall country aid strategies. The donor representatives on the Steering Committees were expected to represent constituencies of donors, something that was designed to promote coordination. Other TA providers attend Steering Committees as observers, another element of the design of the AFRITAC governance structure that was designed to support coordination. AFRITAC Center Coordinators and Resident Advisors, when visiting countries, were expected to meet with donors to coordinate their activities and to collect and share information. The AFRITACs, while contacting and sharing some knowledge with other TA providers, were relatively passive regarding donor coordination.

141. Although there were some cases of positive synergies of the AFRITACs and other donors working together within the framework of a well thought out master plan, this was not always the case. Some examples of excellent cooperation with other TA providers included: (i) World Bank funds used to finance the payment system in Rwanda, the development of which is being led by East AFRITAC; (ii) substantial contributions to the formulation of PFM Action Plans in Rwanda and Guinea; and (iii) West AFRITAC coordination with AFRISTAT. Good coordination in the PFM area is particularly important because: (i) many donors would like to use budgetary support to scale up their assistance but to do so they must have confidence in the government’s ability to effectively manage public expenditures; and (ii) in many countries, particularly in East Africa, the scale of support from other TA providers to strengthen PFM dwarfs the TA available from IMF – in such situations the AFRITACs need to find a strategic niche. In some areas, mostly in East Africa, donors pool their funds (e.g., PFM; statistics), something that is very consistent with the principles in the Paris Declaration and the Accra Agenda for Action. However, IMF and the AFRITACs do not pool their TA funds to support such initiatives, which are led by other donors. The AFRITACs remain outside of such initiatives, although they make efforts to ensure that their TAs are complimentary.

\(^{65}\) The ACBF/IMF partnership was formalized in 2002. IMF contributed $5 million to ACBF, which was to be used to co-finance AFRITAC workshops. The AFRITACs were designated as IMF’s focal points for ACBF.
142. While donor coordination appears to have improved in all regions since the 2005 evaluation, it remains a challenge. Effective donor coordination is more evident in some areas (e.g., revenue administration where relatively few donors involved) and more complex in other areas (e.g., PFM and statistics areas where there are many donors). Generally both TA providers and government officials recognize the expertise of AFRITACs and IMF’s good track record of quality assurance and welcome AFRITAC involvement in its areas of expertise.

143. The survey results assigned a lower score when rating the coordination of AFRITAC with other TA providers than for most other criteria assessed. Although the results were generally in the Good range, they were in the lower end of the range and relatively close to the cut off point for Moderate. The lower scores given to coordinating with other TA providers was generally consistent across functional area, although the scores were higher for statistics than for Public Financial Management, Revenue Administration, Monetary Operations and Bank Supervision. For most functional areas less than 20% of the respondents rated the AFRITACs efforts to coordinate with other TA providers as Excellent (see Tables C.19 to C.23 in Annex C). The low scores for coordination with other TA providers were consistent across the TA clusters, with the exception of statistics in all three AFRITACs. Coordination between the AFRITACs and other TA providers is an area where there is need for improvement. The survey results are consistent with the feedback that the Evaluation Team received in the eight countries visited. During the field work, some donors complained about a lack of knowledge of AFRITAC operations and coordination between their organizations and the AFRITACs.

144. In each country visited a meeting with the donor community was organized for the Evaluation Team by either the Center Coordinator or the Resident Representative. Normally, these meetings were rather small. While some of those attending were knowledgeable about AFRITAC activities, many were not. At some meetings, much of the time was taken up by the Evaluation Team describing AFRITAC activities. The lack of knowledge of AFRITAC activities reflects a number of factors: (i) significant turn over in the staff assigned to donor offices and the consequent loss of institutional memory; (ii) many donors expect IMF and the World Bank to play the lead role in the macroeconomic management areas and focus their programs on such areas as poverty reduction, livelihood, health, education, environment, gender, governance and the real sectors and staff their local offices accordingly; and (iii) the lack of effective AFRITAC outreach and dissemination strategies.

145. Although all members of the donor community stress the importance of coordination and it is highlighted as being important in the Paris Declaration and the Accra Agenda for Action, in practice the donor community is experiencing challenges in moving beyond rhetoric and making major improvements in donor coordination. For example, in the statistics area, cooperation between the AFRITACs could be enhanced with the Economic Commission for Africa, the African Development Bank, the World Bank, AFRISTAT and Paris 21. Feedback in the FAD and MCM areas also identified a number of international organizations and bilateral donors with which coordination and information sharing could be improved. IMF is not the only organization that is experiencing difficulty in this area. One reason is that in most organizations, key decisions are made at headquarters and are driven by the internal objectives of the TA provider and bilateral discussions between the TA provider and the recipient country.

146. There were some common factors associated with good examples of donor coordination that suggest some useful lessons going forward. These include: (i) the government played a leading role in defining priorities and articulating them to the donor community; (ii) AFRITAC had
skills and expertise that were recognized by other donors; (iii) selected members of the donor community worked together to achieve a well defined objective; (iv) the roles, inputs and outputs of each donor were clearly articulated; (v) the AFRITAC TA produced a specific output that was recognized as an important input to achieve the broader objectives; (vi) AFRITAC Resident Advisors made clear efforts to share information; and (vii) another donor provided the funds necessary to implement the TA recommendations (e. g., to finance information technology equipment and software).

147. **At the institutional level IMF recognizes the need to improve coordination with other TA advisors.** The recent Lipsky-Ngozi Initiative is an effort to strengthen IMF/World Bank collaboration in Africa. Although the Evaluation Team came across many examples of close collaboration between the Resident Representatives and the World Bank, **AFRITAC/World Bank collaboration was not particularly strong.** The Evaluation Team visited several World Bank offices and some of the people interviewed did not have a deep understanding of AFRITAC activities. In other cases, the World Bank staff were aware of the work of the Resident Advisors. More joint missions with other TA providers might be an effective way to improve donor coordination.

148. Among other things, effective coordination requires both parties to share information. At least two IMF policies act at cross purposes with the type of donor coordination that is implied by the AFRITAC Program Documents:

(i) **Conservative Disclosure Policy:** Historically IMF has treated most TA information as confidential and generally did not share it with others. The Program Document states that “In respect to the technical reports provided to country agencies and authorities, these may be released by the country authorities for sharing among SC members, and/or the public in general, subject to the relevant IMF policies. The AFRITACs will post the reports accordingly on their respective web sites.” In practice, the reports prepared by Resident Advisors and short term experts were not shared with other TA providers, even in cases where the concerned government had no objection to the wider dissemination of the reports. This issue was raised in Steering Committee meetings and several TA providers stated forcefully to the Evaluation Team that IMF’s corporate decision not to share the reports was viewed as a hindrance to effective donor coordination. They felt that they had a right to gain access to those reports since they paid for them through their contributions to AFRITAC. At the corporate level, IMфон now believes that TA information and reports should be disseminated more widely to improve coordination, exploit synergies, and strengthen ownership in TA recipient countries. IMF recognizes, rather belatedly in the view of some, that donors to IMF’s TA programs have a legitimate interest in receiving information on TA that is financed by them. In May 2008 the IMF Board considered a policy paper on Dissemination of Technical Assistance Information. On the basis of the framework in that policy paper, staff guidelines were developed that set out the new disclosure procedures, which became operational in January 2009. AFRITACs should now be able to disseminate reports after securing a no

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66 Technically it appears that IMF funds are not used to pay for the salaries of Resident Advisors, the cost of Short Term Experts or their travel. IMF’s only financial contribution to the preparation of the reports relates to the cost of IMF staff in FAD, MCM and STA that provide back stopping for AFRITAC TA.

objection approval from the concerned government. These guidelines should remove one institutional obstacle to donor coordination and a major irritant to some donors. Master lists should be developed for each functional area in each AFRITAC of organizations and donors that should, as a matter of routine, receive reports with appropriate reminders about confidentiality.

(ii) Procedures Governing the Preparation of the Regional Strategy Notes: IMF has made significant progress in planning the use of TA resources in a more strategic way during the past three years. The preparation of the Regional Strategy Notes is led by the regional departments and involves consultation with the three TA departments. Priorities are set within the available resources. Lists are prepared of TAs to be delivered by FAD, MCM, STA, LEG and the AFRITACs. The African Regional Strategy Notes define the TA priorities by functional area for the region as well as the TA priorities on a country by country basis. These notes sometimes describe the role of AFRITACs and selected other TA providers, particularly the World Bank. The fact that the Regional Strategy Notes are publicly available on IMF’s web page is a welcome improvement in transparency. However, most TA providers and some AFRITAC Resident Advisors were not aware of the Regional Strategy Notes. There is room for better integration of the AFRITAC work programs and budgets into the Regional Strategy Notes and the AFR regional allocation budget. This process was described as “haphazard” by one key informant and most of the TAs described in the Regional Strategy Notes were Headquarters TAs rather than TA delivered by AFRITACs. Government input into the Regional Strategy Notes is indirect, through priorities that are expressed separately to AFR, the three TA departments and the AFRITACs. These suggestions are made by officials in different government agencies. There is no consolidated list of government priorities that reflects the available resources. The initial long list of proposed TAs typically exceeds the available resources. The resulting prioritization process is coordinated by AFR and involves input from the three TA departments. Unlike many other TA providers IMF does not have a formal sign off procedure that signifies government agreement with the list of TAs that are prioritized by IMF. This could be relatively easily done by asking the Resident Representatives to discuss the list of TAs that underlie the Regional Strategy Notes with their country authorities. The final list of TAs is not made public or shared with the government or other TA providers. The Regional Strategy Notes would be more effective from a coordination perspective if: (a) lists of planned TAs were shared with the governments, the AFRITAC Steering Committees and other TA providers; and (b) the TA program covered two years, rather than one year.

Discussing the country based sectoral TA plans with the Steering Committee, government officials and TA providers has the potential to improve coordination between donors and generate more local interest in the AFRITAC work programs and how they fit into the broader TA picture. Sharing the lists of planned TAs, both from Headquarters and the AFRITACs, over a two year time frame with other donors would make it easier for the AFRITAC’s to develop synergies and complementarities with other donors in on-going and planned TAs. Making such material publicly available would also

69 A time frame longer than one year is needed in the area of capacity development which is generally recognized as a medium to long term endeavor. A longer time frame would also increase the ability of other TA providers, which typically use a multi-year planning horizon, to planned their own program in a manner that compliments and does not duplicate the TA program.
make it easier for the AFRITACs to plan collaborations with national and regional capacity building institutions which, in the longer term, should improve the impacts and sustainability of the TAs.

149. The importance of dissemination was recognized in the AFRITAC Program Documents. One of the objectives of Phase II for East and West AFRITACs was to develop and use secured websites as an instrument to improve the dissemination of information on AFRITAC projects and work plans. East and West AFRITACs developed websites but they were not sustainable. The East AFRITAC website was eventually decommissioned because the local server was not reliable and the documents on the West AFRITAC website are out of date – the most current documents are dated early 2006. A decision is needed to either devote the resources to update the material on the West AFRITAC webpage or close it down. Central AFRITAC made a sound decision not to develop a web site until it had the capacity to operate and maintain it.

150. Although the AFRITACs have a good story to tell, they have not put enough effort into disseminating information and marketing their product. A good dissemination strategy, that makes full use of web based technology, would help to share information to all stakeholders and promote coordination. Using the web page to automatically send material to interested TA providers, government officials and other stakeholders would enhance donor coordination and avoid the possibility of donor representatives not being aware of AFRITAC activities.

151. East AFRITAC is the only AFRITAC that has a written dissemination strategy. This initiative has four pillars: (i) developing a good flier; (ii) preparing a professionally done, colored annual report that provides an excellent overview of AFRITAC activities during the year – the demand for that report was high so 1,000 copies were printed for the FY2007/08 report, double the number printed for the previous issue; (iii) developing a logo and letter head; and (iv) reviving the East AFRITAC website. The first three pillars have been completed and work is underway on the new web site. Its implementation was delayed by the difficulties experienced indentifying and recruiting a suitably qualified local website/data management assistant. In late 2008 AFRITAC introduced another excellent knowledge product, working papers that distill the lessons of East AFRITAC’s capacity building experience in specific areas. The other AFRITACs should follow the lead of East AFRITAC and strengthen their dissemination activities.

152. Consideration should be given to developing a joint website as a portal where visitors could access the websites of all five AFRITAC from a single portal (i.e., www.AFRITAC.org). There would be a general page maintained by IMF’s External Relations Department where some of the high-level AFRITAC documents would be placed and links to the AFRITAC specific web pages where the visitor would access the individual AFRITAC’s sections. The AFRITACs would be responsible for maintaining their web pages. The web pages for the individual AFRITACs should also have a secured, password protected, members only section that could be used to disseminate non-public documents (e.g., reports of Resident Advisors and Short Term Experts) to members of the Steering Committees as well as material prepared for Steering Committee meetings.

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70 www.westafrica.org, The list of personnel includes the former Center Coordinator and some Resident Advisors who have departed. The last Steering Committee meeting referred to was April 2006 and the last work program covered the period from May 2005 to April 2006.

71 The person was in place on 1 December 2008.

72 The first three working papers will cover a Taxpayer Audit Improvement Guide, a Guidebook on Risk Based Supervision Implementation for banks and financial information systems.
Technically, it is not a problem to have web sites that are multilingual. The use of the IMF sever and a portal managed by the External Relations Department (EXR) would ensure that a high capacity, well maintained server is available and that the portal was well designed and professionally managed. It would also avoid the need for the AFRITACs to try to secure professional website programming and management expertise in markets where the availability of such skills are limited. The AFRITACs would need to learn about, and follow, the rules and procedures that the External Relations Department has to manage the IMF web page. East AFRITAC was not able to reach agreement with the External Relations Department to host its web page on the IMF site. **OTM should support the five AFRITACs to re-open those discussions to see if an accommodation can be reached to host a common portal for the AFRITACs on the IMF server.** Generating content, maintaining web pages and refreshing the pages takes time, effort and resources. If adequate resources are not provided to maintain the web pages, the AFRITACs should not develop the web pages as they will fall into disuse, as the experience of East and West AFRITAC has demonstrated.

153. **The AFRITAC’s dissemination strategy should go beyond the proposals included in East AFRITAC’s dissemination strategy and develop ways, in consultation with the EXR, to include a more strategic role for EXR and its considerable expertise, experience and contacts that are used to get IMF’s messages out to a much broader audience than the technical experts and stakeholders with which the AFRITACs are directly involved.** For example, EXR has established relationships with public relations firms that have extensive on-the-ground contacts and networks across Africa. Using this network could be explored when the dissemination strategies are formulated. The dissemination strategy could also explore ways for the AFRITACs to work with IMF’s African Resident Representatives73 to bring the good work of the AFRITAC’s to the attention of a broader audience in their countries through op ed pieces in leading newspapers, media interviews, and informal/formal outreach activities. EXR’s resources and expertise could also be used to better publicize the AFRITAC’s work to promote regional harmonization and integration by drawing on EXR’s links with leading African think tanks, regional economic networks, universities, training centers, private sector associations, and regional parliamentary networks (e.g. the Africa parliamentary forum). The dissemination strategy should ensure that some profile and visibility is given to the donors that are supporting the AFRITACs.

**E. Sustainability and Supporting the Implementation of TA Recommendations**

154. **During its fieldwork the Evaluation Team came across several cases where government officials agreed with, and wished to implement, TA recommendations but the necessary funds were not available.** All AFRITAC client countries are relatively poor and there are many competing priorities for the limited funds available through the budgets or from the donor community. The evaluation evidence indicates that **for TAs to be successful in achieving the desired outcomes and impacts, executing agencies sometimes need more than the advice provided by experts.** Sometimes implementing the recommendations in a sustainable manner requires access to funding. Such cases typically involved investments in information technology, software and hardware or support for undertaking surveys. In the context of the flows of development assistance to most countries, such expenditures are relatively modest. In other cases, the issue is not so much money but a lack of follow up or support from the AFRITACs to help implement the recommendations. The AFRITACs must follow up on TAs until the recommendations are successfully implemented and are sustainable.

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73 Other communications and dissemination channels would need to be explored in those countries where there is no Resident Representative.
155. IMF is not normally in the business of financing computers, software or surveys. However, in situations where the success and sustainability of capacity building TAs depend on the availability of such systems, ways must be found to secure the necessary funding. The first step is for the TAs to clearly define and cost the investments needed to implement its recommendations. This should be mandatory for all TAs. Once the costs are known, a strategy must be developed to secure the necessary support for the financing.

156. It might also help if the AFRITACs had some access to grants that could be used as seed money to catalyze others to finance the necessary systems. However, IMF does not have the expertise to procure and install computer systems— that is usually done by the World Bank, the African Development Bank or bilateral donors. In the past, IMF did provide financing for nationally executed projects but the results were sometimes disappointing. While it is difficult for IMF to get into the business of procuring equipment like computers and software or financing surveys, in situations where the success and sustainability of capacity building TAs depends crucially on these factors a way must be found to mobilize the necessary funding. Serious donor coordination efforts may be part of the solution whereby IMF would actively help the concerned country to mobilize the necessary funds from other donors.

157. One innovative suggestion made to the Evaluation Team by a key informant was that beneficiary countries could be asked to contribute an amount to a contingency fund to support necessary expenditures needed to implement AFRITAC recommendations in their country during Phase III. The contributions would be earmarked as a line item for things like computer equipment and surveys in the country concerned. This would have a positive demonstration impact on donors and the resulting project could be executed as a national project or used to co-finance the project with other donors. Such contingencies could be identified and included in the AFRITAC country needs assessment at the start of a year and financed by part of the beneficiary country contribution. Some innovative thinking is required to find a solution for cases in which the country agrees with the TA recommendations but no progress can be made on implementation, not because of a lack of willingness of local counterparts, but because there is no mechanism to make the funds necessary for implementation available.

158. In terms of sustainability, the issues of country ownership and donor contributions to implement TA recommendations are linked: (i) to enhance country ownership and responsibility, when TA proposals are developed, the issue of funding the implementation of the resulting recommendations should be considered by all parties to see how the country can prepare itself to successfully implement the TA recommendations; (ii) if there is an expectation that everything will be financed by donors, country ownership will be undermined—some contributions for implementation is a sign of country ownership; (iii) the likelihood of TA recommendations being implemented would be reinforced with clear statements, and possibly structural benchmarks, in IMF program documents and their review and during Article IV consultations and surveillance work; and (iv) vigorous donor coordination by the AFRITACs and the concerned country to encourage some support for the implementation of TA recommendations signifies commitment by both parties. Combining both country and donor contributions would encourage more responsibility for both parties, thus enhancing sustainability.

159. To further support the implementation of recommendations resulting from TA missions and workshops, East and Central AFRITACs may wish to follow a recent initiative taken by
West AFRITAC. Recently a guideline was endorsed by the West AFRITAC Steering Committee aimed at developing a harmonized mechanism to monitor the implementation of recommendations, based on a central capacity-building coordination unit in governments, which would work with all agencies and donors.

F. Improving Organization and Management

160. Two organization/management issues were identified in the 2005 RTAC review74: (i) who had the authority to resolve differences between country driven RTAC work programs and the priorities defined by the regional departments and the three TA departments; and (ii) the ability of FAD, MCM and STA to ensure TA quality, set TA priorities and select and backstop technical experts had been undercut by the AFRITACs’ governance structure, specifically the role given to the Steering Committee. These issues were thought to have the potential to create reputational risks for IMF. The Evaluation Team did not come across instances where the work of the AFRITACs resulted in a serious reputational risk for IMF. The feedback was quite the reverse – the work of the AFRITACs enhanced IMF’s reputation. As a practical matter, neither of these potential problems materialized in the case of the AFRITACs. The specific findings of the evaluation on these issues are as follows:

(i) Integrating the RTAC Activities in IMF’s TA Program: Substantial progress has been made in addressing this challenge since the 2005 evaluation. The evaluation findings indicate that AFRITAC TAs are now better integrated with Headquarters TA and IMF’s program and surveillance work. The preparation of the Regional Strategy Notes, led by the Regional Departments providing a strategic view on the role of TAs, has brought more coherence to IMF’s TA program. That being said, as is discussed in the section on Improving Coordination and Dissemination, there are areas where the process used to prepare the Regional Strategy Notes could be further improved75. In 2005 there was concern about who had the authority to resolve differences between country driven RTAC work programs and the priorities defined by the regional departments and the three TA departments. The evaluation findings suggest that as a practical matter this was not a major problem for the AFRITACs. Generally people of good will working together have found ways to balance any tensions in this area.

(ii) Quality Control and Accountability: In 2005 there was concern that the ability of FAD, MCM and STA to ensure TA quality was undermined by the AFRITACs’ governance structure. The evaluation found that adequate means had been built into the AFRITAC model to allow the TA departments to backstop TAs. The Resident Advisors were well qualified, competent and their work was sound, well appreciated and generally enhanced IMF’s reputation. There were very few examples where the clients or IMF staff complained to the Evaluation Team about the competence of either Resident Advisors or short term experts. An insignificantly small number of respondents to the AFRITAC Evaluation Survey rated the AFRITAC expertise and assistance as poor.

161. The 2005 RATC Review also addressed resource and staffing Issues. For FY2004 it was estimated that the Headquarters-based management costs for the RTACs amounted to $1.6 million or about 10 person years. These costs increased for FY 2005 and FY 2006 with the higher level of operations of the AFRITACs and the establishment of METAC. It was stated in the 2005 RTAC Review that the TA departments met these costs by reallocating resources from other activities, including from the direct TA delivery and from mobilization of external resources.

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75 The 2008 policy paper on improving the impact of TAs includes further improvements in this area.
for other TA activities. The backstopping model was reported to be under more stress in 2008 than in 2005 because of the growing number of RTACs and the 2007 budget and staff cutbacks. IMF is addressing this challenge by implementing a more detailed time recording system that will allow donors to be charged the backstopping costs and for the resulting funds to be accrued to the budgets of the TA departments rather than the IMF central budget as is currently the case for the administrative fees charged for TA funds. In 2005 it was thought that efficiency gains could be made in reducing the involvement of Headquarters staff in backstopping by assigning staff from the three TA departments to RTACs since experienced IMF staff would require less backstopping than Resident Advisors who were not IMF staff. Until the aftermath of the 2007 budget cut backs, IMF staff were not assigned to AFRITACs and some IMF policies discouraged IMF staff from considering such a move as a career option. IMF needs to address this issue, which is discussed in more detail below. There are considerable strengths associated with the backstopping model. It contributed to the good quality TA provided by the AFRITACs and was generally appreciated by the Resident Advisors and senior government officials. Other TA providers also recognize IMF’s expertise in its areas of competencies. The key challenges are to: (i) make the model more efficient and less resource intensive for procedural issues that do not add value; (ii) resource the backstopping function appropriately; (iii) consider whether it would be more efficient to station selected staff of TA departments in AFRITACs to do the back stopping, possibly on a regional basis; and (iv) ensure that back stoppers give professional advice to peers whose knowledge and expertise is recognized and valued rather than as part of a superior/subordinate relationship.

162. Unlike other TA providers, IMF does not have experience with large regional offices, nor has it developed the necessary financial and administrative systems to support such offices. The number of RTACs is growing, which is generating a need for new policies and procedures. Currently the RTACs use the procedures that were developed for the small Resident Representative Offices and for short term experts. However, the AFRITACs are different in size and nature than the offices of the Resident Representatives and the jobs of Resident Advisors are fundamentally different than typical short term experts. IMF’s organizational, management and administrative procedures covering the RTACs are described in the January 2006 Operational Guidance Note for Staff. While the approach to developing the organizational rules and procedures was appropriate during the early years of the RTACs when they could be viewed as an organizational experiment, considerable experience has now been gained. The RTACs are now a permanent feature of IMF’s organizational structure and their number is growing.

163. The evaluation findings indicate that there are areas where synergies could be leveraged to increase the effectiveness of the AFRITACs if Resident Advisors worked more closely together. Some examples include: (i) revenue administration efforts to broaden the tax base, especially for small and medium sized businesses, could be complimented by efforts of the Statistics Agency to better measure the size and structure of the informal sector; (ii) revenue authorities desire to increase revenue from extraction industries means that the statistics on production in those sectors need to be improved; (iii) there are many areas of synergies in the GFS area for the PFM and Statistics Advisors; (iv) coordination is needed
between the Statistics and Monetary Advisors to sequence and select the countries in which priority will be given to improve the CPI for inflation management and forecasting and for the Africa Department’s surveillance activities; (v) the Statistics Advisors and Monetary Operations Advisors need to sequence and select the countries for which priority will be given to improve the BOP statistics; and (vi) the Financial Supervision and Statistics Advisors should both be involved in efforts to fill the gaps banking surveys and financial institution surveys that are evident from the International Financial Statistics publications. There are examples of Resident Advisors working together both formally in the case of GFS and PFM areas and informally during conversations among colleagues. However, when reviewing the documentation, the Evaluation Team expected to see more examples of Resident Advisors working together to deliver TA. Part of the reason for this may be structural. The Resident Advisors are recruited and supervised by the TA departments that work largely independently from each other.

164. A new, expanded handbook is needed to codify the operational, management and administrative procedures for RTACs. The evaluation has identified a number of issues that need to be considered in the process of preparing such as manual:

(i) **Empower the Resident Coordinators:** The current AFRITAC Center Coordinators are all very experienced, well rounded professionals who have served as resident representatives at some point in their careers. Their experience in regional departments has given them broad exposure to IMF’s surveillance and lending activities and TA in the fiscal, monetary, bank supervision and statistics areas. However, IMF is not making full use of the technical expertise of the Center Coordinators in the management and operation of the AFRITACs. Center Coordinators are not formally involved in the selection or supervision of the Resident Advisors. The Center Coordinators should have a formal role in the selection and supervision of Resident Advisors. While the technical experts in TA departments should assess technical skills of applicants and supervise the technical aspects of their work, Center Coordinators should assess the local knowledge, diplomatic skills and interpersonal skills of applicants. These are all important skills in delivering capacity building TA. It is also important to develop synergies among Resident Advisors, respond to emerging country needs, tailor advice to be appropriate for local circumstances and avoid personality clashes in small offices far from Headquarters. The Center Coordinators should be able to provide feedback and guidance to Resident Advisors in these areas. Ways should be found to empower the Center Coordinators in the areas of recruitment and supervision of the Resident Advisors but this should be done in a manner that does not eliminate the technical inputs from the TA departments.

(ii) **Lengthen the Appointment of Resident Advisors:** Resident Advisors are appointed for one year, and can be renewed for one or more years. Capacity building is a medium to long term objective and most Resident Advisors cover several countries. It is not possible for Resident Advisors to make a significant impact in the area of capacity building in such circumstances in a one year timeframe. Also, moving to a different country to take up a new assignment has implications for families and careers. It may be that some potentially excellent candidates would not apply because of the disruption to family life and careers given the risk that a one year contract might not be extended. The Evaluation Team believes that Resident Advisors should be recruited like other staff in IMF. They should initially be recruited for two years, including a one year probationary period. They could then be extended for up to a maximum of three years, depending on their performance.

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79 In some cases Center Coordinators are informally involved in screening potential candidates or providing inputs to TA departments to help assess their performance.

80 In its comments on the draft report, Human Resources Department (HRD) stated that the contracts for Resident Advisors can be written for more than one year.
and the demand for their services. The Resident Advisors should be subject to an annual performance review\textsuperscript{81}, using the same approach that is used for regular IMF staff. That system includes sufficient safeguards to deal with poor performance issues, including possible non-renewal of probationary appointments or non-renewal after two years. The Resident Advisors are currently managed like short term experts. However, the nature of their jobs and tenure are fundamentally different from those of short term experts. IMF’s procedures for recruiting and managing Resident Advisors should reflect these differences. To avoid the loss of valuable institutional knowledge, the appointments of the Center Coordinators and Resident Advisors should be staggered so that most of the Resident Advisors and the Center Coordinator do not turn over in the same year.

(iii) \textit{Improve the Recruitment of, and Succession Planning for, Resident Advisors:} Better succession planning is needed when Resident Advisors are replaced. There were long gaps in filling vacancies in the Monetary, PFM and Statistics Advisors in East AFRITAC\textsuperscript{82}. It is inconsistent for IMF to market the AFRITACs as vehicles to provide rapid, flexible responses to country needs and then to leave Resident Advisor positions vacant for long periods. Some executing agencies justifiably complained to the Evaluation Team about the lack of service from East AFRITAC during these periods. The issue of gaps in replacing Resident Advisors was also identified as an issue of concern by the East AFRITAC Steering Committee. The TA Departments must do a better job in succession planning and recruiting Resident Advisors in a timely, efficient manner. There should be a period of overlap during which the outgoing Resident Advisor can orient and brief the incoming Resident Advisor. Given that the decision to turn over a Resident Advisor would be made about a year in advance, there is more than ample time to organize the recruitment process so that gaps do not occur. The recruitment process should begin eight months or so before the term of an Advisor is scheduled to end. The transparency of the recruitment process for Resident Advisors also needs to be improved. All such positions should be advertised. While some positions have been advertised during the last three years, it was reported to the Evaluation Team that some TA Departments resisted external advertisement and preferred to limit the possible candidates to people on their rosters\textsuperscript{83}. Advertising would not prevent the consideration of candidates on the rosters. Indeed, it is likely that some strong candidates would be on the rosters of experts that the TA departments maintain. However, external advertisements would increase transparency and enlarge the pool of potential candidates, something that is important since one of the objectives of the AFRITACs is to develop and use African expertise. Both external candidates and IMF staff should be allowed to apply for the positions. It may be that the efficiency of the recruitment process would be improved if it were managed by human resource specialists in the TA departments rather than being left to the technical experts.

(iv) \textit{Remove Barriers in IMF Policies that Discourage Staff from TA Departments Working as Resident Advisors:} Although footnote 9 in the January 2006 RTAC Operational Guidance Note states that Resident Advisors may be IMF staff or external employees, TA departments receive feedback on the performance of long term experts for them to stay on the roster. If IMF staff are permitted to transfer to RTACs, they would be subject to IMF’s formal annual performance review system. There will be a large turnover of Resident Advisors in West AFRITAC in 2009. It remains to be seen how efficiently that process is managed. Because it was only recently established, the Resident Advisors in Central AFRITAC have not yet turned over. Although there was a delay in filling the Statistics Advisor position in Central AFRITAC that was because the selected candidate withdrew at the last moment. The current Statistics Advisor was subsequently identified and recruited in an efficient manner.

\textsuperscript{81} In its comments on the draft report, HRD stated that Resident Advisors do not receive annual performance reviews since they are contractual employees and their long term performance objectives have not been an issue. TA departments receive feedback on the performance of long term experts for them to stay on the roster. If IMF staff are permitted to transfer to RTACs, they would be subject to IMF’s formal annual performance review system.

\textsuperscript{82} There will be a large turnover of Resident Advisors in West AFRITAC in 2009. It remains to be seen how efficiently that process is managed. Because it was only recently established, the Resident Advisors in Central AFRITAC have not yet turned over. Although there was a delay in filling the Statistics Advisor position in Central AFRITAC that was because the selected candidate withdrew at the last moment. The current Statistics Advisor was subsequently identified and recruited in an efficient manner.

\textsuperscript{83} All TA Departments rosters of candidates that have been vetted through TA assignments. In response to the concerns of some Board members about the transparency of the rosters, a review of expert roster is scheduled for FY2009.
consultants, in practice Resident Advisors are not IMF staff. In fact, some IMF policies and procedures discourage IMF staff from considering a position as a Resident Advisor as part of their career planning. Policies regarding Headquarters staff filling Resident Advisor positions cut across several departments with overlapping roles and responsibilities. They will need to work together to resolve these issues. To become a Resident Advisor, IMF staff must go on an unpaid leave of absence. Thus pension benefits are not accrued during their tenure in AFRITACs. This is a major disincentive for Headquarters staff to work in AFRITACs. There are also issues related to the benefit package. The Evaluation Team believes that many staff of the TA Departments would benefit from spending time in the AFRITACs at some point during their careers. It would help them to develop local knowledge, be more involved in the implementation of recommendations and better appreciate actual constraints on the ground. These views were echoed by some government officials and IMF staff interviewed by the Evaluation Team. **This is not a new issue.** Benefits associated with posting staff from TA departments in RTACs identified in the 2005 RTAC review included: (a) savings in backstopping costs; (b) strengthening communications between RTACs and functional departments; (c) providing an opportunity for staff from TA departments to systematically test local experts; (d) providing more opportunities for staff from TA departments to be involved in TA delivery rather than spending an increasing proportion of their time on backstopping which is generally seen as less rewarding than directly delivering TA; and (e) providing supervision and training for Resident Advisors who are not IMF staff on IMF’s policies, procedures, practices, technical requirements, best international practice and IMF’s standards of excellence. For all of these reasons, an assignment in an AFRITAC should be seen as desirable for professional growth and career mobility for the staff of the TA departments. The policies that discourage placing TA department staff in RTACs as Resident Advisors should be changed to facilitate this, something that was identified in 2005 but not acted upon. That being said, not all Resident Advisors should be IMF staff. There should be a balance between IMF staff and new people with significant African expertise.

(v) **Formalize the Role of the Resident Representatives and the AFRITACs:** The 2005 evaluation recommended that the terms of reference of Resident Representatives should be changed to include assisting AFRITAC interventions in their assigned country. This was not done. In practice, there were generally good relationships between Resident Representatives and the AFRITACs. Center Coordinators meet with the Resident Representatives when they visit the countries and Resident Representatives organize meetings for them to meet with the local donor community. Nonetheless, it would be desirable to codify the AFRITAC/Resident Representative relationship with particular focus on supporting the implementation of TA recommendations.

(vi) **Harmonize Backstopping Across the TA Departments:** The backstopping model varies across the three TA departments. Tighter control and more resources are devoted to backstopping in the FAD model than in the MCM and STA models. FAD undertakes comprehensive diagnostics studies that provide a good framework for the Fiscal Advisors but MCM and STA do not generally undertake such diagnostics. The evaluation results do not provide evidence that the tighter control exercised by FAD and good diagnostics has led to significantly better results for FAD TAs relative to MCM and STA TAs. **The feedback received by the Evaluation Team from government officials and Resident Advisors was that the backstopping and combining expertise in the AFRITACs and TA departments was viewed positively and added value, although in some cases the FAD backstopping model was viewed as too onerous and disrupted the delivery of AFRITAC work programs.** Much of the work of Resident Advisors focuses on implementation rather than cutting edge policy dialogue. The Evaluation Team would hypothesize that this type of work requires less backstopping than

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84 HRD; Office of Budget and Planning; OTM; LEG; and the TA Departments.
TAs in very technically specialized areas that requires access to best international practice. Arguments that there are major differences in the resource implications between the backstopping models of the three TA departments are probably not tenable if IMF wants the donors to pay for backstopping. It is difficult to see why donors should be expected to pay considerably more for backstopping done by FAD than for similar services provided by MCM or STA. While there were differences in the way FAD, MCM and STA were run in the past, the increasing number of RTACs should lead to harmonization of backstopping models across the three TA departments. The role of AFRITACs is to provide high quality implementation and follow up assistance for strategies agreed with the countries. AFRITACs are not expected to be the principle instrument for designing IMF support to a country. This is the prerogative of AFR and the TA Departments. Generally, the back stopping model has added value and has worked well in ensuring quality and consistency between the work of the AFRITACs and Headquarters. However this model is under stress the volume of TAs being delivered through RTACs is increasing and the resources of the TA departments were cut. Also, the decision to charge clients for Headquarters TA but not for TAs delivered through RTAC may provide incentives from some clients to request an increasing amount of TA to be delivered through AFRITACs. When considering ways to harmonize the back stopping model across TA departments, consideration should also be given to fine tuning the model by examining questions such as: (i) What happens to the upstream/downstream distinction in the face of further cuts in Headquarters TA? (ii) How would a reallocation of TA across Headquarters/RTACs impact that distinction? (iii) If the upstream/downstream distinction is important, how should it be managed under the likely future scenario? (iv) What are the implications for the staffing and expertise in AFRITACs if some upstream TAs are shifted to the AFRITACs? In considering these questions, it should be born in mind that while the division of roles is important from the IMF’s point of view, those divisions are less relevant to client countries and donor partners. They look at IMF in its entirety and want to see IMF deliver quality services regardless of how IMF organizes itself internally.

(vii) **Improve Administrative Support for the AFRITACs:** Experience has shown that the skills of locally recruited staff are not at the same level as people hired in Washington. Further, administrative staff working in AFRITACs do not benefit from an environment like Headquarters where there is always somebody available to help or to explain something. Although local staff in AFRITACs are not familiar with IMF policies and procedures, are not familiar with IMF computerized financial and administrative systems, and do not know who in IMF Headquarters to contact for help and assistance, they receive minimal training (e.g., only one of the three administrative staff in Central AFRITAC received formal training from Headquarters). **New AFRITACs need more support and more training for the local staff from Headquarters than was provided when the Central AFRITAC was established.** The experience of the initial phase of the operation of Central AFRITAC indicates that it often takes longer than expected to recruit and train local staff. In practice, a large amount of the time of the Center Coordinator was taken up with such duties. The Center Coordinators have an operational background and, relative to administrative staff from Headquarters, do not have a comparative advantage to setting up administrative systems and routine office procedures or training people in their use. If Center Coordinators are required to spend a significant portion of their time setting up administrative procedures and training and orienting administrative staff, it means that there will be insufficient time for the Center Coordinator to establish close working relationships with the members of their Steering Committee, senior government officials in client countries and other TA providers, develop strategic objectives for the AFRITAC and formulate a work plan that responds to country needs. **Requiring the Center Coordinator to focus on administrative issues during the start up**
phase rather than these more strategic issues is an inefficient use of his/her time. IMF should consider seconding an experienced administrative staff from Headquarters for about three months during the establishment of new AFRITACs to help the Center Coordinator to select local administrative staff, set up office systems, train the staff in the use of IMF management information systems and to electronically introduce them to staff in Headquarters who can provide advice and assistance in various areas. The experience of the more established AFRITACs supporting Central AFRITAC when it was established was also a useful model that could be replicated when the two new AFRITACs are established. Providing such support needs to be planned and budgeted for when new AFRITACs are established. A full time experienced administrative assistant in OTM, servicing all RTACs, to help with the myriad of administrative issues that come up on a day to day basis would improve the efficiency of the AFRITACs and provide day to day support and coaching for local staff. Such support would allow the AFRITAC to become fully operational at an earlier stage and to function more efficiently. OTM would need to be resourced to provide such services. Some of these issues could be covered in a broader ongoing review of locally recruited RTAC staff and benefits being undertaken by the Human Resources Department. Training for RTAC staff could be reviewed by OTM and a training needs assessment conducted with the support of the Human resources Department.

(viii) **Strengthen Financial Management and Control:** The Center Coordinators have operational backgrounds and at the time of their appointment do not have a sound knowledge of IMF’s financial management and control systems. The Center Coordinators have insufficient tools to maintain budgetary control. The accounting system is administered in Headquarters without AFRITAC input. Center Coordinators should have the delegated authority to manage small budget issues. The Central AFRITAC experience suggests that support in IMF’s financial management and control systems is particularly important when new AFRITACs are established. IMF’s current financial system for the AFRITACs involving Book 1, Book 2 and Book 3 is complicated and probably needs to be replaced by an integrated system that covers both the donor needs and IMF’s internal budget and expenditure control systems. Also, consideration could be given to providing simplified budget monitoring and expense reporting tools. Such actions would reinforce budgeting, controls, accountability and reporting. The current financial management system allows little flexibility to reallocate resources across budget books to offset changes in priorities or unexpected events like exchange rate movements. Consideration needs to be given to recruiting well qualified office managers with a background in book keeping/accounting and delegating some level of signature authority to Central Coordinators.

(ix) **Improve Connectivity:** Because of weaknesses in the local communications infrastructure and limited investment by IMF in information communications technology compared to some other TA providers, connectivity to the Internet is a problem for the AFRITACs and they do not have ready access to video conferencing. While AFRITACs can now access TAIMS, the system is not designed for easy remote access, entry of information is time consuming, the response time is slow and periodically the connection fails with the loss of data that has already been entered. World Bank and African Development Bank field offices appear to be better equipped in terms of connectivity, information technology and access to video conferencing. Looking to the future, it is likely that with technological advances, the AFRITACs will be even more handicapped with their lack of connectivity (e.g., use of technology to deliver workshops via the Internet). Options to improve connectivity need to be investigated which could include sharing facilities with some other TA providers. For

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86 Examples include changes in mission costs and approval of budgeted travel within the region.
87 There are plans to install small video conferencing units in all RTACs in FY2010.
the AFRITACs, adequate information technology should be planned and budgeted for in the financing for the next phase.

(x) **Promote Learning Across AFRITACs:** The AFRITACs deliver broadly similar products and all work in challenging environments. Periodically Center Coordinators and Resident Advisors turn over and two additional AFRITACs will be established. The Evaluation Team identified only a few instances in which staff of one AFRITAC supported staff in another AFRITAC, although when it happened it was very much appreciated. **An annual meeting of the soon to be five AFRITAC Center Coordinators and Resident Advisors would help the AFRITACs to learn from each other**. Center Coordinators and Resident Advisors would particularly benefit from learning from their peers during the first two years of their assignments. Effectively, the more experienced Center Coordinators and Resident Advisors would act as coaches for their less experienced colleagues. **Such retreats should be held to share experience, both positive and approaches that were less successful, across AFRITACs.**

G. **Supporting Regional Harmonization and Integration**

165. Regional harmonization and integration helps to promote economic growth and reduce poverty by enlarging markets and reducing the cost of, and improving the efficiency of, trans-border economic, financial and trade transactions. The policy environment for regional harmonization and integration needs to be improved and barriers to cross-border trade removed. **Regional integration has implications for common approaches to monetary and fiscal policy, the regulation of financial institutions operating across borders and harmonizing the trade, customs, foreign exchange, foreign investment, monetary policy, payment regimes, and bank supervision.**

166. **Regional integration and harmonization are important issues in East, West and Central Africa.** The East African Community (EAC) is driving regional integration and moving toward monetary union by 2012. Important regional institutions in West and Central Africa include the West African Economic and Monetary Union (WAEMU), the Banque Centrale des États de l’Afrique de l’Ouest (Central Bank of West Africa (BCEAO)), the Communauté Économique et Monétaire des États de l’Afrique Centrale (Economic and Monetary Union of Central African States), the Commission Bancaire de l’Afrique Centrale (Economic and Monetary Union of Central African States), the Commission Bancaire de l’Afrique Centrale (Banking Commission of Central Africa) and Banque des États de l’Afrique Centrale (Central Bank of Central Africa). **East AFRITAC did not work directly with the East African Community for most of period covered by the evaluation.** West and Central AFRITACs had limited engagement with the regional central banks except for TA work on debt management and financial markets development and on microfinance supervision which is done in consultation with BCEAO.

167. Membership in the East African Community has promoted monetary and fiscal harmonization in East Africa. WAEMU and CEMAC membership and francophone background have influenced the culture of accounting, PFM and institutional arrangements in revenue administration in West and Central Africa and have contributed to harmonization in the fiscal

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88 The first such meeting of RTAC Coordinators took place in Washington in December 2008. A meeting for East and West AFRITACs took place in Nairobi in 2006.
89 AfDB’s 2008 Medium Term Development Strategy notes the importance of regional integration initiatives in Africa. Supporting regional integration is identified as a key strategic objective for AfDB.
90 In late 2008, East AFRITAC did initiate contact with the East Africa Community’s secretariat in Arusha to explore ways of working together. The East AFRITAC Statistics Advisor is beginning to promote regional harmonization for national accounts and price statistics. These are welcome developments which should continue.
91 This was by design as the regional central banks were expected to receive TA from other sources.
area. Some evidence that some West AFRITAC TA work engaged with the WAEMU Commission in helping with to revise the WAEMU guidelines on the harmonized regional fiscal legal and regulatory framework, and guidelines on government finance statistics. West AFRITAC has also started support to the ECOWAS commission on fiscal harmonization.

168. The RTACs were established, in part, because IMF believed that for some groups of countries there were added benefits from a regional approach to TA delivery. The broader regional integration and harmonization initiatives in all three regions provide a framework for the AFRITAC’s regional approach to macroeconomic management TA delivery. The Program Documents state that the AFRITACs will support the implementation of regional initiatives to introduce common standards, harmonize methods, disseminate best practices, and work with standard-setting organizations and support institutions. Regional workshops were expected to be forums to share experience among AFRITAC members, act as peer group reviews and promote networking among reform-minded public officials and informal networks of change agents. The regional nature of the assignments of the Resident Advisors was expected to help IMF recognize similarities and regional patterns in TA needs.

169. The AFRITACs’ work of promoting regional harmonization and integration was effective. A constant theme in the focus group sessions that the Evaluation Team held with groups of workshop participants was that the regional workshops were highly appreciated. The participants appreciated being exposed to what was being implemented in other countries and found that peer learning from case studies presented by other participants was a particularly effective way of learning. The regional workshops were also an effective way of exposing staff from countries in the region which were lagging behind in an area to advances being made by their peers. If regional workshops were more systematically complimented by policy dialogue with the senior staff in those organizations that are to adopt the policies, systems and procedures covered in the workshops, it would be a powerful way of promoting reform and regional harmonization. Further positive evidence on this topic was provided in the AFRITAC Evaluation Survey, the results of which indicated that: (i) the regional workshops received the highest effectiveness score among the TA delivery modalities\(^\_92\) – 43% of respondents rated them as excellent and a further 44% rated them as good (see Table CX.8); (ii) 30% of respondents strongly agreed and a further 57% agreed with the statement that AFRITACs more effectively promote regional harmonization than IMF Headquarters (see Table CX.11); and (iii) 26% of respondents strongly agreed and 55% agreed with the statement that AFRITACs more effectively promote regional harmonization than other TA providers (see Table CX.12).

170. IMF’s relationships with countries are largely bilateral in nature between Headquarters staff involved in programs and surveillance and their counterparts in the country. At the level of working staff, there is a limited overview of regional issues or progress toward regional harmonization and integration. The organization and work done by the AFRITACs are more regional in nature. However, the AFRITACs are not yet fully exploiting their potential to use a regional approach to develop the macroeconomic management tools that are necessary to support efficient regional harmonization and integration. Operationally the Resident Advisors sometimes promote a regional approach but this is not part of a clearly articulated regional strategy.

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\(^{92}\) Many of the regional workshops were cofinanced by the African Capacity Building Foundation. All AFRITACs collaborated with the ACBF. There were also some evidence of collaboration between East AFRITAC in the statistics area with the DfID funded GDDS project and West AFRITAC collaborated with AFRISTAT. These collaborations helped to expand the reach of AFRITAC TAs.
171. Playing a more strategic role in developing the macroeconomic management tools that support regional integration and harmonization, will require engagement with the institutions that are leading the promotion of regional harmonization. Four East AFRITAC clients are members of the East African Community, 8 West AFRITAC clients are members of WAEMU and 6 Central AFRITAC clients are members of CEMAC. These organizations are involved in setting the agenda for some of the macroeconomic management reforms that will be undertaken at a regional level. The AFRITACs should be more aware of their plans as this would help to more effectively program and deliver TAs that support regional integration and harmonization in the areas of AFRITAC competence. A greater focus on regional integration might also have implications for the local training institutions with which the AFRITACs work.

172. The country groupings served by each AFRITAC need to be reviewed to see if they are appropriate in the context of the trends toward regional harmonization and integration. In general, the countries served by East, West and Central AFRITACs form logical groupings from the perspective of economic integration. However, there is one exception -- Burundi. Because of language considerations Burundi is served by Central AFRITAC rather than East AFRITAC. However, Burundi is a member of the East African Community. Its economic relationships are primarily with Rwanda, Tanzania, Kenya and Uganda and its transport and communications infrastructure is linked to East Africa. Burundi has very limited economic relations with countries in Central Africa. Burundi should be asked if it would prefer to be included in East AFRITAC rather than Central AFRITAC. If the answer is affirmative, then Burundi should be transferred to East AFRITAC. The experience of Malawi joining East AFRITAC highlights the importance of Steering Committees being involved in decisions on membership. In addition to the benefits of including officials from Burundi in East AFRITAC regional workshops and the consequent benefits of promoting regional harmonization in the full East African Community, the far easier logistics associated with travelling from Dar es Salaam to Bujumbura compared to travelling from Libreville to Bujumbura and the fact that East AFRITAC has a Monetary Operations Advisor while Central AFRITAC does not, should offset any possible increase in cost of having a country in East AFRITAC which has more French speaking than English speaking officials.

H. Long Run Organizational Implications of the AFRITAC Model for IMF

173. The proportion of IMF’s TA that has been financed by donors has grown over the past decade. This trend is expected to continue. Among other things IMF’s TA strategy is to expand and deepen its relationships with donors to: (i) help meet the growing demand for TA; (ii) cope with the 2007 reduction in IMF’s budget and human resources; (iii) integrate IMF TA in a more coherent development framework; and (iv) improve IMF’s TA products by responding to donor requests to strengthen TA governance and effectiveness. Looking to the future, IMF expects the composition of TA financing to change. Although the total volume of TA is expected to increase, the amount of TA financed from internal sources will decline and the amount of externally financed TA will increase.

174. Increasing TA delivery through RTACs is expected to result in more ownership by recipient countries, lower costs, increase effectiveness of capacity building assistance and improve coordination with other TA providers. Evaluations of RTACs have generally reached positive conclusions. Given the positive results of RTAC evaluations and the

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93 IMF. Enhancing the Impact of Fund Technical Assistance. 3 April 2008. Para 52
94 IMF. Review of the Fund’s Regional Technical Assistance Centers. 28 June 2005.
consistency of the AFRITAC model with the principles of the Paris Declaration and the Accra Agenda for Action, plans are being developed to open four new RTACs, two of which will be in Africa.

175. **As more RTACs are opened and the an increasing proportion of IMF TA is delivered through RTACs, there will be growing pressures from within and outside of IMF to delegate more authority and accountability for processing and supervising TA from Headquarters to the RTACs.** From the outside, IMF appears to be a Headquarters centered, tightly controlled organization. Many other TA providers, both multilateral and bilateral, have significantly decentralized over the past 10 to 15 years, have increased the size and number of their field offices and have shifted a larger proportion of their staff from headquarters to the field. IMF has not gone through the same process.

176. **AFRITACs, and RTACs more generally, could be viewed as a mechanism for IMF to pilot test an approach to decentralization.** It is beyond the scope to of this evaluation to undertake a detailed assessment of all of the organizational implications for IMF of the use of RTACs to significantly decentralize the delivery of TA. **Decentralization is a major challenge for any organization.** For IMF it would have implications for the role and function of FAD, MCM and STA and the regional departments. There would be changes in reporting and lines of authority, business processes and the location of staff. The feedback to the Evaluation Team reflects a general impression that from the clients’ perspective it is more efficient and effective to deliver and administer TA from the field than from corporate headquarters.

177. Drawing on the experienced gained from the AFRITACs and the other RTACs, IMF should carefully consider the broad strategic role that is wishes RTACs to play in the longer time frame, say a decade from now. **A Ten Year Strategic Vision for RTACs should be prepared** that: (i) explores alternative roles for RTACs in the IMF structure, including their roles and functions in planning, approving, delivering and supervising TAs; (ii) assesses the implications for the three TA departments and the Regional Departments; (iii) examines the financial and human resource implications and impacts on business processes; (iv) examines a broader more strategic role of OTM, in the context of the expected large increase in donor trust funds, to provide more holistic view of TA and RTAC management and whether OTM should have a supervisory role for RTACs and the Center Coordinators; (v) helps to build the institutional consensus for proposed changes, and (vi) includes a phased implementation plan with clear benchmarks.

178. In 2005 OTM prepared a review of the RTACs 95, drawing on the independent evaluations of the AFRITACs, Caribbean Regional Technical Assistance Center (CARTAC) and Pacific Financial Technical Assistance Center (PFTAC). Another evaluation of PFTAC is planned for 2009. With the completion of that evaluation, this evaluation, the second evaluation of CARTAC in 2006 96 and the evaluation of the Middle East Regional Technical Assistance Center (METAC) in 2007 97, it would be timely for OTM to update the review of the RTACs. Part of that review should outline a long term strategic vision for RTACs that addresses the issues outlined above.

95 IMF. Review of the Fund’s Regional Technical Assistance Centers. 28 June 2005.
96 IMF. Second Mid-Term Review Of the Caribbean Regional Technical Assistance Centre. September, 2006.
IV. RECOMMENDATIONS

A. Implementation Status of the Recommendations in the 2005 Evaluation

179. All donors believe that evaluation is important and have supported making period independent evaluations part of the AFRITAC governance structure. For example, the AfDB Board paper requesting approval of the $4.5 million contribution to the current financing cycle of the AFRITACs reinforces the importance of evaluation. The results of the 2005 Evaluation were summarized in the Board paper and the disbursement of the third tranche of AfDB’s support was made conditional on the evaluation of progress being made by East and West AFRITACs.

180. One of the purposes of undertaking evaluations is to learn from the past to improve future operations. The main conclusions of the 2005 Evaluation were largely consistent with the findings of this evaluation (see Section VII in Annex A). Both evaluations found that: (i) the AFRITACs effectively contributed to capacity building and were appreciated by beneficiary countries in terms of responsiveness to client needs, proximity to member countries, quick response time and familiarity with the local context; (ii) considerable work remains to be done to build institution capacity building in each member country; (iii) the AFRITACs improved the quality of TA delivered through their demand-driven approach which enhanced country ownership, promoted regional harmonization, kept donors better informed, enhanced staff accountability and increased the use of African experts; (iv) follow-up on both training and the implementation of TA recommendations needed improvement; (v) AFRITAC and Headquarters TAs were complementary; (vi) more work was needed to develop indicators to monitor and evaluate progress; (vii) IMF’s backstopping system supported the AFRITACs although the TA departments and OTM were reported as being over extended; (viii) AFRITACs promoted the use of African expertise; and (ix) member governments were committed to the success of the AFRITACs.

181. The 2005 Evaluation and its recommendations were discussed at East and West Steering Committee meetings in April 2005. It was agreed that some specific actions would be undertaken to address some of the recommendations and others would be incorporated into the AFRITACs’ strategy and work processes in the second funding cycle. The 2005 Evaluation included recommendations addressed to beneficiary countries, IMF, donors and AFRITACs. Consistent with its terms of reference, the Evaluation Team used a four point scale to assess the implementation status of the recommendations of the 2005 Evaluation – Excellent (4); Good (3); Modest (2) and Poor (1) (see Tables G.1 to G.4 in Annex G). Of the 20 recommendations, the implementation of 9 was rated as Poor, 7 as Modest and 2 as Good. The status of two recommendations was not rated because of insufficient information.

182. The implementation of some of the broader, more policy oriented recommendations for beneficiary countries, IMF and donors was generally rated as Poor to Modest. This should not be surprising. Some key policy decision makers in beneficiary countries, IMF and donors were not the main audience for the 2005 Evaluation. For the broad recommendations it was not clear who specifically was to take action to implement the recommendation or by when. It is a relatively common experience for aid agencies to take little notice of evaluation recommendations at the policy level. Evaluation results are not the only things to go into making decisions on whether or not to take action to address issues highlighted in evaluations. Other factors include the institutional priorities, the views of other parts of the organization and the influence of external parties. Also, evaluators often spend so much time undertaking the

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technical parts of evaluations that there is insufficient time to carefully craft the recommendations and build support among decision makers to take action to implement the recommendations. More follow up and diligence will be needed by all members of the AFRITAC governance structure to implement the recommendations in this evaluation so that they will have a more positive influence on improving AFRITAC operations than the 2005 Evaluation appears to have had.

B. Evaluation Recommendations

183. Given the poor implementation record of the recommendations in the 2005 evaluation, the Evaluation Team has limited the number of recommendations, focused them on issues that OTM and the AFRITACs can take the lead to address and suggested time frames and responsible parties for each recommendation. While some broader, high level issues are discussed in the evaluation, they represent something more akin to lessons learned rather than issues for which specific recommendations could be acted on by the main audiences for this evaluation report. Deciding whether or not, and how, to address such issues would involve inputs and views from many other actors (e.g., other parts of IMF; senior decision makers in donors; senior government officials). It was beyond the scope of the evaluation to build the consensus necessary to address such issues and to identify the best or most feasible approaches to address very high level issues.

184. Evaluators do not have all the knowledge to identify the best or most feasible way to address issues identified in an evaluation. For various reasons it may be a legitimate decision not to take action to implement some recommendations (e.g., people feel that the recommendation is either wrong or not feasible; there are other more pressing priorities; the timing is wrong; the necessary resources are not available). However, there should be a clear process to determine which evaluation recommendations are accepted and which are not.

185. Based on the evaluation findings, eight recommendations are proposed.

Recommendation 1: OTM’s presentations during the negotiations for the next financial replenishment should argue for additional resources to strengthen the human and financial resources of the AFRITACs and necessary support from Headquarters, including AFR, MCM, FAD, STA and OTM, contingent upon the AFRITACs, with the backstopping and guidance of the TA Departments, making credible commitments to further improving the tracking and monitoring of results (see Recommendation 2) and improve information dissemination and coordination with other TA providers (see Recommendation 3), and identifying ways to improve the implementation of TA recommendations to promote sustainability (Recommendation 4). Increased levels of funding would be consistent with the positive assessment of the AFRITACs performance, as well as the commitments that the donors made at Gleneagles and in the Paris Declaration and the Accra Agenda for Action. AFRITACs need to be appropriately resourced if they are to effectively contribute to capacity building in post conflict countries. The planned topical trust funds in some of the main areas in which the AFRITACs work has the potential to partly alleviate this problem of limited resources if those funds are well coordinated with the activities of the AFRITACs. In taking forward these recommendations it will be important for IMF to support requests for additional financing from donors by: (i) assessing higher administrative spending on the part of IMF that may not be fully covered by external financing; and (ii) identify either additional source of financing or offsetting savings elsewhere for such costs.
Recommendation 2: The three AFRITACs should, in coordination with the TA Departments, by the end of calendar year 2010, adopt a three year plan for each cluster of TA interventions in a country that sets out the strategic objectives and outcomes that the capacity building initiative expects to achieve and provides a framework with indicators against which progress can be monitored. Although some progress has been made in managing for development results and the enhanced version of the TAIMS is a positive development, the AFRITACs need further improvement in defining, tracking and reporting on the outcomes achieved. A similar recommendation was made in the 2005 Evaluation. Steering Committees should continue to insist on further progress in this area. TAIMS, IMF’s internal system to monitor and track results, should be viewed as being complementary to internationally accepted frameworks (e.g., PEFA; FSAPs, the World Bank’s Country Statistical Information Database). Strengthening results based monitoring is essential to improve TA management and maximize accountability of the AFRITACs to the beneficiary countries and donors.

Recommendation 3: While recognizing that beneficiary countries should lead donor coordination, all three AFRITACs need to strengthen their donor coordination and dissemination strategies. This will involve: (i) all groups represented in the AFRITAC governance structure working together to improve coordination with other TA providers in the areas of macroeconomic management; (ii) West and Central AFRITACs preparing information dissemination strategies by the end of calendar 2009; (iii) OTM securing adequate funding during the replenishment to implement the strategies; (iv) OTM, the AFRITACs and the Office of External Relations working together to develop and implement the dissemination strategies and operate a common portal on the IMF server; (v) IMF making a corporate decision to share the tables of planned TAs, including both Headquarters and AFRITAC TAs in the Regional Assistance Plan, that underpin the Regional Strategy Notes with the Steering Committees; and (vi) more frequent retreats for share experience among the AFRITACs. Improving coordination and dissemination was recommended in the 2005 Evaluation and these issues received considerable prominence in the AFRITAC program documents. However, some donors complained to the Evaluation Team about a lack of knowledge of AFRITAC operations and coordination with their organizations. Consistent with this feedback, respondents to the AFRITAC Evaluation survey assigned a lower score when rating the coordination with other TA providers than for most other criteria assessed. Although the AFRITACs have a good story to tell, they have not put enough effort into disseminating information and marketing their product. A good dissemination strategy, that makes full use of web based technology and draws on the knowledge, expertise and networks of contacts of the External Relations Department, would help to share information to all stakeholders and promote coordination.

Recommendation 4: All AFRITACs, the Steering Committees, the Center Coordinators, Resident Advisors, the TA Departments and OTM must do some strategic thinking about how strengthen TA sustainability. Among other things, this will involve providing more follow up and financing to support the implementation of recommendations resulting from TAs. During its fieldwork the Evaluation Team came across several cases where government officials said that while they agreed with, and wished to implement, the TA recommendations, the necessary funds were not available. Such cases typically involved investments in information technology, software and hardware, or support for undertaking surveys. In situations where the success and sustainability of capacity building TAs depend on the availability of such systems, ways must be found to secure the necessary funding. This would include actively trying to mobilize funds from other donors, particularly when donors have pooled their resources to achieve a common objective. In other cases, the issue is not so much money but a lack of follow up or support from the AFRITACs to help implement the
Combining both country and donor contributions would encourage more responsibility for both parties. The level of effort shown by a country to implement TA Recommendations and significant financial contributions are good proxies for recipient ownership of the TA recommendations, a key factor contributing to TA sustainability. Identifying steps that will increase the likelihood that the TA benefits will be sustainable must be considered as an integral part of TA design.

Recommendation 5: Each AFRITAC should prepare a plan to indicate how it will use a regional approach to facilitate the development of the macroeconomic tools in its areas of competence that are necessary to support regional integration and harmonization and present the plan to their Steering Committees in 2010. The RTACs were established, in part, because IMF believed that there were added benefits from a regional approach to TA delivery. Regional integration and harmonization are important issues in East, West and Central Africa. In this area, the work of the AFRITACs was effective in many practical ways that helped to develop the macroeconomic management tools necessary for effective regional integration and harmonization (e.g., common standards, harmonize methods, disseminate best practices, work with standard-setting organizations and support institutions). The AFRITACs have a competitive advantage in this area relative to IMF Headquarters and other TA providers by virtue of their organizational structure, regional focus, location and constant engagement. However, the AFRITACs are not yet fully exploiting their potential to use a regional approach to develop the macroeconomic management tools that are necessary to support regional harmonization and integration. Doing so will require some engagement with the institutions or their relevant working groups and/or departments that are leading the promotion of regional harmonization and reviewing country groupings to see if they are consistent with regional economic integration.

Recommendation 6: By the end of FY2010 OTM should prepare a manual that codifies the organization, management and administrative procedures for the RTACs. In preparing the manual, the following issues should be considered: (i) ways to empower the Resident Coordinators; (ii) lengthening the appointment terms of Resident Advisors; (iii) improving succession planning for the Resident Advisors and making their recruitment more transparent; (iv) removing barriers in IMF’s policies that discourage staff from TA departments working in AFRITACs; (v) formalizing the role and relationships between Resident Representatives and the AFRITACs as was recommended in the 2005 Evaluation; (vi) harmonizing backstopping across the TA Departments; (vii) improving administrative support during the opening phase of new AFRITACs and training of local staff; (viii) strengthening financial management and control; and (ix) planning and budgeting to improve internet connectivity.

Recommendation 7: As part of the next RTAC Review, OTM should prepare a Ten Year Vision for RTACs that outlines the strategic implications for IMF. Among other things this would discuss the implications of a more decentralized model of TA delivery for the structure, role and functions of the three TA departments. Since this review should draw on the planned evaluation of the Pacific Technical Assistance Center, this will be done after the replenishment negotiations are completed for the AFRITACs. However, as part of the replenishment process for the AFRITACs, there needs to be serious commitment by all parties to a strategic vision for the AFRITACs that firmly reestablishes the upstream/downstream roles of Headquarters/TA Departments and AFRITACs, and re-affirms the role of the AFRITACs in providing practical and focused TA through: (i) on site visits; (ii) regional and in-country seminars; (iii) professional attachments; and (iv) some additional resources to help implementation follow-up -- all within a two to three year program determined through a meaningful tripartite consultation process between the beneficiary countries, the AFRITACs and their Steering Committees, AFR, the TA departments and OTM. The broad framework is in
place but some tweaking is needed to give a somewhat stronger role to OTM. There are at least three possible ways of dealing with the member countries, namely, via AFRITACs, via the resident representative or directly with the IMF Headquarters. Depending on the circumstances, one delivery mode may have advantages compared to the others. The evaluation findings imply that dealing with member countries via the AFRITACs whenever possible seems to be more cost effective, responsive and appreciated by the member states. The question of more decentralization is something that IMF should carefully consider as it would have major implications for IMF’s TA business model but the evidence on the ground suggests that it would be preferred in many circumstances by the client countries. In considering the merits of further decentralization, it must be recognized that the current model of strong central control and back stopping has many advantages (e.g., quality control; integration with Headquarters work; access to broader cross country experience and best international practice). Ways to retain these strengths of the current system should build into any efforts to further decentralize TA delivery.

Recommendation 8: By the end 2009 the AFRITACs and OTM should develop formal action plans for each accepted recommendation, identifying the necessary resources and monitorable benchmarks to implement recommendation and report the implementation status of the action plans to the Steering Committees in FY2010 and FY2011. The generally poor implementation status of the recommendations in the 2005 Evaluation suggests that periodic reporting to the Steering Committee is needed to reinforce efforts to implement evaluation recommendations.

186. The Evaluation Team believes that all of the recommendations are important and should be implemented. However, the Team recognizes taking action in all of these areas represents a challenging agenda. To provide some guidance in setting priorities the Evaluation Team grouped the recommendations into two groups: (i) highest priority; and (ii) high priority. The following criteria were used to define these groups: (i) no more than four recommendations could be included in the Highest Priority group; (ii) recommendations in the Highest Priority group could be expected to make a direct contribution to improving the effectiveness and sustainability of TAs in the medium term; and (iii) the recommendations in the Highest Group would have clear, positive, tangible impacts on the operations of the AFRITACs.

187. Based on these criteria, Recommendations 1, 2, 3 and 4 were categorized as Highest Priority and Recommendations 5, 6, 7 and 8 were categorized as High Priority. Taken as a package, Recommendations 1 to 4 should improve effectiveness and sustainability by addressing resource constraints, better monitoring results, improving donor coordination and information dissemination, and providing more support for implementing TA recommendations.