

INTERNATIONAL MONETARY FUND

Independent Evaluation of the African Technical Assistance Centers

Volume 2: Annexes
(Draft for Comment)

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15 December 2008

LIST OF ABBREVIATIONS

ACBF -	African Capacity Building Foundation
AfDB -	African Development Bank
AFD -	African Development (IMF)
AFRITAC -	Africa Regional Technical Assistance
AFRISTAT -	Observatoire Economique Et Statistique D'Afrique Sub Saharienne
BCEAO -	Central Bank of West Africa
BEAC -	Banque des États de l'Afrique Centrale
BPM5 -	Balance of Payments Manual 5th Edition
CEMAC -	Communauté Économique et Monétaire des États de l'Afrique Centrale
COBAC -	Commission Bancaire de l'Afrique Centrale
CPI -	Consumer Price Index
ECA -	East Africa Community
EU -	European Union
FAD -	Fiscal Affairs Department (IMF)
FSAP -	Financial Sector Assistance Program
FY -	Fiscal Year
GDDS -	General Data Dissemination System
GFSM -	Government Finance Statistics Manual
HIPC -	Heavily Indebted Poor Countries
MDRI -	Multilateral Debt Initiatives
IMF -	International Monetary Fund
KSMS -	Kenya School of Monetary Studies
MCM -	Monetary and Capital Markets (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
PFM -	Public Financial Management
PRGF -	Poverty Reduction and Growth Facility
PSIs -	Poverty Support Instruments
PRSP -	Poverty Reduction Strategy Paper
RTAC -	Regional Technical Assistance Center
SDDS -	Special Data Dissemination Standard
SNA -	System of National Accounts
STA -	Statistics Department (IMF)
TAIMS-	Technical Assistance Information Management System
TOFE -	Tableau des Operations Financières de l'Etat,
WAEMU -	West African Economic and Monetary Union
WHO -	World Health Organization
UNCTAD -	United Nations Conference on Trade and Development
UNECA -	United Nations Economic Commission for Africa
UNDP -	United Nations Development Programme

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^{a/} The Section on Central AFRITAC's Statistics TAs is still under preparation.

Annex A: Background on AFRITAC Program

1. Background and Objectives

1. As stated in the Program Document for the East and West AFRITACs¹ “The overarching goal for the East and West AFRITAC is to facilitate the achievement of the long-term goals of member countries, as stated in their poverty reduction strategies. The assistance provided by the AFRITACs will aim to strengthen the institutional and human capacities of government institutions in their member countries in order to achieve sound public resource management, well-developed financial systems, and high-quality macroeconomic statistics as a foundation for attaining national development goals.” Similarly, the overarching objective of the Central AFRITAC was to “facilitate the achievement of the long-term development goals of beneficiary countries, through assistance in building capacity for sound economic management in the core areas of the IMF’s expertise. Specifically, assistance provided by the Central AFRITAC will aim to strengthen the institutional and human capacities of governments, in order to strengthen public resource management, develop robust financial systems, and enable the production of high-quality macroeconomic statistics. These in turn would form the foundation for sustained and stable economic growth².”

2. The aim of Phase II for the East and West AFRITACs, covering the period from May 2006 to April 2009, was to consolidate and build on the results achieved in Phase I by: (i) adding two resident advisors – one in each of the AFRITACs; (ii) introducing professional attachments for staff from member country authorities; (iii) making even greater use of African expertise; (iv) coordinating technical assistance to countries; (v) helping countries develop comprehensive capacity-building plans; (vi) updating the work plans and strategic directions through new needs-assessments, taking into account Poverty Reduction Strategy (PRS) papers; (vii) disseminating information on AFRITAC projects and work plans through secured websites; and (viii) introducing a results-based monitoring system to track the AFRITACs’ performance.

2. Governance, Organization and Management of the AFRITACs

A. Steering Committee

3. The governance, organization and management of the three AFRITACs are similar and is designed to promote country ownership, donor involvement, and AFRITAC accountability. Consistent with this, each AFRITAC is governed by a Steering Committee with representation from member countries, donors, regional organizations and the IMF. The Steering Committee members select the chairperson. As appropriate, regional organizations, other development partners, and interested parties are invited to Steering Committee meetings as observers. To enhance TA effectiveness, it was expected that Steering Committee members would exert peer pressure on beneficiary countries to encourage TA implementation.

4. The Center Coordinator participates in Steering Committee meetings and acts as the Steering Committee’s Secretary. IMF is officially represented at the Steering Committee by a senior ADF staff member. OTM staff attend Steering Committee meetings to deal with funding, monitoring, evaluation and administrative issues. The TA departments may send representatives to the Steering Committee meetings and can make presentations in their field of expertise.

¹ East and West AFRITACs. Program Document. Phase II November 2005. IMF. Page 14.

² Central AFRITAC. Program Document. October 2006. IMF. Para 13.

5. 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 of member countries; (iii) be coordinated with TA provided by other donors; and (iv) be integrated with the TA, surveillance, and lending activities of IMF Headquarters. The RTAC model is a departure from the organization and management processes that IMF typically uses to deliver TA. In particular, the RTACs represent an explicit partnership between IMF, the beneficiary countries and donors. The AFRITAC model is designed to open up the decision making structure and give a voice to beneficiary countries and donors in terms of setting priorities, determining work plans and monitoring their implementation. The Steering Committees meet once or twice a year, depending on the AFRITAC. Between meetings the Center Coordinators maintain contact with Steering Committee members, particularly the Chair, through E-mail.

6. The AFRITAC work plans are fairly detailed, are viewed as integral part of IMF's overall TA program and are formally endorsed by the AFRITAC Steering Committee. The work plans can be changed during the year to reflect unforeseen developments and the emerging needs of the beneficiary countries.

B. Center Coordinators

7. The AFRITAC Coordinators are full time IMF staff who are appointed by, and report to, the African Department. The Center Coordinators have a rank equivalent to that of a resident representative and are appointed for a three year period, with the possibility of extension. The Center Coordinators manage the day-to-day activities of the AFRITACs, hire and supervise locally recruited staff, and is the key liaison between IMF and the Steering Committee. The Center Coordinators follow up with country authorities on the implementation of overall TA strategic priorities, maintain close relationships with the beneficiary countries, promote cooperation with regional organizations and other TA providers, liaise with OTM and keep Resident Representatives informed of AFRITAC activities in their countries.

8. The Center Coordinators are responsible for coordinating the preparation of the AFRITAC work programs including discussing broad strategic priorities with senior government officials, and coordinating inputs from the Resident Advisors, AFD and the TA departments and estimating the associated resource needs. This material is to be cleared with the concerned IMF departments well before the work plan is presented to the Steering Committee. Center Coordinators submit regular reports to AFD on the status of AFRITAC activities and operations that are copied to the TA departments and OTM. As needed, TA departments are expected to follow-up on issues in the reports.

C. Resident Advisors

9. The number of Resident Advisors in an AFRITAC is determined by the available budget. The subject specialization of the Resident Advisors is determined by the assessment of AFD and the TA departments of the needs and priorities of the beneficiary countries, which determine the expected focus of AFRITAC TA programs. The skill mix of the team of Resident Advisors may change over time to reflect the changing priorities of the beneficiary countries. Changes in the skill mix are to be agreed by AFD and the TA departments, with input from the beneficiary countries, and endorsed by the Steering Committee.

10. Although the skill mix varies somewhat among the AFRITACs, depending on their work programs, the Resident Advisors as a group broadly have expertise in areas such as public financial management, revenue administration, macro fiscal programming, financial sector supervision and management, monetary operations, public debt management, microfinance, and statistics. The Resident Advisors are identified, selected, and appointed by FAD, MCM or STA, depending on their area of specialization. Their terms of reference are agreed to by AFD. The Resident Advisors are selected on the basis of technical competence, management capacity, and relevant experience. The Center Coordinators do not have any formal role in selecting or supervising the Resident Advisors, who report directly to, and are supervised by, the concerned TA department. The Steering Committee, which has no formal input, should be informed of this process in a timely fashion.

11. The Resident Advisors are appointed on a one year contract, which can be extended depending on the decision of the concerned TA department. Procedures for extension are not uniform across the three TA departments. Generally FAD extends its Resident Advisors for up to three years while MCM and STA allow extensions of up to four or five years. Although the Program Document states the process of selecting and appointing the 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 routine. In some cases Center Coordinators' suggestions for an advertisement was resisted, with the TA department preferring to select Resident Advisors from their approved roster. Within IMF, Resident Advisors are considered as short term experts, which can be appointed for one day and up to one year.

12. The participation of Resident Advisors in headquarters missions is considered on a case by case basis and requires the agreement of both AFD, which would seek input from the Center Coordinator, and the concerned TA department. Factors considered in making the decision include the AFRITAC work plan, the work load of the Resident Advisor and opportunities to strengthen the integration of the AFRITAC work plan and the overall IMF TA program.

D. Short Term Experts

13. The need for short-term experts reflects the AFRITAC work plans. 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, short term experts must be certified by the respective TA department before their assignment and registered in IMF's central roster of experts³. Short-term experts are backstopped by the relevant TA department. The decision to delegate the responsibility for backstopping short-term experts to a Resident Advisor depends on a number of criteria, including the size of the TA program in a country, the area of expertise of the Resident Advisor, and his/her knowledge of IMF policies.

14. The three TA departments have department-specific expert certification processes. The AFRITACs maintain databases of African experts who could be considered for short-term assignments and have a role to play in grooming African expertise, with a view to eventually include the best of people used by AFRITACs as either workshop presenters or short term experts for possible inclusion in the central roster. Because AFRITACs are major users of African expertise, this role should be recognized and defined in unified certification processes.

15. The reports of Resident Advisors and short-term experts conform to reporting procedures of the TA departments and are copied to AFD and OTM. ADF is expected to ensure

³ These requirements may be relaxed by the TA department for participation in workshops.

that these reports are copied to the concerned mission chief and AFD division. The reports are not always copied to Resident Representatives.

E. Quality Control and Back Stopping from the TA Departments

16. When the AFRITACs were established, there was concern that their activities could create reputational risks for IMF. To ensure high quality TAs, AFRITAC Resident Advisors are supervised and backstopped by the three TA departments. Operationally, the system to ensure quality control of the work of Resident Advisors involves the TA departments being responsible for: (i) the screening and selection of the Resident Advisors; (ii) providing strategic direction and backstopping support; (iii) undertaking periodic inspection missions; and, (iv) conducting the annual performance evaluation of the Resident Advisors, a process that may involve seeking feedback from other interested parties, including beneficiary countries.

17. The back stopping 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, selection and reports prepared by short term experts. The January 2006 Operational Guidance Note states that the TA departments are responsible for providing sustained and adequate backstopping of the Resident Advisors⁴. In practice the amount of back stopping varies considerably across the three TA departments.

18. All three TA departments advised the Evaluation Team that the sustainability of the backstopping system was at risk. During the 2007 IMF downsizing, resources and staff devoted to TA were disproportionately downsized. From the perspective of staff in the TA departments, the volume of TA delivered through the RTACs is increasing – thus the demand for back stopping is increasing. However, the available human resources have diminished. Unfortunately, IMF's time recording system did not capture the amount of time that staff in FAD, MCM and STA actually spent backstopping. Thus it was not possible for the Evaluation Team to assess the effectiveness and efficiency of the different approaches adopted by the three TA departments. This issue has been addressed. In August 2008 IMF introduced a new time recording system that will explicitly identify the amount of time spent by staff in the three TA departments back stopping TA delivered through the RTACs. In addition to providing a basis for billing donors for such services, this new time recording system will generate data that can be used to compare the efficiency of the different models used by FAD, MCM and STA and, more broadly, to compare the efficiency of Headquarters TA with TA delivered through the RTACs. The types of issues that could be addressed in a year or so would include: (i) What is the cost of backstopping across TA departments? (ii) Is there evidence that the increased cost of backstopping in the FAD model is resulting in significantly increased value added and TA effectiveness? (iii) Whether the amount of back stopping required by Resident Advisors declines over time (i. e., while a significant amount of back stopping may be required in the first year for a Resident Adviser who is new to IMF but as experience is gained, should the level decline, particularly for administrative/ process issues?); (iv) Do IMF staff from TA departments working in AFRITACs need significantly less back stopping than Resident Advisors who are new to IMF? (v) Does the work of Resident Advisors that focuses on implementation rather than cutting edge policy dialogue require less backstopping than work in technically specialized areas that require access to best international practice?

⁴ For day-to-day non-technical activities the Resident Advisors work under the guidance of their Center Coordinator (e.g., coordination with other local or regional TA providers; travel in the region).

3. Focus of AFRITAC Assistance

19. Depending on the needs, the TA is delivered by Resident Advisors, short term experts or workshops/seminars/training courses. Regional workshops provide forums to share experience among country delegations and to promote regional harmonization and integration. The AFRITACs also organize and finance in-country workshops to address country-specific needs that can be attended by a larger number of participants from key organizations in the country than is the case for regional workshops.

20. AFRITAC TAs are designed to complement rather than to replace or duplicate Headquarters TAs. AFRITAC strengths include client responsiveness, rapid response times and local knowledge, country ownership and accountability for implementation and enhanced donor coordination fostered by the Steering Committees. The comparative advantages of the AFRITACs include close follow-up and frequent contacts with the country authorities and other TA providers, sustained support for implementation of TA recommendations, their regional perspective of the issues and challenges facing the members and resources to deliver in-country and regional training. The division of labor that has emerged between the AFRITAC Centers and IMF Headquarters is as follows. Headquarters TAs address broad strategic and policy issues, particularly those requiring longer term engagement, diagnostic studies, specialized technical expertise and issues directly related to IMF structural benchmarks and performance criteria. AFRITAC TA focuses on providing advice related to capacity building, priorities identified by the countries and the implementation of the agenda for change agreed by the country concerned and IMF.

21. For the evaluation, the activities of the AFRITACs were grouped into the clusters defined below:

- (i) **Fiscal Affairs:** (a) **public financial management**, which includes enhancing the capacity to prepare sound macroeconomic frameworks, and the associated analysis, forecasting, policy development and macro fiscal tracking; support for budget (e. g., preparation, introducing a Medium Term Expenditure Framework, execution, monitoring including tracking poverty related spending and budget classification), linking public finance policies/priorities and budget allocation; improving the regulatory framework to improve accountability, transparency and governance; managing revenues from extractive industries; treasury management reforms (e. g., single treasury accounts, cash management and banking arrangements, payment and reconciliation issues, reporting), strengthening accounting, auditing, financial control and fiscal reporting; supporting fiscal decentralization and local government financing; supporting Public Financial Management reform programs and action plans; (b) **revenue administration**, which includes strengthening revenue administration at the operational level; improving administration to complement tax policy advice and assistance from IMF headquarters; establishing modern revenue administrations with capable professional staff; strengthening tax administrations; strengthening large tax payers units; broadening the tax base to cover small and medium sized enterprises; introducing value added taxes; separating operational policy from field delivery; audit and compliance; risk assessments; strengthening tax and customs administrations; establishing revenue intelligence units and tackling non-compliance problems; modernizing, strengthening and computerizing customs administrations; and addressing regional customs issues;

- (ii) **Monetary/Financial System:** (a) **monetary operations, debt management and financial markets**, which includes conducting monetary operation assessment missions outlining a medium-term prioritized reform strategy; assessing and improving reserve management practices; improving monetary operations and reforms; supporting payment systems reform; developing the domestic money and government debt markets (e. g., developing reliable debt management databases and debt sustainability frameworks; institutional aspects debt management; debt market development) and participating in HIPC assessments; and, (b) **Financial supervision**, with a focus on banks, which includes building risk-based supervision systems, undertake surveys of risk management practices and support implementation of necessary changes, procedures, manuals and inspection reports; resolution of weak banks and non-performing loans; strengthening anti-money laundering measures; upgrading on-site inspections and off-site surveillance, upgrading staff skills in core supervisory areas; reforming the legal/regulatory supervisory framework, developing procedures and manuals and supervision of microfinance; drawing up the supervisory framework for non-bank financial institutions and the regulatory framework for the national pension funds; and supporting the development and supervision of microfinance; and
- (iii) **Statistics:** Statistics was treated as one cluster. Most of the work of Statistics Advisors focused on **macroeconomic statistics** (e.g., improving the quality of national accounts to be consistent with the 1993 System of National Accounts (SNA93), real sector data and price statistics; strengthening methodology and techniques for compiling annual and quarterly accounts and price statistics; improving basic source data, data collection, processing and statistical techniques; introducing international standards; improving data timeliness and accessibility). Modest amount of assistance was also provided to strengthen **central bank statistics** [e.g., improving balance of payments statistics consistent with the Balance of Payments Manual, fifth edition (BPM5)] and improving **public finance statistics** [e.g., improving the statistics in the ministries of finance necessary for sound fiscal management and introducing international standards consistent with the Government Financial Statistics (GFS) Manual 2001].

22. The distribution of AFRITAC's inputs by function area over FY2006 to FY2008 is shown in Table A.1. In total the three AFRITAC's provided 654.5 person months of input from Resident Advisors and short term experts. Of this, 38% was provided by East AFRITAC, 45% by West AFRITAC and 17% 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 72% of the input was provided by Resident Advisors and 28% by short term experts. This distribution is consistent with the expectation in the Programs Documents that Resident Advisors would be the key instrument to deliver AFRITAC TA. In terms of functional areas, the fiscal area dominated accounting for 55% of the inputs, monetary/banking accounted for 28% of the inputs and statistics for 17%.

Table A.1: Distribution of AFRITAC Inputs by Functional Area

	Total Person Months	East AFRITAC (%)	West AFRITAC (%)	Central AFRITAC (%)	Total
Resident Advisors					
PMF/ Fiscal Forecasting	135	33	45	22	100
Revenue	123	29	59	12	
Total FAD	258	31	51	18	100
Monetary/Debt	57	23	51	26	100
Bank Supervision/ Micro Finance	74	49	31	20	100
Total MCM	131	37	40	23	100
Statistics	79	39	46	15	100
Total Advisors	468	34	47	19	100
Short-term Experts					
FAD STX	100	42	45	13	100
MCM STX	53	56	32	12	100
STA STX	34	56	38	6	100
Total STX	187	48	40	12	100
Total Advisors & STX					
FAD Advisors & STX	358	34	50	16	100
MCM Advisors & STX	184	42	38	20	100
STA Advisors and STX	113	44	43	13	100
Total	655	38	45	17	100

Notes: For East and West AFRITACs, the number of person months covers the Fiscal Years 2006, 2007 and 2008. For Central AFRITAC, the person months cover partial operations in FY 2007 and full operations in FY 2008; STX=short-term experts.

Source: Derived from the person months of input shown in the audited financial statements for FY2006, FY2007 and FY2008.

4. Financing the AFRITACs

23. The cost of the AFRITACs and their operations are shared among the partners. All direct costs⁵ of the TA delivered are covered by contributions from donors. The host countries make cash or in-kind contributions towards the office space and the cost of some support staff. 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.

24. The East and West AFRITACS are financed by the African Development Bank, 14 bilateral donors⁶, funds from the China TA Account and project/activity funding from Japan.

⁵ Including Resident Advisors and their travel costs; short-term experts and their travel costs; in-country training, seminars, workshops, and professional attachments; office support and communications; independent evaluation; and costs for backstopping, supervision, and management incurred by IMF headquarters-based staff and consultants overseeing the operations of the AFRITAC.

⁶ Canada; Denmark; Finland; France; Germany; Italy; Luxembourg; Netherlands; Norway; Russia; Sweden; Switzerland; United States

Donor contributions for Phase II, covering the period from 1 May 2006 to 30 April 2009, totaled \$23.455 million, including a carryover of 2.158 million from Phase I. The new donor money for Phase II totaled \$21.297 million, a 17% increase over Phase I. The largest donors for Phase II, each contributing more than \$2 million were the United Kingdom, the African Development Bank, Switzerland and the Netherlands. Norway, Sweden, Germany, France and Canada each contributed between \$1 and \$2 million. A welcome feature of the financing of the East and West AFRITACs were the contributions by two non-traditional donors, the Russia and the People's Republic of China. 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%.

25. In addition to the financing by the donors, the host countries, Tanzania and Mali, provide office space and local staff. Both the East and West AFRITACs are located in new central bank buildings. The offices are spacious and well furnished and have computers, photo copying machines and meeting rooms. The host countries have fully met their obligations to provide satisfactory offices and local staff. For Phase II, the contribution of the Bank of Tanzania for East AFRITAC is estimated at \$201,697. The Government of Mali will contribute \$277,117 to support West AFRITAC during Phase II. In addition, Kenya contributes to supporting East AFRITAC by making the KSMS facilities available as a venue for 6 to 7 seminars/workshops each year.

26. IMF will provide about \$3.4 million, marginally less than the largest donor contribution, to finance the Center Coordinators and some operational costs for East and West AFRITACs during Phase II.

27. Other costs incurred by beneficiary country governments that are related to the AFRITACs are not quantified. Examples of such costs include provision of facilities to support TA implementation, the appointment of senior-level government officials as Steering Committee members, provision of travel and per diem expenses for these officials, the appointment of staff as national focal points, nominating staff and providing local counterpart costs for training activities, administrative and logistical support for in-country training activities and the costs associated implementing AFRITAC recommendations.

28. The financing plan for Central AFRITAC is very different. Only two traditional donors contribute to the financing of the Central AFRITAC, France (\$1.28 million) and Germany (\$640,000). The African Development Bank pledged \$1.5 million. The vast majority of the financing for the Central AFRITAC is provided by the beneficiary countries. The CMEA countries pledged \$9.6 million, the Democratic Republic of the Congo \$1.8 million and Burundi \$750,000. Gabon will provide \$940,000 for spacious, well equipped offices rented from the private sector⁷ and the cost of the housing for the Center Coordinator. IMF will contribute \$2.34 million dollars for the Center Coordinator and some start up costs. In total over the period from FY 2007 to FY 2010, beneficiary countries are expected to finance 69.4% of the costs of the Central AFRITAC, donors 18.2% and IMF 12.4%. Unlike the East and West AFRITACs, the financial sustainability rests with the beneficiary countries rather than with the donors.

29. The expenditures on the three AFRITACs is summarized in Table A.2 for FY2006 to FY2008 combined. Expenditures totaled nearly \$26 million⁸. Central AFRITAC was not operational in FY2006 and was only functioned for a few months in FY 2007. FY2008 was its

⁷ The African Development Bank is located in the same building.

⁸ A more detailed discussion of the expenditures of the East, West and Central AFRITACs are given in Annexes D, E and F respectively.

first year of full operations. The staff compliment of West AFRITAC increased as a result of the Phase II replenishment. This is reflected by the increase in expenditures after FY2006. The fall in expenditures for East AFRITAC in FY2007 reflects a long delay in MCM filling the Monetary Advisor and six month delays in filling vacancies in the PFM Advisor positions. During the period from FY2006 to FY2008, East AFRITAC accounted for 39% of the expenditures, West AFRITAC for 43% and Central AFRITAC for 18%.

Table A.2: AFRITAC Expenditures for FY2006 to 2008 (US\$)

	East AFRITAC	West AFRITAC	Central AFRITAC	Total
FY 2006	3,363,498	2,850,961	--	6,214,459
FY 2007	3,002,842	4,015,980	7,462,93	7,462,930
FY 2008	3,804,266	4,613,385	3,876,450	12,294,101
Total	10,170,606	11,480,326	4,320,558	25,971,490
Expenditures by AFRITAC (%)	39	43	18	100
Person Months of Input	251	295	106	655
Cost per Person Month of Input	40,520	38,916	40,953	39,681

Source: Audited Financial Statements for FY 2006, FY 2007 and FY 2008

5. Characteristics of the AFRITAC Client Countries

30. Since the turn of the Millennium, Sub-Saharan Africa generally experienced robust economic growth, inflation was low by historic standards and the fiscal and external imbalances narrowed. Although the external environment has become less favourable, economic growth in Sub-Saharan Africa is expected to remain robust and IMF forecasts it to be 6.5% in 2008⁹. Growth will be higher in oil exporting countries than in other countries. Much of the high growth rates are driven by high commodity prices, particularly petroleum, and the related exports. Growth of the manufacturing sector has been modest¹⁰. Inflation is expected to be about 8.5% but there are risks of higher inflation in the future because of high commodity prices and rising food costs. The current turmoil in the international financial markets may impact adversely on aid flows. IMF estimates that there is a one-in-five chance that in 2008 growth in Sub-Saharan Africa will fall to less than 5%.

31. 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% target needed to reach the Millennium Development Goal of halving income poverty by 2015. Poverty and malnutrition are widespread. Over 500 million people in Sub-Saharan Africa

⁹ IMF. World Economic and Financial Surveys. Regional Economic Outlook. Sub-Saharan Africa. April 2008.

¹⁰ International Poverty Centre. Are the Cheetahs Tracking the Tigers? Probing High Growth Rates in Africa. Degol Hailu. November, 2008.

exist on less than \$2 per day. Some countries have experienced armed conflicts¹¹, natural disasters, and weak governance.

32. Broad indications of the economies and economic growth rates are summarized in Tables A.3, A.4 and A.5 for East, West and Central Africa respectively. In East Africa, the economic growth rate exceeded 5% per year every year between 2005 and 2008 for all countries except for Eritrea, Kenya in 2008 and Malawi in 2005. Per capita GDP, in constant 2000 dollars, ranges from below \$200 (for Eritrea and Ethiopia) and above \$400 (for Kenya and Tanzania). Four¹² of the seven countries are landlocked, two¹³ are classified as non-oil resource intensive and five¹⁴ of the seven are at the HIPC Completion (see Table A.3).

Table A.3: East Africa: Economic Characteristics and Growth

	Resource Intensive	Land-locked	HIPC Completion	2007 GDP Per Capita (US\$, 2000 Prices)	Real GDP Growth Rates (%)			
					2005	2006	2007	2008
Eritrea				172	2.6	-1.0	1.3	1.2
Ethiopia		Yes	Yes	166	12.6	11.6	11.4	8.4
Kenya	Non-oil			482	5.8	6.1	7.0	2.5
Malawi		Yes	Yes	165	2.3	7.9	7.4	7.1
Rwanda		Yes	Yes	278	7.1	5.5	6.0	6.0
Tanzania	Non-oil		Yes	421	7.4	6.7	7.3	7.8
Uganda		Yes	Yes	281	6.8	5.1	6.5	7.1

Source: IMF. Regional Economic Outlook: Sub-Saharan Africa. April 2008.

33. Economic performance in West Africa was more mixed than in East Africa. Real economic growth rates exceeded 5% during the 2005 to 2008 period for only a minority of the countries¹⁵. The economic growth rate was less than 2% in the Côte d'Ivoire in 2005, 2006 and 2007, Guinea in 2007, Guinea-Bissau in 2006 and Togo in 2005. Per capita GDP was under \$200 in Guinea-Bissau and Niger and over \$400 in Senegal and Benin. Three of the countries are landlocked (Burkina Faso; Mali; Niger), two are oil intensive (Côte d'Ivoire; Guinea) and four¹⁶ countries are non-oil resource intensive. Burkina Faso, Mali, Niger and Senegal are classified as being at HIPC Completion (see Table A.4).

¹¹ Five Central African countries (Burundi, the Central African Republic, Chad, the Democratic Republic of the Congo, and the Republic of Congo) are post conflict countries and are facing major challenges in the rebuilding of institutional and human capacity.

¹² Ethiopia; Malawi; Rwanda; Uganda

¹³ Kenya; Tanzania

¹⁴ Ethiopia; Malawi; Rwanda; Tanzania; Uganda

¹⁵ Benin in 2008; Burkina Faso in 2005 and 2006; Mali in 2005 and 2006; Niger in 2005 and 2006 and Senegal in all years except 2006.

¹⁶ Benin; Guinea-Bissau; Senegal; Togo

Table A.4: West Africa: Economic Characteristics and Growth

	Resource Intensive	Land-locked	HIPC Completion	2007 GDP Per Capita (US\$, 2000 Prices)	Real GDP Growth Rates (%)			
					2005	2006	2007	2008
Benin	Non-oil			401	2.9	3.8	4.2	5.4
Burkina Faso		Yes	Yes	283	7.1	5.5	4.2	4.0
Côte d'Ivoire	Oil			565	1.8	-0.3	1.6	2.9
Guinea	Oil			376	3.3	2.2	1.5	4.9
Guinea-Bissau	Non-oil			132	3.2	1.8	2.5	3.2
Mali		Yes	Yes	301	6.1	5.3	2.5	4.3
Mauritania								
Niger		Yes	Yes	176	7.4	5.2	3.2	4.4
Senegal	Non-oil		Yes	515	5.3	2.1	5.0	5.4
Togo	Non-oil			226	1.3	4.1	2.1	3.0

Source: IMF. Regional Economic Outlook: Sub-Saharan Africa. April 2008.

34. Oil is a very important component of the economy in five of the eight Central African countries.¹⁷ Because of oil, per capita GDP exceeds \$1,000 in the Republic of the Congo, Equatorial Guinea and Gabon and is \$682 in Cameroon. Chad is the only Central African country with significant oil reserves that has a modest GDP per capita (\$296). The non-oil countries have low GDP per capita figures – Burundi (\$110); Central African Republic (\$233) and the Democratic Republic of the Congo (\$97). Because of the relatively high per capita GDP figures in many Central African Countries few bilateral donors are active in the region and few were interested in contributing to the costs of Central AFRITAC. From 2005 to 2008, the economic performance was mixed in Central Africa. Some countries grew robustly with growth rates exceeding 5%. In contrast, economic growth rates of less than 2% were also experienced during this period (see Table A.5).

¹⁷ Cameroon; Chad; Republic of the Congo; Equatorial Guinea; Gabon

Table A.5: Central Africa: Economic Characteristics and Growth

	Resource Intensive	Land-locked	HIPC Completion	2007 GDP Per Capita (US\$, 2000 Prices)	Real GDP Growth Rates (%)			
					2005	2006	2007	2008
Burundi		Yes		110	0.9	5.1	3.6	5.9
Cameroon	Oil		Yes	682	2.3	3.2	3.3	4.5
Central African Republic		Yes		233	2.4	4.0	4.2	4.9
Chad	Oil			296	7.9	0.2	0.6	1.8
Republic of the Congo	Oil			1,158	7.8	6.2	-1.6	9.2
Democratic Republic of the Congo		Yes		97	7.9	5.6	6.3	8.8
Equatorial Guinea	Oil			3,455	6.9	-5.6	12.4	10.1
Gabon	Oil			4,128	3.0	1.2	5.6	4.2

Source: IMF. Regional Economic Outlook: Sub-Saharan Africa. April 2008.

35. 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. Some of the data that assess state fragility and governance were analyzed for this evaluation to put the AFRITACs' operational context into perspective (see Table A.6 for East AFRITAC, Table A.7 for West AFRITAC and Table A.8 for Central AFRITAC).

36. According to the Center for Global Development (CGD) "There is no universal agreement on the number and identity of the world's fragile states, though most analysts suggest a number between forty and sixty"¹⁸. Fragile states are disproportionately located in Sub-Saharan Africa. The Brookings Institution¹⁹ index of state weakness ranks 141 countries according to their relative economic, political, security and social welfare. Using this data, the countries that are the clients of the AFRITACs were classified according to state fragility. Countries were classified as: (i) **fragile** that ranked in the first quintile; (ii) **modestly fragile** that ranked in the second quintile; and (iii) **not fragile** if the country was ranked above the second quintile. Some of these countries are recovering from civil strife or political instability. In such countries institutional capacity and the ability to effectively absorb development assistance and TA is limited.

37. A second index that can be used to assess the fragility of states is produced by the Fund for Peace.²⁰ Their Failed States Index, which is calculated for 177 countries, is based on 12 indicators covering social, economic and political factors. For this evaluation, **fragile** states were defined as those in the bottom 15% and **moderately fragile** states were those ranked between 15% and 30% out of the 177 countries ranked. Countries ranked about the 30% cut off point were classified as **not fragile**.

¹⁸ Nancy Birdsall (edited). The White House and the World: A global Development Agenda for the Next U. S. President. Center for Global Development. 2008. Pages 329 to 331 and footnote 11.

¹⁹ Susan E. Rice and Stewart Patrick. Index of State Weakness in the Developing World. Brookings Institution. 2008

²⁰ Failed States Index Scores 2007. The Fund for Peace. www.fundforpeace.org

38. In the broad sense governance involves the rules, institutions, and networks that determine how a country functions²¹. The World Bank²² publishes a comprehensive set of governance indicators²³ for 212 countries, covering six dimensions of governance: (i) Voice and Accountability; (ii) Political Stability and Absence of Violence; (iii) Government Effectiveness; (iv) Regulatory Quality; (v) Rule of Law; and (vi) Control of Corruption. For this evaluation, five of the World Bank governance indicators were used to compare the countries covered by the AFRITACs:

- (i) Political Stability and Absence of Violence, which measures perceptions of the likelihood that the government will be destabilized or overthrown by unconstitutional or violent means, including politically-motivated violence and terrorism;
- (ii) Government Effectiveness, which measures perceptions of the quality of public services, the quality of the civil service and the degree of independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to policies;
- (iii) Regulatory Quality, which measures perceptions of the ability of the government to formulate and implement sound policies and regulations that permit and promote private sector development;
- (iv) Rule of Law, which measures perceptions of the extent to which agents have confidence in and abide by the rules of society, and in particular the quality of contract enforcement, property rights, the police, and the courts, as well as the likelihood of crime and violence; and,
- (v) Control of Corruption, which measures perceptions of the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as "capture" of the state by elites and private interests.²⁴

39. Based on the rankings, the countries were grouped into four categories: (i) **very challenging** for countries in the bottom 15%; (ii) **challenging** for countries in countries ranked from 15% to 29.9%; (iii) **modest** for countries ranked between 30% and 45%; and (iv) **good** for countries ranked above 45% of the 212 countries covered in the database.

40. Table A.6 provides the assessment of the country context for East Africa. IMF ranks one country in East Africa, Eritrea, as a fragile state. Four states (Eritrea; Ethiopia; Rwanda; Uganda) would be ranked as fragile using the Brookings Institution database and one (Ethiopia) using the Fund for Peace indicators. Of the 35 governance ratings, only three were classified as Good – Regulatory Quality in Kenya and Uganda and Control of Corruption in Rwanda. Most of the governance classifications were in the Challenging (10) and Modest (17) groupings. Three of the five Very Challenging assessments were in Eritrea (government effectiveness; regulatory quality; rule of law) and two related to concerns about political stability. In total 43% of the ratings (15 of the 35) were in the bottom 30% of the 212 countries for which data is available. Government effectiveness would appear to be reasonably directly related to the ability of countries to absorb TA. With the exception of Eritrea, all countries in East Africa were rated as

²¹ This definition of governance was taken from G. Bhatta, International Dictionary of Public Management and Governance, New York: M. E. Sharpe, 2006, pp. 252-253.

²² See www.govindicators.org

²³ This World Bank database is a carefully constructed set of governance indicators and is widely used by many people and organizations involved in the governance.

²⁴ These definitions are abstracted from Daniel Kaufmann, Aart Kraay and Massimo Mastruzzi. Governance Matters VII: Aggregate and Individual Governance Indicators 1996-2007. The World Bank Development Research Group Macroeconomics and Growth Team and the World Bank Institute Global Governance Program. Policy Research Working Paper 4654. June 2008. Page 7.

Modest under government effectiveness. This suggests that there is likely to be sufficient institutional capacity to effectively absorb TA in East Africa.

Table A.6: East Africa: State Fragility, Governance and Corruption

	Brookings Institution	Fund for Peace	Political Stability	Government Effectiveness	Regulatory Quality	Rule of Law	Control of Corruption
Eritrea*	Fragile	Moderately Fragile	Challenging	Very Challenging	Very Challenging	Very Challenging	Modest
Ethiopia	Fragile	Fragile	Very Challenging	Modest	Challenging	Modest	Challenging
Kenya	Moderately Fragile	Moderately Fragile	Challenging	Modest	Good	Challenging	Challenging
Malawi	Moderately Fragile	Moderately Fragile	Modest	Modest	Challenging	Modest	Challenging
Rwanda	Fragile	Moderately Fragile	Modest	Modest	Challenging	Modest	Good
Tanzania	Moderately Fragile	Not Fragile	Modest	Modest	Modest	Modest	Modest
Uganda	Fragile	Moderately Fragile	Very Challenging	Modest	Good	Modest	Challenging

* country classified by IMF as a fragile state

41. Table A.7 provides the assessment of the country context for West Africa. IMF classifies four countries in West Africa as fragile states (Côte d'Ivoire; Guinea; Guinea-Bissau; Togo). Those four states plus Niger were ranked as fragile using the Brookings Institution index and two (Côte d'Ivoire; Guinea) using the Fund for Peace data. Of the 50 governance ratings, only five were classified as Good – political stability in Benin, political stability and control of corruption in Burkina Faso, government effectiveness in Senegal and control of corruption in Mali. There were 15 Very Challenging classifications, i. e. the countries were rated in the bottom 15% of the world on that criteria. There were Very Challenging ratings for two or more countries under political stability, government effectiveness, regulatory quality, rule of law and control of corruption. The challenge of successfully implementing TA in West Africa is illustrated by the fact that with the exception of Senegal, all countries were rated as Challenging (5) or Very Challenging (4) in terms of government effectiveness. The remaining 50 assessments were split between Challenging (18) and Modest (12). In total two thirds of the ratings (33 of the 50) were in the bottom 30% of the 212 countries for which data is available.

Table A.7: West Africa: Governance, Corruption and Fragile States

	Brookings Institution	Fund for Peace	Political Stability	Government Effectiveness	Regulatory Quality	Rule of Law	Control of Corruption
Benin	Not Fragile	Not Fragile	Good	Challenging	Modest	Modest	Modest
Burkina Faso	Moderately Fragile	Moderately Fragile	Good	Challenging	Modest	Modest	Good
Côte d'Ivoire *	Fragile	Fragile	Very Challenging	Very Challenging	Challenging	Very Challenging	Very Challenging
Guinea *	Fragile	Fragile	Very Challenging	Very Challenging	Very Challenging	Very Challenging	Very Challenging
Guinea-Bissau *	Fragile	Moderately Fragile	Challenging	Very Challenging	Very Challenging	Very Challenging	Very Challenging
Mali	Moderately Fragile	Not Fragile	Modest	Challenging	Modest	Challenging	Good
Mauritania	Moderately Fragile	Moderately Fragile	Challenging	Challenging	Modest	Challenging	Modest
Niger	Fragile	Moderately Fragile	Challenging	Challenging	Challenging	Challenging	Challenging
Senegal	Not Fragile	Not Fragile	Modest	Good	Modest	Challenging	Modest
Togo *	Fragile	Moderately Fragile	Challenging	Very Challenging	Challenging	Challenging	Very Challenging

* country classified by IMF as a fragile state

42. Table A.8 provides the assessment of the country context for Central Africa. IMF classifies four countries in Central Africa as fragile states (Burundi; Central African Republic; Democratic Republic of the Congo). Those three states plus Chad, the Republic of the Congo and Equatorial Guinea would be ranked as fragile using the Brookings Institution database. The latter would not be rated as a fragile state using the Fund for Peace index. Of the 40 governance ratings, only one was classified as Good (political stability in Gabon) and one as modest (political stability in Equatorial Guinea). In other words, 95% of the governance ratings in Central Africa (38 out of 40) were in the bottom 30% of the 212 countries covered by the database. In total there were 28 Very Challenging classifications – more than half of the countries received this low rating under each of the five governance criteria. The remaining 10 ratings were challenging. The difficulty of successfully implementing TA in Central Africa is illustrated by the fact that with the exception of Cameroon and Gabon, the remaining countries were all classified as Very Challenging under the government effectiveness criteria.

Table A.8: Central Africa: Governance, Corruption and Fragile States

	Brookings Institution	Fund for Peace	Political Stability	Government Effectiveness	Regulatory Quality	Rule of Law	Control of Corruption
Burundi *	Fragile	Fragile	Very Challenging	Very Challenging	Very Challenging	Very Challenging	Very Challenging
Cameroon	Moderately Fragile	Moderately Fragile	Challenging	Challenging	Challenging	Very Challenging	Challenging
Central African Republic *	Fragile	Fragile	Very Challenging	Very Challenging	Very Challenging	Very Challenging	Challenging
Chad	Fragile	Fragile	Very Challenging	Very Challenging	Very Challenging	Very Challenging	Very Challenging
Republic of the Congo	Fragile	Fragile	Challenging	Very Challenging	Very Challenging	Very Challenging	Very Challenging
Democratic Republic of the Congo *	Fragile	Fragile	Very Challenging	Very Challenging	Very Challenging	Very Challenging	Very Challenging
Equatorial Guinea	Fragile	Moderately Fragile	Modest	Very Challenging	Very Challenging	Very Challenging	Very Challenging
Gabon	Not Fragile	Not Fragile	Good	Challenging	Challenging	Challenging	Challenging

* country classified by IMF as a fragile state

43. Tables A.6, A.7 and A.8 provide a rough ranking of the absorptive capacity for each country in East, West and Central Africa respectively. The absorptive capacity of institutions varies within countries. Typically central banks are among the strongest agencies in a country. Ministries of finance are generally among the strongest ministries in a country. Statistical agencies are weaker than the ministries of finance and central banks in their institutional capabilities, budget and quality of staffing. However, country factors also influence the general ability of institutions to absorb TA. The following methodology was used to convert the information in Tables A.6 to A.8 to describe classifications of institutional absorptive capacity: (i) the state fragility ratings derived from the Brookings Institution and Fund for Peace databases were converted into a numerical score (1 for Fragile; 2 for Modestly Fragile; 3 for Not Fragile); (ii)

each of the ratings for political stability, government effectiveness, regulatory quality, rule of law and control of corruption was converted into a numerical score (1 for Very Challenging; 2 for Challenging; 3 for Modest; 4 for Good); (iii) the resulting numerical ratings were aggregated, without applying weights – the minimum possible score was 7 and the maximum possible score was 26; (iv) cutoff points were used to define the descriptors: (a) Poor < 10.5; (b) 10.5 ≤ Modest < 17.5; (iii) 17.5 ≤ Good < 23.5; (iv) Excellent ≥ 23.5.

44. The analysis confirms that there are differences in the institutional absorptive capacity among AFRITAC client countries and across regions (see Tables A.9, A.10 and A.11). Institutional absorptive capacity is stronger in East Africa than in West and Central Africa. It is rated as Good in two countries (Rwanda; Tanzania) and Modest in the other five countries. The institutional environment in which the West and Central AFRITACs operate is more challenging. In West Africa, three countries were rated as having Poor institutional absorptive capacity (Côte d'Ivoire; Guinea; Guinea-Bissau), four as Good and three as Modest. In Central Africa the institutional capacity was, on average, 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 Poor²⁵. This 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. In addition to the countries categorized as fragile states by IMF, institutional absorptive capacity was assessed as Poor in two other countries (Republic of the Congo; Equatorial Guinea).

Table A.9: East Africa: Country Absorptive Capacity Rating

	State Fragility Brooking	State Fragility Fund for Peace	Political Stability	Govern- ment Effec- tiveness	Regula- tory Quality	Rule of Law	Control of Corrup- tion	Absorp- tive Capacity Score	Absorp- tive Capacity Rating
Eritrea*	1	2	2	1	1	1	3	11	Modest
Ethiopia	2	2	1	3	2	3	2	15	Modest
Kenya	2	2	2	3	4	2	2	17	Modest
Malawi	2	2	3	3	2	3	4	17	Modest
Rwanda	1	2	3	3	2	3	4	18	Good
Tanzania	2	3	3	3	3	3	3	20	Good
Uganda	1	2	1	3	4	3	2	16	Modest

* country classified by IMF as a fragile state

²⁵ 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).

Table A.10: West Africa: Country Absorptive Capacity Rating

	State Fragility Brooking	State Fragility Fund for Peace	Political Stability	Government Effectiveness	Regulatory Quality	Rule of Law	Control of Corruption	Absorptive Capacity Score	Absorptive Capacity Rating
Benin	3	3	4	2	3	3	3	21	Good
Burkina Faso	2	2	3	2	3	3	4	19	Good
Côte d'Ivoire*	1	1	1	1	2	1	1	8	Poor
Guinea*	1	1	1	1	1	1	1	7	Poor
Guinea-Bissau*	1	2	2	1	1	1	1	9	Poor
Mali	2	3	3	2	3	2	3	18	Good
Mauritania	2	2	2	2	3	2	3	16	Modest
Niger	1	2	2	2	2	2	2	13	Modest
Senegal	3	3	3	4	2	2	3	21	Good
Togo*	1	2	2	1	2	2	1	11	Modest

* country classified by IMF as a fragile state

Table A.11: Central Africa: Country Absorptive Capacity Rating

	State Fragility Brooking	State Fragility Fund for Peace	Political Stability	Government Effectiveness	Regulatory Quality	Rule of Law	Control of Corruption	Absorptive Capacity Score	Absorptive Capacity Rating
Burundi*	1	1	1	1	1	1	1	7	Poor
Cameroon	2	2	2	2	2	1	2	13	Modest
Central African Republic*	1	1	1	1	1	1	2	8	Poor
Chad	1	1	1	1	1	1	1	7	Poor
Republic of the Congo	1	1	2	1	1	1	1	8	Poor
Democratic Republic of the Congo*	1	1	1	1	1	1	1	7	Poor
Equatorial Guinea	1	2	3	1	1	1	1	10	Poor
Gabon	3	3	3	2	2	2	2	17	Modest

* country classified by IMF as a fragile state

6. Other Factors Relevant for the Evaluation

A. Regional Integration and Harmonization

45. Regional integration and harmonization helps to promote economic growth and reduce poverty by enlarging markets and reducing the cost, and improving the efficiency, of trans-border economic and financial transactions. For regional integration to be efficient and successful, initiatives are needed to improve the policy environment for regional cooperation (e.g., facilitating financial transactions and payments; tax harmonization) and to remove barriers to cross-border trade (e.g., customs harmonization). Regional integration also has implications for common approaches to monetary and fiscal policy, the regulation of financial institutions operating across borders and harmonizing the trade and foreign exchange regimes. In addition the necessary cross border infrastructure must be built and capacity to manage regional integration must be built.

46. Regional integration and harmonization is an important issue in East, West and Central Africa. The East Africa Community (ECA) is moving toward monetary union by 2012. For this plan to become a reality, harmonization must take place at many levels. The importance of regional integration in West and Central Africa are reflected by the many regional organizations in existence. Those in the West Africa include the West African Economic and Monetary Union (WAEMU), the Banque Centrale des Etats de l'Afrique de l'Ouest (Central Bank of West Africa) (BCEAO). In Central Africa the major regional organizations include the Communauté Économique et Monétaire des États de l'Afrique Centrale (CEMAC) (Economic and Monetary Union of Central African States), the Commission Bancaire de l'Afrique Centrale (COBAC) (Banking Commission of Central Africa) and Banque des États de l'Afrique Centrale (BEAC) (Central Africa Central Bank). There are many regional institutions including the African Capacity Building Foundation (ACBF), the Development Bank of West Africa, AFRISTAT (Observatoire Economique et Statistique d'Afrique Subsaharienne), East-African Revenue Authorities Technical Committee, East African Statistical Center (EASTAC), Macroeconomic and Financial Management Institute (MEFMI), the South Africa Tax Institute and others. The World Bank and the African Development Bank also support regional cooperation initiatives.

47. The Program Documents state that the AFRITACs will support the implementation of regional initiatives, introduce common standards, harmonize methods, disseminate regional best practices, work with regional standard-setting organizations and support training in regional institutions. Regional workshops were expected to be a forum to share experience among AFRITAC members, act as peer group reviews and promote networking among officials from beneficiary countries. The regional nature of the assignments of the Resident Advisors was expected to help IMF to recognize similarities and regional patterns in TA needs. The importance of IMF working with regional organizations is also mentioned in the African Departments Regional Strategy Note.²⁶

B. Poverty Reduction

48. The Millennium Development Goals identify measurable, verifiable indicators to monitor progress in addressing the many dimensions of poverty. Millennium Development Goal Number 1 sets a target of cutting in half the proportion of people living below the international poverty line, defined as living on less than \$1 per day, between 1990 and 2015. With the adoption of the Millennium Development Goals, most of the donor community made poverty reduction their

²⁶ IMF. African Department: Regional Strategy Note FY2009–11. 27 October 2007. Page 8.

overarching objective and rational for providing development assistance. Country led Poverty Reduction Strategies and Programs (PRSPs) were to become the principal organizing framework for government, civil society and development partners to address the challenges of poverty reduction. The Program Documents describe the rational for the AFRITACs in the context of the concern of the development community about poverty reduction. The AFRITAC work plans were to be closely linked to the poverty-reducing strategies of member countries.

49. Measuring poverty is difficult and data is often missing, unreliable or out of date in many AFRITAC client countries. Problems of measuring poverty that are reported in the World Bank's World Development Indicators include: (i) while progress has been made in improving the measurement and monitoring of poverty worldwide, Sub-Saharan countries lag behind in producing timely, accurate poverty statistics; (ii) at least one data set measuring poverty is available for only 28 of 48 Sub-Saharan countries²⁷; (iii) the definitions of poverty vary from country to country and national measures of poverty differ from the internationally accepted \$1 per day; (iv) gaps in the coverage of surveys; (v) issues with the accuracy of Purchasing Power Parity estimates which are used to convert estimates in local currencies in a comparable way to dollars; and (vi) difficulties in measuring poverty in urban and rural areas, particularly valuing the self production of food.

50. Based on the available data, the incidence of poverty in AFRITAC client countries is shown in Table III.6, using both the national and international poverty lines. Several things are evident from Table III.6: (i) many of the estimates are either missing, particularly in Central Africa, or out of date, i. e., based on surveys undertaken in the 1990s; (ii) there are differences, sometimes substantial differences, between the poverty incidence based on the national and international poverty lines; and (iii) poverty is pervasive, with the estimated incidence of poverty ranging between 15% and 72% for AFRITAC client countries using the \$1 per day threshold and between 29% and 65% using the national poverty lines.

51. 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 the international poverty line. The data suggests that most Sub-Saharan African countries have not made significant progress in the war against poverty. The large majority of Sub-Saharan countries for which data is available are either off track or seriously off track to achieve the first Millennium Development Goal of halving the incidence of poverty. Malnutrition, which is closely associated with poverty, is expected to fall in all regions of the world except in Sub-Saharan Africa²⁸.

C. Coordination and Dissemination

52. 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 ACBF²⁹, bilateral donors and the World Bank. AFRITACs were to support government aid coordination efforts by providing expert advice, participating in aid coordination meetings and contributing to aid harmonization in macroeconomic management area. The AFRITAC focal points were expected to play a key role in improving the integration of AFRITAC assistance into country aid strategies. AFRITAC Center Coordinators and Resident Advisors, when visiting

²⁷ During meetings with the Evaluation Team, several donors stressed the importance of improving the statistics used to measure and monitor poverty.

²⁸ This information was abstracted from the World Development Indicators 2006, published by the World Bank.

²⁹ The ACBF/IMF partnership was formalized in 2002. IMF contributed \$5 million to ACBF, which was to be used to cofinance AFRITAC.

countries, were expected to meet with donors to coordinate their activities and to collect and share information.

53. The importance of dissemination was recognized in the AFRITAC Program Documents. One of the objectives of Phase II for the East and West was to develop and use a secured websites to disseminate information on AFRITAC projects and work plans. Although East and West AFRITACs did develop websites, the East AFRITAC site is no longer operational and the West AFRITAC site is not maintained and is out of date. Central AFRITAC has not yet developed a web page but intends to do so after building up its capacity to operate and maintain a website.

54. East AFRITAC produced colored, professionally printed annual reports for FY2006-2007 and FY2007-2008. It concisely summarized major activities and outcomes during the fiscal year, provided an overview of the work program, included boxes on success stories, colored pictures and charts and gave a profile of East AFRITAC, including both clients and staff. The annual reports also included some testimonials from key clients. This was a useful initiative, something that the West and Central AFRITACs could emulate.

D. Managing for Development Results

55. Consistent with the calls in the Paris Declaration and the 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 AFRITACs were to use the computerized *Results-Based Management System* to track the implementation of TA projects and activities. Logical frameworks were to be used to monitor TA project implementation against specified objectives, outputs, and indicators using the *Technical Assistance Information Management System* (TAIMS).

56. TAIMS was designed to be a tool for documenting and sharing information on TA delivery to facilitate the prioritization of TA resources, improve awareness of issues related to TA provision, improve the integration of TA with surveillance and IMF operations and enhance reporting on the effectiveness of TA. TAIMS was to provide IMF wide access to information on the content of TA activities, progress achieved, a record TA activities (e.g., missions; short-term experts; long-term advisors; seminars and workshops; headquarters-based work) and facilitate TA evaluation by storing information needed for such assessments. Using TAIMS, monitoring was to take place during the entire TA life cycle and evaluation was to be undertaken to facilitate learning. Achievement of TA objectives was to be assessed on a scale from 1 (poor) to 4 (excellent).

57. Because of system design problems, non-user friendly formats and resistance from some TA Departments, TAIMs was not consistently used in IMF. Communications infrastructure weaknesses compounded the problems for AFRITACs and, made it difficult to access the system. Because of these concerns, a review of TAIMS was undertaken in 2007 and recommendations were made for improvement³⁰. The key recommendations were implemented and 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 good TA management information system that is up to date and perceived to be useful by staff in all

³⁰ IMF. Second Review of TAIMS. Jonathan Palmer, Chief Information Officer. June 2007.

three TA departments, the enhanced version of TAIMS has addressed many of the problems identified in the usability assessment.³¹

58. As of 1 May 2008, IMF management required that all TAs, regardless of source of financing, be designed and monitored through TAIMS. This applies to the AFRITACs as well as Headquarters TAs. Initial feedback indicates that the use of TAIMS is still time consuming and sometimes problematic from the AFRITACs. This system was designed to facilitate an objective assessment of TAs through the use of monitorable, verifiable indicators. The Steering Committee minutes indicate a consistent desire for the AFRITAC's to do a better job of reporting on results achieved rather than on inputs provided. The feedback from the Steering Committees was positive when AFRITACs drew on TAIMS to provide information to the Steering Committees on the AFRITAC TAs.

7. Findings of the 2005 Evaluation

59. The 2005 evaluation of East and West AFRITAC was designed to assess whether the AFRITACs: (i) provided value added to beneficiary countries; (ii) achieved their objectives, and (iii) enhanced cooperation between stakeholders.³² The main conclusions of the 2005 evaluation are summarized below, drawing heavily on the executive summary of that report:

- (i) The AFRITACs effectively contributed to capacity building and were appreciated by all beneficiary countries, particularly in terms of responsiveness to client needs, proximity to member countries, quick response time and familiarity with the local context;
- (ii) The AFRITACs made a good beginning but considerable work remains in planning capacity building for each member country;
- (iii) The AFRITACs enhanced 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) Although the quality, timeliness, and relevance of AFRITAC activities were appreciated, follow-up on both training and the implementation of TA recommendations needed improvement;
- (v) AFRITAC activities and the TA delivered through IMF Headquarters were complementary;
- (vi) The balance between TA provided by Resident Advisors (62–63%) and short term experts (38%) was appropriate, although in the future the proportion of TA delivered by short term experts was expected to increase as more African talent was identified;³³
- (vii) The AFRITACs should develop indicators and use logical frameworks as management tools to monitor and evaluate progress;
- (viii) The composition of the Steering Committee may need to be reexamined as the level of authority and influence of country representatives to the SCs has an impact on their effectiveness;

³¹ Evans Incorporated. Technical Assistance Information Management System (TAIMS). Usability Testing. TASK 3 Deliverable. Usability Test Final Report. 23 April 2007.

³² See Executive Summary in the AFRITACs Independent Mid-term Evaluation Volume I – Final Report. Independent Evaluation Team. April 2005.

³³ In FY2006 to 2008 36% of East AFRITAC TA was delivered by short term experts. The corresponding figures for West and Central AFRITAC were 25% and 19% respectively. Thus the expectation of the 2005 Evaluation Team that an increasing share of TA would be delivered by short term experts did not materialize.

- (ix) While the AFRITACs' organization of their people, processes, activities and work flow was good (e.g., sound financial, program and process management), there were weaknesses in the areas of monitoring, evaluation and performance indicators;
- (x) Human resource management was satisfactory, although the management and accountability of Resident Advisors was hampered by poorly defined roles and responsibilities;
- (xi) There were issues regarding office space in Mali and information technology equipment;³⁴
- (xii) The IMF backstopping system was working well in supporting the AFRITACs although the limited resources of the TA departments and OTM were reported as being overextended;
- (xiii) The use of African expertise was promoted;
- (xiv) Relationships between the AFRITACs and IMF Resident Representatives were mutually supportive;
- (xv) Member governments were committed to the success of the AFRITACs;
- (xvi) Proportionately more AFRITAC resources were allocated to post-conflict countries;
- (xvii) The AFRITACs worked closely with some regional institutions (e. g., the African Capacity Building Foundation and AFRISTAT but the 2005 evaluation concluded relationships with regional institutions should be broadened (e.g., the Macroeconomic and Financial Management Institute for Eastern and the Southern Africa and Joint Africa Institute);
- (xviii) The AFRITACs helped to improve information sharing and peer reviews among beneficiary countries, although efforts should be made to use other instruments (e.g., websites) to further increase sharing;
- (xix) Donors have provided strong support to the AFRITACs; and
- (xx) AFRITAC interaction and cooperation with other TA providers enhanced TA coordination, although all stakeholders agreed that TA coordination should be led by beneficiary countries.

³⁴ At the time of the 2008 evaluation, all three AFRITACs were housed in good offices and the IT equipment and connections to Headquarter systems had improved, although problems in IT infrastructure in some countries pose challenges.

Annex B: Evaluation Approach and Methodology

I. Objectives of the Evaluation

1. The program documents of all three AFRITAC Centers call for an independent evaluation to be conducted in 2008. In addition to being an integral part of the governance framework of the AFRITAC Initiative, the evaluation will provide an opportunity to receive an external professional assessment of their performance and to review the implementation of recommendations in the 2005 AFRITAC evaluation. The specific areas to be evaluated include:

(i.) relevance of AFRITAC TA:

- whether the AFRITACs played a useful role in helping to define country TA priorities and the degree AFRITAC TA helped to institutionalize capacity so that countries can define their own policy alternatives, including in the context of poverty reduction strategy papers;
- the extent to which AFRITAC TA took into account and met the priority needs of member countries and whether the steering committees were effective in ensuring strong country ownership of AFRITAC TA and strategies; and,
- whether AFRITAC activities were appropriately focused in terms of subject areas, taking into account the IMF's expertise and the priority needs of the beneficiary countries and whether the AFRITACs were more effective some areas than others.

(ii.) the effectiveness of AFRITAC TA:

- whether AFRITAC TA is appropriately focused on delivering outputs which contributed to the achievement of priority reforms, including assessing, to the extent possible, TA outcomes and impacts;
- the quality and timeliness of activities undertaken and outputs produced and the reporting and monitoring on the activities and outputs;
- the extent to which AFRITAC activities were coordinated with those of other donors and TA providers; and,
- the extent to which AFRITAC activities were integrated with TA, surveillance, and lending activities of IMF headquarters.

(iii.) The efficiency of AFRITAC TA:

- whether AFRITAC TA was cost-effective, bearing in mind the difficulties inherent in measuring the benefits of capacity-building activities; and,
- the quality and timeliness of management and backstopping of AFRITAC activities by IMF headquarters-based staff.

(iv.) the sustainability of AFRITAC TA:

- the extent to which AFRITAC TA led to tangible and lasting results;
- whether constraints faced by AFRITAC client countries prevented them from taking full advantage of AFRITAC TA, and how such constraints can be addressed; and,
- the effectiveness of the AFRITACs in identifying and using African expertise, including the use of local and regional TA experts.

II. Data Sources and Field Work

A. Triangulation of Information

3. The Evaluation Team drew on information from many different sources including documents and systems data available from IMF, interviews with representatives from concerned constituencies on the IMF Board of Directors, discussions with AFRITAC Center Coordinators and Resident Advisors, staff from OTM, MCD, FAD, MCM and STA and Resident Representatives. Interviews took place in the field with officials in the key macroeconomic agencies served by the AFRITACs, Steering Committee members and representatives of other TA providers. To broaden the coverage of the evaluation an electronic survey was undertaken of senior government officials, workshop participants, IMF staff and short term experts and representatives of other TA providers. In reaching its conclusions, the Evaluation Team considered evidence from several sources and attempted, to the extent possible, to validate key conclusions with information from multiple sources. The Evaluation Team is aware of the methodological challenges associated with evaluating TA, particularly TA for capacity building. Some of the challenges were identified in the 2005 AFRITAC evaluation and IEO's evaluation of IMF TA. The Evaluation Team tried to address those challenges 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.

4. Given the nature of the work of the AFRITACs and the range of services that they provide, the Evaluation Team relied, to a considerable extent, on perceptual data, i. e., opinions, views and comments made by various key informants and answers on questionnaires. The Evaluation Team attempted to validate the perceptions of the various parties concerned and compare the perceptions with material on the written record and in various reports.

B. Information Sources

5. The Evaluation Team used a number of databases to provide contextual information and to support the evaluation analysis. Databases on fragile states, governance and the World Bank's statistical data base are described in more detail below. Other sources of data used included: (i) IMF's International Financial Statistics; (ii) IMF's Regional Economic Outlook for Sub-Saharan Africa, April 2008; (iii) IMF's 2005 Independent Mid-Term Evaluation Report of East and West AFRITACs; (iv) the World Bank's World Development Indicators, and the World Bank's Statistical information Database.

1. Fragile States and Governance Databases

6. As described in Chapter I and Annex A, the following databases were used to approximate institutional absorptive capacity at the country level and the prevalence of corruption: (i) The Brookings Institution index of state weakness ranks 141 countries according to their relative economic, political, security and social welfare; (ii) the Fund for Peace's Failed States Index, calculated for 177 countries, is based on 12 indicators covering social, economic and political factors; and (iii) the World Bank's governance indicators for 212 countries, covering six dimensions of governance (Voice and Accountability; Political Stability and Absence of Violence; Government Effectiveness; Regulatory Quality; Rule of Law; and Control of Corruption).

C. World Bank Statistical Information Database

7. The World Bank's Country Statistical Information Database,³⁵ which covers over 140 countries, is designed to help assess capacity and monitor progress in improving national statistical systems. The database contains information on the statistical legal/regulatory framework, the national statistical strategy, statistical practice, data collection activities, national statistical agencies and publications. A country level composite statistical capacity indicator is available that is based on an assessment of the statistical system against a set of criteria. It has three dimensions:

- (i) statistical practice, which is defined as the ability to adhere to internationally recommended standards and methods. This ratings are based on an examination of the national accounts methodology (SNA93 or SNA68), national accounts base year, balance of payments manual in use (BPM5 or BPM4), external debt reporting (actual or preliminary estimate), CPI base year, government finance accounting concept (consolidated or budgetary) and subscription to IMF's Special Data Dissemination Standard (SDDS) or the General Data Dissemination System (GDDS).
- (ii) data collection, which is defined as the frequency of censuses/surveys and completeness. It provides an indication of whether a country conducts data collection activities in line with internationally recommended periodicity, and whether data from administrative systems is available and reliable for statistical estimation purposes. The criteria used are the periodicity of population and agricultural censuses, the periodicity of poverty and health related surveys, and completeness of vital registration system coverage.
- (iii) indicator availability, which is defined as the availability and frequency of key socioeconomic indicators. Nine of the socioeconomic indicators are Millennium Development Goal indicators. This is an indication of the timely transformation of source data into statistical outputs. Criteria used include indicators on income poverty, child and maternal health, HIV/AIDS, primary completion, gender equality, access to water and GDP growth.

8. For the AFRITAC evaluation, the most relevant dimension is statistics practice. The ratings are based on an examination of 10 variables, each of which are given an equal weight. The variables are given a pass (a score of 1) or fail (score of 0) rating, depending on whether or not the sub-criteria is fulfilled. The 10 sub-criteria and the pass/fail criteria are: (i) national

³⁵<http://web.worldbank.org/WBSITE/EXTERNAL/DATASTATISTICS/0,,contentMDK:20541648~menuPK:1164885~pagePK:64133150~piPK:64133175~theSitePK:239419,00.html>.

accounts base year (whether or not the base year is older than 10 years); (ii) balance of payments manual in use (whether BPM5 is used); (iii) external debt reporting status (whether actual or preliminary estimates are available); (iv) consumer price index base year (whether or not the base year older than 10 years); (v) industrial production index (produced and available from IMF); (vi) import and export price indexes (produced and available from IMF); (vii) government finance accounting (whether or not the); (viii) school enrolment reporting to UNESCO (at least three times in the last four years); (ix) vaccine reporting to World Health Organization (WHO) (nationally reported data on measles vaccine coverage consistent with WHO estimates); and (x) IMF's Special Data Dissemination Standard (whether or not the national statistics agency subscribes). To make some of these assessments, the World Bank draws on information that is available from IMF's International Financial Statistics.

9. The database also includes information on the legal/strategic framework for statistics covering: (i) the statistical law governing the organization and activities of statistical agencies; and (ii) the national statistics development strategy/ statistical master plan that was formulated to strengthen the capacity of the national statistical system. Countries are classified into four stages for the development of the strategy: process not yet started; process initiated; preparation underway; and completed.

C. Field Work

10. The fieldwork included visits to the three AFRITACs and selected countries in each region served by an AFRITAC. 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 and was used to finalize the plan for the fieldwork.

11. The time schedule was for all of the fieldwork to be completed in the month of September. In planning the field work a decision was taken to maximize the number of countries visited, subject to feasible logistical arrangements and the time available. The schedule of the field work was as follows: (i) East AFRITAC: visit Dar es Salaam from 1 to 3 September followed by discussions in Kenya and Rwanda (4/6 September); (ii) Central AFRITAC: visit Libreville 8 to 10 September and followed by discussions in Cameroon (12/15 September); and (iii) West AFRITAC: Bamako from 17 to 19 September followed by discussions in Côte d'Ivoire and Guinea (22/24 September). The Evaluation Team was split into two for the visits to Kenya, Rwanda, Côte d'Ivoire and Guinea. While some members of the team were fluent in both French and English, others were not. IMF arranged for good quality, professional translators to support the evaluation team in West and Central Africa.

D. Electronic Survey

12. The Evaluation Team designed a web-based survey using SurveyMonkey³⁶. This electronic survey package was used to: (i) send questionnaires and follow up reminders electronically to the target respondents; (ii) receive the responses; and (iii) tabulate the results.

³⁶ www.surveymonkey.com .

13. Only people with E-mail addresses could participate in the survey. The names, titles, employers and E-mail addresses were assembled for each person on the master list. This involved considerable time and effort. The objective was to assemble as long a list as possible of people who were knowledgeable about the work of the AFRITACs. A dynamic approach was used to develop the master list. Names were constantly added to the list during August, September and October. The support of the three AFRITACs, AFD, FAD, MCM and STA in developing a reasonably complete list of the potential survey population is gratefully acknowledged.

14. The following categories of people were included on the master list:

- (i) Steering Committee members or people who have attended Steering Committee meetings as observers since 2005;
- (ii) Senior government officials (e. g., Central Bank Governors; Ministers of Finance; permanent secretaries of finance, deputy governors/assistant ministers of finance; heads of statistical agencies; departmental director generals; etc);
- (iii) The national AFRITAC focal points and the key technical counterparts (e.g., chief accountant, head of treasury, head of banking supervision department, debt manager, etc.) who have the day-to-day experience of working with the AFRITACs and Resident Advisors;
- (iv) Participants in AFRITAC workshops/training sessions held since 2007;
- (v) Staff in IMF headquarters in the African Department, FAD, MCM and STA who worked on the countries covered by the AFRITACs since 2005 and who were familiar with their work.³⁷ Priority was given to compiling the names of the AFR mission chiefs who worked on the countries covered by the three AFRITACs over the past couple of years as they were the key informants who would have the most detailed knowledge. FAD, MCM and STA provided extensive lists of functional mission leaders and people involved in TA backstopping. Small numbers of IMF staff working in OTM, IMF Institute and the Legal Department were also included on the list.
- (vi) the Center Coordinators and Resident Advisors employed in the three AFRITACs;
- (vii) Resident Representatives in the countries covered by the AFRITACs since 2005;
- (viii) Short term experts employed for the work of the three AFRITACs Centers since 2005;
- (ix) Officials and selected consultants from other TA providers who were knowledgeable of AFRITAC operations, with emphasis on the African Development Bank, the World Bank and bilateral agencies supporting the AFRITACs; and,
- (x) Other people met when the Evaluation Team undertook its field work.

15. Using a web browser, the questionnaire was designed by selecting from a menu of question types. The basic types of questions included: (i) multiple choice requiring only one answer (e. g., 'yes' or 'no' questions); (ii) multiple answers (e. g., select 'all that applies' from a list type of questions); (iii) matrix of choices requiring one answer per row (e.g. for questions asking whether respondent was very satisfied/satisfied/dissatisfied/very dissatisfied/had no opinion on issues related to the AFRITACs); or (iv) text boxes and comment/essay boxes (e. g., for open-ended questions). The skip logic feature was used in the design of the surveys to direct

³⁷ When possible, this category included people who worked on these African countries in the past but are currently assigned other work or Fund staff who have retired/resigned if their private E-mail addresses were available.

the flow of questioning and enable respondents to skip questions that were not applicable to them. All questions except one were 'close-ended' (i.e., of multiple choice; matrix of choices). The only open ended question was included at the end of the questionnaire to provide an opportunity for respondents to add their views on the AFRITACs.

16. The questions used for the survey were formulated using the following considerations: (i) the objectives and back ground information given in the AFRITAC Program Documents; (ii) the relevance, effectiveness, efficiency and sustainability dimensions of the evaluation approach and methodology; (iii) the need to assess results across the three AFRITACs as well as by functional area; (iv) the functional groupings used for the evaluation; and (v) the questions used in the 2005 evaluation to provide some longitudinal data and to verify some of the earlier findings. The draft questionnaire was revised to reflect the results of a pre-test involving a small number of staff from AFD, FAD, MCM, STA and OTM, a few officials from the Bank of Tanzania, Tanzania Revenue Authority and the National Institute of Statistics and the Evaluation Team.

17. To increase response rate and prevent respondents from aborting the survey, the questionnaires was designed to be completed in 10 to 15 minutes. The respondents could select whether to respond in English or French.

18. After completing the questionnaires and survey design, and the field work, the Evaluation Team sent out invitations to participate in the surveys to the target respondents in the first week of October 2008. Survey Monkey's list management tool was used to send the questionnaires to the E-mail addresses in the survey population. The list management tool was used to identify those who have not responded to the survey and to send follow-up reminders. Such reminders were sent three times. Other measures taken to try to increase the response rate included: (i) advising potential respondents that the individual responses would be treated as strictly confidential and noting that their responses would be sent to a non-IMF server; (ii) follow up E-mails sent by the Center Coordinators to their key contacts asking them to complete the questionnaire and encourage their staff to do so; (iii) follow up E-mails sent by AFD, FAD, MCM and STA to encourage their staff to respond; and (iv) during every meeting, the Evaluation Team explained that there would be an electronic survey and requested people to cooperate by completing it. Since the E-mail requesting people to complete the survey came from a non-IMF server, there was some concern that it was not legitimate and might be spam or an attempt at phishing. To address this concern, an E-mail was sent from an imf.org E-mail address over the name of the Director of OTM to assure potential respondents that it was a legitimate survey being undertaken for the AFRITAC Evaluation. When the first reminder was sent out on 9 October, 366 responses have been received. By the time that the second reminder was sent out on 28 October, after E-mails had been sent out by OTM and the three AFRITACs requesting cooperation in completing the questionnaire, 701 responses had been received. When the third follow-up was sent out on 8 December 2008, responses had reached 754.

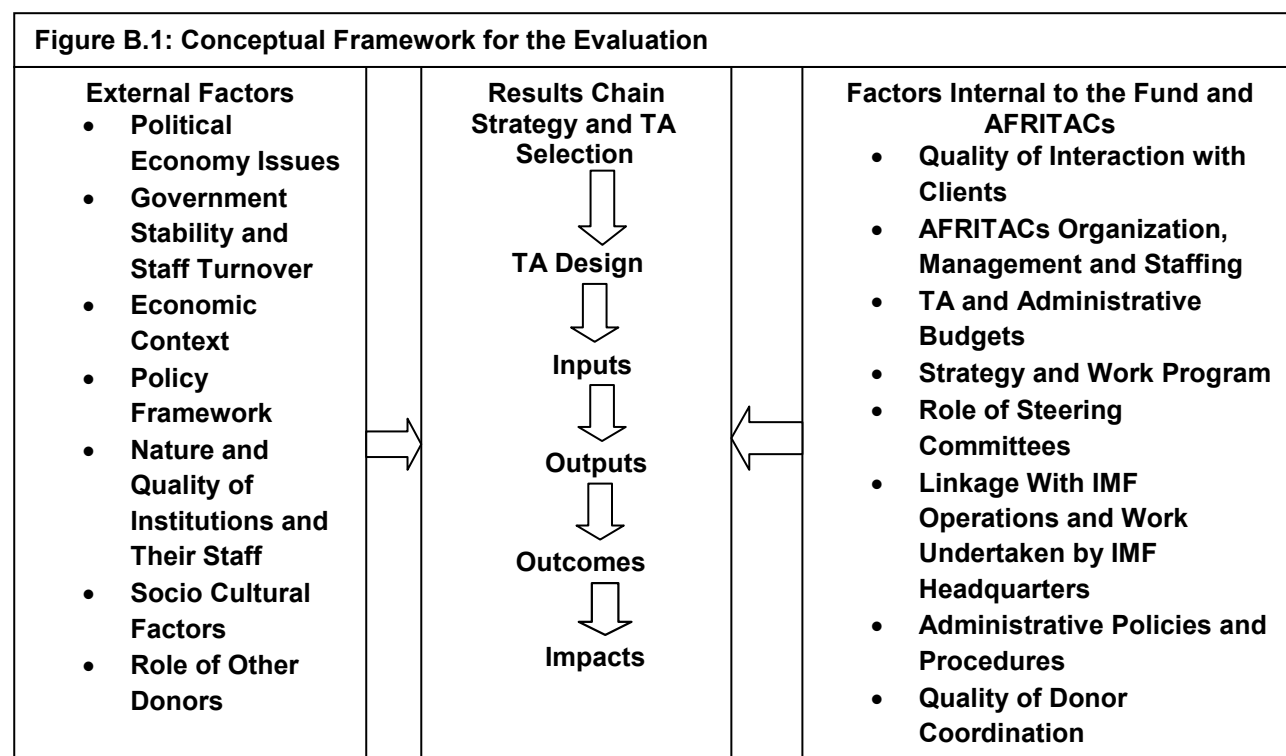
19. Survey results can be tabulated or viewed as graphs or charts at any time during the survey since results are collected in real-time. This feature made it relatively easy to show preliminary results in the draft report and updated results in the final report. Survey results can be downloaded in multiple formats (e. g., pdf, excel spreadsheet, or html) and, after developing linking Excel programs, transferred directly into the various versions of the report. Responses to the survey were accepted until the late November. There was a total of 1,553 people on the master list. However, E-mails could not be delivered to 165 E-mail addresses. By 30 October 2008 when results were downloaded for this report, 725 responses had been received.

20. There were risks associated with trying to do a web based survey in Africa. In some countries the information and communications technology is not well developed, e-mails bounce back because some local networks and servers do not operate well, it is sometimes difficult to access the internet, there are interruptions in power and many private e-mail addresses are not monitored regularly or people have access problems. Also, people sometimes change their E-mail addresses. However, the Evaluation Team felt that these risks were outweighed by the fact that this tool would extend the reach of the evaluation into countries not visited by the Evaluation Team and people not met by the Evaluation Team. The survey also generated data that was used to confirm or challenge views developed by the Evaluation Team based on the interviews conducted during the field work and at IMF Headquarters and their review of documents. The fact that over 700 responses were received validates the decision to conduct the electronic survey.

III. Evaluation Approach and Methodology

A. Conceptual Framework

21. This section describes the methodology that was developed to achieve the objectives of the evaluation. The broad conceptual framework is illustrated in Figure B.1. The conceptual framework covers the results chain and factors external and internal to the Fund that influenced the results achieved. The sections following Figure B.1 describe the criteria that were considered for each element of the results chain. These criteria were used to guide the work of the Evaluation Team but were not applied rigorously to assess all AFRITAC activities. Rather, they were used as a broad check list and to derive a set of sub-criteria that were used to rate various aspects covered by the evaluation. The results chain illustrated in Figure B.1 summarizes the steps from the identification of the TA to the outcomes and impacts that could be plausibly attributed to the work of the AFRITACs.



B. Results Chain

1. AFRITACs Strategy, Work Plan and TA Selection

22. The work of the AFRITACs can be broadly classified as providing TA to institutions involved in macroeconomic management, primarily, central banks, ministries of finance, revenue administrations, and statistical agencies, in the countries covered by each AFRITAC. The TA can be classified in three broad categories: (i) advice provided by resident advisors; (ii) advice provided by short term advisors; and (iii) knowledge transferred in workshops and training courses. For this evaluation, the term TA is used generically to reflect all three types of assistance.

23. An important element of a successful TA program relates to the strategy and work program underlying the individual TAs. The strategy and priorities underlying the work program can be assessed by examining:

- (i) the adequacy of the diagnostics that underpin the work programs;
- (ii) the degree that the priorities and sequencing were correct and whether the TAs were mutually consistent and reinforced each other;
- (iii) feedback from client countries and institutions on whether the work programs addressed their key priorities;
- (iv) whether the work programs were robust enough to cope with the uncertainties that sometimes occur (e.g., changes in government; new policies; staff turnover in executing agencies);
- (v) the adequacy of the focus of the work programs, i.e., too narrow or too diffuse;
- (vi) the realism of the strategy and work programs, i. e., the consistency between the work programs and resources; consistency between the work programs as planned and as implemented and whether changes during implementation strengthened or weakened the results achieved;
- (vii) evidence of learning in the formulation and modification of the work programs; and,
- (viii) the degree to which the work program took into account the activities of IMF Headquarters and other donors – the degree of complementarity or overlap.

2. Design of AFRITAC Assistance

19. The quality of the design of AFRITAC assistance can be assessed by considering:
- (i) the quality of the diagnosis and organizational assessment underlying the assistance;
 - (ii) the consistency of the assistance with Government priorities and degree of executing agency involvement and ownership;
 - (iii) the consistency of the assistance with IMF Headquarters operations in the countries covered by the AFRITACs;
 - (iv) coordination of the assistance with that provided by other development partners;
 - (v) the degree to which the assistance was consistent with, or designed to support, the processes and activities in the executing agency;
 - (vi) the clarity of the specified objectives, inputs, activities, output and outcomes, including the use of monitoring indicators;
 - (vii) the degree to which local conditions were reflected in the TA design (e.g., capacity of the executing agency; skills of the local staff; limitations related to

- computer hardware and software; existing systems and procedures; language and culture); and,
- (viii) the degree to which work plans built on, and supported, previous assistance.

3. Inputs/Activities During Implementation

20. The Inputs, Activities and TA Implementation cover the actions required to produce the desired outputs. Issues to consider include:

- (i) process and implementation efficiency;
- (ii) efficient use of resources;
- (iii) timeliness;
- (iv) the quality of the advice and training;
- (v) criteria and processes used to select the counterparts, workshop participants and trainees; and,
- (vi) consistency of engagement of resident Advisors, short term experts and staff from executing agencies.

4. Outputs

21. The outputs are the specific deliverables of the TA. Ideally there should be monitorable, verifiable indicators that can be used to assess progress but this is seldom the case in international development work. Issues to consider include:

- (i) an examination of actual outputs;
- (ii) a comparison of actual outputs and desired outputs;
- (iii) views of staff of the executing agencies on the usefulness of the assistance provided;
- (iv) whether the knowledge gained was used;
- (v) whether the policy advice provided was useful and appropriate; and,
- (vi) the effectiveness of the training and capacity building assistance provided.

5. Outcomes

22. Outcomes are the reasons why the assistance was provided, i.e., the expected end-of-TA changes. Illustrative outcomes of the AFRITACs' assistance were described in the Program Documents (see Annex A). Examining outcomes includes assessing:

- (i) the degree of Government ownership of the outcomes;
- (ii) whether the knowledge and skills learned were actually used on the job;
- (iii) the views of the counterparts, workshop participants, trainees and their supervisors on the value of the assistance provided by AFRITACs;
- (iv) staff turnover in the executing agencies;
- (v) the degree to which the assistance provided influenced change;
- (vi) the significance of the contribution of the AFRITACs to developing core economic functions, implementing agreed policy changes and related institution building;
- (vii) the degree to which the benefits of the AFRITACs' assistance are sustainable; and,
- (viii) the likelihood of continuing involvement financed by the AFRITAC Initiative.

6. Impacts

23. Medium-run impacts are those that could be plausibly associated with AFRITAC TAs. The program documents state that the AFRITACs will contribute to capacity-building efforts in

the areas of financial sector reform, public resource management and statistical systems. The expected relationship between the work of the AFRITACs and the longer term impacts are stated as follows³⁸:

- (i) A well-developed financial system is critical to the generation and channeling of domestic savings to efficient uses, and thus in supporting private-sector-led growth. While many countries in Africa have made progress towards financial liberalization, important problems remain, including a low level of intermediation and limited private sector access to credit. In order to sustain an adequate level of financing, there is a need for strengthening prudential regulations and banking supervision, restructuring financial institutions, and promoting the expansion of microfinance. In many countries, changes in the legal framework may be necessary, including land reform and adequate protection of property rights.
- (ii) **Sound public resource management** is of critical importance in ensuring that countries use resources efficiently. Public financial management systems need to be reinforced to ensure that essential spending, including on much-needed public infrastructure, is not crowded out. In addition, fiscal transparency needs to be enhanced. Tax administration is also critical, and merits particular emphasis in countries where tax yields are low. A strong customs administration will help minimize revenue losses stemming from trade liberalization initiatives. All of the enhancements will help ensure an efficient and transparent use of public resources, as well as a proper monitoring of the implementation of fiscal policy.
- (iii) The availability of **high-quality macroeconomic statistics** is a key pre-requisite for the formulation of appropriate macroeconomic and financial policies. Accurate and timely statistics in the following areas are deemed necessary in support of a macroeconomic policy framework: national accounts, prices, monetary accounts, fiscal accounts, and balance of payments data, including external debt and reserves. Capacity-building activities in this area provided through the AFRITACs aim to apply internationally accepted methodologies and standards; provide diagnostic and analytical advice and training to promote the adoption of these standards; and model best practices in the dissemination of economic and financial statistics.”

24. Given the nature of the evaluation and the types of assistance provided, there will be limited coverage of impacts in the evaluation. Any such coverage will be descriptive rather than a rigorous evaluation based on a carefully developed counterfactual.

25. The evaluation³⁹ of IMF’s TAs undertaken by the Independent Evaluation Office (IEO) found that the diverse range of TA activities presents special challenges in evaluating TA effectiveness and impact. Some of the methodological challenges faced by IEO were also encountered by the Evaluation Team and, indeed, are commonly faced by international agencies that provide and evaluate TA. One particular methodological challenge noted by IEO related to attributing results to the effects of TA. IEO noted that this becomes more difficult at the higher levels of the results chain and that such assessments rely heavily upon qualitative judgments. IEO concluded that its “efforts to assess impact have revealed shortcomings in

³⁸ See East and West AFRITACs Phase II. Program Document. IMF. November 2005. Page 5.

³⁹ IMF. Independent Evaluation Office. Evaluation of the Technical Assistance Provided by the International Monetary Fund. 31 January 2005.

documentation and processes that limit the extent to which one can evaluate outcomes. This, in turn, undermines accountability and the potential for the IMF's evaluations to be used as learning tools and mechanisms to allocate future TA."⁴⁰ Similar comments apply to this evaluation, including a lack of documentation on which to base the evaluation of outcomes and impacts. Methodological challenges common in attempts to evaluate capacity building TAs were also reported in the 2005 evaluation of the AFRITAC Initiative.

C. External Factors

26. The end results achieved by the assistance provided by the AFRITAC Centers are sometimes influenced by factors beyond IMF's control. In assessing the success, or otherwise, of the assistance provided, the Evaluation Team examined country related factors that might affect the results achieved and their sustainability. The Evaluation Team rated the success of the AFRITAC TAs and not the performance of a particular country. Also, the Evaluation Team assessed the achievements of the AFRITAC TAs and not just the quality of the AFRITAC contributions. Cases arose, for example, in which AFRITAC contributions were good but the results intended were not achieved because of external factors. In such cases the negative impact of external factors overwhelmed the positive contributions of the AFRITACs.

27. In total the three AFRITACs cover 25 countries. The external factors vary from country to country. It was beyond the scope of the evaluation to visit all 25 countries and to undertake a detailed assessment of such factors on a country by country basis. The absorptive capacity of institutions has a potential impact on the success, or otherwise, of TA in achieving sustainable results. A country specific proxy of institutional absorptive capacity was derived from databases related to state fragility that were developed by the Brookings Institution⁴¹ and the Fund for Peace⁴² and the World Bank's⁴³ set of governance indicators. This assessment drew on a large number of variables covering factors such as political stability, absence of violence, government effectiveness, regulatory quality, rule of law and control of corruption. The resulting classification, which is described in more detail in Table I.1 in Chapter I and Tables A.4 to A.9 in Annex A, was used as a proxy for political economy issues and external factors that might impact on TA outcomes.

28. In some areas the work of other donors may affect the outcomes achieved by the AFRITACs. If synergies are developed, outcomes and impacts may be enhanced. In other cases opportunities may have been missed to develop such synergies.

D. Internal IMF Factors

29. The evaluation is not designed primarily to assess IMF's policies and procedures. These were only commented on if they appeared to impact on the delivery of AFRITAC services, and their effectiveness and efficiency. Examples of factors considered included:

- (i) the quality of AFRITACs' interaction with clients;
- (ii) the AFRITACs' organization, management and staffing, including staff turnover and staff vacancy rates;
- (iii) budgets;

⁴⁰ Ibid. Para 156. The methodological challenges of evaluating TAs were recognized in the comments of both the Board of Executive Directors and the Managing Director during the discussion of the IEO report.

⁴¹ Susan E. Rice and Stewart Patrick. Index of State Weakness in the Developing World. Brookings Institution. 2008

⁴² Failed States Index Scores 2007. The Fund for Peace. www.fundforpeace.org

⁴³ See www.govindicators.org

- (iv) TA strategy and work programs;
- (v) role and functioning of the Steering Committees;
- (vi) the linkage of work of the AFRITACs with IMF country operations and work undertaken by IMF headquarters;
- (vii) relevant administrative policies and procedures;
- (viii) donor coordination; and,
- (ix) the degree of self evaluation of activities, monitoring and use of performance indicators to make mid-term corrections and to improve future performance.

E. Evaluation Criteria and Rating Methodology

30. The terms of reference require the application of a quantitative rating methodology within an evaluation framework that is based on relevance, effectiveness, efficiency and sustainability. These four dimensions of evaluation are commonly used in the international evaluation community⁴⁴. The sub-criteria used to assess relevancy, effectiveness, efficiency and sustainability, the rating methodology and the weights applied are described below. The evaluation methodology draws heavily on the approach and methodology used for the recent evaluation of IMF's TAs in Iraq⁴⁵, modified as appropriate to reflect the needs of this evaluation and the sub-criteria suggested in the Terms of Reference. This will be the second evaluation commissioned by OTM that explicitly specifies and rates sub-criteria for relevancy, effectiveness, efficiency and sustainability.

31. The Evaluation Team believes that this type of evaluation methodology reflects best practice. The use of numerical ratings forces evaluators to come to a conclusion. While reaching such conclusions involves judgment, this type of evaluation methodology helps to make such judgments transparent to the reader. The approach used to derive the overall rating is described below. It involves two steps: (i) rating each of the sub-criteria on a four point scale of excellent (4 points), good (3 points), modest (2 points) and poor (1 point); and (ii) assigning weights to each of the sub-criteria, cluster of activities and between AFRITACs and the four dimensions of evaluation so that the results can be aggregated to reach broader conclusions. The weights assigned to the evaluation sub-criteria are essentially arbitrary. For this evaluation, the following weights were assigned: (i) relevancy (32%); (ii) effectiveness (28%); (iii) efficiency (22%); and sustainability (18%). This weighting reflects the following reasoning. Relevance is fundamental - without relevance, interventions cannot be effective. If there is no relevance and effectiveness, efficiency is less of a concern. Finally, without achieving relative success in the other three dimensions, the interventions are unlikely to be sustainable. Also, for the types of work being undertaken by the AFRITACs, there was more evaluative evidence for relevancy and effectiveness than there was for efficiency and sustainability. Many of the AFRITACs' activities were ongoing works-in-progress so their sustainability was difficult to judge and was a matter of judgment based on relatively little evidence.

32. The AFRITAC activities were grouped into the following clusters:

- (i) fiscal affairs: (a) public financial management; and (b) revenue administration;
- (ii) monetary/banking: (a) monetary operations, debt management and financial markets; and (b) banking supervision; and,

⁴⁴ See the evaluation guidelines and best practice standards on the home pages of the Evaluation Cooperation Group (ECGnet.org) and the OECD DAC Network Development Evaluation (OECD.org).

⁴⁵ See Annex B in Evaluation of the Technical Assistance Subaccount for Iraq. Office of Technical Assistance Management. IMF. March 2008.

- (iii) statistics: as one cluster covering macroeconomic statistics, central bank statistics and public finance statistics.

33. The three broad areas – fiscal affairs, monetary/banking and statistics – correspond to the three TA departments (FAD; MCM and STA). This correspondence facilitated the analysis of the complementarity of AFRITAC activities with TA provided from Headquarters. For each AFRITAC, these clusters were rated against the specific sub-criteria for the four dimensions of evaluation. For each AFRITAC, the scores for the clusters of activities were added together, weighted by the person months of inputs used to deliver each cluster of activities. These scores will provide the basis for evaluating the performance of the East, West and Central AFRITACs and the functional areas.

34. In addition to evaluating each of the three AFRITACs separately, the terms of reference also required the Evaluation Team to provide a combined assessment to give AFRITAC stakeholders a broad overview of the initiative's achievements and the challenges faced. The analytical basis for the combined assessment will be based on the aggregate rating for the three individual centers. The scores for each activity cluster and evaluation criteria were aggregated by weighting each score by person months of input use to deliver each cluster of TAs for FY 2006 through FY 2008. The data used to derive these weights is given in Table A.1 in Annex A.

35. There were challenges applying this quantitative framework of ratings and scores for AFRITAC TAs that were still in their early stages or were works in progress. It was particularly challenging to assess the likely effectiveness, sustainability and impact of such activities.

1. Relevance

36. The relevancy assessment addressed questions related to the quality of the diagnosis underlying the TAs, the consistency with government and IMF priorities and the degree of coordination with other development partners and broader IMF operations in the region. In arriving at the ratings the Evaluation team considered whether the TA inputs were adequate to produce the desired outcomes and made a contribution to the specified impacts. The sub-criteria to be used to assess relevance are listed below with the weight applied shown in brackets:

- (i) **Consistency with Government Priorities (60%):** This evaluation criteria assessed the extent to which AFRITAC activities reflected the priorities of beneficiary countries. The evaluation paid particular attention to the linkage between AFRITAC TAs and macro economic reform programs and capacity development programs formulated for the ministries of finance, central banks and statistical agencies. The evaluators looked for evidence of consistency between AFRITAC TAs and government priorities in feedback from government officials, both during face to face interviews during the fieldwork and from the AFRITAC evaluation survey and inferences drawn from a review of IMF documents. The role of the Steering Committees in fostering country ownership of the TAs and strategies was assessed.
- (ii) **Coordination with Development Partners (20%):** The importance of donor coordination was highlighted in the AFRITAC Program Documents and the 2005 evaluation which recommended that "A number of countries need to take more responsibility for coordinating TA from various donors, including the AFRITACs, than is presently the case. The AFRITACs can serve as facilitators in this process." The Evaluation Team assessed the extent to which AFRITAC TAs

were coordinated with those of other TA providers and the role that the AFRITACs played in facilitating coordinating donor assistance.

- (iii) **Consistency with IMF Headquarters Activities (30%):** The extent to which AFRITAC TAs were integrated with TA, surveillance, and lending activities of IMF Headquarters was assessed under this sub-criteria. Evidence of consistency was examined by drawing on the results obtained from the AFRITAC evaluation survey, a review of documents and interviews staff of the African Department, IMF Resident Representatives and the TA Departments.

37. Each relevancy sub-criteria was rated on the four point scale separately for each activity cluster for each AFRITAC. The ratings were then aggregated, using the weights assigned to each sub-criteria. The overall ratings for each center were derived by aggregating the ratings for each cluster of activities using the assigned weights.

38. Standard descriptors, based on numerical cutoffs, describe the relevance rating:

- (i) **Highly Relevant or Excellent.** The weighted score was greater than 3.5. A rating of this level means that at least 2 of the 4 sub-criteria were rated as a “4” and the other is rated as “3”. This rating was given to TAs whose relevancy ratings were particularly good on all four of the sub-criteria. There is a high probability that the TA achievements will lead to results that will be sustainable and will remain highly relevant. Few TAs achieve such a high rating.
- (ii) **Relevant or Good.** The weighted score was between 2.5 and 3.5. At the high end of the range, two of the four relevancy sub-criteria dimensions were rated as “4” and at the low end, two were rated as “2”. Although there were some issues related to one of more of the sub-criteria that prevented a highly relevant rating, there were no major shortfalls, and the TA resulted in relevant outputs that are likely to be sustained. The TA remains relevant and the problems were small relative to the positive findings.
- (iii) **Partly Relevant or Modest.** The weighted score was between 1.5 and 2.5 on a scale of 4. At the upper end of the range, two ratings of “3” could have been achieved while at the lower end, the ratings could include two “1”s. The evaluation identified shortfalls in several of the sub-criteria. However, there were some positive findings for the TA, although not what was originally expected.
- (iv) **Not Relevant or Poor.** The weighted average was less than 1.5. In this case, probably three of the 4 sub-criteria were rated as poor by the evaluators. The TA had clear problems at the time of evaluation and did not succeed in achieving clear development results.

39. Similar descriptors were used for the other three dimensions of evaluation. This approach provided a consistent basis for the various assessments. The Evaluation Team carefully reviewed and modified the initial rankings using an iterative process to ensure consistency between activity clusters within an AFRITAC and across AFRITACs. The relative rankings of the sub-criteria were also reviewed for logical consistency. Particular attention was given to those assessments where ratings near the cut off points used to define the descriptors.

2. Effectiveness

40. The evaluation of effectiveness of AFRITAC activities assessed the degree to which the stated objectives were achieved or can be reasonably expected to be achieved given the developments at the time of the evaluation. The objectives were defined in the AFRITAC Program Documents.

41. Given that the resources provided to the AFRITACs are finite, the analysis was structured to examine whether the AFRITACs were more effective in some functional areas than others. The assessment of effectiveness followed the same general pattern of scoring, weighted rating, use of sub-groups and use of cut off points as was described above for relevance. Thus only the weighting and scoring system is described. The sub-criteria, and the assigned weights, used to evaluate effectiveness were as follows:

- (i) **Use of AFRITAC Outputs (40%):** This involved an assessment of the use of the outputs of each TA cluster and whether the outputs are leading, or are likely to lead, to the desired outcomes. Even if the AFRITACs provide high quality advice and assistance, if the TA outputs were not being used, the desired outputs will not be achieved. The Evaluation Team assessed whether the TAs delivered outputs that contributed to the achievement of beneficiary country reforms capacity building.
- (ii) **Planned vs. Actual Achievements (30%):** The actual outputs were compared to the desired outputs implied from goals and objectives stated in the AFRITAC work programs and other documentation. In many cases, there was an unfinished agenda. In such cases, the Evaluation Team made a judgment as to whether the expected outcomes were likely to be achieved. In making judgments about what might happen in the future, the Evaluation Team used a relatively short timeframe, about a year, and assumed that the amount of additional resources needed to achieve the TA objectives was modest compared to the time and effort that had already been made.
- (iii) **Significance of Contribution to Developing Core Economic Functions and Institution Building (30%):** AFRITAC activities and outputs were assessed to estimate their contribution to the development of core economic functions and institution building. Evaluators need to be careful about distinguishing between attribution and contribution. While it may be true that progress was made, this progress may have reflected the joint efforts of the AFRITACs, Headquarters assistance, support provided by other development partners and government initiatives. The Evaluation Team attempted to estimate the relative importance of AFRITAC contributions by considering whether the results could have been achieved without AFRITAC involvement.

3. Efficiency

42. The evaluation of efficiency assessed the performance of the AFRITACs converting resources (e.g., human resources/expertise; financial resources; time) to achieve outcomes and results. The efficiency assessment followed the same general pattern of scoring, weighted rating and use of cut off points described above for relevance. Thus, only the efficiency sub-criteria and weights are described below:

- (i) **Process and Implementation Efficiency (40%):** Assessing process and implementation efficiency covered such factors as IMF's internal management of AFRITAC activities, appropriate counterpart/workshop participant selection and the quality and timeliness of management and backstopping of AFRITAC activities by Headquarters-based staff. Another factor examined under the criteria was the consistency of engagement at the institutional and individual level for both AFRITAC and the executing agencies. Other factors considered under this sub-criteria included the timely recruitment of qualified resident Advisors, the efficiency of planning and executing the TA delivery and the timeliness of TA execution.

- (ii) **Efficient Use of Resources (40%):** The data available from IMF's old time recording system and financial and management information systems was inadequate to undertake a proper cost efficiency analysis to assess whether AFRITAC TA has proven to be cost-effective compared to other TA delivery modes. The data did allow the Evaluation Team to compare the cost per person month of input across AFRITACs and functional areas but not to compare the cost per person month of input for Headquarters TA with the AFRITACs. Similar problems were encountered in the 2005 AFRITAC evaluation. IMF's new time recording system should provide the necessary data to permit a better cost efficiency analysis in about one year's time. Respondents for the AFRITAC evaluation survey were asked to give their perceptions on the relative cost efficiency of AFRITACs compared to other TA providers and IMF Headquarters.
- (iii) **Monitoring and Reporting (20%):** The Evaluation Team examined the degree to which the AFRITACs used self evaluation (i.e. monitoring) and better reporting to improve the efficiency and effectiveness of their activities. That involved examining the use the AFRITACs made of TAIMS and to respond to the request of their Steering Committees to report on outputs rather than inputs and to practice the principles of managing for development results.

4. Sustainability

43. The sustainability relates to the extent to which AFRITAC TA led to tangible and lasting results. 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 included:

- (i) **Political Economy Issues (25%):** This assessment was largely based on the country institutional absorptive capacity ratings described in Chapter I and Annex A. These general country ratings were modified to reflect the views of the Evaluation Team in those countries visited during the field work.
- (ii) **Executing Agency Ownership and Use of the Outputs (40%):** An important factor considered when assessing this factor was whether the workshop participants/trainees used the knowledge gained on the job. Participant selection was examined in the context of this sub-criteria. Inappropriate participant selection lowered the likelihood that the knowledge gained was used on-the-job. Participant selection was examined in the context of such sub-criteria. Inappropriate participant selection lowered the likelihood that the knowledge gained was used on-the-job. That assessment was based on interviews with participants, AFRITAC Resident Advisors and the replies of the survey respondents. Another indicator used was whether the TA outputs were embedded in the routine businesses practices of the executing agencies. Government/executing agency ownership was assessed based on feedback received during interviews with senior officials in the ministries of finance, central banks and statistical agencies, IMF Headquarters Staff and AFRITAC Resident Advisors.
- (iii) **Promoting the Use of African Expertise (15%):** The AFRITACs were to promote the use of African expertise, something that should contribute to sustainability in the longer term by building local capacity. The Evaluation Team assessed how effective the Centers were in identifying African expertise.
- (iv) **Financial Sustainability of the Centers (20%):** During some Steering Committee Meetings some concerns were expressed about the amount of, and sustainability of, the financing for the AFRITACs. Concerns were also expressed

to the Evaluation Team about the adequacy of human resources in the AFRITACs for TA delivery and in the TA departments for backstopping. Capacity building is a long term endeavor. Adequate resource, both human and financial must be available to achieve results that are sustainable.

5. Aggregation of the Ratings for Each AFRITAC

44. The assessment of the performance of each of the three AFRITACs was derived by aggregating the relevancy, efficiency, effectiveness and sustainability scores for each of the clusters of activities. The weights for the activity clusters reflect the person months of inputs during FY2006 to FY2008.

6. Aggregation of the Ratings for AFRITAC Program

45. The final step in the evaluation methodology was to derive the overall assessment of the AFRITAC Initiative, showing the performance for the fiscal, monetary/financial and statistical areas. This overall rating was based on the detailed information derived for the ratings described above. After completing the ratings for East, West and Central AFRITACs, the ratings were aggregated to provide an overall assessment of the entire AFRITAC Initiative in a manner that identifies relative performance in the fiscal, monetary/banking and statistical areas. The weights for the final aggregation process were based on the proportion of person months of input, both of Resident Advisors and short term consultants, used to deliver the TA.

F. Schedule and Reporting

1. Schedule

46. The AFRITAC Initiative was planned and programmed in three-year phases. Phase I of the East and West Centers covered the period from 2002 to April 2006. An independent mid-term evaluation of the East and West AFRITACs was completed in April 2005. Phase II covered the period from May 2006 to April 2009 for the East and West AFRITACs. The initial three year phase for the Central AFRITAC runs from January 2007 to April 2010. This evaluation largely focused on the period from FY 2006 to mid 2009. The evaluation report was to be available in time for the donors and IMF Management to consider its findings and recommendations when they make their decisions for the funding of the next phase of the AFRITAC Initiative.

47. The key dates in the evaluation schedule were: (i) initial meetings at IMF Headquarters during the last week of August 2008; (ii) field work in Africa during the month of September; (iii) submission of draft report on 30 November; and (iv) submission of the final report by the end of 2008. This was a very tight schedule. From a decision making point of view, it was more important for the donors and IMF Management to have access to evaluation findings when they are making decisions rather than to have a “perfect” evaluation at some time after all major decisions were made.

2. Reporting

48. The Evaluation Team produced the following deliverables:

- (i) A detailed work plan that provided: (i) an overview of how the evaluation will be conducted; (ii) details of the information collection and analysis methodology, including plans for field visits and meetings; and (iii) information on the roles and responsibilities of the team members. The Steering Committees, selected IMF

staff at Headquarters and the AFRITACs were given an opportunity to review the evaluation approach and methodology at the beginning of the evaluation. No serious objections to the proposed approach and methodology were raised. In practice, the Evaluation Team fine tuned the approach and methodology as the evaluation progressed.

- (ii) A draft evaluation report giving the team's main findings and recommendations, and supporting analysis was be circulated for review and comment by IMF Headquarters Staff, the AFRITACs and the SCs was submitted in mid-December 2008. Factual errors were corrected based on the feedback received. Comments received were reflected in the report at the discretion of the Evaluation Team. Major points that were not reflected were included in a footnote, explaining why the Evaluation Team opted not to do so.
 - (iii) The final evaluation report will be submitted to OTM in January 2009 after comments on the draft report were considered.
49. The deliverables were prepared in English, with French translation arranged by IMF.

Annex C: Overview of AFRITAC Evaluation Survey Results

Key Messages

- 53% of the 1,368 people who received the questionnaire, responded. Government officials accounted for (60%) respondents, nearly two thirds of who were from East Africa. There were a reasonable number of respondents from the other regions, IMF staff and consultants and TA providers and a good cross section by area of functionality.
- The overwhelming majority of respondents (over 91%) rated the relevance of AFRITAC TA as Excellent or Good. AFRITAC TAs were demand driven, responsive to the needs of the countries, country owned, closely linked to IMF's surveillance work and programs and complimented Headquarters' TAs.
- 84% felt that the Steering Committees provided effective guidance and oversight.
- The overwhelming majority (85%) rated the effectiveness of AFRITAC TA as Excellent or Good.
- Resident Advisors, short term experts and workshops were all effective TA delivery modes.
- There is unfinished agenda – most respondents reported that despite making substantial progress, the AFRITAC objectives have not yet been fully achieved.
- The quality of workshops rated as Good to Excellent and the knowledge gained were used on the job. Considerations should be given to extending the workshop duration and investing more in post-workshop follow up and support.
- 80% or more of respondents Agreed or Strongly Agreed that AFRITACs respond more quickly, are more flexible, have a better understanding of local conditions, are more responsive to country needs and are more effective in promoting regional integration and harmonization than IMF Headquarters and other TA providers. About two thirds rated AFRITAC expertise as equal to or better than Headquarters but one third disagreed with that proposition.
- 82% of respondents Agreed or Strongly Agreed with the statement that IMF should re-allocate staff and resources from Headquarters to the AFRITACs.
- 86% rated the AFRITACs efficiency as Good or Excellent. AFRITACs were rated as more cost-efficient than IMF Headquarters and other TA providers.
- The AFRITACs use of African expertise was rated favorably and better than IMF Headquarters and other TA providers.
- 89% of respondents rated the sustainability of AFRITAC TAs as Good or Excellent but the Evaluation Team has some concerns in this area. .
- All five TA clusters were rated in the Good range. The highest ranking was for Financial Sector Supervision and lowest for Public Financial Management.
- The various ratings were broadly similar across the AFRITACs, although East AFRITAC was usually rated marginally higher than the West and Central AFRITACs. The fact that the Central AFRITAC received broadly similar ratings as the other two centers despite being in operation for less than two years and working in the most challenging countries was a positive finding.
- There is room to improve coordination with other TA providers.

I. Survey Response Rate

1. A total of 1,553 people were on the master list for the electronic survey⁴⁶. About 11% (165) of the E-mails could not be delivered, either because the E-mail address were no longer valid or they were mis-typed because of difficulties in reading hand written E-mail addresses. A small number of people (20) formally opted out of the survey because of insufficient knowledge. The net survey population was 1,368 or 88% of the gross survey population. There were a total of 725 responses, equivalent to a response rate of 53% of the net survey population (see Table C.1). The response rate was 66% for IMF short term consultants, 59% for IMF staff, 54% for government officials in East Africa, 51% for government officials in Central Africa, 44% for TA Providers and 43% for government officials in West Africa. About 60% of the responses were in English and 40% were in French.

Table C.1: AFRITAC Evaluation Survey Response Rate

	Total Respondents	E-mails Not Delivered	Opted Out	Net Survey Population	Responses^{1/}	Response Rate (%)
East African Government Officials	532	28	5	499	270	54%
West African Government Officials	239	35	4	200	85	43%
Central African Government Officials	182	27	3	152	78	51%
IMF Staff	256	36	4	216	127	59%
IMF Consultants	176	30	3	143	95	66%
TA Providers	168	9	1	158	70	44%
Total	1,553	165	20	1,368	725	53%

¹ Responses are as of 30 October 2008.

Source: 2008 AFRITAC Evaluation Survey

2. The detailed tables showing survey results are included in Annex C and the key findings are summarized below. Most of the tables in Annex C refer to the total survey returns, i. e., covering the East, West and Central AFRITACs. For key variables, the results of special runs for the East, West or Central AFRITACs are discussed Annexes D, E and F that present the detailed evaluation of the East, West and Central AFRITACs.

II. Profile of Respondents

3. The survey was designed to provide a voice to a larger group of key informants than the Evaluation Team could interview during its field work, including government officials in countries not visited by the Evaluation Team. Government officials dominated the responses and accounted for 60% of the completed questionnaires. Slightly over 60% of the government officials were from East Africa and the rest were nearly equally split between West and Central

⁴⁶ The data from the survey included in the draft report are the survey results that were downloaded on 30 October. The numbers will be updated for the final report to reflect additional responses received. While the numbers will change, it is unlikely that the overall conclusions drawn from the data will change.

Africa. A reasonable number of IMF staff, IMF consultants and representatives of other TA providers also responded to the survey. About 38% of the government officials worked in ministries of finance, 27% in central banks, 23% in revenue administrations and 9% in statistical agencies (see Table CX.2). Given that each country in East Africa has a central bank and East AFRITAC has a Monetary Operations Resident Advisor, it is not surprising that 38% of the government officials in East Africa were from central banks. The corresponding figures for West and Central AFRITACs were considerably lower, in the order of 10%. Most countries in those regions are served by the regional central banks and the West and Central AFRITACs are not actively engaged with the central banks. Proportionately, staff from ministries of finance dominated the replies for the West and Central AFRITACs. Overall, there was a reasonable representation of government officials from the three regions and by functional areas.

4. Combined, IMF staff and short term experts accounted for 31% of the respondents. The largest number of this category of respondents were from the AFRITACs and Other Departments (each 23%), followed by FAD (15%), AFD (13%), Resident Representatives (12%) MCM (8%) and STA (5%) (see Table CX.3). The small number of respondents from STA and statistical agencies raise some concerns about the robustness of the survey results for the statistical area.

5. A total of 70 TA provider representatives responded to the survey; the response rate for this class of respondents was 44%. About 80% of the representatives from TA providers were staff of the concerned agency and 20% were employed by them as consultants. The largest groups of TA providers included on the survey master list were from the African Development Bank and the World Bank. The other respondents in this category were mostly representatives of bilateral donors. The number of responses from African Development Bank staff increased after a senior African Development Bank official sent an E-mail to their staff at the request of the Evaluation Team asking them to respond to the survey.

6. Of the 725 respondents, 593 (82%) felt that they had enough knowledge to rate the performance of an AFRITAC. About 57% (339) of those gave their views on East AFRITAC, over 26% (157) on West AFRITAC and 16% (97) on Central AFRITAC (see Table C. 2). There are a reasonable number of respondents with sufficient knowledge to assess the performance of all three AFRITACs.

Table C.2: Respondents Rating the AFRITACs

	Percent of Responses	Response Count
East AFRITAC	57%	339
Central AFRITAC	16%	97
West AFRITAC	26%	157
Total Responses	100%	593
No Response		132
Grand Total		725
Response Rate		82%

Source: 2008 AFRITAC Evaluation Survey

III. Relevance of AFRITAC TAs

7. The respondents were asked to rate the relevance of AFRITAC TAs (see Table C.3). The feedback received from the survey indicates that the AFRITAC work programs were focused in the right areas. One third of the respondents rated the relevance of AFRITAC's assistance for building institutional capacity as **Excellent** and 58% rated it as **Good**. Only a small number of respondents rated the relevancy of AFRITAC TAs as **Modest** (8%) and very few (1%) rated it as **Poor**. Based on a score of 4 for Excellent, 3 for Good, 2 for Modest and 1 for Poor, this is equivalent to a **Good** rating for relevancy, well above the mid-point on the scale. The overwhelming positive views of survey respondents on the relevancy of AFRITAC TAs is consistent with the positive feedback received by the Evaluation Team during its field work. A higher proportion of respondents rated relevancy of the East AFRITAC TAs as **Excellent** than was the case for the West and Central AFRITAC. The relevancy rating for East AFRITAC, while in the **Good** range is bordering on the cut off for an **Excellent** rating. In interpreting the survey results for Central AFRITAC it must be borne in mind that it has been operating for less than two years compared to over five years for the other two centers, and that it has the most challenging group of client countries.

Table C.3: Respondents' Views on the Relevance of AFRITAC Assistance

	Percent of Responses	East AFRITAC	West AFRITAC	Central AFRITAC
Weights ^{1/}		39%	43%	18%
Excellent	33%	41%	24%	19%
Good	58%	52%	62%	72%
Modest	8%	6%	13%	8%
Poor	1%	1%	1%	1%
Total	100%	100%	100%	100%
Weighted Rating ^{2/}	3.2	3.3	3.1	3.1
Total Responses	563	324	150	89
No Response	30	15	7	8
Grand Total ^{3/}	593	339	157	97
Response Rate	95%	96%	96%	92%

¹ Weights are based on the proportionate share of each AFRITAC to the total budget for FYs 2006-2008

² Based on ratings of Excellent=4, Good=3, Modest=2, and Poor=1.

³ 563 respondents rated the AFRITAC Centers for this issue out of a total of 593 who answered this question

Source: 2008 AFRITAC Evaluation Survey

8. The AFRITACs helped countries to define their TA priorities for macroeconomic management. More people replied that AFRITAC played a role but was not a leader (50%) than those who replied that the AFRITACs played an important and leading role (43%). Very few respondents indicated that the AFRITACs played only a minor role (7%) or no role (less than 1%) in helping countries to establish their TA priorities (see Table CX.4). More respondents replied that East AFRITAC played a leading role in helping to define TA priorities (46%) than West AFRITAC (38%). Central AFRITAC was between the two more established centers (42%), indicating that it has made a significant impact in this area in a relatively short period of time.

9. The respondents were asked to give their opinion about the work of the AFRITACs in relation to the sub-criteria used to assess relevance (see Table CX.5). Over 90%

Agreed/Strongly Agreed that the work of the AFRITACs was demand driven and responsive to the needs of the countries. Over three quarters felt that there was strong country ownership of AFRITAC TAs. Nearly 90% Agreed or Strongly Agreed with the statement that AFRITACs' work was closely linked to IMF's surveillance work and program activities and 93% that it complimented Headquarters TAs. Over 80% agreed that the AFRITACs played a key role in providing feedback from countries to Headquarters and 80% felt that the work of the AFRITACs was closely linked to the poverty reduction strategies of their countries. Similarly positive results were reported for all of the AFRITACs. Somewhat more people Strongly Agreed that the East AFRITAC TAs were country owned while a larger proportion responded that the work of the West and Central AFRITACs was strongly linked to Headquarters activities. The survey results provide strong evidence to confirm the relevancy of the work of the AFRITACs.

10. **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.** About of the 318 respondents felt that they had sufficient information and knowledge to rate the performance of the Steering Committees. Of those, **18% rated the performance of the Steering Committees as Excellent. A further two thirds rated the Steering Committees as Good. Only a small number of people rated the performance of the Steering Committees as Modest (13%) or Poor (3%)** (see Table CX.6). The East AFRITAC Steering Committee received the most **Excellent** (22%), followed by the West AFRITAC Steering Committee (17%) and the less experienced Central AFRITAC Steering Committee (11%). The feedback from 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.** That being said, **there are areas in which the Steering Committees could improve** (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 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. Overall, **these positive findings suggest that the experiment of opening up the decision making to people representing the views of concerned government officials and TA providers, a major innovation of the AFRITAC governance structure, was a successful and useful innovation.**

IV. Effectiveness of AFRITAC TAs

11. **The survey provided positive feedback on the effectiveness of AFRITAC TAs in achieving tangible results in building institutional capacity.** Nearly a quarter of the respondents rated the effectiveness of AFRITAC TAs as **Excellent** and 62% rated it as **Good**. Very few assessed the AFRITAC's effectiveness as **Modest** or **Poor** (see Table C.4). Overall, this is equivalent to a weighted score of **Good** for effectiveness. While 28% of the respondents rated the effectiveness of East AFRITAC as **Excellent**, the corresponding figure for West and Central AFRITACs was lower, both at about 18%. Similarly positive opinions were expressed about the effectiveness of AFRITACs in enhancing the quality of TA delivery. About 88% of respondents rated the AFRITACs' effectiveness in this area as either **Excellent** (26%) or **Good** (62%) (see Table CX.7). A somewhat higher proportion of people rated the effectiveness of East AFRITAC in enhancing the quality of TA delivery as **Excellent** (29%) than West (23%) or Central (20%) AFRITAC.

Table C.4: Respondents' Views on the Effectiveness of AFRITAC Assistance

	Percent of Responses	East AFRITAC	West AFRITAC	Central AFRITAC
Weights ^{1/}		39%	43%	18%
Excellent	23%	28%	18%	17%
Good	62%	60%	61%	70%
Modest	14%	11%	19%	13%
Poor	1%	2%	1%	0%
Total	100%	100%	100%	100%
Weighted Rating ^{2/}	3.1	3.1	3.0	3.0
Total Responses	554	319	149	86
No Response	39	20	8	11
Grand Total ^{3/}	593	339	157	97
Response Rate	93%	94%	95%	89%

¹ Weights are based on the proportionate share of each Center to the total budget for FYs 2006-2008.

² Based on ratings of Excellent=4, Good=3, Modest=2, and Poor=1.

³ 554 respondents rated the AFRITAC Centers for this issue out of a total of 593 who answered this question.

Source: 2008 AFRITAC Evaluation Survey.

12. The objectives defined in the Program Documents for the fiscal areas 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 (see Table C.5). Less than 15% of the respondents felt that the objectives were fully achieved. Between 53% and 61% reported that despite substantial progress having been made, the objectives have not yet been achieved. About one quarter of the replies indicated that only modest progress had been made to achieve these objectives. Very few, around 5%, reported that no significant progress had been made. The progress reported in achieving the fiscal objectives were broadly similar across the objectives with no substantial differences standing out. The pattern was similar across the AFRITACs in terms of indicating an unfinished agenda in the fiscal areas. About 20% of the East AFRITAC respondents felt that the fiscal objectives had been achieved compared to 10% for West AFRITAC. Not surprisingly, given that it has been in operation for less than two years, less than 5% felt that the fiscal objectives of Central AFRITAC had been fully achieved for the Central AFRITAC.

Table C.5: Achieving Fiscal Objectives

	Percent Answering				Response Count	Response Rate ^{1/}
	Objective Fully Achieved	Despite Substantial Progress, Objective not yet Achieved	Only Modest Progress Made to Achieve Objective	No Significant Progress Made		
To improve capacity for macroeconomic analysis, policy formulation, and forecasting	13%	61%	22%	5%	395	67%
To 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	14%	53%	27%	5%	371	63%
To make systems and procedures for budgeting, treasury operations, and expenditure planning and control, more efficient with appropriate safeguards in terms of oversight and auditing	13%	54%	26%	6%	360	61%
To make the reporting of government financial operations more reliable and timely	14%	57%	24%	5%	368	62%

¹ Ratio of the response count to the 593 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

13. 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 regarding progress being achieved but there remains an unfinished AFRITAC agenda (see Table C.6). Slightly more people felt that the AFRITACs had fully achieved the objective of improving the legal/regulatory framework for financial sector supervision. This reflects the dominance of East AFRITAC respondents. East AFRITAC has made substantial contributions to help several countries make a successful transition from traditional to risk based bank supervision. Over one quarter of the respondents reported that this objective was achieved in East AFRITAC.

14. The objectives in the statistical area were to: (i) upgrade the methodologies for compilation of economic and financial statistics to international standards; and (ii) improve the dissemination of macroeconomic data. The unfinished agenda in the statistics area is also clear from the survey returns. Only about 15% of the people reported that the statistics objectives were fully achieved and only about 5% reported that no significant progress had been made in achieving the objectives (see Table C.6). Not surprisingly, a very small number of people felt that the Central AFRITAC had fully achieved its statistics objectives; slightly more progress was reported for the East and West AFRITACs.

Table C.6: Achieving Monetary/Financial Sector and Statistical Objectives

	Percent Answering				Response Count	Response Rate ^{1/}
	Objective Fully Achieved	Despite Substantial Progress, Objective not yet Achieved	Only Modest Progress Made to Achieve Objective	No Significant Progress Made		
To improve monetary operations, debt management and payment systems	12%	59%	25%	4%	307	52%
To improve the legal and regulatory framework for financial sector supervision	19%	51%	25%	5%	326	55%
To upgrade the methodologies for compilation of economic and financial statistics to international standards	15%	62%	19%	4%	341	58%
To improve the dissemination of macroeconomic data	13%	53%	28%	6%	334	56%

¹ Ratio of the response count to the 593 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

15. The survey results provide some evidence on the effectiveness of the modes AFRITACs use to deliver TA: (i) resident Advisors; (ii) short term experts; (iii) regional workshops; (iv) national workshops; and (v) professional attachments (see Table CX.8). Although all modes of assistance were rated as **Good**, there were some differences in the ratings. The regional workshops had the highest weighted rating, quite close to the cutoff point for an **Excellent** rating and the highest proportion of respondents that gave an **Excellent** rating (44%)⁴⁷. This positive result is consistent with the feedback that the Evaluation Team received in the field. Regional workshops were particularly appreciated because of the peer learning that took place among

⁴⁷ The positive ratings for the TA modalities were broadly similar across AFRITACs.

participants through sharing country experiences. One of the comparative advantages of the AFRITACs was their regional view of TA needs. AFRITACs have the potential to effectively support ongoing efforts toward harmonization and integration that are taking place in East, West and Central Africa. However, the AFRITACs could do more to capitalize on this comparative advantage.

16. A higher proportion of people rated the quality of services provided by Resident Advisors as **Excellent** (36%) than rated short term experts as **Excellent** (26%). Similarly, the proportion rating short term experts as **Modest** and **Poor** was slightly higher than the similar rating for Resident Advisors. 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 feedback received by the Evaluation Team that the advisory services provided by the Resident Advisors and short term experts was generally of good quality. The few complaints about quality were isolated instances.

17. About 350 participants provided feedback on the workshops that they attended (see Table CX.9). Overall, the workshops were rated as **Good**. 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**. The time that participants had to interact among themselves and the quality of the venue were both rated as **Good**. 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. These areas accounted for most of the **Modest** and **Poor** ratings. Although the length of the courses was rated as **Good**, the rating was close to the cut off point for **Modest**. During group discussions many participants suggested that one week courses were too short and suggested that the courses be extended to 10 days or two weeks. Given the sunk cost in the airfares, they thought that it would be a more cost efficient use of funds to invest in the air fares for two weeks rather than one week courses. 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 in the field. Some participants indicated that the workshops attended were one off events and that there was a lack of post workshop follow up and support. 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.

18. An important factor in determining whether a workshop was effective relates to whether the participants apply the knowledge gained on the job. Several questions on the survey were designed to address this issue. Workshop participants were asked whether they Strongly Agreed, Agreed, Disagreed, Strongly Disagreed or had No knowledge/No opinion about a series of questions related to their use of the knowledge gained in the workshop on the job. To probe the validity of the responses, in some cases similar questions were asked in both a positive and negative way. The results given in Table CX.10 were broadly similar for all three AFRITACs. The overwhelming majority (98%) of the participants either Strongly Agreed (66%) or Agreed (32%) 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 gained on the job. About 84% of the participants either Strongly Agreed or Agreed with the statement that they used the knowledge gained nearly every day. There may be a positive bias in that answer as 37% also indicated that they used the knowledge once a week on the job. However,

it is clear from the survey that the large majority of respondents use the knowledge on the job. Only 11% Agreed/Strongly Agreed with the statement that they seldom used the skills on the job. Very few respondents, less than 10% 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.

19. The survey results indicate that the topics covered by the workshops were well chosen from the perspective of the likelihood of the participants using the skills learned on the job. Evaluation Team held focus sessions with groups of workshop participants in each of the eight countries visited. The large majority of the participants met by the Evaluation Team indicated that they used the skills learned on the job. In some cases staff turnover was reported to be a problem (e.g., the statistics agency in Rwanda; trained bank supervision staff in Tanzania and Rwanda moving to commercial banks). In other cases the topics covered in regional seminars were not used in the participants' organization (e.g., financial stability indicators in the Central Bank of Rwanda; a coordinated approach among relevant organizations to collect and analyze macroeconomic data in Guinea). In these cases, the staff appreciated being exposed to best international practice that was being implemented in other countries in their region 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 that they attended. This is consistent with the relatively low rating in Table CX.9 regarding the adequacy of post workshop follow up and support. A few cases of poor participant selection were identified by the Evaluation Team (e.g., people from the Rwandan statistics agency rather than the Ministry of Finance attending a regional workshop on GFS; the latter rather than the former are responsible for GFS). Overall, however, the feedback that the Evaluation Team received in these focus groups from many participants and in all three regions was quite positive and indicated that most participants used the knowledge gained on the job and that participant selection problems were relatively few in number. Examples of positive feedback include participants in debt management and microfinance regional workshops in the West and Central regions and from the Kenyan Revenue Authority appreciated the cross regional workshops and the opportunity to share experiences and learn from them.

V. Efficiency of AFRITAC Operations

20. Unfortunately the data available from IMF's old time recording system and financial and management information systems were inadequate to undertake a proper cost efficiency analysis to assess whether AFRITAC TA is cost-effective compared to other TA delivery modes. The data available did not allow the Evaluation Team to compare the cost per person month of input for Headquarters TA with AFRITAC TAs. Similar problems were encountered in the 2005 AFRITAC evaluation. IMF's new time recording system should provide the necessary data to permit a better cost efficiency analysis in about one year's time.

21. Respondents were asked to give their perceptions on the implementation efficiency of the AFRITACs (see Table C.7). Overall, the implementation efficiency was rated as **Good**. Nearly a quarter of the respondents rated it as **Excellent** and 12% as **Modest**. Very few of the respondents rated the AFRITAC implementation efficiency as **Poor**. The proportion of **Excellent** ratings was the same for East and West AFRITACs and a bit lower for Central AFRITAC.

Table C.7: Respondents' Views on AFRITAC's Implementation Efficiency

	Percent of Responses	East AFRITAC	West AFRITAC	Central AFRITAC
Weights ^{1/}		39%	43%	18%
Excellent	24%	25%	26%	17%
Good	62%	63%	56%	70%
Modest	12%	10%	16%	12%
Poor	2%	2%	2%	1%
Total	100%	100%	100%	100%
Weighted Rating ^{2/}	3.1	3.1	3.1	3.0
Total Responses	486	271	133	82
No Response	39	25	8	6
Grand Total ^{3/}	525	296	141	88
Response Rate	93%	92%	94%	93%

¹ Weights are based on the proportionate share of each Center to the total budget for FYs 2006-2008.

² Based on ratings of Excellent=4, Good=3, Modest=2, and Poor=1.

³ 486 respondents rated the AFRITAC Centers for this issue out of a total of 593 who answered this question.

Source: 2008 AFRITAC Evaluation Survey.

22. Survey respondents were asked to compare the TA delivered by the AFRITACs and TA delivered by IMF Headquarters (see Table CX.11). About 84% of those replying indicated that they Strongly Agreed (36%) or Agreed (48%) that the AFRITACs responded more quickly to requests for assistance than did Headquarters. Roughly the same proportion of respondents believed that AFRITACs 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 (93%) either Agreed or Strongly Agreed that AFRITAC TAs supported the implementation of the policies and strategies identified by Headquarters.

23. Nearly two thirds of those participating in the survey Agreed (47%) or Strongly Agreed (18%) 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 (28%) Disagreed with that statement. An alternative approach to this issue was to ask whether people agreed with the statement that AFRITAC expertise was significantly weaker than that provided by Headquarters. Only 17% of the respondents Agreed/Strongly Agreed 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 28% of the respondents Strongly Agreed and 54% agreed with the proposition that IMF should reallocate staff and resources from Headquarters to AFRITACs. This proposition was also supported by many of the senior government officials interviewed by the Evaluation Team.

24. Respondents were also asked to give their opinion on the work of the AFRITACs relative to that of other TA providers (see Table CX.12). In general, 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).

25. These findings are similar to those of the 2005 evaluation. AFRITACs build on their comparative advantage of proximity to develop a good understanding of their countries and country needs, respond quickly and flexibly and provide good quality services. These survey results and the feedback provided in face to face interviews illustrate that the AFRITACs have some important competitive advantages that can be leveraged to provide good quality TA that meet the needs of countries.

26. To provide further evidence 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 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 another 40% or so thought that the cost effectiveness was equivalent. The AFRITACs were rated as less cost effective by between 10% and 20% of the respondents, depending on the comparator.

VI. Sustainability of the Benefits of AFRITAC TAs

27. Nearly 500 respondents felt that they had sufficient knowledge and experience to rate the sustainability of the benefits of AFRITAC TAs (see Table C.8). Overall, the respondents rated sustainability as **Good**, a rating that was similar for all three AFRITACs. Over 30% rated sustainability as **Excellent**, 58% as **Good**, 10% as Moderate and only 1% as **Poor**. The Evaluation Team's assessment is more guarded, more in the order of **Good bordering on Modest**. This less optimistic assessment of sustainability reflects several factors: (i) the limited institutional absorptive capacity of institutions in, and the post conflict status of, many countries (see Chapter I and Annex A), which create risks for sustainability; (ii) much of the TA could be described as works in progress – thus it is not clear at this stage if it will reach point where the benefits will be sustainable once IMF involvement ceases; (iii) all three TA departments indicated that the backstopping model is at risk because of the 2007 staff and budget cut backs and growing demands for backstopping; and, (iv) 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 fall out of the sub-prime mortgage crises will result in cuts for Official Development Assistance.

Table C.8: Respondents' Views on the Sustainability of the Work of the AFRITAC TAs

	Percent of Responses	East AFRITAC	West AFRITAC	Central AFRITAC
Weights ^{1/}		39%	43%	18%
Excellent	31%	34%	25%	27%
Good	58%	55%	61%	61%
Modest	10%	9%	13%	10%
Poor	1%	1%	1%	2%
Total	100%	99%	100%	100%
Weighted Rating ^{2/}	3.2	3.2	3.1	3.1
Total Responses	478	270	126	82
No Response/No Opinion	48	27	15	6
Grand Total ^{3/}	526	297	141	88
Response Rate	91%	91%	89%	93%

¹ Weights are based on the proportionate share of each Center to the total budget for FYs 2006-2008.

² Based on ratings of Excellent=4, Good=3, Modest=2, and Poor=1.

³ 478 respondents rated the AFRITAC Centers for this issue out of a total of 526 who answered this question.

Source: 2008 AFRITAC Evaluation Survey.

28. The benefits of AFRITAC TAs are more likely to be sustainable if there is consensus that the AFRITAC objectives remain important. The respondents were asked for their views on the continuing importance of the AFRITAC fiscal objectives given in Table C.5 and the monetary, financial sector and statistics objectives given in Table C.6. Respondents were asked to rate the objectives as Highest Importance, Important, Modestly Important and Not Important. In each table, only two objectives could be ranked as Highest Importance. The results are given in Tables CX.14 and CX.15. All of the objectives were viewed as being Highest Importance/Important and very few people thought that the objectives were Modestly Important (generally around 5%) or Not Important (generally in the order of 1%). The two most important fiscal objectives were: (i) improving the capacity for macroeconomic analysis, policy formulation, and forecasting; and (ii) making systems and procedures for budgeting, treasury operations, and expenditure planning and control, more transparent and efficient with appropriate safeguards in terms of oversight and auditing. The other three monetary/financial sector/statistics objectives received more votes as being of Highest Importance than did the dissemination objective.

29. The use of African experts to deliver TA was expected to contribute to sustainability by building regional human capacities and helping to transfer knowledge across borders. 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 and workshops. Of the 12 Center Coordinators and Resident Advisors in East and West AFRITACs in 2005, six (60%) were African. In mid-2008, when the field work for the evaluation was undertaken, 12 (48%) of the 25 Center Coordinators and Resident Advisors were African (2 of 9 in East AFRITAC; 6 of 9 in West AFRITAC and 4 of 7 in Central AFRITAC). All three AFRITACs have used numerous African short term experts. The feedback to the Evaluation Team was that local knowledge and customs allowed the qualified African short term experts to be successful. 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. Although the Evaluation Team received positive

feedback on use of African expertise, when this issue was discussed with government officials, most people placed more weight on competence, expertise and experience than where the person was from. While African experts were welcome, it was stressed that they must be well qualified and have the knowledge and experience necessary to do the job. This was particularly the case in Cote D'Ivoire where the use of short-term experts from Canada was commended by country officials because of their knowledge and expertise and their willingness to adapt to difficult conditions in field inspections of microfinance institutions.

30. The use of African expertise was one of the sub-criteria used for the sustainability rating. The survey results indicate that people generally feel that the AFRITACs have done a **Good** job promoting the use of African expertise -- 26% rated the AFRITACs as **Excellent** in this area, 50% as **Good**, 19% as **Modest** and 5% as **Poor** (see Table CX.16). Generally, the AFRITACs are viewed as being more efficient in using African expertise than either IMF Headquarters or other TA providers. About half of the respondents agreed with the statement that the AFRITACs made better use of African expertise than IMF Headquarters and another 36% Strongly Agreed with the statement. Compared to other TA providers, 48% of the people Agreed and 26% Strongly Agreed that the AFRITACs made better use of African expertise. Few respondents felt that the AFRITACs did not make as good use of African expertise than either IMF Headquarters or other TA providers (see Tables CX.17 and CX.18). The positive feedback on the use of African expertise was consistent across the AFRITACs, although the ratings were marginally lower for East AFRITAC.

VII. Overall Success of AFRITAC TAs

31. For each of the five TA clusters⁴⁸ 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 (ix) sustainability of the benefits associated with the work of the AFRITACs. The number of respondents providing ratings for the various criteria ranged from a low of 53⁴⁹ to a high of 93⁵⁰.

32. The replies are detailed in Tables CX.18 to CX.22 in Appendix C and summarized in Table C.9. The scores shown in Table C.9 are the weighted average of the responses, assigning a score of 4 for Excellent, 3 for Good, 2 for Modest and 1 for Poor. As described in Annex B, the following descriptors were used, based on numerical cutoffs: (i) **Excellent** if the score was greater than 3.5; (ii) **Good** if the score was between 2.5 and 3.5; (iii) **Modest** if the score was between 1.5 and 2.5; and (iv) **Poor** if the score was less than 1.5. The figures in the Total column of Table C.9 were derived by weighting the scores across the five TA clusters by the person months used to deliver the TAs in each cluster (see Table A.1). The rating for each TA cluster in the last row of Table C.9 is the simple or unweighted average of the scores in the columns. In interpreting the results in Table C.9, it is important to recall that these ratings reflect

⁴⁸ Public Financial Management, Revenue Administration, Monetary Operations/Public Debt Management/Payment Systems and Financial Markets, Financial Sector Supervision and Statistics.

⁴⁹ Rating the coordination of AFRITAC Monetary Operations/Public Debt Management/Payment Systems and Financial Markets TAs with those of other TA providers.

⁵⁰ Rating the relevancy of revenue administration TAs.

the survey results. They do not reflect the results of the detailed analysis and judgment of the Evaluation Team. Those factors are the topics of Chapter III and Annexes D, E and F.

Table C.9: Success By TA Cluster

Criteria	Public Financial Management	Revenue Administration	Monetary Operations/ Public Debt Management/ Payment Systems/ Financial Markets	Financial Sector Supervision	Statistics	Overall Rating for the Criteria
Weight (%)¹	29.0%	26.0%	12.0%	16.0%	17.0%	100%
Relevance of TAs in helping to build capacity	3.1	3.3	3.2	3.5	3.3	3.3
Consistency with Government priorities	3.0	3.1	3.0	3.2	3.1	3.1
Coordination with other TA providers	2.7	2.7	2.7	2.8	3.0	2.7
Coordination with IMF Headquarters	3.2	3.3	3.1	3.1	3.2	3.2
Use of the outputs	2.7	2.9	2.9	3.2	3.0	2.9
Effectiveness in achieving tangible results	2.6	2.9	2.9	3.2	2.9	2.9
Significance of contributions to developing core economic functions	2.8	3.0	3.0	3.3	3.1	3.0
Expertise and assistance	3.0	3.2	3.1	3.4	3.2	3.2
Sustainability of the benefits of AFRITAC TAs	2.8	2.9	2.9	3.1	3.0	2.9
Average for All Criteria	2.9	3.0	3.0	3.2	3.1	3.0

¹ Ratio to person months used to deliver the TA cluster.

Source: 2008 AFRITAC Evaluation Survey

33. There was relatively little difference in the ratings for the five TA clusters. All were rated in the **Good** range for the aggregation of the nine criteria. The highest ranking was for Financial Sector Supervision. In meetings with central bank officials in Kenya, Tanzania and Rwanda from Governor level to the operational level, very high levels of satisfaction were expressed about the quality and effectiveness and sustainability the cluster of East of AFRITACs TAs to strengthen bank supervision. 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 to deliver the TA. The Evaluation Team was advised that FAD devoted considerably more

resources to backstopping than did MCM. These results 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 and effective and efficient use of scarce human resources at IMF Headquarters.

34. Ratings for all criteria for each TA cluster were rated as **Good**, except for the relevance of the Financial Sector Supervision TAs which were rated by the respondents as being **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.

35. Although all of the other ratings are in the **Good** range, there were differences among the criteria and TA clusters. The highest score among the **Good** ratings was for East AFRITAC expertise and assistance in Financial Sector Supervision which **bordered on Excellent**. Two other relevancy ratings scored at the **high end of the Good range** (Revenue Administration; Statistics) as did coordination with IMF Headquarters for Revenue Administration and significance of contributions for Financial Sector Supervision.

36. There were also a number of ratings in the **Good** range that were at the low end of the range **bordering on Modest**. 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 and Monetary Operations/ Public Debt Management/ Payment Systems/ Financial Markets.

37. Overall, coordinating with other TA providers received the lowest score among the nine criteria. This is somewhat surprising, given the emphasis placed on donor coordination in the AFRITAC Program documents. During the field work, however, especially in countries where the AFRITACs are not based, a significant number of donors complained about a lack of knowledge of AFRITAC operations and unwillingness of AFRITACs to share mission reports. This is despite the fact that: (i) Center Coordinators make efforts to meet with other TA providers when they visit countries; (ii) many Resident Advisors met with other donors or their consultants who were working in the same field; and (iii) donors are represented on the Steering Committees and attend Steering Committee Meetings as observers. In some cases there was evidence of good coordination between the AFRITACs and other TA providers. This is an area where there is room for improvement. The issues of coordination and information dissemination are discussed in more detail in Chapter IV.

Table CX.1: Respondents by Employer

	Total Responses	East AFRITAC	West AFRITAC	Central AFRITAC
Government Ministry/Agency	59%	65%	49%	52%
TA Providers	8%	7%	12%	7%
IMF and Short-term Experts	23%	18%	33%	35%
Other	9%	10%	6%	6%
Total (in percent)	100%	100%	100%	100%
Total Responses^{1/}	710	339	157	97

¹ There were 725 who responded to the survey, 710 answered this question and a total of 593 rated the AFRITAC Centers.

Source: 2008 AFRITAC Evaluation Survey

Table CX.2: Government Officials By Type of Organization

	Total Responses	East AFRITAC	West AFRITAC	Central AFRITAC
Ministry of Finance	38%	28%	47%	52%
Central Bank	27%	38%	12%	8%
National Statistical Agency	9%	6%	19%	10%
Revenue Administration	23%	27%	14%	26%
Other	3%	1%	8%	4%
Total (in percent)	100%	100%	100%	100%
Total Responses	412	221	77	50
No Response	7	0	0	0
Grand Total ^{1/}	419	221	77	50

¹ There were 419 respondents from government, 412 answered which government organization they were from and 348 rated the AFRITAC Centers.

Source: 2008 AFRITAC Evaluation Survey

Table CX.3: IMF Staff and Short-term Experts By Department

	Total Responses	East AFRITAC	West AFRITAC	Central AFRITAC
African Department	13%	8%	17%	18%
Fiscal Affairs Department	15%	19%	15%	6%
Monetary and Capital Markets Department	8%	13%	4%	12%
Statistics Department	5%	8%	4%	3%
Resident Representative Office	12%	2%	21%	15%
AFRITAC	23%	22%	26%	26%
Other	23%	29%	13%	21%
Total (in percent)	100%	100%	100%	100%
Total Responses	165	63	53	34

¹ There were 165 IMF/Short-term Experts respondents of which 150 rated the AFRITAC Centers.

Source: 2008 AFRITAC Evaluation Survey

Table CX.4: AFRITACs' Role in Helping Countries Define TA Priorities

	Total Responses	East AFRITAC	West AFRITAC	Central AFRITAC
Weights ¹		39%	43%	18%
An Important and Leading Role	43%	46%	38%	42%
Played a Role But Not a Leader	50%	46%	57%	49%
Minor Inputs	7%	8%	5%	8%
Did Not Play Any Role	0%	0%	0%	1%
Total (in percent)	100%	100%	100%	100%
Total Responses	514	285	145	84
No Response/No Opinion	79	54	12	13
Grand Total ^{2/}	593	339	157	97
Response Rate	87%	84%	92%	87%

¹ Weights are based on the proportionate share of each Center to the total budget for FYs 2006-2008

² Based on ratings of Excellent=4, Good=3, Modest=2, and Poor=1.

³ 514 rated the AFRITAC Centers for this issue out of a total of 593 who answered this question.

Source: 2008 AFRITAC Evaluation Survey

Table CX.5: Relevance of the Work of the AFRITACs

	Percent Answering				Response Count	Response Rate ^{1/}
	Strongly Agree	Agree	Disagree	Strongly Disagree		
Work is demand-driven and responsive to the needs of countries	42%	52%	5%	1%	477	91%
Strong country ownership	22%	57%	18%	3%	447	85%
Closely linked to IMF's surveillance work and program activities	26%	63%	9%	2%	424	81%
Closely coordinated with IMF Headquarters TAs	30%	63%	6%	1%	404	77%
AFRITAC provides feedback from countries to IMF Headquarters	25%	56%	14%	5%	345	66%
Closely linked to the poverty-reducing strategies of its member countries	20%	60%	17%	3%	392	75%

¹ Ratio of the response count to the 525 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table CX.6: Effectiveness of the Steering Committees in Providing Oversight and Guidance to the AFRITACs

	Total Responses	East AFRITAC	West AFRITAC	Central AFRITAC
Weights ^{1/}		39%	43%	18%
Excellent	18%	22%	17%	11%
Good	66%	62%	69%	74%
Modest	13%	14%	11%	11%
Poor	3%	3%	3%	3%
Total (%)	100%	100%	100%	100%
Weighted Rating ^{2/}	3.0	3.0	3.0	2.9
Total Responses ^{3/}	318	156	100	62
No Response/No Opinion	207	140	41	26
Grand Total	525	296	141	88
Response Rate	61%	53%	71%	70%

¹ Weights are based on the proportionate share of each Center to the total budget for FYs 2006-2008

² Based on ratings of Excellent=4, Good=3, Modest=2, and Poor=1.

³ 318 rated the AFRITAC Centers for this issue out of a total of 525 who answered this question.

Source: 2008 AFRITAC Evaluation Survey

Table CX.7: Effectiveness of AFRITACs in Enhancing the Quality Of TA Delivery

	Total Responses	East AFRITAC	West AFRITAC	Central AFRITAC
Weights ^{1/}		39%	43%	
Excellent	26%	29%	23%	20%
Good	62%	60%	62%	71%
Modest	10%	9%	14%	9%
Poor	2%	3%	1%	0%
Total (in percent)	100.0%	100.0%	98.7%	100.0%
Weighted Rating ^{2/}	3.1	3.1	3.1	3.0
Total Responses	547	311	149	115
No Response/No Opinion	46	28	8	77
Grand Total ^{3/}	593	339	157	192
Response Rate	92%	92%	95%	60%

¹ Weights are based on the proportionate share of each Center to the total budget for FYs 2006-2008

² Based on ratings of Excellent=4, Good=3, Modest=2, and Poor=1.

³ 547 rated the AFRITAC Centers for this issue out of a total of 593 who answered this question.

Source: 2008 AFRITAC Evaluation Survey

Table CX.8: Effectiveness of TA Delivery Modalities

	Percent Answering				Weighted Rating ^{1/}	Response Count	Response Rate ^{2/}
	Excellent	Good	Modest	Poor			
Resident Advisers	36%	49%	12%	3%	3.2	394	66%
Short Term Experts	26%	56%	17%	2%	3.1	476	80%
Regional Workshops/ Training Courses	44%	44%	10%	2%	3.3	489	82%
National Workshops/ Training Courses	26%	55%	13%	7%	3.0	382	64%
Professional Attachments in African Organizations	21%	45%	23%	10%	2.8	264	45%

¹ Based on ratings of Excellent=4, Good=3, Modest=2, and Poor=1.

² Ratio of the response count to the 593 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table CX.9: Quality of Training Courses/Workshops/Seminars

	Percent Answering				Weighted Rating ^{1/}	Response Count	Response Rate ^{2/}
	Excellent	Good	Modest	Poor			
Topics Covered	62%	36%	2%	0%	3.6	367	98%
Resource Persons/Presenters	47%	50%	2%	1%	3.4	367	98%
Quality of Presentations	45%	50%	4%	0%	3.4	368	98%
Time to Interact with Other Participants	36%	54%	8%	2%	3.2	367	98%
Quality of the Venue	32%	53%	12%	3%	3.1	367	98%
Length of course	9%	58%	26%	7%	2.7	368	98%
Post Course/ Workshop Follow up and Support	7%	34%	37%	23%	2.2	328	88%

¹ Based on ratings of Excellent=4, Good=3, Modest=2, and Poor=1.

² Ratio of the response count to the 374 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table CX.10: Use of the Knowledge Gained in Workshops/Seminars/Training Courses

	Percent Answering				Response Count	Response Rate ^{1/}
	Strongly Agree	Agree	Disagree	Strongly Disagree		
The topics covered were relevant to my day to day activities	66%	32%	1%	1%	345	92%
Used knowledge nearly every day on the job	37%	47%	15%	1%	334	89%
Used knowledge occasionally (once a week) on the job	7%	30%	42%	22%	326	87%
Seldom used knowledge on the job	1%	10%	39%	49%	326	87%
Topics too advanced	2%	6%	39%	53%	336	90%
Changed jobs and do not use knowledge	1%	3%	38%	58%	307	82%
Organization does not have the information technology or computer systems needed to use the knowledge gained	2%	9%	34%	55%	321	86%

¹ Ratio of the response count to the 525 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table CX.11: Respondents Views on the AFRITACs' Work Compared to IMF Headquarters

	Percent Answering				Response Count	Response Rate ^{1/}
	Strongly Agree	Agree	Disagree	Strongly Disagree		
Responds more quickly than Headquarters	36%	48%	14%	3%	309	59%
More flexible than Headquarters	33%	53%	12%	2%	320	61%
Better understands countries than Headquarters based staff	33%	51%	14%	2%	395	75%
More responsive to country needs than Headquarters	27%	54%	18%	1%	350	67%
More effectively promotes regional integration and harmonization than Headquarters	31%	57%	10%	2%	369	70%
Supports the implementation of policies and strategies identified by Headquarters	27%	66%	5%	2%	383	73%
IMF should re-allocate staff and resources from Headquarters to the AFRITACs	28%	54%	14%	4%	389	74%
Expertise equivalent or better than that provided by Headquarters	18%	47%	28%	7%	351	67%
Expertise and advice significantly weaker than that provided by the IMF Headquarters	5%	12%	56%	27%	348	66%

¹ Ratio of the response count to the 525 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table CX.12: Respondents Views on the AFRITACs' Work Compared to TA Providers

	Percent Answering				Response Count	Response Rate ^{1/}
	Strongly Agree	Agree	Disagree	Strongly Disagree		
Responds more quickly to requests than other TA providers	25%	52%	21%	1%	303	58%
More flexible than other TA providers.	22%	52%	23%	3%	301	57%
Better understands of the countries than other TA providers	27%	49%	22%	3%	323	62%
More responsive to country needs than other TA providers.	23%	50%	24%	3%	307	58%
More effectively promotes regional integration and harmonization than other TA providers.	28%	54%	16%	2%	312	59%

¹ Ratio of the response count to the 525 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table CX.13: Respondents' Views on the Comparative Cost-effectiveness of AFRITAC TAs

	Percent Answering			Response Count	Response Rate ^{1/}
	Comparable	More Efficient	Not as Efficient		
Long-term in-country advisers funded by IMF	37%	46%	17%	292	56%
Short-term TA Missions from IMF Headquarters	40%	42%	18%	321	61%
Training put on by the IMF Training Institute	35%	47%	18%	264	50%
Long-term in-country advisors from other TA providers	35%	43%	21%	243	46%
Short-term TA Missions from other TA providers	37%	49%	14%	256	49%
Training/assistance provided by regional institutions	40%	50%	10%	282	54%

¹ Ratio of the response count to the 525 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table CX.14: Importance AFRITACs Should Assign to Fiscal Objectives

	Percent Answering				Response Count	Response Rate ^{1/}
	Highest Importance	Important	Modestly Important	Not Important		
To improve capacity for macroeconomic analysis, policy formulation, and forecasting	56%	37%	6%	2%	469	89%
To make the functioning of checks and balances in public financial management more effective, taking account of codes of good practices promoted by the IMF and other institutions	38%	55%	6%	1%	447	85%
To make systems and procedures for budgeting, treasury operations, and expenditure planning and control, more transparent and efficient with appropriate safeguards in terms of oversight and auditing	55%	42%	3%	0%	450	86%
To make the reporting of government financial operations more reliable and timely	36%	56%	8%	0%	452	86%

¹ Ratio of the response count to the 525 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table CX.15: The Importance the AFRITACs Should Assign to Monetary and Financial Sector Objectives

	Percent Answering				Response Count	Response Rate ^{1/}
	Highest Importance	Important	Modestly Important	Not Important		
To improve monetary operations, debt management and payment systems	52%	42%	6%	1%	446	85%
To improve the legal and regulatory framework for financial sector supervision	48%	46%	5%	1%	456	87%

¹ Ratio of the response count to the 525 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table CX.16: The importance the AFRITACs Should Assign to Statistical Objectives

	Percent Answering				Response Count	Response Rate ^{1/}
	Highest Importance	Important	Modestly Important	Not Important		
To upgrade the methodologies for compilation of economic and financial statistics to the latest international standards	44%	48%	7%	1%	454	86%
To improve the dissemination of macroeconomic data and metadata	30%	59%	11%	1%	449	86%

¹ Ratio of the response count to the 525 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table CX.17: Promotion of African Expertise

	Percent of Responses	East AFRITAC	West AFRITAC	Central AFRITAC
Weights ^{1/}		39%	43%	18%
Excellent	26%	26%	28%	24%
Good	50%	49%	50%	58%
Modest	19%	18%	21%	16%
Poor	5%	7%	2%	3%
Total (in percent)	100%	100%	100%	100%
Weighted Rating ^{2/}	3.0	2.9	3.0	3.0
Total Responses	478	245	121	76
No Response/No Opinion	48	52	20	12
Grand Total ^{3/}	525	297	141	88
Response Rate	91%	82%	86%	86%

¹ Weights are based on the proportionate share of each Center to the total budget for FYs 2006-2008

² Based on ratings of Excellent=4, Good=3, Modest=2, and Poor=1.

³ 478 rated the AFRITAC Centers for this issue out of a total of 525 who answered this question.

Source: 2008 AFRITAC Evaluation Survey

Table CX.18: AFRITACs' Use of African Expertise

	Percent Answering				Response Count	Response Rate ^{1/}
	Strongly Agree	Agree	Disagree	Strongly Disagree		
Makes better use of African expertise than does Headquarters.	35%	49%	13%	2%	363	69%
Makes better use of African expertise than other TA providers.	26%	48%	21%	5%	314	60%

Source: 2008 AFRITAC Evaluation Survey

Table CX.19: Success of Public Financial Management TAs

	Percent Answering				Weighted Rating ^{1/}	Response Count	Response Rate ^{2/}
	Excellent	Good	Modest	Poor			
Relevance of TAs in helping to build capacity	35%	44%	15%	6%	3.1	82	92%
Consistency with Government priorities	34%	43%	18%	6%	3.0	80	90%
Coordination with other TA providers	15%	49%	22%	14%	2.7	72	81%
Coordination with IMF Headquarters	33%	53%	11%	3%	3.2	70	79%
Use of the outputs	17%	45%	28%	11%	2.7	76	85%
Effectiveness in achieving tangible results	14%	44%	30%	12%	2.6	77	87%
Significance of contributions to developing core economic functions	19%	53%	19%	8%	2.8	73	82%
Expertise and assistance	30%	49%	16%	5%	3.0	77	87%
Sustainability of the benefits of AFRITAC TAs	20%	51%	23%	7%	2.8	75	84%
Average for All Criteria	24%	48%	20%	8%	2.9	76	85%

¹ Based on ratings of Excellent=4, Good=3, Modest=2, and Poor=1.

² Ratio of the response count to the 89 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table CX.20: Success of Revenue Administration TAs

	Percent Answering				Weighted Rating ^{1/}	Response Count	Response Rate ^{2/}
	Excellent	Good	Modest	Poor			
Relevance of TAs in helping to build capacity	47%	40%	10%	3%	3.3	93	97%
Consistency with Government priorities	35%	48%	12%	4%	3.1	91	95%
Coordination with other TA providers	19%	43%	30%	8%	2.7	74	77%
Coordination with IMF Headquarters	39%	47%	14%	0%	3.3	79	82%
Use of the outputs	20%	53%	21%	6%	2.9	89	93%
Effectiveness in achieving tangible results	24%	49%	21%	6%	2.9	90	94%
Significance of contributions to developing core economic functions	25%	48%	23%	4%	3.0	83	86%
Expertise and assistance	40%	43%	15%	2%	3.2	91	95%
Sustainability of the benefits of AFRITAC TAs	23%	50%	22%	4%	2.9	90	94%
Average for All Criteria	30%	47%	19%	4%	3.0	87	90%

¹ Based on ratings of Excellent=4, Good=3, Modest=2, and Poor=1.

² Ratio of the response count to the 96 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table CX.21: Success of Monetary Operations, Public Debt Management, Payment Systems and Financial Markets TAs

	Percent Answering				Weighted Rating ^{1/}	Response Count	Response Rate ^{2/}
	Excellent	Good	Modest	Poor			
Relevance of TAs in helping to build capacity	30%	59%	11%	0%	3.2	63	91%
Consistency with Government priorities	20%	63%	14%	3%	3.0	64	93%
Coordination with other TA providers	8%	57%	30%	6%	2.7	53	77%
Coordination with IMF Headquarters	21%	66%	14%	0%	3.1	58	84%
Use of the outputs	19%	55%	26%	0%	2.9	58	84%
Effectiveness in achieving tangible results	18%	53%	27%	2%	2.9	62	90%
Significance of contributions to developing core economic functions	26%	50%	23%	2%	3.0	62	90%
Expertise and assistance	26%	56%	18%	0%	3.1	62	90%
Sustainability of the benefits of AFRITAC TAs	17%	52%	32%	0%	2.9	60	87%
Average for All Criteria	20%	57%	22%	1%	3.0	60	87%

¹ Based on ratings of Excellent=4, Good=3, Modest=2, and Poor=1.

² Ratio of the response count to the 69 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table CX.22: Success of Financial Sector Supervision TAs

	Percent Answering				Weighted Rating ^{1/}	Response Count	Response Rate ^{2/}
	Excellent	Good	Modest	Poor			
Relevance of TAs in helping to build capacity	57%	34%	8%	1%	3.5	74	96%
Consistency with Government priorities	31%	57%	11%	1%	3.2	72	94%
Coordination with other TA providers	16%	51%	27%	6%	2.8	63	82%
Coordination with IMF Headquarters	29%	52%	16%	3%	3.1	63	82%
Use of the outputs	41%	43%	13%	3%	3.2	70	91%
Effectiveness in achieving tangible results	37%	46%	16%	1%	3.2	70	91%
Significance of contributions to developing core economic functions	38%	53%	9%	0%	3.3	66	86%
Expertise and assistance	51%	37%	11%	1%	3.4	73	95%
Sustainability of the benefits of AFRITAC TAs	32%	51%	14%	3%	3.1	69	90%
Average for All Criteria	37%	47%	14%	2%	3.2	69	89%

¹ Based on ratings of Excellent=4, Good=3, Modest=2, and Poor=1.

² Ratio of the response count to the 77 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table CX.23: Success of Statistics TAs

	Percent Answering				Weighted Rating ^{1/}	Response Count	Response Rate ^{2/}
	Excellent	Good	Modest	Poor			
Relevance of TAs in helping to build capacity	44%	46%	9%	1%	3.3	82	96%
Consistency with Government priorities	30%	52%	17%	1%	3.1	81	95%
Coordination with other TA providers	26%	49%	24%	1%	3.0	70	82%
Coordination with IMF Headquarters	37%	47%	14%	1%	3.2	70	82%
Use of the outputs	25%	56%	16%	3%	3.0	73	86%
Effectiveness in achieving tangible results	23%	52%	22%	4%	2.9	79	93%
Significance of contributions to developing core economic functions	30%	51%	14%	4%	3.1	76	89%
Expertise and assistance	36%	49%	10%	5%	3.2	78	92%
Sustainability of the benefits of AFRITAC TAs	18%	62%	17%	3%	3.0	77	91%
Average for All Criteria	30%	52%	16%	3%	3.1	76	90%

¹ Based on ratings of Excellent=4, Good=3, Modest=2, and Poor=1.

² Ratio of the response count to the 85 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Annex D: Assessment of East AFRITAC

I. Introduction

1. East AFRITAC opened in late 2002 and has been operational for six years. Annex D presents the detailed evaluation of East AFRITAC. The Monetary and Banking TAs were grouped into two clusters: (i) Monetary Operations and (iii) Banking Supervision. The fiscal TAs were also grouped into two clusters: (i) Public Financial Management; and (ii) Revenue Administration. All statistics TAs were analyzed as one group covering national accounts, prices, balance of payments and government financial statistics.
2. The rating methodology was applied to each cluster to derive scores for the four dimensions of evaluation – relevance; effectiveness; efficiency; sustainability. For each cluster of TAs, the scores for each of the dimensions of evaluation were aggregated using the weights defined in Annex B. The clusters in the MCM and FAD areas were aggregated using weights based on the total person months of Advisor input used to deliver the TA over the period from FY2006 to FY2008 inclusive. These weights were derived from the data in Table D.1 which are based on the audited financial statements for East AFRITAC.
3. The conclusions of the Evaluation Team reflect: (i) the feedback received from government officials and workshop participants, East AFRITAC staff, Resident Representatives and representatives of other TA providers during interviews in Kenya, Rwanda and Tanzania; (ii) the feedback received from the respondents to the AFRITAC Evaluation Survey who responded regarding East AFRITAC; (iii) documentation review; and (iv) interviews undertaken in IMF Headquarters.
4. A special run was done on the AFRITAC Evaluation Survey to analyze East AFRITAC specific responses. Some of the key tables are included in the main text of Annex D and other tables are included in the appendix to this annex.
5. The Evaluation Team has considerably more information about East AFRITAC's TAs in the countries that it visited (i. e., Kenya; Rwanda; Tanzania) than the other East AFRITAC client countries (i. e., Eritrea; Ethiopia; Malawi; Uganda). To try to ensure that this did not unduly bias the conclusions of the evaluation, the Evaluation Team attempted to use multiple sources of data to validate key conclusions. In general there was a close correlation between the conclusion of the Evaluation Team and the survey results which provides some comfort about the overall assessment of East AFRITAC.

Table D.1: East AFRITAC Expenditures and Person Months of Inputs

	Fiscal Year 2006		Fiscal Year 2007		Fiscal Year 2008	
	Expenditures		Expenditures		Expenditures	
	Work Months	US\$	Work Months	US\$	Work Months	US\$
Resident Advisors	48	876,000	46	978,250	67	1,441,300
1101 Public Expenditure Management Advisor	12	219,000	9	182,750	19	409,300
1102 Revenue Policy and Administration Advisor	12	219,000	12	258,000	12	258,000
1103 Monetary policy and Operation Advisor	-	-	1	21,500	12	258,000
1104 Banking Supervision Advisor	12	219,000	12	258,000	12	258,000
1105 Multisector Statistics Advisor	12	219,000	12	258,000	7	150,500
1106 Public Expenditure Management Advisor					5	107,500
Short-term experts	36	994,000	27	768,500	27	971,500
1151 Fiscal	13	364,000	14.5	420,500	14.5	449,500
1152 Monetary	14	392,000	7.5	217,500	7.5	304,500
1153 Statistics	9	238,000	5	130,500	5	217,500
1154 Other	-	-	-	-	-	-
Total (Fiscal)	37	802,000	36	861,250	51	1,224,30
Total (Monetary)	26	611,000	21	497,000	32	820,500
Total (Statistics)	21	457,000	17	388,500	12	368,000
Other		571,226		364,735		426,650
1501 Regional travel		123,026		120,652		135,270
1601 Evaluation		-		-		-
3301 Training		407,845		199,370		264,692
4101 Office support, communications, etc. ²		40,355		44,713		26,688
Unallocated				-		-
Sub-total	84	2,441,226	73	2,111,485	94	2,839,450
13% Administrative fee		317,359		274,493		369,129
Total	84	2,758,585	73	2,385,978	94	3,208,579
Memorandum items: Cost sharing contributions						
Bank of Tanzania		97,476		99,376		71,241
Office ³		78,843		73,716		43,001
Local		18,633		25,660		28,240
International Monetary Fund		507,437		517,488		524,446
Center Coordinator		266,400		291,300		291,300
Operations ⁴						
		241,037		226,188		233,146
Grand Total		3,363,498		3,002,842		3,804,266

Source: IMF, Office of Technical Assistance Management.

1 Fiscal year runs from May 1 to April 30

2 Office support, communications, etc. are mainly supported by the IMF. See "operations" under memorandum items.

3 Starting November 2007, East AFRITAC's location is at the Bank of Tanzania

⁴ Excludes start-up costs, the purchase of a car, and costs associated with staff at IMF headquarters.

⁵ Residual balance of Phase I budget was rolled over into Phase II budget. Includes additional pledged contributions received in FY.

II. Evaluation of East AFRITAC Monetary and Banking TAs

A. Introduction and Summary of the Monetary and Banking TAs

6. Reflecting both the mixed social and economic characteristic of countries in the region⁵¹ and the fact that all of the client countries have central banks that oversee both the implementation of monetary policy for independent currencies and the supervision of banks (including microfinance), East AFRITAC's monetary and financial system TAs are provided solely to central banks and embrace a broad menu of activities in both monetary operations and banking supervision areas⁵².

7. The key TA priorities in monetary operations in East AFRITAC work plan for Phase I (FY2003-2005) embraced activities geared to support: (i) developing **domestic debt and money markets** in Rwanda and Tanzania; (ii) upgrading **foreign exchange reserves management** practices in Ethiopia, Kenya and Rwanda to international best practices; and (iii) reviewing and developing the strategy **for payment systems reforms**, including the organization structure for a payments systems unit and implementation plans for real time gross settlement (RTGS) systems in Kenya and Rwanda that also covered the legal framework to support the reforms. Needs assessments were conducted by East AFRITAC in all countries in the region at the outset of Phases I (and II) and a medium prioritized reform strategy for monetary operations and banking supervision was developed for each country before any TA was delivered.

8. The Phase II work plan (FY2006-2008) continued and coordinated better these activities and, consistent with buoyant economic growth and the broadening of financial services in many countries in the region, gradually sharpened the focus and thrust of monetary operations work to support the deepening of financial intermediation and more market determination of interest rates. This was done by helping central banks to build in-house capacities for formulation and implementation of appropriate monetary policy through: (i) the adoption of market based instruments to facilitate the development of foreign exchange, money and domestic debt markets; (ii) improving liquidity management and monetary operations; (iii) supporting ongoing efforts to modernize payment and settlement systems, including harmonization of regional efforts involving cross border payments; and (iv) supporting reforms in central bank accounting⁵³ and adoption of International Financial Reporting Standards(IFRS).⁵⁴

⁵¹ See Table I.1 in Chapter I for the country characteristics developed by the Evaluation Team to compare institutional absorptive capacity for AFRITAC client countries. For East AFRITAC two countries, Rwanda and Tanzania, are rated as good and the other five (Eritrea, Ethiopia, Kenya, Malawi and Uganda) are rated modest. While some countries in the region have not been without social and economic tensions and poverty reduction is an important goal for all, in terms of financial sector progress many of the countries are either well into second generation financial sector reforms or at least making a good start in that direction.

⁵² In contrast, monetary and financial system TAs of West and Central AFRITACs have a narrower focus within client countries, largely reflecting the predominance of regional central banks and common currency regimes, pegged to the euro, in their client countries (see Annex E and F).

⁵³ Such accounting reforms in central banks often support Safeguards Assessments carried out by the IMF to enhance governance structures.

⁵⁴ The objective for monetary operations TAs in the Phase II work Program was to enhance efficiency and effectiveness of monetary policy implementation using indirect instruments in an increasingly market-based financial environment by improving the central bank's liquidity management tools and developing financial markets.

9. A similar pattern is evident in the evolution of banking supervision TAs. Priorities in the Phase I work plan activities included: (i) upgrading skills in core supervisory activities, namely on-site inspections and off-site surveillance in many countries in the region; (ii) initiating support for the shift from traditional to a risk-based supervision (RBS) approach in Kenya Rwanda and Tanzania by drawing up an implementation framework and mobilizing dedicated teams to oversee the change process⁵⁵. (iii) development of an on-site inspection manual and an off-site surveillance system in Eritrea; (iv) establishing a new format for inspection reports and reviewing loan classification and provisioning methodology in Rwanda; (v) helping to draw up the supervisory framework for non-bank financial institutions and the regulatory framework for the national pension fund in Uganda; (vi) dealing with problem banks and non-performing loans; (vii) implementing anti-money laundering measures; and (viii) introducing the CAMEL rating system for banks in a number of countries.

10. The work program for Phase II⁵⁶ continued the aforementioned banking supervision activities, essentially multiyear capacity building projects, but in a more structured manner that focused on three major themes: (i) **strengthening baseline supervision** (i. e., implementation of RBS, enhancing offsite surveillance/monitoring systems of financial condition and performance using the CAMEL⁵⁷ rating framework); (ii) **achieving greater compliance with the Basle Core principles** (i. e., strengthening the legal and regulatory framework for all financial institutions and providing for cross border supervision of financial entities on a consolidated basis); and (iii) **addressing specific banking supervision issues** (i. e., supervision of non-bank financial institutions, microfinance and foreign exchange bureaus, compliance with international reporting standards (IRS), preparing for Basle II capital framework, and putting in place AML/CTF measures).

11. Commendably, the objectives and thrust of the Phase II work programs in both monetary operations and banking supervision were influenced by, and received impetus from, the joint IMF-World Bank FSAPs completed for five countries in the region between 2001 and 2004. The FSAPs identified to the respective country authorities' capacity building needs, relating to monetary policy implementation, development of financial markets and financial sector supervision.⁵⁸

12. TAs in both the monetary operations and banking supervision are delivered by Resident Advisors, with the support of short-term experts. For a period of over two years (Jan 2005-April 2007) the Monetary Operations Advisor position remained unfilled and TA to member countries was provided by MCM.^{59,60}

⁵⁵ To initiate this process, surveys of risk management practices of banks and other financial institutions have been conducted by the Bank of Tanzania, the Central Bank of Kenya, and the National Bank of Rwanda; as a result, preparation of draft risk management guidelines for banks were prepared.

⁵⁶ The objective for banking supervision TAs in the Phase II Work program laid emphasis on promoting financial sector soundness and enhanced competition in financial markets. The end goal is to provide an effective supervisory and regulatory framework that enables sound financial institutions to compete and thus increase efficiency in financial intermediation.

⁵⁷ CAMEL is the acronym for the widely accepted performance rating system covering capital adequacy, asset quality, management, earnings and liquidity.

⁵⁸ An FSAP for Malawi was also completed in 2007.

⁵⁹ The Evaluation Team has not been provided with details of TA delivered from HQ during that period but it was clear from discussions with the central bank authorities in all three countries visited that the hiatus caused by the protracted delay in filling the vacancy negatively impacted the pace of reforms in effectiveness and sustainability of East AFRITAC's monetary operations TAs for significant parts of Phases I and II. At the same time it is clear from AFR program documents that MCM has been providing TA in monetary operations (and banking supervision) over the period of the evaluation to countries in the region (e.g. Rwanda) which provides evidence that MCM(upstream) and AFRITAC(downstream) model of delivering TA is somewhat muddled.

13. As in the case of other AFRITACs a quantitative assessment, incorporating ratings and covering dimensions of relevance, effectiveness, efficiency and sustainability, is made for the two MCM-related clusters of TA. Criteria considered to be most relevant in benchmarking each dimension of the assessment have been pre-selected. Statements and judgments made in the criteria subsections for each of the four dimensions and ratings reached in the corresponding tables are based on a composite assessment of: (i) East AFRITAC's Phases I and II work program documents; (ii) reports prepared for Steering Committee meetings and the related minutes; (iii) examination of all reports of the two Advisors—including an in-depth look at two randomly selected Advisors' mission reports (one of which, in the case of each Advisor, included a short-term expert); (iv) monthly reports to back stoppers; (v) discussions with AFRITAC staff at the Dar Es Salaam Center and support materials prepared for these meetings; and (vi) extensive feedback received at meetings with relevant key country officials in Kenya, Rwanda and Tanzania (including AFRITAC workshop participants) as well as representatives of other TA providers. Due cognizance was also taken of the AFRITAC Evaluation Survey (see Annex C).

B. Assessment of the Relevance of East AFRITAC Monetary and Banking TAs

1. Consistency with Government Objectives

14. Examination of relevant documents⁶¹ and feedback from extensive meetings that the Evaluation Team held with officials in the Central Banks of Kenya, Rwanda and Tanzania, indicate evidence of strong ownership of TAs in monetary and banking supervision. Officials from the Governor level to middle management are involved and interact closely with East AFRITAC and its Advisors in ensuring that the TA program is focused on the capacity-building needs of the monetary and financial system. Indeed, conscious of the linkage of all of the TAs with macroeconomic policy effectiveness, Central Bank officials closely support all the work of East AFRITAC. Also, senior officials in the Central Banks have actively participated in the Steering Committee, including serving as chair for much of the time.

15. A good example of the relevancy of monetary and financial system TAs with government objectives is the extent to which many of the countries who voluntarily undertook joint IMF-World Bank FSAPs have been motivated to request East AFRITAC assistance to support implementation of key findings and recommendations relating to capacity building needs, both in monetary policy implementation/development of financial markets and financial sector supervision.⁶²

⁶⁰ Provision was also made in the Phase II work plan for professional attachments to be arranged for strong performers from one supervisory authority to another to join bank inspection in another country. East AFRITAC pioneered this initiative to encourage opportunities for effective peer review, facilitate adoption of more modern practices, and help develop regional expertise.

⁶¹ Especially the work programs for Phases I and II and the minutes of the Steering Committee meetings.

⁶² Motivated by the findings of FSAPs, Kenya, Tanzania and Rwanda requested TA to support a shift from a traditional approach in banking supervision to a risk-based approach. Risk-based supervision is a new approach to supervision that is more effective and efficient while at the same time nurturing a "risk-management" culture among financial institutions that will engender sound financial conditions of these entities. The FSAPs also highlighted two major problems in the region, i.e., low financial intermediation and lack of access to financial services, which also influenced requests from the client countries for monetary operations-type TA to strengthen both the money and debt markets and competition among the players in the markets.

16. **East AFRITAC TAs in monetary operations and banking supervision support regional integration and harmonization, a key objective of many countries in the region, especially the EAC members.** In the banking supervision area, the East AFRITAC's TA spearheaded support for the significant shift of many countries in the region to risk based banking supervision and to other common thematic approaches and platforms for: (i) strengthening baseline banking supervision — off-site and onsite -- for banks and for non bank entities, including microfinance and foreign exchange bureaus; (ii) moving toward greater compliance with Basel Core Principles (including legal and regulatory frameworks for banks and other financial institutions and consolidated supervision for banks financial conglomerates within countries and cross border); and (iii) dealing with problem banks, preparation for Basel II capital framework and putting in place AML/CTF measures. Likewise in the monetary operations area, TAs also supported common approaches and best practices to strengthen monetary management, deepen financial intermediation and promote competition among financial institutions, all of which facilitate the regions objective of monetary integration and developing a common currency.

17. The in-country and regional workshops and professional attachments organized by East AFRITAC, promoted common approaches to monetary management and financial supervision, brought people from similar institutions in different countries together to discuss common problems and often arriving at common solutions and generally enhanced the process of regional integration. Training workshops on Banking Supervision -- intermediate level (October-December 2007) and modernization of payments and settlement infrastructure (November 2007) are good examples of activities that support regional integration. The pioneering and innovative Training Course on Macroeconomic Management and Financial Sector Issues in April 2007, organized jointly by the IMF Institute and East AFRITAC, is a good example of a training activity that supports better understanding of the linkages between practical and operational aspects of monetary operations and banking supervision TAs with overall macroeconomic policy management. This also helps foster regional integration. Feedback received by the evaluation team from participants in these courses was very positive which suggests that they should be continued.

18. These measures point to the important role that common approaches to financial sector TA delivery by East AFRITAC, and more importantly FSAP follow-up strategies for the six countries in the region where FSAPs were completed between 2001 and 2007, can play in furthering the objectives of regional integration and harmonization .Going forward, East AFRITAC could play a more meaningful role in supporting regional initiatives in individual countries through: (i) introducing common standards and harmonized methods and the dissemination of regional best practices; (ii) working more closely with the EAC which is working on convergence indicators and presumably the setting of standards in the context of moving to monetary integration by 2012. In the present international financial crisis, the example of the European Union which introduced a common currency without effective harmonization of financial institutions supervisory rules provides a salutary lesson on preparing for regional integration in the EAC.

19. The Monetary operations and banking supervision TAs contributed tangentially to **strengthening the institutional capacity of countries to design and implement millennium development goals and poverty reducing strategies.** TAs to Improve the implementation of monetary policy and strengthen the quality of supervision of banks and micro finance institutions in Kenya, Rwanda and Tanzania have contributed to improving and deepening of intermediation

and the extension of payment and other competitive financial services, especially microfinance, in an orderly and safe manner to the less advantaged sections of the community.⁶³

2. Coordination with Development Partners⁶⁴

20. Over the years since the signing of an agreement in September 2002, whereby the IMF became a contributing partner to the ACBF, East AFRITAC has been one of the focal points of ACBF collaboration. In the monetary operations and banking supervision areas joint short-term training seminars on risk-based financial sector supervision, issuance of government securities and AML/CTF have been undertaken. The training program has been well received by participating countries and organizations. This good collaboration continued through Phase II. East AFRITAC has also collaborated with MEFMI in the organization of seminars and workshops. The Kenya School for Monetary Studies (KSMS) has also been an effective and constant partner in providing first class facilities to accommodate regional seminars and workshops for East AFRITAC.⁶⁵ Based on feedback from workshop participants the collaboration has been effective.

21. Coordination with the World Bank on payments system development in Tanzania and Rwanda has been effective with East AFRITAC assisting with the strategy and legal and regulatory framework and the business specifications and procurement being funded by the World Bank.

22. The evaluation team met with donors in the three countries visited. East AFRITAC's cooperation with donors in Tanzania appears to work reasonably well on monetary operations and banking supervision issues but coordination with donors in other countries has been less smooth. In Nairobi, donors complained about poor coordination and not being adequately informed of East AFRITAC's work in the banking supervision area. In Rwanda, East AFRITAC's coordination with World Bank/First initiative on some elements of payments system modernization though initially problematic were later resolved in a tripartite discussion involving East AFRITAC and the resident representatives of the World Bank and the IMF in Kigali and the project went ahead.

23. Worthy of mention is an example of south/south coordination that occurred in a regional seminar on microfinance organized by Central AFRITAC. One of the resource persons at that seminar was from Rwanda where microfinance is supervised and regulated by the Central Bank of Rwanda. Feedback received by the Evaluation Team on his presentation of Rwanda's progress in microfinance supervision from participants at the seminar was positive and the sharing of experience was much appreciated.

⁶³ The relatively recent development of telephonic payment (Mpesa) and deposit facilities, an outgrowth of the rapid expansion of mobile phone networks combined with technology-linked ATM financial services is having a profound impact on extension of financial services to the poorer and informal sectors of the economy in a few countries and is being carefully monitored by central banks in the region. In Kenya, for example, central bank officials estimated that about 3 million people were using the Mpesa service and the potential market could be up to 13 million users.

⁶⁴ The IMF's Africa Capacity Building Initiative placed strong emphasis from the outset on strengthening coordination among technical assistance providers and recipients as soon as possible. There are many donors active in financial sectors in the region, including World Bank, AfDB, DFID, CIDA, the European Union Commission and GTZ. Additionally, KSMS, which provides the facilities for many of East AFRITAC's regional workshops, wishes to develop closer partnerships with both East AFRITAC and the IMF Institute, in making available to participants from all regions in AFRICA a broader range of high quality capacity building courses in key areas underpinning macroeconomic management.

⁶⁵ Some 6 to 7 joint regional workshops take place each year, with the cost of facilities being part of Kenya's in-kind contribution to East AFRITAC.

24. Coordination with other donors had shortcomings in all three AFRITACs. While East AFRITAC has clearly made the most progress in outreach and dissemination of materials on its activities⁶⁶, more needs to be done in all three AFRITACs. This issue is further discussed in Chapter IV.

3. Consistency With IMF Activities

25. An examination of financial sector reform objectives and measures in IMF staff reports, surveillance and program related documents shows the linkage of East AFRITACs TA activities with IMF activities⁶⁷. The findings and recommendations of Joint World Bank/IMF FSAPs completed for six countries in the region also attest to the relevance of East AFRITAC TAs in monetary operations and banking supervision to IMF activities.

26. The African department (AFR) of the IMF produces annually a set of country strategy notes that in addition to outlining the thrust of current macroeconomic policy direction, lists priorities for TA, which for monetary and financial system issues were developed in consultation with MCM. East AFRITAC's TAs in monetary operations and banking supervision are consistent with the strategy notes⁶⁸. In general, East AFRITAC staff were unaware of AFR country notes and it would be desirable that these be better disseminated both to AFRITAC and to the Steering Committees who should be given some more opportunity to discuss and be seen to have involvement and ownership of the strategy notes. More specifically related to monetary and financial system TAs, to the extent that the strategy relates to FSAP follow-up, the relevant East AFRITAC Advisors should be involved, with "upstream" assistance from MCM as needed. Indeed a meaningful effort to develop a comprehensive FSAP follow-up strategy (such as was done in Tanzania and Rwanda in 2004-2005) would provide opportunities for a more focused role for AFRITAC advisors in an area crucial to promoting more effective regional integration.

4. Relevance Rating of East AFRITAC Monetary/Financial System TAs

⁶⁶ East AFRITAC has made systematic efforts to facilitate coordination with donors: (i) by contacting them individually or through the country's donor coordination group; (ii) by using the IMF resident representatives as "ambassadors" since, outside of Tanzania, they have the best knowledge of stakeholders; (iii) by keeping the three donors sitting on the Steering Committee fully informed; and (iv) by producing and disseminating a comprehensive annual report its activities for the past two years. In some cases development partners have sought advice from East AFRITAC in the process of developing and finalizing their own TA program.

⁶⁷ The IMF Staff Report on the 2008 Article IV discussions for Kenya notes the authorities' intention to finalize a Financial Sector Strategy and strengthen banking supervision through amendments to the central bank and banking laws and improve monetary operations and money market efficiency through introduction of dematerialized treasury bill transactions and adoption of a Master Repurchase Agreement governing horizontal repurchase agreements. Tanzania objectives under the Policy Support Instrument (PSI) notes in a letter of intent of May 2008 the progress made in centralizing government deposits in the central bank, strengthening liquidity forecasting to improve monetary policy operations and achieve a notable decline in interest rates, and measures to improve competition in the market for government securities through fortnightly auctions of treasury bills, as well as enhanced outreach to support greater transparency in monetary policy actions. A recent staff Report on Rwanda notes that financial sector reforms focus on improving the operation of monetary policy, modernizing the national payments system, improving access to credit and financial services and promoting non-bank financial institutions.

⁶⁸ The FY 2009 AFR strategy notes for: (i) Kenya, attach priority to strengthening the domestic debt market, improving monetary operations, the payments system and banking supervision in order to increase the effectiveness of monetary policy and promote financial market deepening; (ii) Rwanda, emphasize a continuation of work on banking supervision and monetary operations and strengthening legal and regulatory system for payments systems; and (iii) Tanzania, focus on deepening domestic financial markets, improving monetary operations, including liquidity forecasting and foreign exchange operations.

27. The relevance ratings of the monetary operations, including those supporting the development of payment system, and banking supervision TAs are given in Table D.2. Based on the foregoing analysis, the monetary operations TAs were rated as **Relevant** and banking supervision TAs were rated as Highly Relevant. East AFRITAC's entire portfolio of Monetary and Financial Systems TAs was scored as Relevant, bordering on Excellent, both at the time they were approved by the Steering Committee and at the time of evaluation. Because of the high weight (73%) assigned to the banking supervision cluster, the rating for the portfolio of Monetary and Financial System TAs bordered on Highly Relevant. The highest ratings were for consistency with government and IMF programs and the lowest related to donor coordination.

Table D.2: Relevancy of East AFRITAC's Monetary and Banking TAs

Criteria	Weight (%)	Rating ^a		
		Monetary Operations	Financial Sector Supervision	Score ^b
		27	73	100
1. Consistency With Government Priorities	60	3.0	4.0	3.7
2. Coordination With Development Partners	20	3.0	2.0	2.3
3. Consistency with IMF Activities	20	3.0	4.0	3.7
Overall Relevance Rating/Score	100	3.0	3.6	3.4
a Rating: 4 = Excellent; 3 = Good; 3 = Modest; 1 = Poor				
b Weight by % of East AFRITAC's Budget Allocated to the Activity/TA Group				
Highly Relevant (Excellent) ≥ 3.5; 3.5 < Relevant (Good) ≥ 2.5; 2.5 < Partly Relevant (Modest) ≥ 1.5; Not Relevant (Poor) < 1.5				

28. Tables D.3 and D.4 show the results of the AFRITAC evaluation survey. The survey responses on the relevance of the two TA clusters are broadly consistent with the ratings in Table D.2. The number of responses is reasonable, ranging between 35 and 44, depending on the area. For the Monetary Operations cluster, the large majority of the respondents rated their relevance as good on all of the sub-criteria. Of those responding 35% ranked the relevancy of the Monetary TAs as **Excellent**, 58% as **Good**, 8% as **Modest**, and none as **Poor**. This is equivalent to a **Good** rating, **bordering on Excellent**. Eighty to ninety percent ranked the coordination with government priorities and coordination with IMF activities as **Good**, with a composite rating slightly above the midpoint in the Good range. The ratings for coordination with government priorities were slightly more positive than coordination with IMF activities. The lowest ratings were for coordination with other TA providers. This is the only sub-criteria that respondents rated below the midpoint on the **Good** range. A substantial portion of those responding to the survey, about one in three, rated coordination with other donors as **Modest or Poor**. The respondents to the AFRITAC Evaluation Survey ranked the relevancy of the Banking Supervision cluster as **Excellent** (56% ranked the relevancy of the Banking Supervision TAs as **Excellent**; 26% as **Good**, 6% as **Modest**, and none as **Poor**) (see Table D.4). The rating for consistency with government priorities was **Good, bordering on Excellent** and the rating for coordination IMF activities was slightly above the mid-point of the **Good** range. As was the case with the Monetary TAs, coordination with other TA providers was the only sub-criteria with rating

below the midpoint in the **Good** range and with a substantial number, about one in four, of **Modest or Poor** ratings.

Table D.3: Respondents' Views on the Relevance of East AFRITAC's Monetary Operations, Public Debt Management, Payment Systems and Financial Markets TAs

	Percent Answering				Weighted Rating ^{1/}	Response Count	Response Rate ^{2/}
	Excellent	Good	Modest	Poor			
Relevance of TAs in helping to build capacity	35%	58%	8%	0%	3.3	40	89%
Consistency with Government priorities	20%	70%	10%	0%	3.1	40	89%
Coordination with other TA providers	12%	56%	26%	6%	2.7	34	76%
Coordination with IMF Headquarters	23%	60%	17%	0%	3.1	35	78%
Average for All Criteria	22%	61%	15%	1%	3.0	37	83%

¹ Based on ratings of Excellent=4, Good=3, Modest=2, and Poor=1.

² Ratio of the response count to the 45 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table D.4: Respondents' Views on the Relevance of East AFRITAC's Financial Sector Supervision TAs

	Percent Answering				Weighted Rating ^{1/}	Response Count	Response Rate ^{2/}
	Excellent	Good	Modest	Poor			
Relevance of TAs in helping to build capacity	68%	23%	7%	2%	3.6	44	94%
Consistency with Government priorities	40%	50%	10%	0%	3.3	42	89%
Coordination with other TA providers	15%	59%	18%	8%	2.8	39	83%
Coordination with IMF Headquarters	27%	59%	11%	3%	3.1	37	79%
Average for All Criteria	38%	48%	11%	3%	3.2	41	86%

¹ Based on ratings of Excellent=4, Good=3, Modest=2, and Poor=1.

² Ratio of the response count to the 47 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

C. Assessment of the Effectiveness of East AFRITAC Monetary and Banking TAs

1. Use of AFRITAC Outputs

29. East AFRITAC outputs in monetary operations and banking supervision arise from missions and workshops in individual countries and from regional seminars organized by East AFRITAC, either alone or in cooperation with other regional and international organizations. The outputs are all geared to building human skills, institutions and procedures to raise the absorptive capacity of the central banks in the region.

30. It is always difficult to assess the actual results of training actions through in-country workshops, missions that set work plans and return to review and update them, and regional seminars and workshops. To undertake its assessment the Evaluation Team examined reports prepared for mission work, MCM back stoppers, the Steering Committee and the Evaluation Team, as well as minutes of Steering Committee meetings and East AFRITAC's annual reports. In addition the Evaluation Team held discussions with the Resident Advisors and officials of the central banks of Kenya, Rwanda and Tanzania. Based on the information received, it would appear that the outputs of both clusters of TAs are effectively used both to strengthen human capacities and to implement reforms. A unique feature of AFRITACs is the constant engagement of Resident Advisors over a number of years in programs of TAs that are tailored to the needs of individual countries. It is a partnership arrangement whereby: (i) needs and problems are discussed; (ii) capacity building training is arranged as necessary (either through in- country or regional workshops or occasionally through professional attachments); (iii) strategies and recommendations are agreed; (iv) counterpart teams are formed in the implementing agencies; and (v) Advisors provide technical advice, coaching and continuity of assistance **to help the central bank teams achieve objectives**. Through this process, which can take considerable time, especially for the achievement of key thematic financial sector reforms such as improving capacity for market based implementation of monetary policy or shifting from traditional banking supervision to a risk-based system, the evaluation evidence shows that outputs can have meaningful impact and be successfully transformed into desired outcomes. This is very much the modus operandi of the Resident Advisors in monetary operations and banking supervision. In the Monetary and Financial System related work of East AFRITAC this partnership approach- and the coaching of counterpart teams to do the work was used very successfully in achieving progress in a number of key thematic areas of banking supervision and in particular the transition to risk-based supervision that is being implemented in an exemplary fashion in the central banks of Kenya and Tanzania and Rwanda. Kenyan and Tanzanian officials in noting relevance of the TAs to their own strategic objectives lauded the team based delivery model used in banking supervision capacity building, especially the joint design of TA projects with the advisor/consultant working with in-house teams before and after missions to ensure project objectives are achieved. Additionally the Central Bank of Kenya has its own internal monitoring system of all projects in banking supervision to ensure that initial project objectives are achieved. Details of this system were shared with the Evaluation Team and they represent an admirable model for replication by other executing agencies in the region, as well as East AFRITAC.

2. Planned versus Actual Achievements

31. This sub-criteria can be looked at from two perspectives: first, the extent to which East AFRITAC plans for delivering its TA program for a given year was achieved; and second, the extent to which targets or outcomes specified in the Work Plan for Phase II are achieved. Additionally there may be objectives or measures specified in IMF programs or recommendations in FSAPs, regional or country specific, the attainment of which or at least measurable progress in the right direction, can provide tangible evidence of achievement by East AFRITAC.

32. An examination of the reports presented to the Steering Committee by East AFRITAC since 2006 indicate a commendable degree of success in TA delivered versus planned for monetary operations and banking supervision⁶⁹. Where this did not happen the reasons were generally beyond the control of East AFRITAC and reflected a protracted delay in filling the Monetary Operations Advisor vacancy⁷⁰. To some extent in a few countries problems related to absorptive or security factors. Where necessary, East AFRITAC reduced the delivery of its work program to live within the available budget.

33. In the banking supervision area, **key achievements over the past four years were very much in line if not above the plans** and expectations. These include: (i) adoption of the CAMEL rating system to improve on-site and off-site supervision, by a number of countries (Rwanda, Kenya and Tanzania); (ii) encouraging progress in implementation of risk-based supervision (Ethiopia, Kenya, Malawi, Rwanda and Tanzania) and consolidated supervision (Kenya, Uganda, Tanzania and Rwanda); (iii) enactment of modern Banking and Financial Institutions Acts in Tanzania (2006) and Rwanda (2007), amendments to such legislation in Kenya (2006) and more recently the drafting of a comprehensive Financial Services Bill covering supervision of banks and non-bank institutions in Malawi; (iv) assisting Tanzania with the drafting of a full set of core prudential regulations to implement the new Financial Institutions Act and drafting selected prudential regulations for Eritrea, Kenya and Uganda; (v) drafting extensive policy and procedural guidelines in dealing with problem banks, covering corrective action, takeover procedures and resolution; and (vi) developing a manual of procedures on a broad range of supervisory issues for the Bank of Uganda.

34. In the area of monetary operations East AFRITAC's achievements over the period of this evaluation have been more modest, reflecting the unfilled vacancy for the Monetary Operations Advisor for over two years until April 2007. This accounts for about two thirds of the time period under evaluation. Nevertheless, building on the work of an earlier Advisor and the assistance from MCM to a number of countries during the hiatus, as well as the findings and recommendations of FSAPs completed for six countries in the region since 2002, good progress has been made in: (i) re-engaging with all seven central banks in the region requesting TA in monetary operations and related areas; (ii) advancing the project for modernization of payment and settlement systems, including automated clearing house and real-time gross settlement system (Kenya and Rwanda); (iii) assisting in the improvement of the functioning of domestic debt and interbank markets and broadening the range of savings and investment opportunities beyond the commercial banks (Rwanda); (iv) improving cash and liquidity management processes including forecasting framework and other related institutional underpinnings (Kenya, Tanzania, Uganda); and (v) delivering an in-country workshop on monetary operations (Uganda) and four regional workshops focused on key policy implementation and governance issues, three in cooperation with the IMF Institute and one coordinated with the Bank of Tanzania.

⁶⁹ Recently the delivery of TA in the monetary operations area was in fact larger than planned (55 person weeks against the 49 planned) no doubt reflecting some pent up demand following the return of a Resident Advisor to East AFRITAC after an hiatus of over two years.

⁷⁰ Such delays need to be avoided since they can have a disproportional negative impact on AFRITAC TA delivery, and assignments of short-term experts can also be delayed. This was certainly the case in East AFRITAC in the monetary operations area. Feedback from officials in the central banks of the countries visited noted the hiatus in TA delivery and disruptions to various ongoing projects in the monetary operations area during the two year period. Such delays, most often occurring at Headquarters, can generally be avoided by addressing the need to fill vacancies with an adequate lead time.

35. In discussions with officials of the central banks in Kenya, Rwanda and Tanzania, the Evaluation Team was able to verify the accomplishments on monetary operations and banking supervision mentioned above. There was strong support for both areas of technical assistance, but particularly for the work of the Banking Supervision Advisor whose drive, persistence and partnership approach to working with counterpart officials in all three banks, over the period of her assignment, was highly commended by everyone met by the Evaluation Team from central bank governors and deputy governors to heads of the supervision departments to workshop participants..

36. There is significant consistency between the TA provided in monetary operations and banking supervision and the measures and objectives identified in IMF program documents including country strategy notes for 2008 prepared by AFR. While this consistency is not evidence of effectiveness until the measures are substantially achieved, it is indicative of progress in the right direction.

3. Significance of AFRITAC's Contributions

37. Progress toward building capacity in terms of a critical mass of human skills, quality institutions and best practice procedures that enhance countries' capacity to formulate and implement sound macroeconomic policies⁷¹ is one key indicator of the significance of East AFRITAC's contributions in responding to the TA needs of countries in the region. Another indicator is the extent to which it can be demonstrated that the TA as delivered has resulted in more effective implementation of policies.

38. As discussed above, the achievements for banking supervision over the past three to four years discussed above suggest that those TAs have been successful in delivering a broad range of relevant outputs. What was of more significance to the Evaluation Team in providing evidence of progress in capacity building in the banking supervision area was the feedback received from officials on the manner in which this TA had changed their relationship with banks and other financial institutions that they supervise into a proactive consultative outreach approach that has enabled supervisors and bankers to work more closely together in the early identification and management of risk. There is evidence of ownership of, and confidence in, the supervisory framework that, with guidance and coaching from East AFRITAC, they have developed themselves and a recognition among a core cadre of supervision officials, as well as at the most senior levels of the central banks of the importance of their role in facilitating the development of the banking and financial system and trying to keep it sound.

39. In the monetary operations TAs there has also been measured progress, but only over the past 18 months after re-engaging meaningfully with all central banks in the region in the task of improving market based implementation of monetary policy, developing money and government debt markets and electronic clearing and payments systems to support growth in intermediation and financial services.

40. Ongoing support over the coming years in both areas of TA is vital to sustaining the progress being made in the more advanced central banks in the region and to gain greater traction in capacity building for other central banks that have not progressed as far. **The harmonized and consistent approach of East AFRITAC to delivering these two clusters of**

⁷¹ The backstopping from MCM is designed to ensure that monetary and financial system TAs delivered by East AFRITAC conform with codified best international practices, as established by World Bank, IMF and other relevant standard setting agencies such as the Basel Committee on Banking Supervision.

TAs to central banks in the region can help the process of regional integration and the planned move to a common currency. Macroeconomic convergence indicators have an important role to play in promoting effective regional economic integration but adopting common platforms for supervision of banks and financial institutions as well as smoothing the way for the operational integration of payments systems and cross border integration of financial markets has an equally important role to play. East AFRITAC should engage more with the EAC secretariat and the relevant working group on financial sector matters to see how best it can assist in this area to play a meaningful role in helping the process of regional integration as envisaged in its work plans.

4. Effectiveness of East AFRITAC Monetary and Banking TAs

41. The effectiveness rating for the portfolio of monetary and financial systems TAs (comprising the clusters for monetary operations and banking supervision) is given in Table D.5. The effectiveness of the monetary operations TAs was rated **Good** while the effectiveness of the banking supervision TAs was rated as **Excellent**. The responses to AFRITAC Evaluation Survey shown in Tables D.6, D.7 and D.8 are largely consistent with the ratings in Table D.5.

Table D.5: Effectiveness of East AFRITAC's Monetary and Banking TAs

Criteria	Weight (%)	Rating ^a		
		Monetary Operations	Financial Sector Supervision	Score ^b
		27	73	100
1. Use of AFRITAC Outcomes	40	2.0	4.0	3.5
2. Planned vs. Actual Achievements	30	3.0	3.0	3.0
3. Significance of Contribution to Developing Core Economic Functions and Institution Building	30	3.0	4.0	3.7
Overall Effectiveness Rating/Score	100	2.6	3.7	3.4
^a Rating: 4 = Excellent; 3 = Good; 3 = Modest; 1 = Poor ^b Weight by % of the East AFRITAC's budget allocated to the cluster of AFRITAC activities/TAs. Highly Effective (Excellent) ≥ 3.5; 3.5 < Effective (Good) ≥ 2.5; 2.5 < Partly Effective (Modest) ≥ 1.5; Not Effective (Poor) < 1.5				

42. For the cluster of Monetary TAs, for each sub-criteria, (i.e., use of TA outputs; effectiveness in achieving results; significance of contributions) all were rated in the mid-point of the **Good** range with about one quarter of the respondents giving an **Excellent** rating, one half a **Good** rating and one in five respondents assigning a **Modest** score. Almost no respondents rated the effectiveness of Monetary TAs as **Poor** (see Table D.6). The survey respondents provided slightly more positive responses when rating the effectiveness sub-criteria. Although all three of the sub-criteria were rated as **Good**, the weighted scores were all bordering on **Excellent**. Typically 45% to 50% gave an **Excellent** rating, about 40% a **Good** rating and about 10% a **Modest** rating. An insignificant number of respondents rated any effectiveness sub-criteria as **Poor**.

Table D.6: Effectiveness of East AFRITAC's Monetary Operations TAs

	Percent Answering				Weighted Rating ^{1/}	Response Count	Response Rate ^{2/}
	Excellent	Good	Modest	Poor			
Use of the outputs	25%	56%	19%	0%	3.1	36	80%
Effectiveness in achieving tangible results	23%	56%	18%	3%	3.0	39	87%
Significance of contributions to developing core economic functions	28%	50%	20%	3%	3.0	40	89%
Expertise and assistance	26%	62%	13%	0%	3.1	39	87%
Sustainability of the benefits of AFRITAC TAs	18%	49%	33%	0%	2.8	39	87%
Average for All Criteria	24%	54%	21%	1%	3.0	39	86%

¹ Based on ratings of Excellent=4, Good=3, Modest=2, and Poor=1.

² Ratio of the response count to the 45 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table D.7: Effectiveness of East AFRITAC's Financial Sector Supervision TAs

	Percent Answering				Weighted Rating ^{1/}	Response Count	Response Rate ^{2/}
	Excellent	Good	Modest	Poor			
Use of the outputs	48%	38%	12%	2%	3.3	42	89%
Effectiveness in achieving tangible results	45%	43%	12%	0%	3.3	42	89%
Significance of contributions to developing core economic functions	50%	40%	10%	0%	3.4	40	85%
Expertise and assistance	59%	30%	9%	2%	3.5	44	94%
Sustainability of the benefits of AFRITAC TAs	40%	45%	12%	2%	3.2	42	89%
Average for All Criteria	48%	39%	11%	1%	3.3	42	89%

¹ Based on ratings of Excellent=4, Good=3, Modest=2, and Poor=1.

² Ratio of the response count to the 47 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

43. The Evaluation Team distilled two broad objectives for East AFRITAC's monetary and financial sector supervision TA portfolio: (i) to improve monetary operations, debt management and payment systems; and (ii) to improve the legal and regulatory framework for financial sector supervision. The survey respondents were asked to give their opinions about whether or not these objectives were being achieved (see Table D.8). The overall picture suggested by the responses to the survey is that progress is being made in achieving these objectives but they generally have not been achieved. Also, the general consensus is that slightly more progress has been made in achieving the bank supervision objectives than the monetary objectives. The findings in Table D.8, which reflect a substantial number of responses, broadly support the Evaluation Team's conclusions about the effectiveness of East AFRITAC's portfolio of monetary/financial sector supervision TAs.

Table D.8: Views on East AFRITAC's Progress in Achieving Monetary/Financial Sector Objectives

	Percent Answering				Response Count	Response Rate ^{1/}
	Objective Fully Achieved	Despite Substantial Progress, Objective not yet Achieved	Only Modest Progress Made to Achieve Objective	No Significant Progress Made		
To improve monetary operations, debt management and payment systems	18%	54%	24%	3%	178	53%
To improve the legal and regulatory framework for financial sector supervision	28%	48%	20%	4%	192	57%

¹ Ratio of the response count to the 339 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

D. Assessment of the Efficiency of East AFRITAC Monetary and Banking TAs

1. Process/Implementation Efficiency

44. One of the findings of the April 2005 Evaluation was that the AFRITACs' organization of their people, processes, activities and work flows was highly professional. East AFRITAC sets a high standard in this area as was obvious from the outset in the efficiency and comprehensiveness of meetings scheduled in Dar es Salaam (and Nairobi and Kigali) for the Evaluation Team and of materials provided to support the work of the Evaluation Team. This view was corroborated by feedback from meetings with country officials in Kenya, Rwanda and Tanzania, both counterparts to missions on monetary operations and financial sector supervision and participants in regional and in-country seminars and workshops. The coordination between East AFRITAC Advisors and IMF resident representatives, when the former visit countries in the region, appears to work well.

45. More specifically and in relation to the ongoing work of East AFRITAC, the inputs/outputs process in terms of: (i) devising an annual work program for the monetary and financial systems TAs, based on country needs, agreed in the context of MCM's RAP at Headquarters and approved by the Steering Committee, and (ii) delivery of the TAs by the Resident Advisors/short-term experts, was reasonably good though, as in other AFRITACs, the Evaluation Team did not have the impression that Advisors were as conversant with MCM's planned TA activities in the region as one would expect. Neither were the Advisors familiar with the annual regional strategy notes developed by AFR in conjunction with MCM and other TA departments. However, they were conversant with FSAP findings and recommendations for the client countries. Given the growing profile of East AFRITAC as a significant contributor of capacity building TA to underpin more effective implementation of macroeconomic policies in countries in the region, and while acknowledging the distinction between "upstream" (Headquarters) and "downstream" (AFRITAC) TA, it could be more efficient if MCM ensured that RAP activities and plans relating to TA in the region were actively shared with the relevant Resident Advisors so that they are aware of the big picture in their respective areas and working off the same page as MCM staff. Indeed it would be desirable to share this big picture information with the Steering Committee to ensure that the "up stream/downstream" model. Which has become muddled, works better and bolsters MCM's backstopping role in relation to resident advisors. This would also likely help the donor coordination process and avoid duplication of TA.⁷²

46. The Evaluation Team was impressed by the volume of work in terms of missions, seminars and workshops leveraged by the two Advisors, supported by short-term experts, as well as their to follow up with counterparts in countries receiving TA and their responsiveness to technical questions and requests for information. The latter was facilitated by the existence of reasonably good telecommunications facilities in East Africa and the fact that all countries are in the same time zone.

47. During the evaluation period, protracted delay in filling a vacancy for the Monetary Operations Advisor position negatively impacted the East AFRITAC's ability to deliver TA and interrupted continuity on a number of projects.⁷³ The latter caused problems for counterparts in beneficiary agencies. Procedures should be put in place to avoid a recurrence and to maintain the quick response and continuity aspect, which is a hallmark and key strength of East AFRITAC TA. Central bank officials, including those who participated in the regional workshops, were positive in their feedback about the quality of regional workshops and the benefits derived from solving common problems in a regional forum. Some middle and senior level officials urged that length of workshops be extended as sometimes they were too short, particularly when new projects were getting started. Others suggestions to improve TA process implementation included: (i) scaling up the professional attachments within member countries to promote capacity building in weaker countries and facilitate transfer and harmonization of best practices; and (ii) developing a mentorship/fellowship program to build regional capacity.

2. Efficient Use of Resources

48. There is a reasonable balance between the time advisors spend at the home office and in the field (about 35% to 65%). It is difficult to be judgmental on where the best balance lies given that unmet demands can arise due to budgetary constraints. However, if increased

⁷² Some central banks in the region feel challenged to minimize or avoid duplication of TA and one alluded to the fact that this can happen "even within the IMF itself (MCM and East AFRITAC)".

⁷³ It also dilutes the effectiveness and sustainability of this TA cluster and impacts the ratings in the evaluation

budgetary resources are made available in Phase III, one way to increase efficiency of resource utilization would be to use more short-term regional experts backstopped by the Resident Advisors. Another approach could be to require that any increase in budgetary resources in Phase III be held in reserve and not committed until effective mechanisms are in place to benchmark progress more effectively and report on this to the SC and other key stakeholders.

49. For the monetary and financial systems TAs, East AFRITAC provided a total of 79 person months during FY 2006 to FY 2008, or an average of 26 person months per year. This is substantially less than the average of 36 person months of TA provided in the MCM areas in FY 2004 and FY 2005. The reason for this was the long delay in filling the vacant Monetary Operations Advisor position. In FY 2006 zero months of TA was delivered and one month was delivered in FY 2007. This vacancy was not offset by an increased of short term experts in the MCM areas. Although 14 person months of TA in the MCM areas was delivered through short term experts in FY 2006, about the same as in the two previous years, the corresponding figure fell to 7.5 person months in both FY 2007 and FY 2008. A full 12 months of Monetary Operations Advisor input was delivered in FY 2008 after the vacancy was filled. Thus, during the three year evaluation period, the Monetary Operations Advisor was only available for about one third of the time. This is unacceptable. In contrast, the Banking Supervision Advisor position was filled for the entire evaluation period. About 35% of the TA in the MCM area was provided by short term experts⁷⁴. It cost slightly less than \$1.9 million to deliver this TA, equivalent to a cost of about \$24,400 per person month of input. This marginally higher than the average cost per person month of TA for East AFRITAC (\$23,800) and comparable to the cost per person month of TA delivered in the MCM area by West (\$22,600) and Central (\$23,000) AFRITAC. These cost comparisons indicated that in terms of cost efficiency, there is no substantial difference between the three AFRITACs in the MCM area.

50. The delay in fully implementing the TAIMS for AFRITAC activities until recently, and thus the absence of any effective benchmarking of progress, has made it difficult to make any more detailed value for money judgments than contained in the previous paragraph. Likewise the paucity of detailed costing data makes it difficult to derive a meaningful set of cost parameters for missions and workshops for comparative purposes. In general, from reports read and discussions with the East AFRITAC Coordinator, the Evaluation Team is of the view that resources appear to be used efficiently.

3. Monitoring and Evaluation

51. The Phase II work program for East AFRITAC envisaged that a results-based monitoring system would be introduced to facilitate effective monitoring and evaluation of performance and more efficient follow-up on assistance delivered. While East AFRITAC has made greater efforts than other two AFRITACs in seeking to collect meaningful information on its activities and achievements and to disseminate results through its excellent annual report and other outreach activities, there is still considerable room for improvement in benchmarking progress in a more effective manner. More generally, the delay in implementing the enhanced version of the TAIMS system until 2008 and the paucity of costing data makes it difficult to make value for money judgments. The issues of monitoring and management for development results are discussed in Chapter IV of this Report.

⁷⁴ The information available to the Evaluation Team did not break the inputs of the short term consultants down into monetary operations and debt management and bank supervision.

52. In the plenary session that the Evaluation Team had with the Center Coordinator and all Resident Advisors at the outset its visit to Dar es Salaam, it was noted that MCM backstopping of substantive issues was less intensive than from FAD and STA and could be described as light. In part this was attributed to perceptions that a number of successive restructurings of MCM over the past five or six years, accompanied by staff reductions because of the recent IMF-wide retrenchment, diluted MCM's capacity for this activity and the incentive for staff to give it high priority.⁷⁵ Part of the problem seems to be that functional divisions in MCM do not play as active a role in backstopping as is the case in FAD.

53. In individual discussions the monetary operations and banking supervision Resident Advisors, both acknowledged the benefits of monitoring and backstopping from MCM noting that they had the same back stopper in the MCM regional division for African countries who dealt with the process issues in a normative way, in accordance with prescribed procedures. Sometimes delays occurred in clearing proposals/terms of reference for missions/workshops, mission reports and little discretion was left to Resident Advisors in the choice of short-term experts, especially from the region. Both also noted that their work was carried out in accordance with best international practices in their respective areas as documented in World Bank and IMF literature and manuals. The Banking Supervision Advisor noted that more comments and advice on mission reports would be welcome. Both Advisors were unaware of AFR's country strategy notes but were fully conversant with findings and recommendations of FSAPs completed in the region, as well as the linkages in their work with FSAPs and IMF/AFR country programs.

54. A reading of monthly reports of the advisors and of sample reports for two missions in each advisor's area did not identify any substantial areas of concern other than to confirm that the amount of value added in backstopping was minimal. One area where backstopping could play a more substantive role is commenting on Advisors' periodic reports and mission reports, especially the latter. The Evaluation Team is of the view that more emphasis needs to be given by back stoppers in ensuring that mission reports pay more attention to noting progress achieved in a rolling work program, that would: (i) more effectively benchmark progress in each mission report; (ii) enhance the data on progress benchmarking for TAIMS; (iii) improve the quality of bi-annual reports to the Steering Committee; and (iv) facilitate production of better outreach and dissemination materials for East AFRITAC. While such benchmarking of progress should be done at a country level in the context of a two to three year rolling program for each country,⁷⁶ monitoring of progress could also take place on financial sector issues in the context of implementing FSAP follow-up strategies in cooperation with central banks⁷⁷. Follow-up strategies should provide an indication of deliverables for East AFRITAC TA and how this will be monitored.⁷⁸ A meaningful start is needed on benchmarking and monitoring progress and if the

⁷⁵ This was also the sense that the Evaluation Team took from discussions with MCM staff, i.e. that backstopping was carried out but was light due to resource constraints and a relatively low priority attached by MCM management to this activity. An additional problem is that backstopping seems to be centered in the AFR regional division of MCM, somewhat remote from the functional divisions.

⁷⁶ Thus would include preparing a plan for what should be done in each of the TA clusters and periodic monitoring and reporting to the Steering Committee on what has been accomplished and what remains to be done. Another approach would be to have an activity status report for each TA project through to completion

⁷⁷ Follow-up strategies were done for Tanzania and Rwanda in 2004-2005 and are in the course of implementation.

⁷⁸ The Evaluation Team was of the impression that MCM backstopping, limited as it was, sometimes placed more emphasis on process issues e.g. hiring of long and short-term experts for East AFRITAC assignments than on substantive issues (e.g., how East AFRITAC's implementation of TAs fits into MCM's diagnostic work and strategy for individual countries). Additionally, MCM's involvement in diagnostic and strategy for individual countries is limited compared to FAD. Sometimes MCM seemed to be competing with East AFRITAC in the delivery of TAs. In sum, the upstream/downstream model for MCM and East AFRITAC has become muddled and needs to be strengthened.

Headquarters TA department (in this case MCM) does not ensure that it is done, then there would be a meaningful role for the Center Coordinator in this area⁷⁹.

4. Efficiency Assessment of East AFRITAC Monetary and Banking TAs

55. The efficiency rating of East AFRITAC's portfolio of Monetary/Financial sector Supervision TAs is summarized in Table D.9. Overall the portfolio is rated as **Efficient**. Both clusters of TAs were rated as **Efficient**. The efficiency of the Monetary Operations TAs was rated as **Good but bordering on Modest**. In contrast the efficiency of the Banking Supervision TAs was **bordering on Excellent**. The major difference in the two clusters related to the rating of the efficient use of resources; the **Modest** rating for the Monetary TAs reflects the two year vacancy of that position

56. The survey results regarding the quality of East AFRITAC's expertise and assistance reported in the second last row of Tables D.6 and D.7 are largely consistent with the ratings in Table D.22 and buttress them, as do the impressions that the Evaluation Team gained from discussion with counterparts in the three countries visited. The quality of the Bank Supervision expertise and assistance was rated as **Excellent**, with 59% of the respondents assigning an **Excellent** rating. The quality of the Monetary expertise and assistance was rated as **Good**, with 26% of the respondents assigning an **Excellent** rating.

Table D.9: Efficiency of East AFRITAC's Monetary and Banking TAs

Criteria	Weight (%)	Rating ^a		
		Monetary Operations	Financial Sector Supervision	Score ^b
		27	73	100
1. Process/Implementation Efficiency	40	3.0	3.0	3.0
2. Efficient Use of Resources	40	2.0	4.0	3.5
3. Monitoring and Reporting	20	3.0	3.0	3.0
Overall Efficiency Rating/Score	100	2.6	3.4	3.2
^a Rating: 4 = Excellent; 3 = Good; 3 = Modest; 1 = Poor ^b Weight by % of East AFRITAC's budget allocated to Activity/TA Group Highly Efficient (Excellent) ≥ 3.5; 3.5 < Efficient (Good) ≥ 2.5; 2.5 < Partly Efficient (Modest) ≥ 1.5; Not Efficient (Poor) < 1.5				

E. Assessment of the Sustainability of East AFRITAC Monetary and Banking TAs

1. Political Economy issues

57. In terms of institutional absorptive capacity ratings calculated by the Evaluation Team⁸⁰, two of the seven countries covered by East AFRITAC, are rated good and five are rated modest. These country characteristics are beyond the control of the AFRITACs and the IMF and, though

⁷⁹ Resident Advisors are now inputting all TA activities into the TAIMS system. Over time the TAIMS can play a more significant role in the monitoring of efficiency of TA and facilitating evaluation.

⁸⁰ See Table I.1 in Chapter I and Annex A.

they do not necessarily affect the success of TA, it is clear that East AFRITAC, by and large, is operating in a relatively benign environment that does not pose serious risks for the achievement of desired outcomes for TAs in the monetary and financial sector supervision area. There is no guarantee that countries in the region are immune from the incidence of difficult social and political problems (as occurred in Kenya in the relatively recent past and in Eritrea, currently classified by the IMF as a fragile state). In most countries central banks are among the strongest organizations in terms of capacity and staffing and this was noticeable in the countries visited by the Evaluation Team. Given the relative strengths of the central banks, and with all countries having good or modest ratings for institutional absorptive capacity, the prospects for the TA benefits to be sustainable are positive in relation to this criterion.

2. Executing Agency Ownership and Use of TA Outputs

58. The central banks in the three countries visited by the Evaluation Team (Kenya, Rwanda and Tanzania) were the executing agencies for TAs in monetary operations and financial sector supervision. As established in the assessment of relevancy earlier in this annex, the ownership of projects supported by East AFRITAC TAs is strong in all cases. In discussions with the Evaluation Team, central bank officials in all three countries acknowledge that East AFRITAC TAs have contributed effectively to the building of capacity in monetary operations and financial sector supervision. The sense of ownership and significance of contribution is strongest in relation to financial sector supervision and particularly banking supervision where a team-based delivery model was used over the last four years to deliver important outputs, including in risk-based supervision. These outputs contributed to significant achievement of key projects that were part of the strategic initiatives of the three central banks.

59. There is an expectation that support will continue for these projects to ensure that the good results so far are embedded in the culture and working practices of the banking supervision departments, including the way they relate to banks and other financial institutions. At meetings with participants in East AFRITAC's seminars and workshops, first hand feedback indicated that participants were making use of knowledge gained in their day to day work and lessons learned were being disseminated to others. Participant selection was also appropriate and TA outputs generally seemed to be well embedded in internal procedures of executing agencies.

60. One risk that relates to sustainability relates to the loss of experienced and trained staff. During interviews with the central banks in Rwanda and Tanzania senior staff reported a loss of trained staff from the supervision departments; this was not a problem to the same extent in Kenya. Commercial banks need trained staff to implement the new risk based bank supervision system and have agreements about career advancement and higher salaries to attract some of the good staff from the bank supervision departments. The people continue to use their skills in the new positions so this does not represent a loss to the sector or country. However, it does represent a loss to the central banks. They are coping by recruiting and training new staff. To ensure sustainability, East AFRITAC should work with the central banks to ensure that a system is in place to train new staff and transfer the skills learned by workshop participants to other colleagues.

61. The results of the AFRITAC Evaluation Survey with 124 respondents on East AFRITAC provide additional evidence of ownership with 90% rating the importance that East AFRITAC should attach to improving monetary operations as important or highly important and 92% for improving financial sector supervision.

3. Promoting the Use of African Expertise.

62. None of the Monetary Operations or Banking Supervision Advisors during the period of this evaluation was African but all have extensive experience of working in Africa and in other developing countries in their fields of expertise. Little use has been made of short-term experts from the region so far but the prospects are good for the future as many countries in the region are well into implementation of second generation financial sector reforms. East AFRITAC has recently arranged a professional attachment for an official from the central Bank of Tanzania to complete a working paper on the successful introduction of risk-based supervision (RBS) to a number of central banks in the region. This working paper chronicles the experience of East AFRITAC in the practical task of fleshing out the dimensions of RBS and developing a meaningful methodology to implement it in countries in the region. This evidences good output/impact of the East AFRITAC's work. This kind of activity can be expanded to other areas of East AFRITAC's work and can lead to establishing it as a center of excellence for effective TA that also contributes to regional integration and harmonization. East AFRITAC and MCM should explore opportunities for greater use of African expertise during the upcoming Phase III work program.

4. Financial Sustainability of East AFRITAC Monetary and Banking TAs

63. It seems likely that ongoing financing for monetary operations and financial sector supervision TAs, sufficient to at least maintain the same level of delivery as during Phase II will be needed to ensure continuity in maintaining the momentum of second generation reforms in the more advanced central banks in the area. East AFRITAC provides a source of TA support that is like a lifeline to central banks and there is a need to continue and deepen the working relationship for capacity building through the in-house team based delivery model⁸¹ approach that has been pioneered in banking supervision work but is a good model for all monetary and financial system TAs delivered by East AFRITAC. Tangible results from East AFRITAC TAs have been achieved by central banks in the region who expect support to continue as the projects and initiatives supported by the center are part of the central banks' strategic objectives.

64. In the present international and regional economic climate and crisis mode in addressing enormous costs of restructuring insolvent and embattled banking systems in major countries around the world, maintaining the required level of financing for East AFRITAC during Phase III poses a considerable challenge to countries in the region and external donors alike. East AFRITAC's TAs can play an important part in harmonizing financial sector supervision frameworks and in developing liquidity management practices and common platforms for payments settlement that can facilitate regional integration and the planned move to a monetary union /common currency over the coming years. For sustainability of this effort the resources for Phase III will have to be found but, at the time that the evaluation was completed, there was no commitment from either IMF or the donors to finance Phase III.

5. Sustainability Assessment of East AFRITAC Monetary and Banking TAs

65. The sustainability ratings for the portfolio of monetary operations and financial sector supervision TAs are shown in Table D.10. The two TA clusters were both rated as sustainable as was the overall rating portfolio. Executing agency ownership and use of the TA outputs was rated as **Excellent** for financial sector supervision TAs and **good** for monetary operations.

⁸¹ Under this approach East AFRITAC's advisors/consultants work with project teams before and after missions to ensure that the objectives of the projects owned and implemented by teams in the central banks are achieved.

Political economy issues were rated as **good** for both TAs, while the other two sustainability sub-criteria were rated as **Modest**. The challenges for sustainability of East AFRITAC's TAs appear manageable provided financing for Phase III can be arranged. These sustainability ratings are virtually identical to the feedback on sustainability from 40 or so respondents for the AFRITAC Evaluation Survey. The weighted average sustainability rating from the survey was 2.8 (see Table D.6) and it was 3.2 for the cluster of Bank Supervision TAs (see Table D.7).

Table D.10: Sustainability of East AFRITAC Monetary and Financial System TAs

Criteria	Weight (%)	Rating ^a		
		Monetary Operations/ Debt Management	Financial Sector Supervision	Score ^b
		27	73	100
1. Political Economy Issues	25	3.0	3.0	3.0
2. Executing Agency Ownership and Use of Outputs	40	3.0	4.0	3.7
3. Promoting Use of African Expertise	15	2.0	2.0	2.0
4. Financial Sustainability	20	2.0	2.0	2.0
Overall Sustainability Rating/Score	100	2.7	3.1	2.9
a Rating: 4 = Excellent; 3 = Good; 2 = Modest; 1 = Poor b Weight by % of East AFRITAC's budget allocated to Cluster of activities/TAs Highly Sustainable (Excellent) ≥ 3.5; 3.5 < Sustainable (Good) ≥ 2.5; 2.5 < Partly Sustainable ≥ 1.5 (Modest); Not Sustainable (Poor) < 1.5				

66. Table D.11 summarizes the opinion of the survey respondents about the continuing importance assigned to the monetary and financial sector objectives. Other things being equal, the sustainability of the TA benefits will be more likely if people believe that the overall objectives remain important going forward. This is clearly the case for the Monetary/ Financial Supervision TAs. About 95% of the respondents replied that the two objectives were either of **Highest Importance** or **Important**, with a slightly higher proportion of 250 or so respondents assigning the **Highest Importance** rating.

Table D.11: The Importance East AFRITAC Should Assign to Monetary and Financial Sector Objectives

	Percent Answering				Response Count	Response Rate ^{1/}
	Highest Importance	Important	Modestly Important	Not Important		
To improve monetary operations, debt management and payment systems	56%	39%	4%	1%	245	83%
To improve the legal and regulatory framework for financial sector	50%	45%	4%	1%	253	85%

supervision						
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¹ Ratio of the response count to the 296 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

F. Overall Rating of East AFRITAC Monetary and Banking TAs

67. The overall rating for the East AFRITAC portfolio of Monetary/ Financial Sector Supervision TAs and the two clusters, is shown in Table D.12. These overall ratings were generated by combining the ratings for relevance, effectiveness, efficiency and sustainability. **Overall, the portfolio was received a commendably Successful rating of 3.3, well above the midpoint for this range.** The highest ratings were for relevance and efficiency and the ratings for efficiency and sustainability were lower. The latter reflects efficiency concerns relating to: (i) the need for strengthening procedures for benchmarking and monitoring of progress including backstopping; (ii) the protracted delay in filling a vacancy for a resident advisor which negatively impacted to delivery of TA in monetary operations and stalled projects underway in a number of executing agencies; and (iii) lower ratings on the Use of African expertise and future finance sub-criteria for sustainability. **There were clear differences in the performance of the two TA clusters. The Banking supervision TAs were rated as Highly Successful (Excellent), bordering on Good or Successful, The Monetary TAs were rated as Sustainable (Good), but well below the midpoint in the range.** The rating of the Monetary Operations cluster is not a reflection on the work of the current Monetary Advisor. Since arriving, he has done good work, particularly in the area of payments systems. The relatively low rating reflects the fact that East AFRITAC could not provide any TA in the monetary area for much of the evaluation period since the Monetary Advisor position was vacant.

Table D.12: Overall Assessment of East AFRITAC's Monetary and Banking TAs

Norm of Evaluation	Weight (%)	Rating By Monetary/ Financial SectorTA Cluster ^a		
		Monetary Operations	Financial Sector Supervision	Score ^b
		27	73	100
1. Relevance	32	3.0	3.6	3.4
2. Effectiveness	28	2.6	3.7	3.4
3. Efficiency	22	2.6	3.4	3.2
4. Sustainability	18	2.7	3.1	3.0
Overall Rating/Score	100	2.7	3.5	3.3
^a Rating: 4 = Excellent; 3 = Good; 2 = Modest; 1 = Poor ^b Weight by % of East AFRITAC's Budget Allocated to the Activity/TA Cluster Highly Successful (Excellent) ≥ 3.5; 3.5 < Successful (Good) ≥ 2.5; 2.5 < Partly Successful ≥ 1.5 (Modest); Not Successful (Poor) < 1.5				

G. The Way Forward for East AFRITAC Monetary/Financial Systems TAs

68. **Going forward, with many countries in the region, including the three countries visited by the evaluation team, now moving ahead with second generation financial sector reforms, there is a need to maintain the momentum of East AFRITAC's TA deliveries in the monetary and financial system area.** This will help to promote the East AFRITAC as a standard-bearer in the broader challenge of developing the AFRITACs as centers of excellence in TA delivery for capacity building that contributes to effective macroeconomic management. Much of East AFRITAC's work in monetary operations and financial sector supervision, by helping to establish common standards and approaches is supporting regional integration and the proposed move to a common currency by 2012. East AFRITAC could be more proactive in this work, in collaboration with relevant regional committees, and also in supporting follow-up strategies to implement findings and recommendations in country FSAPs—all of which will support the aims of regional integration and harmonization as well as capacity building.

II. Evaluation of East AFRITAC Fiscal TAs

A. Introduction for East AFRITAC Fiscal TAs

69. **This is the second independent evaluation of the fiscal TA provided by East AFRITAC,** the first being done in 2005 following the completion of East AFRITAC's first three years of operations. **Except Ethiopia and Eritrea, all countries served by East AFRITAC have independent revenue administration agencies** combining both domestic taxation administration and customs administration. In Ethiopia and Eritrea the revenue administration departments are still under the ministries of finance. **PFM TA is provided to different departments of the ministries of finance.** However, some assistance is beginning to be provided to oversight agencies such as the auditor general offices.

70. TA for revenue administration has been delivered by one resident advisor, short-term experts and often re-enforced by experts from staff from the Fiscal Affairs Department (FAD). PFM TA is currently delivered by three resident advisors and also benefits from FAD based expertise and short-term experts. During the evaluation period there were vacancies in the PFM Advisor positions, about a year in total, and at one time only one PFM Advisor was on staff. Some government officials and TA providers were aware of these vacancies and advised the Evaluation Mission that while the one PFM Advisor did an excellent job, she was over stretched.

B. Assessment of Relevance of East AFRITAC Fiscal TAs

1. Consistency with Government Priorities:

71. **East AFRITAC Fiscal Advisors have worked with revenue administrations to fine-tune their strategies and action plans in a number of areas:**

- (i) modernizing revenue legal framework;
- (ii) integrating tax administration;
- (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;
- (vi) using risk management approach in revenue administration;
- (vii) using appropriate IT systems; and

- (viii) promoting East African Community integration via customs union and trade facilitation.

72. The relevance of revenue administration is clear from a statement in East AFRITAC's annual report for FY2007-FY2008⁸² **"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."

73. Table D.13 shows the trend in revenue to GDP ratios for East AFRITAC client countries. **Except Eritrea and Ethiopia, the revenue to GDP ratios of East AFRITAC member countries have increased by at least 1% since 2003.** Tanzania had a substantial increase of 4.8%, albeit from a low level of 10%. The revenue to GDP ratios of Eritrea and Ethiopia declined by about 9% and 3% respectively, although the ratio for Eritrea was very high 32.6% in 2003. **While there has generally been positive progress, the revenue to GDP ratio remains below 20% for most of the countries in the region. This indicates that there is a continued relevance for Revenue Administration TAs to support the ongoing efforts of all East AFRITAC clients to further increase their revenue.**

Table D.13: East Africa: Revenue Excluding Grants as a Per Cent of GDP

	1997-2002	2003	2004	2005	2006	2007	2008
Eritrea	28.9	32.6	23.4	26.4	23.0	22.8	23.5
Ethiopia	15.1	16.2	16.1	14.6	14.8	12.8	13.4
Kenya	20.2	19.7	21.2	20.8	20.8	20.2	20.9
Malawi	16.3	16.0	16.8	18.5	17.5	19.1	18.5
Rwanda	10.9	12.8	12.8	13.6	12.9	12.4	13.7
Tanzania	10.0	10.1	10.4	11.1	12.0	13.5	14.9
Uganda	11.5	12.2	12.7	12.8	13.1	13.4	13.9

Source: IMF. Regional Economic Outlook: Sub-Saharan Africa. April 2008.

74. **The Revenue Administrations served by East AFRITAC have been able to identify their priorities and engage in discussions as equals with the Advisors to agree on the priority areas for assistance.** One useful approach has been the ability of the Tax Advisor to liaise closely with each revenue administration and work with them on various regional initiatives. To-date, the most challenging case has been Eritrea⁸³. For the countries visited by the Evaluators (Kenya; Rwanda; Tanzania), the authorities were all very satisfied with the degree of collaboration with East AFRITAC, and IMF more generally, in defining the priorities for

⁸² EAST AFRITAC ANNUAL REPORT 2007–08. Page 8.

⁸³ The challenges in effectively working in Eritrea go far beyond the Fiscal Advisors and East AFRITAC. For most of the evaluation period, Eritrea accepted only very few missions. It is not possible to develop the types of relationships that are necessary to deliver effective capacity building TA in such circumstances.

TA delivery. All the revenue administrations, except for Eritrea, have developed medium term strategies and corresponding action plans based on their priorities. This has helped the coordination between the East AFRITAC and the authorities, coordination within the donor community and assisted in prioritizing and putting TA delivered by East AFRITAC into perspective.

75. There is considerable interest in public finance management within the countries served by East AFRITAC as well as in the donor community. This interest reflects:

- (i) **the need for direct budget support to scale-up of 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.**

76. **East AFRITAC's FY 2007—FY2008 Annual Report⁸⁴ makes a clear case for the relevancy of PFM TAs, which the Evaluation Team endorses.** While East African governments are earning more national revenue than before, care must be taken to ensure that the revenue is well spent and reaches its intended recipients. This requires reflecting the right priorities when national budgets are prepared, ensuring sound budget execution, ensuring sound cash management and implementing sound control and reporting procedures. Strengthening PFM contributes to good governance and, by promoting transparency and accountability, reduces opportunities for corruption. Many donors wish to make greater use of direct budget support to support the national poverty reduction strategies. This is only possible if they have confidence in the government's public expenditure management systems.

77. **The five broad areas covered by East AFRITAC PFM TA include:**

- (i) developing appropriate legislative and regulatory framework for PFM -- East AFRITAC and FAD have helped some countries, for example Kenya and Rwanda, to draft PFM related legislation;
- (ii) improving budget preparation and management to ensure better alignment of resource allocations to national priorities, including pro-poor initiatives like health and education -- East AFRITAC and FAD have helped Kenya, Rwanda and Malawi in this area and five of the seven countries have been helped in introducing GFS 2001 based budget classification;
- (iii) promoting treasury reforms aimed at improving the management and accountability of funds, thus improving transparency and accountability;
- (iv) strengthening capacities to manage inter-governmental fiscal relations⁸⁵ in countries such as Rwanda, Uganda and Ethiopia; and,
- (v) designing and guiding the implementation of PFM reforms agendas.

78. **Five out of the seven countries served by EAST AFRITAC now have their respective PFM strategies in place or are in the process of finalizing them.** For most, East AFRITAC was part of the process of developing the PFM strategies. For example, in Rwanda, the PMF Advisor helped to ensure the quality of the strategy and the resulting action plans. Countries also received assistance in crucial areas of budgeting and treasury management. All

⁸⁴ EAST AFRITAC ANNUAL REPORT 2007–08. Page 13.

⁸⁵ The need for such assistance is clear from the data available in the World Bank's data base on statistics. Among East AFRITAC client countries, only Ethiopia and Rwanda report consolidated central government accounts.

the authorities met by the Evaluation Team were appreciative of the services received from East AFRITAC.

79. East AFRITAC TA took into account and met the priority needs of member countries. **Drawing on the feedback received from senior government officials interviewed during country visits, the Evaluation Team believes that it is reasonable to conclude that the fiscal TAs were country driven and country owned.**

80. **There is a significant level of regional coordination in the revenue administration area.**⁸⁶ Recently East AFRITAC has provided support in the context of the EAC 2004 Customs Management Act of 2004. TA to Rwanda is designed to help with their preparation for accession to the EAC Customs Union. TA was provided to finance a regional workshop that identified six priority areas for FY 2007-08: (i) trade management – Uganda; (ii) modernization and harmonization of systems and procedures – Rwanda; (iii) risk management – Kenya; (iv) human resource development – Tanzania; (v) communication strategy – Kenya; and (vi) legislation – EAC Secretariat. The various countries have set up working groups that will liaise with stakeholder to develop and implement improved strategies. **This provides a framework to prioritization of future TA and the EAC.** This promising effort should be pursued and emulated in other functional areas by East AFRITAC. There has been less regional focus in the PFM area.

81. **A review of the minutes of the Steering Committee, feedback to the Evaluation Team by government officials and the Center Coordinator and the results of the AFRITAC Evaluation Survey indicates that the Steering Committee was effective in ensuring country ownership of the fiscal TAs.**

2. Coordination with Development Partners

82. Since the 2005 evaluation, there has been an improvement in the ability of East AFRITAC member countries to coordinate donor assistance. Most countries now have a donor coordination mechanism. However, donor coordination still remains a challenge. In general, there is more effective donor coordination as far as it effects East AFRITAC operations in the revenue administration area than the PFM area. **Relatively few donors are active in the revenue administration area, they know each other well and there is synergy in what they do. These donors are experienced and seek information from each other to optimize their TA programs. Both the donors and the authorities in revenue administration recognize the IMF/East AFRITAC expertise and their ability in quality assurance, both in policy formulation and implementation.**

83. **Donor coordination is more challenging in the PFM area.** There is a multiplicity of donors, partly because of the desire of some donors to scale up their levels of assistance support in East African countries to support the poverty reduction strategies. Many of these donors are new in this area but have substantial amounts of funds, which dwarf the amount of TA that East AFRITAC and IMF can provide. The World Bank is also active in the PFM area and has substantial expertise and experience in PFM. The Evaluation Team expected to see more evidence of close strategic coordination with the World Bank in the PFM area. Because of shared interests and a desire, consistent with the Accra Declaration for Action, to increase their use of the direct budget support modality, in some East AFRITAC client

⁸⁶ The regional network for Revenue Administrations has been operational for over a decade.

countries, donors have pooled their financial resources in the PFM. This type of donor coordination was specifically called for in the Accra Agenda for Action. **East AFRITAC, and IMF more generally, does not pool its TA resources and has not found a good way to interact with such donor coordination mechanisms, other than for the PMF Advisor meeting with other TA providers and their consultants during country visits. Although East AFRITAC's PFM TA resources are small compared to the amounts available from the donor pools, representatives of other TA Providers recognized the competence of the PMF Advisors and the expertise of IMF more generally in the field of PFM and re-affirmed that East AFRITAC has an important role to play in the PFM area, especially when it comes to quality assurance and monitoring at a strategic level the implementation of PFM action plans. In the PFM area the challenges regarding donor coordination are to: (i) identify niche areas, consistent with the funds available, where East AFRITAC has expertise and can add value; and (ii) undertake more outreach and share more information with other stakeholders in this area.**

84. **East AFRITAC should put more effort in outreach and information dissemination to both authorities and donors involved in revenue administration and PFM.** There is no evidence that East AFRITAC is taking a lead to facilitate coordination in either of these areas. East AFRITAC/IMF continues to leverage program conditionalities and surveillance missions. However, as countries graduate into other phases, IMF/East AFRITAC will have to change their approach of reaching out both to the donors and countries concerned.

3. Consistency With IMF Headquarters Activities

85. **EAST AFRITAC activities are well integrated with TA, surveillance, and lending activities of IMF Headquarters. There is clear consistency between East AFRITAC and Headquarters activities** as evidenced by a review of the conditionalities in the Stand By Arrangements and PRGFs, issues identified in monitoring reports, Headquarter TAs and interviews with IMF Resident Representatives and the staff of the African Department and the FAD. **The good diagnostic work undertaken by FAD contributed to this positive finding.** In many cases, East AFRITAC Revenue Administration and PFM Advisors have been invited to participate in FAD missions. The East AFRITAC Advisors, Headquarter-based staff and the authorities all agree that this arrangement has been helpful because East AFRITAC is able to follow-up and mobilize the appropriate TA to support the implementation of actions necessary to meet IMF conditionalities. **Beneficiaries in PFM and Revenue Administration organizations do not see any difference between East AFRITAC and IMF-Headquarter TA activities. As far as they are concerned, it is all IMF.** Thus, a seamless and well coordinated delivery of Headquarters/East AFRITAC TA services to the benefiting countries is required.

86. **The quality and timeliness of management and backstopping of AFRITAC activities by FAD is appreciated by all the Fiscal Advisors at EAST AFRITAC.** Government officials interviewed by the Evaluation Team felt that the combination of local knowledge and expertise of the Resident Advisors and FAD's access to best international practice both contributed to the effective fiscal TAs provided by East AFRITAC.

87. Quality assurance for both PFM and revenue administration is done by FAD via backstopping. FAD provides strategic direction to the Resident Advisor through the backstopping mechanism. The back stopper is normally someone who has been on the ground during their career and has some considerable expertise in a given field. **Although there are**

areas for refinement the principles of the backstopping practice should be maintained as it is seen as advantageous because:

- (i) it gives an independent verification and second expert opinion;
- (ii) often provides the Resident Advisor with the missing expertise as it is not always possible for a Resident Advisor to know everything in a given field; and,
- (iii) it provides ministries of finance and revenue administrations with continuous access to international expertise and experience.

4. Relevancy Rating of East AFRITAC Fiscal TAs

88. Tables D.14 and D.15 provide a summary of responses from the AFRITAC Evaluation Survey regarding the relevance of fiscal TAs. Slightly less than 40 people rated the various dimensions of relevance for PFM TAs and about 50 did so for Revenue Administration TAs. The survey responses are generally consistent with the findings of the Evaluation Team. **For all of the questions related to relevance (relevance of TAs in helping to build capacity; consistency with Government priorities; coordination with other TA providers; coordination with IMF Headquarters), the respondents rated both the PFM and Revenue Administration TAs as Good. There were generally more Excellent ratings and fewer Modest ratings for Revenue Administration TAs than for PFM TAs, resulting in slightly lower scores for the PFM TA cluster. On average 76% of the respondents rated the PFM relevance sub-criteria as either Good or Excellent. The corresponding figure for the Revenue Administration cluster was 83%. For both clusters of fiscal TAs, the lowest scores related to donor coordination. The combined rating of Good and Excellent was 70% for both and donor coordination was the only sub criteria for which the average rating was below the mid-point on the Good range. The highest rating in the two tables was for the relevancy rating of the Revenue Administration TAs. It was 3.4, very close to the cut off point for Excellent.**

Table D.14: Relevance of East AFRITAC's Public Financial Management TAs

	Percent Answering				Weighted Rating ^{1/}	Response Count	Response Rate ^{2/}
	Excellent	Good	Modest	Poor			
Relevance of TAs in helping to build capacity	33%	46%	10%	10%	3.0	39	91%
Consistency with Government priorities	34%	42%	18%	5%	3.1	38	88%
Coordination with other TA providers	17%	53%	19%	11%	2.8	36	84%
Coordination with IMF Headquarters	26%	53%	15%	6%	3.0	34	79%
Average for All Criteria	28%	48%	16%	8%	3.0	37	85%

¹ Based on ratings of Excellent=4, Good=3, Modest=2, and Poor=1.

² Ratio of the response count to the 43 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table D.15: Relevance of East AFRITAC's Revenue Administration TAs

	Percent Answering				Weighted Rating ^{1/}	Response Count	Response Rate ^{2/}
	Excellent	Good	Modest	Poor			
Relevance of TAs in helping to build capacity	51%	38%	7%	4%	3.4	55	98%
Consistency with Government priorities	39%	48%	11%	2%	3.2	54	96%
Coordination with other TA providers	26%	44%	28%	2%	2.9	43	77%
Coordination with IMF Headquarters	35%	50%	15%	0%	3.2	46	82%
Average for All Criteria	38%	45%	15%	2%	3.2	50	88%

¹ Based on ratings of Excellent=4, Good=3, Modest=2, and Poor=1.

² Ratio of the response count to the 56 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

89. Drawing on the evaluation findings, the relevance of the fiscal TAs of East AFRITAC are rated for the four dimension of relevance in Table D.16. **For both the PFM and Revenue Administration clusters, there is sufficient evidence to conclude that East AFRITAC played a useful role in helping to define country TA priorities.** East AFRITAC TA is also beginning to help to equip countries with the institutional capacity necessary to define their own policy alternatives, including in their context of poverty reduction strategy papers. **Taking into account the IMF's expertise and the priority needs of East AFRITAC member countries, East AFRITAC activities have been appropriately focused in terms of subject areas.**

90. Overall the portfolio of fiscal TAs delivered by East AFRITAC is graded as being Relevant. However, there were differences in the two TA clusters. Revenue Administration TAs were rated as Highly Relevant and PFM TAs were scored as Relevant, somewhat below the midpoint of the Good range. For each of the sub-criteria, the Revenue Administration TAs were ranked one level higher than the PFM TAs. The only Modest rating was for donor coordination for PFM TAs. Both consistency with government priorities and consistency with IMF Headquarters were rated as Excellent for the Revenue Administration TAs.

Table D.16: Relevancy Assessment of East AFRITAC Fiscal TAs

Criteria	Weight (%)	Rating ^a		
		Public Financial Management	Revenue Administration	Score ^b
		56	44	100
1. Consistency With Government Priorities	60	3.0	4.0	3.4
2. AFRITAC Coordination with Development Partners	20	2.0	3.0	2.4
3. Consistency with IMF Activities	20	3.0	4.0	3.4
Overall Relevance Rating/Score	100	2.8	3.8	3.2
a Rating: 4 = Excellent; 3 = Good; 3 = Modest; 1 = Poor b Weight by % of AFRITAC Center Budget Allocated to the Activity/TA Group Highly Relevant (Excellent) ≥ 3.5; 3.5 < Relevant (Good) ≥ 2.5; 2.5 < Partly Relevant (Modest) ≥ 1.5; Not Relevant (Poor) < 1.5				

C. Assessment of Effectiveness of East AFRITAC's Fiscal TAs

91. The effectiveness of EAST AFRITAC activities in revenue administration and public finance management was examined by looking at whether the expected outcomes were achieved, or were reasonably expected to be achieved given the developments at the time of the evaluation. In recognition that the resources provided to the EAST AFRITAC are finite, the analysis examined whether EAST AFRITAC was effective in some areas than others. The Evaluation Team endeavored to identify factors that contribute to success or lack thereof.

1. Use of Outputs

92. The use of East AFRITAC outputs was examined mainly by talking to the management of the ministries of finance and revenue administrations and their staff. For both TA clusters interviews were conducted in Tanzania, Kenya and Rwanda with management, department heads and staff who attended workshops and seminars, received hands-on training, and/or had professional attachments. The results of the interviews were enriched by responses to the AFRITAC Evaluation Survey and interviews by the Resident Advisors as well as an examination of the PFM and Revenue Administration work plans, reports of the Fiscal Resident Advisors and the annual reports of East AFRITAC.

93. **For Revenue Administration, satisfaction was expressed by management, department heads and staff of the benefiting agencies that the TAs outputs were being put to use and the desired outcomes were being attained. This success was attributed to strong ownership and involvement by the revenue administrations in the TAs. Revenue administrations served by EAST AFRITAC have substantial autonomy in most countries.** Five of the seven member countries have revenue administrations whose autonomy is granted by the law. Furthermore, **there is a considerable degree of 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 relevancy and instant usefulness. For example, the heads of revenue agencies within the

East African Community meet at least two times a year to examine, give guidance and endorse the work of the East African Revenue Authorities Technical Committee. The priorities identified by this committee and endorsed by the heads of revenue agencies become valuable input to the necessary TAs. In addition, revenue agencies have had joint training in areas such as compliance management (training held in Nairobi, Kenya), information technology (workshop held in Rwanda) and customs administration (training held in Mombasa, Kenya).

94. **There are more mixed results for PFM. The TA related with the treasury in cash management and those related to budgeting were generally successful** (e.g., in Rwanda, Tanzania). Practices like the use of single treasury account for the governments have been particularly useful. Those related to oversight are beginning to show positive signs but will need more effort to achieve the desired objectives. For example in Tanzania the Office of the Auditor General and the Budget Parliamentary Committee were included as part of PFM capacity building initiatives. **A challenge is that the PFM departments that are executing the TAs have limited or no autonomy.** This hampers their ability to make quick decisions to implement the 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 change 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.** In addition, **the ability of PFM departments to coordinate regionally is constrained by the lack of autonomy.** There are cases when East AFRITAC provided high quality advice and assistance but the TA outputs are not being used and thus the desired outputs will not be achieved (e. g., some participants in PFM workshops in Rwanda and Tanzania did not use the skills gain on the job).

95. **The Evaluation Team found sufficient evidence that the EAST AFRITAC TA activities in PFM and revenue administration delivered outputs that contributed to the achievement of member countries reform** priorities and, to a large extent, the outcomes and impact of the TA are contributing to the capacity building and the implementation of reforms and policies. However, there were some exceptions to these positive outcomes for the PFM cluster.

2. Planned vs. Actual Outputs

96. The actual outputs for the period were compared to the planned outputs implied from goals and objectives stated in the work program for the East AFRITAC and other documentation. The analysis shows mixed results. **In the area of revenue administration, the actual outputs compare sufficiently well with the desired outputs. In some cases, the actual outputs are noticeably more than expected.** An example of good results for this TA cluster includes TA provided in developing, jointly with the World Customs Organization, a risk management program curriculum that is in line with modern customs administration practices. The curriculum is being used by regional revenue agencies, and is now part of the training program of the East African Community. However, **in the area of PFM, sufficient results were only seen within the last year and half. The first year and half were characterized by less than optimal activity because of vacancies in the PFM Advisor positions.** During the field work, some government officials complained justifiably to the Evaluation Team that East AFRITAC did not deliver PFM results during this period. East AFRITAC cannot be expected to deliver results if FAD does not see to it that vacancies are filled in a timely manner. Some recent results are encouraging and there is evidence that East AFRITAC PFM TA is becoming increasingly

effective. Examples include the effective contributions to help develop the PFM plan in Rwanda and in Kenya where technical input was provided to support the formulation of both the Kenya Joint Assistance Strategy and the Implementation Guide for the PFM Reform Plan.

3. Significance of Contribution to Developing Core Economic Functions/ Institution Building

97. **The mandates of nearly all the autonomous revenue agencies are defined as revenue mobilization and trade facilitation. Well-functioning revenue administrations enhance national independence, reduce corruption and create a favorable environment for businesses to flourish.** Examples of success include cases where customs processing time was reduced from 14 days to 3 hours in Rwanda, joint border post services and 24 hour operations between Kenya and Uganda, and between Uganda and Rwanda. **These improvements have contributed to significantly increased trade volumes and reduced transaction costs along the Rwanda/Uganda/Kenya corridor.**

98. **Similar examples of contributions to economic development can be traced via significant efforts to fight corruption and promote transparency. Uganda, Tanzania and Rwanda have materially reduced times and irregularities in government transfers to local governments and payments of government suppliers because of improved budgeting, cash management and treasury operations and monitoring.**

99. The 2005 AFRITAC evaluation stressed the importance of capacity building by recommending that: (i) comprehensive capacity-building programs should be adopted as part of Poverty Reduction Strategies and Programs; and (ii) agencies benefiting from the AFRITAC TAs should prepare plans for developing staff resources and institutional capacity that would describe the current status of the area (e. g., statistics, public finance, etc.), outline steps to be taken to meet international standards and provide for regular monitoring of capacity, using agency performance indicators established according to international standards.

100. East AFRITAC is helping to strengthen the revenue administrations and treasury and budget departments in member countries. Member countries are aware of the importance of resource mobilization, expenditure rationalization and the need to entrench good governance practices and transparency. For example, Rwanda has computerized their treasury functions and many other member countries have started the process. As PFM systems get better, donors become more confident and willing to provide direct support to governments.

101. **EAST AFRITAC has championed adoption of good practices in PFM and revenue administration.** East AFRITAC has organized regional workshops on government accounting, budgeting etc., and follows-up on the implementation of TA recommendations.

4. Effectiveness Assessment of East AFRITAC Fiscal TAs

102. The results of the AFRITAC Evaluation Survey provided some feedback on the views of survey respondents on the effectiveness of East AFRITAC fiscal TAs (see Tables D.17 and D18). A total of 37 people rated the effectiveness of PFM for the three sub-criteria for effectiveness. **For use of outputs, 70% rated it as Good or Excellent. The corresponding figures for achieving tangible results and significance of contributions to developing core economic functions were 60% and 78% respectively. The average ratings were all below the mid-point of the range for all three sub-criteria of effectiveness with the effectiveness of achieving tangible results bordering on a Modest rating.** A substantial

40% of the respondents rated East AFRITAC as Modest or Poor in achieving tangible results in the PFM area (see Table D.17). **Somewhat more positive findings were reported for Revenue Administration. The proportion of the respondents reporting that East AFRITAC revenue administration TAs achieved Good to Excellent results was 85% for use of outputs, 80% for achieving tangible results and 78% for making substantial contributions.** The ratings for all three of these effectiveness sub-criteria were above the mid-point of the range and there were far fewer Modest/Poor ratings than for PFM TAs (see Table D.18). **An important contributor of the effectiveness of TAs is the quality of the expertise and assistance. The respondents rated the expertise as Good for both TA clusters with marginally higher ratings for the Revenue Administration TAs** (see Tables D.5 and D.6).

Table D.17: Effectiveness of East AFRITAC PFM TAs

	Percent Answering				Weighted Rating ^{1/}	Response Count	Response Rate ^{2/}
	Excellent	Good	Modest	Poor			
Use of the outputs	19%	51%	22%	8%	2.8	37	86%
Effectiveness in achieving tangible results	14%	46%	30%	11%	2.6	37	86%
Significance of contributions to developing core economic functions	22%	56%	17%	6%	2.9	36	84%
Expertise and assistance	31%	50%	14%	6%	3.1	36	84%
Sustainability of the benefits of AFRITAC TAs	24%	45%	24%	8%	2.8	38	88%
Average for All Criteria	22%	50%	21%	8%	2.9	37	86%

¹ Based on ratings of Excellent=4, Good=3, Modest=2, and Poor=1.

² Ratio of the response count to the 43 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table D.18: Effectiveness of East AFRITAC's Revenue Administration TAs

	Percent Answering				Weighted Rating ^{1/}	Response Count	Response Rate ^{2/}
	Excellent	Good	Modest	Poor			
Use of the outputs	23%	62%	12%	4%	3.0	52	93%
Effectiveness in achieving tangible results	25%	55%	19%	2%	3.0	53	95%
Significance of contributions to developing core economic functions	35%	43%	22%	0%	3.1	49	88%
Expertise and assistance	43%	42%	13%	2%	3.3	53	95%
Sustainability of the benefits of AFRITAC TAs	26%	53%	17%	4%	3.0	53	95%
Average for All Criteria	30%	51%	17%	2%	3.1	52	93%

¹ Based on ratings of Excellent=4, Good=3, Modest=2, and Poor=1.

² Ratio of the response count to the 56 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

103. The four fiscal objectives defined in the East AFRITAC program document 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. 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. **In terms of achieving the objectives: (i) about 20% of the respondents felt that the fiscal objectives had been achieved; (ii) 50% to 55% reported that significant progress had been made but that the objectives had not been achieved; (iii) 20% to 25% felt that modest progress had been made; and (iv) a small portion of the respondents (5%) stated that no progress had been made in terms of achieving the objectives (see Table D.19). The broad picture suggested is that while progress is being made, East AFRITAC faces an unfinished agenda in the fiscal area.**

Table D.19: East AFRITAC's Progress in Achieving Fiscal Objectives

	Percent Answering				Response Count	Response Rate ^{1/}
	Objective Fully Achieved	Despite Substantial Progress, Objective not yet Achieved	Only Modest Progress Made to Achieve Objective	No Significant Progress Made		
To improve capacity for macroeconomic analysis, policy formulation, and forecasting	16%	59%	20%	5%	217	64%
To 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	20%	49%	26%	5%	193	57%
To make systems and procedures for budgeting, treasury operations, and expenditure planning and control, more efficient with appropriate safeguards in terms of oversight and auditing	20%	49%	25%	5%	184	54%
To make the reporting of government financial operations more reliable and timely	17%	55%	21%	6%	197	58%

¹ Ratio of the response count to the 339 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

104. Table D.20 summarizes the findings of the Evaluation Team regarding the effectiveness of East AFRITAC's fiscal TAs. **The effectiveness of the PFM cluster is rated as Modest, bordering on Good. The effectiveness of the Revenue Administration TAs was better and rated as Good, bordering on Excellent.** Combined, the portfolio of fiscal TAs was rated as **Effective**. The findings of the Evaluation Team confirm that **East AFRITAC TA is delivering outputs which effectively contribute to the achievement of member country reform priorities, although there are opportunities to improve the effectiveness of PFM TAs.**

Table D.20: Effectiveness Assessment of East AFRITAC Fiscal TAs				
Criteria	Weight (%)	Rating ^a		
		Public Financial Management	Revenue Administration	Score ^b
		56	44	100
1. Use of AFRITAC Outcomes	40	3.0	4.0	3.4
2. Planned vs. Actual Achievements	30	3.0	3.0	3.0
3. Significance of Contribution to Developing Core Economic Functions and Institution Building	30	2.0	3.0	2.4
Overall Effectiveness Rating/Score	100	2.7	3.4	3.0
a Rating: 4 = Excellent; 3 = Good; 3 = Modest; 1 = Poor b Weight by % of the Center budget allocated to the cluster of AFRITAC activities/TAs Highly Effective (Excellent) ≥ 3.5; 3.5 < Effective (Good) ≥ 2.5; 2.5 < Partly Effective (Modest) ≥ 1.5; Not Effective (Poor) < 1.5				

D. Assessment of Efficiency of East AFRITAC Fiscal TAs

1. Process and Implementation Efficiency

105. Assessing process and implementation efficiency covers such factors as IMF's internal management of AFRITAC activities, appropriate counterpart/workshop participant selection and the quality and timeliness of FAD management and backstopping of East AFRITAC fiscal activities. The Evaluation Team also examined the consistency of engagement at both the institutional and individual level for both East AFRITAC and the executing agencies. It was examined by looking at whether East AFRITAC consistently engaged in the PFM and revenue administration areas and the turnover of East AFRITAC Resident Advisors and the staff of executing agencies. Also considered was the efficiency in making appropriately qualified Resident Advisors available and filling vacancies, the efficiency of planning and executing the TA delivery and the timeliness of TA execution.

106. **FAD is very much in control when it comes to backstopping, recruitment and supervision of PFM and Revenue Administration Resident Advisors and short term experts, and TA mission programming.** This is seen as necessary by FAD to ensure good quality of TA delivery and safeguard the reputation of IMF. FAD integrates East AFRITAC activities with those of Headquarters in the fiscal area. FAD does the upstream work and EAST AFRITAC the downstream work which usually includes implementation and follow-up of things identified in the good diagnostic studies done by FAD or in other FAD TA. According to the Resident Advisors, the timing and responses from the back stoppers was generally good. However, sometimes there were delays owing to the personalities of the back stoppers. The Resident Advisors also expressed concern that sometimes the program of their missions may be changed and/or postponed by FAD staff if the later happen to have other missions.

107. **Backstopping need to be carefully managed because such actions impact on the delivery of the work plan, for which East AFRITAC is accountable to the Steering Committee.** An ADF Headquarters staff is a member of the Steering Committee and FAD representatives have the option to attend. The Regional Assistance Plan (RAP) should be viewed as being tactical, even when it necessitates minor changes, and not to be seen as overruling the decisions of the Steering Committee. There seems to be less coordination between the RAP at IMF Headquarters and the East AFRITAC work plans than is desirable. Better mechanisms should be devised to keep all Resident Advisors involved in the preparation of the RAP and aware of its final outcome. For example, FAD could organize a video conference every month on certain themes. This is common practices in a number of other organizations.

108. **Managing the transition and handover process has not been that smooth when PFM Advisors were replaced.** There have been lapses between the time when the contract for one Advisor ended and when another one is hired. For PFM this lapse was for over one year. This is a significant loss given the three year program is being funded for East AFRITAC.

109. **Regional integration is also posing a challenge.** Traditionally, IMF involvement in Africa has not focused on regional integration and harmonization issues. However, it is evident that in the next five years, regional integration is going to be a major issue in East Africa.

2. Efficient Use of Resources

110. In the FAD area, East AFRITAC provided a total of 124 person months of TA during FY 2006 to FY 2008, or an average of 41 person months per year. This is about the same level of inputs as in FY 2004 and FY 2005, despite the expectation that there would be an increase in Phase II. There was a substantial increase to 51 person months in FY 2008. This reflects the filling of an additional PMF Advisor position and six month vacancies each in replacing two PFM Advisors who departed, one in 2006 and one in 2007. Thus, during the evaluation period, there was a vacancy for the PFM Advisors totally nearly a year. FAD should be able to do a better job of planning and recruiting advisors to avoid such long vacancies. The number of person months of short term experts in the FAD area was 13/14 for each of the three years under review. Slightly over one third of the TA in the FAD area delivered by East AFRITAC was provided by short term experts⁸⁷. It cost slightly less than \$3 million to deliver the fiscal TA, equivalent to a cost of about \$23,300 per person month of input. This is marginally higher than the average cost per person month of TA for East AFRITAC (\$23,800) and comparable to the cost per person month of TA delivered in the FAD area by West (\$22,600) and Central (\$23,800) AFRITAC. These cost comparisons indicated that in terms of cost efficiency, there is no substantial difference between the three AFRITACs in the FAD area.

111. The importance of the provision of adequate resources was noted in the 2005 evaluation which recommended that “The Executive Board and management should respond to the Technical Departments’ and OTM’s needs for additional staff resources to respectively coordinate and backstop the existing regional Technical Assistance Centers and any additional ones that are established in future.” Relative to the volume of TA delivered through the RTACs, there are fewer resources in FAD for backstopping than was the case in 2005.

⁸⁷ The information available to the Evaluation Team did not break the inputs of the short term consultants down into the PFM and revenue administration areas.

3. Monitoring and Reporting

112. **The quality and timeliness of reporting and monitoring of the activities and outputs of East AFRITAC has improved since the last evaluation.** One of the recommendations of the 2005 AFRITAC evaluation was that performance indicators and a Logical Framework Analysis should be developed to evaluate AFRITAC outputs not less than annually. The importance of monitoring was also highlighted in another recommendation of the 2005 evaluation “The IMF should work with member countries and donors to ensure that necessary TA is provided to help AFRITAC beneficiary agencies develop and monitor the capacity-building plans.” The 2005 evaluation recommended that “The Centers should develop a reporting format to the Steering Committees that allows tracking of benchmarks and indicators of AFRITAC output and performance. The formats of monthly reports and activity status reports should facilitate folding their content into Steering Committee reports, thereby meeting donors’ legitimate request for more substantive information on countries’ follow-up to AFRITAC recommendations.”

113. A review of the monthly reports prepared by the Fiscal Advisors, AFRITAC’s annual reports and material prepared for the Steering Committee, indicates there is evidence that for the fiscal area, East AFRITAC has tried to **address the above recommendations. The Resident Advisors use self evaluation (i.e. monitoring) and better reporting to improve the efficiency and effectiveness of their activities and to improve synergies between their activities and those of IMF Headquarters. Despite this progress, there remain challenges in developing a good monitoring and reporting system for East AFRITAC’s fiscal TAs that focuses on the achievement of outcomes.** Using TAIMS from a remote location is sometimes challenging and it is too soon to assess whether the enhanced version of TAIMS will achieve the intended results.

4. Efficiency Assessment of East AFRITAC Fiscal TAs

114. Table D.21 provides a summary of the Evaluation Team’s efficiency assessment for EAST AFRITAC fiscal TAs. **In the fiscal area, East AFRITAC was rated as efficient. Both TA clusters were rated as Efficient with a higher rating given to the Revenue Administration. The lower rating for PFM largely reflects the long vacancies in filling two of the PFM Advisor vacancies.** Inefficiency in filling those vacancies adversely affected East AFRITAC’s ability to efficiently and effectively deliver its work program and meet the needs of its clients in the PFM area. This lower rating reflects the lack of efficiency on FAD’s part rather than a lack of efficiency of the PMF Advisors that were in place of their use of the resources under their control. **Overall, East AFRITAC TA in the fiscal areas has proven to be cost-effective, especially in relation to other comparable TA delivery modes, based on feedback and opinions expressed in the AFRITAC Evaluation Survey.**

Table D.21: Efficiency Assessment of East AFRITAC Fiscal TAs

Criteria	Weight (%)	Rating ^a		
		Public Financial Management	Revenue Administration	Score ^b
		56	44	100
1. Process/Implementation Efficiency	40	3.0	3.0	3.0
2. Efficient Use of Resources	40	2.0	3.0	2.4
3. Monitoring and Reporting	20	3.0	4.0	3.4
Overall Efficiency Rating/Score	100	2.6	3.2	2.9
^a Rating: 4 = Excellent; 3 = Good; 3 = Modest; 1 = Poor ^b Weight by % of AFRITAC budget allocated to Activity/TA Group Highly Efficient (Excellent) ≥ 3.5; 3.5 < Efficient (Good) ≥ 2.5; 2.5 < Partly Efficient (Modest) ≥ 1.5; Not Efficient (Poor) < 1.5				

E. Assessment of Sustainability of East AFRITAC Fiscal TAs

1. Political Economy Factors

115. **Political stability, a sound macroeconomic context, policy continuity and sound institutions help to create conditions that increase the likelihood of donor support in general, and for AFRITAC support in particular, will more likely be successful. If some or all of these conditions are absent, the likelihood of achieving sustainable benefits diminishes.** In general, all member countries served by East AFRITAC are stable, save some recent problems in Kenya and tensions between Ethiopia and Eritrea. Based on broad political economy factors, the general institutional absorptive capacity in Rwanda and Tanzania was rated as Good and it was rated as Modest in Eritrea, Ethiopia, Kenya, Malawi and Uganda (see Table I.1 in Chapter I). **Evaluation results show that the institutional absorptive capacity of revenue administrations among East AFRITAC's client countries is higher than in those departments of ministries of finance dealing with PFM.** Social political environment in some countries erodes the political will to undertake the major reforms, resulting in delayed implementation of recommendations (e.g., Eritrea; Kenya).

116. Four of the seven member countries belong to the East African Community. The East African community countries are in the process of economic integration. This includes forming a Customs Union and a common market. Quite a number of revenue administration and PFM practices are likely to converge. The enthusiasm for EAC countries for regional harmonization and integration may require East AFRITAC, and IMF more generally, to adjust its approach accordingly and balance between what support should be country specific and what should be regional. If this is successfully done, it should increase the likelihood that TAs will result in sustainable benefits.

2. Executing Agency Ownership and Use of TA Outputs

117. One of the most important means of measuring the extent of executing agency ownership and use of the outputs delivered from the East AFRITAC was to examine whether the counterparts, workshop participants and/or trainees used the knowledge gained on the job. This assessment was based on interviews with government officials in ministries of finance and revenue administrations, East AFRITAC fiscal Resident Advisors and feedback received from IMF staff and responses from the AFRITAC Evaluation survey. In each of the countries visited (Kenya; Rwanda; Tanzania), the Evaluation Team met with senior management, department heads and workshops participants.

118. The following Evaluation Team observations were derived from these sources:

- (i) **The regional workshops were very effective means of sharing regional experience.**
- (ii) **The documentation received during workshops and seminars was helpful and often used as reference at work.**
- (iii) **Workshops and seminars provided opportunities for networking and developing relationships among practitioners.**
- (iv) **Most workshop participants said that they were using the knowledge gained, and skilled learned, on the job.**
- (v) **Follow-up on workshop recommendations requires greater attention to facilitate the implementation of recommendations.**
- (vi) **There should be a mix among the workshops participants of technicians and management. The management participants can facilitate implementation of skills gained and recommendations derived from the workshops/seminars.**

119. The workshop participants expressed the following concerns:

- (i) **The duration for the regional workshops was too short. Most of them lasted for five or less days.**
- (ii) **Often there is lack of follow-up on the recommendations made and lessons learnt from the workshops. This task is left to the participants who may not be senior enough to initiate such changes in their respective institutions.**

120. The 2005 evaluation stressed the importance of good participant selection and recommended that “Countries should exercise great care in the selection of AFRITAC workshop participants. Participants should be required to share the acquired knowledge in a structured manner with colleagues from their agencies, through in-house seminars and other means.” **Very few cases of poor participant selection came to the attention of the Evaluation Team which suggests that the recommendation of the 2005 evaluation is being followed in the fiscal areas.** All the stakeholders were generally happy with the caliber of participants who attended the workshops.

121. **East AFRITAC has helped agencies and departments to embed most of the TA outputs in the routine businesses practices of the executing agencies although in some cases, constraints have prevented them from fully implementing the resulting TA recommendations.** Examples for which TA recommendations have been embedded in the standard operating procedures of executing agencies include budgeting and cash management in Tanzania and Rwanda. However, there were also cases in which the TA recommendations have not been embedded in the procedures of the executing agencies (e.g., use of single treasury account in Uganda and Kenya). **In general, there was more evidence of sustainable**

use of the outcomes for Revenue Administration TAs, which was rated as Excellent, than for PFM TAs.

122. Government/executing agency ownership was assessed based on feedback received during interviews with senior officials in the ministries of finance and revenue administration agencies, donors, IMF Headquarters Staff and East AFRITAC staff. This feedback was supplemented by examining documents and reviewing websites for evidence that appropriate policies, procedures, institutional changes and/or legal frameworks were in place to ensure continued use of the East AFRITAC outputs. To enhance country ownership, the 2005 evaluation recommended that “Countries’ representation in the Steering Committee should adequately reflect their TA needs. To ensure effective participation, countries should reexamine the level of their Steering Committee representation. To further enhance the effectiveness of countries’ TA management, focal points for AFRITAC resident experts should be designated and counterparts formally appointed.” **The Evaluation Team re-affirms the important role played by the Steering Committee to enhance country ownership in general and in the fiscal arena in particular.** However, the EAST AFRITAC Steering Committee is dominated by the Central Bank representatives. Probably changing this composition may not be that productive since the size of Steering Committee has to remain reasonable. It is also not easy to find individuals who are very conversant with each field of EAST AFRITAC activity. **Thus East AFRITAC should support development of regional networks in each area of its expertise. While these exist for revenue administrations and central banks,** there are no such networks in the PFM areas. Promoting this regional approach might increase the sustainability of East AFRITAC PFM TAs.

123. **There are a number of other factors that have undermined affectivity and the sustainability of the TA benefits:** (i) **staff turnover**, which resulted in the loss of knowledge and skills gained under the TAs was reported to be a problem in some key reforms areas such as cash management, computerization of financial management systems, budget policy analysis and reporting, and revenue administration (e.g., in Uganda, Rwanda and Kenya staff have left to join the private sector for higher salaries and better career prospects); (ii) **the absence in some countries of a comprehensive legislative framework to underpin PFM reforms;** (iii) **slow progress in implementation of recommended measures and actions;** and (iv) **inadequate understanding and support from spending agencies which undermines the ministry of finance-led reforms.**

3. Promoting the Use of African Expertise

124. One of the AFRITAC objectives that should contribute to sustainability in the longer term is the promotion of the use of African expertise. The 2005 evaluation recommended that “The AFRITACs should continue to promote African expertise through recruitment of resident experts from the continent and use of African short-term experts. At the same time, permanent quality control should be exercised.” The current Revenue Administration Advisor and his predecessor are African experts. The authorities in countries served by East AFRITAC as well as FAD were happy with their performance. **The Revenue Administrations found it particularly useful to work with Resident Advisors who were both well qualified and experienced and who were from the region and had addressed similar issues in countries at roughly the same level of development. East AFRITAC has also used a good mix of both experts from Africa and outside Africa. This reflects deliberate efforts by FAD to identify potential advisors/experts and test them over the years before engaging them as advisors.**

125. As regards PFM, one of the three resident advisors is an African expert. She is well appreciated by the member countries and has delivered good quality TA. **The identification and use of African talent in the PFM area is not yet as well developed as it is for revenue administration. This area needs particular attention because unless deliberate efforts are made, there is a potential to undermine the progress already achieved.** Due to limited numbers of PFM experts in the region, those experts are usually well engaged in their countries and are not necessarily job-hunting. If they are, they are not very interested in taking up jobs for only one year. Consequently, they are not searching newspapers for jobs. However, they can be identified and approached with an opportunity to work as a Resident Advisor in East AFRITAC by taking leave without pay from their current jobs. There is a need to have a strategy that works to identify talent, utilize and promote growth of African expertise in East AFRITAC activities, including through the appropriate use of local and regional TA experts. Deliberate efforts have to be made in this area.

4. Financial Sustainability

126. **There is no commitment on the part of either the donors or IMF to finance Phase III of East AFRITAC. Because of this uncertainty, financial sustainability was rated as modest for both clusters of fiscal TAs.**

5. Sustainability Assessment of East AFRITAC Fiscal TAs

127. **The sustainability of the fiscal TAs depends, in part, on how important the stakeholders believe the fiscal objectives are that East AFRITAC is trying to address. As shown in Table D.22, over 90% of the 240 or more respondents of the AFRITAC Evaluation Survey that gave an opinion assigned fiscal objectives either a Highest Importance or Important rating.** Respondents were only allowed to rate a maximum of two objectives in the Highest Importance category. **The largest number of Highest Importance ratings was assigned to the following fiscal objectives: (i) improving capacity for macroeconomic analysis, policy formulation, and forecasting; and (ii) making systems and procedures for budgeting, treasury operations, and expenditure planning and control, more transparent and efficient with appropriate safe guards in terms of oversight and auditing.** The fact that very few people rated the fiscal objectives as either Modestly Important or Not Important augers well for the sustainability of the fiscal TAs.

Table D.22: The Importance East AFRITAC Should Assign to Fiscal Objectives

	Percent Answering				Response Count	Response Rate ^{1/}
	Highest Importance	Important	Modestly Important	Not Important		
To improve capacity for macroeconomic analysis, policy formulation, and forecasting	57%	36%	7%	1%	256	87%
To make the functioning of checks and balances in public financial management more effective, taking account of codes of good practices promoted by the IMF and other institutions	37%	55%	7%	0%	241	81%
To make systems and procedures for budgeting, treasury operations, and expenditure planning and control, more transparent and efficient with appropriate safe guards in terms of oversight and auditing	48%	48%	4%	0%	237	80%
To make the reporting of government financial operations more reliable and timely	33%	57%	9%	1%	243	82%

¹ Ratio of the response count to the 296 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

128. The sustainability rating of the East AFRITAC TAs is shown in Table D.23. Overall, the Evaluation Team has rated the portfolio of fiscal TAs as being **Modestly Sustainable, bordering on Sustainable**. Although the cluster of Revenue Administration TAs were rated as **Sustainable**, the sustainability of the PFM TAs is more open to question and it was rated as **Modestly Sustainable**. **The relative ranking of sustainability of the Evaluation Team was consistent with the results of the AFRITAC Evaluation Survey.** Of the 39 respondents giving an opinion on the sustainability of East AFRITAC PFM TAs, 24% rated the prospects as Excellent, 45% as Good, 24% as Modest and 8% as Poor. More positive results were reported for the expected sustainability by 53 respondents for the Revenue Administration TAs – 26% rated it as Excellent, 53% as Good, 17% as Modest and 4% as Poor (see Tables D.17 and D.18). The Evaluation Team's sustainability ratings are slightly lower than the survey respondents, **more effort is needed to ensure sustainability of East AFRITAC's PFM TAs.**

Table D.23: Sustainability Assessment of East AFRITAC Fiscal TAs

Criteria	Weight (%)	Rating ^a		
		Public Financial Management	Revenue Administration	Score ^b
		56	44	100
1. Political Economy Factors	25	3.0	3.0	3.0
2. Executing Agency Ownership and Use of Outputs	40	3.0	4.0	3.4
3. Promoting Use of African Expertise	15	2.0	3.0	2.4
4. Financial Sustainability	20	2.0	2.0	2.0
Overall Sustainability Rating/Score	100	2.7	3.2	2.9
^a Rating: 4 = Excellent; 3 = Good; 2 = Modest; 1 = Poor ^b Weight by % of AFRITAC budget allocated to Cluster of activities/TAs Highly Sustainable (Excellent) ≥ 3.5; 3.5 < Sustainable (Good) ≥ 2.5; 2.5 < Partly Sustainable ≥ 1.5 (Modest); Not Sustainable (Poor) < 1.5				

F. Overall Rating of East AFRITAC's Fiscal TAs

129. The overall rating and evaluation of East AFRITACs fiscal TAs is shown in Table D.24. **The performance of the entire portfolio was rated as Good, slightly below the mid-point in the range. The highest ratings were for Relevance and the lowest ratings were for Sustainability.** There were, however, differences in the two clusters of TAs. **The Revenue Administration TAs were scored at 3.4, the highest part of the Good range and very near to the cut off point for Excellent. The PFM TAs received a weighted score of 2.6, the bottom of the good range and just above the cutoff point for a Modest rating.** This difference in relative performance is also reflected in the feedback received by the Evaluation Team. A consistent theme was that Revenue Administration TAs has performed better than PMF TAs. Similarly, the survey results for East AFRITAC consistently gave more positive feedback for Revenue Administration TAs than for PMF TAs. **The inability of FAD to fill vacancies in PFM Advisor positions in a timely manner undercut the ability of East AFRITAC to deliver timely, effective PFM TA for about a third of the evaluation period.**

Table D.24: Overall Assessment of East AFRITAC's Fiscal Assistance

Criteria	Weight (%)	Rating ^a		
		Public Financial Management	Revenue Administration	Score ^b
		56	44	100
1. Relevance	32	2.8	3.8	3.2
2. Effectiveness	28	2.7	3.4	3.0
3. Efficiency	22	2.6	3.2	2.9
4. Sustainability	18	2.7	3.2	2.9
Overall Rating/Score	100	2.7	3.4	3.0
a Rating: 4 = Excellent; 3 = Good; 2 = Modest; 1 = Poor				
b Weight by % of AFRITAC budget allocated to Cluster of activities/TAs				
Excellent ≥ 3.5; 3.5 < Good ≥ 2.5; 2.5 < Modest ≥ 1.5; Poor < 1.5				

G. The Way Forward for EAST AFRITAC PFM Technical Assistance

130. While demand driven TA needs should continue guiding the design and delivery of TA, East AFRITAC should:

- (i) **Actively promote adoption of best practices** in key areas, namely, medium-term planning and budgeting (MTEF), cash management and banking arrangements, migration to GFS 2001 classification, improved fiscal reporting, and strengthening the legal and regulatory framework.
- (ii) 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 need to be done by member countries to ensure lasting impact of PFM TA.
- (iii) To promote effective implementation of PFM recommendations, **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, formulation of realistic work plans and assignment of medium/long term experts.**
- (iv) **Strengthen dialogue and cooperation with development partners** to promote opportunities for the funding of medium/long term project managers/technical advisors to implement the TA recommendations.
- (v) **Continue to engage with Eritrean authorities especially through regional capacity building initiatives,** for example workshops, to keep them abreast of the best practices and PFM reforms in the region as well as maintain their awareness of the availability of TA from East AFRITAC.

H. The Way Forward for EAST AFRITAC Revenue Administration TAs

131. **East AFRITAC revenue administration TA, with support from FAD, has been effective in enhancing local capacity and promoting awareness and implementation of international best practices.** Countries in the region have made a commendable start in implementing key reforms and the results are encouraging. However, **continued support is needed to achieve the modernization objectives. The thrust of future TA should be to consolidate the gains made so far and to deepen reforms by providing advice and building capacity related to:**

- (i) taxpayer services;**
- (ii) taxpayer segmentation and management;**
- (iii) the increased use of risk-based compliance management approaches in both tax and customs;**
- (iv) natural resources taxation management;**
- (v) business process review and design;**
- (vi) the use of robust information technology platforms for routine activities and decision support;**
- (vii) East AFRITAC should prioritize and direct its resources to those areas that add value and have a significant multiplier effect within the revenue administrations; and continue to promote local ownership; and,**
- (viii) the Revenue Administration Advisor should continue to encourage the revenue administrators to periodically carry out self-diagnoses using internationally recognized key performance indicators.**

IV. Evaluation of East AFRITAC Statistics TAs

A. Introduction

132. The Program Document for East AFRITAC states that statistics TAs were to cover: (i) improving balance of payments estimates consistent with BPM5; (ii) strengthening methodology and techniques for compiling annual and quarterly national accounts according to SNA 93 and price statistics (CPI and PPI) – support would be provided to improve basic source data, data collection, processing and statistical techniques, introducing international standards, improving data timeliness and accessibility; (iii) public financial statistics to support sound fiscal management and introduce the international standards embodied in GSFM 2001; (iv) aspects related to institutional and organizational issues and those dealing with inadequate funding, inadequate staff and delays in the enactment of the new statistical laws; (v) poor statistical inter-agency coordination and coordination in the statistical area; and (vi) GDDS/metadata preparation issues to build better linkages between the GDDS and country Poverty Reduction Strategies. The statistics TAs were delivered by one Statistics Resident Advisor, covering seven countries, supplemented by short term experts and backstopped by the Statistics Department. This is a large agenda, involving three sets of executing agencies, for such a limited input of resources.

133. A review of the monthly reports of the Statistics Resident Advisor, her end of assignment report, East AFRITAC's two recent annual reports and interviews that the Evaluation Team had in East AFRITAC and with government officials in Tanzania, Kenya and Rwanda show that not all of the areas received equal attention. Most East AFRITAC statistics TAs were mostly related to macroeconomic statistics, both improving the national accounts in meet SNA93 standards and quarterly national accounts, price statistics, both the Consumer Price Index (CPI) and the Producer Price Index (PPI). A small amount of TA helped to improve Balance of Payments

estimates and very little to improving Government Financial Statistics (see Table D.25).

Table D.25: East AFRITAC Statistics TAs 2003 to 2008

	Major Areas of Focus
Eritrea	Comments on draft statistics law; National Accounts; Balance of Payments.
Ethiopia	National Accounts; Consumer Price Index; Producer Price Index.
Kenya	Quarterly National Accounts.
Malawi	Balance of Payments; Producer Price Index; Government Financial Statistics
Rwanda	National Accounts; Producer Price Index; Balance of Payments; Government Financial Statistics.
Tanzania	Tanzania: Quarterly National Accounts; Consumer Price Index; Producer Price Index; Balance of Payments. Zanzibar: National Accounts; Consumer Price Index; Producer Price Index; Government Financial Statistics.
Uganda	National Accounts; Quarterly National Accounts; Producer Price Index.

Sources: (i) End of Assignment Report of Multi-Sector Statistics Advisor, November 2002 to November 2007; (ii) East AFRITAC Annual Reports for FY2006-2007 and FY2007-2008.

134. In the new millennium six of the seven East AFRITAC client countries have adopted new laws to improve the legal regulatory framework for statistics. A review of available documents indicates that East AFRITAC was not heavily involved in this area. Eritrea, the one country for which comments were provided on a draft law in 2003, has not yet adopted the law. Other TA providers played the lead role in strengthening the legal framework for statistics in East Africa.

B. Relevance of East AFRITAC Statistics TAs

135. 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 macrofinancial indicators such as gross domestic product (GDP, which reflects growth) and price indices (which track inflation). 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 management. Sound Government Financial Statics (GFS) promote efficient, transparent budget management 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 monitoring and surveillance work. However, rating the relevancy of statistics TAs cannot rely solely on such broad truisms. The assessment of relevancy of the cluster of East AFRITAC statistics TAs must go beyond such broad assertions to examine whether the TAs were relevant within the framework of the specific country contexts (e.g., consistency with government priorities), IMF Headquarters operations and coordinated support from all TA providers.

136. The information in the World Bank's Country Statistical Information Database, which is described in Annex B, was used to help judge the relevance of the statistics TAs (see Table D.26). On a scale of 0 to 100, the average ranking for the 140 plus countries in the data base for national statistics systems was 65 and the average score for statistical practice, which covers many issues that are of direct relevance to the statistics TAs, was 56. Most East African countries are close to the world wide average scores. Based on the information in this database, Ethiopia's statistical system appears to be the strongest in the region. Eritrea's statistical system

was by far the weakest in East Africa with scores well under the world averages. Because of its strained relationship with IMF, East AFRITAC has not been able to seriously engage with Eritrea for the past several years to try to help address these problems. Considerably less TA was delivered to Eritrea than to other East AFRITAC client countries.

137. Despite the relatively good rankings in Table D.26, it is clear from the more detailed material presented in that Table that there are needs for statistics TA in all East African countries. There are some positive indicators in Table D.26: (i) all countries except Eritrea are reported to be using BPM5; (ii) five of seven countries report their external debt; and (iii) five of seven countries have a CPI for which the base is less than 10 years old. However, Table D.26 also highlights areas in which improvements are clearly needed: (i) none of the East African countries subscribe to the Special Data Dissemination Standard (SDDS); (ii) central government accounts are consolidated in only two countries; and (iii) in only three countries is the base year for GDP less than 10 years old. These results suggest that TAs are particularly relevant for national accounts, the area in which East AFRITAC focused the majority of its statistics TAs. GFS is another area where there is a clear need for TA but little TA was provided in this area. As is shown below, East AFRITAC TAs contributed to the positive findings regarding the use of BPM5 and rebasing and strengthening CPIs.

138. By 2005 all but one of the East African countries were participating in the General Data Dissemination System (GDDS). East AFRITAC was to coordinate closely with the IMF GDDS project for Anglophone African countries to optimize synergies among activities. There is evidence that the Statistics Advisor coordinated with GDDS advisors in some countries. Most of East AFRITAC statistics TA was provided mainly to build capacity for macroeconomic statistics. (i) establishing a program of statistics for prices and national accounts; (ii) introducing concepts and internationally accepted methodologies; (iii) strengthening compilation procedures, including data preparation, verification, and computerization; and (iv) disseminating data. In the longer term such a package of assistance, well coordinated with the work of other donors, will develop the building blocks necessary to subscribe to SDDS. Kenya, Tanzania and Uganda are expected to subscribe to the SDDS by 2010. The relevance of this work is clear from the last column in Table D.26 that shows that currently no East African country subscribes to SDDS.

Table D.26: Relative Strength of National Statistics System in East Africa

	Total Rank¹	Statistical Practice Rank¹	National Accounts Base <10 Years Old	Use BPM5	External Debt Reported	CPI Base <10 Years Old	Central Government Accounts Consolidated	Subscribe to SDDS
Eritrea	34	20	No	No	Yes	No	No	No
Ethiopia	78	70	Yes	Yes	Yes	Yes	Yes	No
Kenya	61	50	Yes	Yes	Yes	No	No	No
Malawi	64	50	No	Yes	No	Yes	No	No
Rwanda	65	60	No	Yes	Yes	Yes	Yes	No
Tanzania	61	50	No	Yes	No	Yes	No	No
Uganda	59	50	Yes	Yes	Yes	Yes	No	No
Average or Number of Yes	60	50	3 of 7	6 of 7	5 of 7	5 of 7	2 of 7	0 of 7

1 Rank on a scale of 0 to 100. The average ranking for Overall is 65 and for Statistical Practice it is 56.

BPM% = Balance of Payment Manual, 5th Edition; CPI = Consumer Price Index; SDDS = Special Data Dissemination Standard

Source: World Bank. Country Statistical Information Database. 2008.

139. Building institutional capacity requires sustained engagement over a period of years to achieve the desired results. It is not relevant to provide one-off TAs with no follow up. The Evaluation Team identified a number of examples of sustained engagement that led to achieving tangible results. Examples include supporting the development of quarterly national accounts in Kenya, Tanzania and Uganda, supporting the development of the PPI in Ethiopia, Rwanda and Uganda, improving the CPI in Ethiopia and Tanzania and improving balance of payment estimates in Tanzania and Rwanda. However, there were also a number of TAs for which there was no substantive follow up (e.g., national accounts in Rwanda and Eritrea; regional national accounts in Tanzania; GFS work in Zanzibar). The number of “false starts” suggests that at times the statistics program was somewhat unfocussed which undermined its relevance.

1. Consistency with Government Priorities

140. The Steering Committee, the Center Coordinator and the Statistics Advisor all recognized the importance of providing country demand-driven statistics TAs. Before formulating the work plan, the Statistics Advisor met with concerned government officials in client countries to identify their needs and priority ranking. This approach was confirmed during the meetings that the Evaluation Team had with senior officials in the statistics agencies in Tanzania and Kenya. The feedback in those meetings was that the Statistics Advisor knew what they want in terms of TA. The feedback in Rwanda was somewhat different. Although TAs were provided for national accounts training, there was no follow up provided, in part because of a delay in filling the vacant Statistics Advisor position. However, in general the Statistics Advisor established a good rapport with her counterparts and was in frequent contact by E-mail and country visits. Progress in strengthening the statistical institutions in East Africa by adopting statistics laws, formulating national statistics development strategies and creating National Bureaus of Statistics, or in some cases more independent National Institutes of Statistics, helped to create an environment in which the authorities could clearly define their priorities. This helped to increase the relevance of the TAs in the statistics cluster. However, the Evaluation Team

identified two facts that reduced the relevancy of the statistics TAs: (i) all countries had more requests for TAs than could be provided by East AFRITAC; and (ii) in many cases problems with the quality of the underlying data (e.g., out of data surveys; limited coverage) was viewed as a greater problem than continuing to improve computational and methodological techniques. East AFRITAC and IMF more generally do not respond to requests for assistance in this area, although the Program Document suggests that East AFRITAC would help to address such problems.

141. For most of the period covered by the evaluation, East AFRITAC was not significantly involved in working with ministries of finance to strengthen public finance statistics. Such assistance would complement the efforts of the PMF Resident Advisors to strengthen fiscal management. Implementation of the GFS Manual 2001 requires improvements in the institutional coverage and the quality and timeliness of the table on financial operations of the State. Given the high priority of PFM in East AFRITAC's operations and the importance other donors accord to strengthening PFM to allow them to scale up their budget support assistance to support poverty reduction efforts, an opportunity to develop synergies between the work of the PMF and Statistics Resident Advisors appears to have been largely missed. There is, however, some evidence that in 2007/2008 synergies began to develop between the Statistics and the PFM Advisors. A GFS workshop in Malawi was the first event conducted jointly by the two Advisors. The workshop increased the awareness of participants on the importance of adopting the international classifications and concepts contained in GFSM 2001. Changing the budget classifications to be consistent with GFSM 2001 is a major reform. Because of the success of that initiative, similar joint statistics-PFM workshops are planned for 2008/2009 in Rwanda and Tanzania. This is a promising development which should improve the broad relevancy of statistics TAs going forward.

2. Coordination with Development Partners

142. As in other areas, effective, leading edge donor coordination has proven to be a challenge in the statistics area. In terms of volume of TA, East AFRITAC is a relatively small player. Some other donors are making far larger contributions to strengthen statistics. Compared to the other donors, East AFRITAC has well defined niche areas focused on improving national accounts, price statistics, central bank statistics and government financial statistics. From the documents reviewed it is clear that the Statistics Advisor was aware of what other donors were doing. Assistance was being provided to strengthen statistics by: (i) DFID in Kenya, Tanzania, Uganda and Rwanda; (ii) Norway in Eritrea and Malawi; (iii) Denmark in Tanzania; and (iv) UNDP and the European Union in Rwanda. The World Bank and the African Development Bank also provided support to help improve statistics.

143. Governments are taking a more active role in coordinating donor assistance than was the case when the 2005 evaluation was undertaken. The coordination mechanism varies from country to country. In some cases government authorities take the lead and set up a coordinating committee that involves all development partners and government representatives -- this is the case in Kenya. In some other countries, coordination is led by one of the important donors, usually the World Bank, African Development Bank (AfDB) or the European Union. The Evaluation Team agrees with the 2005 evaluation that the best solution donor coordination mechanism is when countries take the lead but to do so they should have sufficient capacity.

144. According to the World Bank's Country Statistical Information Database, five countries have completed national statistics development strategies, the process is under way in one and the process has been initiated in the other. The national statistics development strategies set

broad priorities and provide a good framework in which donors can coordinate their assistance. The documents reviewed by the Evaluation Team suggest that East AFRITAC was not heavily involved in the preparation of these strategies.

145. The most innovative donor coordination mechanism that the Evaluation Team came across in the field was in Rwanda. UNDP is managing a multi-donor pool of assistance to strengthen statistics in Rwanda. From the perspective of the Rwanda National Institute of Statistics, the multi-donor pool is an effective and efficient way for donors to support capacity building. The administrative procedures are flexible and the reporting requirements are not onerous. This mechanism reduces transaction costs for the Rwanda National Institute of Statistics, reduces the number of missions and reduces the amount of conflicting policy advice. Donors pooling their funds is consistent with the principles of the Paris Declaration and Accra Agenda for action. The pool is providing substantial assistance and is currently finding six long term advisors, one for each department head. Some of the funds are also being used to finance IT hardware and software and surveys. The pool has a donor steering committee but it is not clear how East AFRITAC should participate in such local donor coordination mechanisms. At the moment, IMF and East AFRITAC are not active partners in this innovative donor coordination mechanism.

146. The Evaluation Team received feedback that the Statistics Advisor coordinated with other TA providers active in the statistics field and their long term advisors when she visited East African countries. There is some evidence of donor coordination documented in the end of assignment report prepared by the first Statistics Advisor covering the period from November 2002 to November 2007: (i) coordination with resident advisors financed by Norway in Eritrea; (ii) DFID programs in Kenya, Tanzania, Rwanda and Uganda; (iii) UNDP in Rwanda; (iv) a Danish initiative in Tanzania; and (v) the World Bank. Despite these efforts, some TA providers did complain to the Evaluation Team of not receiving information and limited coordination by East AFRITAC.

3. Consistency with IMF Activities

147. A review of the PRGFs and Article IV reports for East Africa indicates that most include a statement that the economic statistics are broadly adequate for IMF surveillance purposes, but there are weaknesses in some areas. A typical statement is from the May 2008 Rwanda Article IV report: “although economic data are generally adequate for surveillance, weaknesses hamper economic analysis. National accounts, prices, government finance and balance of payments statistics continue to suffer from significant weaknesses. Monetary statistics and data relevant for banking supervision are adequate for program monitoring, but there is some scope for improvements in quality and timeliness. The country has participated in the general data dissemination system since October 2003”. East AFRITAC’s efforts to strengthen the national accounts, pricing statistics and balance of payments statistics are relevant for IMF surveillance and program monitoring activities. Typically, these indicators are discussed in all such IMF reports. Such reports always draw on the monetary survey. Although East AFRITAC was not involved in this area, generally there is sufficient data available for IMF purposes. IMF also is often involved in bank supervision and fiscal issues. Although there are clear data gaps in these areas, East AFRITAC was not significantly involved in trying to address those weaknesses. Overall, the reports of STA missions confirmed the complementary efforts of STA and East AFRITAC in contributing to enhancing the quality of statistics in East AFRITAC client countries.

4. Relevancy Rating of East AFRITAC Statistics TAs

148. The overall weighted Relevance rating for the statistics cluster of East AFRITACs TAs was rated as **Good** as indicated in Table D.27. Based on the evaluation findings, the following measures could be taken to improve the relevance rating in the future: (i) better coordination with development partners, including developing an effective mechanism for East AFRITAC to participate effectively in local donor coordination groups; (ii) more significant support to ministries of finance, in coordination with the PFM Resident Advisors, for GFS; (iii) considering how to cover both urban and rural areas to come up with a national CPI -- more efforts could be made to draw from the African Development Bank experience and to harmonize in the East African Community; (iv) countries should receive TAs to continue to improve the methodology for the estimation of quarterly GDP in constant and current prices and start the preparation of estimates using the expenditure approach – more frequent and timely GDP estimates would support economic management in the countries and IMF's surveillance; (v) developing sectoral PPI; and (viii) help update the GDDS metadata and provide guidance on coordination of GDDS related activities. Clearly there is a demand for statistics TAs in East Africa in all of IMF's areas of expertise and competence. Thus, based on the findings of the Evaluation Team the continued provision of statistics TAs would be relevant to the needs of the region. This is a large agenda. It is not clear to the Evaluation Team that one Statistics Advisor, covering seven countries, can meet these demands for assistance, regardless how dedicated and hard working she/he is. Achieving an **Excellent** rating for relevance in the future would probably require East AFRITAC to significantly increase its support for statistics. One well informed source suggested to the Evaluation Team that the Statistics Advisor was over stretched but that relevancy could be improved by exiting from the national accounts, or at least limiting EAST AFRITAC's inputs through short term experts, since other donors are also active in that field. That would allow East AFRITAC to focus on central bank and government finance statistics since few other TA providers are active in those areas.

149. The responses to the AFRITAC Evaluation Survey confirm this rating of relevance. Between 30 and 40 respondents provided opinions on the various dimensions of relevance for East AFRITAC statistics TAs (see Table D. 27):

- (i) Relevance of TAs in helping to build capacity: The rating was **Good**, with 32% replying that it was Excellent, 57% that it was Good and 11% that it was Modest.
- (ii) Consistency with Government Priorities: The rating was **Good**, with 28% replying that it was Excellent, 47% that it was Good and 25% that it was Modest.
- (iii) Coordination with Other TA Providers: The rating was **Good**, with 23% replying that it was Excellent, 50% that it was Good and 27% that it was Modest. This was the only sub-criteria for which more people gave a Modest rating than gave an Excellent rating
- (iv) Coordination with IMF Headquarters: The rating was **Good**, with 39% replying that it was Excellent, 35% that it was Good and 26% that it was Modest. This was one of the sub-criteria which received the highest number of Excellent ratings.
- (v) No one rated the relevance of East AFRITAC statistics TAs as Poor on any of the sub-criteria.

Table D.27: Respondents' Views on the Relevance of East AFRITAC's Statistics TAs

	Percent Answering				Weighted Rating ^{1/}	Response Count	Response Rate
	Excellent	Good	Modest	Poor			
Relevance of TAs in helping to build capacity	32%	57%	11%	0%	3.2	37	95%
Consistency with Government priorities	28%	47%	25%	0%	3.0	36	92%
Coordination with other TA providers	23%	50%	27%	0%	3.0	30	77%
Coordination with IMF Headquarters	39%	35%	26%	0%	3.1	31	79%
Use of the outputs	19%	61%	19%	0%	3.0	31	79%
Average for All Criteria	28%	50%	22%	0%	3.1	33	85%

¹ Based on ratings of Excellent=4, Good=3, Modest=2, and Poor=1.

Source: 2008 AFRITAC Evaluation Survey

Table D.28: Relevancy of East AFRITAC's Statistics Assistance

Criteria	Weight ^a (%)	Rating ^b
1. Consistency With Government Priorities	60	3.0
2. Coordination with Development Partners	20	3.0
3. Consistency with IMF Activities	20	3.0
Overall Relevance Rating/Score	100	3.0
^a Weight by % of East AFRITAC's Budget Allocated to Statistics Assistance ^b Rating: 4 = Excellent; 3 = Good; 2 = Modest; 1 = Poor Highly Relevant (Excellent) ≥ 3.5; 3.5 < Relevant (Good) ≥ 2.5; 2.5 < Partly Relevant (Modest) ≥ 1.5; Not Relevant (Poor) < 1.5		

C. Effectiveness of East AFRITAC's Statistics TAs

1. Use of AFRITAC Outcomes

150. Some statistics TAs have resulted in tangible achievements. The Evaluation Team identified clear progress and the use of TA outputs in the following areas: (i) a 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); (ii) progress in rebasing and benchmarking of annual GDP figures; (iii) three countries (Kenya, Uganda and Tanzania) are now producing

quarterly GDP estimates in constant prices with Kenya publishing its first quarterly estimates in June 2007; (iv) 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, an important input for determining monetary policy and for IMF surveillance purposes (e.g., Ethiopia; Tanzania; Zanzibar); (v) Ethiopia, Rwanda and Uganda regularly compile and publish a monthly Producer Price Index (PPI) for Manufacturing; (vi) improving the calculation of Balance of Payments estimates in Rwanda and Tanzania; and (vii) Uganda and Tanzania are in the process of subscribing to the IMF Special Data Dissemination Standard (SDDS). The feedback received by the Evaluation Team from senior officials in the statistics agencies and central banks in Tanzania and Kenya was that the TAs resulted in some tangible outputs that were being used. The feedback received in Rwanda was more mixed. The National Bank of Rwanda advised that TA helped to improve Balance of Payment estimates by improving the coverage of foreign director investment and adopting a new code list for exchange control records but the Rwanda National Institute of Statistics advised that the TA provided to it did not generate outputs that are being used because of a lack of follow up on TA.

151. However, there were also examples of TAs that the Evaluation Team believes did not result in outputs that will be used in a meaningful way in the foreseeable future. Examples include: (i) the two TA missions to Eritrea; (ii) training provided in compiling national accounts in Rwanda; (iii) TA for regional accounts in Tanzania; and (iv) the preparation of the Supply and Use Tables for national accounts in Ethiopia and Uganda. In other areas, progress has been slow or it is too early to judge whether the TAs will result in outputs that will be used (e.g., PPI in Malawi and Tanzania).

152. Eight regional statistics workshops organized between 2004 and 2008 which were attended by over 150 people. In each country visited by the Evaluation Team, focus groups were organized with workshop participants. The feedback received during the focus group discussions in Tanzania, Kenya and Rwanda and the responses to the survey provide evidence that the workshops were a helpful instrument in enhancing the quality of the statistics: they were effective forum for discussing common issues among countries and sharing the experience of the different statistics offices in the region. Participants confirmed the usefulness of these technical gatherings which helped them become more aware of international standards, computational techniques and their professional responsibilities. The workshops fostered the professional development of the participants and most indicated that they were using the skills learned on the job. The regional workshops were particularly appreciated as they provided an opportunity for statisticians to interact with their counterparts in other countries and to learn from country presentations. The focus groups identified three ways to improve future workshops: (i) more emphasis on practical issues and less on theoretical issues – a ratio of 40% theory and 60% practical seems appropriate; (ii) the one week workshops were generally viewed as being too short – 10 days to two weeks was thought more appropriate; and (iii) a series of workshops, each building on the knowledge gained in the previous workshops, was needed to achieve an objective – one-off workshops with no follow up did not result in tangible results.

153. Further evidence on the use of TA outputs is available from the AFRITAC Evaluation Survey. Of the 31 respondents who rated the use of the outputs of East AFRITAC statistics TAs, 19% rated the use of TA outputs as Excellent, 61% as Good and 19% as Modest. Half of the respondents rated the performance of the statistics TAs in achieving tangible results as Good, while 21% provided an Excellent rating in this regard and 26% a Modest rating. An insignificant 3% rated the TAs as Poor in achieving tangible results. The survey responses confirm the view of the Evaluation Team that East AFRITAC's statistics TAs could be rated as Good in producing outputs that were used.

Table D.29: Respondents' Views on the Effectiveness of East AFRITAC's Statistics TAs

	Percent Answering				Weighted ratings	Response count	Response Rate 2/
	Excellent	Good	Modest	Poor			
Use of the outputs	19%	61%	19%	0%	3.0	31	79%
Effectiveness in achieving tangible results	21%	50%	26%	3%	2.9	34	87%
Significance of contributions to developing core economic functions	29%	44%	21%	6%	3.0	34	87%
Expertise and assistance	27%	58%	6%	9%	3.0	33	85%
Sustainability of the benefits of AFRITAC TAs	21%	58%	18%	3%	3.0	33	85%
Average for All Criteria	24%	54%	18%	4%	3.0	33	85%

¹ Based on ratings of Excellent=4, Good=3, Modest=2, and Poor=1.

² Ratio of the response count to the 39 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

2. Planned Verses Actual Achievements

154. The Phase II Program Document reported the following achievements in Phase I: “Activities focused mainly on improving the quality of the annual national accounts estimates and developing short-term economic indicators. Five countries (Ethiopia, Kenya, Rwanda, Tanzania, and Uganda) are currently benchmarking and rebasing their national accounts estimates. By the end of 2005, five of the seven countries in East AFRITAC had shifted to the 1993 System of National Accounts and will publish a revised series of national accounts estimates based on more firm data and using more robust compilation methodologies. Development of quarterly national accounts was started in Uganda, as was the construction of a monthly producer price index for manufacturing in Ethiopia, Rwanda and Uganda.” The evaluation is focusing mainly on achievements from 2006 to 2008, although in practice, the outputs of some TAs reflect work that was begun in Phase I and continued in Phase II. Capacity building is a continuous process that does not fit completely into Phases I and II.

155. The status of the achievement of the expectations defined in the Program Document for Phase II are summarized below:

- (i) National Accounts: By 2005 almost all East African countries had shifted to SNA93. It's implementation was to be supported in Phases II by addressing the weaknesses identified during benchmarking and rebasing exercises carried out in 2004 and 2005 (e.g., compilation of institutional sector income and capital accounts). Assistance in compiling Quarterly National Accounts was to be provided in selected countries. DFID provided substantive support in rebasing national accounts in Rwanda, Tanzania, Zanzibar and Uganda while East AFRITAC made modest contributions by commenting on methodological computational issues to support the work financed by DfID. East AFRITAC's work in developing Supply and Use Tables in Ethiopia and Uganda was not followed through on. East AFRITAC was more successful in achieving the planned objectives in supporting the production of Quarterly National accounts in Kenya, Tanzania and Uganda.
- (ii) Price Indexes: Assistance was planned to support the construction of consumer and producer price indices. Promoting a consistent methodology to harmonize

the CPIs in the region was expected to allow countries to make meaningful cross-country comparisons. East AFRITAC contributed to improving the CPI in Ethiopia, Tanzania, and Zanzibar. East AFRITAC helped to strengthen the PPIs in Ethiopia, Rwanda and Uganda to the point where they could be published. It is too early to conclude whether support for the PPI in Malawi and Tanzania will lead to similarly positive outcomes.

- (iii) Incorporating Statistical Development Plans into PRSPs: Comprehensive plans were expected to provide the basis for prioritization of TA and for costing the requisite statistical reforms to facilitate their full funding and inclusion in the medium-term expenditure framework of the PRSP. The GDDS was to be applied as the organizing framework. There is no evidence that East AFRITAC participated in a meaningful manner in this area.
- (iv) Balance of Payments: East AFRITAC made good contributions to improve Balance of Payments estimates in Rwanda and in Tanzania, where a Compilation Guide is now available,
- (v) Government Financial Statistics: Expanded coverage of GFS and recommendations for fully developed migration paths to adopt the GFS Manual 2001 were expected. East AFRITAC provided very little GFS TA. The planned GFS assistance was provided to Zanzibar in 2006, but there was no follow up so it is not clear what was/will be achieved. A joint seminar with the PFM Advisor was held in Malawi in 2007. While this is a promising beginning which may be replicated in other countries, it is too early to assess whether or not tangible results will be achieved.
- (vi) Institutional Issues: The Program Document recognizes that the timeliness and data accessibility need to be improved in all countries and that institutional and organizational issues if not resolved, will adversely impact the effectiveness of the capacity-building efforts. Inadequate funding, inadequate staff, delays in the enactment of the new statistical laws and poor statistical inter-agency coordination were some of the issues that were identified as needing to be addressed. East AFRITAC was not significantly involved in addressing the strategic, organizational and budget issues. Other donors played the leading role in this area. Some key informants suggested that an appropriate role for East AFRITAC would be to undertake a strategic review of such plans and to help monitor their implementation. However, the Program Document does state that Statistics Advisor's role will be more as coordinator, mentor and back-stopper providing in-country TA on regular visits and continued support through e-mail and visit by officials to East AFRITAC and, by implication, would not be directly involved in addressing these important strategic issues.
- (vii) Regional Workshops: As planned regional workshops were supported that enhanced regional harmonization and integration, shared common experiences and built professional networks. Some of these workshops were organized in collaboration with the African Capacity Building Foundation (ACBF) and the Macroeconomic and Financial Management Institute (MEFMI). East AFRITAC was also to collaborate with "Inwent" Capacity International (Germany) on an e-learning/distance learning course on national accounts. East AFRITAC does not make regular use of distance learning to deliver its workshops.
- (viii) Exploiting Synergies: The Program Document recognizes that potential synergies exist for the statistical Resident Advisor with revenue administration (e.g., making use of administrative data such that those for the VAT system for data collection purposes) and PFM (e.g., GFS). The only example of the Statistics Resident Advisor working with other Resident Advisors was the joint GFS seminar in

Malawi. This may be because of a structural issue. The Resident Advisors report to different TA departments which operate independently from each other, something that does not support capitalizing on synergies of Resident Advisors working together (see Chapter IV).

156. The Program Document defines two objectives for statistics TAs: (i) upgrading the methodologies for compiling economic and financial statistics to international standards; and (ii) improving the dissemination of macroeconomic data. A significant number of survey respondents, 182, gave their views on whether or not East AFRITAC had achieved these objectives (see Table D.30). For the former, 57% said that although substantial progress had been made, the objective had not been achieved. Similar portions, about one in five, thought that either the objective had been fully achieved or only modest progress had been made. A somewhat different pattern emerged for the second objective. While nearly half said that despite making substantial progress, the objective had not been achieved, nearly one third of the respondents reported that only modest progress had been made.

157. The Statistics Advisor was competent and hard working. However, three factors beyond her control limited lowered the Evaluation Team's assessment of the effectiveness of East AFRITAC's statistics portfolio: (i) the expectations in the program document were overly ambitious; (ii) one person working in seven countries cannot be expected to fully deliver such a wide ranging agenda; and (iii) a long vacancy in fielding the second Statistics Advisor.

Table D.30: Respondents' Views on East AFRITAC's Progress in Achieving Statistical Objectives

	Percent Answering				Weighted ratings	Response count
	Objective Fully Achieved	Despite Substantial Progress, Objective not yet Achieved	Only Modest Progress Made to Achieve Objective	No Significant Progress Made		
To upgrade the methodologies for compilation of economic and financial statistics to international standards	21%	57%	18%	4%	182	54%
To improve the dissemination of macroeconomic data	16%	47%	31%	7%	182	54%

¹ Ratio of the response count to the 339 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

3. Significance of East AFRITAC's Contributions

158. In the new millennium progress has been made in building institutional capacity for statistics in East Africa: (i) six countries have enacted a new statistics law; (ii) most countries have adopted a national statistics development strategy; (iii) national statistics agencies have

been strengthened and given more autonomy (e.g., Tanzania; Rwanda); (iv) the budget allocations for statistics have increased substantially in some countries (e.g. Rwanda; Tanzania); (v) the countries have shifted to the SNA 1993 and most have published a revised series of national accounts; (vi) CPIs and PPIs were rebased and improved; and (vii) balance of payments estimates were improved. The Evaluation Team confirmed these general achievements during visits to Tanzania, Kenya and Rwanda in September 2008. Governments are using more and better statistics to improve macroeconomic management and development programming. While East AFRITAC made some contributions the topic of this section is to assess the significance of the contributions.

159. Other donors played the leading role in addressing the broad, strategic issues related to substantially increasing the capacity of the statistical agencies in East Africa (e.g., supporting the drafting of statistics laws; formulating national statistics development strategies; undertaking the policy dialogue to encourage governments to allocate more funds for statistics). East AFRITAC did not make significant contributions in these areas. Other donors also contributed more funds to rebasing and strengthening national accounts and addressing underlying data quality problems. East AFRITAC had a more narrowly defined niche of improving methodology and computational techniques and introducing best practice as defined in the various statistical manuals produced by IMF. In this area, East AFRITAC did make some good contributions which were appreciated by the senior officials interviewed by the Evaluation Team.

160. The survey respondents were asked to rate the significance of East AFRITAC's contributions to developing core economic functions in the area of statistics. Of those replying, 29% rated the contributions as Excellent, 44% as Good, 21% as Modest and 6% as Poor (see Table D.29). This is equivalent to a Good rating. The Evaluation Team has a somewhat more guarded assessment of the significance of East AFRITAC's contributions in the area of statistics and rates it as Modest. The reasons for this lower rating include: (i) compared to other donors, East AFRITAC had only a modest amount of resources; (ii) the areas of intervention were not focused on one or two areas – rather they spanned many different aspects of statistics; (iii) it is difficult for one Advisor, supported by a few short term experts, covering seven countries to have a substantial impact; and (iv) East AFRITAC was not involved in addressing broad, strategic issues.

4. Rating of the Effectiveness of East AFRITAC's Statistics TAs

161. IMF has rather stringent criteria before it includes data for member countries in the International Financial Statistics (IFS) publication. The October 2008 edition of the IFS was reviewed to identify which key statistics were included for the East African countries (see Table D.31). There is a delay in publishing national account estimates in the IFS throughout the region and there are gaps in GFS, an area in which East AFRITAC was supposed to be involved but was not, and for banking surveys, an area that did not feature in the East AFRITAC statistics strategy. East AFRITAC made some contributions for the CPI and BOP figures that are published for all countries. East AFRITAC was not involved in the monetary survey, the results of which are published in the IFS for all countries. One way to determine the effectiveness of the statistics TA is to compare the information in Table D.31 with previous IFS editions to see if there has been an improvement. The September 2005 IFS edition was reviewed to determine whether or not there has been progress in the past three years. The comparison indicated that based on this data source, significant progress is not evident. Generally the same data was available in 2008 as in 2005. Overall the gaps identified and problems of timeliness are similar to the situation prevailing in 2005. In some cases, the situation was better in 2005 than it was in 2008: (i) balance of payments data was reported for Eritrea in 2005 for 2000 – now balance of

payments figures were reported in 2008; (ii) the most current figure for balance of payments reported for Malawi in 2008 was for the year 2002 – data for the same year was reported in 2005; (iii) more complete GFS data was reported in 2005 than in 2008 for Kenya, Rwanda and Tanzania; there was a three year lag in reporting national accounts in Tanzania in 2008 – the lag was two years in 2005; (iv) quarterly national accounts data for Kenya were not published in 2008 although they are being produced; and (v) in both years, the PPI was only published for Malawi and Tanzania. The one area where there was a clear improvement on timeliness related to the CPI in Tanzania. In 2008 annual data was available for 2007 while in 2005 there was a three year lag. These findings are consistent with a **Modest** rating of TA effectiveness.

Table D.31: Publication of Data in for East AFRITAC Client Countries

	Monetary Survey	Banking Survey	PPI	CPI	BOP	GFS	National Accounts
Eritrea		Yes					
Ethiopia	Yes	Yes		Yes	Yes	Yes ¹ (2002)	Yes ¹ (2005)
Kenya	Yes	Yes		Yes	Yes	Yes ¹	Yes (2006)
Malawi	Yes	Yes	Yes	Yes	Yes ¹ (2002)		Yes (2005)
Rwanda	Yes			Yes	Yes	Yes ¹ (2004)	Yes (2006)
Tanzania	Yes		Yes	Yes	Yes	Yes ¹	Yes (2005)
Uganda	Yes			Yes	Yes	Yes (2006)	Yes (2006)

CPI = Consumer Price Index; BOP = Balance of Payments; GFS = Government Finance Statistics

Date inserted if most recent data is prior to 2007

¹ means significant missing data

Source: IMF. International Financial Statistics, October 2008 and October 2005 editions.

162. **Capacity building is a continuous, incremental and slow process. Based on the evaluation findings, the effectiveness of East AFRITAC's Statistics TAs is rated as Good, below the midpoint in the range** (see Table D.32). In spite of all the TAs provided, most countries continue to experience a lack of transparency in techniques used in the compilation of official statistics and not all international standards have been applied. The publishing of metadata and providing statistics users with more primary data should be encouraged to increase confidence in official statistics.

Table D.32 Effectiveness of East AFRITAC's Statistics Assistance

Criteria	Weight (%)	Rating a/
1. Use of AFRITAC Outcomes	40	3.0
2. Planned vs. Actual Achievements	30	3.0
3. Significance of Contribution to Developing Core Economic Functions and Institution Building	30	2.0
Overall Effectiveness Rating/Score	100	2.7
a Rating: 4 = Excellent; 3 = Good; 3 = Modest; 1 = Poor b Weight by % of the East AFRITAC's budget allocated to Statistics Assistance Highly Effective (Excellent) ≥ 3.5 ; $3.5 < \text{Effective (Good)} \geq 2.5$; $2.5 < \text{Partly Effective (Modest)} \geq 1.5$; Not Effective (Poor) < 1.5		

D. Efficiency of East AFRITAC Statistics TAs

1. Implementation Process

163. The implementation process was managed reasonably efficiently. It was recognized that the absorptive capacity of client countries varied. There was sufficient capacity in Ethiopia, Kenya, Tanzania and Uganda to deliver TA through short term experts and missions by the Statistics Advisor and through on the job and hands-on type of training. The institutional absorptive capacity of the national statistics institutes was weaker in Eritrea and Rwanda so training was provided through in-house workshops. Disruptions in the delivery of TA to Eritrea reflected broader relationship issues between IMF and the government, something that was beyond the control of East AFRITAC. A review of the Statistics Advisor's monthly reports indicates reasonable delivery of the work program. While some TAs slipped into the next fiscal year and others were cancelled, this is to be anticipated, given the nature of the work. In some cases the non-delivery of the work program reflected conditions in the country that were beyond the control of the Statistics Advisor.

164. Up to the end of 2007, there was a close follow up between Statistics Advisor and member countries in the area of statistics. The first Statistics Advisor developed good cooperation between other development partners and their consultants. These personal relationships facilitated process efficiency. However, inefficiencies in the process of selecting a replacement for the first Statistics Advisor undermined the efficiency of implementation. The first Advisor was appointed in November 2002 and served for five years, ending her term in November 2007. Having one Advisor for a five year period is consistent with the medium to longer term horizon needed for capacity building and allowed sufficient time for her to build good relations with the national statistics agencies and central banks that were her clients. The efficiency of the Statistics Department in succession planning and selecting her replacement was rated as poor. The term of the first advisor was extended four times. An interim Statistics Advisor was posted to East AFRITAC from January to April 2008. The second Statistics Advisor arrived in East AFRITAC in July 2008. She is an IMF staff member from the Statistics Department who was required to go on a leave of absence to take up the position. The fact that the second Statistics Advisor was an IMF staff should improve efficiency during her first few

months in East AFRITAC since she knows IMF's policies, systems and procedures, international statistical standards and high professional standards. The Evaluation Team would expect that she would need less mentoring and coaching during her first year in East AFRITAC than would a Resident Advisor who was not an IMF staff member.

165. There was sufficient lead time about the departure of the first Statistics Advisor so that the Statistics Department should have been able to recruit her replacement in a timely manner that would have allowed for some overlap so that the outgoing Advisor could brief the incoming Advisor and arrange for an orderly transfer. In the capacity building area, it is important to ensure that institutional knowledge, much of which is often not written down, is not lost. The gap in the availability of the Statistics Advisor adversely affected the delivery of TAs to East AFRITAC's clients. When the Evaluation Team visited Tanzania and Rwanda, government officials complained that East AFRITAC could not respond to requests for assistance and that there was a lack of follow up in the first half of 2008. Extended vacancies in the Statistics Advisor position undermined the comparative advantage that East AFRITAC has of being able to respond quickly and flexibly to requests for assistance.

166. The Evaluation Team could not do a thorough assessment of the application of STA's back stopping system in East AFRITAC. Although her successor was interviewed shortly after taking up her position, the Evaluation Team did not get the views of the first Statistics Advisor on the STA back stopping model to assess from her perspective whether it: (i) was appreciated as something that added value and improved quality; (ii) added an international best practice dimension to the TAs to the benefit of the client countries; and (iii) was provided in a timely manner. While the written record indicates that there were some synergies between STA and the Statistics Advisor (e.g., STA Missions did some broad diagnostics mainly for GFS, CPI, monetary and financial statistics), the Statistics Advisor did not systematically join the STA missions. Also, the lengthy delay in filling the vacant Statistics Advisor position suggests that the STA back stopping model could be strengthened and be made a more efficient system.

2. Use of Resources

167. AFRITAC TAs contributes to developing core economic functions and institution building in statistics. This is done thanks to direct technical assistance to countries (during the fiscal year 2006-2007, 72 missions were achieved in member countries, 18% of them being on Economic and Financial statistics).

168. During FY 2006 to FY 2008, East AFRITAC delivered 50 person months of TA, of which 31 was delivered by the Statistics Advisor and 19 by short term experts. Over the three years there was a decline in the person months of statistics TA delivered from 21 person months in FY 2006 to 17 in FY 2007 and 12 in FY 2008. The sharp decline in FY 2008 reflects the long vacancy in recruiting the second Statistics Advisor. The direct cost per person month to deliver statistics TAs was \$24,270. The cost efficiency of the use of resources to deliver statistics TAs was assessed by comparing this figure to: (i) the average cost per person month for all TA delivered by East AFRITAC (\$23,832); and (ii) the cost per person month to deliver statistics TA by West AFRITAC (\$22,653) and Central AFRITAC (\$22,500). Although the cost to deliver statistics TAs was slightly higher than the other comparators, the figures are comparable and other the same order of magnitude. There were no significant variations which implies that resources were used in a reasonably cost efficient manner. No statistics TAs were cancelled because of a lack of funds and budget carryovers were modest. The fact that some TAs are unlikely to result in tangible outputs reduced overall cost efficiency since it would have been better not to have invested time and financial resources in those TAs.

3. Monitoring and Reporting

169. During the evaluation period, the Steering Committee requested East AFRITAC to focus more on reporting on results rather than reporting on inputs. Like the other portions of the report to the Steering Committee, the statistics portion for the period from May 2006 to April 2007 was restructured to focus more on results and less on inputs. The Evaluation Team compared that report with the report submitted for the previous fiscal year and believes that progress was made in reporting on the results achieved by statistics TAs. In the past the Statistics Advisor, like all other Resident Advisors was handicapped in monitoring and reporting on results because of a lack of access to TAIMS. The new Statistics Advisor has access to the enhanced version of TAIMS and should be familiar with its use since the Statistics Department was the only TA Department that consistently used the older version of TAIMS. It remains to be seen if the use of enhanced version of TAIMS will improve the monitoring of TA implementation and the results being achieved. While some progress has been made in this area, more progress is required.

170. There are opportunities to improve sharing of information with other TA providers. During meetings with the Evaluation Team, some donors complained of a lack of information on East AFRITAC's activities in the statistics area. At the country level, with the exception of Eritrea, the close cooperation and good relations between the Statistics Advisor and her counterparts was helpful for monitoring in-country developments related to statistics.

4. Assessment of the Efficiency of East AFRITAC Statistics TAs

171. The overall efficiency rating of East AFRITAC's statistics TAs was rated as **Good, bordering on Modest**. The rating would have been higher if the Statistics Department had been more efficient in recruiting the second Statistics Advisor and ensuring that there was not such a long vacancy that disrupted the efficient and effective delivery of statistics TAs. This issue was beyond the control of East AFRITAC since TA departments are responsible for recruiting and supervising Resident Advisors. With authority comes responsibility to discharge your duties effectively and efficiently.

Table 33: Efficiency of East AFRITAC's Statistics Assistance

Criteria	Weight (%) ¹	Score ²
1. Process/Implementation Efficiency	40	2.0
2. Efficient Use of Resources	40	3.0
3. Monitoring and Reporting	20	3.0
Overall Rating/Score	100	2.6
¹ Weight by % of East AFRITAC's budget allocated to Statistics Assistance. ² Based on ratings of Excellent=4, Good=3, Modest=2, and Poor=1. Highly Effective=3.5; 3.5≤Effective (Good)=2.5; 2.5≤Partly Effective (Modest)=1.5; Not Effective (Poor) <1.5		

E. Sustainability of East AFRITAC Statistics TAs

1. Political Economy Issues

172. The Evaluation Team's proxy of institutional absorptive capacity at the country level is summarized in Table I.1. The institutional absorptive capacity for Rwanda and Tanzania was rated as Good and it was rated as Modest for all other East African countries. This broad country analysis can be complemented by the analysis at the institutional level for the organizations involved in statistics. In most countries central banks are among the strongest organizations in the country. Ministries of finance are among the strongest ministries and statistical agencies are generally weaker than the either central banks or ministries of finance in terms of access to political decision makers, budget and staffing. The Evaluation Team's visits to Tanzania, Kenya and Rwanda confirmed this general pattern of relative organizational strength.

173. Developments that have taken place after the turn of the century have increased the capacity of East African statistics agencies and they are stronger now than was previously the case. All countries except Eritrea have enacted statistics legislation and adopted national statistics development strategies. Budgets for statistics organizations have increased in the region. Since the 2005 evaluation, the strengthening of the Rwanda National Statistics Institute has been particularly impressive. There has been an increasing recognition among economic managers that they need good quality statistics and donors have increased their assistance for statistics, in part because of the need to monitor the results being achieved by Poverty Reduction Strategies. With the exception of Eritrea, the statistical systems and statistical practices of all countries in East Africa were rated about mid-range in the World Bank's data base. Institutional weaknesses in Eritrea will not have a major impact on the sustainability of the TA portfolio since few statistics TAs were delivered to that country.

174. While best methodological practices, computational techniques and the use of international standards are important and should be supported by East AFRITAC, the Evaluation Team's field interviews with senior officials in National Statistics Institutes, Central Banks, IMF Resident Representatives and representatives of other TA providers indicated that often these are not the highest priority constraints in the statistical area. Usually a more pressing problem is the quality of the underlying data, particularly for rural areas, and old, out of data benchmark surveys. Excellent computational techniques and methodologies cannot offset serious weaknesses in the underlying data. All senior officials interviewed by the Evaluation Team stated that a lack of funds to cover the cost of data collection and processing activities was one of the most pressing problems that they faced. Although there have been significant increases in budgetary allocations for statistics in some countries (e. g., Rwanda; Tanzania), budget and staffing constraints remain a pervasive problem. Despite the fact that these problems were recognized in the Program Document, East AFRITAC's statistics TAs were generally narrowly focused on technical issues. However, issues related to staffing and budget will crucially impact on sustainability and the ability to make an impact that achieves lasting results. When there are clear institutional, staffing and budget issues that put the sustainability of benefits at risk, the Statistics Advisor should identify the problems and, if other TA providers are not taking the lead to address them, facilitate a process to address these issues. The Evaluation Team recognizes that IMF does not provide TA to finance large scale institution building and undertaking large scale surveys. However, if required and requested, East AFRITAC and the Statistics Department should work with senior management in the National Statistics Institutes to begin a process to address such issues.

2. Executing Agency Ownership and Use of the Outputs

175. The Evaluation Team received generally positive feedback on the ownership and use of TA outputs from senior officials in executing agencies in Tanzania and Kenya. The feedback was more mixed in Rwanda – positive feedback from the Bank of Rwanda on the use of the outputs of balance of payments TAs and less positive feedback from the Rwanda National Statistics Institute. The strongest indicator of ownership and use of TA outputs is when the recommendations of the TAs are accepted by the executing agency, embedded in their routine procedures and the resulting improved data is published or there has been sufficient progress to allow the Evaluation Team to conclude that the data will be published in the reasonably near future. The Evaluation Team found evidence that this has happened in several cases: (i) Ethiopia (CPI; PPI); (ii) Kenya (quarterly national accounts); (iii) Malawi (balance of payments); (iv) Rwanda (balance of payments; PPI); (iv) Tanzania (quarterly national accounts; CPI; balance of payments); Zanzibar (analysis of 2001 census of production; CPI); and (v) Uganda (quarterly national accounts; PPI). However, there were other cases for which the Evaluation Team could not conclude that executing agencies will use the TA outputs: (i) Eritrea (both TAs); (ii) Ethiopia (Supply and Use Table); (iii) Rwanda (national accounts); (iv) Tanzania (regional national accounts); (v) Zanzibar (GFS); and (vi) Uganda (Supply and Use Table). In other cases it is too early to make a judgment, for example PPI work in Malawi, Tanzania and Zanzibar. While some TA outputs are not being used, in a larger number of cases, the TA outputs have been, or are likely to be, embedded in the systems of the executing agencies.

176. Because of low salary levels in the National Statistics Institutes, that are not competitive with other parts of the economies, there is the high staff turnover in some organizations as people look for better paying jobs. During interviews with senior staff in the National Statistics Institutes and focus group discussion with workshop participants, the Evaluation Team was advised that staff do not hesitate to leave statistical agencies whenever they find better working conditions, higher pay and better career prospects elsewhere. In some countries (e.g., Kenya; Tanzania; Rwanda) difficulties were experienced retaining experienced staff. If trained staff leave, the National Statistics Institutes lose the knowledge gained under the TAs. The end of assignment report of the Statistics Advisor documented the following cases where staff turnover is posing a risk for the sustainability of TA benefits: (i) the turnover of the CPI unit head in Ethiopia resulted in a major loss of knowledge transferred during the CPI capacity building TAs; (ii) staff turnover contributed to the ending of TA for Supply and Use Tables in Ethiopia; (iii) loss of all officers in the Rwanda National Statistics Institute who were trained under PPI TAs; (iv) three directors in five years for the Tanzanian National Statistics Institute; (v) a long absence due to health reasons of the key counterpart for PPI TA in Tanzania; and (vi) transfer of staff resulted in the termination of TA for the Supply and Use Table in Uganda.

177. This issue needs to be addressed. While government salaries are managed centrally for the civil service, developing good career path planning combined with some institutional arrangements to motivate staff and formulating detailed and clear turn over procedures when staff leave may help to address this problem. The impact of the loss of trained staff can be reduced if the knowledge that they gained at workshops is systematically transferred to other colleagues and the techniques and procedures introduced by East AFRITAC are embedded in the systems of the National Statistics Institutes.

3. Promoting the Use of African Expertise

178. In addition to organizing regional workshops and seminars to help member countries share experience, the Statistics Advisor made efforts to use the knowledge in the region and promote the use of African expertise. During the period 2004-2008, EAST AFRITAC hired 175 short-term experts of whom 29% were African Experts. Some of these were African statistics experts. The survey results imply that due care was exercised in selecting and supervising experts, including African experts, and that quality control was adequate. Of the 33 respondents who rated the quality of the expertise and assistance provided by East AFRITAC statistics TAs, 27% rated it as Excellent, 58% as Good, 6% as Modest and 9% as Poor. The Evaluation Team did not receive adverse feedback on the quality of expertise used, African or otherwise. East AFRITAC also uses professional attachments to help develop and promote African expertise. To date, there have been no professional attachments in the area of statistics. Overall, the use of African expertise in the statistics sector is rated as Good.

4. Financial Sustainability

179. The issue of financial sustainability is not specifically related to statistics. It is a broader issue that is related to East AFRITAC as a whole. This issue is a major concern for East AFRITAC member countries. In the statistics area, the needs are substantial and growing. However, neither the donors nor IMF have yet committed to providing an increased level of funding for Phase III. Given this uncertainty, financial sustainability is rated as Modest.

5. Sustainability Rating for East AFRITAC TAs

180. An important determinant of sustainability is whether the underlying objectives of the activities remain important. Nearly 250 survey respondents gave an opinion on the continuing importance of the two objectives for statistics in the Program Document for East Africa (see Table D.34). The overwhelming majority, 90%, replied that upgrading the methodologies for compiling economic and financial statistics to the latest international standards was either of Highest Importance or Important. A similarly overwhelming majority, 86%, rated improving the dissemination of macroeconomic data and metadata as either of Highest Importance or Important. A significantly higher proportion of respondents rated the former, which is the core strength of East AFRITAC, as being of Highest Importance. These survey responses auger well for the sustainability of East AFRITACs statistics TAs.

181. Based on the forgoing analysis, the Evaluation Team's rating of the sustainability of East AFRITAC's statistics TAs was **Good, albeit below the midpoint in the range**. This rating is generally consistent with the responses to the AFRITAC Evaluation Survey. Of the 33 people who responded to the question, 21% rated sustainability of the statistics TAs as Excellent, 58% as Good, 18% as Modest and 3% as Poor (see Table D.35).

Table D.34: The Importance East AFRITAC Should Assign to Statistical Objectives

	Percent Answering				Response count	Response Rate
	Highest Importance	Important	Modestly Important	Not Important		
To upgrade the methodologies for compilation of economic and financial statistics to the latest international standards	43%	47%	8%	2%	246	83%
To improve the dissemination of macroeconomic data and metadata	26%	60%	13%	1%	242	82%

¹ Ratio of the response count to the 296 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table D.35: Sustainability of the East AFRITAC's Statistics Assistance

Criteria	Weight (%)	Rating ^a
1. Political Economy Issues	25	3.0
2. Executing Agency Ownership and Use of Outputs	40	3.0
3. Promoting Use of African Expertise	15	3.0
4. Financial Sustainability	20	2.0
Overall Sustainability Rating/Score	100	2.8
^a Rating: 4 = Excellent; 3 = Good; 2 = Modest; 1 = Poor ^b Weight by % of East AFRITAC's budget allocated to Statistics Assistance Highly Sustainable (Excellent) ≥ 3.5 ; $3.5 < \text{Sustainable (Good)} \geq 2.5$; $2.5 < \text{Partly Sustainable} \geq 1.5$ (Modest); Not Sustainable (Poor) < 1.5		

F. Rating the East AFRITAC's Statistics TAS

182. Based on the evaluation of the relevance, effectiveness, efficiency and sustainability, the Evaluation Teams' overall assessment of the cluster of East AFRITAC's statistics TAS is that they were **Successful** (see Table D.36). The strengths of the statistics TAS included: (i) their clear relevance to the needs of the client countries and complementary nature with IMF surveillance and monitoring activities; (ii) achievements of tangible results that are country owned and are likely to be sustained in areas related to balance of payments, quarterly national accounts, CPI and PPI; (iii) good cost efficiency; and (iv) use of African expertise. Areas of concern to the Evaluation Team include: (i) some TAS will not achieve sustainable results, either

because support in the areas was terminated or because of a lack of follow up; (ii) the Statistics Advisor was over-stretched trying to service seven client countries, each with multiple executing agencies; (iii) the lack of efficiency in recruiting and selecting the second Statistics Advisor – the resulting vacancy undermined the effectiveness and efficiency of East AFRITAC's activities in the statistics field; (iv) the balance between theory and practice in some workshops; (v) high staff turnover in some countries that raises issues for the sustainability of TA benefits; (vi) the lack of synergies between the Statistics Advisor and other Resident Advisors; and (vii) the lack of effort in the area of GFS. The results of the AFRITAC Evaluation Survey largely confirm and support that Evaluation Team's assessment of the East AFRITAC statistics TA cluster.

Table D.36: Rating of East AFRITAC's Statistics Assistance

Criteria	Weight (%) ^a	Rating ^b
1. Relevance	32	3.0
2. Effectiveness	28	2.7
3. Efficiency	22	2.6
4. Sustainability	18	2.8
Overall Rating/Score	100	2.8
<p>a Weight by % of Center Budget Allocated to the Activity/TA Cluster</p> <p>b Rating: 4 = Excellent; 3 = Good; 2 = Modest; 1 = Poor</p> <p>Highly Successful (Excellent) ≥ 3.5; $3.5 < \text{Successful (Good)} \geq 2.5$; $2.5 < \text{Partly Successful} \geq 1.5$ (Modest); Not Successful (Poor) < 1.5</p>		

G. Overall Rating of East AFRITAC TAs

183. Overall, the East AFRITAC's performance is rated as **Good**, slightly above the midpoint of the range (see Table D.37). The highest ratings were for relevance which indicates that the TAs were well chosen, were owned by the governments and were well aligned with IMF operations in the countries. Consistently for all TA clusters, the donor coordination was sub-criteria for which the most problems were reported, especially in finding ways for East AFRITAC to engage effectively when other donors pool their resources in the PFM and Statistics areas. The lowest ratings were for efficiency and sustainability. A common problem, which lowered the efficiency and effectiveness ratings were the long delays experienced in filling vacancies. This problem cut across all functional areas. All three TA departments need to do a better job in succession planning and the timely recruitment of Resident Advisors in East AFRITAC. The relatively low ratings in this area reflect the poor performance of the TA departments and not inefficiency in the way that East AFRITAC uses its resources. Common issues in the area of sustainability include the excessive country responsibilities of Resident Advisors and institutional absorptive capacity.

6. There were clear differences in performance across the TA clusters. The East AFRITAC's Banking Supervision TAs were rated as **Excellent** and the Revenue Administration

TAs were rated as **Good but one the margin of being Excellent**. Although the Monetary Operations, PFM and Statistics TAs were all rated as **Good**, these three clusters were all rated below the midpoint in the Good range.

Table D.37: Overall Assessment of East AFRITAC

Criteria	Weight (%)	Rating By Activity/TA Cluster ^a			
		Monetary/ Finance	Fiscal	Statistics	Total Score ^b
		31	49	20	100
1. Relevance	32	3.4	3.2	3.0	3.2
2. Effectiveness	28	3.4	3.0	2.7	3.1
3. Efficiency	22	3.2	2.9	2.6	2.9
4. Sustainability	18	3.0	2.9	2.8	2.9
Overall Rating/Score	100	3.3	3.0	2.8	3.1
<p>a Rating: 4 = Excellent; 3 = Good; 2 = Modest; 1 = Poor</p> <p>b Weight by % of East AFRITAC's Budget Allocated to the Activity/TA Cluster</p> <p>Highly Successful (Excellent) ≥ 3.5; 3.5 < Successful (Good) ≥ 2.5; 2.5 < Partly Successful ≥ 1.5 (Modest); Not Successful (Poor) < 1.5</p>					

East AFRITAC Survey Results

Table DX.1: East AFRITAC Respondents by Employer

	% of Total Responses	Response Count
Government Ministry/Agency	65%	221
TA Provider	7%	23
IMF and Short-term Experts	18%	62
Other	10%	33
Total	100%	339

Source: 2008 AFRITAC Evaluation Survey

Table DX.2: East AFRITAC Government Officials By Type of Organization

	% of Total Responses	Response Count
Ministry of Finance	28%	61
Central Bank	38%	83
National Statistical Agency	6%	14
Revenue Administration	27%	60
Other	1%	3
Total	100%	221

Source: 2008 AFRITAC Evaluation Survey

Table DX.3 : East AFRITAC IMF Staff and Short-term Experts By Department

	% of Total Responses	Response Count
African Department	8%	5
Fiscal Affairs Department	19%	12
Monetary and Capital Markets Department	13%	8
Statistics Department	8%	5
Resident Representative Office	2%	1
AFRITAC	22%	14
Other	29%	18
Total	100%	63

Source: 2008 AFRITAC Evaluation Survey

Table DX.4: East AFRITACs' Role in Helping Countries Define TA Priorities

	% of Total Responses	Response Count
Important and Leading Role	46%	131
Played a Role But Not a Leader	46%	131
Minor Inputs	8%	22
Did Not Play Any Role	0%	1
Total	100%	285
No Response/No Opinion		54
Grand Total		339

Source: 2008 AFRITAC Evaluation Survey

Table DX.5: Respondents' Views of the Relevance of the Work of the East AFRITAC

	Percent Answering				Response Count	Response Rate ^{1/}
	Strongly Agree	Agree	Disagree	Strongly Disagree		
Work is demand-driven and responsive to the needs of countries.	42%	53%	4%	1%	269	91%
Strong country ownership	28%	56%	15%	2%	245	83%
Closely linked to IMF's surveillance work and program activities.	22%	66%	10%	2%	227	77%
Closely coordinated with IMF Headquarters TAs	27%	64%	7%	2%	211	71%
AFRITAC provides feedback from countries to IMF Headquarters	23%	63%	9%	4%	188	64%
Closely linked to the poverty-reducing strategies of its member countries	19%	64%	14%	3%	209	71%

¹ Ratio of the response count to the 296 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table DX.6: Respondents Views of the Effectiveness of the Steering Committees in Providing Oversight and Guidance to East AFRITAC

	% of Total Responses	Response Count
Excellent	22%	34
Good	62%	96
Modest	14%	22
Poor	3%	4
Total	100.0%	156
Weighted Rating ^{1/}	3.0	
Total Responses	53%	156
No Response/No Opinion	47%	140
Grand Total	100.0%	296

¹ Based on ratings of Excellent=4, Good=3, Modest=2, and Poor=1.
Source: 2008 AFRITAC Evaluation Survey

Table DX.7: Effectiveness of East AFRITAC in Enhancing the Quality of TA Delivery

	% of Total Responses	Response Count
Excellent	29%	89
Good	60%	186
Modest	9%	28
Poor	3%	8
Total	100.0%	311
Weighted Rating ^{1/}	3.1	
Total Responses	92%	311
No Response	8%	28
Grand Total	100.0%	339

¹ Based on ratings of Excellent=4, Good=3, Modest=2, and Poor=1.
Source: 2008 AFRITAC Evaluation Survey

Table DX.8: Effectiveness of East AFRITAC TA Delivery Modalities

	Percent Answering				Weighted Rating ^{1/}	Response Count	Response Rate ^{2/}
	Excellent	Good	Modest	Poor			
Resident Advisors	39%	45%	12%	5%	3.2	220	65%
Short Term Experts	28%	54%	16%	2%	3.1	267	79%
Regional Workshops/ Training Courses	49%	40%	8%	3%	3.4	300	88%
National Workshops/ Training Courses	30%	51%	12%	7%	3.0	226	67%
Professional Attachments in African Organizations	23%	43%	20%	14%	2.8	175	52%
Average for All Criteria	34%	47%	14%	6%	3.1	238	70%

¹ Based on ratings of Excellent=4, Good=3, Modest=2, and Poor=1.

² Ratio of the response count to the 339 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table DX.9: Quality of East AFRITAC Training Courses/Workshops/Seminars

	Percent Answering				Weighted Rating ^{1/}	Response Count	Response Rate ^{2/}
	Excellent	Good	Modest	Poor			
Topics Covered	63%	35%	2%	0%	3.6	241	99%
Resource Persons/Presenters	53%	44%	2%	1%	3.5	242	99%
Quality of Presentations	51%	44%	5%	0%	3.5	242	99%
Time to Interact with Other Participants	35%	52%	11%	2%	3.2	242	99%
Quality of the Venue	35%	48%	14%	3%	3.2	242	99%
Length of course	11%	59%	22%	8%	2.7	242	99%
Post Course/ Workshop Follow up and Support	8%	36%	33%	22%	2.3	215	88%
Average for All Criteria	28%	48%	17%	7%	3.0	237	97%

¹ Based on ratings of Excellent=4, Good=3, Modest=2, and Poor=1.

² Ratio of the response count to the 244 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table DX.10: Use of the Knowledge Gained in East AFRITAC Workshops/Seminars/Training Courses

	Percent Answering				Response Count	Response Rate ^{1/}
	Strongly Agree	Agree	Disagree	Strongly Disagree		
The topics covered were relevant to my day to day activities	67%	32%	0%	0%	232	95%
Used knowledge nearly every day on the job	38%	50%	11%	1%	229	94%
Used knowledge occasionally (once a week) on the job	6%	28%	45%	21%	223	91%
Seldom used knowledge on the job	1%	11%	35%	53%	224	92%
Topics too advanced	1%	4%	38%	56%	227	93%
Changed jobs and do not use knowledge	0%	3%	36%	60%	210	86%
Organization does not have the information technology or computer systems needed to use the knowledge gained.	1%	9%	33%	57%	222	91%

¹ Ratio of the response count to the 244 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table DX.11: Respondents' Views on the East AFRITAC's Work Compared to IMF Headquarters

	Percent Answering				Response Count	Response Rate ¹
	Strongly Agree	Agree	Disagree	Strongly Disagree		
Responds more quickly than Headquarters	36%	50%	12%	2%	162	55%
More flexible than Headquarters	33%	52%	13%	2%	163	55%
Better understands countries than Headquarters based staff	35%	52%	12%	2%	217	73%
More responsive to country needs than Headquarters	28%	55%	15%	2%	188	64%
More effectively promotes regional integration and harmonization than Headquarters	32%	58%	8%	2%	206	70%
Supports the implementation of policies and strategies identified by Headquarters	22%	69%	6%	2%	202	68%
IMF should re-allocate staff and resources from Headquarters to the AFRITACs	25%	55%	16%	3%	208	70%
Expertise equivalent or better than that provided by Headquarters	10%	50%	33%	8%	171	58%
Expertise and advice significantly weaker than that provided by the IMF Headquarters	7%	12%	54%	27%	171	58%

¹ Ratio of the response count to the 296 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table DX.12: Respondents' Views on East AFRITAC's Work Compared to Other TA Providers

	Percent Answering				Response Count	Response Rate ^{1/}
	Strongly Agree	Agree	Disagree	Strongly Disagree		
Responds more quickly to requests than other TA providers	28%	52%	19%	1%	166	56%
More flexible than other TA providers	23%	56%	20%	2%	168	57%
Better understands of the countries than other TA providers	30%	53%	15%	3%	186	63%
More responsive to country needs than other TA providers	27%	50%	20%	3%	169	57%
More effectively promotes regional integration and harmonization than other TA providers	32%	54%	12%	2%	179	60%

¹ Ratio of the response count to the 296 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table DX.13: Respondents' Views on the Comparative Cost-effectiveness of East AFRITAC TAs

	Percent Answering			Response Count	Response Rate ^{1/}
	Comparable	More Efficient	Not as Efficient		
Long-term in-country advisors funded by IMF	33%	51%	16%	160	54%
Short-term TA Missions from IMF Headquarters	37%	45%	19%	172	58%
Training put on by the IMF Training Institute	35%	51%	14%	147	50%
Long-term in-country advisors from other TA providers	36%	42%	21%	137	46%
Short-term TA Missions from other TA providers	34%	50%	15%	143	48%
Training/assistance provided by regional institutions	39%	48%	12%	170	57%

¹ Ratio of the response count to the 296 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table DX.14: East AFRITAC's Promotion of African Expertise

	Percent of Responses	Response Count
Excellent	26%	64
Good	49%	119
Modest	18%	45
Poor	7%	17
Total	100.0%	245
Weighted Rating ^{1/}	2.9	
Total Responses	245	
No Response/No Opinion	52	
Grand Total	297	
Response Rate	82%	

¹ Based on ratings of Excellent=4, Good=3, Modest=2, and Poor=1.

Source: 2008 AFRITAC Evaluation Survey

Table DX.15: East AFRITAC's Use of African Expertise

	Percent Answering				Response Count	Response Rate ^{1/}
	Strongly Agree	Agree	Disagree	Strongly Disagree		
Makes better use of African expertise than does Headquarters.	30%	49%	18%	3%	197	67%
Makes better use of African expertise than other TA providers.	23%	51%	23%	3%	180	61%

¹ Ratio of the response count to the 296 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Annex E: West AFRITAC

I. Introduction for West AFRITAC

1. West AFRITAC opened in early 2003 and has been in operation for about 5.5 years. Annex E presents the detailed evaluation of West AFRITAC. The Monetary and Banking TAs were grouped into two clusters: (i) Debt Management and (iii) Microcredit Supervision. The fiscal TAs were also grouped into two clusters: (i) Public Financial Management; and (ii) Revenue Administration. All statistics TAs were analyzed as one group covering primarily national accounts and government financial statistics.

2. The rating methodology was applied to each cluster to derive scores for the four dimensions of evaluation – relevance; effectiveness; efficiency; sustainability. For each cluster of TAs, the scores for each of the dimensions of evaluation were aggregated using the weights defined in Annex B. The clusters in the MCM and FAD areas were aggregated using weights based on the total person months of Advisor input used to deliver the TA over the period from FY2006 to FY2008 inclusive. These weights were derived from the data in Table E.1 which are based on the audited financial statements for West AFRITAC.

3. The conclusions of the Evaluation Team reflect: (i) the feedback received from government officials and workshop participants, West AFRITAC staff, Resident Representatives and representatives of other TA providers during interviews in Cote d'Ivoire, Guinea and Mali; (ii) the feedback received from the respondents to the AFRITAC Evaluation Survey who responded regarding West AFRITAC; (iii) documentation review; and (iv) interviews undertaken in IMF Headquarters.

4. A special run was done on the AFRITAC Evaluation Survey to analyze West AFRITAC specific responses. Some of the key tables are included in the main text of Annex E and other tables are included in the appendix to this annex.

5. The Evaluation Team has considerably more information about East AFRITAC's TAs in the countries that it visited (i. e., Cote d'Ivoire, Guinea and Mali) than the other West AFRITAC client countries. To try to ensure that this did not unduly bias the conclusions of the evaluation, the Evaluation Team attempted to use multiple sources of data to validate key conclusions. In general there was a close correlation between the conclusion of the Evaluation Team and the survey results which provides some comfort about the overall assessment of West AFRITAC.

Table E.1: West AFRITAC Expenditures and Person Months of Inputs

	Fiscal Year 2006		Fiscal Year 2007		Fiscal Year 2008	
	Expenditures		Expenditures		Expenditures	
	Work Months	US\$	Work Months	US\$	Work Months	US\$
Resident Advisors	53	967,250	80	1,720,000	87	1,870,500
1101 Public Expenditure Management Advisor	12	219,000	24	516,000	24	516,000
1102 Revenue Policy and Administration Advisor	12	219,000	12	258,000	12	258,000
1103 Customs Administration Advisor	12	219,000	12	258,000	12	258,000
1104 Public Debt Management & Fin. Markets Advisor	5	91,250	12	258,000	12	258,000
1105 Multisector Statistics Advisor	12	219,000	9	193,500	15	322,500
1106 Microfinance Supervision Advisor	-	-	11	236,500	12	258,000
Short-term experts	25	658,000	26	739,500	25	710,500
1151 Fiscal	18	490,000	13	377,000	14	406,000
1152 Monetary	5	112,000	5	145,000	7	203,000
1153 Statistics	2	56,000	7.5	217,500	3.5	101,500
1154 Other	-	-	-	-	-	-
Total (Fiscal)	54	1147000	61	1409000	62	1438000
Total (Monetary)	10	203,250	28	639500	31	719000
Total (Statistics)	14	275000	16.5	411000	18.5	424000
Other		455,740		549,130		914,731
1501 Regional travel		144,358		242,070		264,381
1601 Evaluation		-		-		-
3301 Training		301,475		305,132		648,822
4101 Office support, communications, etc. ³		9,907		1,928		1,528
Sub-total	78	2,080,990	106	3,008,630	112	3,495,731
13% Administrative fee		270,529		391,122		454,445
Total	78	2,351,519	106	3,399,752	112	3,950,176
Memorandum items: Cost sharing contributions						
Malian Authorities		34,044		85,172		90,856
Office space ³		-		-		-
Local staff		34,044		85,172		90,856
International Monetary Fund		465,398		531,056		572,353
Center Coordinator		266,400		291,300		291,300
Operations ⁴		198,998		239,756		281,053
Grand Total		2,850,961		4,015,980		4,613,385

Source: IMF, Office of Technical Assistance Management.

1 Fiscal year runs from May 1 to April 30

2 A sixth advisor is funded directly by the Japan Administered Subaccount and therefore is not included in this table.

3 Office support, communications, etc. are mainly supported by the IMF. See "operations" under memorandum items.

4 Excludes start-up costs, the purchase of a car, and costs associated with staff at IMF headquarters.

5 Residual balance of Phase I budget was rolled over into Phase II budget. Includes additional pledged contributions received in FY.

II. Evaluation of West AFRITAC Monetary and Financial System TAs

A. Introduction and Summary

6. Key priorities for TA for the Monetary and Financial System TAs in West AFRITAC work plans, especially Phase II were to: (i) develop public debt management and related domestic and sub-regional financial markets; and (ii) strengthen national capacities to supervise and regulate microfinance institutions. The more traditional MCM/central banking-type TA topics such as monetary operations, liquidity management, reserves management, banking supervision and payments system have not featured on West AFRITAC's TA delivery agenda, largely reflecting the long-established common currency arrangements and the existence of a regional central bank (BCEAO) and regional banking supervision agency (Commission Bancaire).⁸⁸ However, in the context of West AFRITAC Phase II, the two non-WAEMU member countries, Guinea and Mauritania, have expressed strong interest in TA in monetary operations/liquidity management and bank supervision⁸⁹.

7. Within the region sound **debt management** is viewed as a cornerstone of external viability, and thus an important part of individual country efforts to ensure macroeconomic and financial stability. TA in this area has taken on added importance in the context of the access that many countries have to the HIPC Initiative⁹⁰ and because IMF surveillance activities, supplemented by regional and, in a number of cases, country-specific Financial Sector Assistance Progress (FSAP), have helped identify weaknesses in public debt management and related market development. Thus, technical assistance has been provided by West AFRITAC on both aspects of debt management, directly to individual countries and on a regional basis.

8. During Phase I, this TA was largely confined to assessment of computer applications used by debt management departments of countries in the region and the establishment of national public debt committees. From the outset of Phase II -- and responding to the expressed

⁸⁸The common currency, linked to the euro (the French Franc earlier) has provided a relatively stable monetary environment to WAEMU countries. To the extent that these agencies have required TA, it has been dealt with in the past from IMF HQ, by MCM, or other TA providers/ donors. In any event, neither of the two agencies has requested TA from West AFRITAC but have cooperated with the Center on TA topics of mutual interest and the BCEAO is represented in the Steering Committee.

⁸⁹ As West AFRITAC has not been specifically staffed to cover these topics, they have largely been dealt with by MCM though there is evidence that authorities in both countries, particularly Guinea, would like to have assistance from AFRITAC on these topics. Both countries avail of TA on debt management and microfinance supervision -- the latter to a limited extent until recently as, unlike the WAEMU countries, microfinance activities are of lesser significance for financial intermediation. Going forward, especially in the context of developing a new work program for Phase III (and perhaps the plans for another AFRITAC in West Africa), it would appear that there is a need for MCM and AFRITAC, in concert with the SC, to review and decide how best AFRITAC can respond to the needs of the two country clients who have their own central banking and financial supervision arrangements. Preferably this should be done in a manner that ensures a level playing field in the range of assistance that single country central banks in all AFRITAC regions can access.

⁹⁰ The HIPC (heavily indebted poor countries) Initiative aims to ensure that no poor country pursuing IMF/ World Bank -supported adjustment and reform programs faces a debt burden that it cannot manage. To accelerate progress toward the UN Millennium Development Goals (MDGs), the Initiative was supplemented in 2005 by the Multilateral Debt Relief Initiative (MDRI), which also included debt relief from the African Development Fund (AfDB) when a country **completes** the HIPC process. There are preconditions for access, including developing a Poverty Reduction Strategy Paper (PRSP) and establishing a track record of reform and sound policies. Tracking and monitoring stages in the process toward completion, linked to progress with reforms and PRSP implementation, include: (i) **decision point**, when interim debt relief starts; and (ii) **completion point**, when lenders provide full and irrevocable debt relief, as committed at decision point. Capacity building TA in all aspects of debt management has a crucial role to play in helping countries through this multiyear process and most importantly to support debt sustainability going forward. (See www.imf.org/np/hipc/index.asp)

country needs -- emphasis was given to more in-depth training of the debt managers including on procedures for establishing amortization schedules and data validation of creditor documents including comprehensive country data bases; later on, the focus of TA was extended to portfolio analysis and the conceptual aspects of debt sustainability analysis, drawing on the comparative advantage that IMF has at HQ in developing in this area. Eligibility for the HIPC Initiative together with: (i) IMF and World Bank debt-related work with individual country authorities leading to the decision point, (ii) the required transition and accession to the completion point by many beneficiary countries in the region, and (iii) the elimination by the regional central bank (BCEAO) of its overdraft facility to finance budget deficits, were key factors catalyzing and highlighting the urgency of TA needs in these areas.

9. As West AFRITAC TA efforts gained momentum, it became clear that non-existent or inadequate accounting and reporting systems characterized debt management in most of the countries. Accordingly, TA to assess performance of the IT systems in place was necessary and during Phase II it was envisaged that West AFRITAC would cooperate closely with other development partners already engaged in this area to ensure that these vital needs were addressed⁹¹. The traditional approach to public debt management has emphasized the assessment of debt sustainability and, in particular, how fiscal positions affect debt dynamics and debt sustainability. However, over time, recognition of the importance of debt composition, market structure, and good debt management practices in influencing the sustainability of debt exposure has received greater attention in AFRITAC's TA delivery.

10. Thus, from 2006, West AFRITAC TA focused on: (i) on-site evaluation of the performance of existing automated debt management systems; (ii) definition of the institutional responsibilities for the different agencies involved in debt management; and (iii) construction of reliable external debt databases. Later as the Phase II work plan evolved, the focus changed to: (i) setting up national debt committees to manage a country's indebtedness and ensure its sustainability; (ii) strengthening capacity in sovereign debt management; and (iii) developing the domestic debt market and management of cash-flow needs of the treasury.

11. The elaboration and implementation of West AFRITAC TA in debt management/financial market development has been carried out by one resident advisor, complemented by short-term experts. TA has been delivered through visiting missions, in-country workshops, regional seminars, and professional attachments—and with backstopping from MCM. Since April 2006 the current Resident Advisor has carried out 31 missions to client countries (on debt management capacity building-related issues) and conducted 5 national workshops (on debt sustainability analysis), and 5 regional workshops (on government bond yields, domestic debt management, debt statistics, debt sustainability analysis and mobilization of national and regional savings).

12. Because of the importance of microfinance in financial sector development in West AFRITAC, TA in **microfinance supervision** was viewed as a priority for West AFRITAC from the outset. Although financial sector growth as a whole has been slow in the ten countries covered by West AFRITAC, especially in rural areas, the microfinance sector has evolved into a significant economic phenomenon in many of them, particularly the WAEMU countries. At the same time, past failures of microfinance institutions (MFIs) have had adverse effects on public confidence in the financial system, as well as significant economic and social consequences for

⁹¹ These included Pole Dette, an inter-regional agency, supported by the two regional central banks (BCEAO and BEAC) and the UK-based Debt Restructuring Initiative (DRI).

clients, especially in the less well-off groups in the region. Thus, there is a need to ensure appropriate regulation and supervision of MFIs in order to preserve financial soundness, while recognizing the costs associated with full prudential regulation and supervision in that sector.

13. The regional central bank (BCEAO) and the national governments recognize the importance of this sector. Within the WAEMU, the BCEAO is responsible for the overall regulation of the financial sector. At the operational level it supervises banks, while the Ministries of Finance of the member countries are responsible for supervising MFIs and saving and loan cooperatives. Thus, West AFRITAC TA has focused at the outset on helping the countries in the region to: (i) improve regulations, (ii) train staff, and (iii) develop a risk-based micro-finance supervision strategy that is consistent with ensuring that micro-finance institutions contribute to deepening financial intermediation. In particular, a capacity-building program was proposed and accepted by the member countries, and TA assistance initially focused on formalization of policy statements, licensing analysis, and staff training.

14. As TA gained traction in Phase II and countries modernized the legal and regulatory frameworks governing microfinance institutions (MFIs), the focus of West AFRITAC's assistance was on supporting the national authorities in updating the legal framework, under the aegis of the BCEAO, and in the elaboration and implementation of guidelines and manuals of operational procedures, especially those relating to onsite and offsite inspection. With the coming on-stream in some countries of credit rating bureaus for MFIs and savings and loan cooperatives, the need for strengthening inspection became more urgent as supervision units' databases could benefit from this new information only if an appropriate risk-analysis process was implemented. AFRITAC is providing the technical assistance to review the risk-assessment process with the ministries. A better identification of risky institutions should lead to better protection of the sector. Looking forward, member countries want to make housing loans available for larger portions of the population and new products and institutions will emerge (mortgage banks and refinancing structures), leading to adjustments in supervision policies and processes. Technical assistance, including training, on regulation and supervision of these activities will be required and member countries look to AFRITAC to meet these needs.

15. The elaboration and implementation of TA has been carried out by one resident advisor in micro-finance supervision, complemented by short-term experts, in-country workshops, regional seminars, and professional attachments. Since December 2004 the current Resident Advisor has conducted or coordinated 67 missions to client countries a number of which consisted of in- country workshops and a few regional workshops on cross-cutting microfinance supervision- related topics.

16. In the following sections a quantitative assessment, incorporating ratings and covering dimensions of relevance, effectiveness, efficiency and sustainability is made for the two MCM-related clusters of TA discussed above. Criteria considered to be most relevant in benchmarking each dimension of the assessment have been pre-selected⁹². Statements and judgments made in the criteria subsections for each of the four dimensions and ratings reached in the tables are based largely on a composite assessment of: (i) IMF/AFRITAC country program documents; (ii) reports prepared for SC meetings and the minutes of SC meetings; (iii) examination of all reports of the two advisors—including an in-depth look at two randomly selected advisors' mission reports (one of which, in the case of each advisor included a short-term expert) – as well as monthly reports to backstoppers; (iv) discussions with IMF HQ staff and AFRITAC staff in Bamako and supporting materials prepared for those meetings; and (v) feedback received at

⁹² See methodology in Annex B.

meetings with relevant key country officials in Cote d'Ivoire, Guinea and Mali (including AFRITAC workshop and seminar participants) as well as donors. Due cognizance has also been taken by the Evaluation Team of the results of the AFRITAC evaluation electronic survey (see Annex C).

B. Assessment of the Relevance of TA in Debt Management and Financial Markets/Microfinance Supervision

1. Consistency with Government Objectives.

17. There is strong and meaningful country ownership of the West AFRITAC TA programs in debt management/ market development and supervision of microfinance. Government officials interviewed by the evaluation team in the three countries visited (Cote d'Ivoire, Guinea and Mali) stressed the unique character of AFRITAC which facilitated, through the strategic direction setting and work program and budget approval mechanisms of the SC: (i) an annual assessment of TA needs for each country; (ii) joint agreement on a program to be delivered; and (iii) the mid year and end year review of such programs⁹³.

18. More specifically, capacity building TA in these two areas is clearly linked to key objectives of countries in the region, including Millennium Development Goals, poverty reduction and growth strategies and HIPC and multilateral debt relief initiatives as is documented in countries' PRSPs and IMF surveillance and country program reports. While this linkage may be more visible in TAs dealing with public finance management and revenue administration, at a practical level, debt management and market development TA has played its part by helping many countries in the region to: (i) achieve completion stage⁹⁴ on debt reduction plans that, in turn, free up resources for expenditures directly linked to poverty reduction; (ii) put in place capacities to formulate debt sustainability frameworks for the medium term, including effective data bases, that help to avoid falling into debt poverty trap again⁹⁵; and (iii) promote the development of domestic and sub regional money and government debt markets that enhance cash management/budget financing and development investment and the deepening of financial markets.

19. Likewise, TA to supervise microfinance has been designed so that it: (i) develops along sound and prudent lines to extend financial services to the less advantaged people not reached by conventional banking; and (ii) helps to promote enterprise and job creation in the informal sector. Micro finance institutions have developed rapidly in many countries in the region.⁹⁶ Supervisory authorities, both the BCEAO and the microfinance agencies in ministries of finance, acknowledge the important contribution that microfinance is making to deepening financial

⁹³ East AFRITAC has only one meeting per year. Given the nature of the overarching role of the SC to provide strong ownership of policies and activities of the AFRITAC and work programs that are demand driven, responsive and closely linked to the needs of countries and to their poverty reducing strategies, an additional meeting can provide more opportunities for enhanced feedback, mid-term correction and better coordination with donors and cooperating partners. For example see the recommendations of the SC to West AFRITAC at the SC meeting.

⁹⁴ Of the 10 countries in the region eligible for HIPC Initiative assistance, 6 countries (Benin, Burkina Faso, Mali, Mauritania, Niger, and Senegal) are at post-completion-point, 2(Guinea and Guinea Bissau) are between decision and completion point and 2(Cote d'Ivoire and Togo) have not yet reached agreement/decision point.

⁹⁵ Local country officials have been trained and coached in the techniques and preparation of debt sustainability reports in most countries in the region.

⁹⁶ Rough estimates provided by officials in Cote d'Ivoire, Cameroon and Mali suggest that microfinance has penetrated about one in three families though resources in these institutions comprise only about 6 to 7 per cent of total balance sheet footings of depository institutions.

intermediation and recognize the crucial importance of orderly development and depositor protection in this area.

20. Looking forward, and particularly as a core mass of countries move into the post HIPC phase, the emphasis of debt management TA is moving more in the direction of financial market development together with a stronger linkage between debt management and treasury cash management at the ministries of finance, to ensure better functioning of domestic and sub regional money and debt markets. This trend will ensure the ongoing relevancy of some debt management TA, particularly in enhancing debt sustainability analysis capacities in some countries but will require the placing of greater emphasis on market development. While there is still a need for TA in microfinance—particularly in strengthening the implementation of on and off-site supervision, AFRITAC capacity to provide assistance in banking supervision may need to be strengthened to at least be responsive to the needs of non-WAEMU countries. These are issues to be addressed in the development of West AFRITAC's work program for Phase III, which will commence in May 2009.

2. Coordination with Development Partners

21. The promotion of good coordination with development partners and other donors is a fundamental tenet of the IMF's Africa Capacity Building Initiative. The AFRITACs were designed "to strengthen coordination among technical assistance providers and recipients as rapidly as possible, and in concert with the implementation of PRSP". The SC is an integral part of this process and coordination is facilitated by the attendance of donors, the IMF and regional organization observers, as well as representatives from member countries. Prima facie, a comprehensive and transparent framework is in place to facilitate good coordination with development partners.

22. In discussions with West AFRITAC staff and officials in countries visited, the Evaluation Team came across some good examples of coordination in the debt management area between West AFRITAC staff and other institutions involved in debt management, including the regional Pole Dette organization, the UK based Debt Resolution Initiative (DRI) and the BCEAO. These related to regional seminars and in country workshops. Increasingly cognizant of the need for such assistance in the areas of debt reduction and sustainability as well as development of money and public debt markets for WAEMU countries, BCEAO seems supportive of the value added that AFRITAC TA brings to the table.⁹⁷ The aforementioned examples were largely in the training area, (i) organizing regional seminars, on which positive feedback was obtained from participants; and (ii) in-country workshops focused on key debt management and sustainability related topics and the practical nuts and bolts aspects of putting in place the legal and operational framework for government debt issuance in a number of countries⁹⁸.

23. In microfinance supervision, there was also some donor participation in seminars and workshops. Canada has provided technology, including software, to microfinance umbrella

⁹⁷ The Evaluation Team met only with officials in the national offices of the BCEAO in Mali and Cote d'Ivoire who clearly could not speak for the Head Office in Dakar but nevertheless spoke positively about AFRITAC activities in debt management and microfinance in their respective countries. The evaluation team also met with groups of BCEAO officials from both countries who participated in AFRITAC workshops and their feedback was similarly positive.

⁹⁸ Official debt markets are up and running in some countries and others have made good progress in meeting targets set by BCEAO for reduction in access to automatic budgetary central bank financing (Avance Statutaire). The AFRITAC advisor in debt management was also successful in leveraging some TA in the technology area of debt management from Cote D'Ivoire to support development of a debt management data base in Guinea—a good example of south-south cooperation.

organizations in a number of countries in the region which has helped them to strengthen in-house accounting and management systems and improve reporting to national microfinance supervision units in the ministries of finance.⁹⁹ Feedback from the World Bank office in Mali referred to instances of good collaboration with West AFRITAC advisors on debt management (a debt sustainability issue) and microfinance (the World Bank was able to help with donor financing of equipment and software) and stressed that donors want to work for effectiveness. BCEAO regional offices have also been increasingly supportive of West AFRITAC's TA work on strengthening supervision of MFIs. This is not surprising given that BCEAO has an overall role in the regulation of MFIs and, more crucially, in maintaining financial system stability. Collaboration between BCEAO and West AFRITAC needs to be strengthened, inter alia, to ensure standardization of the inspection manual for microfinance supervision(at present it appears there are competing guidelines)

24. AFDB and ACBF have also coordinated in relation to delivery of seminars. One area where donors or perhaps country authorities could do more is in providing additional funds to support capacity for implementation of agreed recommendations flowing from AFRITAC TAs where for example, needed computer network and software can make the difference (e. g., for microfinance in Mali). Notwithstanding the positive comments above on donor coordination, efforts to meet with donor groups in the countries visited in order to obtain feedback on the AFRITAC's work in the region and any related activities in which they were involved, were largely unsuccessful as these meetings were poorly attended. As a result, little feedback was obtained from donors and many of TA representatives with whom the mission met were often not familiar with the role and work of West AFRITAC.¹⁰⁰ Clearly, and notwithstanding that good TA are being delivered, greater outreach efforts are needed at the SC and West AFRITAC level to explain the role of AFRITAC and to get better coordination on ongoing projects. Some suggestion on how to improve coordination includes through development of a joint web site for the AFRITACs as set out in Chapter V of the main body of this report.

3. Consistency with IMF Activities

25. An examination of recent IMF staff reports(surveillance , program related and FSAPs) for the three countries visited by the Evaluation Team provides evidence of the consistency—stronger in some countries than in others -- between measures and objectives of financial sector reform and West AFRITAC's TA in debt management/market development and microfinance supervision. For example, key elements in the 2008 Poverty Reduction Growth Facility (PRGF) for Cote D'Ivoire include implementing a national microfinance strategy and strengthening supervision and anti-money laundering efforts. One of the structural indicators in the program requires limitation of the use of treasury advances for budget financing (the latter is consistent with West AFRITAC's work on debt management). On the other hand, TAs to support monetary and financial system reforms in the Guinea PRGF are largely provided by MCM, though the central Bank of Guinea would like to have a broader range of TAs in the monetary and other

⁹⁹ This assistance also helped to facilitate the transfer of the role of promoting the microfinance sector away from supervision units in ministries of finance (in this location it represented a serious conflict of interest to supervision) to MFI umbrella organizations (where it more appropriately belongs). The AFRITAC Advisor played a helpful role in helping to mobilize such external donor support in a number of countries including Guinea (via FIRST Initiative) and Mauritania (in discussions with AFDB).

¹⁰⁰ Feedback from World Bank and African Development Bank offices in Mali was supportive and positive on the work of AFRITAC in debt management and microfinance supervision areas, while recognizing that, despite encouraging preparations, debt sustainability resilience had yet to be put to the test

central banking-type operations from West AFRITAC¹⁰¹. In addition, the FSAP for the sub-region completed in 2002, as well as a subsequent country-specific FSAP for Mali (and Senegal), highlight the need to strengthen debt management and sustainability functions, develop domestic and sub-regional government bond markets, promote broader money and securities market development, and strengthen financial sector oversight.

26. The IMF's African (AFR) Department also produces a set of regional strategy notes that -- in addition to outlining the thrust of current macroeconomic policy direction in each country-- list priorities for TA. The latter are developed and updated periodically in coordination with HQ TA departments (FAD, MCM and STA) and also reflected AFD mission chiefs' ongoing dialogue with the respective country authorities. Here also there is generally a measurable degree of consistency with TA priorities and programs of West AFRITAC in debt management and/or microfinance supervision; this is particularly the case in Cote d'Ivoire, Guinea and Mali, where emphasis is placed in the strategy notes on bond market development and strengthening of financial sector oversight. But in all cases there is no specific reference to West AFRITAC as a provider of TAs.¹⁰²

4. Rating the Relevance of West AFRITAC Monetary and Financial Sector TAs

27. The relevance ratings of the debt management/market development and microfinance supervision are given in Table E.2. Based on the foregoing analysis of the criteria, both the debt management /market development and microfinance supervision TA clusters were rated as relevant, both at the time they were approved by the SC and at the time of evaluation.

¹⁰¹ The usefulness of West AFRITAC's TAs on microfinance (not as significant in Guinea's financial intermediation system as it is in WAEMU countries) and debt-management was, however, acknowledged by Central Bank and Ministry of Finance officials.

¹⁰² In general, staff at the AFRITACs were unaware of AFR country notes. It is desirable that these be better disseminated both to the AFRITACs and the SCs who should be given more opportunity to discuss and be seen to have involvement and ownership with the strategy. More specifically related to monetary and financial system TAs, to the extent that the strategy relates to the regional FSAP follow-up, both the BCEAO and West AFRITAC advisors should be involved, with upstream assistance from MCM as needed. Indeed a meaningful effort to develop a comprehensive regional FSAP follow-up strategy would provide opportunities for a more focused role for AFRITAC advisors in an area crucial to promoting more effective regional integration

Table E.2: Relevancy of West AFRITAC's Monetary/Financial SystemTAs

Criteria	Weight (%)	Rating ^a		
		Debt Management/ Market Development	Microfinance Supervision	Total
		56	44	100
1. Consistency With Government Priorities	60	4.0	4.0	4.0
2. Coordination With Development Partners	20	2.0	2.0	2.0
3. Consistency with IMF Activities	20	3	3	3.0
Overall Relevance Rating/Score	100	3.4	3.4	3.4
^a Rating: 4 = Excellent; 3 = Good; 2 = Modest; 1 = Poor ^b Weight by % of East AFRITAC's Budget Allocated to the Activity/TA Group Highly Relevant (Excellent) ≥ 3.5; 3.5 < Relevant (Good) ≥ 2.5; 2.5 < Partly Relevant (Modest) ≥ 1.5; Not Relevant (Poor) < 1.5				

28. Tables E.3 and E.4 below show the results of the AFRITAC evaluation survey. On the relevance of the two TA clusters, the survey responses are broadly consistent with the ratings in Table E.2. The number of responses is somewhat low, however, ranging between 13 and 16, depending on the question. The debt management TAs were rated Good on relevance for all of the sub-criteria of: (i) helping to build capacity; (ii) consistency with government priorities; (iii) coordination with other TA providers; and (iv) coordination with IMF headquarters. The highest ratings for relevancy were in helping to build capacity and coordination with IMF headquarters' activities. The lowest was for coordination with other donors and this is consistent with the Evaluation Team's rating. For Financial Sector Supervision TAs, the majority of the ratings are Good with the highest for consistency with government priorities (88% of respondents) and coordination with other TA donors again at the lowest rating but in the higher range of Modest.

Table E.3: Relevance of West AFRITAC's Public Debt Management TAs

	Percent Answering				Weighted Rating ^{1/}	Response Count	Response Rate ^{2/}
	Excellent	Good	Modest	Poor			
Relevance of TAs in helping to build capacity	15%	54%	31%	0%	2.8	13	100%
Consistency with Government priorities	23%	46%	31%	0%	2.9	13	100%
Coordination with other TA providers	0%	54%	46%	0%	2.5	13	100%
Coordination with IMF Headquarters	15%	69%	15%	0%	3.0	13	100%
Average for All Criteria	13%	56%	31%	0%	2.8	13	100%

¹ Based on ratings of Excellent=4, Good=3, Modest=2, and Poor=1.

² Ratio of the response count to the 13 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table E.4: Relevance of West AFRITAC's Financial Sector Supervision TAs

	Percent Answering				Weighted Rating ^{1/}	Response Count	Response Rate ^{2/}
	Excellent	Good	Modest	Poor			
Relevance of TAs in helping to build capacity	38%	44%	19%	0%	3.2	16	100%
Consistency with Government priorities	19%	69%	13%	0%	3.1	16	100%
Coordination with other TA providers	27%	33%	33%	7%	2.8	15	94%
Coordination with IMF Headquarters	23%	38%	38%	0%	2.8	13	81%
Average for All Criteria	26%	46%	26%	2%	3.0	15	94%

¹ Based on ratings of Excellent=4, Good=3, Modest=2, and Poor=1.

² Ratio of the response count to the 16 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

C. Assessment of the Effectiveness of Debt Management/Market Development and Microfinance Supervision TAs

1. Use of AFRITAC Outputs

29. The principle outputs arise from missions and workshops in individual countries and from regional seminars. They are all geared to building human skills, institutions and procedures to raise the absorptive capacity of the economies in the region. Through this process, the goal is to remove key bottlenecks that impede economic reforms and growth and undercut poverty reduction efforts.

30. From an examination of reports prepared by West AFRITAC and discussions with advisors in debt management and microfinance there is evidence that outputs are well used and the diligence and dedication of advisors and short term experts to the task at hand is commendable. It is always difficult, however, to assess the actual results of training actions including intensive coaching through in-country workshops, missions that set work plans and return to review and update them. However, the Evaluation Team has come to a view that there has been measurable progress, more successful in some countries than in others. Better stock taking of what is done and what remains to be done would help as the oversight system of the SC seems to be process driven, monitoring more what has been delivered and not delivered rather than the impact of what has been achieved. Additionally, a good stock taking of what remains to be done is required. This issue should be a prime area of focus in putting together the Work Plan for Phase III.

31. More specifically, AFRITAC's outputs in debt management/ market development can be closely linked to the crucially important work of getting countries through the various stages of completing the debt reduction process from the point of decision (with support from World Bank and IMF staff) to the point of completion (with support from AFRITAC and others such as Pole Dette and the DRI) and then the end stage of putting in place a well functioning debt sustainability analysis capacity. This requires achieving the goals of having a comprehensive and effective data base to monitor and service the debt, the skills and software to do the projections and analysis and the diligence to use the process to guide debt management including the raising of new funds on sub regional markets. An effective example of following through on debt sustainability came from feedback in Mali where an annual report on debt sustainability will be appended to the Finance Law (authorizing the budget) each year.¹⁰³

32. The success of all these outputs varies considerably.¹⁰⁴ However, there is no doubt that whether it be working to complete the development of legal and regulatory frameworks (e.g. for debt management in Mali and microfinance in Guinea and Mauritania), coaching a targeted cadre of staff to improve the quality of offsite and onsite inspections (microfinance supervision in Cote d'Ivoire, Guinea and Mali) there is a process at West AFRITAC that works. The challenge, in the view of the Evaluation Team, is to make it work even better and more effectively disseminate this progress. Success is not only dependant on capacity to manage the process.

¹⁰³ To assess impact of implementation, the debt management advisor checks country data bases against creditor data and has found good consistency in a number of countries. On the other hand there is poor implementation of recommendations in a few countries and a lack of understanding that debt management and cash management functions are both integral parts of management of the public finances.

¹⁰⁴ Countries like Benin, Cote d'Ivoire, Mali, Senegal and Togo use TA outputs effectively; some others less so. There is a need to strengthen the monitoring of progress in the debt management area by seeking to better benchmark the level of progress in nine countries receiving assistance and direct more of the assistance for the future into the area of market development. Some suggestions are made in Chapter V of the main body of the report on this matter.

This is clear in the case of Cote d'Ivoire which appears to be the best managed in the region but yet because of past conflicts and political problems is delayed in progressing through the HIPC process.

33. Likewise, the well-focused outputs in microfinance supervision to build institutional and human capacities and transfer knowledge and expertise have helped in no small way the orderly development of an intermediation activity that is vital to poorer sections of the community. Discussions with microfinance units and debt management sections at the ministries of finance in Cote d'Ivoire and Mali provided convincing evidence of this.

2. Planned versus Actual Achievements

34. This can be looked at from two perspectives: first, the extent to which AFRITAC plans for delivering its TA program for a given year was achieved; and second, the extent to which targets or outcomes specified in the Work Plan for Phase II are achieved. Additionally there may be objectives or measures specified in IMF programs or recommendations in FSAPs, regional or country specific, the attainment of which or at least measurable progress in the right direction, can provide tangible evidence of achievement.

35. An examination of the reports presented to the SC by West AFRITAC since 2006 indicate a reasonable degree of success in TA delivered versus planned. Where this did not happen the reasons were generally beyond the control of the Center and reflected on occasion some delays in filling advisor vacancies¹⁰⁵ or absorption problems more often than not to do with post conflict or fragile states. This was particularly the case in Cote d'Ivoire from 2002 to 2006 due to socio-political conflict. Sometimes there were shortfalls in delivering TA resulting from budget constraints. In such cases West AFRITAC reduced the delivery of its work program to live within the available budget. This was the case during FY 2008 and, reflecting the strong demand from member countries. The pressure to do more with less was in evidence during the visit of the Evaluation Team.

36. There is significant consistency between the TA provided in debt management/market development and microfinance supervision and the measures and priorities identified in many IMF staff reports (surveillance and program-related), as well as FSAPs (regional and country specific) and regional strategy notes prepared by AFR. These linkages have already been noted in paragraphs 20 and 21 of the Relevance assessment (above). While this consistency is not evidence of effectiveness until the measures and objectives are substantially achieved, it is indicative of progress in the right direction

3. Significance of AFRITAC's Contributions

37. The real significance of the West AFRITAC's contributions in responding to the TA needs of countries in the region inevitably depends on the extent to which it can be demonstrated that the TA as delivered has resulted in progress toward building capacity in terms of a critical mass of human skills, quality institutions and best practice procedures that enhance countries' capacity to formulate and implement sound macroeconomic policies¹⁰⁶. There is solid evidence that microfinance TA strengthened and deepened financial

¹⁰⁵ Such delays, most often occurring at Headquarters can generally be avoided by addressing the need to fill vacancies with adequate lead time; delays need to be avoided as they can have a disproportional negative impact on AFRITAC TA delivery, as assignments of short-term experts can also be delayed.

¹⁰⁶ The backstopping from IMF is designed to ensure that procedures applied in AFRITAC's conform to codified best international practices in debt management and microfinance as established by World Bank and IMF.

intermediation in most countries by strengthening the regulatory base for supervision and improving onsite and off-site supervision through an intensive coaching methodology developed by the AFRITAC Microfinance Supervision Resident Advisor and short-term experts¹⁰⁷. The latter approach, because it is seen as the essence of effective capacity building, was much commended by ministry of finance and BCEAO officials.

38. Similarly, debt management TA played a vital support role in helping countries through the difficult substantive and procedural hurdles associated with achieving debt reduction and establishing structures and analytical frameworks for debt sustainability in the context of HIPC Initiative, that, in turn, ensure more effective debt management going forward and free up resources crucial for the pursuit of poverty reduction and toward the attainment of millennium goals.

4. Rating the Effectiveness of West AFRITAC Monetary and Financial Sector TAs

39. The effectiveness rating for the monetary and financial systems TAs (comprising the clusters for debt management/market development TAs and microfinance supervision TAs) is given in Table E.5 The effectiveness of the debt management TAs was rated **Good** while the effectiveness of the microcredit TAs was rated as **Excellent, bordering on Modest**.

Table E.5: Effectiveness of West AFRITAC's Monetary/Financial System TAs

Criteria	Weight (%)	Rating ^a		
		Debt Mgt./ Market Development	Financial Sector Supervision	Score ^b
		56	44	100
1. Use of AFRITAC Outcomes	40	3.0	4.0	3.4
2. Planned vs. Actual Achievements	30	3.0	3.0	3.0
3. Significance of Contribution to Developing Core Economic Functions and Institution Building	30	3.0	3.0	3.0
Overall Effectiveness Rating/Score	100	3.0	3.4	3.2
a Rating: 4 = Excellent; 3 = Good; 3 = Modest; 1 = Poor b Weight by % of the East AFRITAC's budget allocated to the cluster of AFRITAC activities/TAs Highly Effective (Excellent) ≥ 3.5; 3.5 < Effective (Good) ≥ 2.5; 2.5 < Partly Effective (Modest) ≥ 1.5; Not Effective (Poor) < 1.5				

40. The results of the AFRITAC Evaluation Survey shown in Tables E.6, E.7 and E.8 are largely consistent if somewhat less rosy than the outcome in Table E.5. The weighted average score of respondents for the **debt management** TAs of 2.7 was somewhat **below the Good** rating and the evaluation team's **Good** overall rating of 3.0. However the survey score reflects only 13 respondents, far less than the number of people interviewed by the evaluation team. For

¹⁰⁷ Annex iv of the activity program report to the April 2008 meeting of the Steering Committee, illustrates the intensiveness of this coaching approach over a period of three years -- focusing on the development of competencies and aptitudes rather than acquisition of knowledge per se—and capturing the essence of effective capacity building.

the reasons outlined in the relevance analysis, the Evaluation Team rated the debt management TAs higher than survey respondents. In the case of the **financial sector supervision** TAs, the respondents ratings for use of outputs and significance of contributions to developing core economic functions was **Good** and the average weighted score for all questions was 3.1 , more in line with the Evaluation team's **Good** score of 3.4 but somewhat less. For the same reasons as outlined above for debt management TAs, the Evaluation Team rated financial sector supervision TAs higher than the survey respondents.

Table E.6: Effectiveness of West AFRITAC's Public Debt Management TAs

	Percent Answering				Weighted Rating ^{1/}	Response Count	Response Rate ^{2/}
	Excellent	Good	Modest	Poor			
Use of the outputs	15%	54%	31%	0%	2.8	13	100%
Effectiveness in achieving tangible results	15%	38%	46%	0%	2.7	13	100%
Significance of contributions to developing core economic functions	15%	46%	38%	0%	2.8	13	100%
Expertise and assistance	23%	31%	46%	0%	2.8	13	100%
Sustainability of the benefits of AFRITAC TAs	17%	33%	50%	0%	2.7	12	92%
Average for All Criteria	17%	41%	42%	0%	2.7	13	98%

¹ Based on ratings of Excellent=4, Good=3, Modest=2, and Poor=1.

² Ratio of the response count to the 13 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table E.7: Effectiveness of West AFRITAC's Financial Sector Supervision TAs

	Percent Answering				Weighted Rating ^{1/}	Response Count	Response Rate ^{2/}
	Excellent	Good	Modest	Poor			
Use of the outputs	50%	29%	14%	7%	3.2	14	88%
Effectiveness in achieving tangible results	29%	43%	21%	7%	2.9	14	88%
Significance of contributions to developing core economic functions	14%	79%	7%	0%	3.1	14	88%
Expertise and assistance	47%	33%	20%	0%	3.3	15	94%
Sustainability of the benefits of AFRITAC TAs	23%	46%	23%	8%	2.8	13	81%
Average for All Criteria	33%	46%	17%	4%	3.1	14	88%

¹ Based on ratings of Excellent=4, Good=3, Modest=2, and Poor=1.

² Ratio of the response count to the 16 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table E.8: West AFRITAC's Progress in Achieving Monetary/Financial Sector Objectives

	Percent Answering				Response Count	Response Rate ^{1/}
	Objective Fully Achieved	Despite Substantial Progress, Objective not yet Achieved	Only Modest Progress Made to Achieve Objective	No Significant Progress Made		
To improve monetary operations, debt management and payment systems	3%	68%	25%	5%	80	51%
To improve the legal and regulatory framework for financial sector supervision	8%	52%	32%	7%	84	54%

¹ Ratio of the response count to the 157 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

D. Assessment of the Efficiency of Debt Management/Market Development and Microfinance Supervision

1. Process/Implementation Efficiency

41. One of the findings of the April 2005 Evaluation was that the AFRITAC's organization of its people, processes, activities and work flows was highly professional. Extensive meetings with all the West AFRITAC staff at the Center in Bamako confirm that this is still the case.¹⁰⁸ This view was corroborated by feedback from meetings with country officials in Cote d'Ivoire, Mali and Guinea, both those who were counterparts to missions on debt management and microfinance supervision and participants in regional and in-country seminars and workshops. There appears to be effective and commendable coordination between the West AFRITAC Resident Advisors and IMF resident representatives when the former visit countries in the region.

42. The Evaluation Team was impressed by the volume of work in terms of missions, seminars and workshops leveraged by the two Advisors as well as their availability by E-mail and phone to follow up with counterparts in countries receiving TA and to respond to technical questions and to requests for information. The latter was facilitated by the existence of reasonably good telecommunications facilities in the region and the fact that all countries are on the same time zone. These factors attest to the superior advantage of locating AFRITAC advisors in the region compared to at HQ where different time zones make regular communication expensive and limited.

43. During the evaluation period, delay in filling advisor vacancies were not a factor in impeding West AFRITAC's ability to deliver TA. However, there will likely be a turnover of the center Coordinator and several Resident Advisors in the next 12 months. This will provide a challenge for the ability of the TA and African departments to successfully and efficiently manage the succession planning of West AFRITAC staff. It would be desirable to maintain that good record of not allowing staff vacancies to disrupt West AFRITAC's ability to effectively deliver TA during Phase III.

2. Efficient Use of Resources

44. There is a reasonable balance between the time advisors spend at in Mali and in the field. It is difficult to be judgmental on where the best balance lies given that there seems to be unmet demands due to budgetary constraints. However, if increased budgetary resources are made available in Phase III, one way to increase efficiency of resource utilization would be to use more short-term regional experts backstopped by the Resident Advisors. This could also be a way to broaden the range of expertise available to meet the needs of non-WAEMU member countries like Guinea and Mauritania whose central banks have demands for assistance in monetary operations and banking supervision that cannot be directly met from existing advisors but whose needs are not sufficient to justify permanent advisors in these topics at West AFRITAC.

¹⁰⁸ Even in the area of travel arrangements in the region, the logistics of which can pose considerable challenges, AFRITAC West's procedures are smooth and efficient, given the circumstances. The Evaluation Team had firsthand experience of this and problems with booking made at IMF Headquarters were quickly resolved by West AFRITAC's administration manager (indeed the Evaluation Team had a similar experience at Central AFRITAC).

45. Because of the delay in implementing the enhanced version of the TAIMS system until 2008 and the paucity of costing data it is difficult to make value for money judgments. Monitoring and effective benchmarking of progress (what needed to be done, what has been done, and what remains to be done) has shortcomings.

3. Monitoring and Evaluation

46. In the plenary session that the Evaluation Team had with the Center Coordinator and all Resident Advisors at the outset of the visit to Bamako, it was evident that MCM backstopping of substantive issues was less intensive than FAD and STA and could be described as light. In part this was attributed to perceptions that: (i) MCM did not have significant in-house specialized expertise dedicated to backstopping of debt management or microfinance supervision; and (ii) a number of successive restructurings of MCM over the past five or six years, accompanied by staff reductions because of the recent IMF-wide retrenchment, further diluted MCM's capacity for this activity and the incentive for staff to give it high priority.¹⁰⁹

47. In individual discussions, the debt management and microfinance supervision Resident Advisors both acknowledged the benefits of monitoring and backstopping from MCM noting that they had the same back stopper in the MCM regional division for African countries who dealt with the process issues in a normative way, in accordance with prescribed procedures. Both also noted that their work was carried out in accordance with best international practices in their respective areas as documented in World Bank and IMF literature and manuals. The Microfinance Supervision Advisor welcomed the light nature of MCM's backstopping, as it left him with more time to pursue his work in the field and less time on administrative and drafting work. The Debt Management Advisor noted that the excellent work that had been done on the analytical framework for debt sustainability in the Fund, largely in the context of AFD work in member countries. This had been of great help to him in his work. He observed that from time to time he got comments directly from AFD divisions but that he would welcome more substantive and better coordinated comments from Headquarters. Both advisors were unaware of AFD's country strategy notes or indeed the possibility of linkages in their work with the regional or country specific FSAPs.

48. A reading of monthly reports of the advisors and of sample reports for two missions in each of the advisors' areas did not identify any substantial areas of concern other than to confirm that backstopping is minimal. One area where backstopping could play a more substantive role is in both commenting on advisors' periodic reports and mission reports, especially the latter. More emphasis needs to be given to noting what progress has been achieved in a rolling work program, updated at the end of each mission that would more effectively benchmark progress in each mission report and, in turn, enhance the quality of bi-annual reports to the SC and facilitate production of better outreach and dissemination materials for West AFRITAC¹¹⁰. Such benchmarking of progress should be done at a country level in the context of a two to three year rolling program for each country.¹¹¹ In the interests of strengthening regional integration, monitoring of progress could also take place on financial

¹⁰⁹ This was also the sense that the Evaluation Team took from discussions with MCM staff, i.e. that backstopping was carried out but was light due to resource constraints and a relatively low priority attached by MCM management to this activity.

¹¹⁰ The evaluation team did observe a commendable effort in benchmarking progress in coaching missions to six countries in the region for inspectorates of microfinance institutions. See Annex IV of the Report to the Steering Committee on activity program during FY 2008.

¹¹¹ This would include preparing a plan for what should be done in each of the TA clusters and periodic monitoring and reporting to the SC on what has been accomplished.

sector issues in the context of preparing and implementing a regional FSAP follow-up strategy in cooperation with BCEAO. Where FSAPs have been done for individual countries in the region (e.g. Mali and Senegal), follow-up strategies should also provide direction for West AFRITAC TA¹¹². West AFRITAC seems overly process driven and, while it is clearly doing good work, the quality of reporting and benchmarking of progress could be strengthened on the lines suggested above as well as through more efforts being made to disseminate appropriate materials through an annual report (as East AFRITAC does) and more effective use of West AFRITAC's web site (this has not been updated for over a year).

49. Resident Advisors are now inputting all TA activities into the TAIMS system. Over time the TAIMS can play a more significant role in the monitoring of efficiency of TA and facilitating evaluation. As English is the working language of the IMF, consideration will have to be given at some stage to the extent that Advisors periodic reports and mission reports are made available in English to facilitate more effective monitoring and backstopping of TA, as well as independent evaluation.

4. Rating the Efficiency of West AFRITAC Monetary/ Financial Sector Supervision TAs

50. The efficiency ratings of the TA in debt management/market development and microfinance supervision clusters are summarized in Table E.9. Both TAs are rated efficient, but below the midpoint of the range because of weaknesses in monitoring and reporting. The overall assessment of the Monetary and Financial Sector TAs delivered by West AFRITAC is rated as efficient suggesting that in challenging circumstances resources were used in a reasonably efficient manner

51. The survey results in the second last row of Tables E.6 are largely consistent with the ratings in Table E.7 and buttress them, as do the impressions that the Evaluation Team gained from discussion with counterparts in the three countries visited.

¹¹² FSAP follow-up strategies are upstream TA activities and MCM would need to be involved.

Table E.9: Efficiency of West AFRITAC's Monetary/Financial Systems TAs

Criteria	Weight (%)	Rating ^a		
		Debt Mgt./ Market Development.	Microfinance Supervision	Score ^b
		56	44	100
1. Process/Implementation Efficiency	40	3.0	3.0	3.0
2. Efficient Use of Resources	40	3.0	3.0	3.0
3. Monitoring and Reporting	20	2.0	2.0	2.0
Overall Efficiency Rating/Score	100	2.8	2.8	2.8
a Rating: 4 = Excellent; 3 = Good; 3 = Modest; 1 = Poor b Weight by % of East AFRITAC's budget allocated to Activity/TA Group Highly Efficient (Excellent) ≥ 3.5; 3.5 < Efficient (Good) ≥ 2.5; 2.5 < Partly Efficient (Modest) ≥ 1.5; Not Efficient (Poor) < 1.5				

E. Assessment of the Sustainability of West AFRITAC's TAs in Debt/Market Development and Microfinance Supervision

1. Political Economy issues

52. Of the ten countries covered by West AFRITAC, three are rated as Poor in terms of institutional absorptive capacity ratings calculated by the Evaluation Team¹¹³, three are rated Modest and four are rated Good. These country characteristics are beyond the control of the AFRITACs and the IMF and, though they do not necessarily affect the success of TA, it is clear that West AFRITAC is operating in a challenging environment that poses risks for the achievement of desired outcomes. Cote d'Ivoire, rated Poor in terms of institutional absorptive capacity is a case in point. Although at the top of the class in client countries for debt management and microfinance supervision, the difficult social and political problems since 2002 have delayed the country from moving to HIPC achievement for some six years and the financial system, including microfinance institutions, has difficult problems to address. On the other hand in countries like Benin and Mali, with good ratings for institutional absorptive capacity, prospects for sustainability are more positive on this criterion.

2. Executing Agency Ownership and Use of TA Outputs

53. Feedback from country officials in debt management and microfinance units at the ministries of finance and central bank in the case of Guinea, in the three countries visited by the Evaluation Team evidenced strong country ownership of the TAs. At meetings with participants in West AFRITAC's regional workshops on debt management and microfinance supervision, firsthand feedback indicated that participants were making use of knowledge gained in their day to day work and lessons learned were being disseminated to others. Participant selection was also appropriate and TA outputs generally seemed to be well embedded in internal procedures of executing agencies.

¹¹³ See Chapter 1 and Annex A.

3. Promoting the Use of African Experts

54. For the microfinance supervision TAs little use has been made of African experts, either as Resident Advisors or short-term experts. The short-term experts were from Canada and their work was highly regarded by executing agency officials in countries visited. The expertise of some microfinance officials in the region is growing and there may be possibilities to use them in the future. There are also good experts in microfinance supervision in some Eastern African countries like Rwanda who also have French language skills. West AFRITAC and MCM should explore opportunities for their use in Phase III. In the debt management area the AFRITAC Central Resident Advisor is from the WAEMU region and has collaborated with her counterpart in West AFRITAC in the organization of a successful inter-regional seminar, on topical debt management issues, during 2008.

4. Financial Sustainability of AFRITACs TA

55. Ongoing financing during Phase III for debt management and microfinance supervision of **at least at the same level as during Phase II**, will be needed to ensure continuation and sustainability of TA delivery to: (i) maintain the momentum in supporting the strengthening of capacity for debt management reforms; and (ii) ensure the attainment of a critical mass sufficient to move most countries into the post HIPC zone that, in turn, can contribute to creating the fiscal space needed for poverty reduction. Likewise, the well-targeted TA outputs in microfinance supervision to build institutional and human capacities and transfer knowledge and expertise have supported the orderly development of an intermediation activity that helps the poorer sections of the community. Thus some financial support for ongoing work in strengthening microfinance supervision will be needed.

56. Going forward into Phase III, a test of West AFRITAC's sustainability will be its ability to respond flexibly to the changing needs of countries in the region. Addressing legitimate demands of non-WAEMU countries (Guinea and Mauritania) for more traditional TA in monetary operations and banking supervision will present additional financing needs. At a suitable time, it may be desirable that the microfinance advisor be replaced by a full-fledged banking supervisor. In that scenario, short-term microfinance experts could continue to provide periodic assistance under the oversight of a new banking supervision advisor. Likewise the role of the debt management advisor in Phase III will need to focus more on institutional aspects of debt issue and market development and cash management/liquidity forecasting and monetary operations. Thus it may be useful to add an additional advisor to cover these areas or at least to plan for more intensive use of short-term experts to fill the expertise void on broader monetary policy implementation issues, including money and debt market development.

57. In the present international and regional economic climate, maintaining the required level of financing for West AFRITAC during Phase III poses a considerable challenge to regional and external donors alike.

5. Rating the Sustainability of West AFRITAC Monetary/ Financial Sector Supervision TAs

58. The sustainability ratings for the debt management and microfinance supervision TA are shown in Table E.10. Ratings for individual TAs are sustainable as is the overall rating. Executing agency ownership and use of the TA outputs was rated as **Excellent** while the other

three sustainability sub-criteria were rated as **Modest**. There are clear sustainability challenges for West AFRITAC's TA, particularly in areas that are outside the control of West AFRITAC.

Table E.10: Sustainability of West AFRITAC Monetary/Financial Sector Assistance

Criteria	Weight (%)	Rating ^a		
		Debt Mgt./ Market Development	Microfinance Supervision	Score ^b
		56	44	100
1. Political Economy Issues	25	2.0	2.0	2.0
2. Executing Agency Ownership and Use of Outputs	40	4.0	4.0	4.0
3. Promoting Use of African Expertise	15	2.0	2.0	2.0
4. Financial Sustainability	20	2.0	2.0	2.0
Overall Sustainability Rating/Score	100	2.8	2.8	2.8
a Rating: 4 = Excellent; 3 = Good; 2 = Modest; 1 = Poor				
b Weight by % of East AFRITAC's budget allocated to Cluster of activities/TAs				
Highly Sustainable (Excellent) ≥ 3.5; 3.5 < Sustainable (Good) ≥ 2.5; 2.5 < Partly Sustainable ≥ 1.5 (Modest); Not Sustainable (Poor) < 1.5				

59. Survey results in TABLE E.11 below show that the respondents believe that the monetary and financial sector supervision objectives in West AFRITAC remain important, a finding that will support the sustainability of the TAs and is consistent with the Excellent score assigned to executing agency ownership and use of the TA outputs. Nearly 40% of the respondents giving feedback on the West AFRITAC TAs in the monetary and financial sector supervision felt that those objectives were of highest importance and slightly over half rated them as being important. Very few of the respondents rated the objectives in these areas as either modestly important or not important. The two objectives, improving monetary operations, debt management and payment systems and improving the legal and regulatory framework for financial sector supervision, were rated almost identically.

Table E.11: The Importance West AFRITAC Should Assign to Monetary and Financial Sector Objectives

	Percent Answering				Response Count	Response Rate ^{1/}
	Highest Importance	Important	Modestly Important	Not Important		
To improve monetary operations, debt management and payment systems	38%	52%	9%	1%	122	87%
To improve the legal and regulatory framework for financial sector supervision	39%	53%	7%	1%	124	88%

¹ Ratio of the response count to the 141 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

F. Overall Rating of the West AFRITAC Debt Management /Market Development and Microfinance Supervision TAs

60. The overall rating for West AFRITAC Debt Management /Market Development and Microfinance Supervision TAs is given in Table E.12. It was generated by combining the ratings in the tables for relevance, effectiveness, efficiency and sustainability. The overall rating of **Good, slightly above the midpoint in the range**, indicates a solid performance, with higher ratings in relevance and effectiveness tempered somewhat by relatively lower ratings for efficiency and sustainability. The latter largely reflect: (i) the need for strengthening procedures for the benchmarking and monitoring of TAs (efficiency); and (ii) concerns about absorptive capacity of a number of countries in the region and the challenge to financing replenishment posed by the need to better meet existing and future needs in the monetary and financial system TAs and adjusting the skills mix of technical expertise accordingly (sustainability).

Table E.12: Overall Assessment of West AFRITAC's Monetary/ Financial Sector Assistance

Norm of Evaluation	Weight (%)	Rating By Monetary/ Financial SystemTA Cluster ^a		
		Debt Mgt/Market Development	Microfinance Supervision	Score ^b
		56	44	100
1. Relevance	32	3.4	3.4	3.4
2. Effectiveness	28	3.0	3.4	3.2
3. Efficiency	22	2.8	2.8	2.8
4. Sustainability	18	2.8	2.8	2.8
Overall Rating/Score	100	3.0	3.2	3.1
^a Rating: 4 = Excellent; 3 = Good; 2 = Modest; 1 = Poor ^b Weight by % of East AFRITAC's budget allocated to the Activity/TA Cluster Highly Successful (Excellent) ≥ 3.5; 3.5 < Successful (Good) ≥ 2.5; 2.5 < Partly Successful ≥ 1.5 (Modest); Not Successful (Poor) < 1.5				

G. Future Directions for West AFRITAC's Monetary/Financial System TAs

61. Looking forward, while there are still some countries in need of continuing help in the transition to post achievement status on debt reduction and some debt management assistance is still necessary in this area, for Phase III the thrust of TA in this area needs to consolidate the emphasis on debt sustainability and the active promotion of sub-regional and local government debt markets, coupled with improvements to cash management at Ministry of Finance treasuries and better coordination with the debt management function. On microfinance supervision, on-going support will be needed to ensure the continuing advancement of this type of effective financial intermediation, though perhaps not on a full time basis for a Resident Advisor. Resources will be needed to support monetary operations and banking supervision related TAs, especially in non WAEWU countries (Guinea and Mauritania), to ensure that these countries have reasonable access to TAs that meet their needs. In the broad thrust of its work on monetary and financial system TAs, West AFRITAC needs to develop a closer rapport with BCEAO on supporting financial sector reforms identified in regional and country specific FSAPs to help make existing monetary and financial regional integration work more effectively.

III. Evaluation of West AFRITAC Fiscal TAs

A. Introduction

62. This is the second independent evaluation of the fiscal TA provided by West AFRITAC. The first independence evaluation was done in 2005 following the completion of the first three years of operation. West AFRITAC serves 10 member countries, namely, Benin, Burkina Faso, Cote d'Ivoire, Guinea, Guinea Bissau, Mali, Mauritania, Niger, Senegal and Togo. With the exception of Guinea and Mauritania, all other countries are members of the West African Economic and Monetary Union (WAEMU). All are Francophone countries except Guinea Bissau. Both the WAEMU membership and francophone background have influenced the culture of accounting, PFM and institutional arrangements in revenue administration. It has helped in

adopting a harmonized approach due to the background of the “Code approach” and is advantageous when adopting good practices extracted from France. But often this regional and language background poses a challenge in adopting any other good practices outside France and francophone background. On language related issues, Guinea Bissau poses a unique challenge. Mauritania and Guinea are also a challenge when it comes to initiatives taken by WAEMU to deepen integration which may often be in revenue administration and PFM field. There are no independent revenue administration agencies in any of the client countries. Tax administrations and customs administrations are still separate and each is a department in the ministries of finance. PFM TA goes to different departments of the ministries of finance.

63. TA to revenue administrations has been delivered by two Resident Advisors (one for taxation and another for customs), short-term experts and often reinforced by experts from FAD in IMF Headquarters. PFM TA is delivered by two Resident Advisors and sometimes also benefits from FAD expertise and/or outsourced short-term experts.

B. Relevance of West AFRITAC’s Fiscal TAs

1. Consistency of West AFRITAC TAs with Government Priorities

64. West AFRITAC has worked with revenue administrations in respective countries to fine-tune their strategies and action plans in a number of areas. In customs administrations, the TA has included:

- (i) computerization of customs administration;
- (ii) reforms of legal and regulatory framework for customs operations;
- (iii) helping to address World Trade Organization (WTO) challenges and implementing WTO customs valuation;
- (iv) using risk analysis and selectivity in customs management; and,
- (v) reducing opportunities for corruption by supporting anti-smuggling and fraud prevention techniques, strengthening internal audit, promoting professional ethics and increasing transparency.

65. In tax administration, TA has included:

- (i) identification and registration of taxpayers (e.g., strengthening large and medium taxpayer units and procedures);
- (ii) research aimed at broadening the tax base, particularly covering the informal sector, small and medium sized taxpayers and micro taxpayers, taxation capacity and management of exemptions;
- (iii) strengthening taxation operations (registration, collection, enforcement, audits and accounting);
- (iv) strengthening managerial capacity and internal control systems;
- (v) strengthening IT systems in ministries of finance and tax departments in particular; and,
- (vi) support anti-corruption efforts by strengthening fraud investigations, improving the quality of services to taxpayers and increasing transparency.

66. The member countries have been able to identify their priorities and engage in discussions to agree on the areas where West AFRITAC would assist in imparting the necessary skills. However, this is a challenge because revenue administrations do not have adequate autonomy to make such decisions without getting approval from high levels in the ministry of finance hierarchies. In addition, contacts with certain countries such as Senegal are

yet to materialize into any request for TA. Nevertheless, for the countries visited by the evaluators (Mali, Cote d'Ivoire and Guinea), the authorities were satisfied with their degree of collaboration with West AFRITAC and IMF more generally in the fiscal area. However, there were some areas in which TA was requested but was not provided (e.g., taxation of minerals in Guinea and Mali; taxation of petroleum in Mali). This suggests that going forward there may be more sophisticated demands for TA.

67. There is considerable interest in public finance management within the member countries due to:

- (i) direct budget support and scaling-up of aid;
- (ii) the realization that well functioning public finance management systems have made positive contributions towards developing and implementing fiscal policy; and
- (iii) the importance of rationalizing, managing and monitoring public expenditures, and ensure timely budget execution.

68. The five broad areas covered by West AFRITAC PFM TA include:

- (i) assisting in developing appropriate legislative and regulatory framework for PFM -- assistance was provided to draft PFM related bills in Guinea Bissau;
- (ii) Helping governments to link budget preparation, PRSPs and MTEF. WEST AFRITAC has participated in improving budget preparation and management to ensure better alignment of resource allocations to national priorities. WEST AFRITAC and FAD have assisted member countries, except Senegal, in several ways. Activities have ranged from diagnostic studies in Cote d'Ivoire to improving budget classifications in Burkina Faso and Mali;
- (iii) Promoting treasury reforms aimed at improving management and accountability of funds in Mali, Mauritania and Togo. ;
- (iv) Promoting regional harmonization for the WEAMU countries and the use of international standards;
- (v) Strengthening capacities in management of inter-governmental fiscal relations as per the topics delivered in regional workshops; and,
- (vi) Encouraging and assisting governments to design and implement PFM reform agendas including planned implementation of computerized and integrated information systems. (e.g., Guinea; Burkina Faso and Benin). Only two countries (Togo and Guinea Bissau) do not have a PFM reform plans.

69. Delivering TA in these areas has been re-enforced by organizing regional workshops on PFM topical issues such as integrated public finance management systems, and government and local government accounting. To-date, PFM diagnostic studies in all member countries except Senegal have been completed or are in-progress. Also, West AFRITAC has helped the majority of the member countries to design their respective PFM strategies. For example, in Burkina Faso, assistance was provided to help to ensure the quality of the PFM strategy and the resulting action plans. Guinea was pleased with West AFRITAC's input into its PFM action plan which is viewed as a framework for future action. Countries also received assistance in crucial areas of budgeting and treasury management. Officials in Mali, Cote d'Ivoire and Guinea all advised the Evaluation Team that they were very appreciative of the services received from West AFRITAC and that the TAs were very consistent with their priorities.

70. West AFRITAC TA took into account and met the priority needs of member countries¹¹⁴. One of the most important needs is domestic resource mobilization. All countries in the region are working to increase their revenue to GDP ratio. As is seen from Table E.13 below, the ratios are now generally higher than they were for the 1997 to 2002 period. There has been a general increase of revenue to GDP ratios in client countries since 2003. Except for Togo and Mauritania, in the other eight countries revenue to GDP ratios increased by at least 1.3%. Togo increased only by 0.1% while there is no data for Mauritania. Guinea Bissau and Guinea had the most significant increase in revenue to GDP ratios of 5.4% and 4.2% respectively. Many actions must be taken to increase the revenue to GDP ratio which indicates that West AFRITAC's revenue administration TAs have been focused in an important area and are consistent with government priorities.

Table E.13: West Africa: Revenue Excluding Grants as a Per Cent of GDP

	1997-2002	2003	2004	2005	2006	2007	2008
Benin	15.2	17.0	16.4	16.5	16.8	19.0	18.5
Burkina Faso	12.1	12.1	12.8	12.3	12.3	13.3	13.4
Côte d'Ivoire	17.7	16.8	17.5	17.1	18.5	19.8	18.9
Guinea	11.3	10.5	10.5	13.1	13.3	13.1	14.7
Guinea-Bissau	15.0	15.2	17.2	17.6	19.6	16.1	20.6
Mali	13.9	16.4	17.4	17.9	17.7	17.9	18.6
Mauritania	No	Data					
Niger	9.7	10.2	11.4	10.8	13.2	15.5	12.8
Senegal	16.5	18.1	18.3	19.3	20.1	20.3	20.3
Togo	13.6	17.0	16.8	15.7	16.9	17.0	17.2

Source: IMF. Regional Economic Outlook: Sub-Saharan Africa. April 2008.

71. Although the West AFRITAC Steering Committee also promote country ownership of the fiscal TAs and strategies, regional coordination in both the PFM and revenue administration areas needs to be further strengthened.

2. West AFRITAC Coordination with Development Partners in the Fiscal Area

72. Although donor coordination has improved in West AFRITAC member countries since the last evaluation report, donor coordination remains a challenge. While it is good in some countries, it is more problematic in fragile states. Based on the feedback the Evaluation Team received in Cote d'Ivoire, Mali and Guinea, donor coordination is generally not a problem in revenue administration since there are very few other donors involved other than France, Canada and occasionally the World Customs Organization. Donors know each other and there is synergy in what is being done. Both the donors and authorities in revenue administrations

¹¹⁴ Because of proximity, the cooperation between West AFRITAC and the ministry of finance in Mali is good and is beneficial to Mali.

recognize the IMF/West AFRITAC expertise and IMF's ability to assure quality, both in policy formulation and implementation.

73. Donor coordination in the PFM field is more challenging. There is a multiplicity of donors. Some of them are new in this area and some have substantial amounts of funds, considerably more than West AFRITAC's TA budget. Nevertheless, the country authorities and donors interviewed by the Evaluation Team re-affirmed that West AFRITAC has an important role to play in the PFM area, especially when it comes to quality assurance. The World Bank reported that, partly because of proximity, there was excellent coordination with West AFRITAC in the preparation of the Mali PFM action plan and that the World Bank used the West AFRITAC network to identify African consultants¹¹⁵. To increase the relevancy rating in the future, West AFRITAC will need to find niche areas in PFM where it can add value and complement the work of other donors involved in PFM.

74. At the end of their missions, Resident Advisors usually invite interested donors to meetings to explain their activities. While some donors consistently attend (e.g., the European Union; France) others (e.g., the World Bank; AFDB) often do not.

75. West AFRITAC has to do more outreach to both authorities and donors involved in revenue administration and PFM. To-date, there is no evidence that West AFRITAC is taking a lead to facilitate this coordination. West AFRITAC and IMF more generally continues to leverage IMF's program conditionalities and surveillance missions. However, this will change as countries graduate into other programs. Eventually, successful delivery of TA will depend more and more on how effectively West AFRITAC is able to coordinate with other stakeholders.

76. The general feedback to the Evaluation Team by other TA providers was that West AFRITAC needed to find a way to participate more actively in the local donor coordination mechanisms. In some countries there is a general donor coordination meetings and a series of thematic working groups. Some of these, particularly in the PFM area, are directly related to the work of West AFRITAC. Some donors also complained to the lack of access to the reports prepared by the Resident Advisors, particularly in the PFM area.

3. Consistency of West AFRITAC TAs With IMF Headquarters Activities

77. West AFRITAC activities are well integrated with TA, surveillance, and lending activities of IMF Headquarters. There is uncontested consistency between WEST AFRITAC activities and IMF's areas of expertise and operations in the concerned countries as evidenced by analyzing the substance and conditionalities in the Stand By Arrangements, issues identified in monitoring reports and interviews with the staff of the African Department, IMF resident representatives and the Fiscal Affairs Department (FAD) and the TA provided by IMF Headquarters. In most cases, fiscal Resident Advisors have been invited to participate in missions done by staff from IMF Headquarters. The Advisors, FAD staff and the authorities agree that this arrangement has been helpful because West AFRITAC is able to make a follow-up and mobilize the appropriate TA to support the implementation of actions necessary to meet IMF conditionalities.

78. An examination of the documentation from Guinea illustrates the close linkage between West AFRITAC's fiscal TAs and IMF Headquarters activities. The complementarity of PFM TA is clear from an examination of the Structural Performance Criteria and Benchmarks in the Guinea

¹¹⁵ The World Bank Mali country director attends West AFRITAC Steering Committee meetings as an observer.

PRGF. For example, a benchmark that was met by 31 December 2007 was to “Issue a ministerial decree stating which expenditures are eligible for simplified procedures and do not require prior authorization.” A prior action for the completion of the first review of Guinea PRGF was to “Adopt in the Council of Ministers the multiyear strategic plan for public finance management.” Another example of the linkage of PFM TA and IMF’s operations was that a continuous performance criterion under the Guinea PRGF that has been met is that “Extra budgetary expenditure is prohibited.” A benchmark established in June 2008 required the government to adopt a budget classification based on GFSM 2001, particularly the economic and financial classification, and define poverty reducing expenditures based on the functional classification. The Guinea PRGF report stated that “The focus on public finance management is also commendable. The multiyear action plan for PFM is a blueprint to achieve measurable progress in budget preparation, execution, and monitoring. Better budget oversight, especially through tracking of poverty reduction expenditures, will also make it easier to mobilize budget support and debt relief.” The relevance of TAs to improve PFM is clear since some donors want to begin providing General Budget Support. There was a similar example of complementarity in Burkina Faso where West AFRITAC TA helped the country to fulfill the benchmarks under its IMF program.

79. In Guinea there is some relationship between revenue administration and the PRGF. A continuous performance criterion under the Guinea PRGF that has been met is that “Ad hoc tax and customs exemptions are prohibited.”

80. The quality and timeliness of management and backstopping of AFRITAC activities by FAD is appreciated by both the Fiscal Advisors and the authorities of the benefiting countries and provides effective quality assurance for both PFM and revenue administration TAs. FAD provides strategic direction to the Resident Advisors through the backstopping mechanism because the backstopper is normally someone who has been on the ground and has some considerable expertise in a given field. Backstopping is seen as advantageous because:

- (i) It gives an independent verification and second expert opinion;
- (ii) Often provides the resident advisor with the missing expertise as it is not always possible to get a resident advisor who knows everything in a given field.
- (iii) Helps the benefiting countries to continuously benefit from international expertise and experiences.

81. While the backstopping practice should be maintained, it would be desirable for backstoppers to spend time in the AFRITACs and Resident Advisors in IMF headquarters to allow cross-fertilization of skills. Further, backstopping should be better recognized as an important service within the IMF system.

82. FAD and West AFRITAC should continuously reinforce a culture that backstopping is not a superior-subordinate relationship. Rather, it is a coach or mentoring relationship in which expert advice is given to a colleague expert. There is a risk that when the role is misunderstood, the backstopper can misuse the perceived power by making decisions that are not harmonized with the West AFRITAC work plan. Such actions could be seen as undermining the decisions of the Steering Committee which approves the work plan and monitors its delivery. Overly heavy backstopping may erode the autonomy, responsiveness and innovation required and expected from the West AFRITAC by member countries. A few examples of instances were provided to the Evaluation Team by West AFRITAC Fiscal Advisors in which they felt that the backstopping strayed into micro management and disrupted mission planning rather than adding professional value.

83. Beneficiaries in PFM and revenue administrations do not see any difference between West AFRITAC and IMF-Headquarter TA activities. As far as they are concerned, it is all IMF activities. Therefore, it is important, from a client relations perspective, to ensure seamless services to the member countries.

84. For the West AFRITAC fiscal area, some aspects of the preparation of the Regional assistance Plan (RAP) need to be strengthened. The advisors only receive copies of the RAPs after they are prepared. Also, the timing and linkages between the preparation and approval of the RAP and the approval of West AFRITAC's work plan by the Steering Committee need to be better integrated and harmonized. On the positive side, the Evaluation Team was informed of many examples of the West AFRITAC PFM and Revenue Administration Advisors participating in FAD missions, to the benefit of all parties, i. e., the clients, FAD and West AFRITAC.

4. Relevancy Assessment for the West AFRITAC Fiscal TAs

85. Tables E.14 and E.15 provide a summary of responses from the AFRITAC Evaluation Survey regarding the relevance of West AFRITAC fiscal TAs. The number of responses ranges between 20 and 25, depending on the question. For the PFM Cluster, the relevance of TAs in helping to build capacity was rated as Excellent by 32% of the respondents, Good by 48%, Modest by 16% and Poor by only 4%. The weighted average of relevance was Good. Similarly positive findings were reported for consistency with Government priorities and coordination with IMF Headquarters. The ratings for the latter were the most positive for all of the relevance sub-criteria with the rating bordering on Excellent. By far the lowest rating was for coordination with other TA providers. The weighted score was 2.5, on the border between Good and Modest. Unlike the other relevancy sub-criteria, a large portion of the respondents rather the West's AFRITACs work coordinating with other donors in the PFM area as Modest (30%) or Poor (17%) (see Table E.14). These survey results are consistent with the findings of the Evaluation Team in the countries visited that West AFRITAC needs to work to improve its coordination with other donors in the PFM area.

Table E.14: Relevance of West AFRITAC's Public Financial Management TAs

	Percent Answering				Weighted Rating ^{1/}	Response Count	Response Rate ^{2/}
	Excellent	Good	Modest	Poor			
Relevance of TAs in helping to build capacity	32%	48%	16%	4%	3.1	25	89%
Consistency with Government priorities	38%	42%	17%	4%	3.1	24	86%
Coordination with other TA providers	13%	39%	30%	17%	2.5	23	82%
Coordination with IMF Headquarters	45%	41%	14%	0%	3.3	22	79%
Average for All Criteria	32%	42%	19%	6%	3.0	24	84%

¹ Based on ratings of Excellent=4, Good=3, Modest=2, and Poor=1.

² Ratio of the response count to the 28 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

86. The pattern for the rating of the relevance sub-criteria was broadly similar for the Revenue Administration TA cluster, except the ratings were slightly more positive. For the Revenue Administration TAs, the weighted rating of the relevance of TAs in helping to build capacity was 3.3, at the high end of the Good range, bordering on Excellent. It was rated as Excellent by 43% of the respondents, Good by 48%, Modest by 4% and Poor by only 4%. Similarly, positive ratings were reported for coordination with IMF Headquarters which was also rated as Good bordering on Excellent. Consistency with Government priorities also received a Good rating and was rated as Excellent by 32% of the respondents, Good by 50%, Modest by 14% and Poor by only 5%. As in the case of the PFM TA cluster, the lowest rating for Revenue Administration TAs was for coordination with other TA providers. Although it was rated as Good, the weighted score was below the midpoint in the good range and there were a substantial number of Modest (30%) or Poor (10%) ratings (see Table E.15). These survey results are consistent with the findings of the Evaluation Team in the West AFRITAC client countries visited that while there is a need for further improvement, coordination among donors is better in the Revenue Administration than PFM area.

Table E.15: Relevance of West AFRITAC's Revenue Administration TAs

	Percent Answering				Weighted Rating ^{1/}	Response Count	Response Rate ^{2/}
	Excellent	Good	Modest	Poor			
Relevance of TAs in helping to build capacity	43%	48%	4%	4%	3.3	23	96%
Consistency with Government priorities	32%	50%	14%	5%	3.1	22	92%
Coordination with other TA providers	15%	45%	30%	10%	2.7	20	83%
Coordination with IMF Headquarters	41%	45%	14%	0%	3.3	22	92%
Average for All Criteria	33%	47%	15%	5%	3.1	22	91%

¹ Based on ratings of Excellent=4, Good=3, Modest=2, and Poor=1.

² Ratio of the response count to the 24 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

87. Drawing on all sources of information available to the Evaluation Team, the relevancy of West AFRITAC fiscal TA activities was rated as shown in Table E.16. Overall, the relevance of West AFRITAC's TAs was rated as Good, with an Excellent score for coordination with IMF Headquarters activities. The rating for consistency with government priorities was in the middle of the Good range. Although coordination with other TA providers was rated as Good, it was bordering on Modest and the lowest of the three relevancy sub-criteria. The relevancy of the PFM cluster was below the midpoint of the Good range and the relevancy of the Revenue Administration TAs was above the midpoint. The potential relevance of West AFRITAC's PFM work is illustrated by the fact that DFID made an additional contribution to support PFM work in 2008 and 2009.

Table E.16: Relevancy Assessment for the West AFRITAC Fiscal TAs

Criteria	Weight (%)	Rating ^a		
		Public Financial Management	Revenue Administration	Score ^b
		45	55	100
1. Consistency With Government Priorities	60	3.0	3.0	3.0
2. AFRITAC Coordination with Development Partners	20	2.0	3.0	2.6
3. Consistency with IMF Activities	20	3.0	4.0	3.6
Overall Relevance Rating/Score	100	2.8	3.2	3.0
a Rating: 4 = Excellent; 3 = Good; 3 = Modest; 1 = Poor b Weight by % of AFRITAC Center Budget Allocated to the Activity/TA Group Highly Relevant (Excellent) ≥ 3.5; 3.5 < Relevant (Good) ≥ 2.5; 2.5 < Partly Relevant (Modest) ≥ 1.5; Not Relevant (Poor) < 1.5				

88. As regards revenue administration and public finance management, there is sufficient evidence to conclude that West AFRITAC played a useful role in helping to define country TA priorities. The fiscal TAs are also beginning to help to equip countries with adequate institutional capacity to define their own policy alternatives, including in the context of poverty reduction strategy papers.

C. Effectiveness of West AFRITAC's Fiscal TAs

1. Use of TA Outputs

89. This was examined mainly by talking to the management of the benefiting government departments and their participating staff in Cote d'Ivoire, Guinea and Mali. For both the revenue administration and public finance management TA clusters, interviews were conducted with the staff that attended workshops and received hands-on training in the countries visited by the Evaluation Team. There were no professional attachments identified during the period being evaluated. The results of these interviews were enriched and cross checked by and analyzing the responses of the AFRITAC Evaluation Survey for the fiscal sector in West AFRITAC and information collected during interviews with the West AFRITAC Fiscal Advisors and an examination of the implementation status of the work plan for each PFM and revenue administration unit.

90. In revenue administration, there was broad satisfaction expressed by both the staff and management of the benefiting government authorities about the effectiveness of West AFRITAC's TAs and conformation of the use of the TA outputs. However, future expectations are very high. The outputs of the TAs were being put to use and the desired outcomes were being attained. However, the degree of success is hampered by limited autonomy of revenue administration and weak institutional framework.

91. West AFRITAC's TAs to support the Guinea Customs Administration have resulted in three tangible outputs that are being used: (i) the development of a database of transaction values, which was essential as the Customs has moved to a system of basing customs taxes for all products except for petroleum on value; (ii) the implementation of UNCTAD's SYDONIA++, a new IT system that is a corner piece of the customs modernization program as it provides information on cargo from the time that it is loaded onto ships until it is off-loaded. West AFRITAC helped to set up the schedule for that project, design and implement the project and address technical issues. West AFRITAC helped to organize missions to neighboring countries and financed a short term expert from Senegal whose knowledge of the technical issues and of local practices was very helpful. The system was installed and began operations in January 2008. The UNCTAD software was free but the Customs Administration had to buy the hardware. UNCTAD helped install the software. AFDB and the EU helped finance some training, both in-country and overseas. There was good cooperation between West AFRITAC, UNCTAD, EU and AFDB. (iii) For the first time in Guinea, a performance contract was signed between the Customs Administration and the Minister of Finance in December 2007 which includes performance targets covering the collection of customs revenue, customs clearance standards, timelines for customs clearance, criteria for delay control, management of duty exemptions, post clearance controls and seizure of prohibited goods. The West AFRITAC Customs Advisor reviewed the contract and gave some advice to improve it based on best international practice. The Customs Administration appreciated the input of West AFRITAC to help fine tune the initial performance criteria and noted that the specification of performance indicators in such contracts is quite a technical area which requires detailed knowledge of customs operations. Although there is evidence of West AFRITAC revenue administration TA outputs being used, much of this took place relatively recently after a new minister was appointed.

92. However, a number of challenges remain. The recent political instability in Mauritania has temporarily halted contact and assistance from West AFRITAC, and indeed from the entire IMF system. Cote d'Ivoire also had similar problems at the beginning of the period under evaluation. It takes time for countries experiencing political upheaval to restore operational efficiency.

93. In Guinea, a 2004 FAD diagnostic assessment identified a strategy to increase domestic revenue. West AFRITAC supported the implementation of this plan in three areas:

- (i) Organization Reform: West AFRITAC's advice contributed to the decisions to establish a Medium and Small Tax Payer Unit.
- (ii) Management of the Revenue Administration Authority: The performance targets in the contract between the ministry of finance and the revenue administration were modified, a new nomenclature for taxpayers was implemented and performance indicators were developed for taxpayers,
- (iii) Workshop: Opportunities to share experience with other countries in areas like international conventions, tax evasion, behavior in dealing with taxpayers and processing revenue were highly appreciated, although the duration of the courses was thought to be too short,

94. While the Guinea Revenue Administration appreciated the assistance provided by West AFRITAC, it felt that the assistance must go beyond making recommendations. In particular some of the recommendations cannot be implemented because there is a lack of budget for IT software and hardware. West AFRITAC's TAs to the Guinea revenue administration would be more effective if funds were available to finance the IT facilities that are needed to implement the recommendations.

95. **As regards PFM, there are more mixed results.** The TA related with the treasury in cash management as well as those related to budgeting are generally successful. Practices like the use of single treasury account are yet to be implemented. Though with limited autonomy, institutional arrangements related to oversight are beginning to take ground and will need more effort for them to be more effective. The challenge is that the benefiting departments in PFM have very limited or no autonomy which hampers their ability to make quick decisions on the required TAs. Even when skills are attained, those that require making some changes in the way departments operate may not succeed easily. Further, lack of autonomy constrains the benefiting departments' ability to coordinate regionally. Consequently, there are cases when the center provided high quality advice and assistance but the TA outputs are not being used and thus the desired outputs will not be achieved. This assertion was echoed during the meetings of former workshops participants and middle level managers in the departments of treasury in Mali and Cote d'Ivoire. The reasons ranged from lack of computer equipment to limited support from their superiors.

96. In Guinea the Evaluation Team was advised by senior officials in the ministry of finance that the PFM Action Plan is a blueprint for a fundamental reform of PFM that covers all areas (e. g., legal framework; local finances; budget preparation, execution and control; accounting and auditing; budget nomenclature and classification; information systems. The aim is to increase transparency and efficiency and promote good governance. The PFM was designed by the Government with the support of the IMF (both FAD and West AFRITAC), World Bank, France and the EU. West AFRITAC's important contributions to the PFM Action Plan were acknowledged by both the government and an AFD mission. The preparation of the PFM master plan was a good example of FAD and West AFRITAC working together to produce an output that is being used. The results of this work were reflected in the design, priorities and conditionalities in the PRGF. The PFM action plan will require funds to implement (e. g., Guinea needs new software, IT systems and hardware to enhance budget management but it is not yet clear where the funds will come from to finance it). The PFM Action plan provides a good mechanism for donor coordination. A video conference was held to mobilize donor funding with mixed success. The government asked the World Bank to take the lead in financing the implementation of the Guinea PFM action plan as it has more TA resources than does IMF. Positive feedback was also received in Mali on West AFRITAC's PFM work. A WAEMU led initiative to develop GFSM 2001 compliant budget guidelines was not progressing well. West AFRITAC support in 2006 energized the process and resulted in substantial progress. West AFRITAC is playing a leading role in the WAEMU region in introducing the changes needed to be GFSM 2001 compliant.

97. Other positive TA outcomes included West AFRITAC's help in evaluating IT options for the treasury department in Mali. West AFRITAC's advice helped to prevent the ministry of finance from making the wrong technology choice. The new system will cover about 80% of public expenditures made by 12 key ministries, strengthen the relationship between revenue and expenditure, improve payments, strengthen control procedures, allow the accountants to monitor from submission to payment, improve liquidity management and improve transparency and governance. The tender documents for this new system have been prepared but the bidding has not taken place. The system will be financed by the World Bank.

98. While there are positive examples of the use of TA outputs, the Evaluation Team also identified some instances where problems were encountered in the implementation of TA recommendations, and thus a lack of use of TA outputs. Typically the reasons included: (i) a lack of resources to implement the recommendations; and (ii) lack of a focal point to follow up on the implementation of recommendation in some executing agencies.

99. **The Evaluation Team found sufficient evidence that most West AFRITAC TAs resulted in outputs that are being used or are likely to be used. West AFRITAC revenue administration and PFM TAs delivered outputs that contributed to the achievement of member country reform priorities and to capacity building and the implementation of those reforms and policies.** West AFRITAC has organized regional workshops on government accounting, budgeting etc and has in some cases followed-up on the implementation of the recommendations. The feedback that the Evaluation Team received during meetings held with workshop participants was that they generally used the knowledge and skills learned on the job and that it was particularly useful to learn from the country presentations how counterparts were trying to address similar issues in the PFM and revenue administration areas. Despite efforts made, results of PFM TA in Guinea Bissau are yet to materialize and those achieved in Togo are seen as fragile by the Resident Advisor.

2. Desired vs. Actual Outputs:

100. The actual outputs for the period being evaluated were compared to the desired outputs implied from goals and objectives stated in the West AFRITAC work program and other documentation. The analysis showed mixed results. In the area of revenue administration, the actual outputs compare sufficiently well with the desired outputs. In some cases, the actual outputs exceeded expectations. However, in the area of PFM, sufficient results only began to emerge in the last year and half. Sometimes, there were delays in fielding West AFRITAC missions due to timing of the FAD missions and the views of the back stoppers. During its discussion with the Evaluation Team, West AFRITAC expressed some concerns about balancing the need for backstopping and quality control versus the danger of FAD micromanaging the work of the Fiscal Advisors. This concern should be looked into, given the good quality and experience of the Resident Advisors -- more flexibility and autonomy should be considered.

3. Significance of West AFRITAC's Contribution to Developing Core Economic Functions/Institution Building in the Fiscal Area

40. Member countries are aware of the importance of their internal resources mobilization, expenditure rationalization and the necessity to entrench good governance practices and transparency. The Evaluation Team identified some examples where West AFRITAC TAs made a significant contribution to building core macroeconomic management skills and capacity building in these areas. These examples include: (i) strengthening the treasury, budget, customs and taxation departments in many countries (e. g., Benin, Burkina Faso and Mali); and (ii) supporting Mali's efforts to computerize its treasury functions by helping in IT specification which contributed to cost savings. As PFM systems get better, donors become more confident and willing to provide aid in the form of direct budget support. West AFRITAC has championed adoption of good practices in PFM and revenue administration. There were several areas in which West AFRITAC contributed to developments that had a significant, positive development on the capacity of the executing agency (e.g., PFM action plans in Guinea and Mali; supporting customs reforms in Guinea; developing the specifications for a new expenditure management system in Mali). With the notable exception of Guinea Bissau, considerable progress was made in most countries in computerization customs administrations and automating customs clearance procedures, in particular in Côte d'Ivoire, Senegal, Mali, Burkina Faso, Guinea and Benin. More modest results were achieved in Niger and Togo. Overall, customs clearance

periods were substantially reduced. Release warrants are now produced in less than 24 hours.¹¹⁶

41. However, these positive outcomes cannot be attributed solely to the work of West AFRITAC. In some cases others (e. g., World Bank; UNCTAD) made an equal or larger contribution. All that can be said is that West AFRITAC contributed in a positive and significant way to the achievement of these good outcomes.

42. The 2005 AFRITAC evaluation recommended that: (i) comprehensive capacity-building programs should be adopted as part of PRSPs; and (ii) agencies benefiting from the AFRITACs should prepare plans for developing staff resources and institutional capacity that would describe the current status of the area, outline steps to be taken to meet international standards and provide for regular monitoring of capacity, using agency performance indicators established according to international standards. **There is no evidence that this recommendation was systematically implemented in the focal areas by West AFRITAC.** Member countries, West AFRITAC and other stakeholders are still largely pre-occupied with short-term TAs. This concern was also highlighted by representatives from one of the major donors to West AFRITAC, AFDB. It was suggested that capacity building efforts of mid-term and long-term nature should involve partnerships with universities and other in-country specialized capacity building institutions. The need for West AFRITAC to build stronger linkages with local universities was also echoed by senior officials in the Guinea and Mali ministries of finance. There were, however, a few exceptions to this general finding. For example, the comprehensive PFM action plan in Guinea covers all areas, provides a framework for donor coordination and, under the lead of the World Bank, funding is being mobilized for its implementation.

4. Assessment of the Effectiveness of West AFRITAC's Fiscal TAs

43. Tables E.17, E.18 and E.19 provide a summary of responses from the AFRITAC Evaluation Survey that provides some evidence to support the rating of the effectiveness of the portfolio of West AFRITAC's fiscal TAs. Tables E.17 and E.18 show the results of the AFRITAC Evaluation Survey for the effectiveness sub-criteria for West AFRITAC's clusters of PFM and Revenue TAs. The number of responses ranged between 21 and 23, depending on the area. For the PFM TAs, the weighted rating was **Good**, but **below the midpoint on the range** for each of the three sub-criteria (use of outputs; achieving tangible results; significance of contributions). The proportion of respondents giving Excellent or Good ratings ranged between 57% and 65%, with the lowest proportion of Excellent responses for the significance of contributions (13%). A substantial proportion of respondents, ranging from 34% to 44% depending on the sub-criteria, rated the effectiveness of West AFRITAC's PFM TAs as **Modest** or **Poor**, although the proportion of Poor ratings did not exceed 9% (see Table E.17). The survey results for the Revenue Administration TA cluster were virtually identical to the PFM cluster. The weighted rating for the use of outputs, achieving tangible results and significance of contributions were all below the midpoint of the **Good** with the significance of contributions bordering on **Modest**. About 40% of the respondents rated the effectiveness sub-criteria of the Revenue Administration TA cluster as **Modest or Poor**, the proportion of **Poor** ratings never exceeded 14% (see Table E.18). The survey findings suggest that steps could be taken to improve the effectiveness of both cluster of the fiscal TAs.

¹¹⁶ See the Briefing Note prepared by the Center Coordinator and Resident Advisors for the Evaluation Team's visit in September 2008.

Table E.17: Effectiveness of West AFRITAC's Public Financial Management TAs

	Percent Answering				Weighted Rating ^{1/}	Response Count	Response Rate ^{2/}
	Excellent	Good	Modest	Poor			
Use of the outputs	22%	35%	35%	9%	2.7	23	82%
Effectiveness in achieving tangible results	27%	36%	27%	9%	2.8	22	79%
Significance of contributions to developing core economic functions	13%	52%	30%	4%	2.7	23	82%
Expertise and assistance	26%	52%	22%	0%	3.0	23	82%
Sustainability of the benefits of AFRITAC TAs	29%	43%	24%	5%	3.0	21	75%
Average for All Criteria	23%	44%	28%	5%	2.8	22	80%

¹ Based on ratings of Excellent=4, Good=3, Modest=2, and Poor=1.

² Ratio of the response count to the 28 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table E.18: Effectiveness of West AFRITAC's Revenue Administration TAs.

	Percent Answering				Weighted Rating ^{1/}	Response Count	Response Rate ^{2/}
	Excellent	Good	Modest	Poor			
Use of the outputs	23%	36%	32%	9%	2.7	22	92%
Effectiveness in achieving tangible results	23%	36%	27%	14%	2.7	22	92%
Significance of contributions to developing core economic functions	10%	52%	29%	10%	2.6	21	88%
Expertise and assistance	22%	48%	26%	4%	2.9	23	96%
Sustainability of the benefits of AFRITAC TAs	18%	45%	27%	9%	2.7	22	92%
Average for All Criteria	19%	44%	28%	9%	2.7	22	92%

¹ Based on ratings of Excellent=4, Good=3, Modest=2, and Poor=1.

² Ratio of the response count to the 24 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

44. The four fiscal objectives defined in the West AFRITAC program document 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. A broad indicator of the effectiveness of the fiscal TA portfolio is the degree to which people believe that the objectives are being achieved. There were in excess of 100 people who gave an opinion for each of the four objectives. In terms of achieving West AFRITAC's objectives, the responses to the AFRITAC Evaluation Survey indicate that: (i) 10% to 15% felt that the fiscal objectives had been achieved; (ii) 57% to 66% reported that significant progress had been made but that the objective had not been achieved; (iii) 21% to 31% felt that modest progress had been made; and (iv) a small portion of the respondents (2% to 5%) stated that no progress had been made in terms of achieving the objectives (see Table E.19). The broad picture suggested by the results below is that while progress is being made, considerably more progress will be needed before the West AFRITAC fiscal objectives have been fully achieved.

Table E.19: West AFRITAC's Progress in Achieving Fiscal Objectives

	Percent Answering				Response Count	Response Rate ^{1/}
	Objective Fully Achieved	Despite Substantial Progress, Objective not yet Achieved	Only Modest Progress Made to Achieve Objective	No Significant Progress Made		
To improve capacity for macroeconomic analysis, policy formulation, and forecasting	10%	66%	21%	3%	117	75%
To 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	10%	60%	25%	5%	111	71%
To make systems and procedures for budgeting, treasury operations, and expenditure planning and control, more efficient with appropriate safe guards in terms of oversight and auditing	9%	57%	31%	3%	110	70%
To make the reporting of government financial operations more reliable and timely	14%	61%	23%	2%	107	68%

¹ Ratio of the response count to the 157 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

45. Table E.20 summarizes the Evaluation Team's findings as regards the effectiveness of West AFRITAC's portfolio of TAs. **The findings of the Evaluation Team confirm that West AFRITAC's fiscal TAs are appropriately focused on delivering outputs that are generally effective and contribute to the achievement of member country reform priorities. As seen from Table E.20, West AFRITAC's portfolio of fiscal TAs is rated as Effective, bordering on Modestly Effective. The Revenue Administration cluster was rated as Good, but somewhat below the midpoint of the range. The PFM TAs were rated as Modestly Effective, on the margin of being Effective.**

Table E.20: Effectiveness of West AFRITAC's Fiscal TAs

Criteria	Weight (%)	Rating ^a		
		Public Financial Management	Revenue Administration	Score ^b
		45	55	100
1. Use of AFRITAC Outcomes	40	3.0	3.0	3.0
2. Planned vs. Actual Achievements	30	2.0	3.0	2.6
3. Significance of Contribution to Developing Core Economic Functions and Institution Building	30	2.0	2.0	2.0
Overall Effectiveness Rating/Score	100	2.4	2.7	2.6
<p>a Rating: 4 = Excellent; 3 = Good; 3 = Modest; 1 = Poor</p> <p>b Weight by % of the Center budget allocated to the cluster of AFRITAC activities/TAs</p> <p>Highly Effective (Excellent) ≥ 3.5; 3.5 < Effective (Good) ≥ 2.5; 2.5 < Partly Effective (Modest) ≥ 1.5; Not Effective (Poor) < 1.5</p>				

D. Efficiency of West AFRITAC's Fiscal TAs

1. Process and Implementation Efficiency

46. Assessing process and implementation efficiency covers such factors as IMF's internal management of AFRITAC activities, appropriate counterpart/workshop participant selection and the quality and timeliness of management and backstopping of West AFRITAC's fiscal activities by FAD staff. The Evaluation Team also examined the consistency of engagement at the institutional and individual level for both West AFRITAC and the executing agencies. The Evaluation Team examined whether West AFRITAC was consistently engaged in the PFM and revenue administration areas and the turnover of Resident Advisors and the staff of executing agencies. Also considered was the efficiency in recruitment of consultants, the efficiency of planning and executing the TA delivery and the timeliness of TA execution. Generally, West AFRITAC's process and implementation efficiency met acceptable norms.

47. FAD controls the backstopping, recruitment of both Resident Advisors and short term experts in the fiscal areas, and TA missions programming. This is seen as necessary to maintain the quality of TA delivery and safeguard the reputation of IMF. FAD tries, with considerable success, to integrate West AFRITAC's fiscal TAs into the broad framework identified in its diagnostic studies and FAD TAs. The division of work with FAD undertaking the upstream work and West AFRITAC undertaking the downstream work related to implementation and follow-up is generally working well. Duplication, overlap and confusion in roles were avoided. According to the Resident Advisors, the timing and responses from the backstoppers was generally good. However, sometimes there were delays and the delivery of West AFRITAC's missions were changed and/or postponed at the instruction of FAD for reasons that did not result in professional value added to the TAs.

48. Decisions that might result in delaying the delivery of West AFRITAC's work program for procedural reasons needs to be considered, and ideally avoided, because such actions impact

on the implementation of the work program that has been approved by the Steering Committee. The RAP should be viewed as a tactical document and minor changes accommodated. The RAP should not be a procedural reason to overrule Steering Committee decisions. There is less coordination between the RAP prepared at Headquarter and the West AFRITAC work plan than is desirable. Better mechanisms should be developed to coordinate the preparation of the two documents and its subsequent implementation. For example, FAD could organize a video conference every month on certain themes, a common practice in a number of other organizations.

49. Selection of counterpart/workshop participants was quite good as evidenced by the caliber of participants. The Evaluation Team identified relatively few cases of misselection. However, two issues were highlighted that may enhance the efficiency and effectiveness of the workshops: (i) more inclusion of participants at the management level to increase the chances of implementing recommendations; and (ii) West AFRITAC and member countries should strengthen the mechanisms for follow-up and implementation of workshop recommendations.

50. Vacancies among the PFM and Revenue Administration Advisors were not a major problem during the period under review, 2006 to 2008. However the terms of several Resident Advisors will come to an end during the current fiscal year. By this time next year, more evidence will be available on how efficiently FAD identifies and recruits the candidates to replace the departing Advisors.

51. Regional integration and harmonization are important areas in the region served by West AFRITAC. In the fiscal areas it involves many technical issues related to harmonizing accounting, customs, taxation and investment regimes. Traditionally, IMF has focused less on regional integration and more on country-specific issues. The efficiency and effectiveness of West AFRITAC might be improved if regional integration and harmonization became a unifying theme of its work program and developed as a strategic niche.

2. Efficient Use of Adequate Levels of AFRITAC Resources

52. In the FAD area, West AFRITAC provided a total of 177 person months during FY 2006 to FY 2008, or an average of 59 person months per year. This is substantially more than the 38 and 50.5 person months delivered in the FAD area by West AFRITAC in FY 2004 and FY 2005. In both FY 2007 and FY 2008, over 60 person months of TA were provided in these areas. The numbers clearly demonstrate that more TA will be delivered in Phase II than in Phase I. This reflects the creation of an additional PFM Advisor position to complement the other PFM Advisor and the Revenue Policy and Administration Advisor and the Customs Administration Advisor. There is no evidence of undue delays in filling the FAD Advisor positions in West AFRITAC. About one quarter of the TA in the FAD area by West AFRITAC was provided by short term experts¹¹⁷. It cost nearly \$4 million to deliver this TA, equivalent to a cost of about \$22,600 per person month of input. This is equal to the average cost per person month of TA for West AFRITAC and comparable to the cost per person month of TA delivered in the FAD area by East (\$23,300) and Central (\$23,800) AFRITAC. These cost comparisons indicated that in terms of cost efficiency, there is no substantial difference between the three AFRITACs in the FAD area.

¹¹⁷ The information available to the Evaluation Team did not break the inputs of the short term consultants down into the PFM and revenue administration areas.

53. Although it may appear cost efficient for fiscal advisors to cover multiple countries. The Evaluation Team received some feedback from some government officials and other TA providers that this may undermine effectiveness. It was felt that some of the fiscal advisors were working very hard but were spread too thinly to make major strategic impacts. The Evaluation Team would concur with this observation, particularly given the limited institutional absorptive capacity in some countries,¹¹⁸ the logistical challenges of travelling in West Africa, the fact that some client countries are not part of WAEMU. From the input point of view, comparable TAs in the PFM and revenue administration areas are more bilateral in nature, often involving the use of long term, in-country advisors. Having PFM and Revenue Administration Advisors covering many countries in this region is somewhat unique to West AFRITAC.

3. Monitoring and Reporting

54. The quality and timeliness of reporting and monitoring of the activities by outputs rather than inputs has improved since the 2005 evaluation. One of the recommendations of the 2005 AFRITAC evaluation was that performance indicators and a Logical Framework Analysis should be developed to evaluate AFRITAC outputs not less than annually. The importance of monitoring was also highlighted in another recommendation of the 2005 evaluation “The IMF should work with member countries and donors to ensure that necessary TA is provided to help AFRITAC beneficiary agencies develop and monitor the capacity-building plans” The 2005 evaluation also recommended that “The Centers should develop a reporting format to the SC that allows tracking of benchmarks and indicators of AFRITAC output and performance. The formats of monthly reports and activity status reports should facilitate folding their content into SC reports, thereby meeting donors’ legitimate request for more substantive information on countries’ follow-up to AFRITAC recommendations.” **Some progress has been made in addressing this recommendation and reports to the Steering Committee are now better focused on outputs than inputs.** There was some evidence that West AFRITAC uses self evaluation (i.e. monitoring) and reporting to try to improve the efficiency and effectiveness of their activities and enhance the potential synergies between their activities and those of Headquarters and other donors. However, an examination of the monthly reports of the Resident Advisors indicates that more progress is needed in the area of reporting that is consistent with managing for development results. For most of the evaluated period West AFRITAC was handicapped in this area by not having access to TAIMS. Access is still sometimes problematic and it is too early to conclude whether the enhanced version of TAIMS will deliver the intended benefits.

55. The ability of donors to monitor the results achieved by West AFRITAC in the fiscal area, other than through material submitted to the Steering Committee, is constrained by three factors: (i) West AFRITAC’s web page did not prove to be sustainable and the information on it is out of date; (ii) other donors do not have access to reports prepared by Resident Advisors; and (iii) West AFRITAC does not documents its accomplishments in a publicly available annual report or one that is disseminated to its strategic partners. **There is need to improve on the way information is disseminated and shared among the strategic partners.**

4. Efficiency Assessment for the West AFRITAC Fiscal TAs

56. Table E.21 summarizes the Evaluation Team’s assessment of the efficiency of West AFRITAC’s portfolio of fiscal TAs. Overall, the fiscal portfolio **has proven to be cost-effective. The efficiency of both the PFM and Revenue Administration TA clusters were both rated**

¹¹⁸ See Table I.1 in Chapter I.

as **Good**, although somewhat below the midpoint in the range. The **Modest** rating for monitoring and reporting offset the **Good** ratings for process/implementation efficiency and efficient use of resources. The quality of expertise and assistance is a broad indicator of whether West AFRITAC was able to efficiently mobilize the correct mix of resources. The AFRITAC Evaluation Survey results generally support the rating in Table E.21 and rated West AFRITAC as **Good** in this area for both clusters of TAs. The majority of the ratings were **Good** with the **Excellent** rating offsetting the **Modest** ratings. There were very few **Poor** responses in this area.

Table E.21: Efficiency Assessment of West AFRITAC's Fiscal TAs

Criteria	Weight (%)	Rating ^a		
		Public Financial Management	Revenue Administration	Score ^b
		45	55	100
1. Process/Implementation Efficiency	40	3.0	3.0	3.0
2. Efficient Use of Resources	40	3.0	3.0	3.0
3. Monitoring and Reporting	20	2.0	2.0	2.0
Overall Efficiency Rating/Score	100	2.8	2.8	2.8
a Rating: 4 = Excellent; 3 = Good; 3 = Modest; 1 = Poor b Weight by % of AFRITAC budget allocated to Activity/TA Group Highly Efficient (Excellent) ≥ 3.5; 3.5 < Efficient (Good) ≥ 2.5; 2.5 < Partly Efficient (Modest) ≥ 1.5; Not Efficient (Poor) < 1.5				

E. Sustainability of West AFRITAC Fiscal TAs

1. Political Economy Issues

57. Political stability, a sound macroeconomic context, policy continuity and sound institutions help to create conditions that increase the likelihood of donor support in general and West AFRITAC support in particular, will result in sustainable benefits. If some or all of these conditions are absent, the likelihood of achieving sustainable benefits diminishes. During the evaluation period political factors disrupted the ability of West AFRITAC to deliver TA to some countries. Tensions and the security situation in Cote d'Ivoire disrupted the delivery of West AFRITAC TA for much of the evaluation period, although these problems have eased and a political solution to the issues is being sought. A coup d'état in Mauritania led IMF to suspend all its operations in the country and there were some political challenges in Cote d'Ivoire, Guinea, Guinea Bissau and Togo.

58. The Evaluation Team ranked the institutional absorptive capacity as Good in four West AFRITAC client countries, Benin, Burkina Faso, Mali and Senegal – little fiscal TA was requested by the latter. Institutional absorptive capacity was assessed as being moderate in three countries (Mauritania; Niger; Togo) and Poor in three countries (Cote d'Ivoire; Guinea; Guinea Bissau). Overall, this appears to be equivalent to a **Modest** institutional absorptive capacity rating for the region, a proxy for political economy factors.

2. Executing Agency Ownership and Use of TA Outputs

59. One of the most important means of measuring the extent of executing agency ownership and use of the outputs delivered from the centre was to ask the counterparts, workshop participants and/or trainees whether they used the knowledge gained on the job. This assessment was based on interviews with government officials, Resident Advisors and FAD staff as well the responses to the questionnaire. In each of the countries visited, the Evaluation Team held focus group discussions with workshop participants and met with senior leaders in the ministries of finance and departmental heads.

60. The following are the Evaluation Team's observations on the workshops:

- (i) The regional seminars and workshops were a very effective means of sharing regional experience;
- (ii) The documentation received during workshops and seminars was helpful and often used as reference at work;
- (iii) Workshops and seminars provided opportunities for networking and developing relationships among practitioners;
- (iv) Follow-up on workshop and seminar recommendations may also require facilitation in implementation;
- (v) There should be a mix between technicians and management participants in the workshops. The management participants will be in a better position than technicians to facilitate the policy decisions and changes in procedures that are sometimes necessary to use the skills gained and recommendations derived from the workshops.

61. In some cases, while the technical training was good, the regulations, procedures and legal frameworks did not allow workshop participants to apply the knowledge gained on the job (e.g., participants from Mali in workshop on internal controls, taxation and debt management). This undermines the sustainability of the benefits of the workshop and raises an issue of sequencing to create a job environment where the skills gained at the workshops can be applied. There also may be issues related to participant selection. However, during the focal groups in Cote d'Ivoire, Guinea and Mali most workshop participants reported that they used the skills on the job and, based on those discussions, participant selection did not seem to be a major problem.

62. The 2005 evaluation stressed the importance of good participant selection. There was evidence that this was being done as the Evaluation Team did not come across many examples of problems in participant selection.

63. The participants felt that:

- (i) the duration for these workshops was too short, with most lasting for five or less days.
- (ii) Often there is lack of follow-up on the recommendations made and lessons learned from the workshops. This task is left to the participants who may not be senior enough to initiate such changes in their respective institutions.

64. The outputs of many West AFRITAC TAs are embedded in the routine businesses practices of the benefiting entities or executing agencies, something that augers well for sustainability. For example, West AFRITAC has provided TA in risk analysis and selectivity to customs administration in Benin, Mauritania, Mali, and Senegal either in establishing risk analysis or further developing the methods used. The administrations, except in the case of

Côte d'Ivoire and Senegal, are using the Automated System for Customs Data (ASYCUDA)++, which provides a selectivity module which, if used to optimal effect, requires fraud profiles to be defined. The introduction of selectivity has been a powerful factor in speeding up customs clearance procedures. Côte d'Ivoire states, for example, that 60% of declarations go through the green channel with an automatic release warrant. Selectivity and risk analysis are also being used in Côte d'Ivoire and in Senegal for on-site audits of enterprises.

65. However there were also examples where the TAs will not be fully sustainable because the recommendations are not or are not likely to be fully implemented. Examples include some revenue TAs in Guinea that require investment in IT systems and in Guinea Bissau due to limited staff capacity.

66. To further enhance the effectiveness and sustainability of TAs, the 2005 evaluation recommended that national AFRITAC focal points be appointed. Most countries have appointed national focal points in the ministries of finance. Some are members of the Steering Committee. Feedback from the Center Coordinator indicates that the experience has been mixed. Some national focal points have been very active and have strongly supported the work of West AFRITAC. In other countries they have been less active and supportive. One national focal point in a ministry of finance in an important West AFRITAC client country advised the Evaluation Team that the work of the focal point is in addition to his regular activities and is not sufficiently recognized and rewarded by either the Steering Committee or his supervisor.

67. Loss of trained staff in key reforms areas such as cash management, computerization of financial management systems, budget policy analysis and reporting, and revenue administration is a threat to sustainability in some countries (e.g., Cote d'Ivoire; Togo). 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 need to be done by member countries to ensure the sustainability of West AFRITAC TA.

3. Promoting the Use of African Expertise

68. One of the West AFRITAC objectives that should contribute to sustainability in the longer term is the promotion of the use of African expertise. The 2005 evaluation recommended that "The AFRITACs should continue to promote African expertise through recruitment of resident experts from the continent and use of African short-term experts. At the same time, permanent quality control should be exercised." Currently, all the four of West AFRITAC's Resident Advisors in fiscal area are experts from the African region -- two for PFM, one for taxation and one for customs. The authorities in countries served by West AFRITAC and FAD staff are happy with their performance and the quantity and quality of their output. West AFRITAC continues to use a good mix of both experts from Africa and outside Africa successfully. This success is attributable to deliberate efforts by FAD to identify potential advisors/experts and test them over the years before engaging them as Advisors. The Evaluation Team received positive feedback on the work of African short term experts in Cote d'Ivoire, Guinea and Mali.

69. The strategy to promote the use of African expertise requires sustained and deliberate efforts to avoid undermining the progress already achieved. One of the major challenges is the strategy used for recruitment. Due to limited number of PFM and revenue administration experts in the region, these experts are usually well engaged in their countries, are not necessarily job-hunting and are not always interested in resigning from their jobs to take up a one year assignment. A pro-active approach is needed to identify and recruit well qualified Resident

Advisors and short term consultants in the fiscal areas. There is a need to have a strategy that works to identify talent, utilize and promote growth of African expertise in these areas. West AFRITAC's good efforts to nurture and use regional experts should continue.

70. **The success of WEST AFRITAC, its insurance for sustainability, depends on how important the center is considered by the stakeholders.** As shown in the table below, at least 93% of the respondents of the evaluation survey assign fiscal objectives in the center as either important or of highest importance.

4. Financial Sustainability

71. Much of West AFRITAC's Ta could be termed a work in process. More TA and support will be needed until the outcomes are achieved and firmly embedded in the routine procedures of the executing agencies. Also, its clients have a growing demand for an increasing array of more sophisticated services from West AFRITAC. The feedback to the Evaluation was that the Fiscal Advisors are over stretched and are trying to cover too many countries. More financial resources will be needed to ensure that West AFRITAC's portfolio of fiscal TAs result in sustainable benefits. However, at the time of the evaluation, neither IMF nor the donors have committed to funding Phase III.

5. Assessment of the Sustainability of West AFRITAC's Fiscal TAs

72. **The sustainability of the fiscal TAs depends, in part, on how important the stakeholders believe the fiscal objectives are that West AFRITAC is trying to address.** As shown in Table E.22, over 90% of the 130 or so more respondents of the AFRITAC Evaluation Survey rated the continuing importance of the fiscal objectives specified in the West AFRITAC Program Document as either **Important** or of **Highest Importance**. Respondents were only allowed to rate a maximum of two of the objectives in the highest importance category. The more important fiscal objectives were: (i) improving capacity for macroeconomic analysis, policy formulation, and forecasting; and (ii) making systems and procedures for budgeting, treasury operations, and expenditure planning and control, more transparent and efficient with appropriate safeguards in terms of oversight and auditing. The fact that very few people rated the fiscal objectives as either **Modestly Important** or **Not Important**, under 10% for all four objectives, suggests that West AFRITAC's fiscal TAs continue to be important. This is a positive finding for the sustainability of the fiscal TAs.

Table E.22: The Importance West AFRITAC Should Assign to Fiscal Objectives

	Percent Answering				Response Count	Response Rate ^{1/}
	Highest Importance	Important	Modestly Important	Not Important		
To improve capacity for macroeconomic analysis, policy formulation, and forecasting	56%	35%	5%	3%	131	92.9%
To make the functioning of checks and balances in public financial management more effective, taking account of codes of good practices promoted by the IMF and other institutions	35%	60%	5%	1%	127	90.1%
To make systems and procedures for budgeting, treasury operations, and expenditure planning and control, more transparent and efficient with appropriate safeguards in terms of oversight and auditing	60%	38%	2%	0%	129	91.5%
To make the reporting of government financial operations more reliable and timely	38%	55%	7%	0%	126	89.4%

¹ Ratio of the response count to the 141 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

73. Table E.23 summarizes the assessment of the Evaluation Team of the sustainability of West AFRITAC's portfolio of fiscal TAs. The sustainability of both the PFM and Revenue Administration TA clusters are rated as **Good but bordering on Modestly Sustainable**. Concerns of the Evaluation Team about sustainability relate to political economy factors, which reflect the challenging environment in which West AFRITAC is operating, and financial sustainability. These concerns were somewhat offset by the **Excellent** rating for the use of African expertise and a **Good** rating for the ownership and use of TA outputs. These sustainability ratings are consistent with the weighted rating of the 21 AFRITAC Evaluation Survey respondents who rated the sustainability of the two clusters. Both were rated as

Sustainable. For the PFM cluster 29% rated the prospects of sustainability as **Excellent**, 43% as **Good**, 24% as **Moderate** and only 5% as **Poor** (see Table E.17). There were similar but slightly lower sustainability ratings for the Revenue Administration cluster -- **Excellent**, 18%; **Good**, 45%; **Moderate**, 27%; and **Poor**, 9% (see Table E.18). Nearly one third of the survey respondents had some concerns about the sustainability of the portfolio of West AFRITAC's fiscal TAs.

Table E.23: Sustainability of West AFRITAC Fiscal Assistance

Criteria	Weight (%)	Rating ^a		
		Public Financial Management	Revenue Administration	Score ^b
		45	55	100
1. Political Economy Issues	25	2.0	2.0	2.0
2. Executing Agency Ownership and Use of Outputs	40	3.0	3.0	3.0
3. Promoting Use of African Expertise	15	4.0	4.0	4.0
4. Financial Sustainability	20	2.0	2.0	2.0
Overall Sustainability Rating/Score	100	2.7	2.7	2.7
^a Rating: 4 = Excellent; 3 = Good; 2 = Modest; 1 = Poor ^b Weight by % of East AFRITAC's budget allocated to Cluster of activities/TAs Highly Sustainable (Excellent) ≥ 3.5; 3.5 < Sustainable (Good) ≥ 2.5; 2.5 < Partly Sustainable ≥ 1.5 (Modest); Not Sustainable (Poor) < 1.5				

F. Overall Assessment of West AFRITAC's Fiscal TAs

74. The overall assessment of the performance of West AFRITAC's fiscal TAs is shown in Table E.24. The performance of the portfolio was rated as **Good**, although somewhat below the midpoint on the range for Good. The highest scores were for Relevance, followed by Efficiency, Sustainability and Effectiveness. All of the latter three were rated below the midpoint in the Good range with Effectiveness **bordering on Modest**. The ratings of both the PFM and the Revenue Administration clusters were similar, **both below the midpoint in the Good range**. The only dimension of evaluation that was ranked as **Modest** was Effectiveness for the PFM cluster. The results of the AFRITAC Evaluation Survey for West AFRITAC's fiscal TAs are broadly consistent with these ratings.

Table E.24: Overall Assessment of West AFRITAC's Fiscal Assistance				
Criteria	Weight (%)	Rating ^a		
		Public Financial Management	Revenue Administration	Score ^b
		45	55	100
1. Relevance	32	2.8	3.2	3.0
2. Effectiveness	28	2.4	2.7	2.6
3. Efficiency	22	2.8	2.8	2.8
4. Sustainability	18	2.7	2.7	2.7
Overall Rating/Score	100	2.7	2.9	2.8
a Rating: 4 = Excellent; 3 = Good; 2 = Modest; 1 = Poor				
b Weight by % of AFRITAC inputs allocated to the Cluster of TAs				
Excellent ≥ 3.5; 3.5 < Good ≥ 2.5; 2.5 < Modest ≥ 1.5; Poor < 1.5				

75. **There are a number of challenges and constraints faced by West AFRITAC member countries which have prevented them from taking full advantage of the fiscal TAs. The main challenges include:**

- (i) Absence (in some countries) of a comprehensive legislative framework to underpin PFM reforms;
- (ii) Slow progress in implementation of recommended measures and actions, including problems related to low level of computerization;
- (iii) Inadequate understanding and support from spending agencies which undermines ministry of finance-led reforms;
- (iv) Inadequate collaboration and role clarity among development partners which hampers effective delivery of TA;
- (v) The social political environment in some countries erodes the political will to undertake reforms.
- (vi) The evolving nature of the fiscal TAs necessitates West AFRITAC to consistently shift to the new realities, which sometimes requires new and additional expertise.

76. While demand driven TA needs will continue to guide the design and delivery of TA, West AFRITAC should:

- (i) Promote the adoption of best practices in key areas, namely, medium-term planning and budgeting (MTEF), cash management and banking arrangements, migration to GFS 2001 classification, improved fiscal reporting, and strengthening the legal and regulatory framework.
- (ii) 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 need to be done by member countries to ensure the sustainability of West AFRIRAC TA.
- (iii) To promote effective implementation of TA recommendations, 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, formulation of realistic work plans and assignment of medium/long term experts.
- (iv) Strengthen dialogue and cooperation with Development Partners to promote opportunities for the funding of medium/long term project managers/technical advisors to implement West AFRITAC work plans.
- (v) Continue to engage all member countries through regional capacity building initiatives such as workshops, to keep them abreast of the best practices and PFM reforms in the region as well as maintain their awareness of the availability of TA from West AFRITAC.

77. West AFRITAC revenue administration TAs, with support from FAD, has been effective in enhancing local capacity and promoting awareness and implementation of international best practices. While countries in the region have made a commendable start to reform and initial results are encouraging, more effort is needed to achieve the revenue modernization objectives. **The thrust of future TA should be to consolidate the gains made and to deepen the reforms by providing advice and building capacity in:**

- (i) Taxpayer services;
- (ii) Taxpayer segmentation and management;
- (iii) Taxation of small enterprises;
- (iv) The increased use of risk-based compliance management approaches in both tax and customs;
- (v) Taxation of petroleum products, minerals and other natural resources;
- (vi) Business process review and design; and
- (vii) The use of robust information technology platforms for routine activities and decision support.
- (viii) Strengthening cooperation between tax and customs departments.
- (ix) Full application of WTO customs valuation and post clearance audits.
- (x) Strengthening managerial capacity and internal audit within the administrations;
- (xi) Strengthening fraud prevention, anti-smuggling effort and steps taken to address counterfeiting.

78. WEST AFRITAC should prioritize and direct its resources to those areas that add value time promoting local ownership. Further, the resident advisor will encourage the revenue administrations to periodically carry out self-diagnoses using internationally recognized key performance indicators.

V. Evaluation of West AFRITAC Statistics TAs

A. Introduction

79. West AFRITAC Statistics TAs were to cover: (i) central bank statistics to improve balance of payments in a manner consistent with the international standards in BPM5 and monetary/financial statistics using the MFSM 2000 Manual; (ii) macroeconomic statistics to improve the quality of national accounts consistent with SNA 1993, real sector data and price statistics (CPI and PPI) and strengthening the methodology and techniques for compiling annual and quarterly accounts and price statistics, improving basic source data collection, processing and statistical techniques, introducing international standards, improving data timeliness and accessibility, addressing institutional and organization issues and addressing issues related to inadequate funding, inadequate staff, delays in the enactment of the new statistical laws and poor statistical inter-agency coordination; supporting donor coordination in the statistical area

and addressing GDDS participation and metadata preparation issues and building of better linkages between GDDS and country PRS papers; and (iii) government finance statistics, including the improving statistics in the ministries of finance necessary for sound fiscal management, introducing international standards and improving the institutional coverage, quality, and the timeliness of the table presenting financial operations of the state consistent with GFS Manual 2001.

80. During the period under evaluation, West AFRITAC's statistics TAs were delivered by two Statistics Advisors, one an expert in national accounts and one in government financial statistics. In practice, most of TAs were related to these two areas. West AFRITAC Statistics TAs have so far covered the following areas:

- (i) Central Bank Statistics: A small amount of TA was provided to improve balance of payments (BOP) estimates. Central banks are responsible for preparing BOP estimates. The National Institutes of Statistics /Departments of Statistics and National Accounts are not involved in the BOP estimation process -- they just provide some supporting data and receive the final estimates which are used for economic analysis. The Central Bank for West African States (BCEAO), which benefits from substantial TA from bilateral and financial partners¹¹⁹ but not from West AFRITAC, covers most of the client countries of West AFRITAC. Non-WAEMU member countries (i. e., Guinea; Mauritania) have their own central banks. In Guinea, although West AFRITAC's needs assessment covered the statistical needs of the central bank, TA for monetary and BOP statistics was largely provided by STA from Headquarters.
- (ii) Real sector statistics: TAs designed to improve real sector statistics covered: (a) the production of national accounts statistics consistent with SNA 1993; (b) implementing improvement work plans consistent with GDDS metadata; and (c) improving timeliness.
- (iii) Government Financial Statistics: The GFS TAs supported: (a) data collection and the production of government financial statistics; (b) the introduction of concepts and methodologies consistent with the international standard elaborated in GFSM2001; (c) data compilation and computerisation; (d) dissemination of GFS data; and (e) migration from GFS 1986 to GFS 2001.]

B. Relevance of West AFRITAC Statistics TAs

81. At a conceptual level the importance of accurate, reliable and timely statistics in the areas where most of West AFRITAC's statistics TAs were focused, national accounts and GFS, is clear. Senior government officials need accurate, reliable and timely national accounts data to manage the economy and IMF needs such data for monitoring, surveillance and program purposes. Improving fiscal management is a priority for both governments and IMF. Sound Government Financial Statistics are needed for efficient and transparent fiscal management. Many donors also use data in these areas.

82. The information in the World Bank's. Country Statistical Information Database, which is described in Annex B, was used to help judge the relevance of West AFRITAC statistics TAs (see Table E.25). On a scale of 0 to 100, the average ranking for the 140 plus countries in the database for national statistics systems was 65 and the average score for statistical practice, which covers many issues that are of direct relevance to the statistics TAs, was 56. The data in Table E.25 shows that the statistical systems in most West AFRITAC client countries are weak

¹¹⁹ There are particularly close relations with the Banque de France or Bank of France.

and, consequently TA to improve statistics would be relevant. Among the West AFRITAC client countries, only Senegal score above the average worldwide ranking for national statistical systems and statistical practice¹²⁰. The rank of Guinea-Bissau was by far the lowest for West AFRITAC members for the national statistics systems – most of the other countries scored in the range of 50 to 55. The scores were generally lower for the statistical practice category. Countries with scores of less than 30 for Benin, Guinea, Guinea-Bissau, Mali and Niger.

Table E.25: Relative Strength of National Statistics System in West Africa

	Total Rank ¹	Statistical Practice Rank ¹	National Accounts Base <10 Years Old	Use BPM5	External Debt Reported	CPI Base <10 Years Old	Central Government Accounts Consolidated	Subscribe to SDDS
Benin	54	30	No	Yes	Yes	No	No	No
Burkina Faso	58	40	Yes	No	Yes	No	No	No
Côte d'Ivoire	63	40	No	Yes	Yes	No	Yes	No
Guinea	51	30	No	Yes	Yes	No	No	No
Guinea-Bissau	35	10	No	Yes	No	No	No	No
Mali	51	20	No	No	Yes	No	No	No
Mauritania	54	40	No	No	Yes	Yes	No	No
Niger	53	30	No	Yes	Yes	No	No	No
Senegal	71	60	Yes	Yes	Yes	No	No	No
Togo	52	40	No	Yes	Yes	No	No	No
Average or Number of Yes	54	34	2 of 10	7 of 10	9 of 10	1 of 10	1 of 10	0 of 10

¹ = Rank on a scale of 0 to 100. The average ranking for Overall is 65 and for Statistical Practice it is 56.

BPM% = Balance of Payment Manual, 5th Edition; CPI = Consumer Price Index; SDDS = Special Data Dissemination Standard

Source: World Bank. Country Statistical Information Database. 2008.

83. The more detailed material in Table E.25 illustrate the depth of the challenges facing West AFRITAC client countries in the statistical area: (i) in only two countries (Senegal; Burkina Faso) was the base for the national accounts less than 10 years old; (ii) three (e.g., Burkina Faso; Mali; Mauritania) do not use BPM5; (iii) external debt reporting is good – only Guinea-Bissau does not report it; (iv) the base for the CPI is less than 10 years old only in Mauritania; and (v) government accounts are consolidated only in Côte d'Ivoire. Although many West African counties subscribe to GDDS, the metadata is often out of date. None of West AFRITACs clients subscribe to SDDS. While the data in Table E.25 suggest that TAs for national accounts, prices and GFS would be relevant, the information also raises a question as to why West AFRITAC was not more involved in supporting the work necessary to rebase the national accounts and CPI. Some government officials advised the Evaluation Team that they wanted such assistance because of increasing concerns about inflation. In practice a regional approach

¹²⁰ Côte d'Ivoire, with a score of 63, was close to the average for national statistics systems.

may be necessary since a harmonized CPI (base 1996) has been adopted by all WAEMU members.

84. The World Bank database was reviewed to identify which countries had adopted national statistics law and the status of the national statistics development plan. All of the West AFRITAC client countries have adopted a national statistics law. Of the 10 client countries, seven¹²¹ had completed their national statistics development plans and it was under preparation in the remaining three countries¹²². While these are positive findings, IMF documents indicate that the production of such outputs does not always result in the desired outcome. In some cases, long standing problems relating to budget, staffing and the lack of timely surveys over ride these accomplishments such that the desired outcome – more timely and accurate statistics – is not achieved. West AFRITAC has generally not been involved in addressing these binding constraints.

85. The weaknesses in statistics in Sub-Saharan AFRITAC, including in West AFRITAC client countries, are well known. The general weakness of statistics is stated on the AFRISTAT home page. The feedback from the AFRITAC Evaluation Survey on the three sub-criteria used to assess the relevancy of West AFRITAC statistics TAs is summarized in Table E.26. A reasonable number of responses were received, ranging between 28 and 34 depending on the question. The survey responses were used to test and confirm the Evaluation Team's assessment of the relevancy of the statistics TAs based on the interviews conducted and the document review.

Table E.26: Relevance of West AFRITAC's Statistics TAs

	Percent Answering				Weighted Rating ^{1/}	Response Count	Response Rate ^{2/}
	Excellent	Good	Modest	Poor			
Relevance of TAs in helping to build capacity	53%	41%	6%	0%	3.5	34	97%
Consistency with Government priorities	29%	65%	6%	0%	3.2	34	97%
Coordination with other TA providers	28%	44%	28%	0%	3.0	32	91%
Coordination with IMF Headquarters	39%	61%	0%	0%	3.4	28	80%
Average for All Criteria	37%	53%	10%	0%	3.3	32	91%

¹ Based on ratings of Excellent=4, Good=3, Modest=2, and Poor=1.

² Ratio of the response count to the 35 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

1. Consistency with Government Objectives

86. During interviews that took place with a broad range of senior officials and staff of the executing in Cote d' Ivoire, Guinea and Mali, the Evaluation Team was advised that the West AFRITAC statistics TAs were country demand-driven and reflected country priorities. The

¹²¹ Benin; Burkina Faso; Côte d'Ivoire; Mali; Mauritania; Niger; Senegal.

¹²² Guinea ; Guinea-Bissau ; Togo

Evaluation Team validated this feedback by reviewing the material submitted to, and minutes of, the West AFRITAC Steering Committee meetings. Opening the 11th session of the West AFRITAC Steering Committee in April 2008 the Secretary General of the Ministry of Finance of Mali stated that "**AFRITAC was able to address beneficiary countries needs and provide best practices within its expertise area**". To illustrate this statement, he reminded the meeting that since its opening five years ago, West AFRITAC had conducted more than 700 TA missions, more than 40 regional seminars and 4 national workshops. This general statement applies to the statistics TAs. When the Evaluation Team met with the staff of the National Department of Statistics and Computer Science in Bamako, they were satisfied and were working very closely with the National Accounts Advisor: This close follow-up supported the implementation of the SNA 1993. However, there were some complaints about the lack of TA related to the CPI and the elaboration of regional indexes. While some client countries stated that West AFRITAC should have some expertise in the area of social sectors, the Evaluation Team notes that this is clearly beyond the IMF's normal areas of statistical expertise.

87. The relevance of having sound statistics for fiscal management is clear from the discussion on PFM in the previous section in this Annex. PFM TA was the largest of West AFRITAC's TA clusters. Introducing the concepts in the GFSM 2001 manual is very consistent and relevant with the efforts that most West AFRITAC client countries were making to improve their fiscal management. Officials in Cote d' Ivoire and Guinea advised the Evaluation Team that they were particularly appreciative of the support that they had received to improve GFS and that it supported their PFM action plans. West AFRITAC is the only AFRITAC with two Statistics Advisors and hence had the resources and expertise to increase the relevance of its statistics TAs by developing synergies with West AFRITAC's work in the fiscal area.

88. The respondents to the AFRITAC Evaluation Survey, which were mostly government officials who felt that they had enough experience with West AFRITAC to rate its statistics TAs, rated the TAs as **Good** in terms of consistency with Government priorities. Of the 34 respondents, 29% rated the consistency of the TAs with government priorities as **Excellent**, 64% as **Good**, 6% as **Modest** and none as **Poor**.

2. Coordination with Development Partners

89. Two important TA providers in the statistics area attend West AFRITAC Steering Committee meetings as observers – AFRISTAT and the World Bank. A senior AFRISTAT official attends West AFRITAC Steering Committee meetings and the Real Sector Statistics Advisor has close personal relations with AFRITAC and French statistics experts. These factors should enhance coordination with other TA providers in the statistics area. The fact that France, Germany and Canada are represented in the Steering Committee should also enhance coordination and sharing of information in the statistics area but there have been issues about gaps in attendance at Steering Committee meetings.

90. There are a growing number of organizations that are supporting the development of statistics in Sub-Saharan Africa. After a few years of limited activity, the United Nations Economic Commission for Africa organised the first session of Statistical Commission for Africa (StaCom-Africa) in Addis Ababa, Ethiopia from 20 to 24 January 2008. Other regional relevant organizations include AFRISTAT, AfDB and Paris 21. The World Bank and some bilateral donors are also supporting improvements in the statistics systems in some west AFRITAC client countries.

91. During the visit to Cote d' Ivoire, Guinea and Mali some concerns were expressed to the Evaluation Team about the strength of West AFRITAC's coordination with other development partners in the statistics area. For statistics, the level of coordination with other development partners seemed modest. In Mali, for example, contacts between the European Union and AFRITAC were on a personal relationship basis between one European Union Delegation staff in Bamako and the National Accounts Advisor at AFRITAC. In Mali a coordinating committee was created in 2007 for statistics, with Sweden as chair and European Union Delegation as the vice-chair. The objective of this initiative was to support statistics development and discuss financing among development partners. However, West AFRITAC did not participate actively in this coordination initiative.

92. The mission of the Economic and Statistical Observatory for sub-Saharan Africa (AFRISTAT), an international organization which began operations in 1996, is to build capacity to strengthen the development of economic, social and environmental statistics. AFRISTAT has 19 members,¹²³ including all West AFRITAC clients, and is located in Bamako. The work of AFRITAC is guided by a Direction Committee which is composed of senior officials in the national statistics offices, central banks and economic and monetary union organizations. AFRISTAT supports the activities of national statistical offices in West AFRITAC client countries and has statutory power in the area of harmonization of concepts, international standards and statistical methods to promote consistency and better comparability of statistical data. AFRISTAT, i an African skills centre for statistics, is headed by a General Director and deputy General Director, 21 experts¹²⁴ and 14 local supporting staff. Given the location and overlapping areas of expertise, except in the GFS area, and its attendance of West AFRITAC Steering Committee meetings, the Evaluation Team expected to see evidence of particularly strong coordination between AFRISTAT and the work of the Statistics Advisors. In the real sector statistics, West AFRITAC undertook some activities in partnership with AFRISTAT, particularly under their GDDS project for West Africa. However, given the commonality of purpose and the fact that both AFRISTAT and West AFRITAC are both located in Bamako, the Evaluation Team expected to see evidence of more active coordination with AFRISTAT. World Bank and AfDB also contribute to enhancing the quality of statistics in West AFRITAC member countries. Greater efforts to coordinate the effects of West AFRITAC, AFRISTAT, the World Bank, AfDB and the European Union should develop synergies that will improve the effectiveness and efficiency of improving statistics in West AFRITAC client countries. Such active coordination is necessary to find ways to address chronic strategic issues related to staffing and budget and to mobilize funding for the surveys that are necessary to improve the underlying quality of the data. Coordination must go beyond sharing information to find a coordinated approach that solves strategic problems.

93. Although the weighted relevancy rating was **Good**, the respondents to the AFRITAC Evaluation Survey rated coordination with other development partners the lowest among the three relevancy sub-criteria. This sub-criteria was the only one which received a substantial portion of **Modest** ratings. This data from the survey is consistent with the feedback received by the Evaluation team that there is a potential for West AFRITAC to improve its coordination with other development partners. This issue is discussed more fully in Chapter IV.

¹²³ Benin, Burundi, Burkina Faso, Cameroon, Cape Verde, Central African Republic, the Comoros, Congo, Côte d'Ivoire, Gabon, Guinea, Guinea-Bissau, Equatorial Guinea, Mali, Mauritania, Niger, Senegal, Chad and Togo.

¹²⁴ With expertise in national accountancy, macro-economy, social statistics, prices statistics, surveys, poverty analysis, agricultural statistics, new technologies, institutional organization of national statistical systems and project management, enterprises statistics, informal sector and demography.

3. Consistency with IMF Activities

94. The relevance of West AFRITAC's work in the statistics area can be judged by examining IMF's staff reports on Article IV consultations and PRGF review. The results are summarized below for the three countries visited:

1. **Côte d'Ivoire**¹²⁵: While judged to be adequate and sufficiently timely for surveillance purposes, weaknesses were identified in the areas of national accounts, balance of payments, and public finance, and in conciliation of fiscal and monetary data. While Côte d'Ivoire has participated in the GDDS since May 2000, the metadata has not been updated since June 2001. Examples where improvements were needed in areas in which West AFRITAC was working included (a) *Real Sector Statistics*: While a new set of national accounts is available covering the period 1996–2006 that is aligned with the 1993 System of National Accounts, the base year, 1996, is more than 10 years old. (b) *Public Finance Statistics*: While data up to 2006 is published in the Government Finance Statistics Yearbook, monthly or quarterly fiscal data is not reported to IMF for publication.¹²⁶ Documentation on the coverage of general government units and public enterprises is lacking fiscal and monetary data need to be reconciled. Support to address weaknesses in monetary and financial statistics and balance of payments statistics, which are prepared by the national agency of the Central Bank of West African States (BCEAO), was provided by STA. Such problems are common to all eight member countries of the WAEMU particularly to Côte d'Ivoire.

2. **Guinea**¹²⁷: The quality of Guinea's economic and financial data was judged to be adequate for program monitoring and surveillance, but still require improvement. Specific examples where improvements are needed in areas covered by West AFRITAC include: (a) *Real Sector Statistics*: Other than the CPI, real sector statistics are weak, incomplete, and published with insufficient timeliness to support economic policy making. A March 2000 mission presented detailed recommendations to improve real sector statistics and identified the lack of resources for compiling current statistics and insufficient training as the main causes of weakness in the statistical system. Although an action plan was prepared to address these weaknesses, financial resources for many of the measures have yet to be identified. (b) *Government Finance Statistics*: The relevance of West AFRITAC's GFS TAs is clear from the following objective in the Guinea PRGF which is to "Adopt a budget classification based on the IMF Government Finance Statistics Manual 2001 (particularly the economic and functional classifications) and define poverty-reducing expenditure based on the functional classification." However, budgetary data are often not internally consistent and while the budget includes most government operations, a number of "satellite" accounts and funds are excluded. There are also significant differences between the national definition of general government and GFSM 2001. The latest data published in the *GFS Yearbook* are for 1999 and Guinea does not report fiscal data for publication in IFS. Problems were also identified related to balance of payments and monetary accounts statistics which are areas being covered by STA.

3. **Mali**¹²⁸: While the data provided by Mali was deemed adequate for surveillance purposes, considerable scope for improving coverage, timeliness, and availability of economic and financial data was noted. Specific examples where improvements were needed in areas supported by West AFRITAC include: (a) *Real Sector Data*: While Mali has been participating in

¹²⁵ Source: Côte d'Ivoire. Use of Fund Resources. Request for Emergency Post- Conflict Assistance. Informational Annex. 21 March 2008. Pages 14 to 15.

¹²⁶ The Ministry of Finance makes detailed monthly government finance data available to the AFD.

¹²⁷ Source: Staff Report for the 2007 Article IV Consultation and Requests for Three-Year Arrangement Under the Poverty Reduction and Growth Facility and for Additional Interim Assistance Under the Enhanced Heavily Indebted Poor Countries Initiative. 6 December 2007. Pages 90 to 92.

¹²⁸ Source: Mali Staff Report for the 2008 Article IV Consultation and Request for a Three-Year Arrangement Under the Poverty Reduction and Growth Facility. Informational Annex. 8 May 2008. Pages 12 to 14.

the GDDS since 2001, the GDDS requires updating as it last certified in 2003; there are weaknesses in the accuracy, coverage, and timeliness of national accounts data; and, the weights and possible extension of coverage of the CPI to cities beyond Bamako needs to be considered; and (b) *Government financial Statistics*: Although Mali has made progress in bringing its fiscal data in line with the common framework (the harmonized table of government financial operations – TOFE), timeliness needs to be improved and coverage expanded to include public agencies and local governments. Other areas that also need to be looked into although are: (a) *Public Debt Statistics*: improving the coverage of debt relief (multilateral and bilateral), the presentation of passive debts and regularly updating exchange rate projections. (b) *Monetary Data*: preparing the form for Other Depository Corporations (2SR). (c) *Balance of Payments Data*: The quarterly balance of payments statements are not sufficiently robust for publication and the foreign assets of the private non banking sector are not well covered in the financial accounts and annual balance of payments statistics.

95. The West AFRITAC TAs are relevant to, and consistent with, the priorities identified in the IMF documents prepared by Headquarters staff. There is also evidence that West AFRITAC was not able to address all of the statistics needs identified in the IMF documents. Some gaps were filled by TA processed and administered by STA. The issue is where it is more effective and efficient to have such TA provided by STA from Washington or by West AFRITAC from Mali. The respondents to the AFRITAC Evaluation Survey rated the coordination of West AFRITAC TAs and Headquarters activities as **Good, bordering on Excellent**. Of the 28 respondents, 39% rated this relevancy sub-criteria as **Excellent** and 61% as **Good** (see Table E.26). None of the respondents rated it as Modest or Poor. This was the highest rating of the three relevancy sub-criteria.

4. Assessment of the Relevance of the West AFRITAC Statistics TAs

96. The Evaluation Team's overall rating of the relevance of West AFRITAC's statistics TAs was **Good** (see Table E.27). It was rated as **Excellent** in terms of consistency with IMF activities, partly because of the synergies between the work to improve GFS and the work of IMF in general, and the PFM Advisor, in the fiscal area. The consistency with government priorities would have been rated higher if West AFRITAC devoted more effort to improving pricing statistics to allow the national accounts and CPIs to be rebased. This would have required playing a leading role in mobilizing funds for other donors to undertake the necessary household surveys. Also, more strategic interventions were needed to address long standing, fundamental issues related to budget and staffing of statistical agencies in many countries.

97. The average score for all four questions on the AFRITAC Evaluation survey related to the relevancy of West AFRITAC statistics TAs was **Good**, which was broadly consistent with the Evaluation Team's rating, although the results from the survey were slightly more positive than the conclusions of the Evaluation Team, particularly in the area of donor coordination. Like all other Advisors, the West AFRITAC statistics advisers were handicapped in efforts to share information because IMF's corporate policies did not allow them to disseminate their reports.

Table E.27: Relevancy of West AFRITAC's Statistics Assistance

Criteria	Weight (%)	
		Rating/ Score ^b
1. Consistency With Government Priorities	60	3.0
2. Coordination with Development Partners	20	2.0
3. Consistency with IMF Activities	20	4.0
Overall Relevance Rating/Score	100	3.0
a Rating: 4 = Excellent; 3 = Good; 2 = Modest; 1 = Poor b Weight by % of West AFRITAC's Budget Allocated to Statistics Assistance Highly Relevant (Excellent) ≥ 3.5; 3.5 < Relevant (Good) ≥ 2.5; 2.5 < Partly Relevant (Modest) ≥ 1.5; Not Relevant (Poor) < 1.5		

C. Effectiveness of West AFRITAC Statistics TAs

1. Use of AFRITAC Outcomes

98. In macroeconomic statistics, West AFRITAC TAs contributed to achieving the following: (i) improving the institutional coverage, quality and timeliness of the TOFE; (ii) assessing the coverage, quality and reliability of balance of payments data, and improving the statistical system (e.g. in Guinea Bissau) and (iii) assisting in the area of GDDS, focusing on the revision of the metadata, and updates of the plans for improvements. With the support of West AFRITAC, three countries (Guinea, Mauritania and Togo) succeeded in posting their updated metadata on the IMF website.

99. In the area of real sector statistics, the main results achieved were: (i) disseminating best practices related to SNA 1993 in the West AFRITAC member countries – although in some countries (e.g., Guinea) after a qualified team of national accountants was set up, it was weakened by staff turn-over and low salaries; (ii) introducing and implementing best practice procedures and techniques for the estimation of national accounts; (iii) improving the timeliness for the data dissemination. The main challenges related to the real sector statistics relate to efforts to increase the number of staff on the national accounts teams in particular and of building the capacity of national institutes of statistics in general and improving the links between anticipatory, temporary and final accounts. Addressing these strategic issues was not a core element of West AFRITAC's work in the statistics area.

100. In the GFS area, the main achievements were: (i) consolidating previous achievements related to the classification procedure and the Table of Financial Operations of the State (Tableau des Operations Financières de l'Etat, TOFE); (ii) disseminating the methodology among the stakeholders of data base production; (iii) the improvement of data collection and basic data quality and coordination among the offices involved; (iv) implementation of the GDDS system improvement consistent with the GFS. The main challenges remaining are

related to the best organisation of statistical services, best coverage of the areas for data collecting, capacity-building in terms of 2001 GFS and follow-up of GDDS.

101. In the Côte d'Ivoire the Evaluation Team received positive feedback on the contributions of both West AFRITAC and STA in the areas of BOP, National Accounts and GFS from officials at BCEAO, the Ministry of Finance and Economy and the National Statistics Institute. They attributed the significant progress made in elaborating TOFE and gaining a better understanding of methodological issues and data gaps to West AFRITAC missions and a West AFRITAC short term expert. They felt that particularly significant progress had been made on GFS 2001 and welcomed West AFRITAC's practical hands on assistance. The Ministry of Finance has reported data up to 2006 for publication in the Government Finance Statistics Yearbook.

102. Significant progress was also reported in the GFS area by the Guinea Ministry of Finance. Fiscal data for Guinea is not published in the IFS. However, joint STA/West AFRITAC GFS TA is underway and that the next budget should be classified according to GFS 2001. New software may be needed and this would be an area in which West AFRITAC could play a useful role. Because of the progress that has been made, one of the benchmarks adopted in the Guinea PRGF is to "Adopt a budget classification based on the IMF Government Finance Statistics Manual 2001 (particularly the economic and functional classifications) and define poverty-reducing expenditure based on the functional classification." In Guinea, West AFRITAC helped prepare provisional national accounts estimates for the new base year (2003) and prepare provisional national accounts estimates for 2003 to 2005.

103. Most workshop participants and senior officials that the Evaluation Team met recognised that AFRITAC contributed to their capacity building and that most were using the knowledge they acquired from West AFRITAC TA to improve their performance. This confirmed the statement referred to above, made by the Mali Secretary General of the Ministry of Finance when opening the 11th session of the West AFRITAC Steering Committee. But due to staff turn-over and less motivating working conditions, AFRITAC outcomes are not used at full capacity.

2. Planned Versus Actual Achievements

104. Comparing the West AFRITAC work plan and the achievements confirms that most of the planned activities were executed as planned and that momentum is building in the GFS area in some countries. However, limited progress was made in strengthening the CPI, either through rebasing or expanding the coverage to cities other than the capital city or to cover rural areas. Updating the base year and broadening the coverage of the CPI would require household expenditure surveys to be undertaken. However, in the past IMF has not financed such surveys. Because of the adverse impact of rising food and fuel prices on the poor, many of West AFRITAC client countries were concerned about getting better estimates of inflation as an input into monetary policy. Improving the estimate of inflation, particular on the poor, is important in the context of implementing country Poverty Reduction Strategies.

3. Significance of Contribution to Developing Core Economic Functions

105. Stringent criteria must be satisfied before a country's statistics are published in IFS. A review of the September 2005 edition of the IFS indicated that there are gaps in some of the data published for some countries or the data is not very timely. One indicator of the significance of West AFRITAC's contribution in the statistics area would be whether there is evidence of more timely data or fewer gaps in wider reporting for client countries in the October 2008 edition of the IFS compared to September 2005. The data available for West AFRITAC

client countries in the October 2008 edition of the IFS is summarized in Table E.28 which showed that there has been some improvement in the timeliness of national accounts data. In 2005 IFS, the most recent GDP estimate was for 2003 for more countries; in 2008, GDP estimates were more recent with data available for 2007. The one exception was Mauritania for which no GDP estimate for any year was published in 2007. In the 2005 IFS, only the 1998 GDP estimates were available for Mauritania. For Guinea, a positive development was publishing its 2007 GDP estimates and some historical figures compared to non availability of data in 2005. Given that many of West AFRITAC TAs focused on national accounts, it is reasonable to conclude that those TAs contributed to the production of more timely GDP estimates. However, as shown by the data in Table E.25, there continues to be a problem with the use of base years that are a decade or more old. Similarly, while CPIs were published for all countries in both 2005 and 2008, the base year needs to be updated in all countries.

106. There is less evidence of progress in the other statistical areas. In the central banking area, where West AFRITAC has generally not been involved, monetary surveys were available in all countries 2008 but no banking surveys data were published in any of the AFRITAC member countries in both 2005 and 2008. In 2008 all countries published BOP estimates;. However, timeliness remains a problem. The most recent BOP estimates were for 2006 for Mali, Niger, Senegal and Togo.

107. Government financial data in the 2008 IFS remained irregular, as it was in 2005. While some data was available for Benin, Burkina Faso, Côte d'Ivoire and Mali, no data was published for the other countries. The data published in 2008 for Mali had not been updated from the data published in 2005. Feedback received by the Evaluation Team in Côte d'Ivoire and Guinea indicates that the quality and timeliness of GFS reported in the IFS should improve in the near future as a result of West AFRITAC's work.

Table E.28: Publication of Data in the October 2008 IFS for West AFRITAC Client Countries						
	Monetary Survey	Banking Survey	CPI	BOP	GFS	National Accounts
Benin	Yes		Yes	Yes (2005)	Yes (2006)	Yes
Burkina Faso	Yes		Yes	Yes (2001)	Yes ¹ 2005	Yes
Côte d'Ivoire	Yes		Yes	Yes	Yes ¹	Yes
Guinea	Yes			Yes (2004)		Yes
Guinea-Bissau	Yes		Yes	Yes (2004)		Yes
Mali	Yes		Yes	Yes (2006)	Yes ¹ (2003)	Yes
Mauritania	Yes			Yes		
Niger	Yes		Yes	Yes (2006)		Yes
Senegal	Yes		Yes	Yes (2006)		Yes
Togo	Yes		Yes	Yes (2006)		Yes
WAEMU	Yes		Yes (2006)			Yes ¹ (2006)
CPI = Consumer Price Index; BOP = Balance of Payments; GFS = Government Finance Statistics Date inserted if most recent data is prior to 2007 ¹ means significant missing data Bold means the data was not published in 2005						
Source: IMF. International Financial Statistics, October 2008 and October 2005 editions.						

108. In summary, West AFRITAC approach of combining good technical content workshops/seminars and providing relevant TA has contributed to improving data timeliness and quality for national accounts and it is reasonable to conclude that in the near future better quality GFS will be published for some countries. Although some institutional reforms (e. g., creation of National Institute of Statistics) have taken place, most countries have statistics laws and most have or are formulating national statistics development strategies, the pace of reforms and the quality of data are still behind expectations. In some cases staffing weaknesses and budget constraints are limiting the ability of some countries to implement the necessary reforms. The institutional weaknesses have also contributed to some of the difficulties experienced related to the implementation of TA recommendations. The significance of West AFRITAC's contributions was limited by its inability to provide financing to support the implementation of TA recommendations. For example, in Guinea, the staff at the National Department of Statistics advised the Evaluation Team that while they recognized the importance of TA provided by West AFRITAC, they were experiencing difficulties in the implementation of AFRITAC TA for the national accounts. The national accountants were more involved in AfDB's International Comparison Program for Africa than in the elaboration of national accounts consistent with SNA 1993 because AfDB provided funding to support its program.

4. Rating the Effectiveness of West AFRITAC's statistics TAs

109. The respondent's for the West AFRITAC Evaluation Survey were asked to rate the achievement of the three effectiveness sub-criteria. Between 31 and 34 people rated the effectiveness sub-criteria for West AFRITAC's Statistics TAs. The average rating for all sub-

criteria was **Good** (see Table E.29). The rating of the use of outputs and significance of contributions were similar – about one quarter rated them as **Excellent**, two thirds as **Good** and 10% as **Modest**. The ratings of achieving tangible results were broadly similar, although 21% of the respondents rated West AFRITAC's statistics TAs as Modest. No respondents rated the effectiveness of West AFRITAC's TAs. as poor on any of the effectiveness sub-criteria.

Table E.29: Effectiveness of West AFRITAC's Statistics TAs

	Percent Answering				Weighted Rating ^{1/}	Response Count	Response Rate ^{2/}
	Excellent	Good	Modest	Poor			
Use of the outputs	26%	65%	10%	0%	3.2	31	89%
Effectiveness in achieving tangible results	26%	53%	21%	0%	3.1	34	97%
Significance of contributions to developing core economic functions	27%	64%	9%	0%	3.2	33	94%
Expertise and assistance	44%	38%	18%	0%	3.3	34	97%
Sustainability of the benefits of AFRITAC TAs	12%	73%	15%	0%	3.0	33	94%
Average for All Criteria	27%	58%	14%	0%	3.1	33	94%

¹ Based on ratings of Excellent=4, Good=3, Modest=2, and Poor=1.

² Ratio of the response count to the 35 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

110. Another element to consider when assessing the effectiveness of TAs is the progress that is being made in achieving their objectives. The objectives specified in the West AFRITAC Program Document for statistics are to: (i) upgrade the methodologies for compilation of economic and financial statistics to international standards; and (ii) improve the dissemination of macroeconomic data. Only a small proportion of the 100 or so respondents to the AFRITAC Evaluation Survey, slightly over 10%, felt that West AFRITAC had achieved these objectives. The large majority, over 60%, felt that while significant progress had been made, the objectives have not been achieved. A significant proportion felt that only modest progress has been made in achieving the objective but only very small numbers (less than 5%) felt that no progress was being made (see Table E.30).

Table E.30: West AFRITAC's Progress in Achieving Statistical Objectives

	Percent Answering				Response Count	Response Rate ^{1/}
	Objective Fully Achieved	Despite Substantial Progress, Objective not yet Achieved	Only Modest Progress Made to Achieve Objective	No Significant Progress Made		
To upgrade the methodologies for compilation of economic and financial statistics to international standards	11%	65%	20%	4%	105	67%
To improve the dissemination of macroeconomic data	12%	61%	24%	3%	100	64%

¹ Ratio of the response count to the 157 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

111. The Evaluation Team's rating of West AFRITAC's statistics TAs is summarized in Table E.31. The overall effectiveness rating is **Good**, a rating that is consistent with the responses to the AFRITAC Evaluation Survey. There is evidence that most TA outputs in the national accounts and GFS areas are being used and that actual achievements are broadly comparable to planned achievements, after allowing for unforeseen factors that resulted in changes in the work plan. The only effectiveness sub-criteria that the Evaluation Team rated as **Modest** was the significance of West AFRITAC's contribution to institution building. Many of the statistical weaknesses in West AFRITAC client countries persist and reflect issues related to budget, staffing and the underlying quality of the data. Addressing these core problems is not a major feature of West AFRITAC's statistics TAs.

Table E.31 Effectiveness of West AFRITAC's Statistics Assistance

Criteria	Weight (%) ^a	Rating ^b
1. Use of AFRITAC Outcomes	40	3.0
2. Planned vs. Actual Achievements	30	3.0
3. Significance of Contribution to Developing Core Economic Functions and Institution Building	30	2.0
Overall Effectiveness Rating/Score	100	2.8
^a Weight by % of the West AFRITAC's budget allocated to Statistics Assistance		
^b Rating: 4 = Excellent; 2 = Good; 2 = Modest; 1 = Poor		
Highly Effective (Excellent) ≥ 3.5; 3.5 < Effective (Good) ≥ 2.5; 2.5 < Partly Effective (Modest) ≥ 1.5; Not Effective (Poor) < 1.5		

D. Efficiency of West AFRITAC Statistics TAs

1. Process and Implementation Efficiency

112. West AFRITAC Statistics TAs involve a various number of stakeholders including West AFRITAC Resident Advisors and short term consultants, STA back stoppers, senior officials in executing agencies and workshop participants and Steering Committee members. Close collaboration between these stakeholders contributes to the smooth implementation of the Steering Committee approved work programs. An examination of the actual expenditures of West AFRITAC as of the end of October 2008 (i.e., the half way point of FY2009) suggests that the pace of the process implementation could be improved. Only 10% of the budget for short term statistics experts had been spent although half of the year had elapsed¹²⁹. Similarly the budget for West AFRITAC for regional travel by Resident Advisors was only 15% expended and for training and workshops, none of the budget has been spent. A large expenditure for seminars and training was carried over from FY2007 to FY 2008 and other funds in this category were carried over from FY2008 to FY2009. The Evaluation Team believes that Steering Committee members and the West AFRITAC national could play a stronger role in helping West AFRITAC to improve its implementation efficiency by providing more active in-country support so that the executing agencies are better prepared to accept missions.

113. During the Evaluation Team's discussions with the West AFRITAC Statistics Advisor and STA officers in Headquarters, no major problems were identified with STA's backstopping model. There appeared to be a dynamic collaboration between Statistics Advisor and STA. STA's generally reacted promptly to the Advisor's request for information and assistance. Comments on technical matters by STA generally added value.

2. Use of Resources

114. In the statistics area, West AFRITAC provided a total of 49 person months during FY 2006 to FY 2008. There has been a constant increase in the number of person months of statistics TA provided by West AFRITAC from 10 in FY 2004 to 18.5 in FY 2008. Slightly over one quarter the statistics TA was provided by short term experts. It cost slightly over than \$1.1 million to deliver this TA, equivalent to a cost of about \$22,700 per person month of input. This is virtually identical to the average cost per person month of TA for West AFRITAC and comparable to the cost per person month of TA delivered in the statistics area by East (\$24,300) and Central (\$23,900) AFRITAC. These cost comparisons indicated that in terms of cost efficiency, there is no substantial difference between the three AFRITACs in the statistics area.

115. The survey results suggest that West AFRITAC and STA's role in selecting Statistics Resident Advisors and short term statistics experts is using the available financial resources to mobilize good quality human resources. Of the 34 people who provided a rating for West AFRITAC statistics TAs, 44% rated the quality of the expertise and assistance as **Excellent**, 38% as **Good**, 18% as **Modest** and none as **Poor**. This is equivalent to a weighted **Good** rating, well above the midpoint and bordering on the cut off point for **Excellent**.

¹²⁹ The commitment rate for the budgets for short term experts in the FAD and MCM areas during the first half of FY2009 was also low, although at 20% they were double that of statistics.

3. Monitoring and Reporting

116. Although progress has been made, a review of the monthly reports and material submitted to the Steering Committee during the evaluation period indicates more effort was needed to monitor and report in a manner that is consistent with managing for development results. More attention needs to be given to identifying outcomes over a two to three year period and showing how the outputs being achieved are likely to contribute to the strategic outcomes. As is the case for all functional areas and all AFRITACs, during most of the evaluation period the Statistics Advisors were hampered by an inability to access TAIMS. Although TAIMS is now accessible from West AFRITAC, the system is slow when being used from a remote location and connections are sometimes less than optimal.

4. Rating the Efficiency of West AFRITAC Statistics TAs

117. Overall, the Evaluation Team rated the efficiency of West AFRITAC's statistics TAs as **Good**. Reporting in a way that is consistent with managing for development results is an area where improvements could be made.

Table E.32: Efficiency of West AFRITAC's Statistics Assistance

Criteria	Weight (%)	Ratinga/Score ^b
1. Process/Implementation Efficiency	40	3.0
2. Efficient Use of Resources	40	3.0
3. Monitoring and Reporting	20	2.0
Overall Efficiency Rating/Score	100	2.8
a/ Rating: 4 = Excellent; 3 = Good; 2 = Modest; 1 = Poor		
b/ Weight by % of West AFRITAC's budget allocated to Statistics Assistance		
Highly Efficient (Excellent) ≥ 3.5; 3.5 < Efficient (Good) ≥ 2.5; 2.5 < Partly Efficient (Modest) ≥ 1.5; Not Efficient (Poor) < 1.5		

E. Sustainability of West AFRITAC Statistics TAs

1. Political Economy Issues

118. On the institutional organisation side, most WEST AFRITAC member countries have made the positive decision to shift from a department of statistics and national accounts within the ministry in charge of the economy and finance to a more independent national institute of statistics. The consequences of such a shift usually include a greater level of decision making and authority and a greater ability to improve human resources, equipment and financing. This broad shift within the region has positive implications for institutional sustainability. Similarly, the adoption of a statistics law and the preparation of a national statistics development plan should contribute to the sustainability of statistics TAs. However, such institutional changes, improvements in the legal framework and preparation of plans do not always have the desired impact. As is stated in the Staff Report for the Guinea 2007 Article IV Consultation, a March 2000 mission presented detailed recommendations to improve real sector statistics. The mission identified the lack of resources for compiling current statistics and insufficient training as

the main causes of weakness in the statistical system. Guinea has drafted an action plan to address these weaknesses, but financial resources for many of the measures have yet to be identified. A review of the documentation and interviews that the Evaluation Team had in Côte d'Ivoire, Guinea and Mali and information available in the World Bank's data base on country statistical systems indicate that there are many weaknesses in the statistics area. The problems of institutional weakness are illustrated by the following quote from the June 2008 review of the Guinea PRGF: "The authorities are working with staff to improve the quality of statistics for program monitoring. Substantial shortcomings in the assessment of trade flows, private transfers, income payments, and foreign direct investments (FDI) make balance of payments projections highly unreliable. The authorities should draft plans and mobilize human resources to implement the recommendations of the recent Fund technical assistance in this regard. Progress should continue in the area of national accounts."

119. The Evaluation Team ranked the institutional absorptive capacity as **Good** in four¹³⁰ West AFRITAC client countries, **Moderate** in three¹³¹ and **Poor** in three countries¹³². In most countries national statistics agencies are weaker than the central banks and the ministries of finance and have serious staffing and budget constraints. As a result there is usually inadequate funds for surveys to strengthen the reliability and timeliness of data which are affected by the inadequacy of computer hardware and software. These factors generally apply in the countries visited by the Evaluation Team and have the potential to undermine the sustainability of TA benefits is a reflection of the challenging countries in which West AFRITAC works and is not a reflection of the quality of the statistics TAs.

2. Executing Agency Ownership and Use of TA outputs

120. Generally executing agencies own and use the output of West AFRITAC's statistics TAs according to most of the officials met by the Evaluation Team and the feedback received during the focus groups with workshop participants (e.g., Cote d'Ivoire). However, this was not always the case. The reasons for the instances of less than satisfactory outcome can be grouped under two headings : (i) executing agencies face problems related to a lack of financial and human resources and/or staff turnover which slow the pace of implementing TA recommendations; and (ii) in a few cases there were one-off TA interventions or a lack of follow up from West AFRITAC (e. g., a workshop on economic accounts in Guinea was designed to familiarize participants with macro economic analysis and build their capacity which was rated by participants as excellent in terms of technical content – however there was no follow up from West AFRITAC to help change Guinea's system so that the skills learned could be applied). The results of the AFRITAC Evaluation Survey provide further evidence that the outputs of West AFRITAC's statistics TAs are generally used by executing agencies. Over 90% of the respondents stated the use of TA outputs as either **Excellent** (26%) or **Good** (65%) (see Table E.29). The AFRITAC Evaluation Survey also provides some feedback that the objectives being addressed by the West AFRITAC statistics TAs remain important, something that should contribute positively to the continued use of the TA outputs. Over 90% of the over 125 respondents rated both statistics objectives as being either of **Highest Importance** or **Important** (see Table E.33).

¹³⁰ Benin, Burkina Faso, Mali and Senegal

¹³¹ Mauritania; Niger; Togo

¹³² Cote d'Ivoire; Guinea; Guinea Bissau

Table E.33: The Importance West AFRITAC Should Assign to Statistical Objectives

	Percent Answering				Response Count	Response Rate ¹
	Highest Importance	Important	Modestly Important	Not Important		
To upgrade the methodologies for compilation of economic and financial statistics to the latest international standards	48%	47%	5%	0%	127	90%
To improve the dissemination of macroeconomic data and metadata	34%	58%	8%	0%	128	91%

¹ Ratio of the response count to the 141 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

3. Promoting the Use of African Expertise

121. West AFRITAC has promoted the use of African expertise in the statistics area. One of the two Statistics Advisors is African. Also a reasonable portion of the short term experts used were from Africa.

4. Financial Sustainability

122. The small number of respondents who felt that West AFRITAC has fully achieved its statistical objectives, the information available in the World Bank data base and the feedback received by the Evaluation Team during its field visits, indicate that West AFRITAC's work in the statistics area represents an unfinished agenda. More TA and support will be needed until the outcomes are achieved and firmly embedded in the routine procedures of the executing agencies. Also, its clients have a growing demand for support in the statistics area. The feedback to the Evaluation Team was that the Statistics Fiscal Advisors are over stretched and are trying to cover too many countries. More financial resources will be needed to ensure that West AFRITAC's portfolio of statistics TAs result in sustainable benefits. However, at the time of the evaluation, neither IMF nor the donors have committed to funding Phase III.

5. Rating the Sustainability of West AFRITAC's Statistics TAs

123. The rating of the sustainability of West AFRITAC's statistics TAs is given in Table E.34. Sustainability is rated as **Sustainable but borderline Partly Sustainable**. Area of concern to the Evaluation Team relate to political economy issues and financial sustainability. This rating of sustainability is slightly lower than the responses to the survey suggest. Of the 33 respondents, 12% rated the sustainability of the West AFRITAC TAs as **Excellent**, 73% as **Good** and 15% as **Modest**, equivalent to a **Good** rating at the midpoint of the range.

Table E.34: Sustainability of the West AFRITAC's Statistics Assistance

Criteria	Weight ^a (%)	Rating ^b
1. Political Economy Issues	25	2.0
2. Executing Agency Ownership and Use of Outputs	40	3.0
3. Promoting Use of African Expertise	15	3.0
4. Financial Sustainability	20	2.0
Overall Sustainability Rating/Score	100	2.6
^a Weight by % of West AFRITAC's budget allocated to Statistics Assistance ^b Rating: 4 = Excellent; 3 = Good; 2 = Modest; 1 = Poor Highly Sustainable (Excellent) ≥ 3.5; 3.5 < Sustainable (Good) ≥ 2.5; 2.5 < Partly Sustainable ≥ 1.5 (Modest); Not Sustainable (Poor) < 1.5		

F. Rating West AFRITAC's Portfolio of Statistics TAs

124. Drawing on the foregoing, the rating of west AFRITAC's portfolio of statistics TAs is given in Table E.35. The overall rating is **Good but somewhat below the midpoint of the range**. The highest rating was for relevance and the lowest was for sustainability. Compared to international standards, the statistics produced by West AFRITAC member countries are weak in terms of quality and timeliness, although there is a growing awareness among the countries of the need to improve statistics so that they are more useful as a tool for economic management. Improving the results delivered by West AFRITAC statistics TAs will require progress on a broad range of areas -- implementing institutional reforms to address staffing and budgetary issues, finding ways to more actively support the implementation of TA recommendations in country contexts with severe budget and staffing limitations and more support from and better coordination among the donors community.

Table E.35: Overall Assessment of West AFRITAC's Statistical Assistance

Norm of Evaluation	Weight (%)	Total Rating a/ Score ^b
1. Relevance	32	3.0
2. Effectiveness	28	2.8
3. Efficiency	22	2.8
4. Sustainability	18	2.6
Overall Rating/Score	100	2.8
a/ Rating: 4 = Excellent; 3 = Good; 2 = Modest; 1 = Poor b/ Weight by % of West AFRITAC's Budget Allocated to the Activity/TA Cluster Highly Successful (Excellent) ≥ 3.5; 3.5 < Successful (Good) ≥ 2.5; 2.5 < Partly Successful ≥ 1.5 (Modest); Not Successful (Poor) < 1.5		

V. Overall Rating of West AFRITAC TAs

125. Overall, the West AFRITAC's performance is rated as Good, slightly below the midpoint of the range (see Table E.36). The highest ratings were for relevance which indicates that the TAs were well chosen, were owned by the governments and were well aligned with IMF operations in the countries. **Consistently for all TA clusters, the donor coordination received the lowest ratings among the relevance sub-criteria, both from the AFRITAC Evaluation Survey and based on the feedback that the Evaluation Team received during its fieldwork.** The lowest ratings were for sustainability which reflects political economy issues, institutional absorptive capacity issues, a need for more follow up and finding ways to implement TA recommendations in countries facing budget constraints and excessive country coverage responsibilities of Resident Advisors.

126. Although all clusters were rated as Good, there were some differences in performance across the TA clusters. The Microfinance TAs were rated above the midpoint in the Good range and the Debt Management TAs were rated on the midpoint. West AFRITAC's PFM, Revenue Administration and Statistics clusters were all rated as Good, but below the midpoint on the range.

Table E.36: Overall Assessment of West AFRITAC

Norm of Evaluation	Weight (%)	Rating By Activity/TA Cluster ^a			
		Fiscal	Monetary/Finance	Statistics	Total Score ^b
		60	23	17	100
1. Relevance	32	3.0	3.4	3.0	3.1
2. Effectiveness	28	2.6	3.2	2.8	2.8
3. Efficiency	22	2.8	2.8	2.8	2.8
4. Sustainability	18	2.7	2.8	2.6	2.7
Overall Rating/Score	100	2.8	3.1	2.8	2.9
^a Rating: 4 = Excellent; 3 = Good; 2 = Modest; 1 = Poor ^b Weight by % of East AFRITAC's Budget Allocated to the Activity/TA Cluster Highly Successful (Excellent) ≥ 3.5 ; $3.5 < \text{Successful (Good)} \geq 2.5$; $2.5 < \text{Partly Successful} \geq 1.5$ (Modest); Not Successful (Poor) < 1.5					

West AFRITAC Survey Results

Table EX.1: West AFRITAC Respondents by Employer

	% of Total Responses	Response Count
Government Ministry/Agency	49%	77
TA Provider	12%	19
IMF and Short-term Experts	33%	52
Other	6%	9
Total	100.0%	157

Source: 2008 AFRITAC Evaluation Survey

**Table EX.2: West AFRITAC Government Officials
By Type of Organization**

	% of Total Responses	Response Count
Ministry of Finance	47%	36
Central Bank	12%	9
National Statistical Agency	19%	15
Revenue Administration	14%	11
Other	8%	6
Total	100.0%	77

Source: 2008 AFRITAC Evaluation Survey

Table EX.3 : West AFRITAC IMF Staff and Short-term Experts By Department

	% of Total Responses	Response Count
African Department	17%	9
Fiscal Affairs Department	15%	8
Monetary and Capital Markets Department	4%	2
Statistics Department	4%	2
Resident Representative Office	21%	11
AFRITAC	26%	14
Other	13%	7
Total	100%	53

Source: 2008 AFRITAC Evaluation Survey

Table EX.4: West AFRITACs' Role in Helping Countries Define TA Priorities

	% of Total Responses	Response Count
Important and Leading Role	38%	55
Played a Role But Not a Leader	57%	83
Minor Inputs	5%	7
Did Not Play Any Role	0%	0
Total	100%	145
No Response/No Opinion		12
Grand Total		157

Source: 2008 AFRITAC Evaluation Survey

Table EX.5: Respondents' Views of the Relevance of the Work of the West AFRITAC

	Percent Answering				Response Count	Response Rate ^{1/}
	Strongly Agree	Agree	Disagree	Strongly Disagree		
Work is demand-driven and responsive to the needs of countries.	41%	51%	7%	1%	125	89%
Strong country ownership	19%	54%	25%	2%	126	89%
Closely linked to IMF's surveillance work and program activities	30%	60%	7%	2%	122	87%
Closely coordinated with IMF Headquarters TAs	34%	60%	6%	0%	121	86%
AFRITAC provides feedback from countries to IMF Headquarters	29%	44%	22%	4%	95	67%
Closely linked to the poverty-reducing strategies of its member countries	23%	52%	23%	2%	111	79%

¹ Ratio of the response count to the 141 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table EX.6: Respondents Views of the Effectiveness of the Steering Committees in Providing Oversight and Guidance to West AFRITAC

	% of Total Responses	Response Count
Excellent	17%	17
Good	69%	69
Modest	11%	11
Poor	3%	3
Total	100%	100
Weighted Rating ^{1/}	3.0	
Total Responses	71%	100
No Response/No Opinion	29%	41
Grand Total	100%	141

¹ Based on ratings of Excellent=4, Good=3, Modest=2, and Poor=1.

Source: 2008 AFRITAC Evaluation Survey

Table EX.7: Effectiveness of West AFRITAC in Enhancing the Quality of TA Delivery

	% of Total Responses	Response Count
Excellent	23%	34
Good	62%	92
Modest	14%	21
Poor	1%	2
Total	100%	149
Weighted Rating ^{1/}	3.1	
Total Responses	95%	149
No Response	5%	8
Grand Total	100%	157

¹ Based on ratings of Excellent=4, Good=3, Modest=2, and Poor=1.

Source: 2008 AFRITAC Evaluation Survey

Table EX.8: Effectiveness of West AFRITAC TA Delivery Modalities

	Percent Answering				Weighted Rating ^{1/}	Response Count	Response Rate ^{2/}
	Excellent	Good	Modest	Poor			
Resident Advisors	29%	55%	15%	1%	3.1	102	65%
Short Term Experts	21%	61%	16%	2%	3.0	129	82%
Regional Workshops/ Training Courses	38%	50%	10%	2%	3.3	120	76%
National Workshops/ Training Courses	23%	62%	9%	6%	3.0	97	62%
Professional Attachments in African Organizations	20%	52%	26%	2%	2.9	54	34%
Average for All Criteria	26%	56%	15%	2%	3.1	100	64%

¹ Based on ratings of Excellent=4, Good=3, Modest=2, and Poor=1.

² Ratio of the response count to the 157 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table EX.9: Quality of West AFRITAC Training Courses/Workshops/Seminars

	Percent Answering				Weighted Rating ^{1/}	Response Count	Response Rate ^{2/}
	Excellent	Good	Modest	Poor			
Topics Covered	58%	42%	0%	0%	3.6	77	97%
Resource Persons/Presenters	32%	67%	1%	0%	3.3	76	96%
Quality of Presentations	32%	65%	3%	0%	3.3	77	97%
Time to Interact with Other Participants	38%	60%	3%	0%	3.4	77	97%
Quality of the Venue	32%	61%	5%	3%	3.2	76	96%
Length of course	6%	51%	36%	6%	2.6	77	97%
Post Course/ Workshop Follow up and Support	4%	33%	41%	22%	2.2	69	87%
Average for All Criteria	23%	54%	17%	6%	2.9	75	95%

¹ Based on ratings of Excellent=4, Good=3, Modest=2, and Poor=1.

² Ratio of the response count to the 79 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

**Table EX.10: Use of the Knowledge Gained in West AFRITAC
Workshops/Seminars/Training Courses**

	Percent Answering				Response Count	Response Rate ^{1/}
	Strongly Agree	Agree	Disagree	Strongly Disagree		
The topics covered were relevant to my day to day activities	64%	33%	3%	0%	70	89%
Used knowledge nearly every day on the job	33%	37%	30%	0%	67	85%
Used knowledge occasionally (once a week) on the job	11%	34%	32%	23%	65	82%
Seldom used knowledge on the job	0%	6%	52%	42%	64	81%
Topics too advanced	6%	10%	40%	44%	68	86%
Changed jobs and do not use knowledge	3%	6%	42%	48%	62	78%
Organization does not have the information technology or computer systems needed to use the knowledge gained	3%	6%	39%	52%	64	81%

¹ Ratio of the response count to the 79 respondents who rated the AFRITAC Centers for this issue.
Source: 2008 AFRITAC Evaluation Survey

Table EX.11: Respondents' Views on the West AFRITAC's Work Compared to IMF Headquarters

	Percent Answering				Response Count	Response Rate ^{1/}
	Strongly Agree	Agree	Disagree	Strongly Disagree		
Responds more quickly than Headquarters	39%	43%	15%	3%	95	67%
More flexible than Headquarters	35%	50%	13%	2%	103	73%
Better understands countries than Headquarters based staff	32%	50%	16%	3%	113	80%
More responsive to country needs than Headquarters	27%	51%	21%	1%	102	72%
More effectively promotes regional integration and harmonization than Headquarters	35%	51%	11%	4%	104	74%
Supports the implementation of policies and strategies identified by Headquarters	33%	63%	4%	1%	113	80%
IMF should re-allocate staff and resources from Headquarters to the AFRITACs	30%	54%	11%	6%	114	81%
Expertise equivalent or better than that provided by Headquarters	24%	48%	21%	7%	118	84%
Expertise and advice significantly weaker than that provided by the IMF Headquarters	3%	11%	56%	30%	114	81%

¹ Ratio of the response count to the 141 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table EX.12: Respondents' Views on West AFRITAC's Work Compared to Other TA Providers

	Percent Answering				Response Count	Response Rate ^{1/}
	Strongly Agree	Agree	Disagree	Strongly Disagree		
Responds more quickly to requests than other TA providers	23%	48%	27%	2%	88	62%
More flexible than other TA providers	21%	44%	31%	5%	87	62%
Better understands of the countries than other TA providers	25%	38%	35%	2%	84	60%
More responsive to country needs than other TA providers	22%	43%	33%	2%	88	62%
More effectively promotes regional integration and harmonization than other TA providers	23%	52%	24%	1%	88	62%

¹ Ratio of the response count to the 141 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table EX.13: Respondents' Views on the Comparative Cost-effectiveness of West AFRITAC TAs

	Percent Answering			Response Count	Response Rate ^{1/}
	Comparable	More Efficient	Not as Efficient		
Long-term in-country Advisors funded by IMF	44%	37%	19%	79	56%
Short-term TA Missions from IMF Headquarters	45%	37%	18%	94	67%
Training put on by the IMF Training Institute	31%	46%	23%	70	50%
Long-term in-country advisors from other TA providers	34%	42%	24%	67	48%
Short-term TA Missions from other TA providers	38%	46%	15%	71	50%
Training/assistance provided by regional institutions	43%	53%	4%	72	51%

¹ Ratio of the response count to the 141 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table EX.14: West AFRITAC's Promotion of African Expertise

	Percent of Responses	Response Count
Excellent	28%	34
Good	50%	60
Modest	21%	25
Poor	2%	2
Total	100.0%	121
Weighted Rating ^{1/}	3.0	
Total Responses	121	
No Response/No Opinion	20	
Grand Total	141	
Response Rate	86%	

¹ Based on ratings of Excellent=4, Good=3, Modest=2, and Poor=1.

Source: 2008 AFRITAC Evaluation Survey

Table EX.15: West AFRITAC's Use of African Expertise

	Percent Answering				Response Count	Response Rate ^{1/}
	Strongly Agree	Agree	Disagree	Strongly Disagree		
Makes better use of African expertise than does Headquarters.	42%	52%	6%	0%	102	72%
Makes better use of African expertise than other TA providers.	33%	40%	19%	9%	80	57%

¹ Ratio of the response count to the 141 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Annex F Central AFRITAC

I. Introduction for Central AFRITAC

1. Annex F presents the detailed evaluation of Central AFRITAC. The Monetary and Banking TAs were grouped into two clusters: (i) Debt Management and (iii) Microcredit Supervision. The fiscal TAs were also grouped into two clusters: (i) Public Financial Management; and (ii) Revenue Administration. All statistics TAs were analyzed as one group covering primarily national accounts and government financial statistics.

2. The rating methodology was applied to each cluster to derive scores for the four dimensions of evaluation – relevance; effectiveness; efficiency; sustainability. For each cluster of TAs, the scores for each of the dimensions of evaluation were aggregated using the weights defined in Annex B. The clusters in the MCM and FAD areas were aggregated using weights based on the total person months of Advisor input used to deliver the TA over the period from FY2006 to FY2008 inclusive. These weights were derived from the data in Table F.1 which are based on the audited financial statements for Central AFRITAC.

3. The conclusions of the Evaluation Team reflect: (i) the feedback received from government officials and workshop participants, West AFRITAC staff, Resident Representatives and representatives of other TA providers during interviews in Cameroon and Gabon; (ii) the feedback received from the respondents to the AFRITAC Evaluation Survey who responded regarding Central AFRITAC; (iii) documentation review; and (iv) interviews undertaken in IMF Headquarters.

4. A special run was done on the AFRITAC Evaluation Survey to analyze Central AFRITAC specific responses. Some of the key tables are included in the main text of Annex F and other tables are included in the appendix to this annex.

5. The Evaluation Team has considerably more information about East AFRITAC's TAs in the countries that it visited (i. e., Cameroon; Gabon) than the other Central AFRITAC client countries. The selection of countries to be visited in Central Africa may have inadvertently introduced an upward bias in the ratings of the Evaluation Team. According to the analysis presented in Chapter I and Annex A, the institutional absorptive capacity in those two countries is stronger than in the other Central AFRITAC client countries. To try to guard against such a bias, the Evaluation Team used multiple sources of data to validate key conclusions. In general there was a close correlation between the Evaluation Team's conclusions and the assessments in the AFRITAC Evaluation Survey for Central AFRITAC.

6. Since Central AFRITAC had only been operational for about 18 months at the time of the Evaluation Team's visit, 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 the actual performance of TAs. Capacity building is a medium to long term endeavor that requires sustained input over several years to make an impact. Since most of Central AFRITAC TAs are just beginning and are at an early stage, for most TAs it is not reasonable to expect that tangible results to be evident at the time of the evaluation.

Table F.1: Central AFRITAC Expenditures and Person Months of Inputs

	Fiscal year 2007 ¹		Fiscal year 2008	
	Expenditures		Expenditures	
	Work Months	US\$	Work Months	US\$
Resident Advisors	15	337,500	71	1,597,500
Budget and Decentralization Advisor	3	67,500	12	270,000
Treasury operations and Accounting Advisor	3	67,500	12	270,000
Revenue Advisor	3	67,500	12	270,000
Debt Management Advisor	3	67,500	12	270,000
Bank Supervision Advisor	3	67,500	12	270,000
National Accounts and Statistics Advisor	-	-	11	247,500
Short-term experts	1	29,000	20	580,000
Fiscal	1	29000	11.5	333,500
Monetary	-	-	4.5	130,500
Statistics	-	-	4	116,000
Other	-	-	-	-
Total (Fiscal)	7	164,000	47	1,121,000
Total (Monetary)	6	135,000	29	670,500
Total (Statistics)	3	67,500	16	386,000
Other		-		413,407
Regional travel (Center Coordinator/Advisors)		-		151,202
Regional Travel (Advisors)		-		-
Regional Travel (Center Coordinator) (AFR)		-		-
Attachments		-		-
Evaluations		-		-
Training/Seminars		-		-
Miscellaneous/Office Communications		-		262,205
Operations (AFR)		-		-
Miscellaneous/ Office Communications		-		-
Sub-total	16	366,500	91	2,590,907
13% Administrative fee		47,645		336,818
Total		414,145		2,927,725
Total Backstopping/Project Management		-		311,364
Total	16	414,145	91	3,239,089
Memorandum items:				
Gabon as a Host Country		29,963		346,061
Office Space (from 1/9/07)		23,844		-
Local Staff		-		-
Center Coordinator Accomodation		6,119		-
Local Staff from AFR backstopping)		-		-
International Monetary Fund		-		291,300
Start-up Costs		-		-
Start-up Costs for Office space before 1/9/07		-		-
Center Coordinator Costs		-		291,300
Grand Total		444,108		3,876,450

Source: IMF, Office of Technical Assistance Management.

1 Fiscal year runs from May 1 to April 30

2 Training expenditures of \$262,928 from FY2008 will be reflected in FY2009.

II. Evaluation of Central AFRITAC Monetary and Financial System TAs

A. Introduction and Summary of Monetary and Financial System TAs

7. Central AFRITAC is the neophyte of the RTACs, midway through its first three year phase of operations and not quite halfway through its second fiscal year 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 on the Evaluation Team's judgment of potential (i.e., 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. Since most of Central AFRITAC's TAs are just beginning and at such an early stage it is not reasonable to expect that tangible results will be evident in areas such as debt management and bank supervision.

8. The area served by Central AFRITAC is francophone. There is common currency, a regional central bank (BEAC) and a regional bank supervision agency (COBAC) covering the six member countries belonging to the CEMAC. The other two members, Burundi and DRC, are outliers with their own central banks that oversee monetary policy for independent currencies and supervision of banks, including microfinance. The structure of the financial sector in Central Africa influenced the nature of the TAs provided by Central AFRITAC and the skill set of the Resident Advisors. Many of the countries in Central Africa are among the poorest in Sub-Saharan Africa and qualify for HIPC treatment; six of the countries are post conflict and have limited institutional absorptive capacities (see Table I.1 in Chapter I.).

9. Prima facie, and though the challenges posed by the high incidence of post conflict countries are more formidable, the TA needs, in terms of inputs and outputs, of Central AFRITAC client countries have much in common and follow closely those of its longer (by three to four years) established sister AFRITAC in the West. That said, most Central AFRITAC countries are some years behind West Africa in their development. Central AFRITAC has much to gain from examining the experience of West AFRITAC in delivering TAs and the lessons learned, particularly in debt management and also in microfinance supervision. Not surprisingly, the priorities for Central AFRITAC's monetary and financial TAs as articulated in the October 2006 Phase I work plan reflect these shared priorities for public debt management and financial sector supervision. Likewise, the modalities of TA delivery that have evolved have much in common with West AFRITAC in terms of the work to be addressed and its sequencing. This is especially true in the public debt management area where TAs encompass: (i) providing advice and training through missions and workshops in building a reliable data base; (ii) helping countries in a practical way to get from the Highly Indebted Poor Country (HIPC) decision point to achievement stage¹³³; (iii) developing analytical capacity for debt sustainability; (iv) putting in

133 The Heavily Indebted Poor Countries (HIPC) Initiative aims to ensure that no poor country pursuing IMF/ World Bank supported adjustment and reform programs faces a debt burden that it cannot manage. To accelerate progress toward the UN Millennium Development Goals (MDGs), the HIPC Initiative was supplemented in 2005 by the Multilateral Debt Relief Initiative (MDRI), which also included debt relief from the African Development Fund (AfDF) when a country completes the HIPC process. There are preconditions for access, including developing a Poverty Reduction Strategy Paper (PRSP) and establishing a track record of reform and sound policies. Tracking and monitoring stages in the process toward completion, linked to progress with reforms and PRSP implementation, include: (i) decision point, when interim debt relief starts; and (ii) completion point, when lenders provide full and irrevocable debt relief, as committed at decision point. Capacity building TAs in all aspects of debt management has a crucial role to play in helping countries through this multiyear process and most importantly to support debt sustainability going forward (see www.imf.org/np/hipc/index.asp).

place the legal and institutional framework to sustain this framework going forward; and (v) building country capacities for issuing government securities on domestic and sub-regional markets.

10. In the area of financial supervision, the primary emphasis of Central AFRITAC's activities is on banking supervision TAs designed to support three counterparts, COBAC (the Central African Banking Commission for the CEMAC countries), the Bank of the Republic of Burundi (BRB) and the Central Bank of the Congo (BCC). The latter two are the central bank of Burundi and DRC respectively.¹³⁴ These TAs were based on needs assessments done in early 2007 and focus on: (i) the review and upgrading of prudential regulations to international standards; (ii) introduction of risk-based supervision; and (iii) strengthening on and off-site supervision. Among the topics identified for workshops were supervision of microfinance, for countries where this is needed, and the use of the international financing reporting standards (IFRS) in bank reporting and supervision.

11. Central AFRITAC has two Resident Advisors on monetary and financial system TAs, one with a similar brief as the debt management advisor in West AFRITAC and the other, an advisor on banking supervision, who mainly deals with bank supervision through missions and in country workshops but — reflecting the growing importance of microfinance in many countries -- also covers microfinance supervision through regional and in country workshops.¹³⁵

12. Work of the Debt Management Advisor initially concentrated on: (i) recording of data and debt profiling and more generally providing assistance in building institutional and organizational capacity to produce centralized and reliable data bases; (ii) sensitizing counterparts on the linkage between budget cash management and public debt management; (iii) training counterparts in practical procedures for implementing HIPC initiatives and the implications in relation to foreign debt reduction; and (iv) establishing procedures for clearing domestic arrears, with a view to laying a credible foundation for countries to use regional market to provide substitute financing for development. More recently, the Advisor's work expanded to: (i) support the ongoing work of the IMF and World Bank to spread the methodology for writing up country medium-term debt sustainability strategies; and (ii) building institutional capacity and procedures to help countries borrow on regional market to support policy and operational decisions taken by BEAC to reduce dependency on statutory advances from the central bank. Since the inception of the program the Advisor has undertaken fifteen missions to Client countries and has collaborated with BEAC, ACBF, Polle Dette, AfDB and the DRI. Two regional seminars were organized: (i) on institutional framework and development of the public securities market, with a focus on legal, institutional and operational aspects, in the context of establishing local and sub-regional markets for public debt of member countries; and (ii) debt management using the SYGADE system developed by UNCTAD and the production of data to reinforce capacity of debt management, the integrity of the data bases and the quality of debt sustainability analytical reports.

¹³⁴ COBAC is located at present in the headquarters of the BEAC in Yaoundé, Cameroon and with subsidiary country supervisory units housed in the ministries of finance of CEMAC members. It is responsible for regulation of banks and micro finance institutions (MFIs). There are plans to locate the COBAC head office in Libreville, Gabon. COBAC's counterpart organization in WAEMU is the Banking Commission, which is closely linked to the BCEAO in the oversight of banks but responsible only for the regulatory framework for microfinance supervision and, unlike COBAC, leaves the supervision of Micro Finance Institutions to dedicated national microfinance units that are under the jurisdiction of the ministries of finance.

¹³⁵ In anticipation of the opening of the Central AFRITAC, in early September 2006, IMF staff met with representatives from all of the beneficiary countries to assess their capacity-building needs in the core areas of the IMF's expertise. Based on the needs articulated by beneficiary countries, for monetary and financial system TAs, there was a consensus on the need for two advisors and the work program described above.

13. The work program of the Bank Supervision Advisor for his three clients focused on strengthening institutional and human capacities through training and coaching of groups of staff with the objective of: (i) bringing banking supervision prudential regulations and capacity to implement them gradually into conformity with international standards and good work practices; and (ii) strengthening supervisory capacities in the microfinance area. Later the Bank Supervision Advisor became involved in reviewing and following up on action plans for problem banks in one member country and broadened the range and depth of assistance activities to COBAC. The latter includes: (i) tasks in the areas of organization and operations structures and procedures (including a reorganization of the microfinance supervision sector); (ii) reviewing and strengthening the Basle 2 implementation framework; (iii) reviewing and redrafting several bank regulations (including corporate governance and dealing with bank liquidations); and (iv) upgrading the rating system for banks. The Bank Supervision Advisor has participated in MCM missions to Burundi and DRC and arranged for a short-term expert to visit Burundi. The Advisor's activities in micro finance supervision have included ongoing work in Burundi¹³⁶ and organization of a regional seminar on the supervision of microfinance, with participation of the Microfinance Resident Advisor from WEST AFRITAC. This was a good example of one AFRITAC building on and leveraging the experience and expertise of another. A regional workshop on IFRS is planned February 2009. The Advisor has undertaken 16 missions, an average of about one per month. Half of the missions were to COBAC in Yaoundé and the remainder was split between Burundi and DRC.

14. As in the case of other AFRITACs a quantitative assessment, incorporating ratings and covering dimensions of relevance, effectiveness, efficiency and sustainability, was made for the two MCM-related clusters of TAs. Because the Central AFRITAC has only been operational for a short time relative to East and West AFRITACs, it is the **potential** rather than **actual** performance that was rated under the four dimensions of evaluation. The criteria considered for each dimension of the assessment are described in Annex B. Statements and judgments made in the assessment of the sub-criteria for each of the four dimensions and the ratings in the corresponding tables are based on a composite information gained from: (i) Central AFRITAC's Phase I Program Document; (ii) reports prepared for Steering Committee meetings and the minutes of the meetings; (iii) an examination of all reports prepared by the two advisors, including an in-depth look at two randomly selected mission reports (one of which in the case of both Advisor included a short-term expert); (iv) the monthly reports to backstoppers; (v) discussions with Central AFRITAC staff in Libreville and support materials prepared for these meetings; (vi) feedback received at meetings with relevant key country officials in Gabon and Cameroon, including AFRITAC workshop and seminar participants and other TA providers; and (vii) the responses to the AFRITAC evaluation survey (see Chapter III and Annex C).

B. Assessment of the Relevance of the Central AFRITAC Debt Management and Financial Supervision TAs

1. Consistency with Government Objectives

15. The needs of Central African countries in the area of debt management and financial sector supervision were reflected in documents and reports prepared both before and

¹³⁶ The Bank Supervision Advisor's work in Burundi supported the work of other donors. He has had no involvement in microfinance supervision in DRC, as a comprehensive well-funded program is already provided by a group of donors.

immediately after Central AFRITAC became operational in the early part of 2007. These documents - including the Work Program¹³⁷ and the needs assessment prepared by the Resident Advisors (as reflected in their monthly backstopping reports and the Work Plan for FY 2008 approved by the Steering Committee), as well as the minutes of the Steering Committee, which record the presentation, discussion and agreement of plans - provide strong evidence of consistency with objectives of governments of countries in the region. This process has continued into the second year of operations. The Steering Committee reviewed FY 2008 activities to assess performance and recalibrate the Work Program for FY2009. Minutes of the latest Steering Committee meeting indicate that a sound process is up and running, notwithstanding difficulties in delivering TA to some countries.

16. Discussions the Evaluation Team had with officials in Gabon and Cameroon confirmed the ownership of the TA program, the satisfaction of the authorities with having quick access to quality TA in the region to meet their needs, the importance of debt management TA to establish sustainable macroeconomic policies and of financial sector supervision TA to help ensure orderly and much needed development of financial intermediation. It was clear also to the Evaluation Team that there are high expectations for the future contributions of Central AFRITAC in these two areas over the coming years. Beneficiary countries are providing the bulk of the financing for Central AFRITAC, which provides a very strong signal of ownership and buy-in to the direction of activities in both debt management and financial sector TA.

17. The Millennium Development Goals, poverty reduction and growth strategies and HIPC and multilateral debt relief initiatives, as documented in the countries' PRSPs and IMF surveillance and country program reports, are key objectives of countries in the region. Capacity building in the debt management and financial sector supervision areas is intrinsically linked to support for achievement of these plans. Debt management and market development TAs support poverty reduction by helping many countries in the region to: (i) transition through the various HIPC milestones towards achievement¹³⁸ of debt reduction plans that will permit, in turn, the freeing-up of resources for expenditures directly linked to poverty reduction; (ii) putting in place capacities to formulate debt sustainability frameworks for the medium term, including effective data bases, that help to avoid falling into debt poverty trap again¹³⁹; and (iii) promote the development of domestic and sub regional money and government debt markets that enhance cash management /budget financing and development investment and the deepening of financial markets. Likewise, TA on banking supervision is designed to promote effective prudential regulation and best practice off and on-site supervision of banks to support the orderly broadening of financial intermediation and extension of financial services, including micro finance, to the less advantaged people and to promote enterprise and job creation in the informal sector. Micro finance institutions have developed rapidly in many countries in the region and supervisory authorities, both the BEAC and COBAC, acknowledge the growing contribution that microfinance is making to deepening financial intermediation and recognize the crucial importance of orderly development and safeguarding of depositors funds.¹⁴⁰

¹³⁷ IMF: Central AFRITAC Program Document ,October 2006

¹³⁸ Of the six countries in the region eligible for HIPC, one has completed the process, 4 are moving toward decision stage and one has not yet started the process.

¹³⁹ Local officials are being trained and coached in the techniques and preparation of debt sustainability reports in a number of countries. This will gradually be extended to cover all countries that move through the HIPC achievement stage.

¹⁴⁰ A relatively small part of the time of the Banking Supervision Advisor is spent on microfinance supervision but other donors are also active in a number of countries. Thus close coordination is vital to ensure that supervision of Micro Finance Institutions, which are likely to grow rapidly as has happened in the WAEMU region, receives adequate TA.

2. Coordination with Development Partners

18. AFRITACs were designed "to strengthen coordination among technical assistance providers and recipients as rapidly as possible, and in concert with the implementation of PRSP". The Steering Committee is an integral part of this process and coordination is facilitated by the attendance of donors, the IMF and regional organization observers, as well as representatives from member countries. The strategic guidance and monitoring role of the Steering Committee, in relation to annual work programs, contribute to the comprehensive and transparent framework that is in place to facilitate good coordination with development partners.

19. In discussions with Central AFRITAC staff and officials in Cameroon and Gabon, the evaluation team came across some good examples of coordination in the debt management area between the Resident Advisor and other institutions involved in debt management including the regional Pole Dette organization, the UK based Debt Resolution Initiative (DRI), UNCTAD and the World Bank¹⁴¹. The BEAC, like the BCEAO in West Africa, recognizes the urgent need for assistance in the areas of debt reduction and sustainability as well as development of money and public debt markets for CEMAC countries, to improve cash management and financing in the context of the budget. Accordingly it supports Central AFRITAC's work in these areas and has set down a time frame for the gradual elimination of the access of CEMAC countries to automatic overdrafts (avance statutaire) for budgetary financing, thereby putting pressure on countries to both improve cash management and issue treasury bills and bonds on local and sub-regional markets¹⁴². BEAC values and supports the TAs in debt management to CEMAC countries. The aforementioned examples of coordination were in both the training area through organizing regional seminars and in-country workshops focused on key debt management and sustainability related topics, as well as the aspects of putting in place the legal and operational framework for government debt issuance in a number of countries. Overall the coordination with other donors on debt management was excellent. While most countries in the region are far from the stage of being in a position to issue debt, a few have made good progress in that direction¹⁴³.

20. AfDB and ACBF also coordinated well with the Central AFRITAC in delivering seminars. One area where donors could help further, or perhaps CEMAC countries through their contributions to the financing of the Center, is in designating specific funds (perhaps a Topical Trust Fund to be administered by the IMF) to support the intensive type of capacity building that is needed in many of the post-conflict countries in the region¹⁴⁴. Notwithstanding these positive

¹⁴¹ The Evaluation Team met with officials of BEAC at its Head office in Yaoundé and in the national office in Gabon who spoke positively about Central AFRITAC activities in debt management and welcomed the assistance in financial sector supervision from Central AFRITAC and MCM. A peripatetic banking supervision expert, assigned by MCM, has been providing assistance in recent years with on-site supervision. The Evaluation Team also met with groups of BEAC officials in both countries who supported and participated in Central AFRITAC workshops. Their feedback was similarly positive. UNCTAD staff were most cooperative with the regional debt management workshop. AfDB has financed hardware (Sygarde) and training for debt management data bases in a number of countries (e.g., Burundi and DRC). The Debt Management Advisor also cooperated with World Bank missions on capacity building for debt sustainability analysis in a number of countries.

¹⁴² The mission was told that the rationalization of CEMAC country treasuries' financing from BEAC, and thus the commencement of recourse to markets for residual or cash flow budgetary requirements, is to commence in January 2009. But it seems likely that the deadline will have to be relaxed as most countries, apart from Cameroon, which is already fully compliant, and Gabon, which is making strong efforts and may still be on track, are not ready.

¹⁴³ Six of the eight West African countries are eligible for HIPC — four are in the process of reaching or at (Burundi and Chad) decision point and one (Cameroon) is in the post completion phase. Official debt markets are operational in Cameroon and Gabon.

¹⁴⁴ A prerequisite to operationalizing such a program would be a thorough assessment of needs and preparation of a country specific multiyear strategy and action plan. Most likely this would require "upstream" support from IMF HQ

comments on donor coordination, in its meetings the Evaluation Team also came across some donors and also key country officials who did not have a clear understanding of the role and modus operandi of the Central AFRITAC.¹⁴⁵ Greater outreach efforts are needed at the Steering Committee and Central AFRITAC levels to explain the role of the Center, disseminate reports and materials on its operations and seek to obtain even better coordination, especially in the financial supervision area. Some suggestions on how to improve outreach and coordination including through development of a joint web site for the AFRITACs are set out in Chapter V of the main body of the report¹⁴⁶.

21. For the remainder of the first phase of Central AFRITAC it is likely that the present balance of activities between debt management (building reliable debt management data bases, putting in place an adequate legal framework for debt management and operations, creating the capacity to produce good quality debt sustainability analysis) and market development (helping to create the capacity for issuing public debt on local and regional markets and improving coordination between cash management and debt management) will remain relevant and valid. This view is validated by the difficult institutional absorptive conditions in many Central African countries and observing how long it has taken to move a core mass of countries in West AFRITAC, operating for almost six years, through the post HIPC phase. Nevertheless, some countries (e.g., Gabon; Cameroon) have progressed into the market development phase and may require more sophisticated assistance in expanding the scale and maturity pattern of debt issuance programs to facilitate the emergence of an interest rate curve that can in turn stimulate and benchmark private issuances of bonds and thus help the broader development of financial markets. In the financial supervision area, some concerns were expressed by officials in countries visited that microfinance supervision needed more attention because of the growth taking place in some countries, especially Cameroon and Gabon. Central AFRITAC's expertise in this area could be supplemented by using short-term micro finance supervision experts if BEAC were to look for additional assistance.

22. There is evidence of consistency between financial sector reforms objectives/ measures in IMF staff reports (both surveillance and program related) and Central AFRITAC TAs in debt management and banking supervision in an examination of such reports for countries in the region. For example, the most recent IMF staff review of the PRGF arrangement lists the development of government securities and limitation of recourse to BEAC financing of the budget and prudent sustainable debt management policy, as well as strengthening credit markets and upgrading microfinance supervision as key measures to be implemented by the authorities. The authorities plan to implement a follow up FSAP strategy covering many of these issues as well as diversification of financial instruments. The recent report on Article IV discussions in Gabon highlight the development of regional and sub regional government debt markets and strengthening the legal and institutional framework for debt sustainability, as well as promoting microfinance institutions. Additionally, the FSAP for the sub-region completed by IMF and the World Bank in 2006 highlights the need to strengthen debt management and sustainability functions, develop domestic and sub-regional government bond markets and promote broader money and securities market development.

MCM in relation to monetary and financial system TAs. IMF's plans to establish a Topical Trust Fund to finance intensive capacity building in post- conflict countries is described in Chapter IV

¹⁴⁵ Feedback from the AfDB office in Libreville was quite supportive and positive on the work of Central AFRITAC in the debt management and financial sector supervision areas, while noting that despite encouraging preparations debt sustainability resilience had yet to be put to the test.

¹⁴⁶ Central AFRITAC, in view of its fledgling status, does not yet have a website or an annual report but plans to address these shortcomings.

3. Consistency With IMF Activities

23. There is evidence of consistency between financial sector reforms objectives/ measures in IMF staff reports (both surveillance and program related) and Central AFRITAC TAs in debt management and banking supervision in an examination of such reports for countries in the region. For example, the most recent IMF staff review of the PRGF arrangement lists the development of government securities and limitation of recourse to BEAC financing of the budget and prudent sustainable debt management policy, as well as strengthening credit markets and upgrading microfinance supervision as key measures to be implemented by the authorities. The authorities plan to implement a follow up FSAP strategy covering many of these issues as well as diversification of financial instruments. The recent report on Article IV discussions in Gabon highlight the development of regional and sub regional government debt markets and strengthening the legal and institutional framework for debt sustainability, as well as promoting microfinance institutions. Additionally, the FSAP for the sub-region completed by IMF and the World Bank in 2006 highlights the need to strengthen debt management and sustainability functions, develop domestic and sub-regional government bond markets and promote broader money and securities market development.

24. The IMF's African Department (AFR) also produces annually a set of country strategy notes that, in addition to outlining the thrust of current macroeconomic policy direction, list priorities for TA. The latter are developed in coordination with HQ TA departments (FAD, MCM and STA) and also reflect AFR mission chiefs' ongoing dialogue with the respective country authorities. There is a measurable degree of consistency in the strategy notes with TA priorities and programs of Central AFRITAC in the financial sector. For example, in Cameroon AFR notes highlight the strengthening of financial intermediation, the development of a market for treasury bills and the strengthening of banking supervision. In Burundi, the notes mention strengthening of financial sector supervision. On the other hand, the strategy notes for the DRC stress the improvement in capacity to implement monetary policy, but Central AFRITAC has no involvement as it is not staffed to provide TAs in this area¹⁴⁷. Non-CEMAC countries (Burundi and DRC), are covered by "upstream" TAs from MCM at HQ.

4. Relevancy Rating of Central AFRITAC Debt Management and Bank Supervision TAs

25. The relevance ratings of the debt management and banking supervision TAs are given in Table F.2. Based on the foregoing analysis of the sub-criteria, and bearing in mind the relatively short period that Central AFRITAC has been in operation, TAs in debt management are rated as potentially highly relevant and TAs in banking supervision are rated as potentially relevant. The TAs were assessed as relevant, both at the time they were approved and at the time of evaluation.

¹⁴⁷ This is an example of a case where the TA role of MCM (upstream/strategy) and Central AFRITAC (downstream/implementation) seems to lack consistency with the standard model.

Table F.2: Relevancy of Central AFRITAC's Monetary/Financial Sector Assistance

Criteria	Weight (%)	Rating ^a		
		Debt Management	Financial Sector Supervision	Score ^b
		50	50	100
1. Consistency With Government Priorities	60	4	3	3.5
2. Coordination With Development Partners	20	4	2	3.0
3. Consistency with IMF Activities	20	3	3	3.0
Overall Relevance Rating/Score	100	3.8	2.8	3.3
^{a/} = Rating: 4 = Excellent; 3 = Good; 3 = Modest; 1 = Poor ^{b/} = Weight by % of East AFRITAC's Budget Allocated to the Activity/TA Group Highly Relevant (Excellent) ≥ 3.5; 3.5 < Relevant (Good) ≥ 2.5; 2.5 < Partly Relevant (Modest) ≥ 1.5; Not Relevant (Poor) < 1.5				

26. The Tables F.3 and F.4 show the results of the AFRITAC evaluation survey. The survey responses on the relevance of the two TA clusters are broadly consistent with the ratings in Table F.2. However, the number of responses is somewhat low, ranging between 6 and 14, depending on the question. Thus, there is some error of estimate associated with this data. **For the Debt TAs**, the large majority of the respondents rated their relevance as good on all of the sub-criteria of helping to build country capacity, consistency with government priorities, coordination with other TA providers and coordination with IMF headquarters. The highest ratings for the relevancy of the TA of the TA were in consistency with Headquarters operations. The lowest rating was for coordination with other TA providers. However, this reflects only six replies, far lower than the number of people interviewed by the Evaluation Team. For the reasons outlined above, the Evaluation Team rated the Debt TA higher on this sub-criteria. For the **Banking Supervision TAs**, the relevancy ratings in Table F.4 are positive, particularly for the relevancy of the TA of the TA consistency with Headquarters operations. By far the lowest ratings were for coordination with other TA providers. None of the 14 people responding rated Central AFRITAC as excellent in this area while 44% rated it as Good and 56% as Modest. This is consistent with the Evaluation Team's rating of Modest for this sub criteria

Table F.3: Relevance of Central AFRITAC's Debt Management TAs

	Percent Answering				Weighted Rating ^{1/}	Response Count	Response Rate ^{2/}
	Excellent	Good	Modest	Poor			
Relevance of TAs in helping to build capacity	30%	70%	0%	0%	3.3	10	91%
Consistency with Government priorities	18%	55%	9%	18%	2.7	11	100%
Coordination with other TA providers	0%	67%	17%	17%	2.5	6	55%
Coordination with IMF Headquarters	20%	80%	0%	0%	3.2	10	91%
Average for All Criteria	17%	68%	6%	9%	2.9	9	84%

¹. Based on ratings of Excellent=4, Good=3, Modest=2, and Poor=1.

² This represents the ratio of the response count to the 11 respondents who rated the AFRITAC Centers for this issue.
Source: 2008 AFRITAC Evaluation Survey

Table F.4: Relevance of Central AFRITAC's Financial Sector Supervision TAs

	Percent Answering				Weighted Rating ^{1/}	Response Count	Response Rate ^{2/}
	Excellent	Good	Modest	Poor			
Relevance of TAs in helping to build capacity	43%	57%	0%	0%	3.4	14	100%
Consistency with Government priorities	14%	64%	14%	7%	2.9	14	100%
Coordination with other TA providers	0%	44%	56%	0%	2.4	9	64%
Coordination with IMF Headquarters	38%	46%	8%	8%	3.2	13	93%
Average for All Criteria	24%	53%	19%	4%	3.0	13	89%

¹ Based on ratings of Excellent=4, Good=3, Modest=2, and Poor=1.

² This represents the ratio of the response count to the 14 respondents who rated the AFRITAC Centers for this issue.
Source: 2008 AFRITAC Evaluation Survey

C. Assessment of the Effectiveness of the Central AFRITAC Debt Management and Financial Supervision TAs

1. Use of AFRITAC Outputs

27. Capacity building is geared to building human skills, institutions and procedures to raise the level of macroeconomic management in the economies in the region. The challenge is to use the main outputs arising from missions and workshops in individual countries and from regional seminars to achieve this objective. The ultimate goal is to remove bottlenecks that impede economic reforms and growth and undercut poverty reduction efforts.

28. From an examination of documents and reports the Evaluation Team has come to a view that there is measurable and encouraging progress in the use of TA outputs, more evident in the case of countries visited than in the others. Perhaps this should not be surprising since the institutional absorptive capacities in Cameroon and Gabon was rated as being stronger than the other Central African countries (see Table I.1 in Chapter I.) Discussions with advisors on debt management and banking supervision, together with feedback from country officials in Cameroon and Gabon provide evidence that outputs, in terms of mission reports and knowledge transferred through workshops, are of a good standard and are used well by officials in beneficiary countries. It is always difficult, however, to assess the actual results of training actions, including intensive coaching through in-country workshops, missions that set work plans and return to review progress achieved and update them, especially in the Central AFRITAC situation where Central AFRITAC capacity building operations have been underway for only 18 months. Based on the experience of evaluating the performance of the other longer established AFRITACs, one lesson for Central AFRITAC in the effective use of outputs is to start a process of measuring or benchmarking of progress of TAs at an early stage (two years after start-up seems like a good time). This can be initially as simple as noting in mission reports, periodic reports to back stoppers and reports to the Steering Committee, the measures that have been accomplished in relation to the original program established for each country and what remains to be done. Establishing a culture of benchmarking progress at this juncture will serve the Central AFRITAC, its staff and the beneficiary countries well. It would also enhance the effectiveness of the use of TA outputs going forward and facilitate the effective monitoring and oversight role for the Steering Committee and avoid a situation where monitoring merely covers a process-driven oversight of inputs and outputs rather than an assessment of the impact of what has been achieved and an indication of what remains to be done. This will be easier to achieve in the debt management area where there is a clear structure for the work program than in banking supervision, where there is a need to better ground a work program -at least for CEMAC countries - in the regional FSAP recommendations.

29. As in the case of West AFRITAC, Central AFRITAC's outputs in debt management can be closely linked to the crucially important work of getting countries through the various stages of completing the debt reduction process from the point of decision (with support from World Bank and IMF staff) to the point of completion (with support from AFRITAC and other donors such as Polle Dette and the DRI) and then the vital end stage of putting in place a well functioning debt sustainability analysis capacity. The latter requires achieving the goals of having a comprehensive and effective data base to monitor and service the debt, the skills and software to do the projections and analysis, and the diligence to use the process to guide debt management including the raising of new funds on sub regional markets. Cameroon is a good example of a country that has progressed through the HIPC process to achievement point and development of a reliable data base and framework for debt sustainability analysis and issuance of debt on the local market. Gabon, not HIPC eligible, has nevertheless also made good

progress in debt reduction and consolidation and in preparing the legal framework for debt management and issuance on the local and sub-regional market planned for the near future

30. Central AFRITAC has gotten off to a good start in the use of TA outputs and has the capacity to manage the use of outputs better going forward. But success is not only dependant on capacity to manage the process; challenging conditions in post conflict countries call for exceptional and more intensive engagement to achieve success in this crucial area of helping poor countries through to the post HIPC stage process.

31. In the banking supervision area, most TA was delivered to COBAC headquarters. While it is difficult to see how the outputs feed through to national offices of COBAC in the ministries of finance, the feedback from discussions with BEAC officials is that they are used effectively to build institutional and human capacities and transfer knowledge and expertise. BEAC also benefits from the assignment, under MCM's HQ TA budget of a peripatetic expert to support more effective on site inspection procedures. It does not appear, however, from reports or discussions with the Banking Supervision Advisor that there is any coordination between his activities and those of the peripatetic expert. Additionally it seems that some of the tasks the Advisor is asked to address are more executive than advisory, reflecting staffing shortages or manpower allocation inefficiencies in BEAC. This links with findings and recommendations of the 2006 FSAP for the region that included: (i) financial intermediation was among the lowest in Africa; (ii) efficiency of supervision suffers from limited institutional independence of COBAC; (iii) some divergence of prudential norms from international standards and poor enforcement of regulations; (iv) concentration of lending in banking system; (v) inadequate resources allocated to COBAC; (vi) distortions in deposit and lending rates; and (vii) weak payment systems. In the case of the other two clients — Burundi and DRC -- the outputs of the resident advisor, based on the reports read and discussions with him, seem well focused. He has been involved with MCM missions to both countries. The Advisor puts most of his energies into work in the field but more effective benchmarking of progress, and linking his work to MCM activities, including the work of the on-site peripatetic supervision advisor and mutual exchanging of reports of both Advisors would seem warranted to ensure good coordination and reaping of synergies in this area.

2. Planned versus Actual Achievements

32. An examination of the reports presented to the Steering Committee indicates a reasonable degree of success in TA delivered versus planned. Where this did not happen the reasons were generally outside of the control of Central AFRITAC and reflected, on occasion, teething problems during initial operations, security and travel constraints to some countries, or other absorption problems more often than not to do with post conflict or fragile state symptoms (e, g., needs assessment mission to DRC in March 2007 and occasions where an airline ceased operations at short notice).

33. Fund program documents reveals significant consistency between the TA provided in debt management (including debt market development) and banking supervision and some measures and objectives in the programs and indeed the recommendations in the FSAP for the CEMAC region and the 2008 country strategy notes prepared by AFR.¹⁴⁸ Both Cameroon and Gabon have made good progress in debt management /debt sustainability especially in issuing government debt instruments on the sub regional and regional debt markets, and taking steps to

¹⁴⁸ See references to Cameroon and Gabon IMF staff papers in the relevance section of this chapter dealing with "coordination with IMF objectives.

initiate secondary trading. While this consistency of itself is not evidence of effectiveness until the objectives of the TAs are substantially achieved, it is indicative of progress in the right direction. Overall, there is some tangible evidence of achievement of plans being implemented as expected during the relatively short existence of Central AFRITAC, although much remains to be accomplished.

3. Significance of Contributions

34. The extent to which it can be demonstrated that TAs delivered have resulted in progress toward building capacity in terms of a critical mass of human skills, quality institutions and best practice procedures that can meaningfully enhance a country's capacity to formulate and implement sound macroeconomic policies is a test for assessing the significance of the TA contributions in responding to country needs. There are encouraging outcomes on debt management and debt market development in Cameroon and Gabon, as well as good progress in establishing the legal and analytical framework for debt sustainability and debt management in these two countries. There is also some progress in other countries. Financial sector supervision has gotten off to a good start and is linked well to the findings of the regional FSAP, though more meaningful benchmarking of progress in the context of a clearer overall work plan that shows the complementarity of the TAs to those of MCM in the region would help. Going forward, development of a post FSAP strategy for the region, setting out "upstream" (MCM) and "downstream" (Central AFRITAC) roles would provide a good framework for delivery and benchmarking of progress in these vital areas as well as in addressing other monetary management issues raised in FSAP findings.

35. It is probably too soon to be expecting more progress than has been described above after only 18 months of operations. Experience has shown that in WAEMU countries, where West AFRITAC has been active in debt management TA for over five years, it takes more than a few years to have measurable impact. Indeed, for post-conflict/fragile state countries, it takes much longer. Likewise with banking supervision TAs, significant outputs have been delivered to COBAC, Burundi and DRC, complementing TA from MCM but much more needs to be done including in better focusing TA plans. What is clear at this stage is the potential of the Central AFRITAC's work on debt management and financial supervision to have a meaningful impact over time¹⁴⁹.

4. Effectiveness Rating of Central AFRITAC Debt Management and Financial Supervision TAs

36. The effectiveness rating for the monetary and financial systems TAs (comprising the clusters for debt management and financial supervision) is given in Table F.5. All TA were rated as potentially effective, a good achievement given Central AFRITAC's relatively short period in operation. The results of the AFRITAC Evaluation Survey in Tables F.6, F.7 and F.8 are largely consistent with the ratings in Table F.5.

¹⁴⁹ Of the six countries in the region eligible for HIPC, one has completed the process, four are moving toward decision stage and one has not yet started the process.

Table F.5: Effectiveness of Central AFRITAC Monetary/Financial System Assistance

Criteria	Weight (%)	Rating ^a		
		Debt Mgt./Market Development	Financial Sector Supervision	Score ^b
		50	50	100
1. Use of AFRITAC Outcomes	40	3	3	3.0
2. Planned vs. Actual Achievements	30	3	3	3.0
3. Significance of Contribution to Developing Core Economic Functions and Institution Building	30	4	3	3.5
Overall Effectiveness Rating/Score	100	3.3	3.0	3.2
a/ Rating: 4 = Excellent; 3 = Good; 3 = Modest; 1 = Poor				
b/ Weight by % of the East AFRITAC's budget allocated to the cluster of AFRITAC activities/TAs				
Highly Effective (Excellent) ≥ 3.5; 3.5 < Effective (Good) ≥ 2.5; 2.5 < Partly Effective (Modest) ≥ 1.5; Not Effective (Poor) < 1.5				

37. For the Debt Management TAs, for each sub-criteria, (i.e., use of TA outputs; effectiveness in achieving results; significance of contributions) the majority of respondents assigned a Good rating and the weighted average score was good (see Table F.6). The weighted average score of use of TA outputs and effectiveness of achieving tangible results, while rated as Good, was close to the cut off point for a modest rating. This pattern of responses is consistent with the short period of time that Central AFRITAC has been operational. There was general agreement that Central AFRITAC was making significant contributions to developing core economic functions. Similarly the majority of respondents rated effectiveness of the bank supervision TAs effective on the three sub-criteria. Respondents rated the use of outputs and achieving tangible results for the banking supervision TAs somewhat more positively than the debt management TAs, although the effectiveness of both TA clusters was rated as Good. However, the number of responses is low. Based on its detailed field work, the Evaluation Team rated the effectiveness of the debt management TAs as marginally higher than the bank supervision TAs but, like the respondents to the survey, rated the effectiveness of both clusters as Good.

Table F.6: Effectiveness of Central AFRITAC's Debt Management TAs

	Percent Answering				Weighted Rating ^{1/}	Response Count	Response Rate ^{2/}
	Excellent	Good	Modest	Poor			
Use of the outputs	0%	56%	44%	0%	2.6	9	82%
Effectiveness in achieving tangible results	0%	60%	40%	0%	2.6	10	91%
Significance of contributions to developing core economic functions	33%	56%	11%	0%	3.2	9	82%
Expertise and assistance	30%	70%	0%	0%	3.3	10	91%
Sustainability of the benefits of AFRITAC TAs	11%	89%	0%	0%	3.1	9	82%
Average for All Criteria	15%	66%	19%	0%	3.0	9	85%

¹ Based on ratings of Excellent=4, Good=3, Modest=2, and Poor=1.

² Ratio of the response count to the 11 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table F.7: Effectiveness of Central AFRITAC's Financial Sector Supervision TAs

	Percent Answering				Weighted Rating ^{1/}	Response Count	Response Rate ^{2/}
	Excellent	Good	Modest	Poor			
Use of the outputs	14%	71%	14%	0%	3.0	14	100%
Effectiveness in achieving tangible results	21%	57%	21%	0%	3.0	14	100%
Significance of contributions to developing core economic functions	25%	67%	8%	0%	3.2	12	86%
Expertise and assistance	29%	64%	7%	0%	3.2	14	100%
Sustainability of the benefits of AFRITAC TAs	14%	71%	14%	0%	3.0	14	100%
Average for All Criteria	21%	66%	13%	0%	3.1	14	97%

¹ Based on ratings of Excellent=4, Good=3, Modest=2, and Poor=1.

² Ratio of the response count to the 14 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

38. The survey respondents also confirm the view of the Evaluation Team that the Central AFRITAC is only beginning to address the issues in Central Africa and there is very much an unfinished agenda. Only an insignificant 6% of the 50 or so respondents felt that the objectives of improving debt management and financial sector supervision were fully achieved. The majority reported that while there had been substantial progress, these objectives had not been achieved. A significant portion of the respondents, slightly under 30%, felt that only modest progress had been achieved while a small minority (6%) said that no significant progress have been made toward achieving these objectives (see Table F.8). These survey results suggest that Central AFRITAC has done well in its first year and one half of operations.

Table F.8: Central AFRITAC's Progress in Achieving Monetary/Financial Sector Objectives

	Percent Answering				Response Count	Response Rate ¹
	Objective Fully Achieved	Despite Substantial Progress, Objective not yet Achieved	Only Modest Progress Made to Achieve Objective	No Significant Progress Made		
To improve monetary operations, debt management and payment systems	6%	59%	29%	6%	49	51%
To improve the legal and regulatory framework for financial sector supervision	6%	62%	28%	4%	50	52%

¹ Ratio of the response count to the 97 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

D. Assessment of the Efficiency of the Central AFRITAC Debt Management and Financial Supervision TAs

1. Process/Implementation Efficiency

39. In general AFRITACs organize effectively and professionally their people, processes, activities and work flow and Central AFRITAC is no exception. Extensive meetings with all the staff at the center in Libreville confirm that this is still the case¹⁵⁰. This view was corroborated by feedback from meetings with country officials in Cameroon and Gabon, both those who were counterparts to missions on debt management and microfinance supervision and participants in regional and in-country seminars and workshops.

40. At the time of the Evaluation Team's visit, half way through its second year of operations, Central AFRITAC had established a comprehensive and effective organizational structure and,

¹⁵⁰ Even in the area of travel arrangements in the region, the logistics of which can pose considerable challenges, Central AFRITAC's procedures are smooth and efficient. The Center Coordinator noted that travel arrangements had been made more cost effective over the past year.

for debt management and financial sector supervision TAs, it has delivered an impressive number of missions and workshops, both in-country and regional. In its strategic direction setting and work program and budget approval mechanisms the Center and its Steering Committee obtain agreement on: (i) an annual assessment of TA needs for each country; (ii) the annual TA program to be delivered; and (iii) a mid-year and end year review of the actual delivery of programs. This arrangement adds greatly to process efficiency but does not ensure implementation efficiency. The second mid-year Steering Committee review meeting should perhaps look more specifically at strategic issues such as impact and outcomes of TA (from the perspective initially of finding a better way to monitor substantive progress, what has been done and what remains to be done. Such considerations might be useful to improve implementation efficiency.

41. The evaluation team was impressed by the volume of work in terms of missions, seminars and workshops leveraged by the two advisors in the span of 18 months. Relative to the other AFRITACs there has been much less recourse to short-term experts but this may change as recommendations and reforms gain traction. The Debt and Bank Supervision Advisors have developed good contacts through visits that are supplemented by email and phone with counterparts in client countries and are available to respond to technical questions and requests for information. As in the other AFRITACs, This close contact with client countries attests to the advantage of having Advisors in the region compared to at Headquarters. Since no Advisers have turned over yet, delays in filling Resident Advisor vacancies has not been a factor to date in impeding Central AFRITAC's TA delivery. There appears to be effective and commendable coordination between the Advisors and IMF resident representatives when the former visit countries in the region.

2. Efficient Use of Resources

42. In the MCM area, Central AFRITAC provided a total of 35 person months of input during FY2007 and FY 2008, of which 29 person months were provided in FY 2008, the first full year of operations. Of this, about 85% was provided by the two Resident Advisors and 15% by short term experts¹⁵¹. The cost of providing this TA totaled \$805,500 for the two fiscal years, equivalent to a cost of about \$23,000 per person month of input. This is close to the average cost per person month of TA for Central AFRITAC (\$23,500) and comparable to the cost per person month of TA delivered in the MCM area by East (\$24,400) and West (\$22,600) AFRITAC. These cost comparisons indicated that in terms of cost efficiency, there is no substantial difference between the three AFRITACs in the MCM area.

43. The survey results give some evidence related to the efficient use of results. Of the 14 people who rated the Central AFRITAC's expertise and assistance in the area for MCM TAs, 29% gave an excellent rating, 64% a Good rating and 7% a modest rating. No one rated Central AFRITAC's expertise and assistance as poor (see the third last row in Table F.7). This is consistent with a Good rating.

44. As is the case for West AFRITAC, Central AFRITAC has two non-CEMAC members (Burundi and DRC) whose central banks are responsible for monetary policy and banking/microfinance supervision. These two countries have benefited from TA from MCM during the period of this evaluation and the Bank Supervision Advisor has participated in the MCM missions. If Central AFRITAC is to provide a full range of monetary management /central

¹⁵¹ The two Advisors each provided an input of 15 person months each. The information available to the Evaluation Team did not break the inputs of the short term consultants down into debt management and bank supervision.

banking-type TAs for these two countries, one way to increase efficiency of resource utilization would be to use more short-term experts backstopped by Central AFRITAC's Resident Advisors. That said, to date there has not been much utilization of short term experts and there appears to be a reasonable balance between the time advisors spend in their home office and in the field.

45. With the delay in implementing an enhanced version of the TAIMS system until recently, the continuing difficulties of using TAIMS from a remote location and the paucity of costing data it is difficult to make value for money judgments and monitoring and effective benchmarking of progress (what needed to be done; what has been done; what remains to be done) has shortcomings. However, from a reading of reports and discussions with country officials the evaluation team is of the view that resources are used efficiently.

3. Monitoring and Evaluation

46. TAs in other AFRITACs, in the plenary session with the Coordinator and all advisors at the outset of the team's visit to Libreville, it was evident that MCM backstopping of substantive issues was less intensive than that provided by FAD and STA. This was more the case with debt management than with banking supervision. As in West AFRITAC, this was partly attributed to perceptions that: (i) MCM did not have significant in house specialized expertise dedicated to backstopping of debt management or microfinance supervision; and (ii) a number of successive restructurings of MCM over the past five or six years, accompanied by staff reductions as part of the recent Fund-wide retrenchment, diluted the capacity for this activity and the incentive for staff to give it high priority.¹⁵²

47. Later, in individual discussions both the Debt Management and Bank Supervision Advisors noted that their work was carried out in accordance with best international practices in their respective areas as documented in World Bank, IMF and Basle Committee on Banking Supervision literature and manuals. Both acknowledged the benefits of monitoring and backstopping from MCM staff, noting that they had the same back stopper in the MCM regional division for African countries who dealt with the process issues in a normative way, in accordance with prescribed procedures; sometimes delays occurred in clearing reports. The Advisor on banking supervision was comfortable with the level of backstopping and also had participated in MCM missions to Burundi and DRC that provided helpful strategy and work plan background for his subsequent visits to the two countries. The Advisor on debt management noted that: (i) she received helpful comments from time to time on reports; and, (ii) work done on the analytical framework for debt sustainability in the Fund and World Bank had been of great help in her missions and workshops on this topic. Both Advisors were unaware of AFR's country strategy notes but the Bank Supervision Advisor was aware of findings and recommendations in the regional FSAP.

48. A reading of monthly reports of the Advisors and of sample reports for two mission in each of the areas did not find any substantial areas of concern that were raised during the MCM backstopping process. One area where backstopping could play a more substantive role is in both commenting on the periodic reports and mission reports of the Advisors, especially the latter. More emphasis needs to be given to noting what progress has been achieved in a rolling work program, updated at the end of each mission that would more effectively benchmark progress in each mission report and, in turn, enhance the quality of bi-annual reports to the

¹⁵² This was also the sense that the Evaluation Team took from discussions with MCM staff in Washington, i.e. that backstopping was carried out but was light due to resource constraints and a relatively low priority attached by MCM management to this activity.

Steering Committee and facilitate production of better outreach and dissemination materials. Such benchmarking of progress should be done at a country level - in the context of a two to three year rolling program for each country - incorporating a plan for **what should be done** in each of the TA clusters and periodic monitoring and reporting to the Steering Committee on **what has been accomplished** and **what remains to be done**. In the interests of regional integration (a role in which the AFRITACs are expected to play a part) monitoring of progress could also take place on financial sector issues in the context of implementing a regional FSAP strategy in cooperation with BEAC. The bottom line is that more generally, the reporting and benchmarking of progress could be strengthened and more effort is needed to disseminate appropriate materials through both an annual report (as East AFRITAC does) and a web site (The latter does not exist as yet for Central AFRITAC but a joint web site, shared with other AFRITACs, could be the best solution to improve outreach and dissemination).

49. Resident Advisors are now inputting all TA activities into the TAIMS system and over time the TAIMS can play a more significant role in the monitoring of efficiency of TA and facilitating evaluation. As English is the working language of the IMF, consideration will have to be given at some stage to the extent that advisors periodic reports and mission reports are made available in English to facilitate more effective monitoring and backstopping of TAs as well as independent evaluation.

4. Efficiency Rating of Central AFRITAC Debt Management and Bank Supervision TAs

50. The efficiency ratings of the TA in debt management/market development and financial supervision clusters are summarized in Table F.8. Both TAs are rated potentially efficient. The overall assessment of the monetary and financial system TAs delivered by Central AFRITAC is efficient suggesting that in challenging circumstances resources were used in a reasonably efficient manner. This is consistent with the impressions that the Evaluation Team gained from discussion with counterparts in the two Central African countries visited.

Table F.8: Efficiency of Central AFRITAC's Monetary/Financial Systems TAs

Criteria	Weight (%)	Rating ^a		
		Debt Management	Financial Sector Supervision	Score ^b
		56	44	100
1. Process/Implementation Efficiency	40	3	3	3.0
2. Efficient Use of Resources	40	3	3	3.0
3. Monitoring and Reporting	20	3	2	2.6
Overall Efficiency Rating/Score	100	3.0	2.8	2.9
a/ Rating: 4 = Excellent; 3 = Good; 3 = Modest; 1 = Poor				
b/ Weight by % of East AFRITAC's budget allocated to Activity/TA Group				
Highly Efficient (Excellent) ≥ 3.5 ; $3.5 < \text{Efficient (Good)} \geq 2.5$; $2.5 < \text{Partly Efficient (Modest)} \geq 1.5$; Not Efficient (Poor) < 1.5				

E. Assessment of the Sustainability of the Central AFRITAC Debt Management and Financial Supervision TAs

1. Political Economy issues

51. Of the eight countries covered by Central AFRITAC, in terms of institutional absorptive capacity ratings calculated by the Evaluation Team¹⁵³, six were rated as poor, and two, Gabon and Cameroon, were rated modest. The ongoing conflict and humanitarian crises in the Democratic Republic of the Congo illustrate how challenging political economy factors can be in Central AFRITAC client countries. The six countries with weak institutional absorptive capacity are essentially post conflict countries. These country characteristics are beyond the control of Central AFRITAC and IMF. Though these conditions do not necessarily affect the delivery of TA, they are indicative of the challenging environment in which the Debt Management and Bank Supervision Advisers are working and the serious risks that are present for the achievement of desired outcomes. Offsetting these general country considerations to some extent is the fact that the two regional institutions that the Advisers work with, BEAC and COBAC, and perhaps the central banks in Burundi and the Democratic Republic of Congo, are among the stronger institutions in the region. Also, a considerable amount of TA has been provided to Gabon and Cameroon which have stronger institutional capacity than the other Central AFRITAC client countries.

2. Executing Agency Ownership and Use of TA outputs

52. In the countries visited (Cameroon and Gabon) feedback from country officials dealing with debt management and financial sector supervision at the ministries of economy and finance and BEAC/COBAC indicated solid ownership of, and support for, the TAs. These officials, particularly in Gabon, were not always conversant with the detailed work programs or the manner in which the Central AFRITAC organized its work under the strategic guidance of the Steering Committee. There is a need for more outreach by Central AFRITAC in this area. The Steering Committee members who represent countries' interests need to be more active in shaping and reviewing work programs and building support for it in their country than is evident from the minutes of their meetings, and be more demanding in requiring better benchmarking of progress. Developing a culture of effective benchmarking of progress of TA in the proceedings of the Steering Committee meetings is a vital ingredient for sustainable progress of Central AFRITAC's work going forward.

53. At meetings with participants in Central AFRITAC's regional workshops on debt management and bank supervision topics, feedback indicated that those who attended were making use of knowledge gained in their day to day work and lessons learned were being disseminated to others. This feedback is indicative of executing agency ownership and use of TA outputs. Some workshop participants stressed the need for the workshops to cover more practical experience of how other countries had successfully tackled similar challenges and suggested extending the period of the workshop to accommodate this. The feedback on suitability of participant selection was positive though it was not clear that TA outputs were adequately embedded in internal procedures of executing agencies in Gabon.

¹⁵³ See Table I.1 in Chapter I and Annex A.

3. Promoting the Use of African Expertise

54. The Debt Management Advisor comes from Senegal and brings to her work in Central AFRITAC rich and relevant experience of debt management issues in the WAEMU region as well as good contacts, including with key donors. She is a demonstrable example of how African expertise and experience can be used to good effect in country mission work and in organizing regional as well as in country workshops. During the past year, she has collaborated with a number of donors in delivering a seminar/workshop on topical debt management issues. Feedback received by the Evaluation Team directly from country officials and results of the AFRITAC Evaluation Survey, confirm that this was a well focused workshop and relevant to the needs of participants.

55. The Banking Supervision Advisor has organized a regional workshop on microfinance issues drawing on the extensive expertise of the West AFRITAC Resident Advisor on microfinance supervision as well as using effectively, as a resource person in the workshop presentations, an expert on microfinance from Rwanda. This workshop was well received and, from feedback received by the Evaluation Team, very useful in sensitizing senior country officials to the risks posed to financial stability by micro finance institutions that are growing rapidly and not adequately supervised. Otherwise, the use of African expertise and short-term experts in the debt management and banking supervision areas has not been significant, but short term experts in these areas have been very limited, totaling only 4.5 person months in FY 2007 and FY 2008 combined.

56. In the view of the Evaluation Team, the use of good African experts is effective and contributes importantly to sustainability. The expertise of banking supervision and debt management officials in the West and East Africa regions has developed considerably in recent years and MCM and Central AFRITAC should actively explore opportunities for their use in future TA work.

4. Financial Sustainability

57. Financing during the remainder of Phase I for debt management and banking supervision TAs at the present delivery levels is secure to: (i) maintain the momentum in supporting the strengthening of capacity for debt management reforms and to ensure the attainment of a critical mass sufficient to move most countries into the post HIPC zone that, in turn, can contribute to creating the fiscal space for poverty reduction; and (ii) support well targeted TA outputs in banking supervision to build institutional and human capacities and transfer knowledge and expertise will help to strengthen financial intermediation that is vital for sound economic development. However, capacity building in these important areas is a medium to long term agenda. Work in these areas will not be complete by 2010 and a continuation of financial support after the end of Phase I will be needed. However, no discussions have yet taken place with the participating financiers to secure the necessary funding. The sustainability of the very generous financial contribution of CEMAC to Central AFRITAC may be sensitive to the future price of oil. Thus there are some questions about the financial sustainability of Central AFRITAC in the medium to long term.

58. In the period up to the completion of Phase I in April 2010, the challenge for Central AFRITAC is to deliver debt management and financial sector supervision TAs that establish a solid track record in delivering TAs that are having positive, tangible impacts on meaningful capacity building. A further test of the Center's sustainability will be its ability to respond flexibly to the changing needs of its client countries. Addressing legitimate demands of non-CEMAC

countries (Burundi and DRC) for more traditional TA in monetary operations and banking supervision will likely present additional demands that can perhaps be met through the use of more short-term experts. It is clear from Steering Committee minutes that some countries in the CEMAC also have unmet needs for restructuring their financial systems.¹⁵⁴ The envisaged move away from automatic access to BEAC statutory advances to borrowing on the market for budget cash management will raise demands for better cash management, improved liquidity management, better payments systems and other measures that facilitate greater market determination of interest rates and the gradual emergence of a yield curve. With six of the eight client countries being classified as post conflict, it may be necessary, following the well documented lessons learned by the Fund of MCM's self evaluation of TA experience of providing TA in such situations, to consider more intensive multi-year programs involving the placing of long term experts to meaningfully address capacity building in some of these countries. Additional donor finance may be required, perhaps in the form of a Topical Trust Fund to cover both MCM TAs and AFRITAC TAs in these areas.

59. Despite the significant funding commitment for the Center made by CEMAC countries, maintaining the required level of financing for Central AFRITAC in the present international and regional economic climate may pose considerable challenges, going forward, to regional and external donors alike.

5. Sustainability Rating of Central AFRITAC Debt Management and Bank Supervision TAs

60. Given the early stage of Central AFRITAC's operations, any assessment of sustainability is subject to considerable uncertainty. The potential sustainability ratings for Central AFRITAC's debt management and banking supervision TAs are shown in Table F.9. Taken together the TAs, as a group, are rated as potentially sustainable but bordering on Partly Sustainable. The rating for both the debt management and banking supervision clusters were rated as Sustainable, but close to the cut off point for Partly Sustainable.

¹⁵⁴ The Republic of the Congo made such a request to Central AFRITAC at a Steering Committee meeting and was informed that all TA in banking supervision had to be delivered to COBAC. MCM has provided TA to Burundi and DRC but it is not clear if such assistance will be sustained on an ongoing basis or if Central AFRITAC is provide the TA necessary to help implement the recommendations of the MCM TAs. There is a need for a coherent plan to better clarify the role of MCM (upstream) TA and Central AFRITAC (downstream) TA in meeting country needs. A coherent post regional FSAP strategy could be a useful platform in addressing the needs of CEMAC although a different mechanism would be needed for Burundi and DRC.

Table F.9: Sustainability of Cental AFRITAC Monetary/Finanical System TAs

Criteria	Weight (%)	Rating ^a		
		Debt Management	Financial Sector Supervision	Score ^b
		50	50	100
1. Political Economy Issues	25	2.0	2.0	2.0
2. Executing Agency Ownership and Use of Outputs	40	3.0	3.0	3.0
3. Promoting Use of African Expertise	15	4.0	3.0	3.5
4. Financial Sustainability	20	2.0	2.0	2.0
Overall Sustainability Rating/Score	100	2.7	2.6	2.6
a Rating: 4 = Excellent; 3 = Good; 2 = Modest; 1 = Poor				
b Weight by % of East AFRITAC's budget allocated to Cluster of activities/TAs				
Highly Sustainable (Excellent) ≥ 3.5; 3.5 < Sustainable (Good) ≥ 2.5; 2.5 < Partly Sustainable ≥ 1.5 (Modest); Not Sustainable (Poor) < 1.5				

61. The AFRITAC Evaluation Survey results give some encouraging feedback on the possibility of Central AFRITAC's TAs resulting in sustainable benefits, although the number of respondents is low (9). Of those responding, 15% felt that there were Excellent prospects that the TAs in the MCM areas would result in sustainable benefits, 66% said that there were Good prospects and 19% replied that there were Modest prospects (see penultimate line in Table F.6). A larger number (79) of respondents gave their views on the continued importance of Central AFRITACs objectives of improving: (i) monetary operations, debt management and payment systems; and (ii) the legal/regulatory framework for financial sector supervision. Nearly 60% of the respondents rated these objectives as being Highest Importance slightly less than 40% as being Important (see Table F.10). Very few felt that these objectives were Modestly Important or Not Important. These survey results auger well for the sustainability of TAs in these areas since a broad cross section of those surveyed agreed that TAs in debt management and bank supervision are addressing important areas.

Table F.10: The Importance Central AFRITAC Should Assign to Monetary and Financial Sector Objectives

	Percent Answering				Response Count	Response Rate ^{1/}
	Highest Importance	Important	Modestly Important	Not Important		
To improve monetary operations, debt management and payment systems	59%	35%	4%	1%	79	90%
To improve the legal and regulatory framework for financial sector supervision	57%	39%	4%	0%	79	90%

¹ Ratio of the response count to the 88 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

F. Rating of the Performance of the Central AFRITAC Debt Management and Financial Supervision TAs

62. The overall rating for Central AFRITAC in Table F.11, was generated by combining the rating tables for relevance, effectiveness, efficiency and sustainability and weighting the results as is described in Annex B. The evaluation results indicate a solid potentially Successful rating of 3.0, with higher ratings in relevance and effectiveness tempered somewhat by lower ratings for efficiency and sustainability. The latter largely reflect: (i) the need for strengthening procedures for the benchmarking and monitoring of progress (efficiency); and (ii) concerns about absorptive capacity of the large number of post conflict countries in the region and the challenge to financing posed by this and the need to adjust the skills mix of technical expertise accordingly. The Debt Management TA was rated as Good, but substantially above the midpoint in the range and approaching the cut off point for Excellent. The bank supervision cluster was also rated as Successful but below the midpoint in the range. These results demonstrate that Central AFRITAC has made a good beginning in delivering relevant and effective TA in the debt management and financial supervision areas in an efficient way and early indications suggest that the potential benefits are likely to be sustainable.

Table F.11: Overall Assessment of Central AFRITAC's Monetary/ Financial Sector Assistance

Norm of Evaluation	Weight (%)	Rating By Monetary/ Financial SectorTA Cluster ^a		
		Debt Management	Financial Sector Supervision	Total Score ^b
		50	50	100
1. Relevance	32	3.8	2.8	3.3
2. Effectiveness	28	3.3	3.0	3.2
3. Efficiency	22	3.0	2.8	2.9
4. Sustainability	18	2.7	2.6	2.6
Overall Rating/Score	100	3.3	2.8	3.0
^{a/} Rating: 4 = Excellent; 3 = Good; 2 = Modest; 1 = Poor ^{b/} Weight by % of East AFRITAC's Budget Allocated to the Activity/TA Cluster Highly Successful (Excellent) ≥ 3.5; 3.5 < Successful (Good) ≥ 2.5; 2.5 < Partly Successful ≥ 1.5 (Modest); Not Successful (Poor) < 1.5				

G. The Way Forward for Central AFRITAC Monetary/ Financial System TAs

63. Going forward, Central AFRITAC needs to draw on the experience of West AFRITAC, use the lessons learned, and establish an effective system at an early stage to benchmark progress. Given the preponderance of post conflict countries among its client countries, **sustainability** of Central AFRITAC's TA programs will be at risk unless sufficient resources are mobilized for the type of in-depth multi-year comprehensive capacity building programs that, experience has shown, are needed to make meaningful progress in such countries in restoring macroeconomic stability and the prospects for sustainable growth¹⁵⁵. To its credit, the center is making good use of African experience in delivering TA in debt management and, in contrast to West AFRITAC, is already providing TA to the regional banking supervision agency.(COBAC). Like West AFRITAC, THE Center is not geared to provide TAs in the broader range of monetary operations to meet the needs of the two outlier client countries (Burundi and DRC-- that are not part of CEMAC).

¹⁵⁵ Additional resources, perhaps through a dedicated Topical Trust Fund, and "upstream" assistance from MCM on diagnostic and strategy work, are needed to underpin and supplement the Central AFRITAC's efforts for such cases. In the case of monetary and financial system TAs, given the existence of a regional central bank and banking supervision authority, including a stable common currency, the post conflict needs for countries in the CEMAC region are not as acute as for the two outliers (Burundi and the Democratic Republic of the Congo). The findings of the regional FSAP provide a good basis for MCM to develop a follow-up strategy for CEMAC countries, in close cooperation with the BEAC, the implementation of which could be supported by Central AFRITAC. MCM has provided direct TA to Burundi and the Democratic Republic of the Congo through missions but more intensive hands on TA efforts are likely to be needed.

III. Evaluation of Central AFRITAC's Fiscal TAs

Key Messages

- Central AFRITAC's fiscal TAs, as a group, were rated as Good, below the midpoint on the Good range. Relevancy and Efficiency were rated as Good while Effectiveness and Sustainability were rated as modest, bordering on Good.
- The ratings of the PFM and Revenue Administration were similar, both Good but below the midpoint on the range. The PFM cluster was bordering on modest. For both clusters Relevance and Efficiency were rated as Good and Sustainability as Modest. Effectiveness was rated as Good for the Revenue Administration TAs but Modest for the PFM TAs.
- Organizational autonomy of TA recipients enhances TA ownership, facilitates identification of priorities and generally contributes to improved TA effectiveness and the achievement of results. All revenue administrations and PFM TA recipients in the Central AFRITAC region are departments of the ministries of finance and have little or no autonomy.
- Since Economic and Monetary Community for Central Africa (CEMAC) countries have a clear regional integration agenda, Central AFRITAC should have more of a regional approach in planning and delivering fiscal TAs in collaboration with the CEMAC Secretariat and other regional groupings.
- Central AFRITAC should support the efforts of government agencies and departments working in the PFM and revenue administrations areas to establish regional networks.
- When attempting to mobilize funds to compliment its fiscal TAs, Central AFRITAC should use a targeted approach. Donors that have had an interest in fiscal TA in the region are the European Union, World Bank, African Development Bank, French and the Canadian International Development Agency.
- IMF should aim at delivering seamless services between Central AFRITAC and FAD's meticulous backstopping.
- Central AFRITAC should have a long-term approach to both institutional building in the fiscal areas, albeit using a phased approach by implementing short-term and medium-term action plans and programs.
- More effort on communication and dissemination of information is required especially to targeted stakeholders working in the fiscal area.
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A. Introduction to Central AFRITAC Fiscal TAs

1. Central AFRITAC was inaugurated in January, 2007. Thus the amount of evidence in terms of completed fiscal TAs on which the evaluation Team could assess effectiveness and sustainability was limited.

2. With the exception of Burundi and the Democratic Republic of Congo, all Central AFRITAC client countries are members of the Economic and Monetary Community for Central Africa (CEMAC). Also, all of the client countries are Francophone countries except Equatorial Guinea. Both the CEMAC membership and francophone background have influenced the culture of accounting, PFM and institutional arrangements in revenue administration in the region. It has helped in adopting a harmonized approach due to the background of the "Code approach".

These factors are also advantageous when adopting good practices extracted from the French system. However, the same factors pose challenges in adopting good practices from outside France and the francophone systems. There are challenges implementing CEMAC initiatives to deepen integration in the revenue administration and PFM in Burundi and the Democratic Republic of Congo. There are no independent revenue administration agencies in any of the Central AFRITAC member countries. Tax administrations and customs administrations are separate entities but are departments in the ministries of finance. All PFM TA is executed by different departments in the ministries of finance. On language related issues, Equatorial Guinea poses a unique challenge for Central AFRITAC.

3. Revenue administration TAs were delivered by a Resident Advisor, short-term experts and was often re-inforced by experts from FAD. PFM TAs were delivered by two Resident Advisors who worked closely FAD staff and were supported by short-term experts.

B. Relevance of Central AFRITAC's Fiscal TAs

1. Consistency of TAs with Government Priorities

4. Following Central AFRITAC's inauguration on 9 January 2007, the first Steering Committee meeting took place on 10 January 2007 and the Fiscal Advisors arrived in January and February. **Their first major assignment was to undertake needs assessment missions to all countries in February and March 2007.** The first annual work plan was approved by the Steering Committee in May 2007.

5. **Central AFRITAC has worked with revenue administrations in the client countries to fine-tune their strategies and action plans.** In customs administrations, the TAs have supported:

- (i) computerization of customs administration;
- (ii) reforms of legal and regulatory framework for customs operations;
- (iii) implementation of WTO customs valuation;
- (iv) using risk analysis and selectivity in customs management;
- (v) anti-smuggling and fraud prevention techniques;
- (vi) transit management; and
- (vii) internal audit and professional ethics.

6. In tax administration, TAs have supported:

- identification and registration of taxpayers;
- exploring means of broadening the tax base including taxation of the informal sector and management of tax exemptions;
- strengthening taxation operations (registration, collection, enforcement, audits and fraud prevention, accounting and computerization);
- strengthening managerial capacity and internal control systems; and
- revenue forecasting.

7. **One of the major challenges is the diversity within countries and across sectors as regards priorities and capacities.** In general, Cameroon and Burundi are in the second generation revenue administration reforms. However, the progress in Burundi has been adversely affected by the civil war and political instability. Other countries are trying to implement first generation reforms. Cameroon and Gabon are generally stable countries and TA delivery is increasingly becoming effective in the those countries. **Those countries have been**

able to identify their priorities and engage in discussions with Central AFRITAC to agree on the priority areas for assistance. The Resident Advisor liaises with the appropriate revenue administration officials. However, a major challenge is that the revenue administrations do not have enough autonomy to make decisions without obtaining approvals via the hierarchies of the ministries of finance. Countries like Burundi, Chad and the Central Africa Republic are just emerging out of conflicts and their fiscal systems were badly damaged. There is an ongoing armed conflict in the Democratic Republic of the Congo at the time of preparing this report. In the countries visited by the evaluators (Gabon and Cameroon) the authorities were satisfied with the degree of collaboration with both Central AFRITAC and IMF more generally in the revenue administration area and felt that the TAs were addressing some of their priority needs.

8. There is considerable interest in PFM both in the client countries and among donors due to:

- (i) a desire to scale up donor support using the budget support modality to support poverty reduction strategies;
- (ii) the realization that well functioning public finance management systems make positive contributions to developing and implementing fiscal policy; and
- (iii) the need to rationalize, manage and monitor public expenditure, and ensure timely budget execution.

9. The PFM TA delivered by Central AFRITAC covered:

- (i) supporting the development of the legislative and regulatory framework for PFM (e.g., support for drafting PFM related bills in the Democratic Republic of Congo);
- (ii) helping governments to link budget preparation, PRSPs and MTEF and improving budget preparation and management to ensure better alignment of resource allocations to national priorities -- Central AFRITAC and FAD worked together to assist countries in activities ranging from diagnostic studies done during the first quarter of 2007 to enable drawing up the work plan for 2007/8 to improving budget classifications;
- (iii) promoting treasury reforms aimed at improving the management and accountability of funds;
- (iv) strengthening capacities in the management of inter-governmental fiscal relations; and,
- (v) encouraging and assisting governments to design and implement PFM reform agendas including planned implementation of computerized and integrated information systems (e.g., Burundi).

10. Delivering TA in the above areas was re-inforced by organizing regional workshops on PFM topics such as integrated public finance management systems and government and local government accounting.

11. Central AFRITAC TA is taking into account and endeavoring to meet the priority needs of its client countries. One of the most important needs is domestic resource mobilization. The trends in the revenue to GDP ratio in the region are shown in Table F.12. Since 2003 there has been an upward trend in the ratio in all Central AFRITAC client countries except Burundi and Gabon. The trends are affected by both the post conflict/fragile state status of some countries and the rapid increase in petroleum prices. Given that Central AFRITAC only began operations in 2007, it would not be appropriate to conclude that its TAs had a significant impact on these ratios. The data does indicate that PFM TAs would be relevant to help manage

efficiently and effectively sharp increases in revenues in some countries and that revenue TAs would be relevant to increase fiscal revenues in other countries.

Table F.12: Central Africa: Revenue Excluding Grants as a Per Cent of GDP

	1997-2002	2003	2004	2005	2006	2007	2008
Burundi	17.7	21.1	20.1	20.0	18.9	17.7	18.5
Cameroon	14.6	16.1	15.2	17.6	19.3	18.9	19.5
Central African Republic	9.2	8.1	8.3	8.2	9.5	10.2	10.6
Chad	7.8	7.8	8.5	9.4	16.9	22.3	20.2
Republic of the Congo	26.9	29.7	30.0	38.6	44.3	42.7	44.2
Democratic Republic of the Congo	5.8	7.7	9.5	11.4	13.0	14.5	18.8
Equatorial Guinea	22.5	27.3	31.9	37.9	45.7	46.0	39.5
Gabon	32.5	30.1	30.8	31.3	31.7	30.2	30.1

Source: IMF. Regional Economic Outlook: Sub-Saharan Africa. April 2008.

12. Regional coordination among revenue administrations and PFM departments requires strengthening in Central AFRITAC's region. The Central AFRITAC Steering Committee is becoming more effective in ensuring country ownership of AFRITAC TA and strategies. However, country ownership also needs to be continuously preserved, supported and facilitated by FAD and Africa Department missions. A review of the minutes of the Steering Committee indicates that there has been relatively little discussion on the work plan. For example, when countries were invited to make comments on the annual work plan for 2008/9, only one country responded.

13. Coordination within member countries remains a challenge. Central AFRITAC mainly works with individuals who may or may not have a general interest in the TA needs of all potential Central AFRITAC client executing agencies in their country. Even if there is an interest, he/she may not have the means and/or mandate necessary to effectively coordinate and prioritize TA requests on behalf of the government. Strong national AFRITAC focal points and the active involvement of senior government officials represented on the Steering Committees would help to address this situation. However, the performance across countries in these areas is mixed.

2. Coordination with Development Partners

14. For the most part donor coordination remains a challenge in the fiscal area. However, in some countries, such as Cameroon and the Congo Republic, donor coordination has improved.

15. There are fewer donor coordination problems in revenue administration area than in the PFM area since there are few other TA providers active in the area of revenue administration -- notably France, Canada and occasionally the World Customs Organization. This small group of

donors know each other well and there is synergy in what is being done. Both the donors and the revenue administration authorities recognize the expertise of Central AFRITAC and FAD and their abilities in quality assurance, both in policy formulation and implementation.

16. As is the case for the other AFRITACs, donor coordination in the PFM field is challenging. There is a multiplicity of donors, some of which are new to this area but have substantial amounts of funds. The country authorities and donors interviewed by the Evaluation Team re-affirmed that Central AFRITAC and FAD have important roles to play in the PFM area, especially when it comes to quality assurance.

17. Central AFRITAC should put more effort in outreach to both authorities and donors involved in the fiscal areas. To-date, there is no evidence that Central AFRITAC is taking a lead to facilitate coordination in either revenue administration or PFM. Central AFRITAC continues to get mileage from their role in supporting program conditionalities and surveillance missions. However, this will change if countries graduate into other IMF programs. Eventually, successful delivery of Central AFRITAC TA will increasingly depend on how well Central AFRITAC is able to coordinate with other stakeholders.

3. Consistency of TAs with IMF Headquarters Activities

18. Central AFRITAC activities are well integrated with TA, surveillance, and lending activities of IMF Headquarters. There is consistency between Central AFRITAC activities and IMF's areas of expertise and operations in the concerned countries as is clear from a review of the conditionalities in the Stand By Arrangements, issues identified in monitoring reports and interviews with the staff of the African Department, IMF Resident Representatives and FAD staff. The TAs provided by FAD are complimentary to Central AFRITAC TAs. FAD TAs largely do the upstream policy and diagnostic work and Central AFRITAC TAs focus on the downstream implementation work. In many cases, the Fiscal Advisors have been invited to participate in FAD missions. The Fiscal Advisors, IMF staff from Headquarters and the authorities agree that these joint missions have been very helpful because Central AFRITAC is able to provide follow-up actions and TAs to support the implementation of actions necessary to meet IMF conditionalities.

19. The quality and timeliness of management and backstopping of Central AFRITAC activities by FAD is highly appreciated by both the Fiscal Advisors and the authorities of the benefiting countries since it is recognized as enhancing quality for both PFM and revenue administration TAs. The FAD backstopper is normally someone who has been on the ground and has considerable expertise in a given field. Backstopping is seen as advantageous because it:

- (i) gives an independent verification and second expert opinion;
- (ii) often provides the Fiscal Advisor with supplementary expertise as it is not possible for a Fiscal Advisor to know everything in every field; and
- (iii) helps the member countries to continuously benefit from international expertise and experience.

20. This backstopping practice should be maintained. IMF should facilitate backstoppers spending time in the AFRITACs and Fiscal Advisors spending time at Headquarter to allow for a cross-fertilization of skills. Also, it is important for backstoppers to receive recognition for this work within the IMF system. **However, backstopping should not be viewed as a superior-subordinate relationship.** It should be viewed as a coaching or mentoring relationship akin to providing expert advice to a colleague who has considerable expertise in his/her own right.

There is a risk that when this is misunderstood, the backstopper may use their perceived power to make decisions that conflict with the AFRITAC work plan. This could be seen as undermining decisions of Steering Committee as it approves the work program. Only a reasonable level of backstopping is desirable. Overly heavy backstopping may erode the autonomy, responsiveness, flexibility and innovation, all of which are required and expected by Central AFRITAC member countries.

21. The beneficiaries of PFM and revenue administration TAs do not see any difference between Central AFRITAC and IMF-Headquarter TA activities. As far as they are concerned, it is all IMF activities. Therefore, it is important to ensure that seamless services are provided to the member countries in a way that does not draw sharp distinctions in their minds about AFRITAC and Headquarters activities or possible conflicts or different agendas.

4. Rating the Relevance of Central AFRITAC's Fiscal TAs

22. Central AFRITAC is playing a useful role in helping to define country TA priorities in the revenue administration and PFM areas. Central AFRITAC is beginning to help equip countries with the institutional capacity to define their own policy alternatives, including in the context of poverty reduction strategy papers. This will help to increasingly improve the relevance and country ownership of the TAs. **The fact that the member countries fund most of the costs of Central AFRITAC is a tangible indicator of their views on the relevance of Central AFRITAC's work. Taking into account the IMF's expertise and the priority needs of member countries, Central AFRITAC activities have been appropriately focused in terms of subject areas.**

23. Tables F.13 and F.14 provide a summary of responses from the AFRITAC Evaluation Survey regarding the relevance of Central AFRITAC fiscal TAs. The number of responses was modest, ranging between 11 and 18, depending on the question. The pattern of rating for the relevance sub-criteria for the PFM and Revenue Administration TAs was broadly similar. The based on the average rating for all of the sub-criteria both the PFM and Revenue Administration TA clusters were rated as Good, near the midpoint of the range. In terms of relevance of the TAs in helping to build capacity, about 40% of the respondents rated both clusters as **Excellent**, a third as **Good** and a quarter as **Modest**. No one rated the fiscal TAs as **Poor** for this sub-criteria. These responses are equivalent to a weighted score **above the midpoint on the Good range**. The pattern of responses was also similar for the two clusters regarding consistency with government priorities. Between 70% and 75% of the respondents rated consistency with government priorities as Good or Excellent and 25% to 30% as Modest or Poor. The lowest scores for the relevance sub-criteria were for coordination with other donors. While the PFM cluster was rated as Good but below the midpoint, the Revenue Administration TAs were rated as Modest in terms of coordination with other donors, the only relevancy sub-criteria in the fiscal area for which a Modest rating was given. No respondents gave an Excellent rating for the Revenue Administration TAs for donor coordination and the majority, 63%, gave Modest or Poor ratings. The respondents to the AFRITAC Evaluation Survey had a positive view of the coordination between Central AFRITAC and Headquarters in the fiscal area. For the Revenue Administration TAs, coordination with Headquarters was rated as Modest by 9%, Good by 36% and Excellent by 55% of the respondents. This is equivalent to a weighted rating of **Excellent, the only rating of excellent for fiscal TAs for the relevancy sub-criteria. The PFM TAs were also rated highly on this sub-criteria with a weighted score well above the midpoint on the Good range**. These survey results are consistent with the findings of the Evaluation Team in the Central AFRITAC client countries visited. Clear opinions were expressed that there

is a need for Central AFRITAC to improve its coordination efforts with other TA providers in both the Revenue Administration and PFM areas.

Table F.13: Relevance of Central AFRITAC's Public Financial Management TAs

	Percent Answering				Weighted Rating ^{1/}	Response Count	Response Rate ^{2/}
	Excellent	Good	Modest	Poor			
Relevance of TAs in helping to build capacity	44%	33%	22%	0%	3.2	18	100%
Consistency with Government priorities	28%	44%	17%	11%	2.9	18	100%
Coordination with other TA providers	15%	54%	15%	15%	2.7	13	72%
Coordination with IMF Headquarters	29%	71%	0%	0%	3.3	14	78%
Average for All Criteria	29%	51%	14%	7%	3.0	16	88%

¹ Based on ratings of Excellent=4, Good=3, Modest=2, and Poor=1.

² Ratio of the response count to the 18 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table F.14: Relevance of Central AFRITAC's Revenue Administration TAs

	Percent Answering				Weighted Rating ^{1/}	Response Count	Response Rate ^{2/}
	Excellent	Good	Modest	Poor			
Relevance of TAs in helping to build capacity	40%	33%	27%	0%	3.1	15	94%
Consistency with Government priorities	27%	47%	13%	13%	2.9	15	94%
Coordination with other TA providers	0%	36%	36%	27%	2.1	11	69%
Coordination with IMF Headquarters	55%	36%	9%	0%	3.5	11	69%
Average for All Criteria	30%	38%	21%	10%	2.9	13	81%

¹ Based on ratings of Excellent=4, Good=3, Modest=2, and Poor=1.

² Ratio of the response count to the 16 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

24. Based on the information in the preceding sections, the Evaluation Team assigned ratings for the relevance of Central AFRITAC's PFM and Revenue Administration clusters (see Table F.15). Both clusters were rated as Good, near to the midpoint on the range. The highest ratings were assigned to coordination between Central AFRITAC and IMF Headquarters and the lowest rating were related to donor coordination. The Evaluation Teams' ratings are broadly consistent with the feedback received through the AFRITAC Evaluation Survey.

Table F15: Relevancy Assessment for the Fiscal Activities of AFRITAC Central (AFC)

Criteria	Weight (%)	Rating ^a		
		Public Financial Management	Revenue Administration	Score ^b
		67	33	100
1. Consistency With Government Priorities	60	3	3	3.0
2. AFRITAC Coordination with Development Partners	20	2	2	2.0
3. Consistency with IMF Activities	20	3	4	3.3
Overall Relevance Rating/Score	100	2.8	3.0	2.9
a/ = Rating: 4 = Excellent; 3 = Good; 3 = Modest; 1 = Poor b/ = Weight by % of AFRITAC Center Budget Allocated to the Activity/TA Group Highly Relevant (Excellent) ≥ 3.5; 3.5 < Relevant (Good) ≥ 2.5; 2.5 < Partly Relevant (Modest) ≥ 1.5; Not Relevant (Poor) < 1.5				

C. Effectiveness of Central AFRITAC's Fiscal TAs

5. Use of AFRITAC Center Outputs

25. The assessment of the use of Central AFRITAC's fiscal TAs was largely based on feedback received during discussions with the management of the benefiting government departments and their staff in the countries visited by the Evaluation Team. In both the revenue administration and PFM areas, focus groups were organized with the staff that attended workshops/seminars and received hands-on training. There were no professional attachments in the fiscal areas of officials from Central AFRITAC client countries during the period being evaluated. The results of these interviews were enriched by examining the responses to the AFRITAC Evaluation Survey, interviews with IMF Resident Representatives and examining the implementation status of the PFM and revenue administration work plans.

26. The following are the Evaluation Team's conclusions on the effectiveness of the workshops:

- (i) The regional seminars and workshops were an effective way of sharing regional experiences.
- (ii) The documentation received during the workshops and seminars was helpful and often used as reference at work.
- (iii) Workshops and seminars provided opportunities for networking and developing relationships among practitioners.
- (iv) Better follow-up on workshop and seminar recommendations is needed to facilitate implementation.

- (v) There should be a mix between technicians and management participants in workshops. The participation of management level representatives is useful to facilitate the policy and procedural changes necessary for staff to use the skills gained and implement workshop recommendations.

27. The participants identified two areas where changes could be made to improve the effectiveness of the workshops:

- (i) The duration for the workshops/seminars was felt to be too short for optimal learning and comprehensive sharing of information across countries. Most workshops lasted for five days or less.
- (ii) Often there is lack of follow-up on the recommendations made and lessons learnt from the workshops. This task is largely left to the participants who may not be senior enough to initiate such changes in their respective institutions.

28. The 2005 evaluation stressed the importance of good participant selection and recommended that "Countries should exercise great care in the selection of AFRITAC workshop participants. Participants should be required to share the acquired knowledge with colleagues from their and related agencies, through in-house seminars and other means." **There was evidence that this was being done and instances of mis-selection identified by the Evaluation Team were rare.** Stakeholders are generally happy with the caliber of participants who attended the seminars/workshops.

29. For revenue administration, both the staff and management of the benefiting departments expressed satisfaction that the TA outputs were being put to use and the desired outcomes were being attained. However, future expectations were high. All client countries have large taxpayer units and efforts are underway in all countries to implement a Value Added Tax with a harmonized code. However, success in achieving the desired TA outcomes in terms of tangible changes as reflected by embedding the TA outcomes in the procedures of executing agencies is hampered by limited autonomy of revenue administration units and weak institutional frameworks.

30. For PFM, the results are more mixed. TAs to strengthen treasuries in cash management and those related to budgeting were generally effective in achieving results. However, good practices like the use of single treasury accounts are yet to be implemented in most countries. Initial TAs to improve institutional arrangements related to strengthen oversight functions are beginning to gain traction but more effort and sustained engagement over a period of years will be needed for TAs in these areas to be judged effective in achieving results. A major challenge is that the PFM departments have limited autonomy which constrains their ability to make quick decisions to implement the TA recommendations. Even when their staff acquire the necessary skills, some changes are often required in the way the departments operate for the knowledge and skills to be applied. Implementing such changes often proves difficult and takes a considerable length of time. At the time of the evaluation it was often not clear when, or if, the necessary institutional and procedural changes would be made that are necessary to some TAs to have the desired outcome and impact. PFM departments have a limited ability to coordinate regionally. Regional professional networks, as the experience of the East AFRITAC revenue administrations has demonstrated, can accelerate reform and the adoption of best practice. Sharing experience with colleagues from other countries that are dealing with similar issues and peer reviews are potentially powerful mechanisms to accelerate reforms.

31. Given that Central AFRITAC had only been in operation for 18 months at the time of the Evaluation Team's field visit, **the Evaluation Team found sufficient evidence to attest that**

the Central AFRITAC activities in revenue administration and public finance management have the potential to deliver effective outputs, assuming that the Fiscal Advisors stay engaged for the medium term. The fiscal TAs have the potential to contribute effectively to capacity building and implementing policy reforms. However, most of the fiscal TAs are not yet sufficiently mature for the Evaluation Team to be able to make firm judgments on TA effectiveness based on clear evidence that the outputs are being used and are embedded in the procedures of the executing agencies.

6. Desired vs. Actual Outputs

32. The actual outputs for the relatively short period being evaluated were compared to the desired outputs implied from goals and objectives stated in the work plan for the Central AFRITAC and other documentation. The results are mixed. In the area of revenue administration, the actual outputs compare sufficiently well with the desired outputs. In some cases, the actual outputs exceeded the Evaluation Team's expectations given the short period of engagement. Central AFRITAC has organized regional workshops on government accounting, budgeting etc. which were generally judged to be effective by the workshop participants during the focal group discussions. While there was some follow-up on the implementation of the recommendations, more needs to be done in this area to achieve the desired results. Given the short period under evaluation, some results are encouraging and there is evidence that Central AFRITAC Revenue Administration and PFM TAs have the potential to achieve the desired outputs in the future with continued sustained engagement.

7. Significance of Central AFRITAC's Contribution to Developing Core Economic Functions/Institution Building

33. The 2005 AFRITAC evaluation stressed the importance of capacity building by recommending that: (i) comprehensive capacity-building programs should be adopted as part of PRSPs; and (ii) agencies benefiting from the AFRITACs should prepare plans for developing staff resources and institutional capacity that would describe the current status of the area (e. g., revenue administration, public finance), outline steps to be taken to meet international standards and provide for regular monitoring of capacity, using agency performance indicators established according to international standards.

34. Six of the eight member countries belong to the CEMAC and are making most progress towards economic integration. There is likely to be increasing convergence for revenue administration and PFM practices in the region. These efforts by CEMAC countries may require IMF to adjust its approach accordingly and redefine the balance between what to support on a country-specific basis and what to support regionally.

35. Central AFRITAC is helping to strengthen the treasury, budget, customs and taxation departments in almost all the member countries. Member countries are aware of the importance of resource mobilization, expenditure rationalization and the need to entrench good governance practices and improve transparency, accountability and oversight. For example, Burundi is now engaged in the process of computerizing their treasury functions. As PFM systems get better, donors may become more confident and willing to use the direct budget support modality to scale up their level of assistance. While both clusters of fiscal TAs have the potential to make significant contributions to strengthening core economic functions and building institutional capacity. However, at this stage it is not reasonable to expect that Central AFRITAC TAs would score highly on this effectiveness sub-criteria.

8. Rating the Effectiveness of Central AFRITAC's TAs

36. **Central AFRITAC is championing adoption of good practices in PFM and revenue administration.** The TAs have the potential to be judged effective, assuming that these good practices are adopted and embedded in procedures of revenue administrations and PFM departments. However, it will take more time and additional TA and support before clear evidence of the effectiveness of Central AFRITAC's TAs is available.

37. The responses to the AFRITAC Evaluation Survey provide some additional evidence to consider when rating the effectiveness of Central AFRITAC's fiscal TAs. Tables F.16 and F.17 show the survey results for the effectiveness sub-criteria for Central AFRITAC's clusters of PFM and Revenue Administration TAs. The number of responses ranged between 13 and 18, depending on the sub-criteria. For the PFM TAs, the weighted rating was **Modest** for use of outputs and achieving tangible results (see Table F.16). For both of these sub-criteria, there were very few **Excellent** ratings. The ratings were nearly equally distributed between **Good** and **Modest/Poor**. The rating of significance of contributions to developing core economic functions were better with a **Good rating but below the midpoint in the range**. However, there were a sizable number of respondents that rated the PFM TAs as Modest or Poor on this sub-criteria (28%).

38. The respondents to the AFRITAC Evaluation Survey **rated the three effectiveness sub-criteria were as Good but below the midpoint for the Revenue Administration TAs** (see Table F.17). The lowest rating was for the use of outputs which was rated as Good but on the margin of Modest. For the use of the Revenue Administration outputs, respondents were nearly evenly split between Good/Excellent ratings and Modest/Poor ratings. For the achieving tangible results and the significance of Central AFRITAC's contributions in the revenue administration area, about three quarters of the respondents assigned Good or Excellent ratings and one quarter Modest or Poor ratings. In contrast to the PFM area, the proportion of Poor ratings never exceeded 10% for any effectiveness sub-criteria for the Revenue Administration cluster. The survey findings shown in Tables F.16 and F.17 suggest that at this early stage, there is limited evidence to say that the fiscal TAs are effective. However, the perception is that some progress is being made to achieve effective results.

Table F.16: Effectiveness of Central AFRITAC's Public Financial Management TAs

	Percent Answering				Weighted Rating ^{1/}	Response Count	Response Rate ^{2/}
	Excellent	Good	Modest	Poor			
Use of the outputs	6%	44%	31%	19%	2.4	16	89%
Effectiveness in achieving tangible results	0%	50%	33%	17%	2.3	18	100%
Significance of contributions to developing core economic functions	21%	50%	7%	21%	2.7	14	78%
Expertise and assistance	33%	44%	11%	11%	3.0	18	100%
Sustainability of the benefits of AFRITAC TAs	0%	75%	19%	6%	2.7	16	89%
Average for All Criteria	12%	53%	20%	15%	2.6	16	91%

¹ Based on ratings of Excellent=4, Good=3, Modest=2, and Poor=1.

² Ratio of the response count to the 18 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table F.17: Effectiveness of Central AFRITAC's Revenue Administration TAs

	Percent Answering				Weighted Rating ^{1/}	Response Count	Response Rate ^{2/}
	Excellent	Good	Modest	Poor			
Use of the outputs	7%	47%	40%	7%	2.5	15	94%
Effectiveness in achieving tangible results	27%	47%	20%	7%	2.9	15	94%
Significance of contributions to developing core economic functions	15%	62%	15%	8%	2.8	13	81%
Expertise and assistance	53%	40%	7%	0%	3.5	15	94%
Sustainability of the benefits of AFRITAC TAs	20%	47%	33%	0%	2.9	15	94%
Average for All Criteria	24%	48%	23%	4%	2.9	15	91%

¹ Based on ratings of Excellent=4, Good=3, Modest=2, and Poor=1.

² Ratio of the response count to the 16 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

39. The four fiscal objectives defined in the Central AFRITAC program document 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. A broad indicator of the effectiveness of the fiscal TA portfolio is the degree to which people believe that progress is being made to achieve the objectives. The number of people giving an opinion ranged from 61 to 67 depending on the objective. In terms of achieving Central AFRITAC's fiscal objectives, the responses to the AFRITAC Evaluation Survey indicate that: (i) only 2% to 5% felt that the fiscal objectives had been achieved; (ii) 54% to 64% reported that significant progress had been made but that the objective had not been achieved; (iii) 23% to 34% felt that modest progress had been made; and (iv) 7% to 12% of the respondents stated that no progress had been made in term of achieving the objectives (see Table F.18). The broad picture suggested by Table F.18 is that while progress is being made, considerably more progress will be needed before the Central AFRITAC's fiscal objectives have been achieved.

Table F.18: Central AFRITAC's Progress in Achieving Fiscal Objectives

	Percent Answering				Response Count	Response Rate ^{1/}
	Objective Fully Achieved	Despite Substantial Progress, Objective not yet Achieved	Only Modest Progress Made to Achieve Objective	No Significant Progress Made		
To improve capacity for macroeconomic analysis, policy formulation, and forecasting	5%	56%	28%	11%	61	63%
To 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	4%	54%	34%	7%	67	69%
To make systems and procedures for budgeting, treasury operations, and expenditure planning and control, more efficient with appropriate safeguards in terms of oversight and auditing	2%	64%	23%	12%	66	68%
To make the reporting of government financial operations more reliable and timely	2%	56%	33%	9%	64	66%

^{1/} This represents the ratio of the response count to the 97 respondents who rated the AFRITAC Centers for this issue.
Source: 2008 AFRITAC Evaluation Survey

40. The Evaluation Team's effectiveness ratings for Central AFRITAC's portfolio of fiscal TAs is given in Table F.19. **The effectiveness of the PFM cluster was rated as Modest while the effectiveness of the Revenue Administration TAs was rated as Good, albeit below the midpoint of the Good range.** Because almost twice as many resources were used to deliver

PFM TAs as were used to deliver Revenue Administration TAs, a large weight was assigned to the PFM ratings when the rating of the total portfolio of TAs was derived. **The effectiveness of the fiscal portfolio was rated as Modest, bordering on Good.** The ratings of the Evaluation Team were broadly confirmed by the results of the AFRITAC Evaluation Team. Generally the survey results rated the effectiveness of the Revenue Administration TAs slightly higher than the PFM TAs. The findings of the Evaluation Team confirmed that Central AFRITAC's fiscal TAs are appropriately focused on delivering outputs and that there is some evidence that there are beginning to deliver effective results. A general indicator of whether TAs are likely to be effective in the medium term is the quality of expertise and assistance provided by Central AFRITAC. Survey respondents rated this indicator as Excellent for Revenue TAs (see Table F.17) and Good for PFM TAs (see Table F.16). **Since capacity building is a medium to long term task and Central AFRITAC is only half way through its second fiscal year of operations, it is too early to expect that clear evidence will have emerged about the effectiveness of the TAs.** However the feedback received by the Evaluation Team, both during its field work and through the survey, indicates that the fiscal TAs have the potential to be effective and to achieve tangible results. This is a positive finding given the difficult institutional environment in which Central AFRITAC operates in many countries.

Table F.19: Effectiveness Assessment of Central AFRITAC's Fiscal TAs

Criteria	Weight (%)	Rating ^a		
		Public Financial Management	Revenue Administration	Score ^b
		67	33	100
1. Use of AFRITAC Outcomes	40	2.0	3.0	2.3
2. Planned vs. Actual Achievements	30	3.0	3.0	3.0
3. Significance of Contribution to Developing Core Economic Functions and Institution Building	30	2.0	2.0	2.0
Overall Effectiveness Rating/Score	100	2.3	2.7	2.4
^a Rating: 4 = Excellent; 3 = Good; 3 = Modest; 1 = Poor ^b Weight by % of the Center budget allocated to the cluster of AFRITAC activities/TAs Highly Effective (Excellent) ≥ 3.5; 3.5 < Effective (Good) ≥ 2.5; 2.5 < Partly Effective (Modest) ≥ 1.5; Not Effective (Poor) < 1.5				

D. Efficiency of Central AFRITAC Fiscal TAs

1. Process and Implementation Efficiency:

41. Assessing process and implementation efficiency covers such factors as IMF's internal management of Central AFRITAC activities, appropriate counterpart/workshop participant selection and the quality and timeliness of management and backstopping of the Fiscal Advisors by FAD. The Evaluation Team also examined the consistency of engagement at the institutional and individual level for both Central AFRITAC and the executing agencies. It was examined by looking at whether the Central AFRITAC consistently engaged in the PFM and revenue administration areas and the turnover of Central AFRITAC Fiscal Advisors and the staff of executing agencies. Another factor considered was the efficiency of the recruitment of consultants, making appropriate PFM and Revenue Administration Advisors available, the

efficiency of planning and executing the TA delivery and the timeliness of TA execution. To help improve process efficiency and effectiveness, the 2005 evaluation recommended that “Where this is not yet the case, Resident Representatives’ Terms of Reference should include assisting the AFRITAC intervention in their assigned country.” That recommendation has not been implemented.

42. In general short term experts were recruited in a timely manner. Also the Fiscal Advisors were recruited in a timely manner and were in place when Central AFRITAC began operations. Since none of the Fiscal Advisors have yet completed their terms, issues have not yet arisen about succession planning and the efficiency of filling vacancies.

43. FAD is very much in control when it comes to backstopping, recruitment of the Fiscal Advisors and short term experts, and the programming of Central AFRITAC fiscal TA missions. This is seen as useful in order to maintain good quality of TA delivery and the reputation of IMF. FAD did a good job of integrating its activities with those of Central AFRITAC – regular participation of the Central AFRITAC Fiscal Advisors in FAD missions helped to improve process and implementation efficiency since FAD does the upstream policy and diagnostics work and Central AFRITAC does the downstream work that usually includes supporting implementation and providing follow-up. According to the Fiscal Advisors, the timing and responses from the backstoppers were generally good. However, some concerns were expressed that sometimes their missions were changed and/or postponed by FAD. This issue needs to be better managed because such actions impact adversely on the on the delivery of Central AFRITAC’s work plan. The work plan is approved by the Steering Committee. **The FAD should not lightly overrule the work program approved by the Steering Committee.** In the fiscal area coordination between Regional Assistance Program (RAP) and Central AFRITAC’s work plans could be improved. A better mechanism is needed to keep all Fiscal Advisors involved and informed. For example, FAD could organize a monthly video conference on certain themes, a common practice in a number of other organizations.

44. Regional integration is posing some challenges for process and implementation efficiency. Traditionally, IMF involvement in Africa has not focused on regional integration and harmonization issues. Rather, IMF’s relationships with countries are largely bilateral in nature. However, regional integration is increasingly becoming a major issue in the countries covered by Central AFRITAC. **Central AFRITAC should develop a closer relationship with, and work more closely with, CEMAC to improve the efficiency of its efforts to support deeper regional integration and harmonization.**

2. Efficient Use of Adequate Levels of AFRITAC Resources

45. Developing cost comparisons of the delivery of FAD TA with fiscal TA delivered by Central AFRITAC was constrained by a lack of data availability. However, it was possible to compare the cost of delivering Central AFRITAC’s fiscal TAs with the cost of delivering Central AFRITAC TAs in the other functional areas and with the cost of delivering fiscal TAs across AFRITACs. In the fiscal area, Central AFRITAC provided a total of 54 person months of input during FY2007 and FY 2008, of which 47 person months were provided in FY 2008, the first full year of operations. Of this, about 23% was provided by short term experts¹⁵⁶. The remainder was provided by two PFM Advisers (Budget and Decentralization Adviser; Treasury Operations and Accounting Adviser) and a Revenue Administration Adviser. There were no vacancies for the

¹⁵⁶ The information available to the Evaluation Team did not break the inputs of the short term experts down into the PFM and revenue administration areas.

FAD advisor positions. The cost of providing this TA totaled \$1.3 million for the two fiscal years, equivalent to a cost of about \$23,800 per person month of input. This is close to the average cost per person month of TA for Central AFRITAC (\$23,600) and comparable to the cost per person month of TA delivered in the fiscal area by East (\$23,300) and West AFRITAC (\$22,600). These cost comparisons indicated that in terms of cost efficiency, there is no substantial difference between the three AFRITACs in the fiscal area and among functional areas in the West AFRITAC.

46. The Fiscal Advisors have been constantly and consistently engaged with the concerned authorities in the member countries. Member countries have ongoing access to the advisors. **However, logistical constraints and political economy issues in some client countries pose a challenge to optimize the use of Central AFRITAC TA human and financial resources.** Telecommunications are problematic and travel in the region is difficult. Some airlines do not meet IMF's safe guidelines, scheduled flights are not always available on the desired day and sometimes travel within the region requires transiting through Europe.

3. Monitoring and Reporting

47. **The quality and timeliness of reporting on and monitoring the activities and outputs of Central AFRITAC has been influenced by the practices in the other two AFRITACs.** One of the recommendations of the 2005 AFRITAC evaluation was that performance indicators and a Logical Framework Analysis should be developed to evaluate AFRITAC outputs not less than annually. The importance of monitoring was also highlighted in another recommendation of the 2005 evaluation "The IMF should work with member countries and donors to ensure that necessary TA is provided to help AFRITAC beneficiary agencies develop and monitor the capacity-building plans" The 2005 evaluation also recommended that "The Centers should develop a reporting format to the Steering Committee that allows tracking of benchmarks and indicators of AFRITAC outputs and performance. The formats of monthly reports and activity status reports should facilitate folding their content into SC reports, thereby meeting donors' legitimate request for more substantive information on countries' follow-up to AFRITAC recommendations." These recommendations have not been fully implemented.

48. Central AFRITAC uses self evaluation (i.e. monitoring) and reporting to provide inputs to improve the efficiency and effectiveness of its activities and to enhance the synergies between its activities and those of FAD. Central AFRITAC has also learned some lessons for the other AFRITACs in terms on reporting on results to the Steering Committee rather than excessively focusing on the use of inputs. During the first year of its operations Central AFRITAC was hampered by not being able to access TAIMS. Although Central AFRITAC was able to access the enhanced version of TAIMS in mid-2008, connections are sometimes problematic. When the Evaluation Team visited Gabon it was too early to conclude whether the enhanced version of TAIMS will improve the monitoring and tracking of outcomes and impacts. Some strategic partners stated that Central AFRITAC needs to do a better job disseminating information to them. In the fiscal area, Central AFRITAC needs to continue to improve managing and reporting on results and disseminating information on its activities. These are largely institutional issues and apply across AFRITACs and across functional areas.

4. Rating the Efficiency of Central AFRITAC's Fiscal TAs

49. Table F.20 summarizes the Evaluation Team's assessment of the efficiency of Central AFRITAC's portfolio of fiscal TAs. **The efficiency of both the PFM and Revenue Administration TA clusters was rated as Good and there were no obvious problems**

identified -- all three efficiency sub-criteria were scored as a 3. The quality of expertise and assistance is a broad indicator of whether Central AFRITAC was able to efficiently mobilize the correct mix of resources and whether those delivering TA were well qualified. The results in Tables F.16 and F.17 indicate that the quality of Central AFRITAC's fiscal expertise was Good to Excellent. Few survey respondents rated the quality of expertise as Modest or Poor.

Table F.20: Efficiency Assessment of Fiscal Assistance of an AFRITAC Center

Criteria	Weight (%)	Rating ^a		
		Public Financial Management	Revenue/ Taxation	Score ^b
		67	33	100
1. Process/Implementation Efficiency	40	3	3	3.0
2. Efficient Use of Resources	40	3	3	3.0
3. Monitoring and Reporting	20	3	3	3.0
Overall Efficiency Rating/Score	100	3.0	3.0	3.0
a/ Rating: 4 = Excellent; 3 = Good; 3 = Modest; 1 = Poor				
b/ Weight by % of AFRITAC budget allocated to Activity/TA Group				
Highly Efficient (Excellent) ≥ 3.5; 3.5 < Efficient (Good) ≥ 2.5; 2.5 < Partly Efficient (Modest) ≥ 1.5;				
Not Efficient (Poor) < 1.5				

E. Sustainability of Central AFRITAC's Fiscal TAs

50. Sustainability relates to the extent to which Central AFRITAC TAs have led to tangible and lasting results in member countries. Sustainability depends on whether the institutional, policy and legal framework and human and financial resources are sufficient to sustain the TA benefits. Because Central AFRITAC has only been operating for a short period of time, there was little objective evidence available on which the Evaluation Team could base its assessment of the sustainability of fiscal TAs. Thus the following discussion is more indicative of potential sustainability.

1. Political/Economic Context

51. Political stability, a sound macroeconomic context, policy continuity and sound institutions help to create conditions that increase the likelihood of the Central AFRITAC support will result in sustainable benefits. If some or all of these conditions are absent, the likelihood of achieving sustainable benefits diminishes. Five of the eight members are post conflict countries. In those five countries, systems have been destroyed by strife and wars. Governance and transparency enhancing institutions and practices have also been eroded. Low salaries, high staff turnover and de-motivation are daily realities in many government agencies, including those related to PFM and revenue administration. The Evaluation rated institutional absorptive capacity as Modest in Cameroon and Gabon and Poor in all other Central AFRITAC client countries.

52. When working in post conflict states, coherent plans are needed spanning policy, legal and institutional framework, and institutional and staff capacity building with a mid-

term to long-term outlook. This helps to coordinate donor support, to set priorities and sequencing of interventions and to provide a framework for short term interventions. Currently, there seems to be no coordinated effort to address capacity problems systematically. The Evaluation Team received confirmation of this issue in feedback from two major funders of fiscal TA in the Central AFRITAC region.

2. Executing Agency Ownership and Use of TA Outputs

53. Government/executing agency ownership was assessed based on feedback received during interviews with senior officials in the ministries of finance and revenue administration agencies in Gabon and Cameroon, donors, IMF Headquarters Staff and the Fiscal Advisors. This feedback was supplemented by examining documents and reviewing websites for evidence that appropriate policies, procedures, institutional changes and/or legal frameworks were in place to ensure continued use of the Central AFRITAC outputs. **If Central AFRITAC were to support the development of regional networks in each area of its expertise** (e.g., tax and customs administrators forums), it might help to create a regional climate that encourage the adoption of strategic reforms that would enhance the prospects for sustainability. CEMAC might an appropriate organization with which Central AFRITAC could partner for such an initiative. To-date, there have been no such formal efforts in the fiscal area.

54. Central AFRITAC is helping agencies and departments to ensure that TA outputs are embedded in the business practices of the benefiting entities or executing agencies. However, in some cases, constraints faced by Central AFRITAC member countries have prevented them from taking full advantage of the TAs and implementing the recommendations. Unless the recommendations are implemented, TAs will not result in sustainable benefits. Problems contributing to such results included difficulties caused by political economy factors, difficulties experienced in organizational change management, sometimes because of limited autonomy of the PFM departments and revenue administrations, lack of buy in from senior level ministerial officials, staffing and staff turnover issues and lack of information technology and financial resources to implement the recommendations. In some cases workshops were unlikely to lead to sustainable results because the policy and business systems changes were not implemented to allow the participants to apply the knowledge gained on the job. The participants said that involving their superiors is of vital strategic importance when it comes to implementation.

3. Promoting the Use of African Expertise:

55. One of Central AFRITAC's objectives that should contribute to sustainability in the longer term is the promotion and use of African expertise. The 2005 evaluation recommended that "The AFRITACs should continue to promote African expertise through recruitment of resident experts from the continent and use of African short-term experts. At the same time, permanent quality control should be exercised." The two PFM Advisors are experts from the African region. The Revenue Administration Advisor is from outside the African region. The authorities in countries served by Central AFRITAC were happy with the performance of the African experts, feedback that was consistent with the views of the survey respondents on the quality of Central AFRITAC's fiscal expertise (see Table F16 and F.17). Central AFRITAC uses a good mix of experts from Africa and outside Africa as short term experts. This success in using African experts reflects deliberate efforts by FAD to identify potential advisors/experts and test them over the years before engaging them as advisors.

56. The strategy to promote the use of African expertise requires sustained, deliberate efforts. One of the major challenges is the strategy used for recruitment. Due to limited numbers of African experts in the PFM and revenue administration areas, well qualified and experienced experts are usually employed in senior positions in their countries and are not necessarily job-hunting or searching newspapers for job advertisements. They may not be interested in taking up jobs on one year contracts. However, they can be approached for an opportunity to serve during a leave without pay from their current jobs and their employers may be willing to let them go for a short time. A strategy is needed that works to identify talent and utilize and promote the growth of African expertise.

4. Financial Sustainability

57. Much of Central AFRITAC's TA has just commenced and could be termed a work in process. More TA and support will be needed over the medium to longer term until the desired outcomes are achieved and are firmly embedded in the policies and procedures of the executing agencies. Also, its clients have a growing demand for an increasing array of more sophisticated fiscal services from Central AFRITAC. The feedback to the Evaluation Team was that the Fiscal Advisors are over stretched and are trying to cover too many countries. More financial resources will be needed to ensure that Central AFRITAC's portfolio of fiscal TAs result in sustainable benefits. However, at the time of the evaluation, the funding for Central AFRITAC was not committed beyond the current three year phase.

5. Assessment of the Sustainability of West AFRITAC's Fiscal TAs

58. In addition to the need to deliver good quality services, the long term success and sustainability of Central AFRITAC depends, in part, on the importance that the stakeholders assign to its objectives. As shown in Table F.21, over 90% of the 79 or more respondents of the AFRITAC Evaluation Survey who rated the continuing importance of the fiscal objectives specified in the Central AFRITAC Program Document indicated that they were neither **Important** nor of **Highest Importance**. Respondents were only allowed to rate a maximum of two of the objectives in the highest importance category. The more important fiscal objectives were: (i) making systems and procedures for budgeting, treasury operations, and expenditure planning and control, more transparent and efficient with appropriate safeguards in terms of oversight and auditing; and (ii) making the reporting of government financial operations more reliable and timely. The fact that very few people rated the fiscal objectives as either **Modestly Important** or **Not Important**, 7% or under for all four objectives, suggests that Central AFRITAC's fiscal TAs continue to be important. This is a positive finding for the sustainability of the fiscal TA benefits.

Table F.21: The Importance Central AFRITAC Should Assign to Fiscal Objectives

	Percent Answering				Response Count	Response Rate ^{1/}
	Highest Importance	Important	Modestly Important	Not Important		
To improve capacity for macroeconomic analysis, policy formulation, and forecasting	51%	41%	2%	5%	82	93.2%
To make the functioning of checks and balances in public financial management more effective, taking account of codes of good practices promoted by the IMF and other institutions	48%	46%	4%	3%	79	89.8%
To make systems and procedures for budgeting, treasury operations, and expenditure planning and control, more transparent and efficient with appropriate safeguards in terms of oversight and auditing	69%	31%	0%	0%	84	95.5%
To make the reporting of government financial operations more reliable and timely	42%	53%	5%	0%	83	94.3%

¹ Ratio of the response count to the 88 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

59. Table F.22 summarizes the assessment of the Evaluation Team of the sustainability of Central AFRITAC's portfolio of fiscal TAs. **Both the PFM and Revenue Administration TA clusters were rated as Modestly Sustainable.** It should not be surprising that after only 18 months of operation there was limited evidence that the TAs had resulted in changes being embedded in the policies and procedures of executing agencies. The highest ratings for the sustainability sub-criteria were for the use of African expertise.

60. There are a number of major challenges and constraints faced by AFRITAC member countries which have prevented them from taking full advantage of Central AFRITAC TA and reflect risks for sustainability. The main challenges include:

- (i) Retention of trained staff in key reforms areas such as cash management, computerization of financial management systems and budget policy analysis and reporting, and revenue administration.
- (ii) Most countries lack comprehensive legislative framework to underpin PFM, taxation and customs reforms.
- (iii) Slow progress in implementation of recommended measures and actions including low level of computerization.
- (iv) Inadequate understanding and support from spending agencies which undermines the ministry of finance-led reforms;
- (v) Inadequate collaboration and role clarity among development partners which hampers effective delivery of TA.
- (vi) The social political environment in some countries erodes the political will to undertake necessary reforms and therefore request for such assistance.
- (vii) Free trade agreements with European Union and other countries;
- (viii) Management of the reforms by governments.
- (ix) Strategies and means to ensure constant and effective engagement of the Steering Committee and national AFRITAC focal points.
- (x) The evolving nature of TA required necessitates Central AFRITAC and IMF Headquarters must consistently shift to the new realities.

61. The sustainability ratings resulting from the AFRITAC Evaluation Survey are given in Tables F.16 and F.17, based on about 15 responses, for the PFM and Revenue Administration clusters respectively. Based on the survey results, both clusters were rated as Sustainable but below the midpoint. For the PFM cluster no respondents rated the prospects for sustainability as **Excellent**. Three quarters rated the likelihood of sustainability as **Good**, 19% as **Moderate** and 6% as **Poor** (see Table F.16). Sustainability ratings for the Revenue Administration cluster were 20% as **Excellent**, 47% as **Good**, 33% as **Moderate** and none as **Poor** (see Table F.17). The Evaluation Team's rating of sustainability is more guarded than the survey respondents. However, nearly one third of the respondents had some concerns about the sustainability of the portfolio of Central AFRITAC's fiscal TAs. The evaluation findings suggest that **more efforts need to be made, which will involve consistent engagement and follow up over the medium term, to ensure the recommendations are implemented and are embedded in the business practices of the PFM departments and revenue administrations. If this does not happen the benefits of the fiscal TAs will not be sustainable and the desired outcomes and impacts will not be achieved.**

Table F.21: Sustainability of Central AFRITAC Fiscal Assistance

Criteria	Weight (%)	Rating ^a		
		Public Financial Management	Revenue Administration	Score ^b
		67	33	100
1. Political Economy Issues	25	2	2	2.0
2. Executing Agency Ownership and Use of Outputs	40	2	2	2.0
3. Promoting Use of African Expertise	15	4	3	3.7
4. Financial Sustainability	20	2	2	2.0
Overall Sustainability Rating/Score	100	2.3	2.2	2.3
a/ Rating: 4 = Excellent; 3 = Good; 2 = Modest; 1 = Poor b/ Weight by % of East AFRITAC's budget allocated to Cluster of activities/TAs Highly Sustainable (Excellent) ≥ 3.5; 3.5 < Sustainable (Good) ≥ 2.5; 2.5 < Partly Sustainable ≥ 1.5 (Modest); Not Sustainable (Poor) < 1.5				

F. Overall Assessment of Central AFRITAC's Fiscal TAs

62. The overall assessment of the performance of Central AFRITAC's fiscal TAs is shown in Table F.22. The performance of the fiscal portfolio of TAs was rated as **Good**, although below the midpoint on the range for Good. The highest scores were for Relevance and Efficiency followed by Effectiveness and Sustainability, which were rated as **Good**, the former was rated as slightly below the midpoint in the Good range. Effectiveness and Sustainability were both rated as **Modest**. The pattern of the ratings for both the PFM and the Revenue Administration clusters were similar. Both were rated as **Good but below the midpoint in the Good range with the PFM cluster bordering on a Modest rating**. The results of the AFRITAC Evaluation Survey for Central AFRITAC's fiscal TAs are broadly consistent with the Evaluation Team's ratings.

Table F.22: Overall Assessment of Central AFRITAC's Fiscal Assistance

Criteria	Weight (%)	Rating ^a		
		Public Financial Management	Revenue/Taxation	Score ^b
		67	33	100
1. Relevance	32	2.8	3.0	2.9
2. Effectiveness	28	2.3	2.7	2.4
3. Efficiency	22	3.0	3.0	3.0
4. Sustainability	18	2.3	2.2	2.3
Overall Rating/Score	100	2.6	2.8	2.7
a Rating: 4 = Excellent; 3 = Good; 2 = Modest; 1 = Poor b Weight by % of AFRITAC budget allocated to Cluster of activities/TAs Highly Sustainable (Excellent) ≥ 3.5; 3.5 < Sustainable (Good) ≥ 2.5; 2.5 < Partly Sustainable ≥ 1.5 (Modest); Not Sustainable (Poor) < 1.5				

G. The Way Forward for Central AFRITAC Fiscal TAs

63. While demand driven TA needs to continue to be guiding principle for the design and delivery of fiscal TAs, issues to consider for the way forward for PFM TAs include:

- (i) Promoting the adoption of best practices in key areas such as medium-term planning and budgeting frameworks (MTEF), cash management and banking arrangements, migration to the GFSM 2001 budget classification, improved fiscal reporting, and implementation of legal and regulatory framework.
- (ii) Mitigating the loss of technical expertise and knowledge by encouraging the authorities to undertake effective documentation of policies and procedures in key reform areas -- succession planning and knowledge and skills transfer need to be done by client countries to ensure a lasting impact of Central AFRITAC assistance.
- (iii) Promoting effective implementation of TA recommendations by encouraging the authorities to establish the necessary policy and institutional framework for initiating reform projects, including cabinet approved policy decisions, establishment of project teams, formulation of realistic work plans and assignment of medium/long term experts.
- (iv) Strengthening the dialogue and cooperation with other TA providers to promote opportunities for the funding of medium/long term project managers and technical advisors to compliment Central AFRITAC's capacity building initiatives.
- (v) Continuing to engage all member countries through regional capacity building initiatives and workshops to keep them abreast of the best practices and PFM reforms in the region and maintain the awareness of the availability of TA from Central AFRITAC.

64. Central AFRITAC revenue administration TAs, with the support from FAD, have helped to enhance local capacity, promote awareness and have begun to support the implementation of international best practices. Countries in the region started the reform process but more effort and support are needed to achieve the modernization objectives. The way forward for Central AFRITAC revenue administration TAs should be to consolidate the gains made and to deepen reforms by providing advice and building capacity related to:

- (i) Taxpayer services;
- (ii) Taxpayer segmentation and management;
- (iii) Taxation of small enterprises;
- (iv) The increased use of risk-based compliance management approaches in both tax and customs;
- (v) Taxation of petroleum products, minerals and other natural resources;
- (vi) Business process review and design;
- (vii) The use of robust information technology platforms for routine activities and decision support.
- (viii) Strengthening cooperation between tax and customs departments;
- (ix) Full application of World Trade Organization (WTO) customs valuation and post clearance audits;
- (x) Strengthening managerial capacity and internal audit within the administrations;
- (xi) Improving transparency, accountability and control to reduce opportunities for corruption;
- (xii) Strengthening fraud prevention, including supporting anti-smuggling efforts and efforts to detect counterfeit goods; and,
- (xiii) Encouraging revenue administrations to periodically carry out self-diagnoses using internationally recognized key performance indicators.

IV. Evaluation of Central AFRITAC's Statistics TAs

Still under production

V. Overall Rating of Central AFRITAC TAs

64. Overall, the Central AFRITAC's performance is rated as Good, slightly below the midpoint of the range (see Table F.34). Two factors suggest that this is a good level of performance: (i) Central AFRITAC is newly established and was only midway through its second fiscal year when the Evaluation Team visited Gabon; and (ii) the Evaluation Team's analysis indicates that the institutional absorptive capacity is the lowest in Central AFRITAC's client countries among the three regions. The highest ratings were for relevance and efficiency, both of which were on the midpoint of the Good range. The Good rating for Relevance demonstrates that the TAs were well chosen, were owned by the governments and were well aligned with IMF operations in the countries. **For all TA clusters, the donor coordination received the lowest ratings among the relevance sub-criteria, both from the AFRITAC Evaluation Survey and based on the feedback that the Evaluation Team received during its fieldwork.** The Efficiency rating for Central AFRITAC was the highest among the AFRITACs, although the difference with East and West scores was marginal. The lowest ratings were for sustainability which reflects political economy issues, institutional absorptive capacity issues, a need for more follow up and finding ways to implement TA recommendations in countries facing budget constraints and excessive country coverage responsibilities of Resident Advisors.

65. Although all clusters were rated as Good, there were some differences in performance across the TA clusters. The performance of the Debt Management cluster stands out as achieving particularly good results and was rated well above the midpoint on the Good range. Central AFRITAC's other TA clusters were rated as Good but slightly below the midpoint on the range.

Table F.34: Overall Assessment of Central AFRITAC

Norm of Evaluation	Weight (%)	Rating By Activity/TA Cluster ^a			
		Fiscal	Monetary/Finance	Statistics	Total Score ^b
1. Relevance	32	2.9	3.3	3.0	3.0
2. Effectiveness	28	2.4	3.2	2.4	2.7
3. Efficiency	22	3.0	2.9	3.0	3.0
4. Sustainability	18	2.3	2.6	2.4	2.4
Overall Rating/Score	100	2.7	3.1	2.7	2.8

a/ Rating: 4 = Excellent; 3 = Good; 2 = Modest; 1 = Poor
b/ Weight by % of East AFRITAC's Budget Allocated to the Activity/TA Cluster

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

Annex G: Implementation Status of Recommendations in the 2005 Evaluation

Table G.1: Implementation Status of the 2005 Evaluation Recommendations Addressed to Beneficiary Countries

Recommendation	Implementation Status
The beneficiary countries should adopt comprehensive capacity building programs as part of their PRSPs.	Poor (1) Comprehensive capacity building programs that would provide a framework for the AFRITACs and other TA providers were not developed systematically as part of the PRSP process in most client countries.
Agencies should prepare plans for developing staff resources and institutional capacity describing the current status of the area (statistics, public finance, etc.) and the planned steps to meet international standards. An inventory of reforms under way with donor support should be included.	Modest (2) Some agencies developed comprehensive action plans that covered policy changes and institutional strengthening but there was less evidence of specific plans for developing staff resources. There were examples of comprehensive capacity building plans in the areas of PFM, revenue administration and statistics. There was less evidence of a comprehensive approach to institutional development in the central banking areas, with the notable exception in bank supervision in East African countries. Given that other TA providers can mobilize considerably more TA than IMF and the AFRITACs to support such initiatives, it should not be surprising that in many cases these initiatives were led by others and not the AFRITACs.
To ensure effective participation, countries should reexamine the level of their SC representation. To further enhance the effectiveness of countries' TA management, AFRITAC focal points should be formally appointed.	Good (3) Senior government officials attend the Steering Committee meetings and most countries have appointed AFRITAC focal points. The evaluation evidence indicates that the Steering Committees were effective. Most countries have appointed AFRITAC focal points. However, there is room for improvement: (i) there have been issues of attendance meetings for some countries and donors in West and East Africa; (ii) a more comprehensive and forceful articulation of TA priorities; (iii) a stronger role for the AFRITAC focal points; (iv) Steering Committee members should be more proactive in AFRITAC outreach in their governments and with the local donor community, encouraging implementation of recommendations and encouraging participants attending regional workshops to share the knowledge gained with their colleagues in their home agencies .
Countries should exercise greater care in the selection of workshop participants, who should be required to share the acquired knowledge with colleagues through in-house seminars and other means.	Modest (2) The Evaluation Team did not identify major problems of poor participant selection. However, most participants attending regional workshops did not share, as a matter of routine, the acquired knowledge with colleagues through in-house seminars and other means. There is scope for improvement in this area.
A number of countries need to take more responsibility for coordinating TA. AFRITACs can serve as facilitators in this process.	Modest (2) Country led coordination has improved since 2005 but coordination is not always led by beneficiary countries. 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 not always the case. The AFRITACs, while contacting and sharing knowledge with other donors, were not playing a leading role in donor coordination. Although there were examples of donors pooling their resources, AFRITAC's resources were not included in the pools. IMF's corporate decision not to share the reports was viewed as a hindrance to effective donor coordination by some important development partners. Work is underway to address this problem and by January 2009, IMF is expected to adopt the guidelines to support its more liberal disclosure policy that will allow copies of the reports prepared by Resident Advisers to be shared with all members of the Steering Committees after the AFRITAC receives a no objection concurrence from the concerned government.

Table G.2: Implementation Status of the 2005 Evaluation Recommendations Addressed to IMF

Recommendation	Implementation Status
<p>The Executive Board and management should respond to the Technical Departments' and OTM's needs for additional staff resources to respectively coordinate and backstop the existing Regional Technical Assistance Centers and any additional ones that are established in future.</p>	<p>Poor (1) In 2007 the IMF budget was cut by 15% but the reduction for TA was about 20%. All three TA departments feel that the current backstopping model is not sustainable given the cuts in resources and growing demands for back stopping. 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). While implementation is rated as Poor: (i) IMF Management has stated that the gross amount of TA delivered will be increased by mobilizing more funds from donors; (ii) topical trust funds are being established; and (iii) charging donors will generate additional financial resources to pay for backstopping and OTM staff. If this happens, the rating could be upgraded in the future.</p>
<p>The IMF should work with member countries and donors to ensure that necessary TA is provided to help AFRITAC beneficiary agencies develop and monitor the capacity-building plans recommended above.</p>	<p>Poor (1) There is little evidence the AFRITACs played a leading role in mobilizing TA resources to support broad capacity building strategies or monitoring their implementation.</p>
<p>The IMF should engage a short-term expert to assist the Steering Committees and AFRITACs in the elaboration of performance indicators and a Logical Framework Analysis with which to evaluate AFRITAC outputs not less than annually. Performance indicators should include cost-effectiveness indicators.</p>	<p>Modest (2) Donor representatives on the Steering Committees have consistently stressed the importance of focusing on outcomes rather than inputs and developing indicators to measure progress in achieving results. All AFRITACs have put effort into this area. OTM employed a consultant to try to develop this concept but the resulting recommendations were not considered to be implementable. Like many in the development community, the AFRITACs are struggling to address this recommendation. Although some progress has been made through the use of TAIMS, more progress is needed before this issue will be fully addressed.</p>
<p>As recommended by the Technical Assistance Committee, some Article IV/ Poverty Reduction and Growth Facility missions should prepare, on a pilot basis, an assessment of AFRITAC and other TA in relevant fields as an annex to their report.</p>	<p>Poor (1) This was not done on a regular basis since there is no formal requirement for the Article IV/ PRGF missions to do so.</p>
<p>Where this is not yet the case, Resident Representatives' Terms of Reference should include assisting the AFRITAC interventions in their assigned country.</p>	<p>Poor (1) The terms of reference of Resident Representatives were not formally modified as recommended. In practice, this was not a serious problem as there were generally good relationships between Resident Representatives and the AFRITACs. Center Coordinators meet with the Resident Representatives when they visit the countries, Resident Representatives organize local donor coordination meetings for the Center Coordinators and Resident Advisers meet with the Resident. That being said, it would be desirable to formally reflect the AFRITACs in the scope of work of the Resident Representatives.</p>

Table G.3: Implementation Status of the 2005 Evaluation Recommendations Addressed to Donors

Recommendation	Implementation Status
As most already do, donors should recognize capacity building as a long-term process.	Not rated. While most donors view capacity building as a long term process, this does not reflect the influence of either the AFRITACs or the 2005 Evaluation.
Donors should consider provision of TA to help beneficiary agencies develop and monitor human resource plans.	Poor (1) No evidence that this was done systematically because of the recommendation in the 2005 Evaluation.
Donors should continue to (i) encourage benefiting authorities to take the lead in coordinating TA in relevant fields; and (ii) cooperate with the AFRITACs in facilitating the coordination.	Not rated. Insufficient data gathered by the Evaluation Team to permit rating.
Donors should provide the Steering Committees with detailed information on their TA delivery to the AFRITAC countries in the areas of relevance.	Poor (1) No evidence that donors are systematically sharing the relevant portions of their TA programs with the Steering Committees.

Table G.4: Implementation Status of the 2005 Evaluation Recommendations Addressed to the AFRITACs

Recommendation	Implementation Status
The AFRITACs should continue to promote African expertise through recruitment of resident experts from the continent and use of African short-term experts. At the same time, permanent quality control should be exercised.	Good (3) The survey results and feedback received by the Evaluation Team indicates that the AFRITACs are doing a good job of using African Expertise. The positive feedback on the performance of African experts suggests that good quality control is being exercised. AFRITACs use African experts better than Headquarters and other TA providers.
Regional workshop curricula should be designed to and prepare individuals to serve as trainers in their countries or regionally.	Poor (1) Little evidence is available to suggest that participants acted as trainers when they returned to their countries after attending regional workshops.
AFRITACs should facilitate the processes, referred to above, of capacity building planning and monitoring.	Poor (1) Little evidence that this is taking place on a systematic basis.
AFRITACs should develop a reporting format that allows tracking of benchmarks and indicators of outputs and performance. The formats of monthly reports and activity status reports should link to Steering Committee reports, thereby meeting donors' legitimate request for more information on country follow-up on AFRITAC recommendations.	Modest (2) AFRITACs have made some progress in moving from reporting on inputs to reporting on the achievement of outcomes. The Steering Committees continue to stress the importance of developing performance. Despite this progress, more progress is needed to fully achieve this objective.
The Centers should increase their communication efforts (e.g., country visits by the Center Coordinators; press releases; publicity for AFRITAC websites, etc) to raise local and regional awareness of AFRITAC contributions.	Modest (2) Although East AFRITAC has developed a dissemination strategy and a professionally produced annual report, West and Central AFRITAC have not progressed as far in this area. East and West AFRITACs websites were not sustainable and they fell into disuse. AFRITAC TAs are of good quality but the AFRITAC communications efforts remain underdeveloped. More should be done to raise the AFRITAC profiles. Good communications needs to be properly resourced.
AFRITACs should intensify their cooperation with regional capacity-building Institutions.	Modest (2) Some good examples of cooperation with regional capacity building efforts institutions exist. However, the Evaluation Team received feedback that the AFRITACs should do more in this area.

