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# IMF East Africa Regional Technical Assistance Center (East AFRITAC)

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Independent Mid-Term Evaluation  
Phase III: October 2009 to date

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## EXECUTIVE SUMMARY

### Overview

The overall Evaluation results of East AFRITAC's Phase III are very strong. The Center has built on the foundations of the program's previous phases and continued to leverage the advantages of the RTAC model to provide TA and training that is of excellent quality, high relevance and strongly owned by its member countries and TA beneficiaries. A number of initiatives in progress, such as the introduction of RBM, should improve AFE's effectiveness by enabling better definition and tracking of results. We have made various suggestions on how project<sup>1</sup> and program<sup>2</sup> design, management and monitoring could be improved further to deliver strong outcomes. In addition, we have made further suggestions on how the Center's operations and reporting could be further strengthened, that the AFE management, the Steering Committee ('SC') and the IMF may wish to consider.

### The Purpose of the Evaluation and Our Approach

- The objective of the Evaluation is to assess the extent to which:
  - AFE is achieving its objective, in an efficient and effective manner, and
  - The TA and training delivered by the Center is sustainable.

In view of the Center having been operational for ten years, a particular focus of the Evaluation was to assess the extent to which AFE has built on the work of the previous multi-year cycles, and whether the results of these previous phases have been sustained in the current phase.

- We carried out the Evaluation through a combination of three TA project case studies including country visits; desktop reviews of eight further TA projects; desk-based analysis of six regional workshops organized by AFE; interviews with all staff at AFE; interviews with staff from ICDGP, AFR, FAD, MCM, STA and FIN; reviews of various internal AFE reports and reports to the Steering Committee; reviews of reports from previous AFE evaluations and of other RTACs as well as other relevant IMF working group reports; and online surveys of the beneficiaries of the 11 TA projects selected for detailed review, participants in the six selected workshops and of AFE's Steering Committee members.

### AFE Background and Context

- AFE is part of a portfolio of nine RTACs aimed at delivering IMF TA to clusters of member countries, often with common needs, in a manner that complements IMF HQ TA and leverages external donor funds. AFE and West AFRITAC, the first two AFRITACs, were established on a pilot basis in 2002 and 2003 respectively as part of the Fund's Africa Capacity-Building Initiative, to alleviate capacity building constraints faced by African countries in designing and implementing growth-oriented poverty reducing policies under NEPAD. AFE serves seven member countries in East Africa: Eritrea, Ethiopia, Kenya, Malawi, Rwanda, Tanzania and Uganda.

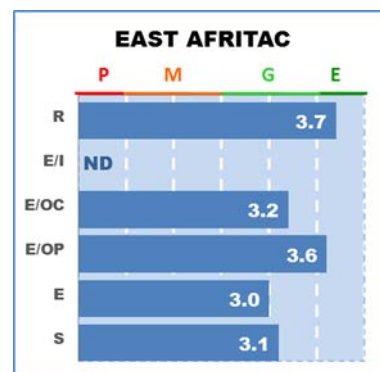
<sup>1</sup> Defined as an intervention or a set of interventions aimed at achieving an objective or set of closely related objectives (e.g. introducing National Account Statistics, or drafting capital adequacy regulations).

<sup>2</sup> Defined as a set of closely-related projects aimed at achieving a higher level objective or set of higher level objectives (e.g. the Center's PFM projects in a country, or the East AFRITAC program as a whole).

- AFE has been through three funding cycles since its establishment in 2002:
  - Phase I: October 2002 to April 2006 (three and half years, effectively three years after an initial period of establishment);
  - Phase II: May 2006 to April 2009 (three years);
  - Phase III: October 2009 to September 2014 (five years).
- Despite temporary political disruptions in some AFE member countries, all of them, with the exception of Eritrea, have been showing progress across a broad range of economic, political and governance indicators since the Center started operations in 2002.

### Evaluation Results at the AFE Program Level

- Our evaluation ratings at the AFE Program level reflect the general progress the Center has made across all fronts:



- Relevance: Excellent (score 3.7 out of a range of 1 to 4), reflecting our assessment that all or substantially all the objectives in the Key Evaluation Questions for this criterion have been met, or are likely to be met.
  - Effectiveness/Outcomes: Good (3.2), ie, the majority of the objectives for this criterion have been met, or are likely to be met.
  - Effectiveness/Outputs: Excellent (3.6).
  - Efficiency: Good (3.0)
  - Sustainability: Good (3.1).
- The Excellent rating for relevance reflects the fact that AFE's activities are focused, consistent with its objectives and generally concentrated on priority needs of member countries. AFE coordinates well with IMF HQ work. Its coordination with other donors has improved, but in this area there is always more that could be done.
- With respect to effectiveness, the Center's reporting of results has improved, but not to a level where we could draw on to evaluate outcomes. We evaluated effectiveness through a combination of reconstructing *ex post* logframes and outcome indicators for selected TA projects; survey results of TA beneficiaries; extensive interviews of AFE and HQ staff; and analysis of AFE's portfolio of TA interventions and workshops. We believe that AFE is indeed building capacity, especially for longer-term projects. The lack of a formal TA monitoring system (this is currently undertaken principally in the context of follow-up missions for particular projects) and systematic follow-up of implementation on short-term projects post-completion produce, we believe, weaker results for one-off or short-term TA interventions. In addition, the relatively high proportion of diagnostic missions and training provision not directly related to TA interventions for some sectors are likely to impair achievement of outcomes. These factors have contributed to a rating of Good for outcomes. With a very few exceptions, the quality of outputs produced is extremely high, both with respect to TA reports as well as workshop presentations. This high quality of outputs, usually produced in a timely manner and generally providing implementable advice, has principally influenced our rating of Excellent for outputs.



- The Center's TA and workshop activities are well organized and managed. Although AFE has shown substantial commitment to reporting on results and has embraced RBM, we believe further work is needed to produce an effective results reporting and monitoring framework. The interface with HQ's weak financial reporting systems has we believe contributed to limitations in AFE's ability to monitor budgets. AFE also needs to extend its range of TA delivery modalities beyond short-term RA and STX missions, implement a monitoring system for TA projects that does not just rely on follow-up TA missions, and improve its reporting. The Center's unit cost of TA delivery is high compared with those faced by other donors, although based on the limited information available we haven't been able to arrive at a definitive conclusion on cost-effectiveness. Consideration of these factors has led to a rating of Good for efficiency.
- Our evaluation of TA projects supports the fact that AFE is building sustainable capacity among its client institutions, especially in implementing longer-term TA projects. However, the Center has not taken any significant proactive steps to ensure that sustainable capacity is being built in the region, above and beyond that directly related to its TA interventions. AFE has pointed out that the Center targets specific regional capacity building in the context of regional initiatives (national accounts, PFM and fiscal convergence, price indexes, etc.). AFE's country capacity building also benefits the region. AFE is unlikely to be financially sustainable in the medium-term and no plans exist to meet this objective. These factors have contributed to a rating of Good for sustainability.

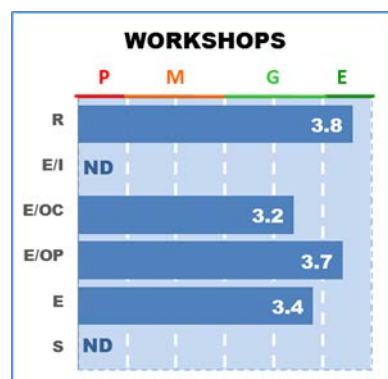
### Evaluation Results for TA Case Studies and Desktop Reviews

- Of the 11 TA projects reviewed, seven scored Excellent for relevance, and all 11 scored Excellent or Good. This is attributable to their: close alignment to AFE and TA beneficiary objectives and priorities; ownership demonstrated by the TA beneficiary; often, close integration with IMF HQ TA.; and where necessary, partnership with other donors (although not always proactive).
- With respect to outcomes, of the ten TA projects rated, eight achieved a rating of Good, and ten projects received a rating of Excellent or Good. This is a strong performance for a TA portfolio. Generally, longer-term projects, with multiple missions that enabled follow-up of previous TA advice, scored higher in this criterion than short-term projects. Projects that did not have sufficient host institution capacity to implement recommendations also scored lower. However, the latter constituted a minority of the projects selected.
- Similarly, all of the 11 projects rated for outputs were scored Excellent or Good. Four projects were rated as Excellent. This generally reflects the high quality of technical advice provided by the RAs and the STXs.
- Efficiency was rated Good for ten of the 11 projects rated. Generally, ratings for efficiency were affected by AFE-level issues, such as our assessment of weak monitoring of implementation, absence of project-level financial reporting and management systems, limited use of STXs, and weak linkages with the recently introduced RBM systems. AFE has indicated that it disagrees with this conclusion and that efficiency levels reflect more limited absorptive capacity than weaknesses in monitoring implementation.
- Eight out of the nine TA projects rated for sustainability rated Good, and one was rated as Excellent. This is a strong performance from a TA portfolio targeting countries and institutions with relatively low absorptive capacity and barriers to staff retention. AFE's approach of longer-term engagement with TA beneficiary has a direct positive impact in this regard.

- The survey of TA beneficiaries found *inter alia* that: a higher proportion of TA appears to have been requested by the recipients, compared with that proposed by the AFE/IMF; all respondents strongly agreed, or agreed that TA advice provided in clear, practical and easily implementable; there was a lower level of support for adequacy of follow-up after TA delivery; eight respondents strongly agreed, and 12 out of 14 agreed or strongly agreed, that they needed more continuity of advice and at more frequent intervals; there were mixed views about the role AFE is playing in regional integration and harmonization.

## Evaluation Results for Regional Workshops

- During the Fiscal Years 2010-2012, AFE conducted 25 workshops, training more than 650 participants (at an average of around 30 participants per workshop). Alongside CARTAC, AFE is the largest investor in regional seminars and workshops as a proportion of budget (14 percent).
- Based on the sample reviewed, our ratings for AFE's regional workshops is as follows:
  - Relevance: Excellent (score 3.8), reflecting their overall consistency with AFE strategy and regional countries' priorities; coordination with HQ work (e.g., EAC workshops); and some coordination with other donors.
  - Effectiveness/Outcomes: Good (3.2), reflecting the majority of workshops have close linkage with AFE TA activities; and some survey feedback suggesting implementation of lessons learnt. Follow-up on workshops is limited.
  - Effectiveness/Outputs: Excellent (3.7). Feedback from surveys and our review of selected presentations suggest high quality presentations and presenters delivering effective, participative workshops.
  - Efficiency: Good (3.4). Generally well organized, but in our opinion, some workshops (e.g., 3-5 days) are too short to be efficient or effective.
  - Sustainability: Could not be assessed. Other than minor exceptions, AFE has no strategy for systematically partnering with regional training institutions to build local training delivery capacity.
- We believe that the impact of a workshop is likely to be heavily dependent on AFE/IMF's current TA work plan, and topics that are likely to be implemented in the near future. *Ad hoc* topics not directly related to the core AFE TA program, albeit interesting and contributing to generic capacity building, are likely to be less effective. We found that in general PFM and STA workshops are closer to the respective core work plans of the RAs, compared with say FSR or revenue administration, where only a few member countries benefited from follow-on TA.
- Workshop effectiveness and efficiency is affected by their length. Of the 25 workshops undertaken in the period under review, five were held over only three days; and six over four days. These were principally conducted by PFM, and two of these were hosted by FSR. 10 workshops were for five days (thus 21 of the 25 workshops were for five days or less); and four over 10 days (three ICDI courses, one STA workshop). Participant feedback during the current and previous evaluations has strongly suggested that some of the workshops are too short for them to realise their full potential benefit. Additionally, short workshops suffer disproportionately from travel and associated costs.



## Assessment of AFE's Strategy

- AFE's Phase III Program Document provides the Center's objective as: 'Improved analyses and effectively implemented policies in macroeconomic, fiscal, monetary, financial sectors and related statistical fields as well as legal and administrative framework to contribute actively, including at a regional level, to reduce poverty and enhancing growth coordinated with countries, donors and other TA providers.'
- Both member and donor country respondents agreed or strongly agreed that AFE's objectives were being effectively realized by the Center, with respect to different aspects of strategy definition and project selection, although the strength of agreement on this aspect of AFE performance was less among donors.
- Our survey results, previous evaluations and our own findings from case studies, project desktop reviews and interviews point to the proven advantages of the AFE model; it is responsive, focused on capacity building; flexible to changing circumstances; and able to develop close and continuous relations with TA recipients and engender trust and ownership of projects.
- Our analysis of work plan vs actual TA delivery suggested the following:
  - Generally, proportion of days allocated in the work plans broadly follows those in the Program Document, PFM days are usually lower (primarily due to lower leveraging of STXs); and the other sectors are higher. Differences between work plan and actual days are principally attributable to periods of unfilled RA vacancies.
  - A consistent trend is that Tanzania gets a greater share of TA compared with other countries, especially in respect of PFM, but also in respect of other sectors such as statistics and macro-fiscal analysis. One of the key factors is that Zanzibar often needs separate TA from mainland. Nevertheless, the fact that the amount of TA in each fiscal year has been greater than budgeted suggests to us that as the host country, Tanzania is able to secure time from RAs on an *ad hoc* basis more than other members.
  - As has been reported to the Steering Committee, AFE's relationship with Eritrea is currently in a state of semi-suspension, with some missions taking place, and Eritrean participants attending workshops. For the period under review, Eritrea was budgeted for 8 percent of TA days, and TA actually delivered accounted for 6 percent of the total.
  - We compared the outputs in the FY2012 work plan with those that were reported as having been delivered at the end of that fiscal year. 102 outputs were provided for in the work plan, 93 were reported as having been delivered. However, of the 93, only 42 (45 percent) of the outputs were as originally planned for, the remaining ones being new.
  - The level of implementation of TA is currently at around 70 percent of budget. Although TA delivery increased 30 percent between FYs 2011 and 2012, it is unlikely that AFE will be able to utilize all the committed funds by September 2014. We understand that ICDGP is considering a proposal to extend the Phase III project cycle to address this situation. We believe that this problem has been contributed to at least in part because of a disconnect between AFE's work plan and the financial budget.
- In our view, AFE's donor coordination is currently at a stage where it does share information adequately, seeks to avoid overlaps (e.g., through the design of the TA request form) and in some cases there are illustrations of complementary TA with other donors. Occasional instances of securing complementary TA proactively could also be cited. There is a case for reaching out to seek more proactive partnerships with other donors.

- With respect to capacity building objectives set out in the Program Document:
  - Our review of Steering Committee reports suggests that attachments are used relatively rarely, and by only a few of the RAs. Attachments are not budgeted for, nor their actual costs reported on, separately.
  - Our case studies and desktop reviews suggest training of trainers as a capacity building tool is used in a limited way.
  - 27 percent of STXs used are from SSA, in addition to four out of the eight RAs. The majority of regional STXs engaged have been from South Africa and Zimbabwe.
  - With respect to partnerships with regional organizations, other than co-hosting one workshop with the Kenya School of Monetary Statistics, this has happened to a limited extent only. There is cooperation between HQ STA and some regional institutions.
  - Four (soon to be five) AFE RAs are from SSA.

## AFE Financial Reporting

- AFE's Phase III has seen a significant increase in budget compared with the previous phases (US\$8.9 million per annum compared with an average of US\$3.6 million in Phase II). It is difficult to adjust quickly to this increased scale, and although spending has increased materially, there is significant under spending (of around 30 percent to date) in the current phase.
- Spending on RAs is broadly in line with budget, with an under spending of 15.6 percent, attributable partly to the actual salary costs of RAs being below the budgeted levels and there being a gap of over one person year attributable to vacant RA positions. There has been a significant underspend of 22 percent (US\$1 million) in the STX budget, and an underspend of US\$681,000 (30 percent) in seminars and training, as these resources were deployed less than expected in the financial budget. Of the total underspend of US\$6.4 million, US\$2.7 million relates to AFE-level spending. Underspend in the above areas in FY2011 was attributed to budgetary restrictions relating to uncertainties in mobilizing EU financing, which led to hiring of STXs being restricted. There was also high turnover of RAs. Nevertheless, this trend has continued through to FY2012 and the first half of FY2013, as annual budget levels have increased.
- The majority of the underspend in budget has been on the expected expenses on IMF HQ staff travel, project management, TA delivery and backstopping. Of the total US\$4 million budgeted to date on these items, only US\$1.2 million has been spent. The most significant underspending is in HQ Staff Direct TA delivery (86 percent), followed by backstopping and project management (65 percent).
- If the current trend of spending vs budget continues, at the end of Phase III US\$13.3 million, or almost one-third of the budget, will remain unspent. Alternatively, if the remaining US\$30.9 million is to be spent during the current phase, the annual rate of spend from FY 2013 will need to be US\$12.4 million, more than double the annual rate to date. Either way, these pose significant challenges.

- We identified a number of issues when reviewing AFE's financial reports, including:
  - There is no connection between the work plan and the financial projections. For example, in FY2011 the STX budget was underspent by 40 percent, whereas the number of actual STX days was only 10 percent lower than that in the work plan. The equivalent figures for FY 2012 were 23 percent and 28 percent respectively. The IMF has pointed out that this underspend is also attributable to the lag in replacing the PFM RA. Since most of FY2011 AFE did not have this advisor there was no need for a STX for this RA. This however changed in FY2012.
  - Miscellaneous/office communications budget of US\$598,000 has hardly been spent (US\$32,000).
  - We found a number of anomalies between spreadsheets and errors (such as double counting of budgeted figures, or spreadsheet numbers not adding up correctly, or large missing costs, corrected in later years) in the current Excel based management reporting system at AFE. We understand a move to Quickbooks is planned. We are not clear if Quicken has the flexibility to produce sufficiently tailored reports for use for RTAC management purposes, or it can be linked to AFE's operational activities, including its work plan.
  - The current management reporting system applies a combination of accrual and cash flow accounting. Many accrual entries are passed only at the year end. The combination of these factors makes accounting information available, especially during the year, unreliable. Some line items, such as evaluation costs, are not accrued at all.
  - Integrity of accounting needs to be maintained. For example, we came across one instance when a TA Department had recharged backstopping costs to project management, after exhausting the budget for the former. We believe the preferred practice should be to reallocate the budget, rather than the actual cost.
  - The process of budget monitoring appears to be limited to ensuring that costs charged are within the annual rolling budget. Internal confidentiality policies/culture appears to be a barrier. We believe that monitoring of the AFE budget needs to be elevated to more of a 'business' level from its focus on total costs in budget line items, the CC should be responsible for this, and information barriers, such as staff costs, STX rates, rates of recharges by TA Departments need to be removed to enable this. Over time, for this to happen effectively, the IMF's information systems need to generate useful cost breakdowns on a more regular, timely, and consistent basis.
- Of the IMF's budgeted US\$5.1 million contribution, US\$3.9 million relates principally to the Center Coordinators' salary, benefits and travel costs, with a small balance used for topping up the Office Manager's remuneration. During FYs 2011 and 2012, the actual cost of this has averaged slightly less than US\$600,000 per annum. Actual residence costs have averaged US\$66,000 over the same period. The following points are worth highlighting in respect of the IMF's contribution in kind:
  - Most donors would expect to engage a program manager for a similar sized initiative for substantially less than the Center Coordinator's total reported cost (including residence, travel, allowances, benefits, etc.) of approximately US\$650,000 per annum. We understand that this reflects the actual cost incurred by the IMF, and it would be impossible for a person who is not an IMF staff member to fulfill the CC's responsibilities.
  - In practice, IMF's actual spending has been substantially less than that budgeted. Assuming current level of spending, the IMF's in-kind contribution would be around US\$4.2 million, rather than the budgeted US\$5.1 million.
  - There was a 21 percent increase in IMF staff in-kind cost between FYs 2011 and 2012. We have not been able to establish the reason for this.

- The Evaluation ToRs require us to opine on the cost effectiveness of the AFE TA delivery model, and for individual projects and workshops. This has been difficult for us to do, in the absence of breakdown of project costs, and detailed information about results realized for individual projects. Nevertheless, we have sought to arrive at the total TA delivery cost per day for RAs and STXs (including travel costs), and the total cost per participant per day in AFE's regional workshops. In summary, we estimate that the costs to be:
  - Cost/RA TA delivery day: US\$2,770 (US\$3,640 on budgeted basis);
  - Cost/STX delivery day: US\$2,410 (US\$2,755 on a budgeted basis);
  - Cost/day per workshop participant: US\$920; per participant per workshop, assuming an average of 5.16 days: US\$4,730. We estimate that ICDI courses, included in the above average, to be approximately 20 percent higher than the overall average, and cost per participant per 10 day workshop for them to be US\$11,000.

### Assessment of AFE Operations

- AFE plans, delivers and monitors TA to its seven member countries. Its operations are unique and relatively complex for a small unit. AFE's operational advantages and drawbacks derive from its integration with IMF HQ respective TA departments. The moves toward medium-term planning and increased focus on TA results are resulting in changes in operations within AFE. Generally, progress has been greater in areas where AFE can take decisions and implement initiatives autonomously. In the more critical areas, however, AFE is dependent on changes or decision-making at HQ. Although deliberations are being undertaken, progress has been slow in the latter areas.
- In common with other RTACs, AFE's TA delivery is carried out by RAs, supported by STXs. The overall AFE TA delivery effort is supported by HQ project management and backstopping. The Center Coordinator provides overall coordination and management. Around two-thirds of AFE's TA delivery/human resource costs are allocated to RAs and STXs. HQ recharge costs are around 7 percent. The Center Coordinator accounts for around 12 percent of the total resource costs.
- With respect to the Center Coordinators' managerial responsibilities, in our opinion the word 'management' is used loosely. The Coordinator has the authority to hire and review the performance of only the Center's local administrative staff. The RAs are appointed by the TA Departments and their performance reviews and decisions on contract renewal are also the latter's responsibility. The RAs report to their backstoppers in relation to all technical performance aspects of their work. The CC only has control over a small portion of the budget, relating to local staff and miscellaneous costs, and those relating to workshops. Costs relating to RAs and STXs are decided on between the Head Office and, to a limited extent in respect of STXs, the RAs. In effect, the CC has direct control over less than 10 percent of AFE's budget. The significant proportion of costs is charged directly to the AFE budget by the various HQ departments, without substantive details about their nature being provided to the CC. The Coordinator does 'coordinate' the work program, which is the key strategic tool for the Center. However, in our opinion, the RAs, the TA Department, the Area Department and the TA beneficiaries have much more influence on its shape than the Coordinator.

- With respect to Resident Advisors, on average, the RAs spend just over 60 percent of their time on mission-related work. Of this, preparation time ranges between 3 and 12 percent, and post mission report writing, etc. 11 to 27 percent. Typically two missions per country per year is scheduled, although there is flexibility in case missions are delayed or if there is an urgent need to respond. Around 90 per cent of the RA's time is allocated to missions, managing STXs, workshops/seminars (typically two per RA per year) and leave. Five percent of the time is taken up in internal reporting (monthly, quarterly, half yearly and annual) and attending Steering Committee meetings. This leaves relatively little time for monitoring TA implementation remotely, hand-holding TA beneficiaries between missions, and research or professional development.
- RA turnover is high. Since the Center's opening in 2002, 19 RAs have left. Of these, eight have left within two years. Assuming two missions per year per country, this suggests that these RAs would have undertaken on average less than four missions in any country during their tenures. The average tenure of 2.6 years suggests five missions per country. We believe that the tenures are relatively short for the RAs to develop detailed insights into the issues faced by the countries. We have suggested options for increasing RA tenures, and reducing gaps between RAs.
- With respect to STXs, the intensity of their use varies between individual RAs. Overall, STXs have been used for approximately half the missions. There is also a divergence on how they are used. For example, in PFM, almost all the STX use is in joint missions with the RA, whereas the reverse is true for Statistics.
- 65 percent of the STX missions are two weeks or (for a very small number) longer. 35 percent are only one week, almost inevitably when they are being jointly carried out with a RA. In a very small number of instances more than one one-week mission may have been carried out back-to-back. In three instances PFM missions have been held where the length of the STX's stay is longer than that of the RA. Otherwise the length of stays for STXs and RAs for joint missions is reported as being the same. In our view, such short STX stays are not economic. Sufficient financial information is not available to reflect the disproportionate impact of recruitment, travel time and travel costs on per day TA delivery costs. The IMF have pointed out that one-week missions are cheaper. In our opinion, they are unlikely to be very efficient.
- A comparison of the STX/RA cost ratios for the different RTACs in FY2012 shows that AFE ranks among the middle ranking cluster with respect to leveraging STXs, with a ratio of 79.5 percent. CAPTAC-DR has the highest STX leverage ratio (133.2 percent) and METAC the lowest (35.6 percent). Increasing this leverage ratio would contribute significantly to AFE's scalability.
- We believe that the efficiency and effectiveness of the AFE Center Coordinator and RAs would be substantially enhanced if junior professional support were available to support them. The Center Coordinator has indicated that he is already planning to engage an assistant to support in report preparation, etc. and we support this strongly, given the proportion of his time that is spent on activities that could be delegated to such a person. We believe that RAs would also benefit from similar support from, say, junior economists/professionals from the region, who could act as dedicated research assistants. In addition to taking on some of the RA's existing project management, monitoring, and internal reporting responsibilities, they could support them on matters relating to more effective implementation of RBM.



## Review of RBM Implementation and AFE Logframes

- The Fund has been making progress in implementing RBM as a framework for reporting on its TA activities. The formalization of the process to introduce RBM Fund-wide, including the RTACs, was initiated with the commissioning of an interdepartmental working group on RBM in late 2010. The IMF RBM working group produced its final report in July 2011. It made a number of specific recommendations for implementing RBM in the RTACs. AFE, along with most other RTACs, started implementing this framework in FY2012.
- Our assessment is that if strictly applied, the proposed RBM framework presents some drawbacks, especially when implementing it in the RTACs. The recommendation to limit indicators to topical, rather than project level; the provision for monitoring milestones for larger projects only; the absence of a linkage between inputs (and associated costs) and outputs; the focus on outcome indicators, rather than milestones; etc. in our view require reassessment. We believe that RBM is currently being implemented as more of a reporting tool, and requires re-orientation into an aid for managing the entire TA project management cycle.
- AFE has developed a database to collate and report on results of its TA and workshop activities. The project is still a work in progress. We have made various recommendations on improving its effectiveness as a project management, monitoring and reporting tool.

## Assessment and Comments on AFE Governance

- AFE's overall governance framework is complex, with a convoluted reporting relationship within the AFE, between AFE and different units within IMF HQ, and a governance role exercised by the Steering Committee.
- All member country respondents in our survey agreed (75 percent) or strongly agreed (25 percent) that the SC's roles and responsibilities were clear; that it was discharging its roles and responsibilities effectively; and AFE was responding quickly and effectively to AFE requests. However, 38 percent of donor respondents felt that SC roles and responsibilities were not clear; and 25 percent did not feel that the SC was discharging its responsibilities effectively. Nevertheless, member country and donor respondents rank their strategic guidance role the highest, with approval of the work plan (note the Steering Committee role is of endorsement, rather than approval) ranking equal first for members, and monitoring of TA results being of equal first importance among donors. However, a review of the Steering Committee minutes suggested that a relatively small proportion of time is spent on this matter.
- Our review of the attendance records of SC meetings suggests intermittent attendance and weak continuity. Of the three SC meetings held for Phase III to date, only one member country out of the seven, Uganda, has had the same representative in all three meetings. Of the eight SC donor members with committed funds, four have fielded representatives in all the meetings. one has sent no members, and one has attended only one out of the three meetings. Moreover, continuity has been very poor, with almost all donors fielding different representatives in each of the meetings (with the exception of Germany and UK, where the same person attended two meetings). This lack of continuity weakens the SC's ability to exercise its role effectively.
- Our assessment of AFE's reporting to the Steering Committee is that whilst there is voluminous data and summaries, understanding of AFE's activities and achievements could be greatly increased if there is more comparisons of plans vs actual achievements; variance analyses; analyses of non-project related performance indicators; etc. and we have made some recommendations in this regard.



## Status of Implementation of 2009 Evaluation Recommendations

- We have reviewed the recommendations and their context in the 2009 evaluation report and based on a combination of interviews with AFE and ICD staff, reviews of Steering Committee reports and the findings of our evaluation, present our assessment below.
- Of the eight recommendations assessed:
  - One, relating to availability of increased resources at AFE, was rated Good (majority of recommendations implemented);
  - One, relating to development of three-year TA plans for each TA cluster, for each country, and implementation of a results monitoring mechanism was rated as Good/Modest (latter rating indicates minority of recommendations implemented);
  - Four (relating to: a) Strategy to strengthen donor coordination; b) Strategy to strengthen TA sustainability; c) Regional harmonization/integration TA strategy; and d) Formal implementation plan for 2009 evaluation recommendations) were rated as Modest.
  - Two (development of a RTAC operations and policy manual and a 10-year vision for RTACs) were rated as Poor (very little/zero implementation of recommendations).
- This suggests that of the eight recommendations in the 2009 evaluation, none have been fully implemented, and less than two have had the majority of their components implemented. This weak level of implementation follows a similar pattern to that of the recommendations of the 2005 evaluation. The lack of implementation of the recommendations is particularly pronounced where it is dependent IMF HQ action. Some arguments have also been made by IMF/AFE staff about the lack of clarity of some of the recommendations.

## Summary of Recommendations

The recommendations below are listed broadly in order of importance, both between and within each headline recommendation.

**Recommendation 1: A more detailed and costed strategy should be developed for the next phase, the implementation of which should be easy to monitor. This should be done through:**

- Taking a fresh, clean sheet approach and assessing TA demand across sectors and countries, rather than an incremental approach based on AFE's existing portfolio and current RA mix (given the Center will have been operating for 15 years).
- Drafting a coherent, costed strategy for each sector in each country, rather than some illustrative projects. Using a streamlined, country/sectoral results chain approach, they should reflect interventions that are appropriately sequenced; take into account other reform needs; provide assessment of other complementary donor programs and consideration for partnerships; and objectively verifiable milestones and indicators. To the extent that AFE needs to retain flexibility to address member country needs as they arise, say, 25 percent of the budgets and resources could be allocated for such needs.
- Having a strategy that is whilst being consistent with the RSN, is capable of standing on its own.
- The Program and annual budgets being clearly built up from and linked to expected interventions and demand and the work plans.
- Clearer linkages with country/sector strategies in member countries, especially in areas such as PFM.

- More clearly differentiating between multi-year and short-term (less than one year) and monitoring the mix between them with the view of maximizing the use of the former.
- More detailed research into partner regional and donor institutions and their medium-term plans and incorporating these into the AFE strategy. Also, incorporating in the AFE strategy an action plan for donor coordination for the Center based on clearly defined expectations and objectives from the Steering Committee and member countries.
- More explicitly incorporating EAC as a TA recipient in the strategy.
- Developing a financial sustainability plan for AFE as part of the next phase strategy, should it be a medium or long-term objective of the Steering Committee.

**Recommendation 2: Strengthen AFE's monitoring and reporting through the entire project and program cycle by:**

- Identifying information needs for each key user group and designing reports to meet their needs, with a focus on analyses and explanations, deviations from expectations, and exception reports. Appropriate systems to produce such reports should be developed.
- Elevating budget monitoring from the current accounting level to more of a business oriented exercise. The CC should take overall charge of this, and information barriers need to be removed to ensure that the Coordinator has adequate breakdown of underlying costs to ensure he can discharge this role effectively.
- Integrating the work plan and annual financial budget.
- Until IMF systems are capable of producing them, developing an AFE-level system to budget and track actual project costs.
- Producing analyses of work plan versus actuals, including number of days/missions per country and sector as well as topics planned versus delivered, providing explanation for variances.
- Providing in annual reports more detailed and qualitative financial analysis of actual spends and variations from budgets and explanations thereof.
- Ensuring that annual budgets are recast more frequently, perhaps annually, if actual expenses are significantly out of line with projections.
- Streamlining internal reporting.
- Introducing a robust accounting package, tailored to and suitable for the use of all RTACs, which will enable standardized and comparable financial information to be produced that can be consolidated easily. It should cover all financial information, including those generated by HQ. Ultimately, it should also be integrated with the RTACs' operational work plans and activities.
- Implementing more robust processes in ICDGP, AFR and TA Departments to ensure all backstopping and project management costs are charged fully as incurred.

**Recommendation 3: AFE's operations should be streamlined and the efficiency of resource use improved through:**

- Recruiting research assistants to support RAs.
- Extending the contract term of RAs beyond the current one-year.
- Removing barriers to IMF staff taking up RA positions in RTACs, such as the requirement to take unpaid leave.
- Improving efficiency of STX recruitment and use through *inter alia* using them for longer missions; targets for minimum use of STXs; contracting them for projects or periods (rather than missions only); widening their recruitment pool; and giving RAs access to the STX database.
- Freeing up more CC time from internal reporting, budgeting and work plans to allow him to focus on areas such as strategy, RBM and donor coordination.
- Developing a more proactive and structured approach to minimize the occurrence and impact of gaps between RA tenures. Introduce handover notes.

**Recommendation 4: TA delivery should be improved and made more results-oriented through:**

- Complementing the short-term mission based TA delivery approach with medium-term assistance.
- Incorporating implementation plans in all TA reports with clear milestones and clearly defined, verifiable outcomes.
- Establishing a system for ensuring that outcomes and milestones can be monitored effectively and timely action taken to address slippages, especially after a project has been completed, and integrating the results of such monitoring with the RBM reporting framework.
- Encouraging the national authorities to play an active role in donor coordination and disseminate what is being done and by whom. Installation of tools such as Aid Management Platform software created by the Development Gateway.

**Recommendation 5: Enhance sustainability of AFE's TA interventions through:**

- Undertaking staff capacity assessment (numbers, ability) as part of the diagnostic phase of capacity building projects and tailoring nature and length of TA appropriately.
- Where needed, improving TA absorptive capacity and sustainability in client institutions through implementation of HR strategies (by AFE or partners) that improve staff quality and retention.
- Embedding medium and long-term projects into the host institution's annual or long-term institutional plan or strategy.
- Taking steps to partner with regional and country training institutions to host/organize workshops, in order to build sustainable local training capacity.
- Reviewing the current usage of capacity building tools such as attachments, training of trainers, use of regional consultants, etc., consider the scope for increasing their use, and establishing clear annual targets for each topic.

**Recommendation 6: Improve AFE's cost-effectiveness through:**

- More accurately tracking budgets and costs (all costs, including overheads and HQ, particularly for projects); identifying underlying causes of variances; and implementing a system to take corrective action.
- Extending mission durations and workshop lengths.
- Ensuring the CC and RAs are focused on higher value-added roles by engaging appropriate support staff.
- Reassessing the numbers of AFE/IMF staff attending SC meetings.

**Recommendation 7: The effectiveness of the implementation of Results Based Management should be enhanced by extending it from primarily a reporting to a management tool through:**

- Implementing the use of sector/country results chains as highlighted under Recommendation 1 to provide underlying information for developing logframes.
- (i) extending the logical framework approach to the project level within each country; (ii) incorporating project level input/cost information; (iii) improving the technical robustness of the logframes by ensuring that all projects/countries that are contributing to an outcome are accommodated in a logframe; (iv) incorporating relatively small interventions in a simplified format, rather than be excluded; and (v) placing more emphasis on monitoring milestones.
- Drafting Briefing Papers on a project (rather than mission) basis, incorporating full project logframes including outcomes. Once information is available, such logframes should be augmented with: (i) TA advice implementation milestones and dates; (ii) TA timetable, including an outline of future missions in relation to milestones; (iii) project budget, in sufficient detail, broken down by mission; (iv) TA implementation risks identified during the mission and steps necessary by client (in implementation plan) or AFE (e.g. timing of mission, increasing STX support) to address it; and (v) proposed monitoring approach for the TA.
- Systematically gathering lessons learnt and incorporating them in future interventions.

- Using the RBM framework as a TA management tool, rather than simply a reporting tool.
- Engaging a logframe specialist, either for AFE or say across the AFRITACs, to review logframe entries and provide technical feedback to improve users' practical understanding of their use.

**Recommendation 8: Improve standardization of practices, reporting and knowledge sharing between RTACs, especially the AFRITACs, by:**

- Carrying out a study of best practices across all RTACs, especially focused on RBM implementation, reporting, cost effective approaches, and different components of project and program management.
- Establishing a number of Key Performance Indicators to monitor the relative performance between the RTACs, in addition to them serving as useful monitoring tools for each RTAC.
- Sharing TA reports and workshop presentations.
- Circulating to SC members executive summaries of the evaluation of other RTACs.

**Recommendation 9: The effectiveness of workshops and training should be enhanced by further integrating them with AFE's TA work, through:**

- Ensuring that the topics selected for workshops are as directly linked as possible to the AFE/IMF work plans benefiting the majority of AFE member countries, to ensure that their impacts are maximized.
- Extending the length of some regional workshops, and establishing a minimum of two weeks other than for exceptional reasons.
- Standardizing post workshop participant feedback questionnaires to ensure comparability and enable analyses.
- Establishing a process for systematically following up on and incorporating in future TA and workshops lessons captured in BTOs.
- Developing a more structured approach to post-workshop follow ups including where appropriate: (i) setting up a virtual network of participants; (ii) providing follow up training to the same participants on the same topic; (iii) setting up mentorship arrangements; (iv) providing on-the-job training; and (iv) organizing study tours.
- Budget adequate preparation time for, in particular, in-country workshops to develop tailored case studies.
- Extending in-country training sessions, e.g., where appropriate allowing STXs to stay on and provide training or hand-holding for implementation of lessons after the RA has left.
- Reassessing whether delivering stand-alone national workshops on generic topics, especially the extent to which it is carried out in the macro-fiscal area, is the best use of AFE RAs' or STXs' time.

**Recommendation 10: The effectiveness of AFE's governance arrangements should be improved through:**

- Re-examining the RTAC organization and management structure again in the light of experience. The reporting lines are in several different directions depending on whether considering a CC, an RA, an STX or local staff. Financial controls are equally diffuse. The role of the Steering Committee is diffused. In these circumstances it is difficult to pin down accountability, transparency or responsibility for success or failure.
- More clearly and in greater detail defining the SC's role.
- Streamlining SC reporting, with a focus on analysis and explanation of variances from plan, rather than mainly raw data.
- Devoting more space in the meeting agendas the SC to discuss and query results monitoring, project results and strategic matters.
- Introducing SC sub-committees (e.g. results and specific strategic issues) to enable members to assess results and contribute to AFE strategy more effectively.
- Improving continuity of membership among SC members.

**Recommendation 11: Develop a systematic approach to ensure that the Evaluation's recommendations are implemented:**

- AFE management should provide a formal response on them.
- Other IMF departments should also comment.
- An implementation plan with quarterly milestones should be developed and presented to the Steering Committee.
- A Steering Committee sub-committee to guide and monitor implementation should be considered.
- The recommendations from the 2009 evaluation should be revisited and, to the extent not captured in those above, implemented.

# 1. PURPOSE OF EVALUATION, METHODOLOGY AND SCOPE

## 1.1 OBJECTIVE OF THE EVALUATION

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The objective of the Evaluation is to assess the extent to which:

- AFE is achieving its objective, in an efficient and effective manner, and
- The TA and training delivered by the Center is sustainable.

The Evaluation Terms of Reference ('ToRs') also provide that in view of the Center having been operational for ten years, a particular focus of the Evaluation would be to assess the extent to which AFE has built on the work of the previous multi-year cycles, and whether the results of these previous phases have been sustained in the current phase.

## 1.2 OVERALL APPROACH AND SCOPE

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The Evaluation was guided by its ToRs, which set out *inter alia* its purpose, scope, methodology, and a set of questions that the Evaluation needed to respond to. The Evaluation ToRs are provided in Appendix I. Appendix II provides an index, referring for each of the issues required to be addressed by the ToRs, the relevant section in the Report where we have provided a response. Appendix III provides a table summarizing the key tools used to carry out the Evaluation.

Our general approach for the Evaluation has been as follows:

1. Agree Evaluation rating criteria, Key Evaluation Questions ('KEQs'), and methodology for evaluating both individual projects and the AFE program with ICDGP and the Evaluation Sub-Committee, including appropriate adjustments to the ToRs.
2. Develop and agree with ICDGP and the Evaluation Sub-Committee a work plan to implement the agreed Evaluation methodology.
3. Implement the work plan, which included:
  - Desk-based research focusing on eleven TA projects, including three in-depth case studies that required country visits.
  - Desk-based research on six workshops delivered or sponsored by AFE.
  - Interviews with the IMF African Department, TA Departments, support departments such as Finance, and ICDGP staff in Washington, DC with respect to AFE's strategy and operations, and the Center's relationship with HQ.
  - Reviewing reports to the AFE Steering Committee ('SC').
  - Reviewing internal AFE reports, reports from previous evaluations of AFE and other RTACs, and other relevant IMF reports.
  - Field trip to Dar es Salaam to discuss the Center's strategy, operations and TA interventions with the Centre Coordinator ('CC'), Resident Advisors ('RAs') and office staff.
  - Online surveys of beneficiaries of the 11 TA projects reviewed in detail; participants in the six selected workshops; and SC members.
  - Field trips to Kenya and Tanzania to research and get feedback from stakeholders on the three selected case study projects.
4. Conclude on lessons that could be learnt and recommendations for the future.
5. Draft and finalize the Report.

We have listed the persons interviewed in Appendix VIII.

The four outputs of the Evaluation have been:

1. An Inception Report
2. A Draft Evaluation Report
3. This Final Evaluation Report ('the Report'), comprising two volumes.
4. Presentation of evaluation results and recommendations to the AFE Steering Committee.

The trip to IMF HQ was carried out in November 2012; the Inception Report was issued and the field trips to Kenya and Tanzania carried out in December 2012; the first draft of the Report was issued for comments in March 2013; and the presentation to the SC was made in April 2013.

### 1.3 EVALUATION CRITERIA AND RATING SYSTEM

The TORs set out a series of Key Evaluation Questions ('KEQs') for each of the OECD DAC criteria that the Evaluation is expected to address. It proposed a quantitative rating methodology, along with a framework for assigning weights to the scores for the different DAC criteria in order to arrive at a unitary score for each evaluated project, workshop or the AFE program as a whole.

We adopted the rating system for individual DAC criteria of:

- Relevance ('R')
- Effectiveness
  - Impact ('E/I')<sup>3</sup>
  - Outcomes ('E/OC')
  - Outputs ('E/OP')
- Efficiency ('E')
- Sustainability ('S')

We deployed a rating system for each of the above evaluation criteria that is set out in Table 1 opposite.

Achievements of targets within these criteria have been rated as Excellent ('E'); Good ('G'); Modest ('M'); Poor ('P'); or Not Demonstrated ('ND'). In addition, we have given numeric scores to allow for gradation within each rating criterion.

We had some reservations about assigning weightings to the scores for individual DAC criteria and arriving at a consolidated score. We detailed these in our Inception Report but in summary these included:

1. DAC criteria are not homogenous.
2. A severe weakness in one area, for example, effectiveness, could lead to a failed project, yet the weightings applied to other criteria could still lead to a reasonable score.
3. The weightings assigned were, in our opinion, subjective. A project could, for example, score highly just by being consistent with the AFE Program Document given the disproportionately high weighting proposed for relevance.

T1 AFE Evaluation Rating Criteria			
Rating	Achievement	Base Score	Range
Excellent ('E')	All or substantially all objectives met	4	3.6-4.0
Good ('G')	Majority of objectives met	3	2.5-3.5
Modest ('M')	Few/minority of objectives met	2	1.5-2.4
Poor ('P')	Very few objectives met	1	1.0-1.4
Not Demonstrated ('ND')	Criteria cannot be assessed	ND	

<sup>3</sup> Impact was assessed, but not scored, as provided for in the Evaluation ToRs.

4. Different weightings would be appropriate for different types of projects, for instance, sustainability would be more important in a capacity building project than, for example, in a legal drafting TA intervention.
5. Distorted scores would result in instances where we could not rate a criterion, e.g., outcomes or sustainability for an ongoing project.

ICDGP and Evaluation Sub-Committee feedback was that a weighted scoring approach is needed to maintain comparability of results with previous evaluations. We have therefore applied the weights recommended in the ToRs (see Appendix I, Annex B), in separate scoring tables for comparability purposes.

In addition to the scoring methodology, we suggested some minor changes to the KEQs to improve their consistency and technical robustness. We also suggested slightly modified KEQs for individual TA interventions and that for the AFE program. These suggestions were accepted by ICDGP and the Evaluation Sub-Committee, and have been adopted for the Evaluation.

## 1.4 EVALUATING TA PROJECTS AND WORKSHOPS

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We evaluated AFE's TA and workshops at four levels:

- Portfolio;
- Case studies;
- Desktop reviews;
- Surveys of TA recipients and workshop participants.



Table 2 below presents the TA projects and workshops selected for detailed review.

<b>T2</b>	AFE TA Projects and Workshops Selected for Detailed Review						
	ETH	KEN	MWI	RWA	TNZ	UGA	Reg. wkshps
PFM		<b>Case Study:</b> Program Based Budgeting	<b>Desktop:</b> Treasury Management	<b>Desktop:</b> Organic Law			Managing IFMIS Risks
Revenue Administration	<b>Desktop:</b> Mercato Project				<b>Desktop:</b> Exiting DI Contract		IT in Tax Administrations
Macro-fiscal Analysis						<b>Desktop:</b> Composite Indicators of Economic Activity	Macro-fiscal & PFM Issues of Monetary Union
Statistics		<b>Case Study:</b> Quarterly National Accounts		<b>Desktop:</b> Improving Annual National Accounts			National Accounts Statistics
Financial Sector Regulation		<b>Desktop:</b> Consolidated Bank Supervision			<b>Case Study:</b> Risk Based Supervision		Consolidated Bank Supervision
Monetary Policy & Operations			<b>Desktop:</b> Payments System				Macro-economic Diagnostics
ICD Institute							

## 1. Portfolio Reviews

We sought to develop a portfolio level view of the AFE's projects, by extracting relevant information from the annual reports and from reports presented to the respective SC. We discussed the performance of the overall portfolio with each RA. We also analysed the portfolio across a number of criteria.

For workshops, we reviewed the overall participant ratings scored by each of the 25 regional workshops undertaken by AFE. These findings were augmented by more detailed review of selected workshops.

## 2. Case Studies

These are discussed in more detail in Section 1.5 below.

### 3. Desktop Reviews

From the AFE portfolio, we initially selected six TA projects and two stand-alone workshops<sup>4</sup>. An additional four workshops, closely linked to the case studies and desktop reviews, were chosen for more detailed assessment. These projects and workshops were selected by with regard to:

1. Relative intensity of effort in the topical area;
2. Size (mix of large and small);
3. Country (non-case study country, mix of strong/challenging performance from the portfolio assessment);
4. Preference for completed ones;
5. For workshops, consideration of linkage with TA activities;
6. Achieving a reasonable coverage of topical areas.

An additional two TA projects were selected for desktop reviews during the course of the Evaluation. One was chosen as a particularly successful example of AFE's TA delivery, and the second one was converted from a case study into a desktop review as the nature of the project (it was too short and focused) did not lend itself to being a suitable case study.

We reviewed all available documentation at AFE for TA projects selected for desktop reviews, including Briefing Papers (mission ToRs); TA Reports; and Back-to-Office Reports ('BTOs') for all missions undertaken. We also discussed the project with the relevant RAs, where they were still in place, or received feedback from previous RAs who had undertaken the project. In some cases, feedback was also obtained from STXs who had been involved. In a number of cases we obtained feedback from the TA beneficiary, especially relating to the implementation status of TA recommendations. Finally, we referred to relevant survey feedback. Information reviewed was then used to respond to the KEQs to rate the projects in accordance with the DAC criteria.

The selected workshops were also assessed with reference to the DAC criteria. For four of the six workshops selected, we reviewed the workshop Briefing Papers and BTOs, assessed participant feedback and scores, and also reviewed survey feedback relating to that workshop. For two of the workshops, we also reviewed a selection of presentations delivered to assess their quality and relevance. We scored and rated the workshops reviewed as a whole.

Section 4.7 provides summaries of our detailed analysis of the eight TA project desktop reviews. Volume II provides full details.

### 4. Surveys

We conducted two targeted online surveys to obtain feedback on the selected TA projects and workshops<sup>5</sup>.

The TA beneficiaries' survey comprised 25 questions, with many requiring responses to a number of sub-questions on respondents' views. Questions covered included: strategic context of the TA; TA design process; regional integration and harmonization issues; relationship of the beneficiary institution and the project with the IMF and other donors; donor coordination and AFE's role; views on different aspects of AFE's TA intervention with the institution; post-TA implementation, AFE support; and monitoring; barriers to implementing TA recommendations; and indication of TA results.

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<sup>4</sup> The numbers selected will be reviewed in light of availability of information and difficulties in arriving at defined 'projects'.

<sup>5</sup> On [surveymonkey.com](https://www.surveymonkey.com)

41 individuals representing stakeholders for the 11 TA projects were invited to participate in the survey. 16 responses were received. More importantly, survey feedback was received in respect of eight of the 11 projects.

The workshop participants' survey had 21 questions, structured along the same lines as that for the TA beneficiaries. Questions covered matters such as workshop needs analysis; appropriateness of the level of participants targeted and invited; linkage with TA; main benefits to participants; balance between the coverage of theory and practical matters; quality of presenters, presentations and organization; workshop structure and length; implementation of lessons post workshop and barriers thereto; and quality of AFE follow-up post workshop.

67 out of 173 (39 percent) responded, and response rates for individual workshops ranged between 25 percent and 59 percent. We were able to analyse responses at individual TA project and workshop levels, as well as on a consolidated basis.

## 1.5 CASE STUDIES

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TA projects for case studies were selected by applying the following principles:

1. As suggested by the Evaluation TORs, between three and four case studies.
2. The case studies were preferably in different topic areas in different countries.
3. Between the three RTACs being evaluated by us, we balanced the need to select the TA topic areas with the highest resources allocated with the need to achieve a reasonable spread of topics, with a bias toward the former.
4. The three/four topic areas were selected from the top five in terms of TA person days invested<sup>6</sup>.
5. For each of the topic areas selected, we chose one country from the top three ranked in terms of TA received on that particular topic.
6. Based on review of documentation and discussions with Centre/HQ staff, a 'project' was selected for the case study in the topic/country selected. Preference was given to a project that had been progressing for a period (including earlier phases), and for which outcomes were likely to be more discernible. Projects were preferred where a regional dimension was more discernible.
7. Any exception to this approach was clearly documented, including justification.
8. Projects where discernible results could be assessed were preferred.
9. Following discussions with ICDGP, we additionally included a Statistics-related case study in AFE.

Based on the above criteria, we initially selected the following projects:

1. PFM, including EAC issues – Kenya
2. Tax Administration – Ethiopia
3. Risk Based Supervision – Tanzania (selected after discussion with recently-retired Financial Supervision RA, as being most suitable, given need to track results).
4. National Accounts – Kenya.

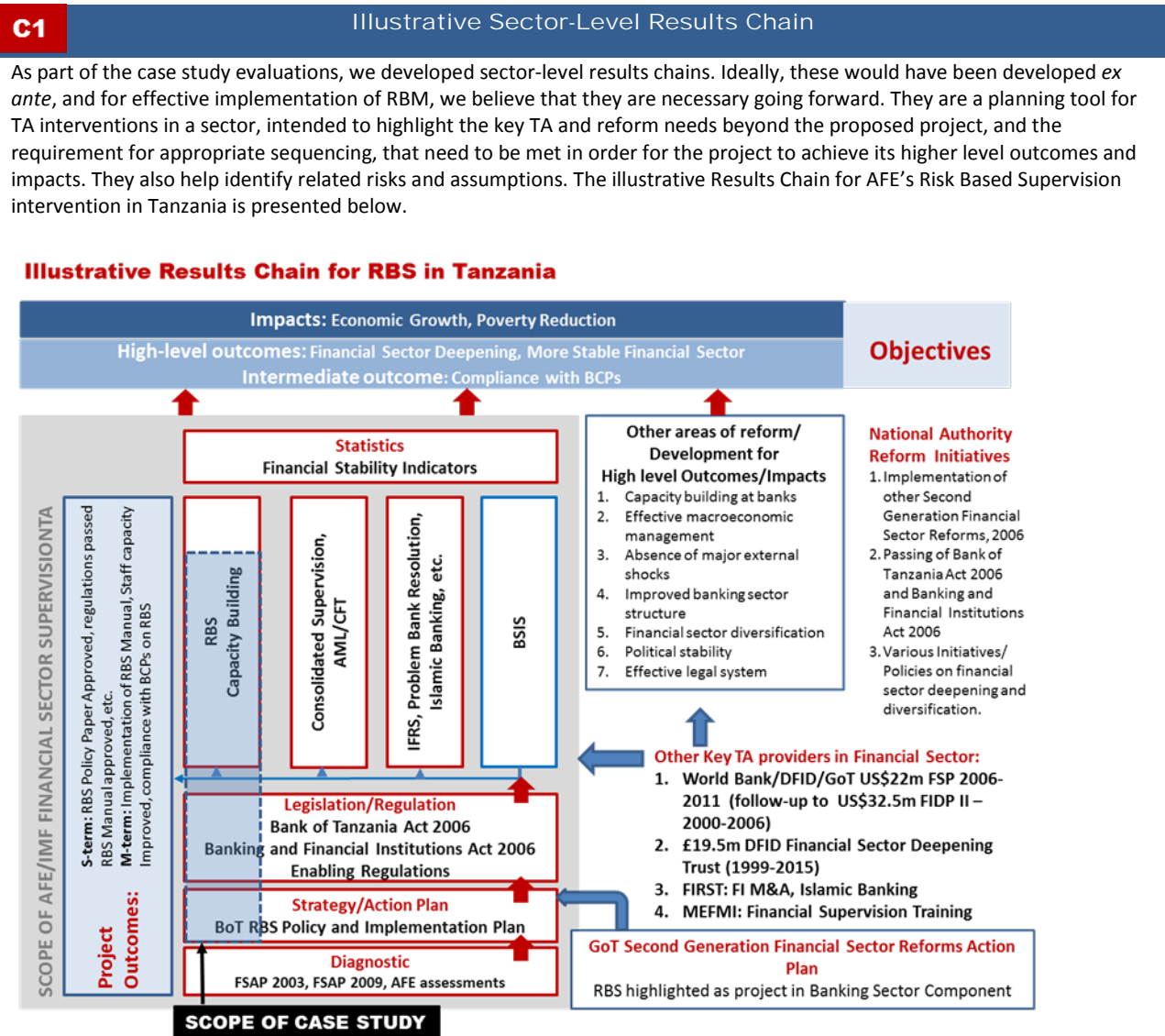
AFE's support for implementing a tax collection in the Mercato market in Addis Ababa, Ethiopia, was initially selected as one of the four case studies. After a review of project-related material, given the focused nature of the project, it was decided it would be more suitably treated as a desktop review, but with an in-depth review of FAD's strategic support for wider revenue administration reform in Ethiopia, to place the project in context.

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<sup>6</sup> Total TA Person days FY2008-2012

One of the key challenges faced during the Evaluation was the absence of workable logframes on which to base our assessment of project results. The Briefing Papers for missions only provide activities and outputs for individual missions. The implementation of RBM in AFE started only in FY2012, and in any event the outcomes proposed for missions, are difficult to evaluate against as they lack precision in definition. For each case study (and also desktop review), we therefore needed to construct *ex post* logframes, based on available activity and output information, and providing illustrative outcome indicators for these projects.

We worked with a results chain approach to provide the logical underpinning for the logframes used in the case studies. Chart 1 below illustrates the sector level results chain we constructed for one of the case studies.



For the three case studies selected, we constructed 'projects' out of a series of missions, some extending for as long as seven years. We then developed the sector results chain to place the project into context, and assess the degree to which the project was appropriately sequenced, and the wider reform needs to achieve higher level outcomes were being addressed, and the associated risks mitigated.

*Ex post* logframes were designed from the available data from AFE and wider research, and output and outcome indicators developed. Based on review of documents and interviews with the responsible RA, as well as the in-country meetings with TA beneficiary stakeholders and other institutions indirectly affected by the TA, we completed the KEQs in respect to each of the case studies and arrived at our evaluation ratings and scores for each of them.

Sections 4.4 to 4.6 provide summaries of the three case studies. Volume II provides our detailed analyses.

## 1.6 EVALUATION APPROACH FOR STRATEGY, OPERATIONS, RBM AND GOVERNANCE

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AFE's strategy and operations are deeply integrated with those of IMF HQ. This makes evaluating its performance on an isolated basis impractical, as in many areas strengths and weaknesses are drawn from what's happening at HQ. This is particularly true of AFE's operations. Although we have commented on HQ based activities where they directly impact on the Center, such as RBM, the Evaluation has necessarily needed to focus on AFE matters.

We assessed AFE's *modus operandi* through interviews with the African Department, TA Departments and ICDGP staff. Interviews were also conducted with the AFE CC, each of the eight RAs, the Centre Office Manager and IT Officer. In addition, we reviewed the reports produced by the 2005 and 2009 AFRITAC evaluation teams, as well as those from evaluations of a selection of other RTACs. We also assessed the findings from evaluations of other relevant Fund TA activities to establish their relevance for the Evaluation.

A number of IMF working groups have been deliberating on different aspects of RTACs' governance, operations, funding and TA delivery approach respectively. Where available, reports or recommendations produced by these groups were also reviewed.

A key benefit of the Evaluation has been the fact that the team was also concurrently evaluating West AFRITAC and CAPTAC-DR. We have been able to draw conclusions based on relative performance of the three RTACs and the wider population of all RTACs.

In assessing the status of RBM implementation, we had discussions with ICDGP, the TA Departments and AFE. We also reviewed reports from the IMF interdepartmental RBM working group, a consultancy report on introducing RBM in the RTACs, and logframes produced by a number of RTACs.

Governance was mainly assessed through a review of SC annual reports and minutes of SC meetings, as well as the analysis of feedback from the online survey of SC members. The objective of this survey was to gather information from SC members about their perceptions and views about the:

- Role/uniqueness of the RTAC model;
- RTAC's strategy and direction;
- Structure, composition and role of the SC;
- Adequacy/appropriateness of reporting from AFE management; and
- Other views/opinions.

There were some variations in questions posed to SC members representing donors, and those representing member countries, reflecting potential differences in goals and interests in participating in AFE.

41 individuals representing the 17 Steering Committee members (member countries and donor institutions) were invited to participate in the survey. 14 responses, representing five (out of seven) member countries; and seven of the ten donor countries or institutions, responded.

## 1.7 LIMITATIONS AND OTHER ISSUES

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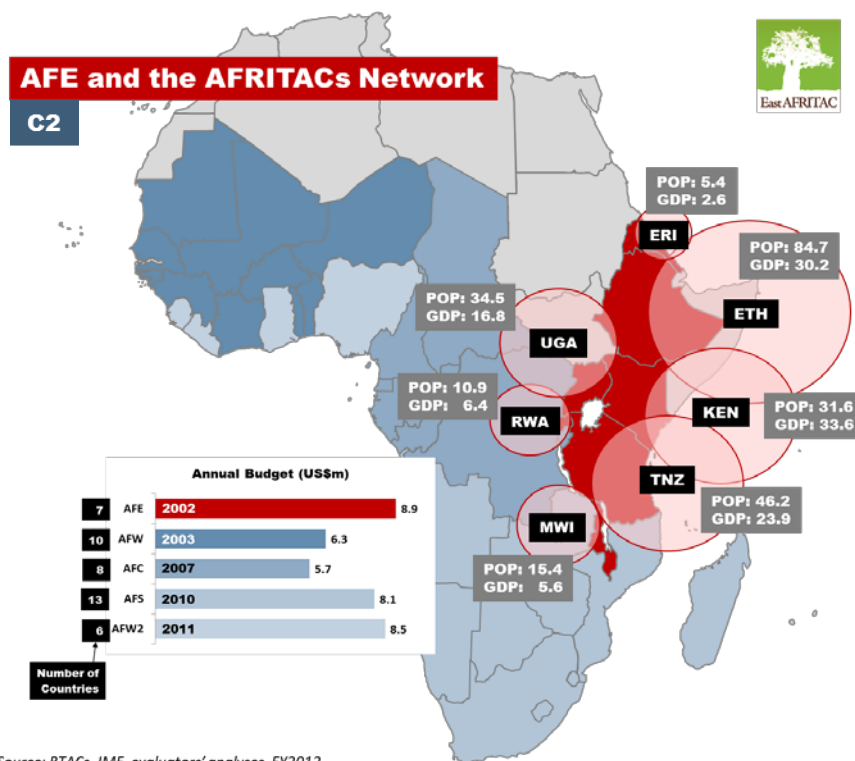
We experienced the following limitations in carrying out the Evaluation:

1. AFE's reporting has relied predominantly on activities and missions. This has made it difficult to develop an overview of projects, which may comprise one or more missions that together would be expected to deliver a set of outcomes. We sought to construct these projects from the available data, but it was difficult to define them accurately.
2. AFE has made considerable progress in seeking to report on results since starting the implementation of RBM in FY2012. A number of the projects selected for detailed review started before that date. In any event, the outcomes are not yet well enough defined to make them suitable for evaluating the achievement of results. We reconstructed logframes and outcome indicators for the projects selected for detailed review. However, this has not been possible to do at a portfolio level, and our assessment of portfolio level effectiveness results should be treated with some caution. This caution is reinforced by the absence of actual performance against plans and absence of consolidated analyses.
3. AFE's financial and project cost reporting systems suffer from a number of limitations. One consequence of this is that it is not possible to accurately establish the cost of projects. This makes it impossible to accurately assess project cost. Moreover, various breakdowns, such as total number of days spent on a project by RAs and consultants, the fee vs other costs incurred by consultants, the number of days/hours charged by HQ staff for backstopping and project management, are not readily available. Where possible, we have sought to use alternative mechanisms, such as the number of missions, to approximate costs.
4. Under DAC definition, actions relating to implementation of TA recommendations, such as the use of a manual, or implementation of a process, would be classified as an indirect result, and an output. Given the nascent stage of implementing RBM at the IMF and AFE, and the need to shift focus from advice to results (of any kind), we felt that for the purposes of the Evaluation there should be a clear line drawn between TA activities within the AFE's control (such as drafting a manual or a regulation), and results dependent on other people's action (using the manual or adopting the regulation). We have defined the former as outputs latter as short-term or intermediate outcomes. These results are defined as milestones under IMF RBM terminology. Over time, to the extent independent evaluations are expected to report on performance against DAC criteria, we believe the IMF and RTACs should consider move to more widely accepted definitions, including separating its definition of objectives into outcomes and impact. However, this matter is not unique to the IMF.
5. A number of key counterparts at the Kenya Ministry of Finance were out of the country at the time we carried out our field trip for our case study on the Kenya PBB project. This restricted the number of people we could meet. Nevertheless, we believe that the meetings that did take place, and our documentation review, have provided us with sufficient information to arrive at a reasonably accurate evaluation of that project.

## 2. AFE BACKGROUND AND CONTEXT

### 2.1 AFE IN CONTEXT

AFE is part of a portfolio of nine RTACs aimed at delivering IMF TA to clusters of member countries, often with common needs, in a manner that complements IMF HQ TA and leverages external donor funds. The first RTAC, PFTAC, was established in 1993 and currently serves 16 Pacific island countries. CARTAC was established in 2001 and serves 20 Caribbean countries. In addition to those above, RTACs now serve countries in Central America, Middle East, and Sub Saharan Africa. The latter are served by five AFRITACs.



AFE and West AFRITAC, the first two AFRITACs, were established on a pilot basis in 2002 and 2003 respectively as part of the Fund's Africa Capacity-Building Initiative. The initiative was aimed at alleviating capacity constraints faced by African countries in designing and implementing growth-oriented poverty reducing policies under the New Partnership for Africa's Development ('NEPAD').

The Initiative's strategic goal was to strengthen the capacity of African countries to design and implement their poverty-reducing strategies, as well as to improve the coordination of capacity-building TA in the PRSP process.<sup>7</sup>

<sup>7</sup> The Fund's Africa capacity Building Initiative. African Department, the Office of Technical Assistance Management, and the Legal Department. IMF. April 2002



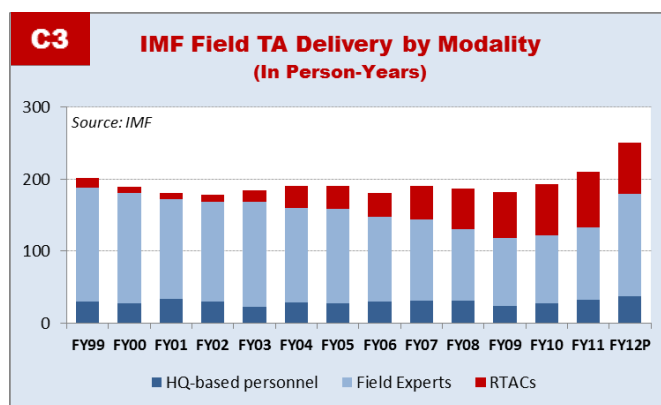
At the time of their launch the AFRITACs were expected to bring the following value added:<sup>8</sup>

1. They would provide a flexible and rapidly deployable capacity-building instrument for the PRSP process.
2. Through their frequent visits, Resident Advisors would follow up on, and monitor the implementation of, ongoing Fund headquarters TA projects.
3. The Centers' governance structure would be designed to strengthen country ownership and accountability for TA outcomes.
4. Donor coordination would be enhanced both at the country level in the context of the PRSP process and at the regional level in the Centers.
5. The AFRITACs would allow closely coordinated and harmonized advice for the countries in a region, thereby helping regional integration.
6. The Centers would be a cost-effective instrument for capacity building TA in Africa.

The AFRITAC organization structure was established following previous RTAC models i.e. with an office, Center Coordinator recruited and reporting to African Department, RAs (initially five) recruited by and reporting to IMF TA Departments, and local administrative staff. A Steering Committee with representatives from donor institutions, member countries and the IMF would provide strategic guidance and monitor performance.

There are now five AFRITACs in operation. Chart 2 in the previous page highlights their country coverage, and annual budgets.

In regions where traditional Fund TA is relatively large, such as in the regions served by the AFRITACs, an important comparative advantage of the RTACs lies in complementing diagnostic and strategically focused headquarters-based TA, and thereby enhancing follow-up and implementation. Where traditional Fund TA has been more limited, such as in the regions served by CARTAC and PFTAC, the RTACs have undertaken a mix of both strategic and follow-up TA.<sup>9</sup> On average, an RTAC provides two-thirds of the IMF TA delivered to the countries covered by that RTAC.<sup>10</sup>



The RTACs are a key component of a range of TA delivery modalities that the IMF uses, including Topical Trust Funds and TA funded from bilateral sub accounts. As Chart 3 opposite shows, they have taken on increasing importance over the last five years, and in FY2012 RTAC are expected to have delivered almost 30 percent of Fund TA.

<sup>8</sup> Ibid.

<sup>9</sup> Review of the Fund's Regional Technical Assistance Centers. Office of Technical Assistance Management. IMF. June 2005

<sup>10</sup> Presentation to AFE Steering Committee meeting. April 2011.



## 2.2 AFE EVOLUTION SINCE 2002

AFE has been through three funding cycles since its establishment in 2002:

- Phase I: October 2002 to April 2006 (three and half years, effectively three years after an initial period of establishment);
- Phase II: May 2006 to April 2009 (three years);
- Phase III: October 2009 to September 2014 (five years).

AFE started operating with six member countries: Eritrea, Ethiopia, Kenya, Rwanda, Tanzania and Uganda. Malawi joined in 2006. South Sudan was extended membership invitations in April 2011. After discussions, it was decided that Burundi should continue being a member of Central AFRITAC given language issues, although it is invited to AFE regional workshops. Kenya, Rwanda, Tanzania and Uganda (and Burundi) are members of the EAC, and a key challenge of AFE is to manage the fact that three of its member countries are not part of the EAC, and also engage with EAC directly to support its regionalization efforts.

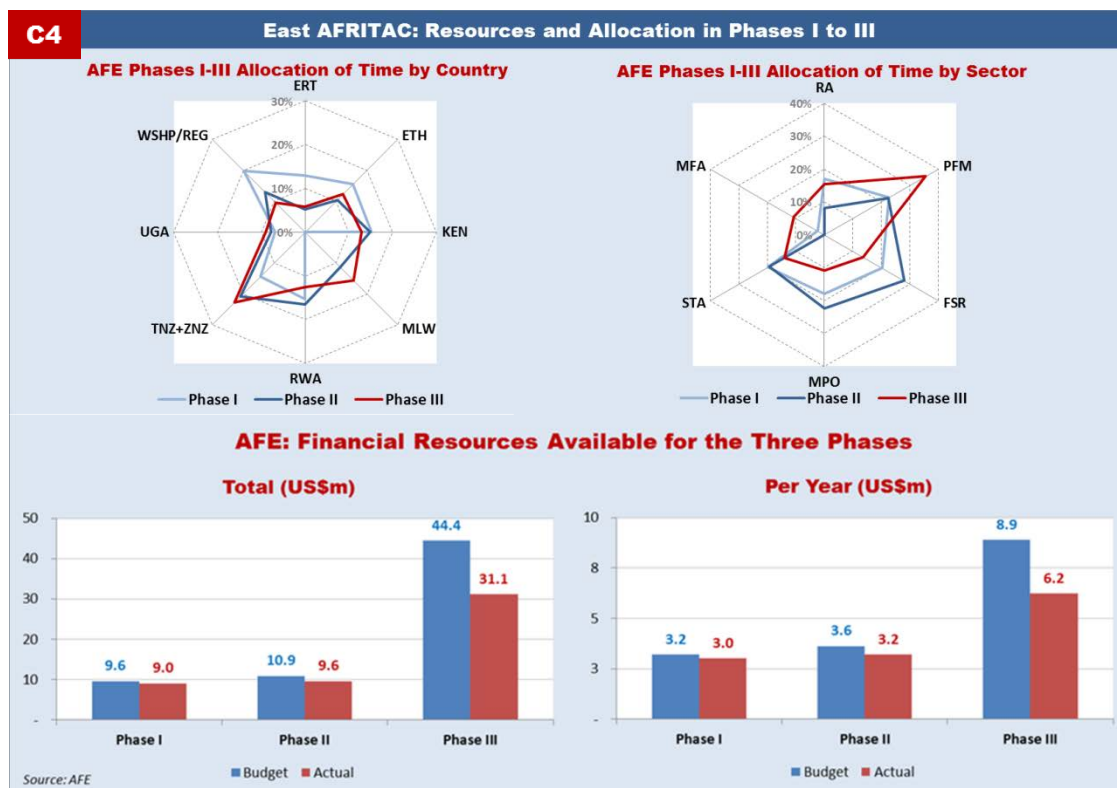


Chart 4 above shows how the geographic and sectoral allocation of AFE TA has evolved over its three phases, and the budget allocation and actual spend during the phases.

## Phase I

Before the Center started operating, IMF staff carried out a TA needs assessment. They found that TA needs in the East Africa region were evenly distributed among the Fund's core areas of expertise, but that fiscal issues still represented more than half of total needs. The highest demand was for treasury management and accounting (almost 40 percent of total fiscal needs) (Eritrea, Ethiopia, Tanzania, Rwanda, and Uganda); the second-largest demand was for tax administration, including customs (Eritrea and Ethiopia). Demand for tracking poverty-reducing expenditures was in fact modest. In the absence of regional arrangements and associated capacity building assistance, demand for capacity building support in the monetary and banking areas was also high (representing 34 percent of total identified needs); these needed focus on the banking supervision, including regulatory framework for bank soundness (Eritrea, Ethiopia, and Uganda) and the enhancement of monetary operations and financial market development (Uganda and Tanzania). Identified needs in the statistical area represent 14 percent of total needs, half of which was in the balance of payments and external debt statistics areas (Eritrea, Ethiopia, and Tanzania).<sup>11</sup> The relative distribution of TA in these areas has broadly continued to date, with the exception of Public Financial Management, which has seen an increase in its share following the recruitment of an additional RA at the start of Phase III. The direct linkage with PRSPs has become more tenuous over time.

The distribution of TA has been broadly allocated evenly between member countries, with two exceptions:

1. Eritrea has seen a lower share of TA since Phase II, as AFE has experienced some barriers to TA delivery and absorption in that country; and
2. Tanzania has seen an increased share of TA, mainly we understand as a result of greater TA being delivered to Zanzibar.

An independent evaluation was carried out mid-way through the first phase and reported in 2005. It covered both AFE and AFW, defined together as AFRITACs for the purposes of that report. The overall finding was that 'AFRITACs are an effective delivery vehicle for capacity building, appreciated by all beneficiary countries. They distinguish themselves from other delivery modes by their responsiveness to client needs, proximity to member countries, quick response time, familiarity with local context and issues, and relevant leadership. These characteristics are important to AFRITAC clients and provide a sound basis for collaboration. For the most part, the AFRITACs have achieved their objectives, although considerable work remains to be done in planning capacity building for each member country. The foundation has been laid for the AFRITACs and their stakeholders to work toward increasing efficiency and results.'<sup>12</sup>

The evaluation's recommendations included:

- Need for beneficiary countries and institutions to develop capacity building plans for institutions and sectors. The plans would provide for regular monitoring of capacity and of agency performance indicators established according to international standards. The IMF should technically support the development and monitoring of such plans.
- A number of countries needed to take more responsibility for coordinating TA from various donors, including the AFRITACs, than was presently the case. The AFRITACs could serve as facilitators in this process.
- The IMF should engage a short-term expert to assist the SCs and AFRITACs in the elaboration of performance indicators and an LFA with which to evaluate AFRITAC outputs not less than annually. Performance indicators should include cost-effectiveness indicators.

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<sup>11</sup> The Fund's Africa capacity Building Initiative. African Department, the Office of Technical Assistance Management, and the Legal Department. IMF. April 2002

<sup>12</sup> AFRITACS: Independent Mid-Term Evaluation. April 2005.

- 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.
- Donors should provide the SC with detailed information on their TA delivery to the AFRITAC countries in the areas of relevance.
- 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 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.
- The Centers should increase their communication efforts—country visits by the coordinators, press releases, publicity for AFRITAC websites, etc.—so as to raise local and regional awareness of their contribution.
- The AFRITACs should intensify their cooperation with regional capacity-building institutions.

Many of these recommendations remain relevant today.

## Phase II

The positive reception from the beneficiaries of AFE's assistance combined with the supportive findings of the 2005 mid-term evaluation validated the concept behind the pilot. A further three year program (Phase II) was launched. About US\$23.5 million was pledged from donors (mostly those who had supported Phase I) to cover both AFE and AFW. AFE's share of committed funding was US\$10.9 million.

Phase II saw a sharp reduction of TA in revenue administration (8 percent from 17 percent in Phase I), partly due to an extended vacancy for a RA in that area. Financial sector TA increased from 20 percent to 28 percent. In terms of countries, Eritrea and Ethiopia saw reductions in their share of TA (from 13 and 15 percent to 5 and 10 percent respectively), and Tanzania saw an increase from 12 to 14 percent, of reasons highlighted previously.

The independent mid-term evaluation for Phase II reported in early 2008.<sup>13</sup> The evaluation team had also reviewed the performance of the West and Central AFRITACs and its recommendations reflected findings across all these three RTACs. Overall, AFE's performance was rated as Good, above the midpoint of the range. The highest ratings were for relevance which indicates that the TA projects were well chosen, were owned by the governments and were well aligned with IMF operations in the countries. Problems were reported in donor coordination. The lowest ratings were for efficiency (reflecting long RA vacancies) and sustainability (excessive country responsibility of RAs and weak absorptive capacity of TA beneficiaries). The evaluation additionally identified the need to strengthen AFE's benchmarking and monitoring processes. The evaluation also found poor implementation of the 2005 recommendations.

The 2009 evaluation included many recommendations for improvement in AFE policies and practices and highlighted those that it considered as the top eight: attract more resources (especially in order to provide long-term capacity building TA); organize work plans over a three year period (as compared to annually); improve donor coordination through dissemination, an IMF portal, more retreats, better involvement of Steering Committee; think more about sustainability issues; develop a regional plan for macroeconomic tools; provide a procedures manual for RTACs; develop a ten year vision; and, develop an action plan to implement the recommendations and present to the Steering Committee in 2010 and 2011. We have reported on the status of implementation of these recommendations in Section 11 of the Report.

<sup>13</sup> Independent Evaluation of African Technical Assistance Centers. January 2008. This was published by the IMF in March 2009, hence it is referred to as the 2009 evaluation.

### Phase III

Picking up on some of the 2009 evaluation findings the IMF launched Phase III as a five year program, with a budget of almost US\$50 million. An additional RA, in PFM, was recruited, bringing the total to eight. The EU joined as a donor, committing US\$9.9 million in October/November 2011. Key developments during this current phase have included:

- More than doubling of the annual budget, from US\$3.6 million to US\$8.9 million;
- Commencement of the implementation of Results Based Management, since FY2012;
- Reaching out activities through invitation to relevant AFE workshops for Burundi and, for South Sudan, participation in the attachment program and benefit from some RA participation in HQ mission or seminars in Juba; and
- Increasing engagement with EAC on regional integration and harmonization initiatives.

## 2.3 CURRENT LANDSCAPE OF AFE ACTIVITIES

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AFE member countries have generally progressed in a number of areas over the past decade of partnership with the Center. In this section, we provide a high level overview of developments, with a particular focus on trends in the areas where AFE provides TA support.

High level development objective related indicators show positive trends. None of the AFE member countries are yet benefiting from mineral resource-related growth, and the relative performance against Sub Saharan Africa ('SSA') per capita income average is contributed to by this fact. At the same time, child mortality rates have fallen faster than the continent average, with Rwanda being a particularly strong performer.

GDP growth rates have been higher than SSA averages for most countries, with rates ranging between 5 and 10 percent per annum for most countries, and Ethiopia exceeding this range in the mid-2000s. All countries have been affected by the 2008 financial crisis to different degrees. Eritrea's reported growth performance has been particularly volatile.

Notable trends in governance (as identified by World Bank Governance Indicators) are: (i) With respect to control over corruption, Rwanda has performed relatively strongly, and Eritrea relatively weakly (across all the criteria); although ratings have been volatile, Rwanda followed by Malawi, Uganda and Ethiopia show improvements in their rankings on rule of law since 2002; regulatory rating rankings have broadly remained the same, with Rwanda showing some improvement; and there has been general improvement for all countries in respect of government effectiveness, with Eritrea being an exception and Rwanda showing a particularly strong performance.

Political disruption in Kenya 2007/2008 and, to a lesser degree in Malawi in 2011, have affected some projects, but in both cases momentum has been regained. In fact, in Kenya, the new Constitution has provided impetus to the accelerated implementation of a number of projects, especially in PFM.

All AFE member countries have seen increase in revenue collection over the last decade. Kenya's performance has been particularly strong, followed by Tanzania, Ethiopia and Uganda. World Bank data for Eritrea was not available for this indicator. Kenya, Malawi and Tanzania show improvements over the decade in the trend in revenue and fiscal balance as a proportion of the country's GDP, whilst the remaining AFE member countries, with the exception of Eritrea, demonstrate stable ratios. All countries are showing overall fiscal deficits, but Malawi and Tanzania have shown improvements.

Financial sector-related indicators suggest that most AFE member countries have financial sector depths lower than the SSA average, the latter being heavily influenced by South Africa. Most countries' financial sectors have demonstrated deepening since 2000. Strengthening is also demonstrated by some fall in interest rate spreads over the period, although the indicator for Malawi has remained particularly high. The World Bank's financial sector CPIA rating, which assesses financial sector structure, regulations and policies that affect them, and scores them between 1 (low) and 6 (high), shows that between 2005 and 2011: SSA's rating has increased slightly from 2.9 to 3; Eritrea has fallen from 2.0 to 1.0; Ethiopia and Malawi have remained at 3.0; Kenya has increased from 3.5 to 4.0; Rwanda and Uganda have remained at 3.5; and Tanzania has improved from 3.5 to 4.0.

Monetary indicators have been affected by international events, the 2008 crisis having a particularly significant impact on inflation, as many countries loosened monetary policy to counteract the global economic downturn. Generally currencies of AFE member countries have declined against the US Dollar since 2000.

The World Bank Statistical Capacity Indicator scores countries between zero and 100, based broadly on the robustness of their statistical methodologies; quality of source data; and timeliness and periodicity of dissemination. Almost all the AFE member countries score higher than the SSA average. Of all the countries, Rwanda has shown the strongest improvement.

It is difficult to assess the degree to which AFE TA might have contributed to improvement in some of the indicators reviewed above, given the external factors influencing them and a lack of results chains that demonstrate the linkage between the interventions and impact indicators. Nevertheless, based on the work we have undertaken as part of our case studies and desktop reviews in evaluating individual TA projects, it is likely, for example, that the reported improvement in financial sector CPIA for Tanzania would have been supported by AFE's work on Risk Based Supervision, and AFE's statistics TA is likely to have made an important contribution to the significant improvement in Rwanda's Statistical Capacity Indicator rating in 2012.

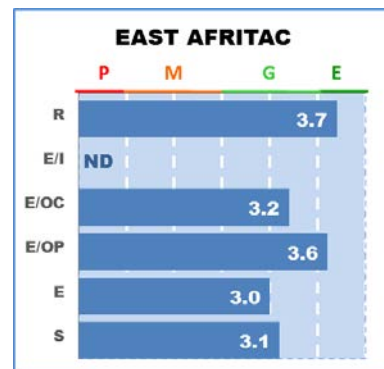
The overall positive message is that other than, perhaps, Eritrea, AFE member countries are making progress across all the areas where AFE is providing TA, improving the prospects of achieving success in its interventions.

## 3. EVALUATION RESULTS AT AFE PROGRAM LEVEL

### 3.1 INTRODUCTION AND OVERVIEW

In this section, we present our overall assessment of AFE and its activities. The assessment is based on our responses to the program-level Key Evaluation Questions proposed in the Evaluation TORs, as updated in our Inception Report (see Appendix IV). In arriving at our responses, we have relied on the analysis carried out in the remainder of the Report. In particular, we have principally drawn on the following sections:

1. Relevance: AFE strategy and governance (Sections 6 and 10), supported by our findings from the evaluation of TA projects and workshops;
2. Effectiveness: our evaluations of selected TA projects and workshops (Sections 4 and 5), supported by analysis presented in this section;
3. Efficiency: AFE financial reporting, operations, and RBM/logframes (Sections 7, 8 and 9).
4. Sustainability: Sections relating to evaluation of TA projects and strategy.



We have also generally drawn on responses to our surveys for assessing all the evaluation criteria.

Our evaluation ratings for the Center reflect the general progress that the Center has made across all fronts. Its activities are focused, consistent with its objectives and generally concentrated on priority needs of member countries. AFE coordinates well with IMF HQ work. Its coordination with other donors has improved, but in this area there is always more that could be done. Our high rating for relevance reflects these factors.

With respect to effectiveness, the Center's reporting of results has improved, but not to a level where we could draw on to evaluate outcomes. As highlighted in Section 1, we have therefore relied on alternative methodologies to assess portfolio-level performance:

- Construction of results chains (for the three TA case studies) and *ex post* detailed logframes (for all 11 TA projects reviewed) and assessing actual performance against these through a combination of interviews with RAs and interviews or email feedback from TA beneficiaries;
- Detailed interviews on portfolio performance (by country and sector) with RAs, HQ backstoppers and AFR staff;
- Detailed review of outputs, other documents, and post-workshop follow-up of the six regional workshops;
- Survey feedback from TA beneficiaries; workshop participants and member country SC representatives (some of whom were also interviewed).

Based on the detailed TA project evaluations, we believe that AFE is indeed building capacity, especially through its longer-term projects. The lack of a formal TA monitoring system and systematic follow-up of short-term projects produce, we believe weaker results for one-off or short-term TA interventions. With a very few exceptions, the technical quality of outputs produced is extremely high. As AFE increases its focus on results, methodically incorporating implementation plans in all its reports will increase their effectiveness further.

Although AFE has shown substantial commitment to reporting on results and has embraced RBM, we believe further work is needed to produce an effective results reporting and monitoring framework. The interface with HQ's weak financial reporting systems has we believe contributed to weaknesses in AFE's ability to monitor budgets. AFE also needs to extend its range of TA delivery modalities, implement a monitoring system for TA projects that does not just rely on follow-up TA missions, and improve its reporting.

Our evaluation of TA projects supports the fact that AFE is building sustainable capacity among its client institutions, despite a number of barriers. However, it has not taken any significant proactive steps to ensure that sustainable capacity is being built in the region, above and beyond that directly related to its TA interventions. AFE has pointed out that the Center targets specific regional capacity building in the context of regional initiatives (national accounts, PFM and fiscal convergence, price indexes, etc.) and that AFE's country capacity building also benefits the region.

To fully address many of the issues highlighted, AFE will need to reassess its *modus operandi*, will need additional human resources, and there will also need to be significant improvements in IMF HQ operations, especially in relation to financial reporting.

## 3.2 RELEVANCE

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### Consistency with Program Document and AFE Strategy

AFE's strategy is essentially a series of activities set out in its annual work plan. Our analysis suggests that these are generally delivered as planned with respect to targeted member countries, although Tanzania consistently tends to get more TA than is planned, partly benefiting from the close proximity of the Center. However, there appear to be substantial deviations between the topics proposed in the work plan and those actually delivered. This perhaps reflects the AFE's flexibility, or could suggest weaknesses in the work planning process. Nevertheless, the projects we reviewed were all consistent with the Center's overall objectives. AFE has indicated that instead of having a reserve of 25 percent for unexpected interventions, AFE's work plan is fully specified for the fiscal year and adjustments are made to accommodate requests of the authorities and emergencies. We have stressed the need to report on such deviations from the work plan.

### Consistency with Host Country Strategies and Priorities

The projects we reviewed were all consistent with the priorities of the host institutions. Across the portfolio as a whole and across AFE's three phases, there was some evidence of occasional one-off or series of TAs that might have reflected the relevant RA's specialism or priorities (e.g., AML/CFT in FSR), or in regional workshops where the topic covered may not have been the priority for all countries attending. Overall, however, our assessment was that these instances were relatively insignificant.

### Regional Priorities

EAC and regional initiatives have so far not been addressed at the TA level. We agree with AFE's views that EAC is still at a policy formulation stage, and implementation-oriented TA, which is the Center's focus, is not a priority at the moment. However this should become a key area of focus going forward and we have made some suggestions in this regard. Over time, the link between PRSPs and AFE TA has weakened, partly because the former do not provide sufficiently detailed guidance for individual TA interventions. Nevertheless, where sectoral/institutional strategies exist, our review suggests that AFE TA either supports key elements of it, or is at least consistent with such a strategy.



## TA Selection Process and Country Ownership

The TA selection process, embedded in work planning, is iterative. Subject to potential selection biases reflected in the previous section, all the projects reviewed reflected actual client needs, some of them urgent ones that had significant potential impact on the country (e.g., Rwanda statistics, Kenya PBB). In our survey of beneficiaries of our selected TA projects, all agreed that the interventions were helping them one or more priorities (59 percent strongly agreed). 84 percent of TA beneficiary respondents who knew agreed that the TA had been requested by their institution, whilst 54 percent thought it had been proposed by AFE/IMF. As highlighted earlier, we noted significant differences between work plan topics and those actually executed in terms of output topics in FY2012. Our assumption is that the changes reflected TA beneficiary needs, rather than AFE or IMF HQ priorities.

General feedback during our field trips, and from AFE TA beneficiaries and workshop participants reflect strong country ownership, both of individual projects, as well as the Center.

## Appropriateness of Sequencing

Results chains are not created for TA interventions, so it is difficult to know the extent to which they are appropriately sequenced. Nevertheless, we constructed results chains for our three case studies, and all supported a positive conclusion in relation to appropriate sequencing. Most long-term projects are embedded on wider diagnostics, so there is a strong likelihood that they would be appropriately sequenced. However, there are exceptions, such as the Malawi Treasury Cash Management project, where the diagnostic did not fully identify all the dependencies, weaknesses in which have affected that project's performance.

## Consistency with IMF HQ and Other Activities

The RSN/RAP process combined with close backstopping appear to be effective in ensuring strong integration between AFE's and IMF's other activities. Our interviews with AFR and TA Department staff supported this view. Nevertheless, to the extent that joint AFE/TA Department missions or AFE funded Staff missions are intended to enhance this process, it has been selective (confined to FAD) and limited (only 16 percent of the budget to date has been used). There is limited TTF activity in the region, but Ethiopia Tax Administration is a good example of cooperation between HQ, AFE and the TPA-TTF.

## Coordination with Development Partners

This was an area highlighted as a weakness in AFE's previous evaluation, and has been a source of concern for Steering Committee donor members. A PFM pilot donor coordination exercise was conducted in FY2011 in two countries, under the auspices of two donor members. SC members have indicated there have been recent improvements in this area. A monthly newsletter with information about AFE activities has been well received. We believe that AFE could be more proactive in engaging other donors, both on individual projects and strategically. At the same time, the complexity and associated costs and resource needs will increase. We have made some suggestions in this regard, but on balance we do not feel this is an area of significant weakness at AFE.



## Context of Donor/IMF TA Landscape

No TA provider is unique, but feedback received from TA recipients suggests that AFE is valued for its high quality advice and for its flexibility and responsiveness. It is seen as an extension of the IMF, and is thus high in credibility, but without some of its political sensitivities. In areas like PFM, AFE is a relatively small player in terms of budget, but where it does intervene intensively it does so on a strategic basis, leveraging other donor resources (such as Kenya PBB and GIZ) and to essentially bring international best practice (Rwanda Organic Budget Law). In Statistics, the IMF brings considerable credibility as a setter of some of the international benchmarks. In the financial sector, AFE distinguishes itself from the World Bank by being a direct deliverer of TA. The only area we are uncertain about is macro-fiscal analysis, where a high proportion of missions is devoted to diagnostics and general training, and where we do not believe IMF has a particular unique advantage compared with other donors.

## Conclusion

Based on the above considerations, on balance we have rated **Relevance** of AFE as **Excellent**, with a score of 3.7.

### 3.3 EFFECTIVENESS

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#### 3.3.1 IMPACT

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Although AFE has been operating since 2002, it has not established or monitored its contributions to impact indicators. As Section 2.3 shows, high level impact indicators such as income per capita and poverty reduction, which are highlighted as AFE's impact level objectives in the Program Document, have shown positive trends in member countries over the last decade. We believe that AFE have made a contribution toward them to different degrees in different countries. However, in the absence of robust results chains and logframes and sector-wide data to monitor results achieved by AFE TA, those produced by other donors, and the outcomes/impacts from other interventions, it is not practical within the scope of the Evaluation to assess the extent to which this has been the case.

#### 3.3.2 OUTCOMES

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This has been the most difficult evaluation criterion to assess for us. Although AFE is currently reporting on results, it has been difficult to rely significantly on these because:

- Outcomes and milestones are mixed, and it is not easy to distinguish between them.
- Results are not defined adequately for our purposes. Achievements are stated in terms of 'improved', 'strengthened', 'larger proportion', 'increased awareness' etc., which are not verifiable in terms of the magnitude expected vs achieved.
- No comparison is given against expectations or plans. As a result, it is difficult to assess whether the milestones or outcomes are on track, ahead, or behind.
- No information is readily available in SC reports about projects that have been unsuccessful.

We carried out detailed evaluations of 11 TA projects and six regional workshops. However, the results of these cannot directly be extrapolated to the AFE portfolio level because *inter alia*:

- They constitute a very small proportion of AFE's portfolio; and
- They are not necessarily representative because there was a bias, based on a preference in the Evaluation ToRs on longer-term projects to assess capacity building, toward more successful projects.

Nevertheless, in assessing outcomes at the AFE portfolio level, we have drawn on the results of the detailed evaluations. In addition, we have sought to reflect in our results the characteristics of the shape of AFE's portfolio across features that might impact on results. Finally, we have referred to the relevant results of the online surveys carried out as part of the Evaluation, to the extent that they are not already reflected in the evaluation of the TA projects and workshops. In drawing on these different sources of information, we have necessarily had to apply our judgment based on our wider understanding of the portfolio and environment that the results are expected to be produced in, based principally on our discussions with the RAs and HQ Departments. Nevertheless, we are confident that our assessment is a reasonably accurate indication of the realized and potential for achieving outcomes at the AFE portfolio level.

### AFE Portfolio by Type of Mission

In analysing the AFE TA portfolio for the purposes of assessing realized/potential outcomes, we categorized all 322 missions (other than meetings, conferences and regional workshops) listed in the three SC reports for FYs 2010, 2011, and 2012 into different types of activity based on our assumptions on their likely contribution to achieving outcomes. These missions and our assumptions are:

1. Diagnostic missions (including those with TA Departments); reviews (other than reviews of legislation, regulations); assessments; etc. Whilst elements of these missions can provide advice, our assumption for these is that they principally have an indirect influence on outcomes, if followed up.
2. Action plans; strategies; etc.: similar to diagnostics, they can have an advisory component, but action plans need to be acted upon to produce outcomes. It may be the recipient is guided by them and takes own action, in which case outcomes directly attributable to AFE TA would be softened.
3. National training workshops, etc. Missions that are part of a subject area where there is AFE TA being provided are included as part of TA missions. Missions which provide general TA (e.g., macro-fiscal capacity building) or without direct linkage to an AFE project are assumed as likely to produce lower levels of outcomes.
4. Single TA missions. On average, missions that cover a single topic, once, are assumed to contribute less to capacity building than those that involve a series of missions. There will undoubtedly be exceptions to this assumption, e.g., for very focused areas of intervention, but we believe that usually the level of capacity building and outcomes will be lower for single mission TA. This assumption is supported by the results of our evaluation of individual AFE TA projects.
5. Projects involving multiple TA missions – we assume these missions are, together, going to build the greatest level of sustainable outcomes, unless there is clear evidence to the contrary.

Table 3 below categorizes the missions provided in the SC reports during the period under review into the above classifications, by sector and country.

Distribution of AFE TA Missions in FYs 2010-2012										
T3	ERI	ETH	KEN	MWI	RWA	TNZ (MAIN)	TNZ (ZNZ)	UGA	TOTAL	%
<i>Source: AFE</i>										
<b>RA</b>										
Diagnostics/Reviews		3				6			9	17%
Action Plans/Strategies			1	1		1			3	6%
Training/ cap building	2	3	2	1	4	1		4	17	32%
1 mission TA/Linked training			1	3	1	1		1	7	13%
>1 mission TA/Linked training		5	2	5	1	1		3	17	32%
	2	11	6	10	6	10	-	8	53	100%
	4%	21%	11%	19%	11%	19%	-	15%	100%	
<b>PFM</b>										
Diagnostics/Reviews		1	2	1	2	3		1	10	12%
Action Plans/Strategies				1		1	1	3	6	7%
Training/Capacity building	1					1			2	2%
1 mission TA/Linked training			1		2	2	1	3	9	11%
>1 mission TA/Linked training	3	9	19	8	3	8	8		58	68%
	4	10	22	10	7	15	10	7	85	100%
	5%	12%	26%	12%	8%	18%	12%	8%	100%	
<b>FSR</b>										
Diagnostics/Reviews	1	1	1	2	2			1	8	18%
Action Plans/Strategies									0	-
Training/Capacity building		1	1	2	2	1		1	8	18%
1 mission TA/Linked training	1	3	4	1	3	1		2	15	34%
>1 mission TA/Linked training		1	2	3		6		1	13	30%
	2	6	8	8	7	8	-	5	44	100%
	5%	14%	18%	18%	16%	18%	-	11%	100%	
<b>MPO</b>										
Diagnostics/Reviews		1							1	3%
Action Plans/Strategies									0	-
Training/Capacity building	2		1					3	6	20%
1 mission TA/Linked training	2	1	4	1					8	27%
>1 mission TA/Linked training	2				5	2	1	5	15	50%
	6	2	5	1	5	2	1	8	30	100%
	20%	7%	17%	3%	17%	7%	3%	27%	100%	
<b>STA</b>										
Diagnostics/Reviews					1				1	2%
Action Plans/Strategies									0	-
Training/Capacity building		1							1	2%
1 mission TA/Linked training			3	3		1		1	8	12%
>1 mission TA/Linked training		3	3	6	17	11	8	7	55	85%
	-	4	6	9	18	12	8	8	65	100%
	0%	6%	9%	14%	28%	18%	12%	12%	100%	
<b>MFA</b>										
Diagnostics/Reviews		1	2	2	1	1		2	9	20%
Action Plans/Strategies									0	-
Training/Capacity building	1	2		3	2	6	5	1	20	44%
1 mission TA/Linked training		1			1	3		1	6	13%
>1 mission TA/Linked training			3		4	3			10	22%
	1	4	5	5	8	13	5	4	45	100%
	2%	9%	11%	11%	18%	29%	11%	9%	100%	
<b>TOTAL</b>										
Diagnostics/Reviews	1	7	5	5	6	10	-	4	38	12%
Action Plans/Strategies	-	-	1	2	-	2	1	3	9	3%
Training/Capacity building	6	7	4	6	8	9	5	9	54	17%
1 mission TA/Linked training	3	5	13	8	7	8	1	8	53	16%
>1 mission TA/Linked training	5	18	29	22	30	31	17	6	168	52%
	15	37	52	43	51	60	24	40	322	100%
	5%	11%	16%	13%	16%	19%	7%	12%	100%	

Before looking at the overall implications this might have outcomes, it's worth noting some wide variations in mission-type between the sectors.

STA has the highest proportion of multi-mission TA projects (85 percent), whereas MFA has the lowest (22 percent). In fact, almost all STA missions (97 percent) are classified as TA. We understand a lot of the diagnostic/action planning is carried out by the STA RA at regional workshops. 68 percent of PFM missions were on multiple-mission TA, and TA activity in total comprised a high 79 percent. Conversely, 64 percent of MFA missions are classified as diagnostic or general training. 20 percent of the missions were undertaken in carrying out 'scoping/stock taking', a number of them back-to-back in the same country, as one RA was replaced by another within a relatively short period.

One other feature of sectors with a high proportion of TA missions, which to an extent naturally follows, is the relative concentration in a few countries. For example, for STA, the top two user countries comprise 46 percent, and for PFM, 44 percent. MFA also demonstrates similar concentration, with the top two countries at 47 percent, but this is principally due to the recent multiple mission TA projects it has been implementing in Rwanda and Tanzania mainland, where it has been establishing macroeconomic databases. Of all the sectors, MPO made the largest commitment to Eritrea, although all the six missions listed were carried out in FYs 2010 and 2011.

Of course, success of outcomes depends on a number of factors, including sector specific issues. For example, PFM reforms are complex, multi-year, require considerable financial resources, and AFE is a relatively small player in any country in that sector (although often a strategically important one). STA reform can be more targeted but counterparts often lack funding. RA reforms can probably show outcomes most quickly and demonstrably in terms of revenue, but may require relatively high initial financial outlay and may face institutional resistance. Nevertheless, it may be worth considering these issues in assessing the likely outcome results of the sector's TA, when designing the next work plan.

At a consolidated level, around half the RA/STX missions related to projects involving two or more missions (typically these comprised more than three missions per project). Around 16 percent of the TA delivered related to one-off missions. Many of these would be considered important, perhaps reacting to urgent TA needs of member countries. Of the balance, roughly half each (15 percent and 17 percent, respectively) related to diagnostics/action plans and stand-alone country training, respectively.

### **Feedback from Surveys**

This is generally positive, but a large proportion felt that there should be more continuity of advice and at more frequent intervals to increase effectiveness (57 percent strongly agreed). Only 21 percent of respondents strongly agreed that an AFE diagnostic or strategy led to follow-on AFE TA. On a positive note, 60 percent of respondents agreed that the training they received as part of the TA project was directly linked to their area of work. With respect to the use of the advice: 50 percent strongly agreed that they had used the output delivered, but only 29 percent felt it had led to improved organizational efficiency. 56 percent strongly agreed that the TA led to improved organizational performance.

### **Results from Evaluations of TA Projects and Workshops**

The average score for outcome from the TA project case studies and desktop reviews is 3.3. The average outcome for workshops, which accounts for around 14 percent of TA and workshop spend in the FYs 2010-2012, is 3.2.

## Score for Outcomes at AFE Level

We are comfortable that the average score for TA projects evaluated is broadly representative of the TA portfolio, given the mix of long-term and short-term projects in our sample and in the portfolio. We believe that this score of 3.3 is likely to be depressed by the impact of diagnostic, strategies and stand-alone training missions. Based on these factors, and responses to the survey, we feel that the overall rating for AFE **Outcomes** should be at the higher end of **Good**, with a score of 3.2.

### 3.3.3 OUTPUTS

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We have been impressed by the consistently high quality of reports and presentations produced by RAs and STXs, with rare exceptions. The technical quality and conciseness of advice have been frequently rated highly in our review. Our comments on the outputs of each of the 11 projects reviewed are provided in Volume II. Generally draft reports are left with the beneficiary at the end of the mission, so at least there are usually no delays with respect substantive advice. The main issues arising are that:

- Implementation plans are not always provided.
- Where they are, sometimes they may not have a realistic horizon.
- We believe that a future TA plan should accompany TA reports, which complements the implementation plan. This is often not the case.

With respect to workshops, we believe outcomes would be enhanced with more workshops having action plans developed as a component, and more methodical follow ups post-workshop, including the actions proposed in BTOs. Also, the effectiveness of workshops with duration of less than two weeks is likely to be increased if they are extended.

Based on our review of the detailed case study, the review and feedback on workshop presentations, and a wider review of TA reports, we rate **Outputs** as **Excellent**, with a score of 3.6.

## 3.4 EFFICIENCY

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### Process and Implementation Efficiency

Generally TA project and workshop Briefing Papers are concise and focused on mission activities and outputs. Outcomes/achievements need more precise, verifiable definitions. Moreover, we believe these should be more 'project' rather than 'mission' focused, e.g., if a risk based supervision project is anticipated to be implemented over a period, with a number of missions, the project should be designed with respect to the ultimate outcomes and briefing papers clearly set the relevant mission in context. There needs to be more explicit *ex ante* risk assessment of TA results not being achieved. The outcome focus also needs to be extended to workshops and they should outline the steps needed, including follow-on TA, where relevant, to achieve these. Workshops and TA projects should be designed with full costings, including for workshops all RA costs and INS costs. These issues are not addressed by the project design process at the moment.

We feel AFE's exclusive reliance on short-term missions, combined with limited leveraging of STXs, who are typically also limited to a maximum of two weeks per mission, impairs efficiency. The disproportionate impact of travel and preparation time and costs adversely affects project efficiency. AFE has pointed out that limited absorption capacity, budget constraints, and substitution risks contribute to this practice.

IMF's internal management appears adequate, but we haven't been able to assess this fully based on documents reviewed, as this is often carried out through email exchanges. In any event, the reported level of backstopping and project management is substantially lower than that anticipated in the AFE program budget, at 6.5 percent of RA and STX costs compared with a budget of 17 percent. We understand that part of the gap may be due to not all costs being charged (which in itself raises issues about efficiency), but the low level of support indicated suggests that the budgeted level of support required may not be necessary, given the generally high output ratings. There have been some delays experienced, we understand, in securing final comments/clearance before TA reports are submitted to recipients, but in practice this has little impact as beneficiaries receive a draft at the end of a mission, based upon which they can start taking action.

A very high proportion of workshop participants responding to our survey, over 92 percent, felt that their workshop was pitched at the right level. This is a significant improvement from previous surveys.

### **Efficient use of Resources and Cost Effectiveness**

Generally the CC, RAs and STXs are well qualified and of very high calibre. RA turnover is relatively high, with an average tenure of 2.6 years, which detracts from the continuity and local knowledge that the Center purports to bring. There are also gaps between RAs, albeit for shorter periods in this phase than have been in the previous one. The share of work between HQ and AFE appears appropriate, based on our review of AFE activities. 27 percent of the STXs used were from SSA, which we consider appropriate.

Actual expenditures of donor and member country contributions, at between 65 and 70 percent, have been significantly lower than budgeted. Halfway through FY 2013, i.e., three years into the 5-year program, the gap between budget and actual spend is around US\$10 million, the equivalent of one year's contribution. This gap is likely to increase over the remainder of the program. There is limited evidence of substantive variance analysis, other than in PowerPoint presentations at SC meetings, and we feel that action to revise budget and revise strategy to address the gap might have been taken at an earlier stage.

We estimate per day TA delivery costs, including all overheads and regional travel, for RAs at US\$2,770, for STXs at US\$2,410 and workshop participants at US\$920. These are generally high compared to what would be expected from projects implemented by most other donors. They reflect significant overheads carried by the RTAC model, practices such as short missions, and the relatively unique role of RAs in being TA deliverers and project managers. We haven't been able to compare cost-effectiveness due to the paucity of information about results achieved from these inputs. Although efficiency gains among recipient institutions are considered as part of TA advice given where relevant, there is limited evidence that opportunities for this are considered pro-actively. Part of the contributory factor is likely to be that financial considerations are not linked to project budgets.

HQ project management is below that budgeted (1.7 percent of RA/STX costs vs budgeted 4.7 percent). The time analyses produced by RAs suggest that the proportion of time spent on project management is reasonable.

### **Monitoring and Reporting**

AFE has invested significant resources in developing a database reporting system to track results from its TA interventions. It is a positive step toward results based reporting. Our assessment of the reports produced by the system suggests that as the Center develops it in light of usage, it needs to update its structure, reporting formats and overall design, after reassessing its objectives.

AFE RAs and STXs monitor ongoing projects during follow-up missions. Implementation of advice is generally not monitored after projects have been completed.

TAIMs has been used to different degrees by different TA Departments. Poor connectivity with HQ has impaired the efficiency of its use. We understand the future use of TAIMs is currently being reviewed at HQ and pending that its use has not been enforced at the Center.

We have made extensive comments on the implementation of the IMF RBM in the Report, both at HQ and AFE levels. In our view, at its best, as designed, it is principally a reporting system, rather than a tool for managing TA projects. Although AFE has started using its reporting system based on the RBM framework proposed by HQ, we believe that more work is needed before it can be used as an effective management tool.

There is no formal mechanism for incorporating lessons learnt during TA interventions and workshops in the project and workshop design cycle at an institutional level. The HQ backstopping function serves this function to an extent.

Although efficiency needs to be further improved in a number of areas, particularly within the institution and in relation to managing projects to deliver and monitor outcomes, we believe that AFE's 'front-end' delivery of TA and workshops works very well. The Center is able to deliver high quality outputs and workshops very quickly and in a timely manner, and can react quickly and effectively to emerging needs. Its clients perceive it as a very professional, streamlined, un-bureaucratic institution.

Based on the above findings and those from our review of TA projects and workshops, on balance we have rated **Efficiency of AFE as Good**, with a score of 3.0.

### 3.5 SUSTAINABILITY

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#### Sustainability of AFE Activity

Our case study and desktop review of TA projects suggest that institutional capacity at TA recipients is being built by AFE on a sustainable basis. This is especially the case for medium-to-long-term projects, where we feel the cumulative impact of TA and training has had a positive, sustainable impact. We expect that especially for the longer-term projects, the results will last indefinitely, although in some cases, recipients may need further TA to ensure they are able to upgrade their capabilities to reflect market developments.

We believe that the sustainability of AFE's TA would be enhanced if it augments the current short-term mission based model of TA delivery with selective use of medium-term TA funded from its own resources, and longer-term TA by more proactively engaging with other donors. As with outcomes, sustainability of the workshop results could be enhanced with more systematic follow-up of action points.

AFE's organizational filing systems appear robust, but handover processes are, in our opinion, weak. This negatively impacts on the new RA's ability to function effectively from an early stage. RAs do go through a period of induction at HQ before physically joining the Center. In addition to relying on backward looking end of mission reports, or updates for the Steering Committee, and work plans, we have recommended the practice of detailed hand-over notes, which brief the new RA on planned, recommended TA projects and insights, comments on STXs, etc.

## Sustainability of AFE Funding Model

Responses to our survey suggests that financial sustainability of AFE, to the extent it envisages an exit of international donors and the member countries taking over funding responsibilities, is unlikely in the next 10-15 years. No definition or strategy for achieving funding sustainability exists.

## Contribution of AFE to Building Regional Human Capacity

During three fiscal years under review, AFE RAs engaged 27 STXs from Sub Saharan Africa, 27 percent of the total. The majority of these were from South Africa and Zimbabwe. We believe that the proportion of regional consultants used is reasonable, but the total numbers would increase if, as we believe, AFE RAs start using a greater number of STXs to leverage their capacity.

With respect to building capacity among TA recipients, train the trainer initiatives are used in a limited way, and in our opinion, the AFE short-term mission-based model is barrier, because a number of training cycles are necessary for the model to work effectively.

Other than co-hosting a workshop with the Kenya School of Monetary Statistics, we have seen no evidence of AFE partnering with local training or advisory institutions to build their capacity.

We believe that RA's time commitments to missions, and the focus (rightly) on high quality TA delivery, constrains their ability to progress some of these objectives. A change in *modus operandi*, including perhaps as we have suggested engagement of project/research assistants, could address some of these constraints.

Based on the above analysis, we have rated AFE's **Sustainability** as **Good**, with a score of 3.1.



## Rating Based on Previous Evaluation Methodology

DAC criteria	Sub-criteria	Score	Weight	Weighted Score	Weight	Total score	Rating
<b>Relevance</b>	Consistency with Program Document and Government Priorities	3.8	60%	2.28	<b>32%</b>	<b>1.16</b>	
	Consistency with IMF Headquarter/other activities	3.6	20%	0.72			
	Co-ordination with Development Partners	3.2	20%	0.64			
				<b>3.64</b>			<b>Excellent</b>
<b>Effectiveness</b>	Impact		-		<b>28%</b>	<b>0.92</b>	
	Outcomes: TA	3.2	30%	0.96			
	Outcomes: Regional capacity building	3.0	30%	0.90			
	Outputs	3.6	40%	1.44			
				<b>3.30</b>			<b>Good</b>
<b>Efficiency</b>	Process and implementation efficiency	3.2	40%	1.28	<b>22%</b>	<b>0.65</b>	
	Efficient use of resources (human and financial) and attention to cost effectiveness	3.0	40%	1.20			
	Monitoring and reporting	2.4	20%	0.48			
				<b>2.96</b>			<b>Good</b>
<b>Sustainability</b>	Sustainability of RTAC/TA activity	3.3	75%	2.48	<b>18%</b>	<b>0.56</b>	
	Contribution to building sustainable regional TA, implementation capability	2.5	25%	0.63			
				<b>3.11</b>			<b>Good</b>
<b>TOTAL</b>						<b>3.29</b>	<b>Good</b>

## 4. EVALUATION RESULTS FOR CASE STUDIES AND DESKTOP REVIEWS

### 4.1 OVERVIEW

We evaluated 11 AFE TA projects in detail, three as case studies and a further eight as desktop reviews. The approach to selecting these projects and the work carried out is detailed in Section 1 on evaluation methodology. Broadly, the case studies involved more comprehensive analyses of the projects and their wider contexts. They involved the construction of a results chain to highlight the prerequisite sequencing and wider TA/reform needs for the project to deliver outcomes. They also included country visits and interviews with the TA beneficiaries and with wider stakeholder groups. The desktop reviews were primarily carried out based on documentation available at the Centre and interviews with the relevant RAs. In many cases, we needed feedback from the TA beneficiaries as well, either through telephone interviews or through questionnaires. The TA beneficiaries were also invited to provide feedback by way of a structured survey on their opinions on AFE's approach to their project and the TA received. Finally, comments received from AFE and HQ staff on the draft project evaluations were reflected and ratings updated where appropriate.

Our ratings are based on the responses, based on our analyses, to the 35 KEQs<sup>14</sup> for each TA project. As indicated in the Evaluation ToRs, we have not rated impacts, but have provided our assessment on likelihood of achieving them in our detailed assessment.

Our detailed analyses of the case studies and desktop reviews are provided in Volume II of the Report, which also provides our responses to the KEQs in respect of each of the projects reviewed. This section provides an overview of the evaluation results, the main findings, and a summary of the TA projects and our assessments.

Table 4 below provides an overview of the projects reviewed and their evaluation ratings.

T4	Summary Evaluation Ratings for Sampled TA Projects					
Country	Project	Relevance	Effectiveness		Efficiency	Sustainability
			Outcomes	Outputs		
Case Studies						
TNZ	Risk Based Supervision	E	G	E	G	G
KEN	Program Based Budgeting	E	G	G	G	G
KEN	Quarterly National Accounts	G	G	E	G	G
Desktop Reviews						
RWA	National Accounts Statistics	E	E	E	G	E
KEN	Consolidated Supervision	E	E	E	G	G
UGA	Composite Economic Activity Indicator	E	G	G	M	G
RWA	Organic Budget Law	E	G	G	G	ND
ETH	Mercato Tax Collection	E	ND	G	G	G
MWI	Treasury Cash Management	G	G	G	G	G
TNZ	Exit Destination Inspection Contract	G	G	G	G	ND
MWI	Mobile Payment Systems	G	G	G	G	G

<sup>14</sup> As provided in the Evaluation TORs, updated in our Inception Report (see Appendix IV).

It should be pointed out that the TA projects were not selected for evaluation randomly, and do not necessarily accurately represent the overall performance of AFE's TA portfolio. As indicated in the Evaluation ToRs, there was a bias towards projects that were longer-term, where results of AFE's interventions could be more easily discerned. This meant that projects that may have been aborted, or did not demonstrate results, were screened out to a certain extent. AFE has pointed out that it reports on all activities. Nevertheless, we did select some short-term TA projects for the desktop reviews.

The evaluation results from this section should not therefore be extrapolated directly to arrive at results for the AFE portfolio as a whole. Similarly, the Evaluation did not provide any indication that there were systematic differences between the TA results achieved by the different TA Departments.

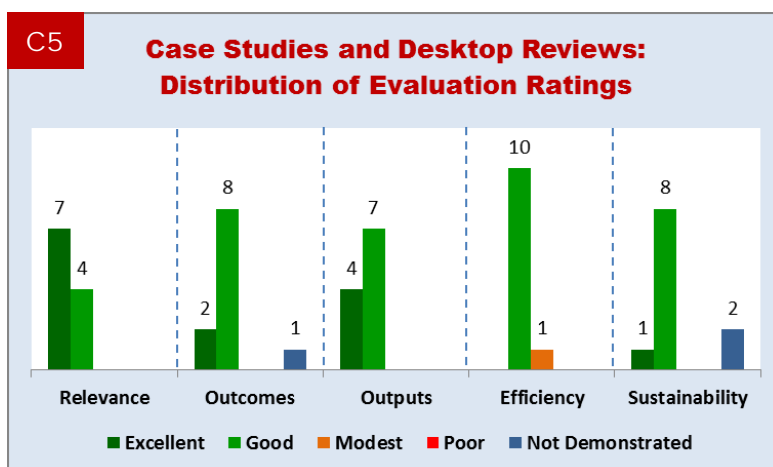
Please refer to Section 3 for our evaluation of AFE's performance at the Center and portfolio level, which, whilst drawing on these results, accommodate Center-level factors that do not influence individual TA project ratings.

## 4.2 SUMMARY OF TA RATINGS

Overall, our assessment demonstrates strong results being achieved, especially for longer-term TA projects. This is reflected in generally high ratings across all the DAC evaluation criteria, as shown in Chart 5.

Of the 11 projects reviewed, seven scored Excellent for relevance, and all 11 scored Excellent or Good. This is attributable to their:

- Close alignment to AFE and TA beneficiary objectives and priorities.
- Ownership demonstrated by the TA beneficiary.
- Often, close integration with IMF HQ TA.
- Where necessary, partnership with other donors (although not always proactive).



With respect to outcomes, of the 10 TA projects rated, eight achieved a rating of Good, and ten projects received a rating of Excellent or Good. This is a strong performance for a TA portfolio. Generally, longer-term projects, with multiple missions that enabled follow-up of previous TA advice, scored higher in this criterion than short-term projects. Projects that did not have sufficient host institution capacity to implement recommendations also scored lower. However, as the chart above demonstrates, these were a minority of the projects selected. Similarly, all of the 11 projects rated for outputs were scored Excellent or Good. Four projects were rated as Excellent. This generally reflects the high quality of advice provided by the RAs and the STXs.

Efficiency was rated Good for ten of the 11 projects rated. Generally, ratings for efficiency were affected by AFE-level issues, such as our assessment of weak monitoring of implementation, absence of project-level financial reporting and management systems, limited use of STXs, and weak linkages with the recently introduced RBM systems. We have dealt with these issues in more detail principally in Sections 7 (financial management), 8 (operations) and 9 (RBM and logframes) of the Report. AFE has indicated that it disagrees with this conclusion and that efficiency levels reflect more limited absorptive capacity than weaknesses in monitoring implementation.

Eight out of the nine TA projects rated for sustainability rated Good, and one was rated as Excellent. This is a strong performance from a TA portfolio targeting countries and institutions with relatively low absorptive capacity and barriers to staff retention. AFE's approach of longer-term engagement with TA beneficiary has a direct positive impact in this regard.

### 4.3 KEY FINDINGS

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We present below our principal findings from the case studies and desktop reviews. More detailed project-specific findings and recommendations are presented in Volume II.

#### Relevance

1. There is strong evidence of close cooperation and coordination between HQ and AFE TA in a number of the TA projects that we reviewed (e.g., Ethiopia Mercato Project; and Rwanda National Accounts).
2. We have noted a number of instances where AFE missions have worked productively in partnership with other donors to provide TA (e.g., Kenya Program Based Budgeting; Tanzania Risk Based Supervision). However, in some cases (Ethiopia Mercato Project) perhaps more proactive engagement may have produced better results. AFE has indicated that the Mercato project remains highly relevant for donors in Ethiopia.
3. Projects targeted by AFE are generally high priorities for the country or the TA recipient institution, contributing to the strong TA results.

#### Effectiveness

1. We generally found the quality of analyses and advice in TA reports, especially produced by the RAs, to be exceptionally high.
2. We have found that one-off projects, or those without adequate follow-up TA support, have yielded weaker results than those where TA was extended over a longer period.
3. In the majority of TA projects that covered more than one mission, implementation action plans have been produced. However, in some instances (e.g., Uganda Development of Composite Economic Activity Indicators), implementation oriented projects did not produce these. We believe that detailed action plans are needed in all TA reports that require implementation of TA recommendations.
4. Establishment of TA beneficiary project teams have considerably supported the projects that have achieved high evaluation ratings. Wherever practical, this practice should be encouraged. Moreover, incorporating the implementation of the project into the host institution's own operational strategy further increases the chances of success.
5. AFE has shown quick reaction and flexibility when TA beneficiaries have required rapid assistance (Kenya Program Based Budgeting; and Rwanda National Statistics).
6. Generally, hands-on training sessions delivered by the RAs and STXs during missions are highly valued and considered to be very effective. In one instance (Tanzania Risk Based Supervision), the lack of preparation time allocated to the STX to ensure that the training sessions are optimally tailored was highlighted.
7. In some instances, TA beneficiaries have indicated that duration of training could have been increased (Kenya Program Based Budgeting; Uganda Composite Economic Activity Indicator).
8. AFE's approach of progressing regional initiatives (National Accounts Statistics, Banking Supervision) through regional stocktaking workshops, whilst ensuring that TA is focused on and tailored to individual countries' pace of progress and specific needs, is highly effective.

9. TA recipients have indicated that they would have benefited from more follow-on TA implementation support than that had been planned or delivered (Kenya Program Based Budgeting; Uganda Composite Economic Activity Indicator).
10. Results milestones in action plans or TA implementation monitoring frameworks require careful definition. It is impossible to effectively measure against indicators if targets are defined as 'increase', or 'improve' etc.
11. TA missions focused on policy/strategic advice need to provide implementable suggestions/recommendations on follow-up on that advice. Advising on 'what' to do, without giving any guidance on 'how' to do it, or where support might be available on implementation, is likely to lead to weak results (Malawi Mobile Payments System).

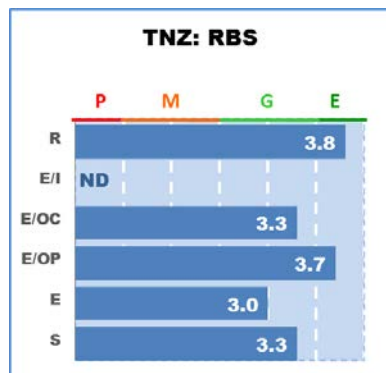
## Efficiency

1. The majority of the projects reviewed were multi-year undertakings, some going back as far as 2004 (Tanzania Risk Based Supervision). Yet, albeit within the constraints of the annual work plan cycle, no indication of a TA programme covering the entire anticipated project span is produced, even if implementation action plans extend beyond one year. We note that AFE's planning horizon is extending beyond one year. This needs to be implemented effectively.
2. In our opinion, there is substantial scope for leveraging RA capacity further by engaging STXs more intensively in TA projects.
3. Consideration also needs to be given to complementing the short-term mission based TA delivery approach with more hands on, medium- (e.g., few weeks or months) or long-term hands on resident TA, on a targeted basis (e.g., on on-site inspections, offsite analyses, and preparation and implementation of manuals). Where AFE resources do not permit this, other donors should be proactively approached.
4. There is no practical reason for STX missions to be restricted to a maximum of two weeks. In addition to potentially impairing TA effectiveness, it reduces efficiency given the disproportionate impact of preparation and travel time, travel costs, etc., especially for STXs coming from outside the region. AFE has indicated that STX missions are not restricted. Our review suggests that STX missions extending beyond two weeks are extremely rare.
5. Having the same STX over the entire project implementation period considerably facilitates projects achieving results (e.g., Kenya Consolidated Supervision; and Tanzania Risk Based Supervision). They provide continuity in multi-year projects, especially given the relatively high rate of AFE RA turnover. Furthermore, they can also provide continuity when a number of countries in the same region are implementing similar initiatives.
6. AFE's general approach of relying on the TA beneficiary institution to monitor and progress implementation of TA advice needs to be changed in order for RBM to be implemented effectively. There needs to be recognition that achieving results from the TA, and therefore monitoring progress toward achieving it, is a joint AFE and TA beneficiary responsibility. AFE has pointed out that the RAs do monitor and evaluate progress in the context of their missions, but it is the TA beneficiary's responsibility to monitor progress between missions with a view to ensuring that the next mission can build up on effective progress and work on the next steps of the action plans. Our experience suggests that for ongoing projects, RAs and STXs do monitor progress against action plans. However, in our view, monitoring is weak for projects that have been 'completed' even if implementation is still ongoing, and there is still weak linkage between action plan benchmarks and reporting of RBM milestones and outcomes.
7. The generally weak project level accounting and financial management systems do not enable accurate budgeting and monitoring of TA costs, and measuring its cost effectiveness.
8. There needs to be stronger linkage between project documentation (such as Briefing papers and BTOs) and logframe indicators such as project objectives, outcomes and milestones.
9. When a project is based on the recommendations of a diagnostic mission, and especially when its Briefing Paper refers to it explicitly as such, it should highlight major deviations from the recommendations of the former.

## Sustainability

1. Sustainability ratings were particularly high on longer-term projects.
2. Some projects have not realized their anticipated outcomes, or implementation has been slower than planned, because the absorptive capacity of staff in the host institution was not properly assessed at the outset. Staff capacity assessment should be incorporated at the initial diagnostic stage of the project, and updated periodically.
3. There is limited use of training-of-trainers to build local capacity. AFE's short-term mission based delivery modality does not lend to this, as more than one cycle of training is usually required for local trainers to take over effectively.

## 4.4 CASE STUDY: IMPLEMENTING RISK BASED SUPERVISION IN TANZANIA



AFE has worked with the Bank of Tanzania ('BoT') since August 2004 to develop and implement a risk based supervision ('RBS') framework. Between 2004 and 2011 the BoT, with AFE's TA support, developed a comprehensive set of supervisory tools and instruments as key components of the framework. Apart from new tools such as Institutional Profiles, Risk Matrices, and Risk Management Guidelines, the BoT undertook appropriate modifications to pre-existing tools such as its examination manual, exam procedures and working papers to better support RBS. The need for RBS was identified during the 2003 FSAP.

A 2009 FSAP follow-up identified substantial progress, but that work still needed to be done to fully implement RBS. This was echoed by a review of progress undertaken by the AFE financial supervision RA in 2011. Our assessment suggests that further progress has been made recently, but that RBS implementation has not yet been fully achieved. Our scores for the project reflect the substantial achievements that have been made in implementing RBS at the BoT, the high quality of advice delivered, and the high level of capacity that has been built. This is slightly tempered by the extended period of TA implementation, and the fact that some outstanding work remains.

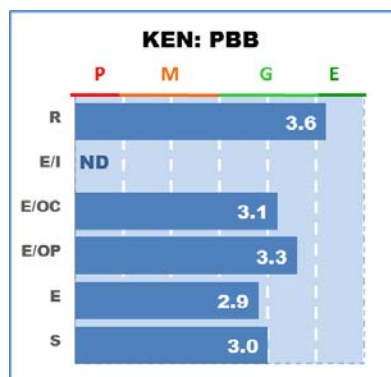
We rate **relevance** of the project as Excellent (score 3.8), demonstrating its close alignment with AFE, Government of Tanzania ('GoT'), and BoT strategies; strong ownership demonstrated by the BoT Directorate of Banking Supervision ('DBS') and broad coordination with development partners.

With respect to Effectiveness, our rating at the **outcomes** level is at the high end of Good (3.3) reflecting the substantial progress that has been made in implementing RBS, but dampened by the fact that it has taken a substantial amount of time and that the work is still not fully complete. We also believe that the large number of banks in Tanzania, with relatively weak capacity, is likely to pose challenges to effective supervision. The high quality of advice delivered is reflected in a rating of Excellent (3.7) for **outputs**.

**Efficiency** is rated as mid-range of Good (3.0), reflecting the fact that it has taken over eight years to implement RBS, and the fact that the process has not yet been completed. In line with the 2009 FSAP recommendations, we feel that implementation may have been speedier if there was more extended, albeit targeted 'hands on' TA delivered, rather than relying exclusively on short-term missions (BoT feels that the approach taken has been appropriate as it has enabled greater ownership and sustainability).

**Sustainability** is rated as Good (3.3) as the majority of the advice delivered so far is likely to be retained within the institution. The fact that the rating is Good (albeit at a high level within the range) reflects some concerns about the capacity at DBS to rapidly improve effectiveness of what it is implementing without further TA and capacity building.

#### 4.5 CASE STUDY: IMPLEMENTING PROGRAM BASED BUDGETING IN KENYA



IMF interaction with the Kenyan authorities relating to PBB dates from a FAD mission of 2006. In a wide-ranging strategic review of the Kenyan budgeting system, that mission recommended that the Kenyan authorities commence a reform process to introduce PBB as a necessary first steps towards putting in place a results-oriented system that could subsequently be used as the base for development of performance budgeting. Attention was drawn to the need for concomitant reforms relating to the roll-out of the IFMIS and the need to revisit the budget classification system to permit introduction of PBB. The 2006 FAD report emphasized that introduction of PBB was a major reform process that required as starting points a firm conceptual base and a well-designed and sequenced implementation plan. Following on this advice the Kenyan authorities prepared a

PBB Conceptual Framework paper in 2008. Direct AFE engagement in the PBB reforms started in July 2009, when the AFE reacted rapidly to the Government of Kenya's ('GoK') plans to accelerate the implementation of PBB in light of various deadlines instigated by the new Constitution.

To date, the main activities have revolved around providing a plan for implementing PBB; input into a PBB manual (AFE has indicated that the Center was the primary authors/deliverers of the Manual) and supporting training; and comments on the PBB section of the new Public Finance Management Act ('PFM Act'). The project is still in progress, substantial TA is still required to fully implement PBB, especially in terms of the roll-out of the PBB system to the County level of government created under the 2010 Constitution and significant challenges remain. Our ratings reflect the strong alignment of the project with AFE and GoK objectives (although going forward we feel that AFE should engage with other donors to deliver capacity building quickly and effectively across a range of diverse constituencies, should it wish to continue providing TA on this project. AFE has indicated that it has tried to engage other PFM donor groups during the course of this work, and in the future it would be beneficial if other organizations and TA could be organized to assist this PB effort); significant outcomes achieved, dampened by challenges that remain; lack of planning and weak document maintenance in terms of efficiency; and the good level of sustainability achieved to date, but the risks of not developing and maintaining capacity across a diverse range of relevant constituencies especially given AFE's short-term mission based TA delivery modality.

We rate **relevance** of the project as Excellent (score 3.6), demonstrating its close alignment with AFE and GoK strategies; strong ownership demonstrated by GoK and broad coordination with development partners, especially GIZ.

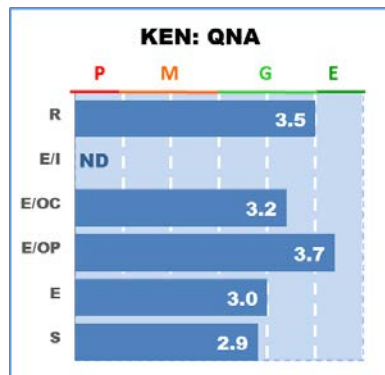
With respect to Effectiveness, our rating at the **outcomes** level is at the higher end of Good (featuring a score of 3.1) reflecting the considerable progress that has been made in implementing PBB, but dampened by the fact that substantial challenges still remain. Output is rated as Good (3.3) reflecting generally high quality TA reports, but also some problems faced in delivering training.

**Efficiency** is rated as Good (with a score of 2.9), reflecting the fact that the TA was delivered rapidly, to a tight deadline, but there is no TA plan covering the entire project and our assessment that the modality of exclusive reliance on short-term missions has impaired the efficiency of this project.



**Sustainability** is rated as an interim Good (3.0). Achievements to date have been strong. Nevertheless, the project is still in progress and further substantial TA is needed, and significant challenges remain in building and maintaining capacity at the central government and County levels to ensure sustainability.

#### 4.6 CASE STUDY: DEVELOPING QUARTERLY NATIONAL ACCOUNTS IN KENYA



The project started in October 2010, and has to date involved four AFE missions and participation in five regional workshops, supplemented by a number of hands on training sessions conducted by the RA with the Kenya National Bureau of Statistics ('KNBS') staff.

Outputs to date have principally involved development and implementation of work in progress assessment methodologies in different sectors, including agriculture, livestock and construction. Other outputs have included the developing a framework for the preparation of a Supply-Use Table; updating of the relevant sections of the KNBS Action Plan; and exploring regional harmonization issues.

Progress has been made in implementing these tools, but the project has experienced delays due to a lack of resources for conducting surveys and staffing (although the latter area has been addressed recently through an increase in staff in the relevant team from three to seven, as a result of pressure from the AFE RA).

The scores for the project principally reflect the impact on the project to date of the lack of KNBS funding, and potential risks posed by resource constraints going forward.

We rate **relevance** of the project as Good (score 3.5), demonstrating its close alignment with AFE and GoK strategies; and the strong ownership demonstrated by KNBS and broad coordination with development partners, especially World Bank and DfID. The rating has been adversely affected by the lack of resources until recently at the KNBS, reflecting in our opinion a relatively low priority placed by the GoK on this project.

With respect to effectiveness, our rating at the **outcomes** level is at the higher end of Good (3.2) reflecting the considerable progress that has been made in implementing QNA, but dampened by the delays in achieving outcomes to date due to lack of resources and also risks faced in achieving outcomes at a resource constrained organization such as the KNBS. We have rated **outputs** as Excellent (3.7). The excellent quality of advice has been reinforced by the RA's success in increasing resources at KNBS.

**Efficiency** is rated as Good (3.0), reflecting the role played by the RA in progressing the project despite resource constraints at KNBS. We have also some views about increasing the leveraging of the RA's time by using other TA delivery modalities, where there is a difference in opinion between the evaluating team and AFE.

**Sustainability** is rated as an interim Good (2.9), reflecting QNA capacity built at the KNBS, but that with the majority of staff involved being new, and the risks of high staff turnover, pose a threat to sustainability being achieved.



## 4.7 DESKTOP REVIEWS

### 1. Rwanda: Strengthening National Accounts Statistics

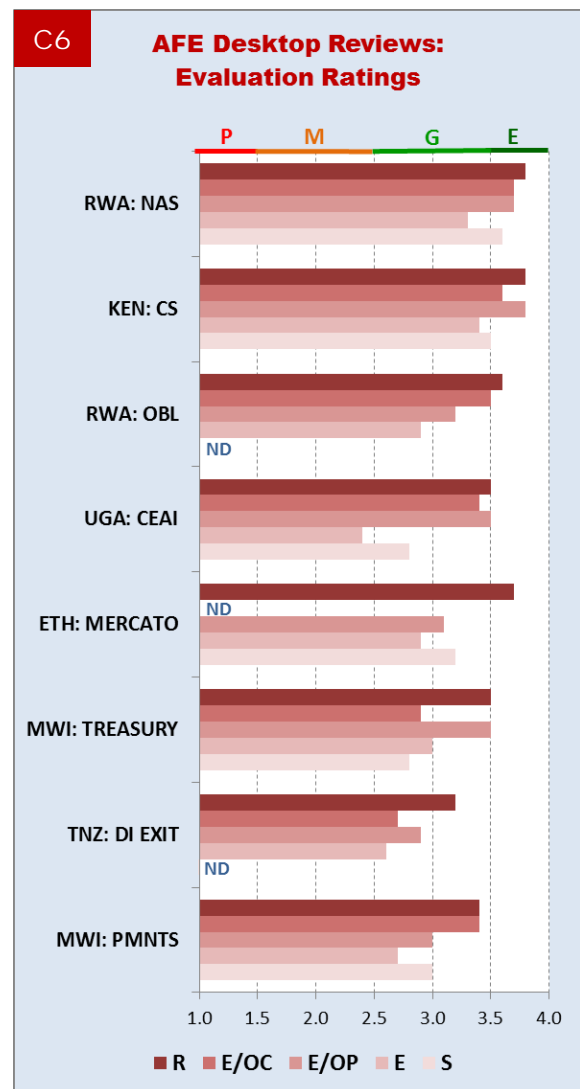
The project started in June 2012, on the basis of an IMF HQ and Government of Rwanda ('GoR') request for urgent TA to improve the robustness of the country's National Accounts Statistics ('NAS'), following a debate about its reliability. The project, which has involved the RA providing TA through six missions to date, has *inter alia* helped: identify the underlying issues affecting reliability; develop an action plan to address identified weaknesses; and implement the action plan through the delivery of tools and processes and bespoke training, supported by regional workshops. We understand that IMF Article IV missions expressed concerns about the 2009-10 GDP estimates, and are now basing their analyses on the National Accounts based on the updated methodology.

We assess work to date to have been highly relevant and effective, delivering results that are likely to be sustainable. Our ratings for the DAC evaluation criteria reflect the project's overall strong performance. Relevance, outcomes, outputs, and sustainability are all rated as Excellent (scores of 3.8, 3.6, 3.7 and 3.6 respectively) and Efficiency is rated as a high Good (3.3).

### 2. Kenya: Implementing Consolidated Supervision

The project has been implemented through a number of missions between 2006 and 2012, and is still in progress. It has been well grounded, based on the recommendations of a 2003 FSAP, and part of a wider initiative to implement risk based supervision in Kenya and the region. It has suffered from delays, initially as a result of the 2008 post-election disturbances, but then between 2009 and 2011 as a result of internal restructuring at CBK and delays in passing enabling legislation. Since recommencement in 2011, the project has made strong progress, with various MoUs being signed to cooperate with domestic and overseas regulators. A supervisory college in respect of Kenya's largest commercial bank has also been set up. The AFE RA was informed at a recent African banking supervision conference that outside of South Africa, Kenya has the most effective Consolidated Supervision ('CS') regime in SSA. The current timetable aims at full implementation of CS by 2015.

Relevance, outcomes and outputs are rated as Excellent (scores of 3.8, 3.6, and 3.8 respectively) reflecting the project's considerable achievements to date and likelihood of further progress. Our slightly lower ratings on efficiency and sustainability (high end of Good: 3.4 and 3.5) primarily reflect general AFE-level issues on project cycle management, and the risks posed by potential staff turnover at CBK.



### 3. Rwanda: Advice on Organic Budget Law

The project involved two missions by the RA (supported remotely by the FAD and an STX), in August and November 2011 respectively, to provide input into the drafting of an Organic Budget Law ('OBL') in Rwanda, which seeks to provide for substantial upgrading of the country's budget framework. We understand from the TA beneficiary that around 80 percent of the AFE's recommendations were incorporated in the draft bill that was presented to the Cabinet. Enactment of the bill, incorporating further amendments, is expected by May-June 2013.

Our Evaluation ratings reflect the alignment of the work with AFE and GoR priorities; the fact that a substantial proportion of the project's intermediary outcomes are expected to be realized; the high quality of advice provided (offset slightly by the fact that not all outputs envisaged were produced); and the need for more proactive monitoring of implementation of the OBL (a framework for which is in the process of being implemented at the regional level). The ratings are: relevance, Excellent (3.6); outcomes, Good (3.5); outputs Good (3.2); and efficiency, Good (2.9). We do not consider sustainability to be relevant for the project at this stage (as it has focused on drafting legislation and not capacity building *per se*) and have not rated it.

### 4. Uganda: Strengthening Composite Economic Activity Indicator

The project arose from a request by the Bank of Uganda ('BoU') for the AFE to assess its Composite Economic Activity Indicator ('CEAI') and recommend any improvements. The TA was carried out by the AFE Macro-Fiscal RA, and a STX, primarily during one two-week mission in August 2012. The team found that the existing CEAI was producing forecasts that were less accurate than random, and suggested various improvements to develop an alternative, more accurate indicator. They left behind an Excel based forecasting tool, a manual and provided training on its use. The BoU staff has adopted the tool, and is using it to produce monthly forecasts that are being used for its publications. The TA beneficiaries have indicated further work is needed to improve its accuracy and the need for further training, and have informally approached the STX involved in original TA delivery, who has been providing remote assistance.

Our rating for the project reflect: a) the close alignment between BoU and AFE objectives and the ownership demonstrated to date by BoU staff (although feedback from the RA suggests that providing TA to central banks is outside FAD remit); the high quality of the TA report and its recommendations, tempered by the absence of an implementation plan as part of the recommendations; the fact that recommendations are being implemented, albeit without more structured support from the AFE and further AFE support is needed; and the lack of monitoring of implementation. Relevance is rated as Good (3.5); outcomes, Good (3.4); outputs, Good (3.5); efficiency, Modest (2.4); and sustainability, Good (2.8).

### 5. Ethiopia: TA Support for the Mercato Project

The project is a component of FAD/AFE's wider engagement in revenue administration reform in Ethiopia. The IMF's work is an important illustration of the extended period of engagement that is necessary to transform large administrations, the complexities involved in delivering change, and the FAD's patient, effective approach to meeting this challenge. It is a strong example of effective co-operation between FAD, AFE, and now, the TPA-TTF. Our review of the background to this project extends deeper than for other desktop reviews to highlight the above.

The Mercato business district is arguably the largest open-air market in Africa, with an estimated 25,000 businesses serving over 200,000 customers daily. Tax compliance had been weak, partly due to the historically fragmented nature of tax administration in Ethiopia. Enabled by the consolidation of tax affairs under the Ethiopian Revenue and Customs Administration ('ERCA') in 2008 (a process contributed to by sustained FAD recommendations over an extended period) and increased cooperation with the Addis City administration, the Mercato Project aims at increasing tax compliance in the market and generating substantial revenues. AFE's TA principally involved one three-week STX mission in May/June 2011 and a one-week follow-up mission in November 2011. The STX worked with an ERCA project team to develop an action plan, a resource business case, and some monitoring indicators. The ERCA operations in Mercato were launched in January 2012.

We have evaluated the Mercato Project, rather than the wider FAD work in Ethiopia. Relevance is rated as Excellent (3.7), reflecting the integration of the TA with AFE and ERCA strategy and the Government's Growth and Transformation Plan. Outputs, efficiency and sustainability are rated Good (3.1, 2.9 and 3.2, respectively), reflecting that the majority of the objectives have been met in these areas, but reflecting some weaknesses in the TA report and post-mission monitoring. AFE has indicated that it views this as an ongoing project. Given the Mercato project was launched in January 2012, AFE does not have any current information about how the implementation is progressing, and another mission is not planned until the second quarter of 2013 (essentially a gap in TA delivery of 18 months), we believe that this indicates AFE's planning, implementation and monitoring of this project requires further strengthening. We could not rate outcomes because of the lack of key information relating to the project's performance.

## 6. Malawi: Strengthening Treasury Cash Management

The project's original AFE diagnostic mission took place in July/August 2008, which recommended an action plan to strengthen the Malawi Treasury's Cash Management System through: i) integrating cash accounting systems; ii) developing a more robust cash flow forecasting framework; iii) improving financial reporting; and iv) improving banking arrangements. The project has involved the RA and STXs providing TA through seven missions, sometimes complemented with national workshops. In addition, officials from Malawi have also attended regional training events focusing on various aspects of PFM. The Center has consistently provided concrete recommendations to improve various technical areas and has monitored their implementation. Despite some progress having been made, there has been considerable slippage in performance against the original plans, and further strengthening is required in almost all the areas highlighted in the original action plan. Many of the factors that have contributed to delays are outside the Cash Management Unit's immediate control. It is expected that requirements in cash management under the 2012 IMF Extended Credit Facility will add impetus and accelerate the pace of improvements. Our ratings reflect the relatively weak commitment/focus of authorities on this important area; very weak outcomes realized to date; generally good quality of outputs; and lack of progress in the Cash Management Unit's ability to discharge its responsibilities effectively.

Relevance is rated as a high Good (3.5); outcomes as Good (2.9); outputs as Good (3.5); and both efficiency and sustainability as Good (3.0 and 2.8 respectively).

## 7. Tanzania: Advice on Taking Over Exit Destination Inspection Contract

The project involved two two-week missions, in October/November 2010 and 2011 respectively, to (i) assess the capability of the Tanzania Revenue Authority ('TRA') to take over a Destination Inspection ('DI') contract from a private sector contractor (this was the third such assessment); and (ii) make recommendations to improve TRA's performance following the takeover; followed up by an assessment of TRA post-DI take-over after approximately one year, during the second mission. The initial assessment concluded that the TRA had the capability to take over the DI responsibilities, and in fact expected some improvement in revenue collection. However, the STX recommended a number of changes in TRA's operations to improve its effectiveness and efficiency. The post TRA DI contract takeover mission assessed that revenues compared with value of trade had in fact fallen (further work was needed to assess its implications for TRA performance), that none of the substantive operations-related recommendations had been implemented, and that efficiency measures had either not improved measurably or had in fact deteriorated.

Our evaluation ratings reflect the fact that *prima facie* revenue performance deteriorated after the takeover; the substantive recommendations for strengthening were not adopted and some other performance indicators also worsened; and post the second mission, there has been no monitoring of the implementation of TA recommendations from that mission. Relevance is rated as Good (3.2); outcomes Good (2.7); outputs Good (2.9); and efficiency Good (2.6). We did not rate sustainability as AFE and IMF has indicated that the main objective of the project was to pass an opinion on whether TRA could take over the contract.

## 8. Malawi: Regulation and Oversight of Mobile Payments and Related Issues

The project involved a team comprising the AFE Payments System RA and a STX going on one mission in October/November 2010 to provide advice on a number of wide-ranging issues facing the Reserve Bank of Malawi ('RBoM'), including: addressing issues relevant for cross-border and multi-currency payment systems; facilitating national retail payments integration and modernization in a way consistent with global and regional developments; examining aspects relevant for RBoM in relation to the evolving mobile payments; and assisting RBoM's effort to develop a supportive regulatory and oversight framework consistent with its ongoing responsibility in these areas.

Our ratings reflect our assessment of the recipients' reported implementation of the project's recommendation, along with feedback received about constraints faced thereto, the feedback received from the recipient on our survey, and the weak follow-up and monitoring of the recommendations. Our ratings are: relevance Good (3.4); outcomes Good (3.4); outputs Good (3.0); efficiency Good (2.7); and sustainability Good (3.0).

## 4.8 HIGHLIGHTS OF RESULTS FROM SURVEY OF TA BENEFICIARIES

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TA beneficiaries from institutions partnering with AFE on the case studies and desktop review projects were invited to complete an online questionnaire. Responses were received from 17 participants, in respect of nine of the 11 projects. The survey responses need to be taken with some caution, as we have found some inconsistencies between survey responses and our findings. Nevertheless, we believe that the responses taken as a whole provide a reasonable overview of TA beneficiaries' views on AFE's approach to partnering with them, and the value they place on the TA.

1. With respect to designing of the TA, the survey found:

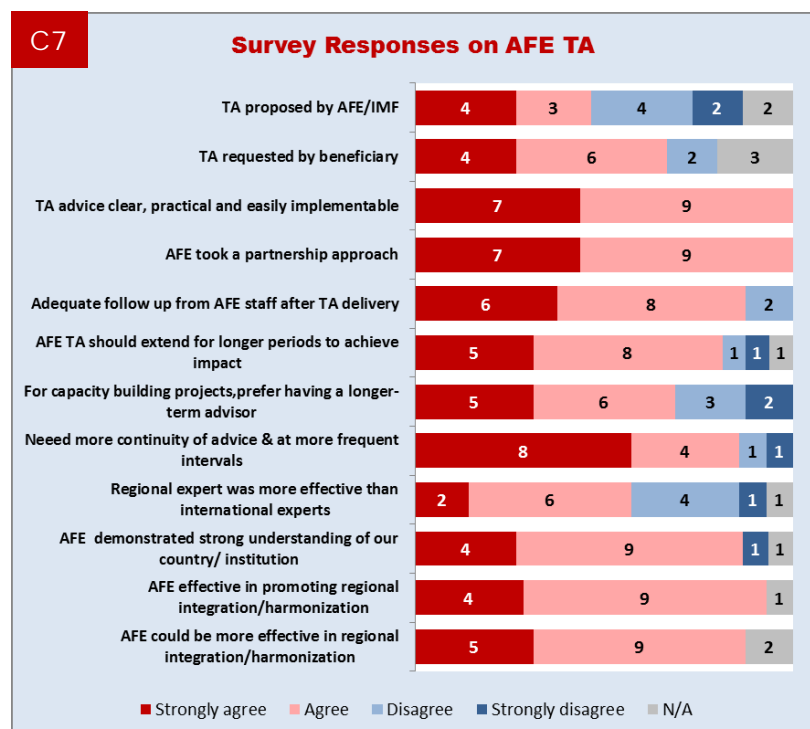
- 11 of the 17 respondents strongly agreed (and 16 agreed or strongly agreed) that there was a comprehensive reform strategy covering their sector.
- 10 out of 17 strongly agreed (and all 17 agreed or strongly agreed) that AFE TA is assisting in one of their country's/institution's priority areas.
- 10 out of 17 respondents strongly agreed that AFE and their institution had worked in partnership to design and prioritize the TA they were receiving. However, a lesser number (eight out of 17) felt strongly that the process had made them feel ownership and commitment for the project (although all participants agreed or strongly agreed with the latter).
- Only six out of 16 respondents strongly agreed with the statement that the TA was helping them harmonize with the rest of their region. This may be because a number of TA projects do not have an explicit goal of regional harmonization (nor may it be appropriate: only eight out of 15 respondents strongly agreed that regional harmonization was important in their area; although 14 out of the 15 either agreed or strongly agreed that this was the case).

2. With respect to coordination and relationship of AFE TA with HQ:

- Only one respondent strongly agreed, five agreed, and three disagreed (one didn't know) that AFE is a distinct entity from the IMF. This reinforces the findings of previous surveys that TA partners have a mixed perception of AFE in respect to its closeness with the IMF.
- Seven out of nine respondents did not know about TTFs. This is perhaps at least partly because TTFs do not operate in their area.

3. With respect to AFE TA, Chart 7 opposite highlights the following:

- A higher proportion of TA appears to have been requested by the recipients, compared with that proposed by the AFE/IMF.
- All respondents strongly agreed or agreed that TA advice provided in clear, practical and easily implementable.
- There was a lower level of support for adequacy of follow-up after TA delivery.
- Eight respondents strongly agreed, and 12 out of 14 agreed or strongly agreed, that they needed more continuity of advice and at more frequent intervals.
- There were mixed views about the role AFE is playing in regional integration and harmonization.



4. Some of the comments made in the survey were:

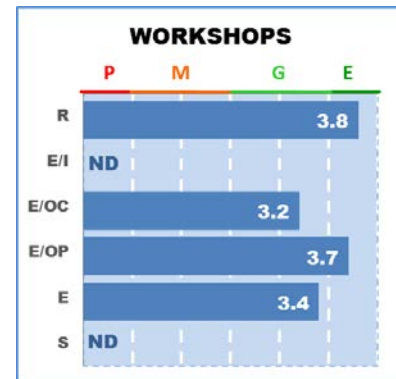
- At the time we embarked on RBS project, no clear strategy was developed to ensure that the framework that is going to be developed would need to be in harmony with those of other members in the region.
- Prompt support services after TA mission are very poor.
- East AFRITAC should use more local/regional experts to build their capacity.
- Adequacy [of] funds should be increased in capacity building.
- After every mission, reliable contacts should be availed to ensure that prompt help is available when needed.
- I suggest to expand the length of Short term expert missions within the country because they are the most efficient and practical toward the improvement of the current situation.
- to extend the length of IMF East AFRITAC mission within countries.
- We thank East AFRITAC for the collaborative approach of their TA which has increased ownership on our side.

## 5. EVALUATION RESULTS FOR REGIONAL WORKSHOPS

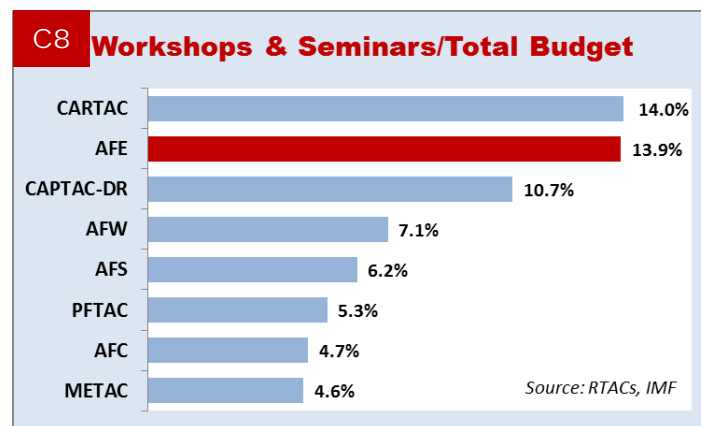
### 5.1 OVERVIEW

Workshops and seminars are an important element of AFE's capacity building efforts in member countries. These are divided broadly into three types:

1. Regional seminars/workshops, often covering broad topics, usually at a relatively high level. Some of these workshops might be implemented in partnership with the IMF Institute (which may at times benefit from AFE RA participation).
2. In-house training workshops, at TA beneficiary institutions, usually to support the implementation of TA advice.
3. In between the above, occasionally training workshops may be organized at a national level in some subjects (especially macro-fiscal analysis), not necessarily linked directly to particular TA projects.



In-country workshops directly supporting TA project implementation have been evaluated as part of the overall TA project. In this section, we present our evaluation conclusions in respect of a sample of regional workshops. The sample was selected on the basis of their linkage with the TA projects selected for case studies and desktop reviews (i.e., covering the same subject area). In addition, a macro-fiscal workshop and a training workshop conducted by ICDI were selected for more detailed review. For all the workshops selected, where available, their briefing papers, end of workshop reports including participant feedback scoring, budget vs actual costs, and workshop agenda were reviewed. For the latter two workshops, a selection of presentations was reviewed for quality and relevance. In addition, participants in the selected workshops were invited to complete an online survey.



During the Fiscal Years 2010-2012, AFE conducted 25 workshops, training more than 650 participants (at an average of around 30 participants per workshop)<sup>15</sup>. Total direct costs for workshops and seminars over the two and half fiscal years was US\$1.2 million, of which ICDI Institute accounted for approximately US\$450,000. As Chart 8 opposite shows (figures relate to FY2012 only), after the Caribbean Regional Technical Assistance Center ('CARTAC'), AFE is the largest investor in seminars and workshops as a proportion of its total budget.

Of the 25 workshops held over the review period, seven were in PFM; five in Revenue Administration; three in Financial Sector Supervision; one in Monetary Policy and Operations; six in Statistics; one in Macro-fiscal Analysis; and three were delivered in partnership with the IMF's Institute for Capacity Development.

<sup>15</sup> Attendance numbers for all workshops were not available, hence this is an approximation.



## 5.2 REVIEW OF SELECTED WORKSHOPS

The regional workshops selected for review were:

T5		Partici- pants No.	Budgeted Cost* US\$	Actual Cost* US\$	Cost*/ Partici- pant US\$	Partici- pant Rating
	<b>Public Financial Management</b>					
	Integrated Financial Management Systems (IFMIS) – Managing the Risks. April 2012, Rwanda. ('IFMIS Risks')	34 (27 attended)	59,263	63,846	1,878	4.5
	<b>Revenue Policy &amp; Admin.</b>					
	Information Technology in Tax Administration. February 2011, Tanzania. ('Tax IT')	28	69,087	68,842	2,459	4.3
	<b>Financial Sector Supervision</b>					
	Consolidated Bank Supervision. February 2011, Kenya. ('Bank CS')	20	73,215	49,345	2,467	4.1
	<b>Statistics</b>					
	National Accounts Statistics Training Workshop, February 2012, Tanzania. ('NAS Training') – 2 week workshop	30 (26 member countries)	151,999	140,561	4,685	4.7
	<b>Macro-Fiscal Analysis</b>					
	Macro Fiscal and Public Financial Management Issues for East African Monetary Union (EAMU). February 2012, Tanzania. ('EAMU Macro-Fiscal/PFM')	30	79,346	46,247	1,542	4.3
	<b>IMF Institute</b>					
	Macroeconomic Diagnostics, November 2011, Tanzania. (Macro-Diagnostics')	28	108,910	95,126	3,397	4.8

*Excludes costs incurred through HQ. See comments in this section. Source: AFE*

The above costs are restricted to those incurred by AFE, including (some) STX costs; travel, accommodation and subsistence of participants; and venue costs. As Section 7.6 highlights, after taking into account of RA time used in preparation and delivery of workshops, and taking into account organizational overheads, we estimate cost per participant per day of AFE workshops to be US\$920. A typical 5-day workshop would on this basis cost almost US\$4,600 per person. We estimate the cost of two-week ICDI run workshops to be around US\$11,000 per participant.

Our review of the Briefing Papers, BTOs, workshop agendas, evaluation results and budget analyses suggest that the workshops are well designed; are implemented effectively; have focused agendas; and provide high quality knowledge to participants. It is difficult to compare ratings for different aspects of the workshops as there is no standardization between them.



We believe that the impact of a workshop is heavily dependent on its linkage with AFE/IMF current or near-future work plan. *Ad hoc* topics not directly related to the core AFE work plan, albeit interesting and contributing to generic capacity building, are likely to be less effective. We have found that in general PFM and STA workshops are closer to the respective core work plans of the RAs, compared with say FSR (Islamic banking, proposed Basle III), or revenue administration (natural resources tax, taxes in the banking sector), where only a few member countries benefited from follow-on TA. ICDI courses are of particular relevance in this context, especially given their expensiveness, and, to the extent that maximizing impact is a key objective, care needs to be taken to ensure that the areas covered by ICDI courses are directly linked to the AFE/IMF work program, rather than of general interest among member countries.

Workshop effectiveness and efficiency is affected by their length. Of the 25 workshops undertaken in the period under review, five were held over three days; and six over four days. These were principally conducted by PFM, and two of these were hosted by FSR. 10 workshops were for five days (thus 21 of the 25 workshops were for five days or less); and four over 10 days (three ICDI courses, one STA workshop). Participant feedback during the current and previous evaluations has strongly suggested that some of the workshops are too short for them to realise their full potential benefit.

### 5.3 RESULTS OF WORKSHOP PARTICIPANT SURVEY

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A total of 59 (37 percent of attendees) respondents completed the survey. The number of respondents ranged between five (17 percent) for the EAMU Macro-fiscal/PFM workshop, to 15 (58 percent) for the NAS Training workshop.

#### Workshop Design

- 52 percent of the participants confirmed that there was an explicit needs analysis conducted before their workshop. For particular workshops, this ranged from 75 percent for the NAS Training workshop, to 25 percent for the Bank CS. The confirmation rate ranged between 40 and 50 percent for the remaining workshops.
- A very high 92 percent of the respondents confirmed that the workshop was pitched at the right level of attendees. 100 percent of respondents for the Tax IT, Macro-Diagnostics and EAMU Macro-fiscal/PFM workshops confirmed this to be the case. Bank CS and IFMIS Risks workshops scored 87 percent and the NAS Training workshop scored 85 percent in this area.
- 65 percent of respondents confirmed that they were receiving TA from the AFE or another donor in the area covered by their workshop. 87 percent of IFMIS Risks respondents; 75 percent of NAS Training and EAMU Macro-fiscal/PFM respondents; and 56 percent of Tax IT respondents confirmed this. Only a minority of respondents in respect of the Macro-Diagnostics (44 percent) and Bank CS (37 percent) workshops confirmed this to be the case.

Generally, this suggests that although there is some mixed feedback, overall the workshops selected for our review were well targeted and aligned to TA/reform initiatives in the respondents' countries.

## Workshop Benefits

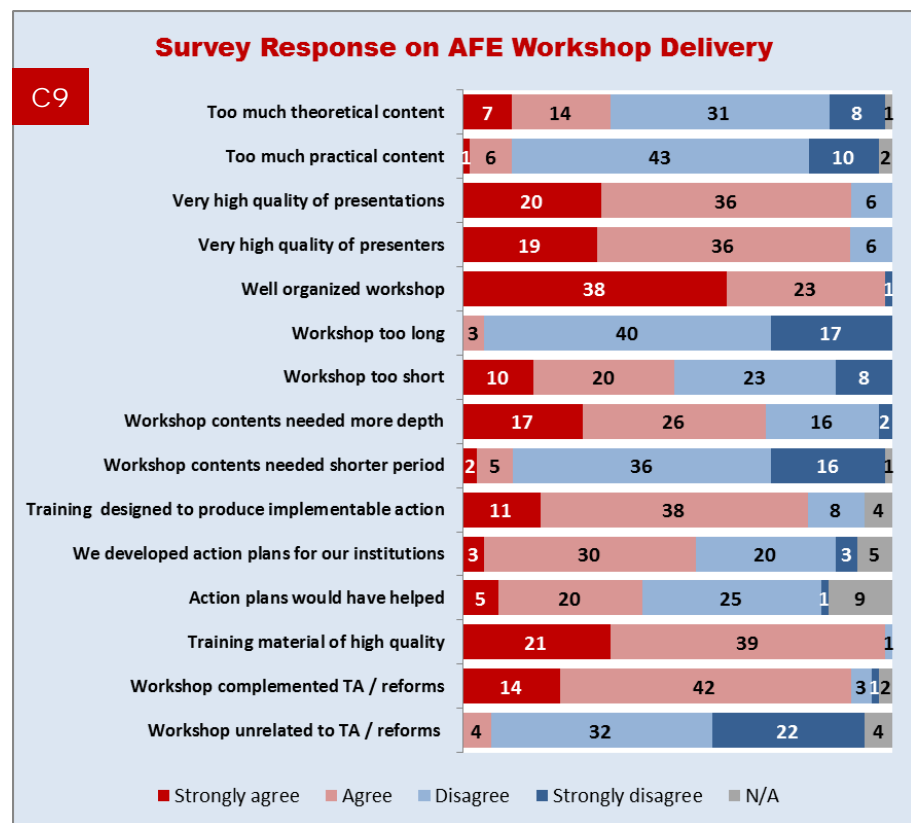
Table 6 highlights the top three perceived benefits from the reviewed workshops.

T6	EAMU Macro- Fiscal/ PFM	IFMIS Risks	NAS Training	Bank CS	Tax IT	Macro- Diagno- stics	Overall
Theoretical/technical knowledge	1	=3	1	1		2	1
International best practice	2	=3	3		1	3	3
What is happening in region	3	1		3	=2		
Networking							
Apply at my workplace		2	2	2	=2	1	2
Career progression							

Respondents' rankings of the benefits of AFE workshop show some diversity. Theoretical understanding of the subject area appears to be consistently ranked as the most important (70 percent of respondents). Ability to apply the lessons in the workplace is most consistently ranked the second most important (68 percent). This suggests that AFE workshops provide a good balance between developing participants' theoretical knowledge and their capacity to discharge their work responsibilities. 97 percent of respondents agreed or strongly agreed that the workshop helped them perform better at their work.

## Workshop Delivery

The survey responses on AFE workshop delivery reinforce the overall positive feedback (Chart 9). Respondents generally felt that the workshops were practical, and a very high proportion (over 90 percent) agreed or strongly agreed that the presenters and their presentations were of very high quality. Almost all respondents felt that the workshops were well organized. Consistent with feedback received at the workshops, and from previous evaluations, a significant proportion of respondents felt that the workshops were too short, and that the subjects should have been covered in more depth. Approximately half the respondents felt that they should have developed action plans for their institutions (to implement lessons) as part of their workshop. A significant majority felt that the workshops complemented their TA/reform initiatives.



Of the individual workshops, the ICD Institute Macro Diagnostics workshop had the highest proportion of highly satisfactory ratings in respect of both presenter and presentations quality (as reinforced by participant feedback scores from the workshop). Highly satisfied ratings for workshop organization ranged from 100 percent for the EAMU Macro-Fiscal/PFM workshop, to 46 percent for the NAS Training workshop. 50 percent of respondents for the IFMIS Risks workshop, and 38 percent for the NAS Training workshop felt strongly that the contents should have been covered in more detail, over more than one workshop (despite the latter being held over two weeks). The equivalent figures for strongly agree and agree are 88 percent and 85 percent respectively. Nobody strongly agreed (and only 25 percent of respondent agreed that the EAMU Macro-Fiscal/PFM workshop was designed to produce implementable action). The Tax IT workshop scored highest in this area for agree and strongly agree (100 percent) and the NAS Training workshop scored highest among those strongly agreeing (33 percent). Participants in the Tax IT (100 percent) and NAS Training (62 percent) workshops felt they most benefited from the development of action plans, whereas those attending the ICD Institute Macro-Diagnostic workshop (64 percent) felt that they would have most benefited if action plans had been produced as part of the workshop. 25 percent of participants in the Bank CS workshop did not feel that the workshop was relevant for their TA/reform needs.

### Implementation of Workshop Lessons

25 percent of the survey respondents had been able to implement less than a quarter of the concrete actions suggested in the workshop at their workplace, whereas 65 percent had been able to implement less than half.

In line with the findings of previous AFE evaluations, the principal barriers to implementation were identified as:

- Changes dependent on other peoples' actions (50 percent);
- Lack of budget/financial resources (48 percent);
- Superiors not keen on changes (17 percent); and
- Not practical to apply lessons given level of institutional development (17 percent).

C10

This demonstrates the difficulties in relying purely on workshops for delivering TA recommendations, and the need to target senior managers to develop the consensus for reform, which the workshop participants can then implement based on the workshop lessons, supported by TA.

29 percent of participants felt there was follow-up from AFE staff on implementation of lessons learnt, 33 percent hadn't, and 12 percent didn't feel it was necessary. 26 percent did not know if there had been follow-up. Of the workshops, NAS Training had 62 percent of respondents strongly agreeing that there had been follow up. At the other end, the Macro-Diagnostics workshop had no respondent strongly agreeing that there had been follow-up.

Some of the comments in relation to workshop implementation were:

- The workshop material was useful in designing and discussion the macroeconomic convergence criteria to be used in negotiations by the High Level Task Force negotiating the EAC Monetary Union Protocol.
- We have learned many interesting things during the workshop so that we need technical assistance for implementing some of them.
- The bureaucratic tendencies in the organisation impede implementation.
- We included in our implementation action plan.

### General comments from Respondents

Below is a selection of general comments from the workshops survey:

- Course materials and lecturers were fantastic
- The workshop was very useful. As a new country this enabled me to learn experience from other East AFRITAC members about challenges in using IFMIS. We have just gone live in July 2012.
- It was very effective, preparation was good and they should continue to conduct this training every year.
- a very good organized workshop with a lot of materials covered but the time was limited
- The workshop was well organized and highly enriching in terms of content and coverage
- There was a mixture of participants' experience. Nearly (if not all) were well qualified.
- too much theory
- There was a lot which was covered during the training in a short time. But extending the period to more than two weeks would not be appropriate. If the contents could be reduced a bit so it can be ably covered within two weeks allowing more practical sessions.

### How AFE Workshops Differ from Other Organizers

A selection of comments is provided below:

- Usually they are very relevant to our day to day activities.
- Combines practical and theoretical approach with some visitations
- Topics covered are very pertinent *vis a vis* state of affairs in the region.
- They are more focused.
- Experts are highly experienced.
- They are fully financed and hence the participant does not have to lobby for funds such accommodation and feeding.
- Direct involvement of the donor.
- They are very participative.
- Well researched work.
- Very practical intended to equip participants with requisite skills to enable them apply knowledge in their respective countries.
- The workshops provide a platform to evaluate the level at which ones' organisation is in relation to the topic at hand and also a chance to learn from the experience of other countries in the region in respect to a specific topic.

## Respondents' Overall Assessment of Workshops

Overall, 42 percent of respondents were highly satisfied with the workshop, whilst 58 percent were satisfied. With respect to individual workshops, the IFMIS Risks workshop had the highest proportion of highly satisfied ratings (57 percent), whereas NAS Training had the lowest (31 percent). All the respondents attending all the workshops were either satisfied or highly satisfied with the overall workshop performance.

Suggested improvements from survey respondents:

- Overall, they are very useful but require an implementable action plan and follow up to ensure that the countries fully benefit from this form of technical support.
- Too much is crammed in a short space of time, too much theory at the expense of practical solutions to questions raised.
- Their presenters are so competent but they should increase number of female presenters or to keep equal number of presenters between male and female.
- Trainers are very experienced. Allocate more time to trainings.
- Please prepare more IT workshops or even short training programs on latest releases or discoveries, and I wish the workshops were available more often and for at least a week.

## 5.4 EVALUATION KEQS AND RATINGS

Key Evaluation Questions	Comments
<b>RELEVANCE</b>	
<b>Consistency with Program Document and Government Priorities</b>	
Consistency of activity with Program Document, AFE strategy, and approved work plan.	Workshops are generally considered to be an important part of AFE's strategy and annual work plan and the workshops selected for review are consistent with the 2009 AFE Program Document and approved plans.
Consistency of intervention(s) with national/regional priorities:	
<ul style="list-style-type: none"> <li>○ Extent to which activity is linked to and supports national/regional strategy (if one exists – e.g., PRSP);</li> </ul>	The workshops are generally in subject areas that are considered to be at the core of the national governments' reform agendas. However, there may have been some workshops, such as Islamic Banking, that would not have been very relevant for all countries.
<ul style="list-style-type: none"> <li>○ Extent to which activity is linked to and supports sector/topical reform strategy (if one exists);</li> </ul>	
<ul style="list-style-type: none"> <li>○ Extent to which strong country/institutional ownership of activity has been demonstrated.</li> </ul>	This is difficult to judge objectively based on the information available, but our assessment of the TA projects in the same subject area suggests this to be the case.
Whether the activity is appropriately sequenced, given the completed/outstanding reform needs for that sector/institution:	Arguably some of the workshops, such as Bank CS, accrual accounting, etc. may have been held too early for a number of countries for them to be able to apply the lessons directly. Similarly, an area such as public debt management has no active TA program so it would be difficult for most participants to apply lessons in their countries without follow-on AFE TA support.
<ul style="list-style-type: none"> <li>○ E.g., appropriateness of project expected outcomes given country/institutional absorptive and implementation capacity.</li> </ul>	
<b>Consistency with IMF Headquarter/other activities</b>	
Whether activity is appropriately focused in terms of subject area, taking into account the IMF's expertise and integration with HQ and other Fund activity (e.g. other training and TA delivered including through the topical	This is the case. Workshops generally focus on practical issues, and where policy input is required (e.g., EAC issues), and in some other instances, IMF HQ is participates actively.

Key Evaluation Questions	Comments
trust funds).	
<b>Coordination with Development Partners</b>	
Whether the intervention has been effectively coordinated with and complements the work of other development partners.	This happens to a reasonable degree, with a number of workshops being held with participation of other TA providers. There is no evidence of proactive efforts to connect with other donors active in areas covered to draw on their experience.
<b>Context of donor/TA landscape of AFE TA</b>	
Why did the TA recipient choose the AFE as the TA provider as opposed to other donors?	Usually because linked to AFE TA projects.
How do workshop participants compare those provided by AFE with workshops from other donors?	See responses above. Considered to be practical, participative and of high quality.
<b>Score for relevance</b>	<b>3.8 Excellent</b>
<b>EFFECTIVENESS</b>	
<b>Impact</b>	
Intervention's expected Impact achieved or likely to be achieved (to the extent defined in the activity's logical framework).	These would be most discernible through impacts of AFE TA projects in the subjects covered by the workshops.
<b>Outcomes</b>	
Intervention's outcomes achieved or likely to be achieved (as defined in its logical framework): Short, medium and long term outcomes.	As in impacts, expected to be mainly through the TA projects or implementation of lessons learnt. The majority of workshop topics have a linkage with AFE's TA programs, although they may not cover all countries. Follow-up of workshop lessons, unless the country already has a project in the subject area, has been consistently highlighted as a weakness in feedback, and the AFE has no provision for this type of mentoring to take place. Although candidates have highlighted instances where they have been able to apply workshop lessons, a majority have indicated that they can implement less than half the lessons learnt. This would be expected to impair the workshops' impact.
Significance of AFE's contribution/likely contribution to developing core economic functions and institution building in the country/region, through the activity.	General capacity building, especially when reinforced through linked TA.
<b>Score for outcomes</b>	<b>3.2 Good</b>
<b>Outputs</b>	
Intervention's outputs achieved or likely to be achieved (as defined in its logical framework), including: <ul style="list-style-type: none"> <li>○ Timeliness of reports/workshop presentations;</li> <li>○ Quality of reports/workshop presentations;</li> <li>○ Appropriateness/applicability of advice, given existing capacity/constraints;</li> <li>○ Whether outputs are likely to produce intended outcomes.</li> </ul>	Our review of presentations of two workshops shows these to be of very high quality. This view is reinforced by participant feedback. However, there has been consistent feedback that most workshops are too short to appropriately absorb all the lessons. Moreover, workshops that do not produce action plans or have no linked/follow up TA are likely to produce less impact.
<b>Score for outputs</b>	<b>3.7 Excellent</b>
<b>EFFICIENCY</b>	
<b>Process and implementation efficiency</b>	
TA/workshop design has been efficiently carried out;	Generally well designed and logistics and organization are rated very highly. Appears that there is emphasis on a participative approach and peer knowledge sharing. However, brevity is an issue.
Timeliness in executing the activity;	Generally held in a timely manner given reform programs in the countries. Some exceptions have been highlighted above.
Appropriateness/effectiveness of IMF's internal management of the activity;	There is no documented evidence on this, but we believe there is close coordination between AFE and HQ in developing the workshop program and

Key Evaluation Questions	Comments
	in a number of cases IMF HQ staff has been presenters in these workshops.
Appropriateness of selection of counterpart/workshop participants (as relevant);	Very high proportion of survey respondents have indicated that their workshop was pitched at the right level for them.
Quality and timeliness of management and backstopping in relation to activity;	Less evident than in TA projects. Note comments on IMF participation above.
The efficiency of planning and executing the TA/training delivery.	Briefing Papers were generally focused and relevant. Mixed evidence of proactive needs analysis, but high ratings for relevance of subject area.
<b>Efficient use of resources (human and financial) and attention to cost effectiveness</b>	
Appropriateness of staffing composition for the intervention;	Generally a mix of regional and international expertise, which is highly rated.
Appropriateness of work allocation between HQ and AFE in relation to activity;	Appears to be the case.
Whether expenditures have been in line with activity budget and evidence of analysis of variances;	Broadly yes. Budget vs actual analysis was available, but no evidence that large variances are systematically analysed.
Whether activity, given its results, has been cost-effective compared to other TA delivery modes, given results;	Generally reported average cost per participant per week is reasonable. However, all costs (e.g., RA time, all ICDI costs), are not included in the Center's analysis.
Whether opportunities for efficiency gains during the intervention have been considered and explored.	No evidence of this having taken place.
<b>Monitoring and reporting</b>	
Evidence of effective use of self-evaluation (i.e. monitoring) and reporting to improve the efficiency and effectiveness of activity;	Little evidence of post workshop monitoring of implementation of lessons learnt.
Effectiveness in making use of TAIMS to monitor and manage project/workshop;	Little evidence of this.
Effectiveness/progress in use of RBM and its usage in managing the intervention.	Little evidence of this. It is difficult to apply RBM to workshops on a stand-alone basis.
Incorporation of lessons learnt in project design and implementation.	No evidence of formal extraction/usage of lessons learnt.
<b>Score for efficiency</b>	<b>3.4 Good.</b>
<b>SUSTAINABILITY</b>	
<b>Sustainability of TA activity</b>	
Outcomes from intervention will last beyond/continue after completion of TA/training.	Generally sustainability of workshop lessons on their own, without linked reforms/TA, are difficult to assess.
For TA/training designed to deliver Sustainability, local institutions/ capacities have been strengthened to sustain results beyond the life of the intervention: <ul style="list-style-type: none"> <li>o E.g., absorptive capacity improved and developed to sustainable level;</li> <li>o E.g., in-house training capacity built, where relevant.</li> </ul>	Not demonstrated.
For interventions designed to deliver sustainability, financial sustainability has been achieved (i.e., recipients will be implement the advice from own/other financial resources in a sustainable manner).	Not applicable.
Effectiveness in maintenance and use of institutional memory relating to the activity	Little evidence that evidence/feedback from workshops are disseminated and applied widely.
<b>Contribution to building sustainable regional TA, implementation capability.</b>	No strategy for linking up with local/regional institutions, such as e.g., MEFMI, to build local capacity. Regional presenters are usually staff from beneficiary/other institutions who are presenting their experiences. In our opinion, this is a major weakness.
<b>Score for sustainability</b>	<b>Not Demonstrated</b>

## Rating Based on Previous Evaluation Methodology

DAC criteria	Sub-criteria	Score	Weight	Weighted Score	Weight	Total score	Rating
<b>Relevance</b>	Consistency with Program Document and Government Priorities	3.8	60%	2.28	<b>32%</b>	<b>1.21</b>	
	Consistency with IMF Headquarter/other activities	3.9	20%	0.78			
	Co-ordination with Development Partners	3.6	20%	0.72			
				<b>3.78</b>			<b>Excellent</b>
<b>Effectiveness</b>	Impact		-		<b>28%</b>	<b>0.97</b>	
	Outcomes: TA	3.4	30%	1.02			
	Outcomes: Regional capacity building	3.2	30%	0.96			
	Outputs	3.7	40%	1.48			
				<b>3.46</b>			<b>Good</b>
<b>Efficiency</b>	Process and implementation efficiency	3.8	40%	1.52	<b>22%</b>	<b>0.78</b>	
	Efficient use of resources (human and financial) and attention to cost effectiveness	3.6	40%	1.44			
	Monitoring and reporting	3.0	20%	0.60			
				<b>3.56</b>			<b>Excellent</b>
<b>Sustainability</b>	Sustainability of RTAC/TA activity	0	75% (0%)	-	<b>18%</b>	<b>0.43</b>	
	Contribution to building sustainable regional TA, implementation capability	2.4	25% (100%)	2.40			
				<b>2.40</b>			<b>Good</b>
<b>TOTAL</b>						<b>3.39</b>	<b>Good</b>



## 6. ASSESSMENT OF AFE STRATEGY

### 6.1 INTRODUCTION AND OVERVIEW

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AFE's strategic approach is relatively unique to the RTAC model in that it seeks to address:

- Member countries' TA needs within its remit;
- IMF's strategic priorities in the AFE member countries and the region;
- Donors' development objectives.

AFE's strategic objectives for Phase III were set out in the 2009 Program Document<sup>16</sup>, which was prepared in consultation with member countries. However, in many ways those objectives have been overridden by the annual work plans, which are prepared every year based on TA requests from beneficiaries; adjusted to the extent necessary to fit into the African Department's strategic priorities as set out in its Regional Strategy Notes; and then endorsed by the Steering Committee during its annual meeting. The work plan development process is described in more detail in Section 8.2. AFE has indicated that our conclusion is not correct, but that the annual work plans reflect more selectivity and focus to avoid sprinkling of TA resources have been implemented since Program Document, and some objectives have been covered by other donors, so that not all Program Document objectives have been targeted by AFE. Nevertheless, we have not seen any references/reconciliations of work plans to the Program Document, or any discussions on how the annual work plans relate to the objectives/target areas set out in it in SC minutes, so it is difficult for us to confirm AFE's statements in this regard.

With respect to tracking success indicators in the Program Document, AFE's point is that success indicators were presented in the document as "possible verifiable indicators." The Program Document project list reported on identified objectives. AFE has acted on priority ones to increase effectiveness and efficiency.

As a result of the above issues, it is not possible to evaluate the program's performance with reference to the indicators highlighted in the Phase III Program Document. We nevertheless revisit the overall objectives outlined in the Program Document below, and in the remainder of this section review and comment on various aspects of AFE's strategic approach.

### 6.2 STRATEGIC OBJECTIVES IN THE PHASE III PROGRAM DOCUMENT

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AFE's Phase III Program Document provides the Center's objective as: 'Improved analyses and effectively implemented policies in macroeconomic, fiscal, monetary, financial sectors and related statistical fields as well as legal and administrative framework to contribute actively, including at a regional level, to reduce poverty and enhancing growth coordinated with countries, donors and other TA providers.'

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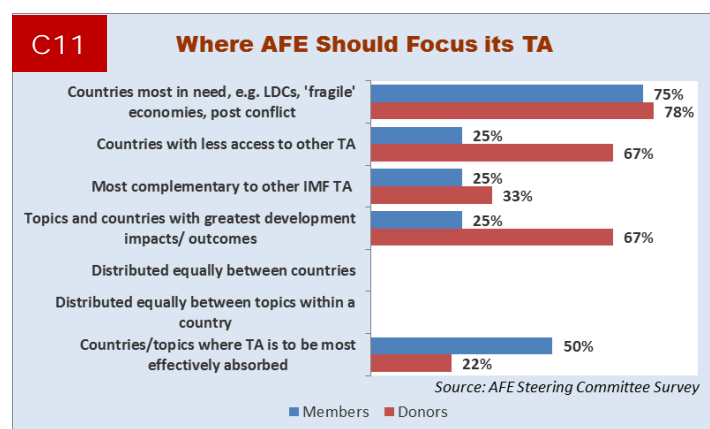
<sup>16</sup> East Africa Regional Technical Assistance Center (AFRITAC East): Program Document for the Third Financing Cycle (September 2009)

The Program Document proposed the following indicators for assessing the degree to which the strategy had been effectively implemented: ‘specific [indicators] by TA areas to be selected in PRSP and other relevant sectoral national or regional programs (which could include improvements in the revenue-to-GDP ratio, improvements in PEFA indicators in the area of Fund expertise, higher levels of compliance with Basle Core Principles for effective banking supervision and Basle 1 capital adequacy framework, improved cross-border communication and cooperation among banking supervisory authorities, increased accessibility to financial services and improved ratings of national statistical systems).

Generally, the link between AFE’s TA interventions with PRSPs has become more tenuous, partly because the latter do not provide sufficient detailed objectives within the global aims of strengthening the areas where AFE RAs are active. We have highlighted the trends in macro level indicators in the relevant sectors, which are generally positive. Without results chains for the areas in which AFE intervenes, it is difficult to establish linkages between changes in the macro indicators and AFE’s TA. As highlighted in Section 2.3, however, our case studies and desktop reviews of TA projects suggests that the reported improvement in financial sector CPIA for Tanzania would have been supported by AFE’s work on Risk Based Supervision, and AFE’s statistics TA is likely to have made an important contribution to the significant improvement in Rwanda’s Statistical Capacity Indicator rating in 2012. Our review of individual TA projects (see Section 4 for summaries, and Volume II for details) also suggests that at least for the majority of the projects evaluated, AFE is likely to have made a positive contribution toward those indicators.

### 6.3 ALIGNMENT OF AFE AND STEERING COMMITTEE OBJECTIVES

In order to assess the degree to which Steering Committee member objectives and priorities with respect to AFE were aligned, the SC survey participants were asked to rank various potential AFE objectives in order of importance. Both member (75 percent) and donor (67 percent) countries ranked ‘To implement TA projects and workshops reflecting member country objectives and priorities’ as being of the highest importance. Very close behind for both the constituencies was the need to maximize the development impact of AFE interventions (75 percent, equal first among members; and 62 percent, second most important, among donors). The third most important objective identified by both donor and member country respondents was that AFE interventions should reflect donors’ priorities in the region. It is interesting to note that the reflection of IMF priorities in the Center’s objectives was ranked third by most members and fourth among donors. The survey results suggest that there is very strong congruence within the Steering Committee about what AFE’s objectives should be.



The above views are broadly supported by the responses on where AFE should focus its TA. It is interesting though that the significant majority felt that TA should go to countries most in need, rather than where they would have most development impacts (especially among members), or where it would be most effectively absorbed.

Both member and donor country respondents agreed or strongly agreed that AFE’s objectives were being effectively realized by the Center, with respect to different aspects of strategy definition

and project selection, although the strength of agreement on this aspect of AFE performance was less among donors.

With respect to availability of resources at AFE, 75 percent of members and only 38 percent of donors agreed or strongly agreed that the Center had adequate resources to meet its objectives. The latter response in particular is surprising given the level of underspend in the AFE budget to date. There was strong aversion among both donor and member country respondents to reducing the scope of AFE's activities in light of any budget constraints.

Members highlighted access to TA/training from AFE (most important); access to TA/training in general (second); and access to TA/training from the IMF (third) as the three most important objectives for participating in AFE. Donors' priorities were highlighted as supporting the IMF's objectives and activities in the region and pursuing their country's objectives in the region through a multi-donor vehicle (equal first). Meeting their objectives through a cost-effective vehicle was ranked second by most donor respondents. Leveraging the IMF's technical expertise was ranked the next most important objective by donors.

One donor added the following as an AFE objective as part of the survey: 'To maximize technical dialogue between donors and beneficiaries within a sector.' The following were also highlighted as important criteria for AFE TA in the survey: 'a) The most important criteria should be a clear demand for IMF TA by the member country and the capability to absorb / implement TA activities in the institutional environment; and b) Importance of real demand driven TA.' Another donor commented that: 'The question of cost effectiveness is a crucial one and should be looked at carefully in this evaluation.'

#### 6.4 REALIZING THE ADVANTAGES OF AFE'S TA DELIVERY APPROACH

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Our survey results, previous evaluations and our own findings from case studies, project desktop reviews and interviews point to the proven advantages of the AFE model; it is responsive, focused on capacity building, flexible to changing circumstances; and able to develop close and continuous relations with TA recipients which engender trust and ownership of projects.

AFE is not the only TA resource targeting East Africa on a medium to long-term basis but it is the only one that operates on a completely regional basis from a regionally located office covering a wide range of administrative capacity building on macroeconomic and financial sector issues.

AFE is not the only TA provider in the topical areas it operates in, but is the only one to bring into one structure a whole range of macroeconomic expertise: public finance; revenue administration; financial sector supervision; and macroeconomic statistics. Collectively all these topical areas form part of the core expertise of the IMF (and AFE).

AFE is not the only TA provider to use local expertise but is the only one to have a permanent team of RAs based in the region each covering one of the topical areas referred to earlier, although, as highlighted Section 8.5, relatively high turnover of RAs tempers this advantage.

AFE does not have a monopoly on any particular topical area of expertise but in many it does have a significant experience edge:

- *Macroeconomic statistics:* IMF is the leader in collating and disseminating macroeconomic statistics but also AFE cooperates actively with AFRISTAT and DfID, which has a major capacity building program in the region.
- *Tax and customs administration:* On a global basis the IMF is one of the most important sources of TA in this area but also cooperates with other IFIs and donors. It is also playing an increasingly important strategic role in EAC harmonization efforts in customs.

- *Public Finance Management:* On a global basis IMF only contributes about 5 percent of all TA in this area, but it focuses on strategically important areas where other donors can leverage from. We have also seen good examples of donor coordination in this area, such as with GIZ in Kenya.
- *Banking Supervision:* During Phase III AFE has played a key role in rolling out the implementation of Risk Based Supervision and Consolidated Supervision in some of the countries in the region, which is critical for the next stage of development of member countries' banking sectors.
- *Macro-fiscal Analysis:* This is an area where we believe that the AFE's value added is least evident on a stand-alone basis, but arguably the TA and training provided complements interventions in other areas.

The RA role is a unique modality provided by AFE and the RTACs. There are long-term advisors operating in some areas and countries in the region whether employed by IMF, World Bank or other organizations, but these tend to be anchored in a particular area and country. The long-term advisor role is often unsuitable for certain TA purposes for a variety of reasons including the absorptive capacity of the beneficiary. AFE's RAs are able to step in at intervals appropriate to the case and maintain a role and brief over an extended period. We feel that AFE's effectiveness could be enhanced through the adoption of a wider mix of TA delivery approaches (such as longer STX engagements), as outlined in Section 8 of the Report.

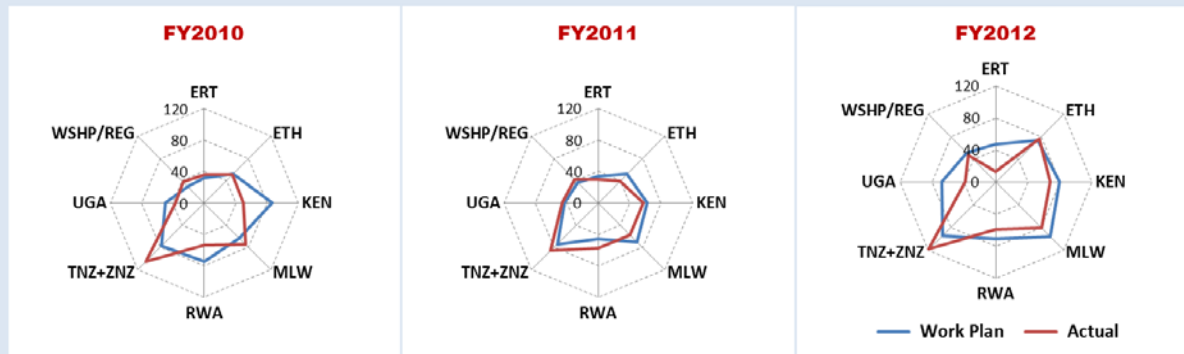
## 6.5 PROGRAM DELIVERY COMPARED WITH ANNUAL WORK PLAN

Program Budget, Work Plan & Actual TA Delivery by Sector (in RA/STX person weeks)									
T7	FY2010 <sup>17</sup>			FY2011			FY2012		
	Program Doc. %	Work Plan	Actual	Program Doc. %	Work Plan	Actual	Program Doc. %	Work Plan	Actual
RA	67	72	65	60	55	57	83	89	86
PFM	200	184	151	180	157	140	250	225	191
FSR	51	64	59	46	51	54	63	67	73
MPO	51	70	62	46	51	52	63	75	34
STA	48	56	62	43	51	60	60	64	69
MFA	49	20	46	44	53	52	61	62	49
	<b>466</b>	<b>466</b>	<b>445</b>	<b>418</b>	<b>418</b>	<b>415</b>	<b>581</b>	<b>581</b>	<b>502</b>

Source: AFE

Table 7 above shows the plan vs actual TA delivery in person weeks for each completed fiscal year in Phase III. The first column for each year shows the percentages of budget for each sector allocated in the Program Document, applied to the work plan days. Generally, whilst the proportion of days allocated in the work plans broadly follows those in the Program Document, PFM days are usually lower (primarily due to lower leveraging of STXs); and the other sectors are higher. Differences between work plan and actual days are principally attributable to periods of unfilled RA vacancies.

<sup>17</sup> Although FY2010 started in October 2010, full year figures are provided.

**C12**
**Work Plan & Actual TA Delivery by Country (in RA/STX person weeks)**


Source: AFE

Chart 12 above provides the budget vs actual TA effort information, analysed by AFE member country. A consistent trend is that Tanzania gets a greater share of TA compared with other countries, especially in respect of PFM, but also in respect of other sectors such as statistics and macro-fiscal analysis. One of the key factors is that Zanzibar often needs separate TA from mainland. Nevertheless, the fact that the amount of TA in each fiscal year has been greater than budgeted suggests to us that as the host country, Tanzania is able to secure time from RAs on an *ad hoc* basis more than other members. AFE has indicated that Kenya's actual TA delivered significantly lower than budgeted because 'execution of work plan was lower than envisaged'.

As has been reported to the Steering Committee, AFE's relationship with Eritrea is currently in a state of semi-suspension, with some missions taking place, and Eritrean participants attending workshops. For the period under review, Eritrea was budgeted for 8 percent of TA days, and TA actually delivered accounted for 6 percent of the total. Given the wider weakening of Eritrea's economic indicators, arguably AFE should consider suspending TA to Eritrea completely until it can be confident that TA delivered will be effectively absorbed. This would release over 20 person weeks of TA per year for allocation to countries where it would realize more demonstrable results (36 and 30 weeks of TA/training were delivered to Eritrea respectively in FYs 2010 and 2011, and in FY2012, 47 weeks were planned, and 12.6 weeks delivered).

We haven't been able to assess fully the degree to which the topics of the missions actually carried out accorded with those in the work plan, given the lack of relevant analyses. Nevertheless, we did compare the outputs in the FY2012 work plan with those that were reported as having been delivered at the end of that fiscal year. 102 outputs were provided for in the work plan, 93 were reported as having been delivered. However, of the 93, only 42 (45 percent) of the outputs were on topics that were originally planned for, the remaining ones being new. This could suggest that AFE is being responsive to member country needs. On the other hand, such a high level of deviation from plan could indicate weaknesses in the work planning process. We have recommended that indicators relating to such deviations should be analysed and reported on in a user friendly format, along with the main reasons for deviation.

As highlighted in Section 7.3, the level of implementation of TA is currently at around 70 percent of budget. Although TA delivery increased 30 percent between FYs 2011 and 2012, it is unlikely that AFE will be able to utilize all the committed funds by September 2015. We understand that ICDGP is considering a proposal to extend the Phase III project cycle to address this situation. We believe that this problem has been contributed to at least in part because of the disconnect between the work plan and the financial budget. Financial budgets are based on spreading the program budget over the cycle, without clear reference to the implications of underlying resource utilization. Similarly work plans make no apparent allowance for their impact on the budget. As a result, our analyses suggest that AFE's budget would be significantly underspent even if the actual TA delivery days and workshops delivered exceeded the work plan. AFE has indicated that allowance is in fact made for the interaction between the annual work plan and budget. Average costs of mission are established for RA and STX at the time of work plan development and used to estimate number of potential activities per country. We would recommend that this connection should be made more explicit in the future. For example, the number of STX field days planned in FY2011 was 99 and that in FY 2012 was 236, an increase of 138 percent. The budgeted costs for STXs increased by only 42 percent over the same period (US\$1.7 million in FY2011 vs US\$2.4 million in FY2012).

Moreover, reported HQ backstopping and project management has been at significantly lower levels than budget. The fact that AFE RAs have been able to deliver TA without any noticeably adverse impact on its quality is reassuring. Therefore, the current level of backstopping and project management should be seen as a reasonable benchmark for budgeting for the next cycle, unless it is evident that there was significant undercharging in these areas.

## 6.6 IMPLEMENTATION CHALLENGES

Table 8 below reproduces the principal challenges in TA implementation faced in the different sectors as presented to the Steering Committee by RAs.

T8 AFE: Key Challenges in TA Implementation	
Sector	Challenges
<b>Revenue Administration</b>	<ol style="list-style-type: none"> <li>1. Coordination, prioritization, and scheduling of activities.</li> <li>2. Rotation of staff across functions.</li> <li>3. Development of local counterparts and experts.</li> </ol>
<b>Public Financial Management</b>	<ol style="list-style-type: none"> <li>1. Need to strengthen ownership of reforms.</li> <li>2. Country implementation of technical assistance missions is slow.</li> <li>3. Authorities should establish single coordination point for capacity building.</li> </ol>
<b>Bank Supervision</b>	<ol style="list-style-type: none"> <li>1. Difficulty experienced by some central banks in retaining staff affects continuity.</li> <li>2. Scarcity of some types of expertise in the aftermath of international crisis.</li> <li>3. Need to strengthen mechanisms to coordinate with development partners.</li> </ol>
<b>Monetary Operations</b>	<ol style="list-style-type: none"> <li>1. Institutional constraints: staff retention and skill issues; competing capacity building agenda relative to institutional capacity; and overwhelming policy and process change initiatives.</li> <li>2. Regional issues: differing macroeconomic performance; economic integration issues; and differing harmonization priorities.</li> </ol>
<b>Macroeconomic Statistics</b>	<ol style="list-style-type: none"> <li>1. Overly ambitious expectations: time lag between recommendations and implementation.</li> <li>2. Scheduling of activities: planned activity dates versus agenda of statistics authorities.</li> <li>3. Need to cooperate effectively with development partners.</li> </ol>
<b>Macro-Fiscal Analysis</b>	<ol style="list-style-type: none"> <li>1. High levels of staff rotation and departure of trained staff.</li> <li>2. Insufficient absorption capacity – understaffing in key macro-fiscal agencies</li> <li>3. Technical staff hard-pressed to perform routine operational duties – little time allocated for analysis and strategic planning.</li> <li>4. Absence of central national coordinating agencies for macro-fiscal technical assistance</li> </ol>

We concur with the above information. Unlike a number of regions where RTACs operate, AFE's constituency is reasonably stable, notwithstanding disruptions in Kenya and Malawi in recent years. Moreover, despite some variations between countries and institutions within countries, absorptive capacity is on average higher than many other parts of Sub Saharan Africa, enabling the delivery of more effective TA. Nevertheless, as pointed out in the previous independent evaluation, sectoral differences exist in achieving and measuring results.

A number of these challenges are outside AFE's control. There is little evidence that RAs conduct formal risk analysis before embarking on a TA initiative. Nevertheless, there have been a number of instances where missions have been postponed when the RA has assessed that the client is not ready for the TA. In more extreme cases, such as Eritrea, the program has been significantly downscaled.

We believe that AFE can do more to address situations where there are delays in TA implementation. Where implementation capacity is weak, but the motivation for reform exists, short-term RA and STX missions should be, in our opinion, supplemented by more extended TA, either from AFE or in partnership with other donors. We discuss this matter in more detail in Section 8.

## 6.7 REGIONAL VS COUNTRY-FOCUSED TA AND TRAINING

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AFE provides TA and delivers workshops to its member countries in a number of ways. For the purposes of the Evaluation, we have classified them under the following countries:

- Regional: Directly aimed at achieving regional integration under the EAC umbrella;
- Multi-Country: the same topic being addressed in a number of countries, with the aim of developing common standards and methodologies, which are likely to, *inter alia*, harmonization and integration at a future date.
- National: one or few countries benefiting from TA on a particular topic.

With respect to Regional TA, the only area that reports formally is revenue administration. The RA has participated in meetings at the EAC Secretariat, including one jointly with FAD, to explore collaboration options including with the EAC Tax Harmonization Committee; of the East African Revenue Authorities Commissioners General to discuss cross-cutting issues of capacity building in revenue administration with a regional perspective; and has made various presentations in regional fora. No specific EAC-linked TA is reported so far, either in revenue administration, or in any other sector. AFE organized a workshop in February/March 2012 entitled 'Macro-Fiscal and Public Financial Management Issues for the East African Monetary Union'. A follow-up PFM workshop was delivered in January 2013, to cover issues such as the development of common fiscal reporting framework for the EAMU and the development of an EAC budget framework directive and model PFM law. In addition, a joint FAD.VAFE and EAC workshop is planned for EAC member states, on 'Designing and Negotiating International Tax Treaties'.

There are a number of multi-country TA projects in most of the sectors. For example, statistics is helping the move toward Quarterly National Accounts harmonization; financial sector supervision has been assisting in the harmonization of banking supervision through the roll-out of risk based supervision and consolidated supervision; and PFM has for example, used the same STX who helped draft the PFM law for Kenya to provide input in the draft for Rwanda, to facilitate harmonization. All workshops are held on a regional basis and are tailored to address common issues among member countries.



Currently, EAC's work is directed toward formulating policies and directives, where HQ appropriately takes a leading role, and AFE supports, mainly through workshops, to develop knowledge and consensus. EAC-related TA will take on increasing importance for AFE going forward, especially during its next phase, as implementation of policies and directives become more important. To this end, the 2011 derogation in IMF's policies that enable it to provide TA to non-member countries will facilitate matters. We believe that if it is agreed by AFE's stakeholders that providing TA support on EAC initiatives is a priority for AFE, consideration should be given to introducing EAC as a member of AFE for the next phase, with an appropriate budget allocation. We understand from AFE that Part of the EU financing is to have a seat on steering committee for regional organization (currently the IOC), but discussions on having EAC representation will be carried out in 2013 SC meeting.

## 6.8 ROLE OF NATIONAL AUTHORITIES

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Each of the member countries is represented on AFE's Steering Committee. Typically Ministries of Finance of member countries are represented as SC members, with central bank representatives acting as alternates. We have commented on AFE governance in Section 10. The Steering Committee provides a forum for the national authorities to influence AFE strategy, to share experiences with their counterparts and to monitor AFE performance.

The role of the national authorities in member countries is critical to AFE's work of and is exercised at various levels. The determination of TA needs and priorities is an active consultative process between various IMF departments (Africa and TA departments at HQ plus input from AFE in the region) and the country authorities. The main counterpart authorities at policy level are usually the Ministries of Economy and Finance because they control public finance and along with autonomous revenue authorities where they exist, taxation and customs. AFE has also been working closely with the central banks, focused on strengthening banking supervision, monetary policy, payments systems and in some cases macro-fiscal policies. Statistics agencies are another counterpart.

National authorities also play a role in donor TA coordination, although outside PFM donor groups and central banks, this activity tends to be less structured.

In most instances, ownership for a TA project is generated through the interaction between AFE (in particular, the responsible RA), and the counterpart institution. The latter's role in requesting and prioritizing the TA is an important contributor to the ownership. The RAs are, within their constraints, also responsive to *ad hoc* TA needs and show flexibility on the timing of missions.

We have seen little evidence of Steering Committee members playing an active role in coordinating AFE TA in their country outside their immediate institution.

## 6.9 COORDINATION WITH OTHER IMF ACTIVITIES AND DONORS/IFIS

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The framework for AFE's coordination with the rest of the IMF is provided by the RSN/RAP. The backstopper plays a key role in ensuring that TA activities are effectively organized in this regard. Joint diagnostic missions, confined to FAD in Phase III, are another potential mechanism. TTFs are not very active in the region, but AFE, FAD and the Revenue Administration TTF are working well in Ethiopia. Generally, this aspect of AFE's coordination is being implemented effectively.



Our experience is that there is a range of approaches for coordinating between the relevant TA Department's and AFE's work. This ranges from relatively tight coordination as in Revenue Administration in Ethiopia, to more loose seemingly more *ad hoc* approaches, as in Financial Sector Regulation in Tanzania. We believe that given the need for AFE to react to 'bottom-up' needs, the nature of integration between HQ and AFE's work needs to be necessarily flexible. Our recommendation is that when AFE prepares its strategy for the next phase, preferably by adopting a results chain approach (see Section 6.12 below), consideration should be given to identifying areas where complementarities between HQ and AFE could be clearly implemented. This strategic plan could then be updated through the rolling RSN/RAP process.

Donor coordination was identified as a weakness in AFE's 2009 evaluation. In response, the Phase III Program Document provided that the Center Coordinator would take responsibility for:

- Disseminating the African RSNs, including the IMF's Resource Allocation Plan (RAP), which details all TA missions and assignments planned in an IMF financial year, including those planned for AFE. We understand that this is not shared as it is considered internal IMF information.
- Circulating HQ TA reports or reports prepared by RTAC experts to the SC and, upon request, other relevant stakeholders if the TA recipient consents (consent by the TA recipient would be given on a no-objection basis). This will provide AFE recipient countries, donors, and other TA providers with the information they need to better coordinate with IMF and AFE TA. We understand that Fund dissemination policy at end-2009 is being implemented with delegation to RTACS in September 2012 for their own reports.
- Continuing with his/her donor briefings, including through the IMF's Resident Representative Offices. Information on AFE missions will be posted on AFE's website, which will include contacts with other donors. If possible, AFE missions will also provide donor briefings in the field.
- Maintain AFE's redesigned and enhanced website, including contact information to foster donor coordination.
- Continue publishing AFE's annual reports.

There have been delays in clarifying IMF's dissemination policy with regard to AFE TA reports, but this was done in 2012, and now donors who have signed confidentiality undertakings will be able to receive TA reports subject to TA beneficiary no objection after a 60 day period after the final TA report has been issued (which needs to be issued to the TA beneficiary within 45 days of the end of the mission). The RAs brief other donors including during most missions. The AFE's website has up to date work plans (see Section 8.11 for our comments on the AFE website). AFE's annual reports are presented to the SC, but not published. AFE has introduced monthly newsletters for donors, informing them about actual and forthcoming missions and AFE activities. These have been welcomed by recipients and are seen as a positive step in improving dissemination of information about AFE's activities. Glossy annual reports have not been produced since FY2009, and we understand that this issue is raised at each SC meeting. We feel that should a decision to resume their publication (especially in printed format) be made, the objectives from such publication, the target audience, and cost/benefit should be assessed.

In light of concerns expressed by some SC members about donor coordination, a pilot PFM donor coordination exercise was initiated in two member countries in 2010. The 2012 SC meeting reported that the results were mixed and difficult to conclude, but a general improvement in donor coordination was acknowledged. The SC recommended that the pilot be formalized and extended to all member countries and sectors.

Every SC report provides a section on donor coordination activities undertaken by RAs during the reporting period. AFE appears to play an active part in PFM donor groups in all the member countries where they exist. There is evidence that in a number of instances in most of the sectors partnerships have been formed for donors to fund TA to facilitate the implementation of AFE advice. Although the CC participates in donor coordination meetings, his activities are not specifically reported to the Steering Committee.

A range of options are possible for donor coordination. This can start with information sharing in order to, as the AFE Program Document says, ‘provide AFE recipient countries, donors, and other TA providers with the information they need to better coordinate with IMF and AFE TA.’ It can extend to making an effort to avoid overlaps with other TA providers; to ensure complementarity of TA on *ad hoc* basis; and then progress to reaching out proactively to other donors on specific interventions where TA is needed say to implement AFE recommendations. Finally strategic partnerships could be formed with one or more TA providers to work together on a number of projects from the design stage. Progression along these stages requires greater effort and more focused attention, but the rewards in terms of leveraging effect of the TA is disproportionately greater.

In our view, AFE’s donor coordination is currently at a stage where it does share information adequately, seeks to avoid overlaps (e.g., through the design of the TA request form) and in some cases there are illustrations of complementary TA with other donors. Occasional instances of securing complementary TA proactively could also be cited. We believe, as has been cited in a number of instances in the Report, that AFE needs to extend its range of TA tools beyond its mission-based model to build capacity effectively and in a timely manner. This will become more evident when RBM is introduced more robustly and performance measured against plans. Thus, there is a case for reaching out to the next stage and seek more proactive partnerships with other donors. However, at least in the short-term, this will require the CC and RAs to spend more time and effort, which may detract from delivering TA. An explicit strategy and targets, with budgeting for resources, need to be developed once AFE and the SC have agreed on what the objectives of donor coordination should be. Donors, who have active programs in a number of AFE member countries, should consider setting examples by piloting such initiatives.



As Chart 13 highlights, there is a trade-off between optimizing the benefits that could be achieved through perfect donor coordination and the complexity, time and risks involved. This will vary between donors and projects and the CC needs to make the appropriate assessment in arriving at the right balance.

We acknowledge the Steering Committee member countries’ view that they should be ultimately responsible for donor coordination within their countries. The type of donor coordination suggested is not intended to substitute or override host country efforts in this area. We believe that should a proactive stance be taken by AFE to engage donors to leverage the TA it delivers, it should be done in coordination with national efforts and would reinforce the latter.

## 6.10 CAPACITY BUILDING

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The AFE Program Document highlights a number of initiatives that the Center undertakes to support capacity building in the region. We review the activity relating to some of these below:

### Attachments

These are highlighted as an important component of AFE's range of capacity building tools. However, our review of Steering Committee reports suggests that attachments are used relatively rarely, and by only a few of the RAs. In FY2010, there were three attachments, one each under the auspices of revenue administration (two individuals); financial sector regulation; and monetary operations. In FY2011, there were only two attachments organized, by financial sector regulation (four individuals); and monetary operations. In FY2012, there were two attachments, one by revenue administration (three individuals); and financial sector regulation (two). Attachments are not budgeted for, nor their actual costs reported on, separately.

We believe that attachments are a valuable TA tool, and more proactive efforts should be made, and targets set for their deployment, especially for RAs who are not engaging in them. Part of the problem is likely to be the administrative work required in enabling them, which doesn't fit in easily with RAs' mission-focused role.

### Training of Trainers

Our case studies and desktop reviews suggest this tool is used in a limited way. In any event, we believe that AFE's mission-based TA approach is not conducive to achieving this objective as to be effective, a minimum of two-to-three cycles of training and mentored delivery is required for it to be effective.

### Use of Regional Consultants

Our analysis in Section 8.6 suggests that 27 percent of STXs used are from SSA, in addition to four out of the eight RAs. The majority of regional STXs engaged have been from South Africa and Zimbabwe. Although a greater number of consultants from AFE member countries is desirable, we believe this is a positive achievement within the constraints of suitably qualified and experienced professionals in the region. In addition, practitioners from AFE's beneficiary institutions are invited as presenters in workshops.

### Partnerships with Regional Organizations

Other than co-hosting one workshop with the Kenya School of Monetary Statistics, this has happened to a limited extent only. AFE's STA RA has pointed out that it does cooperate with MEFMI and others (e.g. UNECA) on statistics training but through HQ. Following discussions, the IMF Statistics Department provided a staff member and a STX to help MEFMI deliver a national accounts course in Arusha, in mid-2012 (a few months after the two-weeks course the STA RA coordinated in Feb 2012). We believe that given the number of workshops that AFE organizes, and the need for basic financial, macroeconomic and budget analysis skills, more effort needs to be made to partner with suitable local institutions such as MEFMI to build sustainable local capacity and deliver training more cost effectively.

## 6.11 COMMENTS ON OVERALL PORTFOLIO APPROACH

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AFE's portfolio choices are restricted by the IMF's areas of focus and, to an extent, the specialism of its RAs. Outside the core PFM and revenue administration areas, there is variation of RA specialisms between the AFRITACs (e.g., AFW used to have a RA specializing in microfinance, and now has a debt management specialist) and the share of TA of different sectors varies significantly between RTACs. This suggests the portfolios are tailored to member needs.

At the same time, the RA-led TA delivery model means that although there is some scope for providing specialist advice in areas outside the RA's area of specialism through engagement of STXs, the limited use of STXs restricts this option. Thus the core portfolio has a tendency to stay relatively static. There is also some evidence that subject areas of the RA's specialism tend to at times get disproportionate attention. For example, the previous financial sector regulation RA's specialism in AML/CFT is reflected in a large number of usually one-off missions he undertook on that subject in member countries. Similarly, the fact that the previous monetary operations RA was a payments system specialist and the current one is an expert in monetary policy is perhaps reflected in the fact that in FY2010 there were payment systems missions undertaken in all seven member countries, whereas the FY2012 activity report and FY2013 work plan indicates that this TA is earmarked for two countries only. Especially given the rapid developments in mobile payments, more TA should be expected in this area. The AFE CC has indicated that there is expressed need for RAs in statistics (GFS manual implementation) and customs administration to work on regional issues. We believe a risk of supply driven TA is not a major factor in AFE's portfolio as a whole.

As financial sectors especially in the leading countries in the region consolidate a diversification process, a more systematic approach is likely to be needed for ensuring sectors such as insurance and capital markets are more effectively served. It may be impractical to engage RAs for each of these, and consideration should be given to engaging STXs under call-down contracts to meet demands in these and other areas.

The average number of in-country person weeks per year for the current phase for RAs has been 151 and for STXs 115. This equates to a total of around 37 person weeks per country per year. For PFM, this equates to around 14 weeks per year per country, and the equivalent figure is 4.6 weeks for the other sectors. Our analysis in Section 3.3 suggests that based on the current TA delivery approach, sector TA outcomes would be maximized by focusing on a smaller number of medium-to-long-term TA projects (reinforced by directly related in-country and regional training); and focusing on a smaller sub-set of countries unless the effective use of STXs can be extended substantially.

## 6.12 STRATEGY DEVELOPMENT FOR THE NEXT PHASE

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We believe that the next phase of AFE would provide an opportunity to develop a more methodical, robust and coherent strategy, the implementation of which could be monitored more effectively under the IMF's RBM framework. As Section 9 relating to RBM issues highlights, logframes and associated monitoring and reporting frameworks are the equivalent of accounting information that is used to monitor and report on a business' success in implementing a medium-term strategy and annual business plans.

We believe that the following issues need to be considered, which have implications for both strategy development and the RBM framework, given the close inter-dependencies between them:

1. Whilst it is important for AFE's strategy is closely integrated into the AFR's regional and country strategies, it should be capable of standing on its own, and its implementation monitored and reported on autonomously. We recognize that this is the case currently.

2. There needs to be substantially more consideration given to the context within which AFE's interventions, at the sector level within each country and at individual project level, are intended to be delivered. It is highly unlikely that AFE's interventions will be able to deliver important outcomes on their own. The relevant dependencies, and associated risks need to be clearly assessed, documented and their potential impact on achieving outcomes analysed. These include:
  - Sequencing – e.g., whether necessary preconditions, such as enabling legislation and regulation for implementing the actions that are the subject of the TA are in place, and if not, what the implications for achieving outcomes are in their absence.
  - Wider reform needs (assumptions in RBM/logframe terminology) – Many TA projects, particularly in the areas of PFM and revenue administration, are likely to be dependent on other supporting reforms that may be beyond AFE's capacity, or its remit (e.g., IT). An absence or delays in such reforms would have a direct impact on the success of AFE's projects. This will also require a good understanding and methodical documentation of the other IMF activities and those of other donors acting in such areas.
  - What other donors are doing and, equally importantly, planning to do during the AFE's strategic horizon. This is particularly important in the case of PFM reform strategies, which are being implemented in cooperation with donor groups in most countries in the region.
  - Risks – Specific risks to the TA achieving outcomes, and on time. These could include weak staff capacity, high staff turnover or inadequate staffing in beneficiary institutions, poor track record of implementation, etc.

These issues could be summarized into sectoral results chain, as outlined in our Evaluation Methodology section (Section 1) and as used by us in the context of our three case studies in Volume II, where we have provided illustrative results chains for banking supervision in Tanzania and statistics and PFM in Kenya. Results chains are best practice DAC recommendations for multi-donor programs such as AFE<sup>18</sup>. More importantly, they provide a valuable framework for analysing the issues highlighted above and could be constructed, for example, at the IMF country level. Information from the results chain would be fed into country and project level logframes and monitored. Much of this work is done already, albeit informally, for example during diagnostic missions, but in our opinion, a more systematic TA oriented approach is required.

3. The Program Document should present a coherent strategy, identifying the likely main areas of interventions in each sector, on a country-by-country basis. It needs to go beyond the current approach, whereby a collection of indicative projects are provided, but the subsequent annual work plans are developed independently of the Program Document. AFE now has sufficient knowledge of member country needs to enable this, and such an approach would be more consistent with the extended horizon of the RSNs. At the same time, the ability to remain flexible and react to member country needs as they arise requires preservation. Perhaps a proportion of the resources, say around 25 percent of a sector's budget could be set aside for these needs. The above framework would enable program, country and intervention level indicators to be more credibly defined, and the success of the program more credibly assessed. Additionally, the AFE, country and project-level logframes would be more robustly integrated.

<sup>18</sup> Sourcebook for Evaluating Global and Regional Partnership Programs: Indicative Principles and Standards. OECD/IEG-World Bank. 2007

4. Given AFE would have been operating for almost 15 years (allowing for extension of the current phase) by the time the next phase commences, we believe that the opportunity to stand back and take a zero-based view of the landscape in member countries needs to be taken, such as that taken at the time AFE was established. Although the current process of incorporating member country needs in the work plan development process assures that TA projects meet priority needs of the institutions filling the TA needs request forms, it is evident from Chart 4 in Section 2.2 that the shape of AFE's portfolio has not changed significantly over the last three phases despite significant developments in many of the underlying sectors and we believe that a more strategic-level exercise is required.
5. A more defined strategy would also enable AFE's budget to be linked to its strategy. This will require strengthening of the IMF's financial reporting systems, but in our view the current absence of such linkage leads to inefficiencies. For example, a more transparent budgeting of projects and comparisons between results and costs of implementation could lead to RAs engaging STXs for longer missions, once they take into account the full costs of travel, procurement, etc. Moreover, we believe a stronger case could be made to donors and member countries, and within the approval systems in their respective institutions, if a properly costed program is presented. AFE should explore alternative options for developing budgets and recording costs at a project level until IMF systems can enable automation. Donors should approve costs for resources, which we do not believe will be significant, to enable this to happen.
6. While the AFE program as a whole is substantial at around US\$10 million per year, the level of TA delivery, under its current approach, averages less than five weeks per RA in each country. In reality, for many of the sectors (see Table 4) TA is mainly delivered by concentrating resources in a small number of member countries.
7. We wish to stress the need to maintain proportionality between the level of detail the research, planning and strategy development exercise should go into, against the benefits. We believe that the steps outlined above should be implemented, but not necessarily with the degree of depth expected for, say, a US\$5 million PFM project in a single country.
8. Finally, the RTACs are relatively unique and it is difficult to compare their performance against other donor or IFI projects. There are currently nine RTACs. We believe that the IMF should consider developing a number of Key Performance Indicators to monitor the relative performance between them, in addition to them serving as useful monitoring tools for each RTAC. Some key ones should be easy to develop as high-level budget and actual information is generally standardized (although, for example, atypically South AFRITAC includes IMF contributions as 'other costs' within its main budget) across the Centers. Over time, as IMF's information systems become more useful for managing projects, the KPIs could become more in-depth and their effectiveness as management tools further enhanced.

Finally, we present below a detailed comment from one of the donor Steering Committee members in the survey that in our opinion insightfully addresses a number of critical issues on AFE's ability to develop and implement an effective strategy, highlighting areas that need to be addressed:

'The link between the Center's goal to build member countries' capacity to formulate and implement poverty reduction and growth strategies is not that straight forward. Their sound technical advice on PFM, taxation and macroeconomics, etc. certainly contributes to that goal. But in general, IMF TA is built around short-term missions and said to be of a more top-down nature. It is thus questionable whether IMF TA is sustainably contributing to the changes the Center aspires to bring about. There is great value in IMF TA, but the impact and sustainability could be enhanced by linking the more short-term approach to long-term advisory services by other TA providers present in the member countries. As to the Program Document, it is true that AFE provides a lot of detail in the document and the new RBM framework. But there remain doubts about the quality of the information and indicators provided. The framework is very complex and thus it is questionable whether it will really serve as a management tool that enhances the focus on results. Also information on the Center's and IMF TA should be presented in a more consolidated and strategic approach (e.g. which different modes of TA are need to achieve an objective in a certain time perspective and what other inputs are needed, i.e. from cooperating partners). In that respect it might be useful to present the logframe and work plan by country linking it more to the overall context.' AFE has pointed out it has already presented logframe and work plan by country in FY2012.

## 7. AFE FINANCIAL REPORTING

### 7.1 INTRODUCTION AND SUMMARY

This section reviews the costs incurred by AFE to-date, compares them with budget, and seeks to identify reasons for any variances. We also highlight some of the issues relating to financial reporting matters. The integration of AFE's systems with those at HQ creates a very complex system for recording relatively simple entries. Previous evaluations and reviews have highlighted weaknesses in IMF's management financial reporting system as an area that requires substantial strengthening.

### 7.2 DISTRIBUTION OF TRUST FUND EXPENSES

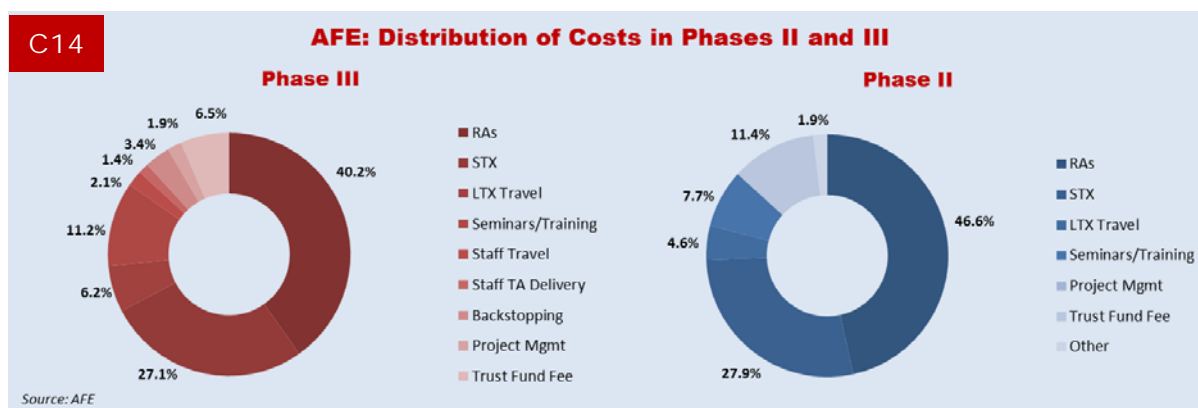


Chart 14 above highlights the main component of actual costs incurred from Trust Fund resources<sup>19</sup> in Phase II (for FY 2007 to 2009) and first half of Phase III (H2 of FY 2010 until end of FY 2012). The totals were respectively US\$9.7 million and US\$13.6 million respectively. The broad distribution of costs has not changed significantly. Share of RAs costs has gone down marginally, from 46.6 percent to 40.2 percent, and this has been offset mainly by an increase in seminar costs (up from 7.7 percent to 11.2 percent). The share of STX costs has stayed broadly the same, at around 27 percent. In Phase II, the IMF's Trust Fund Management Fee was 13 percent. This has been reduced to 7 percent in Phase III, but this reduction has been more than offset by the charging of HQ Staff travel, TA delivery, project management and backstopping costs, which were not being recharged to AFE previously.

<sup>19</sup> Excluding contributions from the IMF and in-kind contribution from BoT.



## 7.3 ANALYSIS OF ACTUAL VS BUDGET COSTS

AFE's Phase III has seen a significant increase in budget compared with the previous phases (US\$8.9 million per annum compared with an average of US\$3.6 million in Phase II). It is difficult to adjust quickly to this increased scale, and although spending has increased materially, there is significant under spending (of around 30 percent to date) in the current phase.

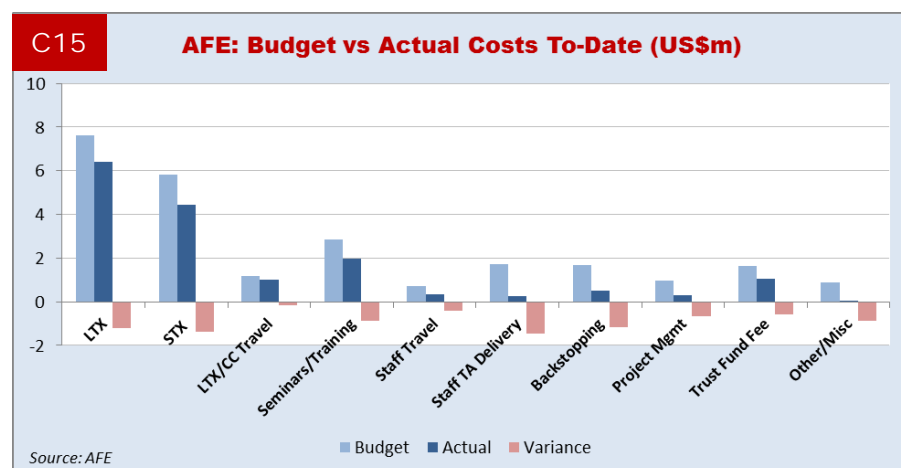


Chart 15 shows a breakdown of the Phase III actual vs budgeted costs until the end of FY2012. Of the total budgeted costs of US\$20 million up to that point, only US\$13.6 million had been spent, halfway through the current cycle.

Spending on RAs is broadly in line with budget, with an under spending of US\$982,000 (15.6 percent), attributable partly to

the actual salary costs of RAs being below the budgeted levels (the average RAs costs in FY2010 were budgeted at 15 percent higher than actual incurred in FY2009). In addition, there has been a gap of over one person year attributable to vacant RA positions. There has been a significant underspend of 22 percent (US\$1 million) in the STX budget, and an underspend of US\$681,000 (30 percent) in seminars and training, as these resources were deployed less than expected in the financial budget. Thus, of the total underspend of US\$6.4 million, US\$2.7 million relates to AFE-level spending.

Underspend in the above areas in FY2011 was attributed to budgetary restrictions relating to uncertainties in mobilizing EU financing, which led to hiring of STXs being restricted. There was also high turnover of RAs. Nevertheless, this trend has continued through to FY2012 and the first half of FY2013, as annual budget levels have increased.

The majority of the reported underspend in budget has been on the expected expenses on IMF HQ staff travel, project management, TA delivery and backstopping. Of the total US\$4 million budgeted to date on these items, only US\$1.2 million has been spent. The total budgeted for these items for the entire Phase III is US\$9.5 million. The most significant under spending is in HQ Staff Direct TA delivery (86 percent), followed by reported backstopping and project management (65 percent). Certain departments, such as Statistics, appear to be charging costs more readily than others. Various reasons have been forwarded for this underspend, including an overestimate in the budgeting, and staff not charging all their time to their AFE related activities (e.g. only charging STX time costs when going on AFE funded missions).

If the current trend of spending vs budget continues, at the end of Phase III US\$13.3 million, or almost one-third of the budget, will remain unspent. Alternatively, if the remaining US\$30.9 million is to be spent during the current phase, the annual rate of spend from FY 2013 will need to be US\$12.4 million, more than double the annual rate to date. Either way, these pose significant challenges.

Backstopping and Project Management Budget vs Actual for HQ Departments			
T9	Budget %	Actual %	Difference in US\$'000
FAD	17.5	5.9	1,129
MCM	15.4	4.5	329
STA	17.5	13.0	91
ICDGP (PM only)	-	-	130

Source: AFE

Table 9 opposite shows the gap between budget and reported actual costs for HQ backstopping and project management costs for the different HQ departments until the first half of FY2013. The percentages relate to the total of these costs against relevant RA and STX costs. Other than Statistics, less than half of the allocated budgets have been utilized. ICDGP has charged 46 percent of its budget. As stated elsewhere, we haven't been able to receive satisfactory explanations for this level of underspend.<sup>20</sup>

In reviewing the AFE financial information, we came across the following additional issues that are worth highlighting (figures referred to are for FYs 2010-2012, unless otherwise stated):

- With respect to cumulative RA costs, FSR and STA RA actual costs are significantly higher than the rest. There was an error made in FY2010 whereby these RA costs were not charged in that year and adjustments made in subsequent years. We are not clear if these adjustments have led to overstatement of these costs, and could not get full explanations for these large numbers.
- Spending on STXs have increased significantly in FY2012 (US\$1.9 million) from FY2011 (US\$1 million). The IMF has indicated that this is because of the addition of a PFM RA in June 2012, as a replacement for an RA who had left in mid-2011. The cumulative budget has been underspent by 22 percent. FAD sectors account for US\$894,000 of the total US\$1 million underspend.
- There is no connection between the work plan and the financial projections. For example, in FY2011 the STX budget was underspent by 40 percent, whereas the number of actual STX days was only 10 percent lower than that in the work plan. The equivalent figures for FY 2012 were 23 percent and 28 percent respectively. The IMF has pointed out that this underspend is also attributable to the lag in replacing the PFM RA. Since most of FY2011 AFE did not have this advisor there was no need for a STX for this RA. This however changed in FY2012.
- The budget for seminars and workshops in FY2012, which saw a 34 percent increase in spend from the previous year, was underspent by US\$182,000, reflecting the costs of around three workshops. The budget for FY2013 is expected to increase by a further US\$139,000, or the equivalent of two AFE-organized workshops. AFE does not have the capacity to increase the number of workshops to this level.
- Miscellaneous/office communications budget of US\$598,000 has hardly been spent (US\$32,000). This line should be reallocated to other areas.
- We found a number of anomalies between spreadsheets and errors (such as double counting of budgeted figures, or spreadsheet numbers not adding up correctly, or large missing costs, corrected in later years) in the current Excel based management reporting system at AFE. We understand a move to Quickbooks is planned. We are not clear if Quicken has the flexibility to produce sufficiently tailored reports for use for RTAC management purposes, or it can be linked to AFE's operational activities, including its work plan.
- The current management reporting system applies a combination of accrual and cash flow accounting. Many accrual entries are passed only at the year end. The combination of these factors makes accounting information available, especially during the year, unreliable.
- Integrity of accounting needs to be maintained. For example, we came across one instance when a TA Department had recharged backstopping costs to project management, after exhausting the budget for the former. We believe the preferred practice should be to reallocate the budget, rather than the actual cost.

<sup>20</sup> The report entitled 'Evaluation of the Cost Effectiveness of CARTAC in the First Year of Phase IV (FY2011) provides a good explanation of issues surrounding IMF backstopping and project management.

- The process of budget monitoring appears to be limited to ensuring that costs charged are within the annual rolling budget. AFE has detailed analysis of the costs it incurs, relating to workshops (other than LTXs and sometime STXs), attachments, local travel and disbursements. AFE cannot however, easily access many details of the basis on which HQ recharges costs relating to LTXs, INS courses and HQ backstopping and project management, which constitute the largest element of AFE's costs. ICDGP monitors the overall budget, but does not similarly have easy access to the underlying breakdown of the costs being recharged by the TA Departments (for example, rates, number of days, etc., due to, we understand, sensitivities about sharing staff salary information). The individual TA Departments appear to monitor these, with varying degrees of intensity. Internal confidentiality policies/culture appears to be a barrier. Simply monitoring spending against what are rather large annual budget line item limits on an accounting basis, without any analyses of the activities underlying the associated costs, is in our opinion of limited value. This is especially the case in an environment where actual costs are substantially below those budgeted. There is nevertheless considerable attention paid both by AFE, finance and ICDGP on ensuring costs being charged to the AFE line items are appropriate. We believe that monitoring of the AFE budget needs to be elevated to more of a 'business' level from its focus on total costs in budget line items, the CC should be responsible for this, and information barriers, such as staff costs, STX rates, rates of recharges by TA Departments need to be removed to enable this. Over time, for this to happen effectively, the IMF's information systems need to generate useful cost breakdowns on a more regular, timely, and consistent basis.
- The fact that there are two separate accounting systems, IMF1 (dealing with the Fund's own finances) and IMF2 (dealing with donor funds), their different *modus operandi* and some barriers in interfaces between them *inter alia* impedes AFE having access to up to date time data. We understand that an IMF working group is working on options for better integration between the two systems. It is expected to report by April 2013, with implementation of its recommendations by FY2014.

#### 7.4 IMF AND BANK OF TANZANIA IN-KIND CONTRIBUTIONS

Table 10 below provides a breakdown of the IMF and Bank of Tanzania in-kind contributions to the AFE Program.

T10	Program Budget FYs 2010-2015	Budget FYs 2010-2012	Actuals FYs 2010- 2012 <sup>21</sup>
	US\$'000	US\$'000	US\$'000
<b>IMF Contribution</b>	<b>5,063,912</b>	<b>2,405,024</b>	<b>2,046,634</b>
Staff (incl. travel)	3,881,731	1,841,026	1,590,611
CC Residence	292,481	139,363	157,914
Miscellaneous <sup>22</sup>	889,700	424,635	298,110
	-	-	-
<b>Host Country Contribution</b>	<b>1,142,723</b>	<b>540,712</b>	<b>317,645</b>
Staff	167,785	76,168	44,045
Leased Office Space	974,938	464,544	273,601
	-	-	-
	<b>6,206,635</b>	<b>2,803,513</b>	<b>1,515,209</b>

Source: AFE/ICDGP

The AFE Phase III Program Budget provided for total in-kind contributions of US\$6.2 million.

<sup>21</sup> FY2012 figures are estimated outturns as at 29 February 2012.

<sup>22</sup> incl. communications, security and other services.

Of the IMF's budgeted US\$5.1 million contribution, US\$3.9 million relates principally to the Center Coordinators' salary, benefits and travel costs, with a small balance used for topping up the Office Manager's remuneration. During FYs 2011 and 2012, the actual cost of this has averaged slightly less than US\$600,000 per annum. Actual residence costs have averaged US\$66,000 over the same period.

Miscellaneous costs relate to: Communications (telephone/long distance costs), approximately 47 percent; Security, approximately 21 percent; Contractual services, e.g., language training, cleaning, messengers, etc., approximately 27 percent; and representation – meals organized at the office, approximately 5 percent. US\$890,000 was budgeted for this for Phase III. These costs have averaged at US\$103,000 for FYs 2011 and 2012.

The Bank of Tanzania ('BoT') provides support staff (actual costs are 58 percent of that budgeted) and office space in its headquarters building, where the market cost is most likely to be substantially higher than the US\$32,000 charged in FY2012. BoT has been requested to provide more accurate costing for its office space, but this is still outstanding.

The following points are worth highlighting in respect of the IMF's contribution in kind.

- Most donors would expect to engage a program manager for a similar sized initiative for substantially less than the Center Coordinator's total cost (including residence, travel, allowances, benefits, etc.) of approximately US\$650,000 per annum. However, we understand that this reflects the actual cost incurred by the IMF, and it would be impossible for a person who is not a IMF staff member to fulfill the CC's responsibilities.
- In practice, as Table 10 above shows, IMF's actual spending has been less than that budgeted. Assuming current level of spending, the IMF's in-kind contribution would be around US\$4.2 million, rather than the budgeted US\$5.1 million.
- There was a 21 percent increase in IMF staff in-kind cost between FYs 2011 and 2012. We have not been able to establish the reason for this.

## 7.5 OPERATIONAL AND FUNDING ISSUES RELATING TO FINANCIAL REPORTING

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There are a number of issues relating to financial reporting at HQ that lend to weaknesses in management-related financial reporting. They have been exhaustively dealt with in our report relating to the evaluation of the AML/CFT Topical Trust Fund, previous evaluations of the AFRITACs and other RTACs, and HQ-specific reviews. For example, the 2010 CARTAC evaluation stated: 'The IMF uses a surprisingly crude financial management and cost attribution system that is generally not fit for purpose and this has an impact on CARTAC.'<sup>23</sup>

We have not repeated all the issues relating to financial accounting and reporting at the HQ level here, and a detailed assessment of HQ systems was beyond the scope of the Evaluation. Nevertheless, these problems have a direct impact on AFE's ability to produce financial information that can be used to assess performance at TA intervention and RTAC level. We understand that steps are being taken to address them.

Within AFE, usability issues relating to the Travel Information Management System ('TIMS') , compounded by poor connectivity, impede efficiency of staff in inputting information, and developing reports. HQ is aware of this.

The IMF has highlighted that reporting requirements may differ between RTACs, TTFs and Bilateral accounts. From ICDGP's standpoint it is desirable to make some trade-offs in reporting for the sake of ensuring maximum consistency between these initiatives.

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<sup>23</sup> Caribbean Regional Technical Assistance Centre CARTAC: Independent External Evaluation. February 2010.

The IMF has also rightfully pointed out that there are resource implications associated with developing new management reporting. Responsibility for specifying the requirements, and the continued maintenance of such systems is borne by the ICDGP. These costs are not eligible to be charged to external donors (although we believe that the RTAC-specific costs should be chargeable). Institutionally, capital funds available for development of new systems and reporting are limited to a limited pool, and are subject to competition against other administrative projects in the Fund.

## 7.6 AFE DAILY TA DELIVERY AND WORKSHOP COSTS

The Evaluation TORs require us to opine on the cost effectiveness of the AFE TA delivery model, and for individual projects and workshops. This has been difficult for us to do, in the absence of breakdown of project costs, and detailed information about results realized for individual projects. Nevertheless, we have sought to arrive at the total TA delivery cost per day for RAs and STXs (including regional travel), and the total cost per participant per day in AFE's regional workshops.

In summary, we estimate that the costs to be:

1. Cost/RA TA delivery day: US\$2,770 (US\$3,640 on budgeted basis);
2. Cost/STX delivery day: US\$2,410 (US\$2,755 on a budgeted basis);
3. Cost/day per workshop participant: US\$920; per participant per workshop, assuming an average of 5.16 days: US\$4,730. We estimate that ICDI courses, included in the above average, to be approximately 20 percent higher than the overall average, and cost per participant per 10 day workshop for them to be US\$11,000, given our assumption of allocation of AFE overheads outlined in this section.

Table 11 below shows how these estimated rates and the number of days build up to the total budgeted and actual costs of AFE for FYs 2010 to 2012. Appendix V provides the underlying assumptions and detailed calculations.

<b>T11</b>	<b>AFE Build-Up of Unit TA and Workshops to Program-Level Expenses</b>							
	<b>Unit cost (US\$)</b>		<b>No. of TA/Workshop Days</b>		<b>No. of TA Weeks</b>		<b>Total Cost (US\$'000)</b>	
	<b>Budget</b>	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
RAs	3,640	<b>2,770</b>	2,186	2,170	437.25	434.07	7957.95	6,011.9
STXs	2,755	<b>2,410</b>	2,926	2,247	585.20	449.40	8062.21	5,415.3
Workshops		<b>920</b>		3,592			4,966.7	3,304.6
							20,986.8	14,731.8
Excluded costs (HQ missions, 50% HQ backstopping)							2,559.2	539.0
<b>Total AFE Budget and Actual</b>							<b>23,546.0</b>	<b>15,270.8</b>

Source: AFE

The 2005 AFE evaluation estimated average daily RA cost including HQ overheads at US\$1,825 and STX costs at US\$2,180. Assuming four percent per annum inflation in the intervening period of, say, eight years, the equivalent figures today would be US\$2,500 for RAs, and US\$3,000 for STXs. These are in the same order of magnitude as those above, especially after adjusting for travel costs that we have included. Moreover, AFE today benefits from economies given its average spend is around US\$10 million per year, whereas at the time of the 2005 evaluation the equivalent annual budget was around US\$3.9 million. The 2009 evaluation estimated the average per day cost of AFE TA delivery at US\$23,832 (equivalent to US\$1,082 per day, assuming 22 days per month), but we believe this figure did not include all overheads. The 2011 CARTAC cost effectiveness evaluation estimated average TA delivery costs for that center at US\$2,094 per day. We are not sure how comparable are the costs of the two centers.

## RA Per Day Costs

1. The actual direct TA delivery costs, we believe, are reasonable, at an estimated US\$1,830 per day, for the very high quality TA generally delivered by the RAs. Daily RA TA delivery costs, however, increase significantly once other costs are taken into account. Travel costs are estimated at an additional US\$334 (18 percent) per day, in reality the average travel cost per field TA day would be higher. Project management and backstopping add a further US\$119 per day (7 percent) and overheads add US\$487 (27 percent) per day. It's worth noting that if budgeted levels of RA costs were incurred and HQ project management, backstopping and other costs were charged, the daily cost would be substantially higher at US\$3,640, and non-travel indirect costs would be an additional US\$1,162 per day (54 percent of direct costs). Indirect costs at 52 percent (actual) and 69 percent (budget) are therefore significant. Fixed costs are 32 percent of direct RA costs (US\$684 per day).
2. The above costs do not recognize that fact that:
  - a. RAs generally work unpaid overtime and travel over weekends. This could be between 10 and 20 percent of total days.
  - b. The Center in-kind costs are most likely understated.
  - c. The actual HQ project management and backstopping costs charged are most likely understated.

The costs are contributed to by:

- a. Relatively high travel costs despite a regional base, reflecting the short-term mission-based approach.
- b. Relatively high non-TA delivery time, which we estimate at around 40 percent.

## STX Per Day Costs

1. STX direct TA delivery costs are estimated at around US\$1,569 and US\$1,589 per day for budget and actual. The actual fee rate paid to STXs is estimated at US\$750 per day (international consultants being higher, and regional consultants (27 percent of missions) lower than the average. The difference is substantially accounted for by average travel days (two or more per ten-day mission); weekend days (2 per mission); time writing BTOs; travel costs; etc., which increases the effective cost. The relatively short duration of missions contribute to the disproportionate impact of non-TA days and travel costs.
2. Indirect costs account for a further US\$1,188 (76 percent) and US\$823 (52 percent) budget of direct STX costs respectively. On the basis of our assumptions, around 22 percent (US\$350 per day) of the costs are for RA project management/backstopping. The issues relating to other costs are similar to those discussed under RAs.

## Workshops Unit Costs

1. We have not calculated unit budget costs for workshops as it was not clear from the information available the number of planned workshops, duration and length. On an actual basis, of the US\$920 cost per person per day for workshops, 48 percent is for direct costs (excluding RAs); 38 percent relates to RA preparation and delivery; and 14 percent for other overheads.
2. The unit costs are inflated by the short length of the workshops. Of the 25 workshops reviewed, five were held over three days; and six over four days. These were principally conducted by PFM, and two of these were hosted by FSR. 10 workshops were for five days (thus 21 of the 25 workshops were for five days or less); and four over 10 days (three ICDI courses, one STA workshop).

## 7.7 COMPARISON OF AFE COSTS WITH OTHER PROGRAMS

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It has not been possible to compare within the scope of the Evaluation TA delivery costs in detail with other programs run by the IMF or other multi-donor programs. Nevertheless, we have been able to compare total budgeted overheads vs TA delivery costs with selected other programs.

As part of our evaluation of the IMF's AML/CFT Topical Trust Fund<sup>24</sup>, we estimated that the total of HQ and project-specific project management and Trust Fund Management Fee, excluding backstopping, was 20 percent of the overall program budget. The Tax Policy and Administration TTF Program Document<sup>25</sup> presents non-TA delivery and research costs (ie, project management, backstopping, HQ-based TA, Trust Fund Management Fee, but excluding project specific project management (which we can assume is offset by HQ-based TA)) at 29 percent of program budget. In comparison, AFE's Phase III Program Document budgets administration, project management, backstopping and Trust Fund Management Fee at 32 percent of overall program resources.

In our experience, most multi-donor trust funds target project management costs at between 20 and 30 percent of program resources. *Prima facie*, AFE's overheads would be in line with this range. However, as indicated above, the RTAC model carries higher overheads captured within TA delivery than most other non-RTAC/IMF programs in that:

- Relatively high unit RA costs, given the need to meet their expat benefits;
- RA TA delivery costs include significant elements of project management;
- There is a disproportionate impact of travel time and costs given the relatively short missions for RAs and STXs.
- Actual costs may be higher, given the likelihood that not all HQ costs are recharged.

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<sup>24</sup> The Anti-Money Laundering and Combating the Financing of Terrorism Topical Trust Fund. Independent Evaluation (2009-Present). April 2012. Consulting Base Limited.

<sup>25</sup> Dated April 2011



## 8. ASSESSMENT OF AFE OPERATIONS

### 8.1 OVERVIEW

AFE plans, delivers and monitors TA to its seven member countries. Its operations are unique and relatively complex for a small unit. AFE's operational advantages and drawbacks derive from its integration with IMF HQ respective TA departments. The moves toward medium-term planning and increased focus on TA results are resulting in changes in operations within AFE. Generally, progress has been greater in areas where AFE can take decisions and implement initiatives autonomously. In the more critical areas, however, AFE is dependent on changes or decision-making at HQ. Although deliberations are being undertaken, progress has been slow in the latter areas.

A key issue affecting our review of AFE's operations relates to the implementation of an effective RBM, and a greater focus on defining, delivering, monitoring and reporting results. We have covered this in more detail in Section 9. Other areas affecting operations are reviewed in the sections on Financial Reporting (Section 7) and Strategy (Section 6).

### 8.2 DEVELOPMENT OF AFE WORK PLAN

The Operational Guidance Note for RTACs<sup>26</sup> outlines the following process for development of the Center's annual work plan:

1. An initial draft of the work plan is prepared by the RTAC Coordinator, based on early inputs and requests of assistance from the beneficiary countries' authorities, as well as on early and close consultation between the resident advisors and their backstoppers.
2. The initial draft work plan is then submitted simultaneously to the area and functional departments (and copied to ICDGP) as early as possible for comments, so that it can be coordinated with, and integrated in, the functional departments' Resource Allocation Plan and provide input for area departments' overall country strategies.
3. Based on the inputs from area and functional departments, the Coordinator prepares a revised draft work plan for final approval by the area and functional departments.
4. The final draft work plan is sent to the RTAC Steering Committee for review in advance of each Steering Committee meeting. The work plan is discussed and endorsed by the Steering Committee at the meeting.
5. The work plan is ready for implementation.



<sup>26</sup> IMF Regional Technical Assistance Centers: Operational Guidance Note for Staff. January 11, 2006.



Thus, the work plan sees input from a wide range of constituencies, the overall objective being to ensure that it:

- Reflects the TA needs of member countries;
- Is consistent with the Area Department's strategic objectives for the region;
- Is consistent with the objectives and capacity of the relevant TA Departments; and
- There is strategic coherence between the RTAC's work and that of other Fund HQ-led and increasingly TTF activities in the member countries and the region.

Early in the planning cycle, the AFE RAs send TA request forms to their counterparts to formally indicate their TA needs for the coming year. There is evidence that in a number of instances, RAs consult with, and advise their counterparts on appropriate TA options for the coming year. We have reviewed a selection of completed TA request forms for FY2014, for Statistics and Financial Sector Regulation. The forms, which appear to have had assistance in varying degrees from the RAs in completing, ask for:

1. Strategic Objective for TA, along with a maximum of four supporting outcomes, verifiable indicators for these, along with milestone dates and risks/assumptions.
2. A listing of TA needs, ranked in order of priority, along with for each of them verifiable indicators, outputs, and preferred timings.
3. Longer-term TA needs over a three-year horizon, in the same format as 2. above.
4. Any requests for placements/attachments.
5. Other TA providers working with the institution.
6. Possible topics for regional workshops.

To the extent that the quality of the forms reviewed reflect those of all sectors, the information gathered and format of the TA forms are of high quality and very relevant. It is important that the information is appropriately incorporated in the work plan, donor coordination strategy, and AFE's monitoring framework. We have commented separately on the need to place these individual country/sector activities into a wider strategic context.

We have not been able to assess fully at the portfolio-level the proportion of TA delivered arise purely from the TA beneficiary's request, nor how effectively AFE TA complements and reinforces the TA delivered by the IMF. However, findings from our project-level evaluation, and feedback from TA beneficiaries as part of the online survey suggests that the balance is likely to be right. For example, 47 percent of TA beneficiary respondents agreed or strongly agreed (and 40 percent disagreed or strongly disagreed) with the statement that the TA had originally been proposed by the IMF/AFE; whereas a higher proportion, 67 percent agreed or strongly agreed (and a smaller proportion, 13 percent disagreed) that they had requested the TA.

Overall, subject to our comments on implementation of a wider strategic framework with a longer horizon, an effective RBM system to monitor it, and better linkage between the work plan and AFE's financial resources, we feel that the work plan development process is working well, and a number of positive steps such as the TA request form, have been taken by AFE to improve its effectiveness.

### 8.3 REVIEW OF THE AFE CENTER COORDINATOR'S ROLE

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In common with all RTACs (with some exceptions in the case of CARTAC), The AFE Coordinator is a Fund staff member of the African Department. The Coordinator is selected by, and reports to, the area department, which defines his/her terms of reference, in consultation with the functional departments and ICDGP. After the selection process has been completed, the area department informs the AFE Steering Committee of the selection of the candidate.<sup>27</sup>

The Center Coordinator plays a critical role in AFE's governance, and his role is consistent with those of the Coordinators of the other RTACs. The role is complicated by the fact that integration between the Center's and IMF HQ activities produces a web of complex reporting, management and budget control responsibilities. The following are the main CC responsibilities as extracted from ToRs of RTAC Center Coordinators<sup>28</sup>, along with our comments.

1. Managing the Center.
2. Managing the work program.
3. Managing the budget.
4. Managing the work of the Steering Committee.
5. Managing Communications.
6. Managing contacts with external stakeholders.

In practice, in our opinion the word 'management' is used loosely. The Coordinator has the authority to hire and review the performance of only the Center's local administrative staff. The RAs are appointed by the TA Departments and their performance reviews and decisions on contract renewal are also the latter's responsibility. The RAs report to their backstoppers in relation to all technical performance aspects of their work. The CC only has control over a small portion of the budget, relating to local staff and miscellaneous costs, and those relating to workshops. Costs relating to RAs and STXs are decided on between the Head Office and, to a limited extent in respect of STXs, the RAs. In effect, the CC has direct control over less than 10 percent of the AFE budget. The significant proportion of costs is charged directly to the AFE budget by the various HQ departments, without substantive details about their nature being provided to the CC. The budgeting and financial reporting system is suboptimal (see our comments in Section 7). The Coordinator does 'coordinate' the work program, which is the key strategic tool for the Center. However, in our opinion, AFE's RAs, the TA Department, the Area Department and the TA beneficiaries have much more influence on its shape than the Coordinator.

The IMF has pointed out that 'in fact, the Coordinator has a key role in the performance appraisal of RAs: their adverse appraisal would prevent renewal of a contract. Nevertheless, it should be recognized that their functional knowledge may be limited. For example, they may not fully appreciate the requirements of a particular task, or the differences between components of a functional department's portfolio.'

Our understanding is that the role of the Center Coordinator has evolved from that of the traditional IMF Resident Representative. However, in our view the nature of the role should be substantially different. The Coordinator can exercise influence on different aspects of AFE's strategy and operations, and we understand that the degree of such influence varies between CCs depending on their personalities, relationships and management style. Nevertheless, we believe that in the absence of direct control and decision-making powers over substantive elements of AFE's strategy and operations, it would be difficult to hold the Coordinator responsible for AFE's performance.

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<sup>27</sup> IMF Regional Technical Assistance Centers: Operational Guidance Role for Staff. January 2006

<sup>28</sup> Draft Report of the Interdepartmental Working Group on Regional Technical Assistance Center Governance. IMF. January 2011.

We present below the recommendations relating to the Center Coordinators' role, from a recent African Department Resident Representative workshop in which CCs from AFRITACs were present:

'Center Coordinators (CCs) managerial effectiveness is constrained because of (i) lack of effective control of the Center's consolidated budget; (ii) their limited impact on the selection and performance appraisal of resident advisors; and (iii) an insufficient weight given to their views in discussions of TA priorities with HQs, in particular functional departments. The greater empowerment of CCs necessitates a concurrent rethinking and overhaul of the integration of the Centers' administration and management with the headquarters' systems.

There is lack of clarity on the division of labor between RTACs and HQs, in particular when HQs undertake TA activities beyond usual diagnostic/strategic planning work in the same area where an RTAC is involved (an issue highlighted by AFRITACs' country members and donors). The increased reliance on TTFs in TA provision exacerbated this issue.'<sup>29</sup>

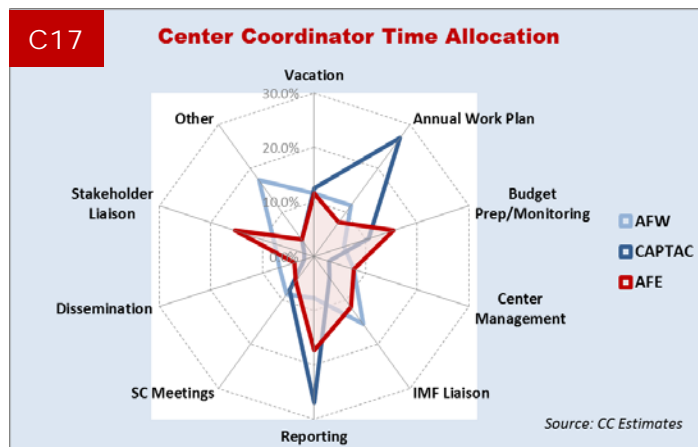


Chart 17 opposite provides estimates of the CCs' time allocation for AFE, AFW<sup>30</sup> and CAPTAC-DR, the three RTACs we are currently evaluating. Unlike the relative time allocation of the RAs (see Chart 18 below) there is divergence among the CCs in how they prioritize their work in terms of time allocation. The AFE Center Coordinator's highest estimated time allocation is on Reporting (17 percent), budget preparation (15 percent) and external stakeholder liaison (15 percent).

On the other hand, both CAPTAC-DR and AFW CCs spend proportionately more time on the

annual work plan (27 percent and 12 percent, respectively) and the former spends significantly more time on reporting (27 percent). These time distributions highlight to us the significantly administrative nature of the CC role in all three RTACs.

RTAC Coordinators go through the standard Annual Performance Review process conducted by area departments as any IMF staff. IMF considered pooling RTAC Coordinators together for these reviews, in order for those to be more focused on the specificities of the Center Coordinators' functions and to compare between them (as opposed to coordinators being reviewed as part of their area departments). However we understand that this will not be proceeded with.

## 8.4 RESIDENT ADVISORS

AFE currently has eight RAs in AFE, comprising three in PFM, and one each in Revenue Administration, Financial Sector Supervision, Statistics, Monetary Operations, and Macro-Fiscal Analysis (vacant as of end of December 2012). RAs are selected and hired by the relevant HQ TA Departments, which define their terms of reference, in consultation with the area department. The functional departments are responsible for annually assessing the technical competence of the RAs (usually conducted through review of outputs and a joint diagnostic mission with a member of HQ staff) and for deciding on whether to extend their contracts. Two of the AFE RAs are from member countries: one is from South Africa and one from Mauritius. They are highly experienced in their field, usually with practical experience at senior levels in implementing institutions.

<sup>29</sup> 2012 AFR Res Rep Training Workshop Recommendations Maputo, January 24–27, 2012

<sup>30</sup> AFW information is from the previous CC, the current one having started only recently.

The RA has a number of responsibilities, the main ones being:

- To deliver TA to beneficiaries;
- To design projects;
- To identify needs for an STX and then monitor their performance;
- To report back to the TA departments at IMF HQ and to Steering Committees
- To assist in determining TA needs and priorities.

We understand that detailed ToRs or job descriptions are not produced for RAs, but the advertisements for the positions, a selection of which were reviewed, suggest reasonable details about their expected roles are provided, reinforced by general expectations about their roles in the RTAC Guidance Note.

T12	AFE Resident Advisor Allocation of Time					
	PFM 1	PFM 2	RA	STA	MPO	Average
	%	%	%	%	%	%
Own mission related	73	73	61	62	79	70
Managing STX-only missions	4	8	12	13	0	7
Workshops/Seminars	10	12	12	11	12	11
Client Follow-up	1	1	3	2	3	2
Internal Reporting	4	4	3	4	3	4
SC Meetings	2	1	2	2	2	2
Internal Meetings/Communications	2	0	4	5	0	2
Other	2	1	2	1	0	1
	100	100	100	100	100	100

Source: RA estimates

Table 12 opposite was developed as part of the Evaluation from estimates provided by five of the eight AFE RAs (two are relatively new, and one position was vacant). Detailed timesheets are not maintained, and there may be some inconstancy in classification of time between RAs, but the broad congruency between the time allocations suggests

that the top-level estimates are reasonably accurate, although there is some. The RAs typically also work between 10 and 20 percent of the normal work time, on unpaid overtime and, for example, travelling over weekends.

On average, the RAs spend just over 60 percent of their time on mission-related work. Of this, preparation time ranges between 3 and 12 percent, and post mission report writing, etc. 11 to 27 percent. Typically two missions per country per year is scheduled, although there is flexibility in case missions are delayed or if there is an urgent need to respond. Around 90 per cent of the RA's time is allocated to missions, managing STXs, workshops/seminars (typically two per RA per year) and leave. Five percent of the time is taken up in internal reporting (monthly, quarterly, half yearly and annual) and attending Steering Committee meetings. This leaves relatively little time for monitoring TA implementation remotely, hand-holding TA beneficiaries between missions, and research or professional development.

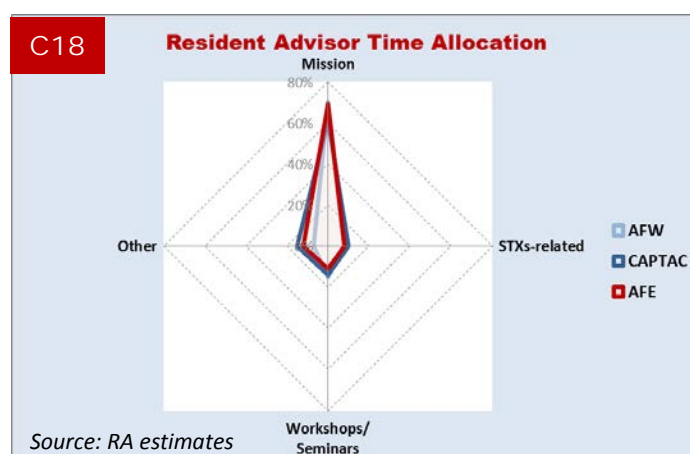
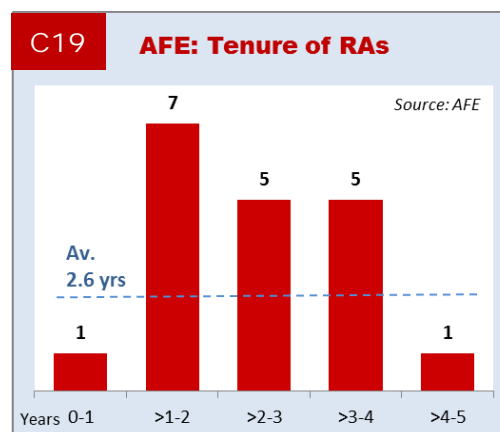


Chart 18 in the previous page compares the distribution of RA time allocation in AFE, AFW and CAPTAC. They are very similar, with generally over 60 percent of RA time being allocated to missions and related work.

## Resident Advisor Turnover

Chart 19 opposite shows the distribution of RA tenures since the Center's opening in 2002. Of the 19 RAs that have left, eight have left within two years. Assuming two missions per year per country, this suggests that these RAs would have undertaken on average less than four missions in any country during their tenures. The average tenure of 2.6 suggests five missions per country. We believe that the tenures are relatively short for the RAs to develop detailed insights into the issues faced by the countries.

Given the nature of the work involving intensive travel, and the type of usually independent personalities usually attracted to the position, a relatively high turnover can be anticipated. However, we believe that the IMF can take steps to at least partially mitigate this problem.



One of the factors contributing to high RA turnover that has been consistently pointed out is the short contracts for RAs, of one year. We believe that this short horizon makes it unattractive for a number of potential candidates to consider a RA position, especially as they have to move residences, often with families. Moreover, the risks of contract non-renewal can also act as an incentive for existing RAs to look for more stable engagements. We understand that there are no administrative barriers to issuing extended contracts for RAs.

The other potential barrier, also highlighted previously, is that IMF staff can only transfer to the RTACs by taking a leave of absence and losing their benefits. We understand that the IMF cannot address this problem because the costs of transferring staff to the RTACs are too high. We are not aware of any action being taken in this regard.

## Gaps Between RA Tenures

Eight RAs have left the Center for various reasons during Phase III. There have inevitably been gaps between all of them leaving and replacements starting work. Contractual gaps (actual gaps in the field are longer as the new RAs need to spend time at HQ on familiarization) have ranged from one month (two instances); two months (two cases); and one case each of four, five and nine months respectively. Such gaps, especially those extending beyond one month, are disruptive and curtail TA availability. The latest departure, the Macro-Fiscal RA left in December and we understand that as of February 2013 interviews were being conducted at HQ, and a shortlist was about to be established. In order to minimize the impact of such gaps, the following should be considered:

1. Early, more proactive and targeted advertising of vacant RA positions, beyond the IMF website, in publications such as the Economist, in websites such Devex.com. Cost of advertising could be recharged to AFE's Project Management budget line.
2. Conscious efforts at relevant HQ TA and HR Departments to meet a deadline that avoids a gap between RAs.
3. To ensure more effective transfer of responsibilities, developing a practice of Handover Notes from departing RAs. The current practice of relying primarily on end of assignment reports, or up-to-date SC reports, which are backward-looking should be augmented by forward looking information, with, for example, for each country, plans/objectives for future missions, comments on TA experience to date; information and comments on STXs involved, etc.

4. Where possible, the departing RA should in addition put in a plan of action to be implemented during his or her absence, for example involving STXs with HQ backstopping.

There has been one instance in FSR that we are aware of where the departing RA, who returned to the Fund, overlapped with his replacement to have a joint handover mission to various member countries. This is obviously not practical where the departing RA is not a member of IMF Staff (although in AFW, for example, we understand that non-Staff departing RAs are hired back as STXs where possible to facilitate handovers). Also, we understand that an STX mission is planned in Macro-Fiscal Analysis in the absence of the RA. In our opinion, a more structured approach to minimize the occurrence and impact of RA gaps is required.

## 8.5 SHORT-TERM EXPERTS

The role of STXs is two-fold:

- Deliver expertise in a part of the general topic that the RA is less familiar with; and
- Augment the delivery of TA through allowing the RA to leverage their time.

Formally, it is the HQ TA Departments' responsibility to identify and engage the STXs, and to backstop their work. The TA Departments have discretion to delegate these responsibilities to the RAs. In AFE, the TA Departments take the lead, with some input from RAs, which varies between sectors. RAs have generally indicated that they value the wider knowledge of available experts that their backstopper brings. In reality, RAs usually provide the first line of backstopping to STXs, with HQ providing input subsequently.

Use of STXs in TA Missions FYs 2010-2012									
<b>T13</b>	No. of Missions	RA with STXs	STX only	Total missions with STXs	No. of STXs used	% from SSA	No. of FAD Missions	2 weeks STX missions	1 week STX missions
RA	60	7%	48%	55%	35	17%	9	27	6
PFM	107	33%	1%	34%	31	29%	6	21	15
FSR	43	51%	14%	65%	29	41%	0	11	16
MPO	28	46%	11%	57%	14	36%	0	13	3
STA	67	4%	33%	37%	17	29%	0	22	3
Macro-Fiscal	45	47%	4%	51%	10	0%	1	10	13
	<b>350</b>	<b>28%</b>	<b>18%</b>	<b>46%</b>	<b>136</b>	<b>27%</b>	<b>16</b>	<b>104</b>	<b>56</b>

Source: AFE SC Reports

Table 13 above shows that the intensity of STX engagement varied between the different sectors. Indeed, the intensity of their use varies between individual RAs within the sectors. Overall, STXs have been used for approximately half the missions. There is also a divergence on how they are used. For example, in PFM, almost all the STX use is in joint missions with the RA, whereas the reverse is true for Statistics.

It is particularly interesting to note that other than in the case of Revenue Administration and STA, STXs are used to accompany the RAs in a significant majority of missions. Often these STXs have been used more than once, so we can preclude the need to monitor their performance as being a reason for the joint missions.

## Length of STX Missions

65 percent of the STX missions are two weeks or (a very small number of which are) longer. 35 percent are only one week, almost inevitably when they are being jointly carried out with a RA. In a very small number of instances more than one one-week mission may have been carried out back-to-back. In three instances PFM missions have been held where the length of the STX's stay is longer than that of the RA. Otherwise the length of stays for STXs and RAs for joint missions is reported as being the same. There was one RA mission in FY2011 where the STX stayed in country for one month. In a small number of instances, one-week STX missions included in the data above have been to deliver in-country training and workshops. The instances of using regional consultants for one-week missions have not been disproportionately high or low. Otherwise, there are a handful of instances where the length has been three weeks. In our view, such short STX stays are not economic. Sufficient financial information is not available to reflect the disproportionate impact of recruitment, travel time and travel costs on per day TA delivery costs. The IMF have pointed out that one-week missions are cheaper. In our opinion, they are unlikely to be very efficient.

As indicated in our findings and recommendations for case studies and desktop reviews, we believe that more flexibility is required on deploying STXs in order to improve efficiency and TA effectiveness. In particular, for capacity building TA, a wider range of periods of STX deployment is needed to ensure TA lessons are effectively implemented and the projects deliver results more efficiently. AFE has indicated that the short periods of STX deployment are a function of the TA beneficiary's absorptive capacity, risk of substitution and hence the lack of sustainability is real. In our view, although these risks indeed remain, there have been cases in our detailed review (Kenya PBB, Kenya QNA, Tanzania RBS) where extended period of STX missions would have benefited the project at least for selected periods. In our opinion, weak absorptive capacity requires extended periods of less intensive TA than is possible under the IMF/AFE TA approach. IMF's mission based TA approach flows from its activities related to giving policy advice. Other donors that have been providing capacity building TA do not rely on one mode of TA delivery, but use a combination suited for the circumstances.

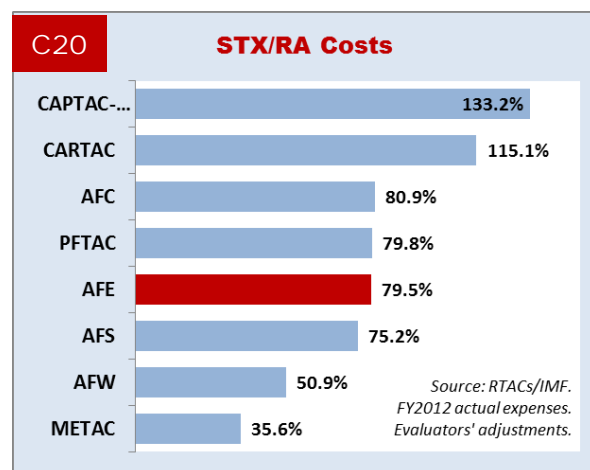
The nature and extent of use of STXs also has an impact on the ability of RAs to leverage their time, which is considered in more detail in the next section.

## Regional STXs

The use of regional expertise is an important objective for AFE. The above table suggests that 27 percent of the STXs that have been engaged are from Sub Saharan Africa. Although STXs from AFE member countries are used frequently, STXs from Zimbabwe and South Africa have been used most, perhaps reflecting the relatively advanced experience they can bring to the TA being delivered. The usage of regional STX ranges from zero in MFA, to 41 percent in FSR. Our evaluation of the case studies and desktop reviews suggests that although no doubt there are opportunities for using regional experts more intensively, their involvement in the projects reviewed have been appropriate.



## 8.6 LEVERAGING RA TIME



The extent to which RAs leverage their time is, in our opinion, an important issue for AFE, especially given the level of underspend in its budget.

The comparison of the STX/RA costs for the different RTACs<sup>31</sup> in Chart 20 shows that AFE ranks among the middle ranking cluster with respect to leveraging STXs. Assuming consistency with respect to relative average RA and STX costs, the difference with, for example, CAPTAC-DR is significant. If AFE had a STX/RA leverage ratio of 133 percent, the total spending on STX delivered TA in FY2012 would have been US\$3.1 million, instead of the actual US\$1.9 million. As highlighted above, there is a wide variation in the

usage of STXs between sectors and individual RAs within AFE.

The IMF has pointed out that budget constraints hampered the recruitment of STX during FY2011. Uncertainties regarding the financing of the third funding cycle resulted in the reduction in AFE activities. The IMF/AFE had been counting on EU resources to close the funding gap for the cycle and contribute to the scaling up of TA activities as outlined in the AFE program document. Delays in the EU funding led to deferral of the planned scaling up until resources from the regional funds were pledged in November 2010. As a result, AFE's work program was curtailed in FY2011, mainly through a reduction in the use of STXs. While 125 weeks of STX were used in FY10, only 33 weeks were delivered in the first half of FY2011 and 66 weeks in the second half. Indeed, the STX field weeks increased significantly to 169 in FY2012.

The main barriers to increasing the use of STXs have been cited as:

1. Lack of availability of suitable STXs;
2. Poor fee rates offered;
3. Bureaucracy involved in selecting/contracting them, which can sometimes take as much as one person week to engage a STX for a mission; and
4. Amount of backstopping/handholding needed, especially if they are unfamiliar with IMF reporting styles and procedures.

The wide range of STX/RA leverage between the RTACs suggests to us that if increasing the proportion of STX time is considered an important element of AFE being able to scale up its operations, then AFE can learn from the other RTACs that are doing so more successfully. We have recommended a study of practices across RTACs to identify lessons that can be learnt by others.

It is not clear to us the extent to which the argument about the lack of qualified STXs is actually a substantive constraint. Perhaps more flexibility is needed in terms of geographic experience, or more proactive advertisements for STXs undertaken, and review fees offered against market rates, in order to increase the number of eligible STXs in the HQ database of eligible experts. Currently considerable weight is given on personal recommendations, which, whilst lowering risk, does narrow down the number of experts available for a given mission.

<sup>31</sup> In a small number of cases budgeted costs were used in the absence of ready availability of actual costs. For CARTAC, 11 months' actual costs were extrapolated for the full year.



The other area where efficiency could be improved is in the process for engaging STXs. Currently, a separate contractual process needs to be undertaken for each mission, even if the STX is engaged in the same project, in the same country, and is undertaking follow-up missions. As AFE moves to more project-based TA implementation, options to tailor STX-related administration to projects, rather than individual missions, should be explored to reduce the resources required for this activity. AFE has indicated that longer-term contracts are signed for given fiscal years. AFE has indicated that this is already done at a small scale and should be expanded. In addition, call-down contracts with STXs with particular areas of expertise could be entered into, for multiple assignments in the region. We also understand that RAs do not have direct access to the HQ STX database. This is potentially another barrier to efficiency in the STX engagement process.

## 8.7 ROLE OF IMF HQ DEPARTMENTS

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In addition to their important roles in developing the work plan, AFR, the Technical Departments and ICDGP all play important roles in the AFE's day-to-day operations.

The African Department, as the sponsoring unit for AFE, has overall responsibility for the Center's performance. It exercises its governance through the Center Coordinator (see Section 8.4 above). In addition, the Department conducts regular surveillance missions and brings a regional as well as specific country experience and context to TA portfolio design for AFE member countries.

ICDGP is responsible for developing and monitoring the program for the funding cycle of AFE; communicating with and briefing donors and fund raising; assembling the budgets and reporting on financial performance; monitoring the timing and amounts of contribution to the funding by donors; and procuring and coordinating the appointment of independent evaluators of AFE performance.

The TA Departments are most directly involved in the TA delivery aspects of AFE's work: they periodically diagnose the needs in a particular topical area in AFE member countries and help determine TA priorities; they procure the RAs and the STXs; they project manage the performance of the RAs and STXs and backstop all mission reports before distribution to beneficiaries. In addition, there are provisions in the AFE budget to fund HQ TA missions, although there has been limited take-up of this facility. Our review of the SC reports suggest that 16 joint HQ/AFE missions (Table 13 above) were undertaken in the FYs 2010-2012, 15 of them by FAD.

### Project Management and Backstopping

Two of the key activities through which the TA Departments and, with respect to project management, ICDGP, provide administrative support and exercise quality control over AFE are through project management and backstopping. Project management relates to administration attributable to specific projects, including administrative support, Human Resources, travel and resource planning, and budget monitoring. Backstopping includes activities that might be considered to be related to managing projects (for example, identifying, vetting, hiring of experts; reviewing project documentation, including project summaries, BTOs, and TAIMS data; preparation/reviewing of terms of reference for experts and evaluating their performance; etc.) as well as more technical, directly TA-related activities (such as reviewing and editing TA reports produced by RAs and STXs; reviewing draft legislation; etc.).<sup>32</sup>

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<sup>32</sup> The Framework for Technical Assistance in the IMF: A Qualitative Assessment of Benefits of the Approach to Backstopping and Project Management. William J Crandall. September 2009.

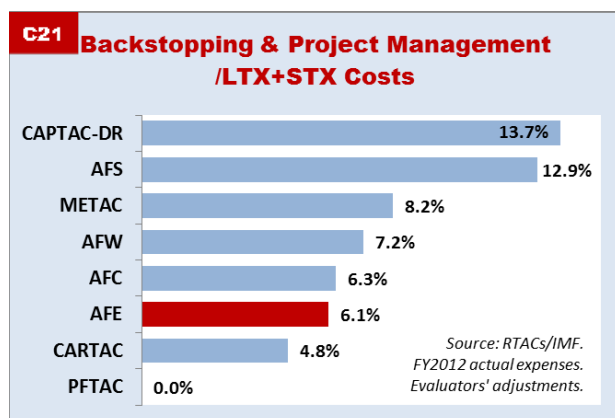


Chart 21 shows the ratio of reported HQ backstopping and project management costs over RA and STX staff costs for all the RTACs for FY2012.<sup>33</sup> The recharges of these costs for AFE are among the lowest for all RTACs.

There is a wide variation in reported backstopping and project management recharges between the TA Departments. On average to date, FAD has recharged 4.5 percent of RA and STX costs for backstopping and 1.5 percent for project management; MCM has recharged 3.6 percent and 1 percent respectively; and STA has recharged 8.8 percent and 4.3 percent respectively. We haven't been

able to establish the reasons for these variances between TA Departments in the absence of detailed breakdowns. We understand that part of this is due to differences between TA departments in their internal administrative processes that may lead all costs not being recharged. The extent and quality of backstopping on individual projects has been difficult to evaluate in detail within the scope of this project, as most of it is carried on through email exchanges. In any event, our evaluation of the case study and desktop review projects suggests that the quality of project outputs have not been affected significantly, if indeed backstopping was less than expected, especially from FAD and MCM. In light of this, the budgeted levels of backstopping and project management, averaging around 12 percent and 5 percent, could be reviewed going forward.

## 8.8 INTERNAL REPORTING

AFE RAs and the Center Coordinator need to produce monthly, quarterly, half yearly and annual reports on their activities and results for various audiences, often repeating the same information RAs estimate that it takes them on average 1.4 person weeks (11 weeks for eight RAs), and the Center Coordinator spends approximately 9 person weeks for preparing reports. In total this comes to almost half a person working year.

The recently introduced monthly reports on TA missions have received positive feedback from donors. After a suitable period, say one year, we recommend that AFE conducts a survey to canvass feedback on the newsletter and the use the recipients are putting the information into.

We have already commented on the Steering Committee reports in Section 10.4. We believe that in addition, TA Departments should consider the need for the quarterly reports and if they are necessary explore the scope for streamlining them.

We believe that elements of the Center's senior staff reporting responsibilities could be delegated to more junior levels, along with other functions, which we discuss in more detail below.

<sup>33</sup> In a small number of cases budgeted costs were used in the absence of ready availability of actual costs. For CARTAC, 11 months' actual costs were extrapolated for the full year.

## 8.9 PROFESSIONAL SUPPORT FOR CENTER COORDINATOR AND RAS

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We believe that the efficiency and effectiveness of the AFE Center Coordinator and RAs would be substantially enhanced if junior professional support were available. The Center Coordinator has indicated that he is already planning to engage an assistant to support in report preparation, etc. and we support this strongly, given the proportion of his time that is spent on activities that could be delegated to such a person.

We believe that RAs would also benefit from similar support from, say, junior economists/professionals from the region, who could act as dedicated research assistants. In addition to taking on some of the RA's existing responsibilities, they could support them on matters relating to more effective implementation of RBM. Some of the functions they could take on would be:

- Drafting periodic internal and SC reports;
- Researching country/regional sectors;
- Supporting the monitoring of TA projects in between missions;
- Dealing with aspects of recruitment and management of STXs, currently undertaken by RAs (and enabling more STXs to be recruited and managed);
- Developing/maintaining project-level budgets;
- Researching other donor activities in countries and maintaining donor maps;
- Over time, drafting notes such as Briefing Papers;
- Improving communications with RAs in other RTACs;

The research assistants could potentially be seconded from beneficiary countries, as an additional contribution in kind, and in turn benefiting from the capacity building the individuals would benefit from. However, we believe that the positions need to be for the medium-term, say for a minimum period of two years, to accommodate the learning curve needed to familiarize themselves with IMF quality and processes. This may only be practical if the research assistants are recruited directly by the AFE.

Should the suggestion be taken up, we would recommend that the position is initially piloted with one or two research assistants being shared by, say, two RAs each. The RAs would need to volunteer for the pilot, as for the pilots to succeed it is important that the RAs are accustomed to delegating and working in a partnership with and mentoring more junior staff.

## 8.10 AFE WEBSITE

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We reviewed the AFE website as part of the Evaluation. The public section is reasonably up-to-date, other than some general sections such as Background and TA Policies. The members section does not appear to have been updated materially during the current phase.

AFE does not have the information to monitor traffic to the website, so it is difficult to assess how effective the site is in achieving its objectives. A review of the online website traffic monitoring data from Alexa.com suggests that it is ranked 1.976 million, has 2,033 links in, and has 1.2 unique page views per day. This is not the most accurate measure, especially for specialist emerging market sites. However, its relative ranking of similar sites is more reliable. Alexa.com does not rank West AFRITAC (only six sites linking in), and ranks METAC 8.6 million (eight sites linking in). By comparison, the IMF site is ranked 18,817, and has over 24,000 sites linking in.

Thus, the available information suggests that the AFE website does not enjoy substantial traffic. To the extent the AFE IT officer spends only an approximate 10 hours per month on uploading information to the site, the investment is not substantial. Should AFE consider investing greater resources in the site, it needs to clearly define the target audience, develop a strategy for reaching it, and monitor traffic to the site to assess its effectiveness. One of the donor institutions has suggested partnering with the Making Finance Work for Africa website to share information. In principle, this is a good idea, but we suggest that AFE should clearly define the objectives and outcomes it wishes to realize from such a partnership and monitors its performance, including the traffic at the mfw4a.org website.

In the absence of a proactive strategy, AFE should reduce the investment in updating the site to the minimum, whilst ensuring that any information in the public parts of the site is current.

## 8.11 OTHER OPERATIONAL ISSUES

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1. AFE has prepared a 106 page Management Field Manual, covering areas such as: Management of different staff positions including illustrative terms of references; administering and recording HQ and Center initiated transactions; contracting STXs; organizing workshops; managing the AFE work plan; reporting; managing the AFE website; organizing Steering Committee meetings; filing; and providing various reporting templates. We believe this is a positive step in facilitating continuity.
2. Connectivity between AFE and HQ, highlighted as an important issue in the previous evaluations, continues to be a problem. HQ IT staff has visited AFE to address the matter, but it has not been fully resolved.
3. There is scope for greater information sharing between the RTACs, and especially the AFRITACs, which face common issues. Consideration should be given to developing, for example, an internet portal to share workshop presentations and TA reports.

## 9. REVIEW OF RBM IMPLEMENTATION AND AFE LOGFRAMES

### 9.1 INTRODUCTION

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The need to report on the results of the IMF's TA interventions has been highlighted in independent evaluations for a number of years. This has been reinforced by external donors, who have been funding an increasing proportion of the Fund's TA. In this section we provide an overview and our comments on the introduction of RBM in the IMF and the RTACs to date. In addition, we comment on AFE's logframes.

In our view, the present organization structure, resource mix, and TA delivery approach of AFE and RTACs is not well suited to deliver RBM effectively. Given AFE's organization structure, the main burden for implementing RBM would fall on the RAs. Currently their main focus is on delivering TA. Shifting their focus to project management and reporting within the prevailing *modus operandi* would, in our opinion, detract significantly from AFE's strengths. The weaknesses in the IMF's financial reporting systems and, in particular, lack of breakdowns in costs of projects also render effective designing and monitoring of projects very difficult. As highlighted in this section, in our opinion the IMF is implementing what could be more appropriately defined as Results Based Reporting (RBR<sup>34</sup>), rather than a framework for managing and reporting on projects to deliver better results. The AFE and CC have taken considerable ownership of this initiative and have spent substantial effort in developing a results reporting system. However, as we highlight in this section, substantial work remains to be done to complete the process, and a thorough reassessment of its objectives needs to be made. Experience at other donors and IFIs suggests that this entire process can take a number of years.

### 9.2 STATUS OF RBM INTRODUCTION

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The Fund has reported based on results for some time, with varying degrees of success.

In 2010, an external consulting firm was engaged to develop a basic framework as a reference point for the introduction of RBM reporting into RTACs. The resulting report, presented in August 2010, made some general recommendations for approaching the tasks. The IMF felt that the recommendations fell short of expectations. Nonetheless, the Fund found that the study highlighted some important institutional barriers to the introduction of RBM and managed to generate some buy-in of resident advisors and the Steering Committees in selected RTACs.<sup>34</sup>

The formalization of the process to introduce RBM Fund-wide, including the RTACs, was initiated with the commissioning of an interdepartmental working group on RBM in late 2010. It drew on results reporting pilots at AFW and PFTAC. The ToRs for the working group identified the following benefits of implementing RBM, in enabling the Fund to:

1. Monitor and evaluate the successes and failures of TA more effectively;
2. Improve the delivery of TA;
3. Set priorities for resource allocation by firmly focusing TA on outcomes and results, and measuring it through verifiable indicators; and
4. Identify and disseminate information on results to member countries, and to raise the profile of Fund TA achievements within the Fund and the wider donor and IFI community.<sup>35</sup>

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<sup>34</sup> Interdepartmental Technical Working Group on Results Based Management in the Fund: Terms of Reference. 21 October 2010.

<sup>35</sup> Ibid.

The ToRs also identified that ‘RTACs are the weakest in terms of RBM. All RTAC Program Documents are based on broad RBM but the specific verifiable indicators of TA activities remain to be set at the country or the regional level. There is little follow up in the implementation of RBM, and the work plan endorsed by the Steering Committee is often focused solely on inputs and missions.’ It also highlighted that RBM applied to RTACs must be consistent with the Fund-wide RBM framework, recognize that TA is a joint product between HQ and the Centers, and can be easily implemented and meaningful for RTAC stakeholders.’

The IMF RBM working group produced its final report in July 2011.<sup>36</sup> The working group’s recommendations were based on the following principles:

- Leveraging existing processes to document the strategic nature of Fund TA and to describe and report on outcomes more systematically.
- Improving RBM at the project level by bringing the Fund’s existing logframe in line with best international practice and developing sound indicators and milestones.
- Integrating RTACs more explicitly into headquarters TA planning. To satisfy donor reporting requirements, RTAC-specific objectives and outcomes would be documented separately.
- Appropriately tailoring processes and tools to support RBM (the institutional framework, monitoring and quality control, and systems).

Excluding systems changes, the working group estimated that the Fund’s costs in the first two years at US\$1.4 million, with costs dropping to US\$0.3 million in the steady state and some yet unquantifiable counterbalancing savings expected from streamlining internal procedures. The working group highlighted that RBM ‘is a tool intended to inform management decisions as well as identify and communicate the achievement of results to internal and external stakeholders.’<sup>37</sup>

The working group’s report made a series of recommendations, which are not repeated here, but on which we provide our comments in the next section.

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<sup>36</sup> Report of the Working Group on Implementing Results Based Management (RBM). IMF. July 2011.

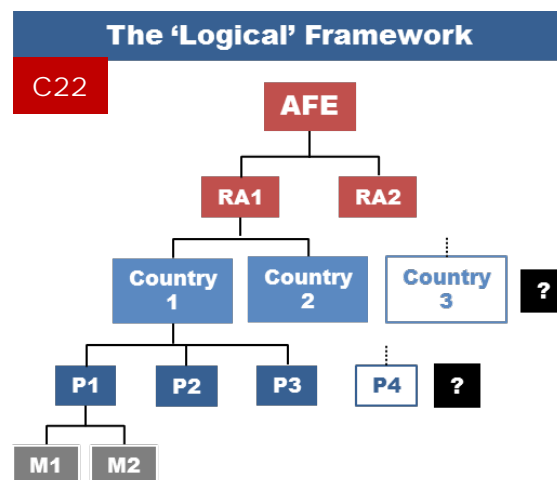
<sup>37</sup> Ibid.

### 9.3 COMMENTS ON THE IMF RBM FRAMEWORK

Our principal comments in respect of the current IMF approach to RBM implementation as outlined in the working group's recommendations are as follows:

1. We concur with the need to anchor RBM in the RSN/RAP process. However, as recognized by the IMF RBM working group, embedding the RTAC level logframes will be complicated, especially at early stages of RBM implementation, and there is need for flexibility in the degree to which AFE's strategic logframes and objectives are required to be integrated into the RSN.

2. The logic of the logical framework lies in the assumption that all AFE level outcomes would draw on outcomes produced by all RAs engaged in the Center. Any outcomes produced by the RAs not contributing to the AFE level outcomes break from this logic. Similarly, all RA-level outcomes should be directly linked to outcomes produced in countries in his/her portfolio. This logic extends to project level, and within projects for outcomes, outputs and inputs. If any country is excluded from the logframe chain, for example by not being an 'intensive user' as suggested by the IMF RBM framework, the logical framework would break down. The RBM framework suggests that TA interventions in countries that are excluded from the logframe chain should be monitored by reporting *ex post* through work plans. We are unclear how such monitoring and reporting would differ from that within a logframe.



3. The RBM framework provides that RAs should produce country specific logframes using the project-level format used by HQ. We understand from ICDGP that country-level logframes are intended to be the lowest level ones produced at RTACs. We believe that should this be the case, there is a risk that consolidating the cluster of heterogeneous projects in a country that would contribute to country-level outputs and outcomes within the same logframe would make monitoring the performance of individual TA interventions very difficult. The RBM framework suggests that the RTAC work plan should instead be used to monitor and report on project progress. We believe that this could lead to inconsistencies and duplication of efforts.
4. The issue relating to maintaining the logical chain extends to that within a project. For example, the proposed definitions of outputs (what the IMF is responsible for, e.g., drafting a manual) and outcomes (measurable change in recipient institution), leaves a gap in between (implementation of the manual). Implementation of advice is a critical link in the chain between the delivery of TA and the results being achieved and being monitor-able through indicators. DAC defines implementation within outputs; we have defined them for the purposes of the Evaluation as Intermediary Outcomes (see Section 1.7); and the RBM working group defines these as milestones. The proposal that milestones should only be established and monitored for projects spanning more than 18 months risks, in our view, the link between outputs (as defined by the RBM working group) and outcomes being broken, and thereby making attribution or contribution of AFE/IMF work to achievement of outcomes difficult.

5. Following on from the above point, considerable emphasis is placed in the IMF RBM framework on establishing and monitoring outcomes (as defined by the working group), and for developing preferably standardized indicators for them. Whilst these outcomes are important, and in some areas of AFE activity such as targeted interventions in revenue administration these would be relatively measurable and within a relatively short period, in areas such as PFM, financial sector supervision and monetary policy, these may take a number of years to be realized and even when they are, very difficult to isolate AFE's contribution to achieving them. We therefore believe that whilst ensuring that outcomes are indeed monitored and reported on, considerably more emphasis needs to be placed on monitoring and reporting on milestones.
6. We believe the suggestions on improving Briefing Papers and Back to Office Reports are positive steps.
7. We welcome the emphasis that the RBM framework places on correctly identifying the project's underlying assumptions and risks. Whilst we believe there is no need for AFE to undergo detailed risk analysis for every TA intervention, as suggested in the Strategy section we feel that the process should be formalized by developing a sectoral results chain at the time country-level strategies are developed by the RAs.
8. In our view, results of projects are best judged in the context of resources that have been applied in delivering them. The lack of emphasis on accurately identifying project costs could detract from the meaningfulness of the results.

As indicated previously, our overall impression from the IMF's approach to RBM is that what is intended is more of a results based reporting system, rather than one for managing projects throughout their cycle. The focus on reporting is perhaps understandable, given the RBM working group's ToRs and report and our discussions suggest that the impetus for it has come principally from the need to report on TA results to an external audience. The framework as implemented cannot effectively used as a Results Based 'Management' tool, as it does not address the planning, monitoring and implementation of the entire project management cycle. Other than technical issues highlighted above, this is in itself not a major shortcoming given the IMF's aims. However, by separating reporting from project management, the risk is that any weaknesses in the latter will continue, and separation of logframe related administration will be seen as a burden by project managers, rather than a tool for them to more effectively manage projects. AFE has indicated that implementation of RBM is ongoing. The objective is to have a management tool not a reporting tool.

The IMF has made the following comments in response to our observations relating to RBM:

- Organizing log frames at project level makes sense, but only where an appropriately integrated and supportive IT system exists. A Project Officer to take forward the IT part of RBM has now been recruited by the Strategy and Evaluation (SE) Division.
- The issue of improving project management systems to monitor resource utilization at project level will also be taken forward by the SE project officer.
- The decision was made to use topical log frames in order to ensure ownership by the RAs of 'their' log frames. Regarding country level log frames (covering all topical areas by country), the initial RBM roll out considered these, but noted that this risks an attribution gap between the country level log frame, which would be quite 'high level' and the topical level which is more operationally useful for the RAs.
- The RBM working group ruled out including detailed inputs/financials in the log frame in the early stages of the RBM roll out, in order to focus attention on the results (outcomes) to be achieved, and to meet donor request to capture and report results, as well as to reduce the burden on RA. An important but intangible success of RBM to date has been an increased awareness of the log frame methodology and terminology among staff, whose main concern is on the technical delivery, rather than on project cycle management. To a large extent the RSNs and the country pages serve this function.

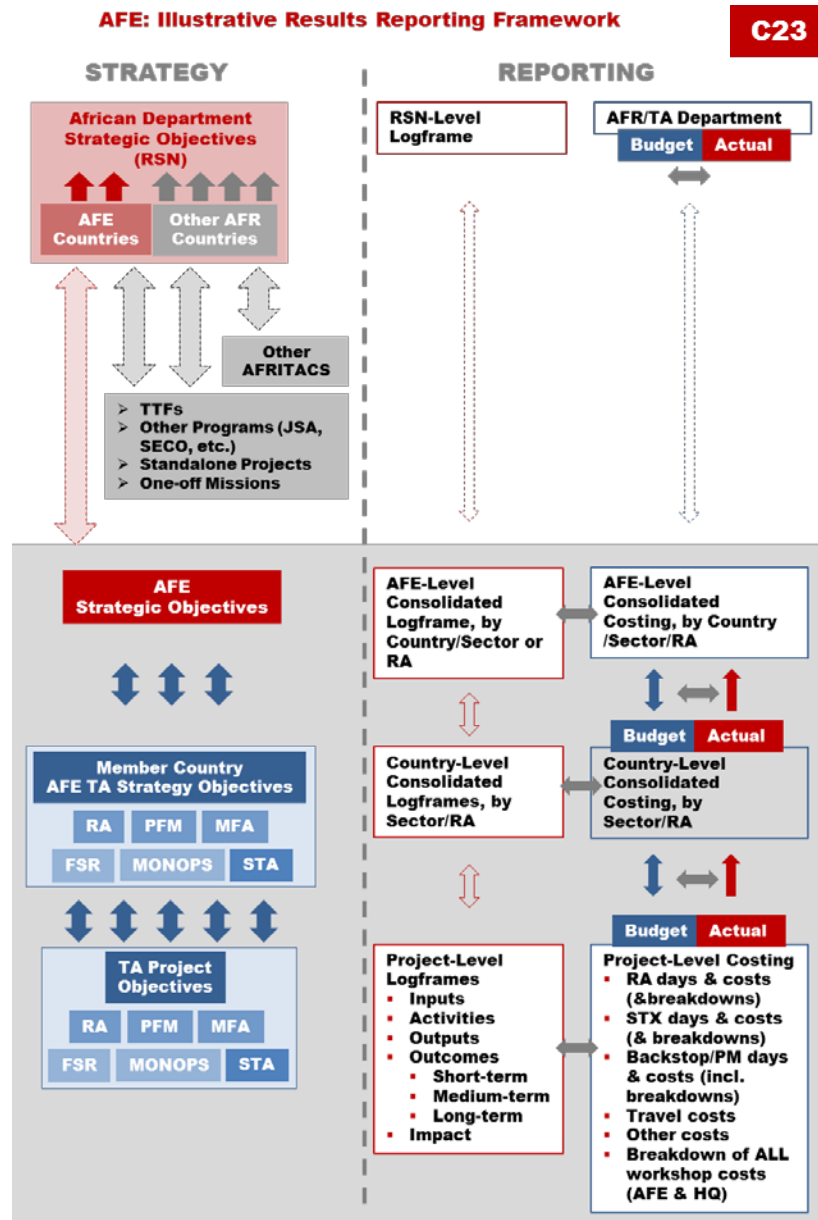


## 9.4 ILLUSTRATIVE REPORTING FRAMEWORK FOR AFE

The role of AFE's reporting system is to codify in measurable terms the Center's objectives at various levels, and inform readers of its success in achieving them. To the extent that the AFE is part of a bigger institution, in this case the African Department in the first instance, it also needs to demonstrate how it is responsible for, and is contributing to achieving, the latter's strategic objectives.

The approach illustrated in Chart 23 opposite broadly follows the IMF RBM approach, with the following exceptions/ areas of emphasis:

- Budgeting and reporting unit to be TA projects, rather than missions. For reference please see our case studies and desktop reviews for how we define projects.
- The need to integrate AFE and country level TA strategy and work plan with reporting framework.
- The need to integrate AFE's operational (through work plans and log frames) reporting system with its financial reporting.
- Logframes would need to start at the TA project level. *Ad hoc* and smaller interventions would be incorporated through a consolidated approach.
- Logframes would include activities (as they do in Briefing Papers currently), and more complete presentation of inputs.
- Clearer linkages between project-level, country-level and AFE-level logframes (principally outcomes).
- More detailed budgeting for projects (these are already done in adequate detail in some IMF departments).<sup>38</sup>
- Periodic analysis of budgets versus actual costs at project and AFE level.
- Logframes and financial information to be used for monitoring and reacting to project implementation.



<sup>38</sup> AML/CFT Topical Trust Fund

## Survey Comments

Finally, we present below two comments made by SC members on the IMF RBM as part of the survey:

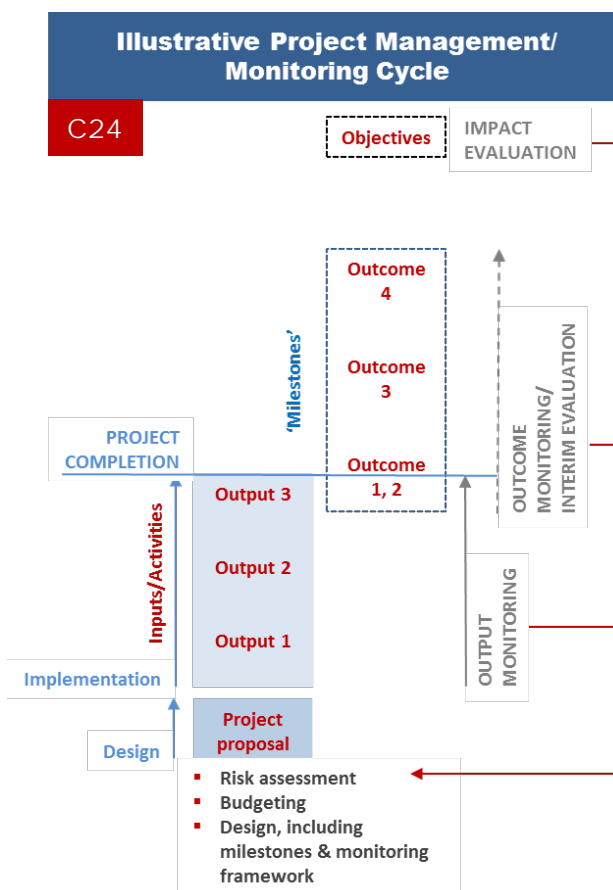
- 'However, we need to monitor how well it will work.'
- 'But RBM is not a means in itself - so we always look at the Frameworks for an indication of the more important stories behind the framework. "Why were results not achieved' is more useful to know than 'results were not achieved'.

## 9.5 THE PROJECT MANAGEMENT CYCLE

In our view, in an environment such as the IMF/RTACs where hitherto the principal focus has been on delivering high quality outputs and advice, with the responsibility for implementation being left to the beneficiary, the move to being judged on results should involve more than simply developing a more elaborate reporting framework. Once the TA deliverer's focus shifts from outputs to outcomes, the entire project management cycle needs to be adapted to delivering more successful outcomes, rather than focusing principally on outputs.

Chart 24 opposite presents a generic simplified project design, implementation and monitoring system. To the extent that results in terms of realization of outputs, outcomes and objectives are to be achieved, each stage and component of the system makes an important contribution. In this section we utilize this illustration to highlight some of our observations relating to the TTF's project management and monitoring.

AFE is not typical of other donors and IFIs in that the RAs are integrally involved in delivering projects. That lends to a lighter touch monitoring and formalized management of projects. Based on our review of the projects and AFE's operations, we feel that some of the areas highlighted below warrant attention. The challenge will be to sufficiently formalize many of the informal practices already taking place, whilst enabling the TA team to remain client and TA focused, flexible and responsive. As highlighted in Section 8.10, we believe that RAs will need additional junior level professional support and have made some recommendations in this regard.



## Project Design

Briefing Papers are generally well designed and concise, and provide a good explanation of a mission's aims, activities and expected outputs. The following augmentations should be considered:

1. Briefing Papers should be drafted on a project basis, rather than for each mission that is part of a project. In addition to the background, activities and expected outputs, it should include:
  - a. The full project logframe, including outcomes. For the first/diagnostic mission, broad outlines where possible.
  - b. The country level outcomes and how the project contributes to it in a verifiable way.
  - c. After the first/diagnostic mission, the logframe should include (perhaps elaborated in the BTO):
    - i. TA advice implementation milestones and dates.
    - ii. TA timetable, including an outline of future missions in relation to milestones.
    - iii. Project budget, in sufficient detail, broken down by mission.
    - iv. TA implementation risks identified during the mission and steps necessary by client (in implementation plan) or AFE (e.g. timing of mission, increasing STX support) to address it.
    - v. Proposed monitoring approach for the TA.
2. Subsequent mission Briefing Notes should ideally simply provide updates of the logframe and variations thereto, whilst ensuring changes are recorded as such, to identify slippages, etc.

### *Monitoring Framework*

Projects should preferably be designed in a way that can be easily monitored. During a project's implementation, this means ensuring Activities, Inputs (staff, STX, RA days, travel costs, other costs, e.g., workshops) and their related Outputs are as expected at the time the proposal and budget was constructed and are on track in respect of expected time-related milestones. This may not be possible at the outset as TIMS and other HQ information systems do not provide adequate granularity of information.

Effective RBM requires a partnership between the TA deliverer and beneficiary to develop a partnership to achieve results. AFE and the IMF is evaluated more robustly on results achieved, so leaving implementation of recommendations simply to the beneficiary would mean that in the event that the advice is not effectively implemented, it would count as a failure for the RA and the AFE as well. Hence the need to developing a monitoring framework, ideally extending to the period between missions. Ideally, the beneficiary would be required to monitor the implementation of TA advice embedded as part of its own institutional management reporting framework, with periodic reports to the RA. Appropriate action would need to be taken in the event of slippages/difficulties, if results are to be optimized.

### *Designing for Results*

Projects should be designed with outcomes in mind. Outputs should be designed to deliver each of the project's targeted outcomes. This may include ensuring correct phasing, e.g., delaying missions after certain preconditions have been met (as does happen currently).

### *Designing for Capacity Building*

As indicated elsewhere, we believe the mission-oriented project design may not be appropriate for all projects, especially those that involve capacity building. Especially in countries that suffer from low capacity, extended periods of on-the-ground presence may be needed for knowledge transferred to embed itself. This may require STXs spending more time in the field rather than working from their home base, going on extended missions rather than the standard two weeks, or RAs mentoring remotely, or resident mentors to be engaged (perhaps with more proactive cooperation with other donor). An additional option is for STXs to be allocated a budget to mentor their clients during the implementation phase, to address any *ad hoc* issues.

### **Monitoring**

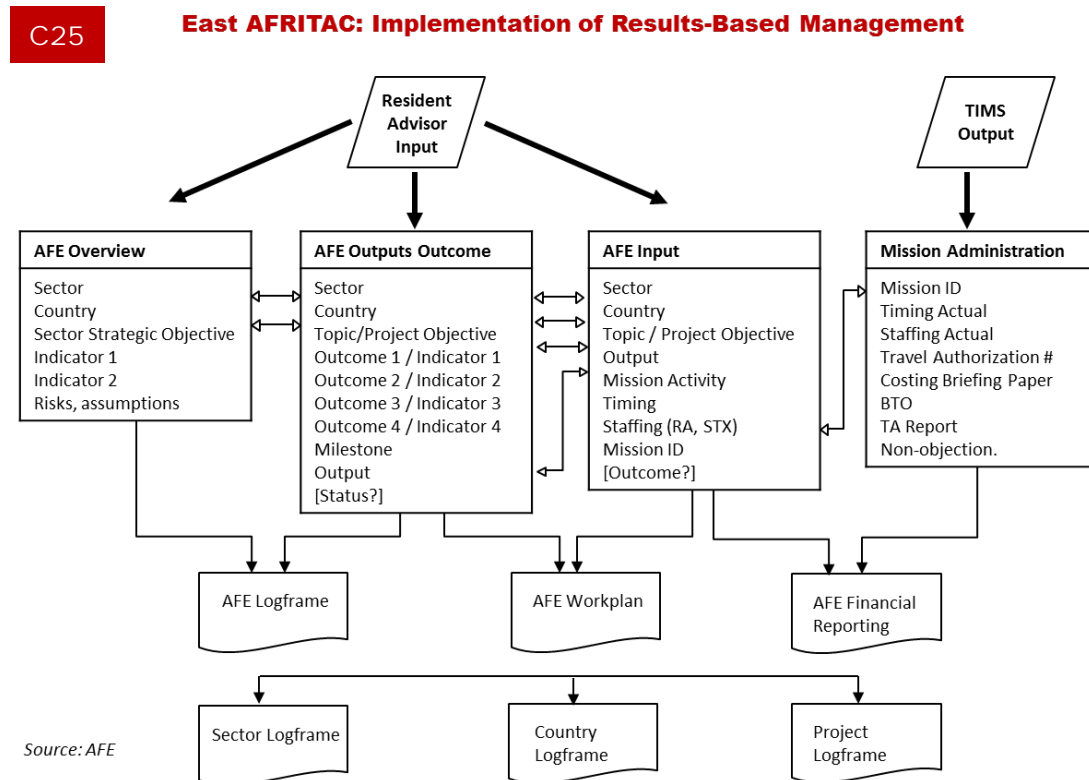
Whilst some milestones and outcomes would be realized during a project's implementation phase, the majority of them would be realized only after a project has been completed. Given the IMF's initiatives on RBM, and the Steering Committee's interest in results, we feel that appropriate cost-effective processes need to be implemented to track outcomes and milestones of projects. The process needs to start at the project design stage, with the definition of precise, relevant outcomes, how they can be measured, and their expected timing. The TA implementation plan is a good starting point. The onus on monitoring and reporting should be on the TA recipient, but the RA needs to recognize some responsibility for delivering results after advice has been delivered. Monitoring implementation during the RA's subsequent missions is another option, but this may be difficult within tight time schedules. TORs for diagnostic missions could explicitly require reporting on implementation of past TA, in addition to reviewing future needs. This already happens for diagnostic missions, but perhaps requires formalization to take into account projects that have been completed.

### **Lessons Learnt**

AFE does periodically present to the SC key lessons from its projects, as reported on with respect to challenges in implementing TA. The backstoppers play a role in passing on lessons learnt from a wider perspective. Our only comment would be to consider formalizing this and providing in the BTO a dedicated section for listing lessons learnt, and having a process to periodically collate these and ensure dissemination and incorporation in TA practice.

## 9.6 COMMENTS ON RBM IMPLEMENTATION AND LOGFRAMES AT AFE

AFE has started implementing the IMF RBM from the FY2012. The CC has invested considerable time and resources in designing a reporting template, and developing a database-driven reporting system. A flowchart based system design has been prepared (see Chart 25 below), and the system has been used to produce detailed sector and country logframes for FY2012 and for the FY2013 work plan. The system is still being updated in light of experience. We understand that the integration of financial information into the operational reporting framework, and the designing of appropriate indicators, are the key elements remain outstanding. As with the other RTACs, the AFE logframe and work plan structures are based on the guidance and templates provided in the IMF RBM working group's report.



We have not reviewed the database structure as part of the Evaluation. The flowchart above prepared by AFE shows the main inputs and outputs from the database. The mission administration module is partially complete. Our comments in relation to the detailed AFE logframe and work plan (relating to item 3. below) are pertinent to the database.

The FY2012 Steering Committee report provides results reporting at three levels:

1. The general reporting on TA activities has become more focused on describing results, in addition to describing activities.
2. A summary of key outputs and outcomes/milestones by country.
3. Detailed East AFRITAC logical framework and work plan, with, in particular, country logical frameworks by sector, incorporating reporting on FY2012 activities and results, and FY2013 work plan.

We comment on the latter two reports below. We have not repeated the comments relating to the IMF's and AFE's implementation of RBM in Sections 9.3 to 9.6 above, which should be read as providing our views on the wider context and issues relevant to the AFE reports.

### Summary of Key Outputs and Milestones/Outcomes by Country

AFE Comparison Between FY2012 Work Plan & Reported Activity				
T14	FY2012 Work Plan Exp. OPs	FY2012 Reported OPs	Same Between FYs Work Plan & Activity	New Reported in FY2012
Rev Admin.	30	20	11	9
PFM	27	30	10	20
FSR	22	15	7	8
MPO	9	5	4	1
STA	18	23	10	13
MFA	21	-	-	-
<b>TOTALS (excl. MFA)</b>	<b>106</b>	<b>93</b>	<b>42</b>	<b>51</b>

One of the principal matters of interest to reviewers of results is, in addition to what has been achieved, how achievements compare with plans/expectations. As the donor comment above indicates, they are also interested in knowing what was not achieved, and why. For this reason, it is critical that reports include actual results against expected results.

Source: AFE, Consulting Base analysis

Table 14 above shows the number of outputs reported by each sector in the FY2012 work plan as reported to the FY2011 Steering Committee report. Column 2 shows that compared with the FY2012 work plan, the FY2012 SC report actually shows 93 outputs to have been achieved. Moreover, only 42 of the 93 outputs in the work plan were reported to have been achieved, and 51 of these were new, not in the work plan. This would raise uncertainty about why less than half the work plan outputs were actually delivered in FY2012. The same applies to outcomes. Even where work plan outputs were actually delivered, the expected outcomes defined in the former were described differently in the actual outcomes report. Also, there is considerable difference between the number and rate of outputs expected and actually delivered between the RAs, especially with respect to PFM, which has three RAs compared with one in the others. Although some differences would be expected (for example due to vacancies, such as for monetary operations in the table above), the extent of variations suggests that consistent definitions of outputs are not being used between sectors. Also, some sectors reported on workshops, whilst others didn't.

We believe, therefore, the summary table should show some comparison between the work plan and actual outputs and outcomes, and ensure consistency of definitions and content.

## Comments on logframe and work plan produced by the AFE database

As highlighted in Chart 25 above, the AFE database produces three reports:

1. East AFRITAC Strategic Logical Framework, which lists activities by sector;
2. East AFRITAC Country Logical Framework by Sector; and
3. East AFRITAC Work Plan by a. country, and b. sector.

The project level logframe indicated in the chart are not currently produced. AFE has indicated that this is correct in a strict sense for FY2013, but elements of the project level logframe are provided.

- The strategic logframe defines AFE's objective as: 'Improve governance, through institutional capacity building to foster sustainable growth and poverty reduction in a stable macroeconomic environment'. In our view, it should be possible to attach verifiable indicators to the objective (as for outcomes, etc.), so that progress toward the objective can be monitored over time. AFE should seek to define such indicators for the above objective.
- There should also be clear linkage between the AFE level objective and the outcomes at the level immediately below. For reasons highlighted below, this is difficult to establish easily given the structure of AFE's logframe.
- Within the AFE-level logframe, there is essentially only one level of hierarchy, the Topic/Project. These are defined on a sectoral basis. There is no name given to the Topic/Project in the reports, and it is defined in terms of its objective. The Topic/Project can cover a number of countries, but activities in all the countries are counted toward that topic. In other words, the set of TA interventions relating to work in a topical area in a particular country has no definition for the purposes of the logframe. AFE has indicated that In line with the RBM Working Group report, topic objective can be supported by up to four outcomes, each outcome having a verifiable indicator and milestone. For AFE, an outcome is targeted by a TA project.
- Each Topic/Project has:
  - One objective;
  - Up to 16 Verifiable Indicators ('VI's) for that single objective: Up to two for each country, and say two for a regional workshop on that topic;
  - Up to 32 possible outcomes (four each for seven countries and one workshop);
  - Up to 32 VIs for outcomes;
  - Conservatively assuming say three milestones per outcome, almost 100 milestones to be monitored;
  - Assuming say three outputs per outcome, approximately 100 outputs to be monitored.

We do not believe it is practical to monitor and report on the performance of a 'Project' at such a high level, potentially involving over 250 indicators, or even more.

- As indicated in the previous section, we believe that the logframe and reporting should be aligned to RSNs and AFE, on a country basis. Although the database enables the subsets of a 'Project' to be presented on a country basis, the sectoral definition cuts across it, so to the extent that performance is to be monitored at a project level, performance at a country level will be difficult to monitor easily.

- The reporting should allow for aggregation of indicators at various levels: a) at country/project level; b) at country/sector level; at a consolidated country level; and at a consolidated sector level. The system should allow some analysis of information. At present, no aggregation of information appears to be possible. As a result, data has to be reviewed on a line by line basis. The proliferation of outcomes and milestones and outputs (the latter two are currently restricted to one in most cases, but in reality should be a higher number) in a country within a topical area is likely to create the need for additional lines for reporting and monitoring, even more than the earlier mission-based lines. This would make it impractical to report on and monitor performance of the portfolio.
- Alternative presentation formats of the information should be explored. At present, it is not possible to gather a complete picture of a 'Project' in one report:
  - The strategic logframe presents information by sector, and for each project the country, two VIs for the objectives for each country and the general risks. No information on outcomes, milestones, outputs, etc. is presented.
  - The country logframe presents information by country. It presents the project objective (more than once if more than one outcome or mission is involved), the outcomes, one indicator per outcome, milestone(s): potentially more than one per outcome; milestone date; specific risks relating to the outcome; and one or more outputs per outcome;
  - The work plans by country present perhaps the most complete picture, with objective, outcome(s), milestone(s)/dates, output(s) mission timings and RA/STX days, but without any monitoring information (which is not needed for that report).
- When actual monitoring information is introduced to provide comparatives to logframe plans, the complexity of the database and reporting will increase. At the moment, for example if there are delays in achieving milestones, the information can only be entered as a memo item. Tracking actual performance against plans is a key role for a logframe, if it is to be used as a management and even a reporting tool.
- The planning horizon for the logframe and work plan is currently for all practical purposes restricted to one fiscal year. It is not possible to define milestones etc extending beyond the following fiscal year. This is likely to impair the usefulness of the logframe as a medium-term project planning, a trend that is being promoted by the RSN process.
- We understand that project fact sheets are being planned. To the extent possible the database should be tailored to produce these automatically.
- With respect to the work plan, although 'projects' are indicated, the presentation is still 'mission-driven', and no aggregation of information at the project level is provided for. Also, over time its linkage with the annual budget needs to be improved. To enable this, and to provide a more complete picture of AFE operations, to the extent possible given the information constraints faced by the Center:
  - Fuller and more detailed breakdown of RA HQ time should be provided;
  - Total STX time, rather than the current practice of mission days only should be reported.
  - Planned HQ diagnostic/other missions where AFE is providing funding should also be included.
  - For every project, an estimate of HQ backstopping and project management time should be provided.
  - Over time, related financial information needs to be provided for each project.



- More training is required for the RAs to appropriately define and input information in the logframe. Appendix VI provides extracts from the logframe in respect of a project and highlights some of the areas where we feel the logframe's overall reporting could be improved. The issues highlighted are typical of other entries/sectors. In our experience it inevitably takes time for users to get familiarized with logframe terminology. One option for accelerating the learning process is to engage a logframe specialist, either for AFE or say across the AFRITACs, to review logframe entries and provide technical feedback to improve users' practical understanding of their use.

### Need for Summary Analysis of Results

In line with our recommendations on Steering Committee reporting in Section 10, we suggest that AFE should consider producing summary tables or analyses to highlight the pertinent issues at the TA portfolio level, in addition to providing information at the project level. This could include:

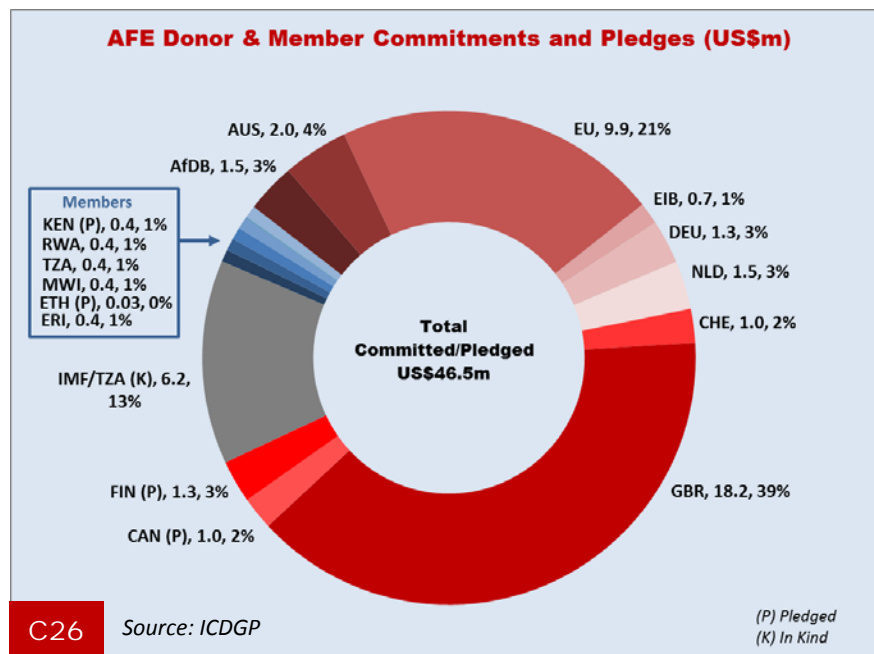
- At a mission level, numbers of missions delivered vs planes, by country/sector, and main reasons for variances;
- As highlighted in Table 14 above, comparison of outputs delivered against planned, and principal reasons for variances, by country and sector;
- Similar analysis for outcomes;
- Proportion of projects by country/sector where milestones are on track (if different from outcomes);
- Proportion of projects by country/sector where outcomes/milestones were achieved on time, and reasons for any delays.
- Range of workshop scores on various (standardized) criteria and main comments/feedback, in addition to overall grading (see recommendation in Section 5.5).

## 10. ASSESSMENT AND COMMENTS ON AFE GOVERNANCE

### 10.1 INTRODUCTION AND OVERVIEW

AFE's overall governance framework is complex, with a convoluted reporting relationship within the AFE, between the AFE and different units within IMF HQ, and a governance role exercised by the AFE Steering Committee. The Steering Committee's size, composition and intensity of meetings has evolved since the Center started its operations in 2002. During Phase I, three donor countries, Canada, Italy and Sweden represented a dozen donor agencies. The Steering Committee also included the AfDB, the IMF and six member countries. The African Capacity Building Foundation attended as an observer. Meetings were held twice every year. Currently, each of the ten donor countries/institutions are represented, as are seven member countries (Malawi joined the AFE in 2006) and the IMF. The Steering Committee Chairmanship rotates annually, with one of the member countries taking the responsibility and for hosting the Steering Committee meeting during his or her Chairmanship.

Chart 26 below shows the relative funding contributions by different donors and member countries, and in-kind contributions from the IMF and the host country, Tanzania.



Our review of AFE governance has focused on reviewing minutes of Steering Committee meetings; AFE reports to the Steering Committee; an online survey of Steering Committee members (five out of seven member countries, and seven out of 10 donor representatives responded); and interviews with selected member country and donor representatives during field visits.

This section also provides an overview of the various IMF working groups and other initiatives currently in progress that would impact on the Center's governance and operations.

## 10.2 AFE STEERING COMMITTEE ROLE

The framework agreement<sup>39</sup> for the AFE provides the following definition for the role of the Steering Committee: ‘AFRITAC East will be guided by a steering committee (the “Steering Committee”). The Steering Committee will include representatives of the Beneficiary Countries, Contributors, and the IMF. The Steering Committee will provide strategic guidance to the Center and assist in setting its priorities. The activities financed under the Subaccount will be subject to an annual review and endorsement by the Steering Committee. The Steering Committee will meet annually to endorse the annual work plan for the next financial year and assess the level of its implementation during the ongoing financial year.’

Role of the AFE Steering Committee: Rank Top 3		
	Members	Donors
Guide East AFRITAC’s strategy	=1	=1
Provide guidance on country and project selection for inclusion in work plan	=3	
Approve the work plan presented by the IMF/East AFRITAC	=1	
Monitor results achieved by implementation of East AFRITAC’s work plan		=1
Provide guidance to East AFRITAC staff on project design and management	=3	
Monitor the Center’s expenses		
Monitor project management carried out by East AFRITAC staff		
Provide inputs on the areas to be covered by the Center		
Facilitate donor co-ordination		3
Ensure my country’s interests/priorities are reflected in the Center’s activities		
Act as focal point and liaison between East AFRITAC and authorities in my country		T15

Donor prioritization based on % ‘strongly agree’ responses.

The RTACs Guidance Note<sup>40</sup> also provides: ‘To enhance the effectiveness of the TA provided, it is expected that Steering Committee members would exert peer pressure on beneficiary countries to ensure that the TA provided by the RTAC is fully implemented.’

All member country respondents to our survey agreed (75 percent) or strongly agreed (25 percent) that the SC’s roles and responsibilities were clear; that it was discharging its roles and responsibilities effectively; and AFE was responding quickly and effectively to AFE requests. However, 38 percent of donor respondents felt that SC roles and responsibilities were not clear; and 25 percent did not feel that the SC was discharging its responsibilities effectively.

Nevertheless, Table 15 opposite shows, Member country and donor respondents rank their strategic guidance role the highest, with approval of the

work plan (note the Steering Committee role is of endorsement, rather than approval) ranking equal first for members, and monitoring of TA results being of equal first importance among donors.

Appendix VII summarizes the principal topics on which questions were raised, or comments/suggestions made, by Steering Committee members at the three meetings during AFE Phase III. The top four areas, ranked by the number of comments, are:

1. RBM;
2. Donor coordination and dissemination;
3. Work plan; and
4. Financial reporting.

<sup>39</sup> Annex [II] on the Essential Terms and Conditions for the Administration of the East Africa Regional Technical Assistance Center Subaccount.

<sup>40</sup> IMF Regional Technical Assistance Centers: Operational Guidance Note for Staff. January 2006

The following additional comments were received from donor respondents in the SC survey:

- 'There should be more clear procedural rules on concrete tasks and powers of the SC. It is not quite clear for instance how and what needs to be approved and how approval has to be arrived at.'
- 'I would suggest that facilitate donor coordination should be facilitate coordination of TA activities more broadly.'

### **Role of Member Country Steering Committee representatives**

The member country SC representatives to some extent wear more than one hat: As of January 2013, five of the seven member countries have committed to contribute US\$375,000 to Phase III, and one, Ethiopia, has pledged but not committed in respect of a US\$25,000 contribution. As donors they exercise the same rights as any other donor; they can and should hold the AFE accountable for its efficiency and effectiveness in the delivery of TA. The role they play is therefore the same as that for any other SC donor member.

The member countries are also beneficiaries of TA and in this respect they can play several roles:

- Report back to the SC on the quality of TA received in their country;
- Filter demands for TA in their country;
- Facilitate donor coordination in their country;
- Bring a regional awareness to AFE, the IMF and the other members of the SC.

The Minutes of SC meetings bear out the country members' role with respect to the first two points, albeit at a general level. There have been some instances of TA needs expressed through the SC and a number of examples where country members have expressed satisfaction with TA on specific topics in their countries.

### **Role of External Donor Steering Committee members**

Essentially the donor role should be the same as for the Steering Committee members as a whole plus a contribution on donor coordination. Just as country members can contribute more than simply their role in governance, so can external donors bring expertise and knowledge to AFE, the IMF and fellow SC members. Two areas in particular stand out: firstly in donor coordination many of the external donors have regional initiatives of their own, some of which overlap with those of AFE. The AfDB probably has the largest contribution to make in this area. Germany, through GIZ has been active and cooperated already with AFE on some projects. Secondly, some of the donors have sound experience in RBM and project monitoring, the benefits of which could be passed on to the IMF and AFE, perhaps more intensively than has happened hitherto.

The SC survey elicited the following comments on improving Steering Committee effectiveness:

- 'By consistent and clear documents. Project proposals or research proposals sometimes lack detail or a satisfactory rationale.'
- 'In bringing together ideas adopted at SC level to the IMF's HQ for action (new TA financing ways...).'

The IMF has highlighted that the role of the SC in the governance of the Center needs to be considered against the fact that the RTAC is an IMF office. This allows for integration of the work of the RTAC with HQ work, as well as quality control by HQ and complementarity with TA delivered by HQ (upstream in nature, compared to the downstream/implementation focus of RTAC TA). While this ensures the consistently high quality of relevant TA and training, it also places some limitations on the extent to which the SC acting collectively can set priorities for the Fund.

### 10.3 OBSERVATIONS ON STEERING COMMITTEE MEETINGS

We believe that a key contributor to an effective Steering Committee is the continuity of its membership. Table 16 below shows the track record of SC attendance.

AFE Steering Committee Meetings: Attendance Record								T16
Members	Eritrea	Ethiopia	Kenya	Malawi	Rwanda	Tanzania	Uganda	
Attended	2	1	3	2	3	3	3	
No. of reps	1	1	2	1	2	2	1	
Donors	AfDB	Australia	EU	EIB	Germany	Netherlands	Switzerland	UK
Attended	3	0	1	2	3	3	1	3
No. of reps	3	N/A	1	2	2	3	1	2

Source: AFE SC meeting minutes

Of the three SC meetings held to date, among member countries Kenya, Rwanda, Tanzania and Uganda attended all three, whilst Ethiopia attended only the one it hosted. However, only one member country out of the seven, Uganda, has had the same representative in all three meetings. Of the eight SC donor members with committed funds, four have fielded representatives in all the meetings. Australia has sent no members, and Switzerland has attended only one out of the three meetings. EU started to support AFE in November 2011. Moreover, continuity has been very poor, with almost all donors fielding different representatives in each of the meetings (with the exception of Germany and UK, where the same person attended two meetings). Often a local office representative from the country where the meeting is being held is fielded by the donors. This weak continuity has, in our opinion, impaired Steering Committee effectiveness as evident from, e.g., the lack of follow through on a number of points.

AFE Steering Committee Meetings: Number of Attendees			
SC Meeting	12 <sup>th</sup> (Ethiopia Apr 2010)	13 <sup>th</sup> (Malawi Mar/Apr 2011)	14 <sup>th</sup> (Rwanda Mar 2012)
Member Countries	6	6	5
Donor Countries	4	6	6
Members and Donors	10	12	11
AFE	10	9	10
IMF HQ	6	5	6
AFE and HQ	16	14	16
<b>Total attendees listed</b>	<b>44</b>	<b>27</b>	<b>31</b>
Notes:	<p>Italy and Africa Capacity Building Federation attended as observers. Ethiopia represented by 11 attendees, Malawi by 4, Tanzania by 3. Also, a RBM consultant attended.</p>		

Excluding the 44 attendees for the 12<sup>th</sup> SC meeting, the average attendance is 29. It is useful to have a body for receiving and considering reports, having the opportunity to raise some questions and thereby ensuring accountability by AFE. However, we believe that this number is too high for effective in-depth discussions and decision making. We believe that the Steering Committee should establish sub-committees (as it has done for the independent evaluation) for important initiatives, for example for RBM.

Source: AFE SC meeting minutes

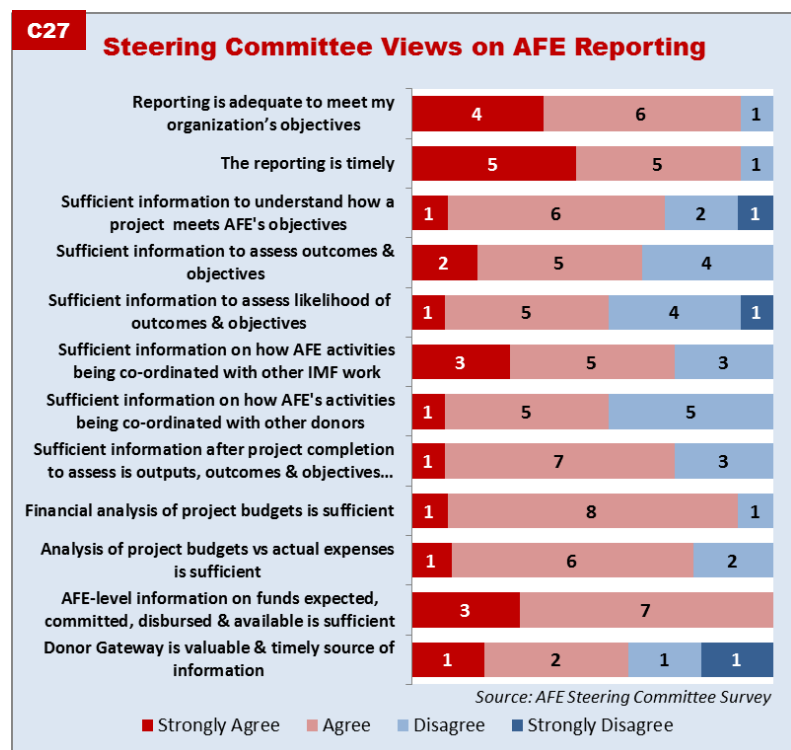
The other issue worth highlighting is the number of attendees from the AFE and IMF, who typically outnumber member and donor representatives by 50 per cent. This is because of the perceived need for having representatives from each of HQ and AFE for each of the TA Departments, as well as a number of representatives from ICDGP. The cost of time for preparation, travel and attendance, as well travel and accommodation cost, is considerable. Assuming US\$20,000 per person (e.g., RAs on average spend 1.2 weeks on preparation, travel and attendance, so seven days at US\$2,750 per day = US\$19,250 for time only), the total cost for AFE and IMF could be as much as US\$300,000 per SC meeting, representing the cost of one RA for one year. We believe that the IMF and AFE, along with SC members, should reassess the need for this level of attendance. We acknowledge that there are many benefits in having high level, broad and deep IMF/AFE representation, but would recommend an assessment of the cost-benefit of this approach. The IMF does not charge all its staff travel and time costs incurred in attending SC meetings to AFE.

#### 10.4 AFE REPORTING TO THE STEERING COMMITTEE

Chart 27 opposite presents the responses relating to AFE reporting from the SC member survey. Generally, there is satisfaction with the adequacy and timeliness of the reports. However, when asked about detailed aspect of reporting, the number of 'strongly agrees' falls, and the 'disagree' and 'strongly disagrees' increases. The latter particularly relates to:

- How a project is linked to AFE's overall objectives;
- Information to assess a project's achievement of outcomes and objectives; and
- Donor coordination.

Generally, donor respondents expressed less satisfaction than member country ones.



Over Phase III, the volume of information presented to the SC has increased significantly. The FY2010 Annual Report had 30 pages, with an additional 63 pages of Appendices. In contrast, the main report for the FY2012 Annual Report had 77 pages, with another 125 pages of Appendices. Combined with SC minutes, matters arising, header sheets, etc., the total pack for the 2012 Steering Committee meeting was 235 pages.

Whilst the information is detailed and helpful, TA activity-related information is presented in a number of different ways, for example in the FY2012 Annual Report:

- Main report,
  - FY2012 TA activity and FY2013 work plan by sector (17 pages);
  - FY2012 TA activity and FY2013 work plan by country (37 pages);
- Appendices
  - Lists of missions, TA reports, STX use, workshops, etc.;
  - TA outputs and outcomes (12 pages);
  - Detailed FY2012 TA activity by country and sector (25 pages); and
  - Detailed FY2013 work plan by country (32 pages).

During the Steering Committee meetings, its members are allocated approximately three hours to receive presentations on the same information above from each of the eight AFE RAs and then seek clarifications on the extensive information they have received both in the Annual Report and the RA presentations, on i) FY2012 activities; and ii) FY2013 work plan. Assuming two missions per country per RA, this means that they need to deal with 112 missions for the current financial year, and another 112 for the work plan. Even if more than one mission in a country is linked to the same 'project', a very wide range of activities and plans need to be absorbed and opined upon, with 25 people in attendance, in a very short time. The difficulties are evident from the minutes of the Steering Committee meetings, where relatively more comments are made on areas such as donor coordination and RBM, rather than on TA projects and work plans.

At the same time, as pointed out by the Steering Committee, no analysis of variances in budget vs actual financial reporting is presented as part of the Annual Report. The ICDGP TA officer instead makes a presentation on the financial report at the Steering Committee itself.

No feedback is provided or queries made of half yearly reports to the SC, which brings into question their value and use by SC members.

Our comments on Steering Committee reporting are as follows:

- Substantial progress has been made by AFE on reporting in moving toward outcomes and results. However, progress is needed in order for the SC members to assess actual achievements and performance of TA interventions against plan. Our detailed comments on this matter are provided in Section 9, relating to RBM and logframes.
- Consider consolidating TA activity and work plan information, probably along country lines only.
- For multi-year projects, AFE should consider producing project summary sheets for each country, which provides a summary of what TA has been provided, what work is left, results to date, results expected, and progress against plan;
- We suggest more summary reporting of achievements vs plan, some of which is included in the Appendices. For example, this could include the number of missions and mission topic actually undertaken vs what was in the work plan. Also, for each country/sector, a summary statement on overall progress vs plan and reasons for deviation would be helpful.
- Once integration of financial information with activities is possible, this should include comparison of budget vs actual at project level.
- AFE and the SC should agree some Key Performance Indicators at the AFE level and receive progress reports against them (and also for comparison between RTACs).



- Detailed analyses of actual vs budget on the AFE financial report (see Section 7 for more in-depth treatment of this matter) should be included in the Annual Report. AFE has highlighted that there is a potential timing issue. As SC meetings take place before the end of the fiscal year and final books are closed in August of the next fiscal, analysis can only be provided at time of six-month report. We nevertheless believe that broad trends/variance analysis could be provided, albeit on the basis of available and provisional information.

The above points are reinforced by comments from respondents of the SC survey:

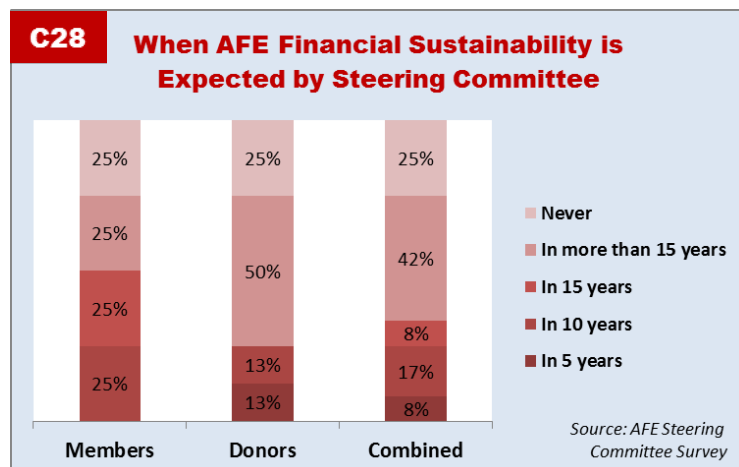
- 'Information should be to the point - it is too long.'
- 'Donor Gateway remains an issue. Documents are usually on the donor gateway at a very late stage. The tables are not easy to link to the financial reports because of possible time lags between the different financial reports or graphs.'
- 'It should be noted, though, that reporting has improved mainly through a strive to implement RBM. Yet, as mentioned before, project information could be presented more strategically. Sometimes presenting too much information is counterproductive to transparency. More focus could be given to country contexts. Budget analysis should reflect cost effectiveness better. Thus far it is not quite clear what the individual costs per project are.'

## 10.5 SUSTAINABILITY OF THE AFE FUNDING MODEL

AFE's Phase III Program Document refers to financial sustainability in the following terms: 'Given the long-term nature of building human and institution capacity, it is expected that AFE's funding will be expanded beyond the third cycle. AFE will continue to place strong emphasis on "training the trainers" so as to build up regional expertise and prepare for an eventual exit strategy. The IMF will also continue to expand its roster of regional experts. The issue of sustainability of AFE's operations would form part of the terms of reference of a mid-cycle external evaluation.'

As of end February 2012, AFE had secured commitment or pledges for US\$46.5 million (US\$43.8 million of this has been committed), compared with a Phase III program budget of US\$5.1 million. Given the level of under-spending of US\$8.7 million against budget to date, this is unlikely to be a constraint to AFE's activities for the remainder of the phase.

Ethiopia has pledged a contribution of US\$25,000. This pledge has been outstanding for a considerable period and has not been converted into a commitment. Uganda has not yet pledged any funds to AFE. Our understanding is that all member countries had been expected to contribute US\$375,000 each. The absence of commitment from these two countries, both of which are substantial beneficiaries of AFE TA and that have the financial resources to make a contribution, could have a negative impact on the motivation of member countries when it comes to contributing for the next phase.



The Evaluation ToRs require us to comment on AFE's financial sustainability, with respect to its ability to financially sustain itself without donor contributions. Our survey suggests that the majority of respondents expect this to take place at least another 15 years, with member country respondents being marginally more optimistic about it than donors.



Should financial sustainability be desired, the SC should agree a target horizon and a strategy for gradual takeover of financial commitments by member countries developed. Perhaps this could be done in the context of a 10-yr vision for the Center recommended in the 2009 evaluation. The lack of financial commitment from two of the richer member countries is a weak indicator of this being a realistic goal in the medium-term.

In addition to member countries, AFE benefits from commitments from a large number of donors. At the same time, bar the UK and the EU, the remaining donors have relatively small financial stakes in the Center. Some of these other donors do fund other RTACs, and see them together as part of their commitment to the RTACs generally. Nevertheless, we believe the IMF/AFE should aim to increase the number of donors with more significant stakes, in the absence of which there is a risk that, despite AFE's strong TA performance, should a donor decide to withdraw or reorient its funding, it will target programmes where it has limited funds and influence at stake.

Some comments relating to financial sustainability from survey respondents are provided below:

Members:

- 'Unless the centre starts to charge economic fees for its services it is virtually impossible for the centre to be financially sustainable.'
- 'Shared funding of activities between the Fund, the donors and member countries.'
- 'Financial sustainability will work through member countries taking responsibility to fully finance the activities of the center when all the donors are gone.'
- 'Member countries to increase their share of funding to 50 percent over the next fifteen years.'

Donors:

- 'I'm not sure. I was not aware that the AFRITACs centers were aiming at becoming financially sustainable. Would this mean that the centers would be funded by recipient countries or funded from other IMF sources on a permanent basis? Or that the reputation of the centers is such that donors supply a steady and sufficient stream of funds?'
- 'Why do you define financial sustainability as being distinct from donor support? As far as sustainability is concerned, donor funds are usually more reliable and timely as compared to the funds pledged by member countries. Would the center be more financially sound if donors stopped funding the center? Or wouldn't that rather narrow the base of their financial portfolio and thus make them financially less sustainable? And if we talk about financial sustainability should the center adopt a more commercial approach to its TA, i.e. selling its TA as a service much like a consultancy firm? In essence, the center is providing TA in a development context. Should the underlying logic not be that at some point their service are not needed anymore, or at least to a much lesser degree as countries improve their institutional capacities?'
- 'Governments need to commit to supporting the Center after a specific number of years. Discussions should start now.'
- 'Make sure that the donor base is diverse and large enough. Try to get recipient countries on board with co-financing, commitment to follow-up training etc. This would also enhance sustainability of results.'
- 'Higher contributions from member countries.'
- 'Sustainability could also be approached through including activities in the framework of a joint comprehensive PFM reform strategy jointly financed by Government and donors.'

## 10.6 OVERVIEW OF IMF WORKING GROUPS AND COMMITTEES ON RTACS

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A number of working groups and committees have been established to deliberate on various aspects of RTAC governance and operations. We present below a summary of these and their current status.

1. Review of controls over selected RTAC administrative practices. This report, prepared by the IMF Office of Internal Audit and Inspections, reported in November 2008.<sup>41</sup> The main findings were:
  - The administrative guidelines for Resident Representative (RR) posts have *de facto* been generally applied for the RTACs. While a sensible starting point, these guidelines have now been stretched too close to a breaking point. A comprehensive RTAC Handbook will need to be established, on the model of OBP's Resident Representative Post Operating Budget Guidelines but fully attuned to the different needs of RTACs and with input from all internal stakeholders.
  - In terms of resource management, the absence of a unified budgetary control framework for RTACs, with separate budgetary frameworks applied across IMF Books 1 (internal resources) and 2 (external finance) complicates financial and budget management. A more unified approach is needed.
  - Given the increasing importance and planned expansion of RTACs in delivering TA, there is a case for a more holistic review of the basic governance structure. That review would seek to redefine and clarify the future respective roles and responsibilities of all internal stakeholders—for RTAC strategy, work programs, budget setting, budget execution and budget reporting—and to reassess how the respective professional, managerial and administrative tasks might best be assigned.

We understand that these recommendations are still being deliberated on.

2. Interdepartmental working group on RTAC Governance. A report containing some 32 recommendations and 60 individual actions was approved by IMF management in September 2011. Recommendations, which affected Fund departments ranging from Finance, ICD, TA Departments, Area Departments, and HR Department, covered areas such as:
  - Integration of RTAC activities with Fund TA.
  - Role of the RTAC Steering Committees.
  - Roles of Center Coordinators.
  - A number of recommendations on work planning, execution and monitoring.
  - Need or RTAC Handbook.
  - Connectivity issues
  - Human resource issues relating to Centre Coordinators, Resident Advisors and Office Managers.

The working group has not reconvened since early 2012. We understand that as of summer 2012, 30 percent of the recommendations have been implemented; 43 percent were in progress; 20 percent had not been started; and 7 percent will not be implemented. Some of the implementation requires budget allocation. A capital project on strengthening financial reporting has been approved.

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<sup>41</sup> Review of Controls Over Selected RTAC Administrative Practices. Prepared by the Office of Internal Audit and Inspection. November 2008

3. Task force on the fund's TA strategy. Draft report issued in September 2011. The task force has considered the different goals of Fund-delivered TA, and the different modalities for delivering TA. The task force also considered the division of work between the RTACs and IMF HQ, and the relationships between them, and the need for a more multi-year programmatic approach to delivering TA. Other areas covered included issues relating to prioritization of TA, TA financing quality control, donor involvement and HR.
4. The RTAC Coordinators' meeting in February 2012 (to be held biennially) came up with a series of recommendations relating to:
  - Improving financial reporting, including RTACs' access to real time data from HQ.
  - Improvement in dissemination arrangements.
  - Clarifications relating to TA for regional organizations.
  - IT connectivity issues between the RTACs and HQ.
  - Independent evaluation.

No formal process was established to follow up on these recommendations, although we understand that progress is being made in following up on them.

Issues relating to the deliberations of the working group on RBM are covered in Section 9.2.

## 11. IMPLEMENTATION OF 2009 EVALUATION RECOMMENDATIONS

### 11.1 INTRODUCTION AND SUMMARY

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The ToRs required us to assess the status of the implementation of the recommendations of the 2009 Evaluation of the AFRITACs (of which AFE was one) and the extent to which these remain valid.

We have reviewed the recommendations and their context in the 2009 evaluation report and based on a combination of interviews with AFE and ICD staff, reviews of Steering Committee reports and the findings of our evaluation, present our assessment below.

Of the eight recommendations assessed:

- One, relating to availability of increased resources at AFE, was rated Good (majority of recommendations implemented);
- One, relating to development of three-year TA plans for each TA cluster, for each country, and implementation of a results monitoring mechanism was rated as Good/Modest (latter rating indicates minority of recommendations implemented);
- Four (relating to: a) Strategy to strengthen donor coordination; b) Strategy to strengthen TA sustainability; c) Regional harmonization/integration TA strategy; and d) Formal implementation plan for 2009 evaluation recommendations) were rated as Modest.
- Two (development of a RTAC operations and policy manual and a 10-year vision for RTACs) were rated as Poor (very little/zero implementation of recommendations).

This suggests that of the eight recommendations in the 2009 evaluation, none have been fully implemented, and less than two have had the majority of their components implemented. This weak level of implementation follows a similar pattern to that of the recommendations of the 2005 evaluation. The 2009 evaluation report assessed the status of the implementation of the recommendations of the 2005 evaluation as thus: Of the 20 recommendations, the implementation of nine was rated as Poor, seven as Modest, and two as Good. The status of two recommendations was not rated because of insufficient information.

AFE, or the RTACs, cannot act in isolation. The lack of implementation of the recommendations is particularly pronounced where it is dependent IMF HQ action. Some arguments have also been made by IMF/AFE staff about the lack of clarity of some of the recommendations.

We assess all the recommendations as having continued validity, albeit with some variations that we have indicated in our recommendations in Section 12.

## 11.2 ADDITIONAL RESOURCES

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

An increase in AFE's funding was achieved for Phase III. The budget for donor-funded expenses increased from an annual average of US\$3.6 million<sup>42</sup> in Phase II, to an average of US\$8.9 million<sup>43</sup> in Phase III. Thus, financial resources available to AFE were increased significantly. Nevertheless, it's worth noting that the recommendation called for additional resources, both from AFE donor and beneficiary country funds, as well as other sources. The following points should also be noted:

- AFE has found it difficult to deploy the increased financial resources effectively. As discussed in more detail in Section 7, reported actual spend to date has averaged between 68 and 69 percent of available budget. Nevertheless, actual spend has been substantially higher than in Phase II (e.g., total spend in FY 2012 was US\$6.1 million, compared with US\$3.2 million in FY 2009).
- The recommendation was contingent upon implementation of recommendations 2, 3 and 4. As highlighted later in this section, although progress has been made, we believe further steps are needed to fully realize the objectives behind those recommendations.
- The recommendations suggested additional resources could be made available by the IMF bearing more of its administration costs<sup>44</sup>; seeking resources from other parties including TTFs; and saving costs. These have not materialized in any meaningful way. Arguably these have not been necessary given the underspend on the AFE budget.
- Other options for increasing AFE resources suggested by the 2009 evaluation included: transferring IMF staff to AFRITACs; increasing the number of Resident Advisors; and increasing budgets for travel and STXs. There has been a large increase in STX budget (which is underspent) and travel (which is spent to budget levels). The first two options have not been pursued. As indicated in the previous point, it could be argued that they have not been necessary.

**Implementation Rating: Good**

**Remain Valid? Yes.** Also see our recommendations on leveraging resources more effectively.

## 11.3 THREE-YEAR PLANS FOR EACH TA CLUSTER IN EACH COUNTRY

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

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<sup>42</sup> US\$10.9 million over 3 years.

<sup>43</sup> US\$44.5 million over 5 years.

<sup>44</sup> This is our interpretation. The report said 'assessing higher administrative spending on the part of IMF that may not be fully covered by external financing'.

The 2009 Program Document did seek to implement the medium-term strategy element of this recommendation by providing, for each TA cluster, objectives and some measurable indicator to be achieved in each of the AFE countries. Although the robustness (many of the objectives were output rather than outcome oriented) and detail of the results-definition varied between the different TA areas, the objectives and targets in the 2009 Program Document, in our opinion, set out a reasonable basis for monitoring the progress in implementing the strategies set out in that document. However, achievement of these objectives was never systematically monitored. Moreover, the annual work planning cycle, which does not appear to have placed much weight on the Program Document objectives, detracts from focusing on realizing them.

The second element of the recommendation related to the use of TAIMS, RBM and the need to systematically monitor outcomes/results of AFE TA. As discussed elsewhere, TAIMS is not being used currently, pending a review of its future use. RBM implementation was started in 2011, reasonable progress has been made in its implementation so far at AFE, with SC reports attempt to define and report on outputs and outcomes. Nevertheless, as our review suggests, in our view substantial further progress needs to be made at both AFE and HQ levels, across a range of areas, for RBM to serve as an effective reporting, management and monitoring tool. Moreover, in our view the AFE system being implemented provides only limited scope for planning and monitoring on a medium-term basis. AFE has indicated that it does in many ways while remaining work in progress.

**Implementation Rating: Good/Modest**  
**Remain Valid? Yes**

#### 11.4 DONOR COORDINATION AND DISSEMINATION STRATEGIES

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

Recommendation subcomponents (i), (iii), (iv), (v) and (vi) are pertinent to AFE. AFE has itself continued to play a strong role in disseminating information about its work to stakeholders in the Steering Committee and also in member countries in the TA areas it is involved in. It has introduced a monthly newsletter about its activities, which is distributed to its immediate stakeholders. Some donors have expressed reservations about information sharing, especially in the PFM area. Nevertheless, evidence suggests that the efforts made by AFE on sharing information about its activities are reasonable. With respect to specific recommendations made in this area, though:

- There has been no discernible, methodical approach developed for 'all groups involved in the [AFE] governance structure' to work together to improve coordination.
- OTM/ICD has not developed a donor coordination strategy or securing funding for its implementation. A meeting was held with donors in 2012, in which RTACs were discussed, but no specific TA co-ordination approach was developed.

- OTM, the AFRITACs and the Office of External Relations have not worked together to develop and implement the dissemination strategies and operate a common portal on the IMF server, although, as indicated earlier, AFE has, by itself, strengthened its dissemination activities.
- The IMF has not made a corporate decision to share planned HQ and AFE TA with the Steering Committee.
- The first RTAC Centre Coordinator meeting was held in 2012. It is intended that they will be held every two years. The IMF Africa Department separately holds [annual] meetings of AFRITAC Centre Coordinators and Resident Representatives, where RTAC issues are also discussed (although these do not flow from the recommendations).

**Implementation Rating: Modest**

**Remain Valid? Yes. Also see our recommendations.**

## 11.5 TA SUSTAINABILITY

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

This recommendation had two main components: (i) increased follow-up of TA recommendations; and (ii) securing financing to implement TA in cases where, e.g., lack of funding for IT, or undertaking surveys impedes implementation of TA recommendations.

There is no evidence that the various groups identified above have combined and collaborated to 'do some strategic thinking'. In longer-term projects, involving a number of missions, there is automatically follow-up of previous recommendations. For *ad hoc* TA advice, the evidence for this is mixed. Project design and implementation do not appear to explicitly focus on achieving sustainability as a priority. There is evidence that in some cases Resident Advisors have collaborated with other donors to secure additional funding for TA implementation. Again, there is no systematic approach or longer-term more secured arrangement in place, the like of which was anticipated in the recommendation.

**Implementation Rating: Modest**

**Remain Valid? Yes. Also see our recommendations on this issue.**

## 11.6 REGIONAL INTEGRATION AND HARMONIZATION

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

Regional, or more appropriately multi-country approaches are taken, e.g. in Statistics and Banking Supervision, to develop capacity in a way that would facilitate harmonization. The AFE has and is also planning to deliver regional seminar addressing common EAC issues. Additionally, relevant Resident Advisors attend some of the EAC committee meetings discussing pertinent issues.

AFE has not produced a cross-cutting plan on how to engage with EAC to support its plans across the TA areas in which the Center is active, as was envisaged in the recommendation. In many ways this is not relevant or appropriate, as given the stage of development of EAC, there needs to be TA at more of a policy level, and for this it is IMF HQ that needs to develop a strategy for engagement. This should be facilitated by the fact that the IMF can engage directly with regional bodies since 2011, rather than only through member countries. Once this plan is developed, AFE could develop its engagement strategy for implementation TA. We understand that FAD has worked on EAC program regarding PFM and Macro-Fiscal issues.

**Implementation Rating: Modest**  
**Remain Valid? Yes**

## 11.7 RTAC ORGANIZATION, MANAGEMENT AND ADMINISTRATIVE PROCEDURES MANUAL

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

We understand that OTM/ICD produced early drafts of such a manual approximately two years ago. However, there was a decision taken at that time that it would be difficult to develop policies and procedures for the RTACs in isolation. IMF Resident Offices and, e.g., TTFs would also need to be considered to ensure consistency. We understand that the process has been on hold for some time. AFE has its own operations manual that is regularly updated, covering internal administrative and management issues.

**Implementation Status: Poor**  
**Remain Valid? Yes**

## 11.8 TEN-YEAR VISION FOR RTACS

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

This recommendation has not been implemented. We understand that a Fund-wide Capacity Building Strategy Paper is being developed. A vision for the RTACs would then be developed, in the context of the objectives of the Fund-level strategy paper.

**Implementation Status: Poor**  
**Remain Valid? Yes**



## 11.9 FORMAL IMPLEMENTATION PLANS FOR EACH ACCEPTED RECOMMENDATION

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

This recommendation was partially implemented. Periodic updates on the implementation of the recommendations were indeed provided at AFE Steering Committee meetings. No action plan, with monitorable benchmarks, was produced.

**Implementation Status:** Modest

**Remain Valid?** Yes. See our recommendations on management responses to evaluation recommendations.

## 12. RECOMMENDATIONS

### 12.1 INTRODUCTION AND OVERVIEW

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In this section, we essentially collate and summarize the recommendations and suggestions provided in the preceding sections of the Report. These are not exhaustive, and you should review the rest of the Report for a complete set of recommendations. You are also referred to Volume II, which provides specific recommendations relating to the case studies and desktop reviews of TA projects that were selected for detailed evaluation.

Overall, as the evaluation of AFE suggests, the TA advice being provided by the Center is very strong. The team is also responsive and quick, and considerable care is taken to ensure that the advice provided is tailored to local circumstances. The main focus of our recommendations revolves around two issues:

- How does AFE leverage its resources to maximize its developmental impact?
- How does AFE ensure that the potential of results being achieved is realized, from the high quality advice it is receiving. This is a particularly important area because:
  - As the Center is focusing on outcome-level results, which are inherently riskier to deliver than outputs, the need for more systematic risk assessment, monitoring and project cycle management is critical.
  - How can RBM provide an effective framework for managing and reporting on AFE's TA and workshop activities?

We recognize that a number of the recommendations in the Report are beyond the remit of AFE and need consideration at an IMF institution-wide level. Nevertheless, we have sought to concentrate on recommendations that can mostly be implemented by AFE autonomously.

Development of a detailed costed strategy with verifiable outcomes should be a priority for Phase IV. Effective implementation of RBM and improvements in project cycle management will require more attention being given to project management. We believe that it is important that the AFE preserves one of the key strengths of its TA delivery model: that its TA is delivered to a significant degree by its RAs. We therefore believe that processes need to be streamlined, whilst not leaving significant gaps in monitoring and reporting. Additionally, we believe that RAs need more support to increase their effectiveness.

We have not repeated the recommendations on improving RTAC governance, operations and strategy produced by the various IMF working groups, except so far as they have arisen directly as a result of our observations during the Evaluation.

We acknowledge that implementing many of the recommendations, especially in relation to the effective implementation of RBM, require allocation of financial and human resources. Some budgetary allocation has already been made in this regard. This should be an important matter of discussion between the IMF and the donors.

A summary of the main recommendations is provided at the beginning of this section. The subsequent texts provide more detail, including rationale and context. In the latter sections we have indicated with each one of them (or groups), who we believe should take responsibility for following up, should they be adopted.

## 12.2 SUMMARY OF RECOMMENDATIONS

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The recommendations below are listed broadly in order of importance, between and within each headline recommendation.

**Recommendation 1: A more detailed and costed strategy should be developed for the next phase, the implementation of which should be easy to monitor. This should be done through:**

- Taking a fresh, clean sheet approach and assessing TA demand across sectors and countries, rather than an incremental approach based on AFE's existing portfolio and current RA mix (given the Center will have been operating for 15 years).
- Drafting a coherent, costed strategy for each sector in each country, rather than some illustrative projects. Using a streamlined, country/sectoral results chain approach, they should reflect interventions that are appropriately sequenced; take into account other reform needs; provide assessment of other complementary donor programs and consideration for partnerships; and objectively verifiable milestones and indicators. To the extent that AFE needs to retain flexibility to address member country needs as they arise, say, 25 percent of the budgets and resources could be allocated for such needs.
- Having a strategy that is whilst being consistent with the RSN, is capable of standing on its own.
- The Program and annual budgets being clearly built up from and linked to expected interventions and demand and the work plans.
- Clearer linkages with country/sector strategies in member countries, especially in areas such as PFM.
- More clearly differentiating between multi-year and short-term (less than one year) and monitoring the mix between them with the view of maximizing the use of the former.
- More detailed research into partner regional and donor institutions and their medium-term plans and incorporating these into the AFE strategy. Also, incorporating in the AFE strategy an action plan for donor coordination for the Center based on clearly defined expectations and objectives from the Steering Committee and member countries.
- More explicitly incorporating EAC as a TA recipient in the strategy.
- Developing a financial sustainability plan for AFE as part of the next phase strategy, should it be a medium or long-term objective of the Steering Committee.

**Recommendation 2: Strengthen AFE's monitoring and reporting through the entire project and program cycle by:**

- Identifying information needs for each key user group and designing reports to meet their needs, with a focus on analyses and explanations, deviations from expectations, and exception reports. Appropriate systems to produce such reports should be developed.
- Elevating budget monitoring from the current accounting level to more of a business oriented exercise. The CC should take overall charge of this, and information barriers need to be removed to ensure that the Coordinator has adequate breakdown of underlying costs to ensure he can discharge this role effectively.
- Integrating the work plan and annual financial budget.
- Until IMF systems are capable of producing them, developing an AFE-level system to budget and track actual project costs.
- Producing analyses of work plan versus actuals, including number of days/missions per country and sector as well as topics planned versus delivered, providing explanation for variances.
- Providing in annual reports more detailed and qualitative financial analysis of actual spends and variations from budgets and explanations thereof.
- Ensuring that annual budgets are recast more frequently, perhaps annually, if actual expenses are significantly out of line with projections.

- Streamlining internal reporting.
- Introducing a robust accounting package, tailored to and suitable for the use of all RTACs, which will enable standardized and comparable financial information to be produced that can be consolidated easily. It should cover all financial information, including those generated by HQ. Ultimately, it should also be integrated with the RTACs' operational work plans and activities.
- Implementing more robust processes in ICDGP, AFR and TA Departments to ensure all backstopping and project management costs are charged fully as incurred.

**Recommendation 3: AFE's operations should be streamlined and the efficiency of resource use improved through:**

- Recruiting research assistants to support RAs.
- Extending the contract term of RAs beyond the current one-year.
- Removing barriers to IMF staff taking up RA positions in RTACs, such as the requirement to take unpaid leave.
- Improving efficiency of STX recruitment and use through *inter alia* using them for longer missions; targets for minimum use of STXs; contracting them for projects or periods (rather than missions only); widening their recruitment pool; and giving RAs access to the STX database.
- Freeing up more CC time from internal reporting, budgeting and work plans to allow him to focus on areas such as strategy, RBM and donor coordination.
- Developing a more proactive and structured approach to minimize the occurrence and impact of gaps between RA tenures. Introduce handover notes.

**Recommendation 4: TA delivery should be improved and made more results-oriented through:**

- Complementing the short-term mission based TA delivery approach with medium-term assistance.
- Incorporating implementation plans in all TA reports with clear milestones and clearly defined, verifiable outcomes.
- Establishing a system for ensuring that outcomes and milestones can be monitored effectively and timely action taken to address slippages, especially after a project has been completed, and integrating the results of such monitoring with the RBM reporting framework.
- Encouraging the national authorities to play an active role in donor coordination and disseminate what is being done and by whom. Installation of tools such as Aid Management Platform software created by the Development Gateway.

**Recommendation 5: Enhance sustainability of AFE's TA interventions through:**

- Undertaking staff capacity assessment (numbers, ability) as part of the diagnostic phase of capacity building projects and tailoring nature and length of TA appropriately.
- Where needed, improving TA absorptive capacity and sustainability in client institutions through implementation of HR strategies (by AFE or partners) that improve staff quality and retention.
- Embedding medium and long-term projects into the host institution's annual or long-term institutional plan or strategy.
- Taking steps to partner with regional and country training institutions to host/organize workshops, in order to build sustainable local training capacity.
- Reviewing the current usage of capacity building tools such as attachments, training of trainers, use of regional consultants, etc., consider the scope for increasing their use, and establishing clear annual targets for each topic.

**Recommendation 6: Improve AFE's cost-effectiveness through:**

- More accurately tracking budgets and costs (all costs, including overheads and HQ, particularly for projects); identifying underlying causes of variances; and implementing a system to take corrective action.
- Extending mission durations and workshop lengths.
- Ensuring the CC and RAs are focused on higher value-added roles by engaging appropriate support staff.
- Reassessing the numbers of AFE/IMF staff attending SC meetings.

**Recommendation 7: The effectiveness of the implementation of Results Based Management should be enhanced by extending it from primarily a reporting to a management tool through:**

- Implementing the use of sector/country results chains as highlighted under Recommendation 1 to provide underlying information for developing logframes.
- (i) extending the logical framework approach to the project level within each country; (ii) incorporating project level input/cost information; (iii) improving the technical robustness of the logframes by ensuring that all projects/countries that are contributing to an outcome are accommodated in a logframe; (iv) incorporating relatively small interventions in a simplified format, rather than be excluded; and (v) placing more emphasis on monitoring milestones.
- Drafting Briefing Papers on a project (rather than mission) basis, incorporating full project logframes including outcomes. Once information is available, such logframes should be augmented with: (i) TA advice implementation milestones and dates; (ii) TA timetable, including an outline of future missions in relation to milestones; (iii) project budget, in sufficient detail, broken down by mission; (iv) TA implementation risks identified during the mission and steps necessary by client (in implementation plan) or AFE (e.g. timing of mission, increasing STX support) to address it; and (v) proposed monitoring approach for the TA.
- Systematically gathering lessons learnt and incorporating them in future interventions.
- Using the RBM framework as a TA management tool, rather than simply a reporting tool.
- Engaging a logframe specialist, either for AFE or say across the AFRITACs, to review logframe entries and provide technical feedback to improve users' practical understanding of their use.

**Recommendation 8: Improve standardization of practices, reporting and knowledge sharing between RTACs, especially the AFRITACs, by:**

- Carrying out a study of best practices across all RTACs, especially focused on RBM implementation, reporting, cost effective approaches, and different components of project and program management.
- Establishing and a number of Key Performance Indicators to monitor the relative performance between the RTACs, in addition to them serving as useful monitoring tools for each RTAC.
- Sharing TA reports and workshop presentations.
- Circulating to SC members executive summaries of the evaluation of other RTACs.

**Recommendation 9: The effectiveness of workshops and training should be enhanced by further integrating them with AFE's TA work, through:**

- Ensuring that the topics selected for workshops are as directly linked as possible to the AFE/IMF work plans benefiting the majority of AFE member countries, to ensure that their impacts are maximized.
- Extending the length of some regional workshops, and establishing a minimum of two weeks other than for exceptional reasons.
- Standardizing post workshop participant feedback questionnaires to ensure comparability and enable analyses.
- Establishing a process for systematically following up on and incorporating in future TA and workshops lessons captured in BTOs.
- Developing a more structured approach to post-workshop follow ups including where appropriate: (i) setting up a virtual network of participants; (ii) providing follow up training to the same participants on the same topic; (iii) setting up mentorship arrangements; (iv) providing on-the-job training; and (iv) organizing study tours.
- Budget adequate preparation time for, in particular, in-country workshops to develop tailored case studies.
- Extending in-country training sessions, e.g., where appropriate allowing STXs to stay on and provide training or hand-holding for implementation of lessons after the RA has left.
- Reassessing whether delivering stand-alone national workshops on generic topics, especially the extent to which it is carried out in the macro-fiscal area, is the best use of AFE RAs' or STXs' time.

**Recommendation 10: The effectiveness of AFE's governance arrangements should be improved through:**

- Re-examining the RTAC organization and management structure again in the light of experience. The reporting lines are in several different directions depending on whether considering a CC, an RA, an STX or local staff. Financial controls are equally diffuse. The role of the Steering Committee is diffused. In these circumstances it is difficult to pin down accountability, transparency or responsibility for success or failure.
- More clearly and in greater detail defining the SC's role.
- Streamlining SC reporting, with a focus on analysis and explanation of variances from plan, rather than mainly raw data.
- Devoting more space in the meeting agendas the SC to discuss and query results monitoring, project results and strategic matters.
- Introducing SC sub-committees (e.g. results and specific strategic issues) to enable members to assess results and contribute to AFE strategy more effectively.
- Improving continuity of membership among SC members.

**Recommendation 11: Develop a systematic approach to ensure that the Evaluation's recommendations are implemented:**

- AFE management should provide a formal response on them.
- Other IMF departments should also comment.
- An implementation plan with quarterly milestones should be developed and presented to the Steering Committee.
- A Steering Committee sub-committee to guide and monitor implementation should be considered.
- The recommendations from the 2009 evaluation should be revisited and, to the extent not captured in those above, implemented.

## 12.3 BACKGROUND TO AND DETAILS OF RECOMMENDATIONS

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### 12.3.1 DEVELOPMENT AND IMPLEMENTATION OF AFE'S STRATEGY

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1. The opportunity to stand back and take a zero-based view of the landscape in member countries needs to be taken, such as that taken at the time AFE was established. The need for TA is likely to have changed considerably over the 15 year period since AFE was established. This could lead to substantial refocus of AFE's activities. (*AFE, AFR, TA Departments*)
2. We recommend that for the next phase, AFE explores providing a coherent, costed, medium-term strategy (budgeted on a per annum basis for each of the five years) for each sector in each country for as many of the projects as possible. This approach will define priorities to guide AFE for the next five years and narrow the TA selection process to projects that fall within the range defined by the program. It would mean heavy consultation with beneficiary institutions and wider research of other donor plans at the preparatory stage but then somewhat less annually thereafter. We recognize that this would be a major task but inputs to cover much of the material exists already: there are PRSPs in all cases, AFR prepares medium-term regional strategy notes; many of AFE's existing portfolio of projects are effectively multi-year; and the TA Departments have often identified medium-term priorities in their diagnostic reports. The ability to remain flexible and react to member country needs as they arise also requires preservation. About 25 percent of AFE's resources could be set aside each year for contingencies. The above framework would enable program, country and intervention level indicators to be more credibly defined, and the success of the program more accurately assessed. Additionally, the AFE, country and project-level logframes would be more robustly integrated. (*AFE*)
3. Whilst it is important that AFE's strategy is closely integrated into AFR's regional and country strategies, it should also be capable of standing on its own, and its implementation monitored and reported on autonomously. AFE needs to be accountable to the Center's stakeholders, in particular its SC, to deliver its strategy. (*AFR, ICDGP, AFE*)
4. The current practice where AFE's annual budget is not linked to its work plan makes it difficult to align actual expenditure to budget, monitor use of resources and provide meaningful analyses of variances. The annual budgets should be built initially from the strategy and refined annually in light of the work plans. (*AFE, ICDGP*)
5. AFE's interventions are often notionally directly linked to country sector strategies (e.g., in PFM), or indirectly through the RSN process. We believe that this linkage could be strengthened and in many cases made more explicit. Where such sectoral strategies are absent or outdated, countries should be encouraged to develop them, with AFE/IMF support if appropriate or necessary. (*AFE, AFR*)
6. The Evaluation suggests that superior results are produced in TA projects that are extended over the medium-to-long-term, rather than short-term *ad hoc* interventions. There should be a focus on the former. At the same time given AFE's mandate, it needs to retain the flexibility to react to members' unforeseen needs, so short-term projects need to be undertaken. We cite West AFRITAC's approach as something to be built on. The mix between the two types of projects needs to be monitored nevertheless to ensure a balance is maintained that yields strong outcomes and impacts. (*AFE*)

7. In order to ensure complementarity with the activities of other donors, that no important barriers to achieving outcomes of AFE projects exist, and to pro-actively partner with other donors to provide supporting TA, the strategy process should ensure that the TA plans of other donors/IFI are adequately researched. In addition, the expectations on AFE from the Steering Committee on donor coordination and its objectives should be precisely defined. A formal strategy and action plan should then be agreed to deliver those objectives. (*AFE, Steering Committee*)
8. Given the progress in the EAC initiative, by Phase IV the regional initiative is likely to become a major candidate for AFE TA. This needs to be formally incorporated in the AFE strategy. In addition, consideration should be given to giving AFE a formal voice, e.g., through participation in the SC. (*AFE, AFR, SC*)
9. Some SC members have indicated the need for AFE to achieve financial sustainability. A strategy for realizing this objective needs to be developed. (*AFE, SC, ICDGP*)

### 12.3.2 STRENGTHENING AFE'S MONITORING AND REPORTING

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1. For the next stage of development of AFE's RBM database and its wider reporting framework, we believe that the Center should consider the points we have made in the Report in relation to the IMF's guidance on RBM. In addition, we recommend:
  - i. Defining the various target audiences for its TA performance reports (e.g., SC members, AFR, TA Departments, ICDGP, CC, RAs, etc.)
  - ii. Designing reports that meet the information needs of these various constituencies, with appropriate analyses and highlights, comparing actual vs plan, and extending over the planning horizon (which for RSNs, is extending beyond one year).
  - iii. Identifying the input information needed to produce the above reports.
  - iv. Identifying/developing the processes/systems needed for capturing such input information.
  - v. Adapting the current database to capture the information and produce the reports.
  - vi. Assessing human resource implications for implementing the above and securing adequate budget. (*AFE*)
2. Budget monitoring needs to be elevated from the current accounting level to more of a business level, the CC should take overall charge of this, and information barriers need to be removed to ensure that the Coordinator has adequate breakdown of underlying costs from HQ to ensure he can discharge this role effectively. (*AFE, ICDGP, FIN, HR, Other IMF Departments*).
3. The work plan and annual budget needs to be much more integrated. To the extent that the IMF financial and other information systems do not allow this easily, they can be done manually, in an Excel spreadsheet. (*AFE*)
4. The absence of project-level cost information is, in our opinion, a major shortcoming. *Inter alia*, without knowing the true cost potentially leads to inefficient use of resources. AFE should explore alternative options for developing budgets and recording costs at a project level (linked to the program budget) until IMF systems can enable automation. Information from HQ Departments would still be necessary, on project/workshop costs directly recharged by the latter. Donors should approve costs for resources, which we do not believe will be significant, to enable this to happen. (*AFE, HQ Departments*)



5. AFE should produce analyses of work plan vs actuals, including number of days/missions per country and sector as well as topics planned vs delivered, providing explanation for variances. Care should be taken to match up the descriptions of activities and expected results in the work plans with the reports on actual activities and results. One of the principal matters of interest to reviewers of results is, in addition to what has been achieved, how achievements compare with plans/expectations. They are also interested in knowing what was not achieved, and why. For this reason, it is critical that reports include actual results against expected results. *(AFE)*
6. Annual reports should include more detailed and qualitative financial analysis of actual spends and variations from budgets. Moreover, underlying assumptions for budgets should be more clearly set out. *(AFE)*
7. Annual budgets need to be recast more frequently, perhaps annually, if actual expenses are significantly out of line with projections. This will avoid significant over/underspends being built up and the timely reallocation of resources to their most productive use. *(AFE, ICDGP)*
8. A number of reports are produced by the RAs and the CC, after each mission, monthly, quarterly, half-yearly and annually, often repeating substantially the same information. Consideration should be given to streamlining and consolidating these. *(AFE, HQ Departments, SC)*
9. We recommend the introduction of a robust accounting package, tailored to and suitable for the use of all RTACs, which will enable standardized and comparable financial information to be produced, and that can be consolidated easily. It should cover all financial information, including those generated by HQ. Ultimately, it should also be integrated with the RTACs' operational work plans and activities. It is not clear to us that the proposed introduction of Quickbooks will serve this purpose adequately. *(AFE, ICDGP, FIN)*
10. The reasons for the generally very low levels of HQ project management and backstopping, and why STA's levels are substantially higher than the other TA Departments (or conversely, why other departments' costs are significantly lower than budgeted), should be investigated. This is necessary to enable more accurate budgeting for the next financing cycle. *(AFE, ICDGP, TA Departments, AFR)*
11. Whilst monitoring of implementation of TA advice is generally adequate for longer-term projects through the follow-up missions, the monitoring system breaks down after a project is completed. This weakness particularly affects short-term/*ad hoc* projects. We recommend the implementation of a formalized monitoring and reporting system to address this weakness. *(AFE)*

### 12.3.3 IMPROVING AFE'S OPERATIONS

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1. We recommend the piloting the recruitment of research assistants to support RAs. They can take on a number of project management, monitoring and reporting responsibilities from the RAs. *(AFE, ICDGP)*
2. IMF should extend the contract term of RAs beyond the current one year. This short horizon creates, in our opinion, uncertainty and is a likely barrier to RA recruitment and retention. *(AFE, ICDGP, HR, TA Departments)*
3. Barriers to IMF staff taking up RA positions in RTACs need to be removed. Recruiting IMF staff to RA position brings various efficiencies and enables them to be effective much more quickly. *(IMF Departments)*

4. With respect to the use of STXs:
  - i. Establish targets for reducing the proportion of 1-week only STX missions/workshops.
  - ii. More flexibility is needed in deploying STXs, including for periods extending to a number of weeks and months, where needed.
  - iii. Establish targets for individual RAs for minimum usage of STXs.
  - iv. Extend STX terms and contracts for one or more projects, covering to more than one mission, and call-down contracts, where possible. Set targets for each RA for such contracts.
  - v. Recruit STXs into the HQ experts pool more proactively, including advertising in appropriate publications/websites.
  - vi. Give RAs access to the HQ STX database.  
(AFE, IMF Departments)
5. Free up more time of the CC on internal reporting, budgeting and work plans to allow him to focus on areas such as strategy, RBM and Donor coordination. This could be achieved, for example, by recruiting additional suitably qualified local staff to provide assistance to the CC in reporting, budgeting, RBM and work plans. (AFE, AFR, ICDGP)
6. Develop a more proactive and structured approach to minimize the occurrence and impact of gaps between RA tenures. Introduce handover notes. (AFE, TA Departments, HR, ICDGP)

#### 12.3.4 DEVELOPING A MORE RESULTS-ORIENTED TA APPROACH

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1. Consideration needs to be given to complementing the short-term mission based TA delivery approach with medium-term assistance. For example, we noted that missions are rarely longer than two weeks even for an STX. Building on the recommendation above, there will be situations where more mentoring on some topics (for example, assistance in supervision inspections of banks) may require a little longer: this could help cement advice already delivered into routine working practices and should also achieve some efficiency gains. Where AFE resources do not permit this, other donors should be proactively approached. (AFE)
2. As a matter of course, all TA reports should incorporate implementation plans with clear milestones. In developing such implementation plans, bottlenecks and capacity constraints at the host institution should be considered, and follow-up TA planned. Where such milestones do not correspond with the RA's work plan, STXs should be engaged to provide support. Where further TA is envisaged, there should be a parallel AFE or other donor plan to facilitate implementation. These plans should form the basis of monitoring the achievement of milestones and outcomes. (AFE)
3. Projects should be defined, with clear, verifiable outcomes, and perhaps after the first mission, verifiable milestones. Where this is likely to extend beyond one year, multi-year planning would be necessary, with if future years' targets more flexibly defined if required. This plan needs to be monitored and updated regularly, perhaps with every mission. A key need is to monitor implementation of advice after a project is completed. (AFE)
4. The national authorities need to be encouraged to play an active role in donor coordination and disseminate what is being done and by whom. In this context one or two West AFRITAC countries are starting to install the Aid Management Platform software created by the Development Gateway. We recommend that AFE encourages its clients to use similar tools. (AFE)

### 12.3.5 ENHANCING AFE TA'S SUSTAINABILITY

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1. Staff capacity assessment (numbers, ability) should be formally incorporated as part of the diagnostic phase of capacity building projects and appropriate action or conditions incorporated as part of the TA advice and implementation plan to address any weaknesses. *(AFE)*
2. Absorptive capacity: AFE projects do not generally include missions aimed at strengthening the beneficiaries' HR management in order to address quality and stability of staff. Some consideration should be given either by AFE or, through them and its Steering Committee, for other donors to provide specific TA to mitigate the absorptive capacity and high staff turnover risk where it occurs. Efforts need to be made to address (i) competitive remuneration structures; (ii) career paths; (iii) meritocratic development; (iv) working conditions generally; (v) staff appraisals and so on. An HR system needs to be built in beneficiary institutions in many cases together with an in-house training capacity where scale permits. *(AFE)*
3. Embedding medium and long-term projects into the host institution's annual or long-term institutional plan or strategy is likely to reinforce sustainability and should be encouraged by AFE RAs. This will have the additional benefit of incorporating the monitoring and reporting of implementation of advice in the host institution's own systems, which can be relied upon by AFE. *(AFE)*
4. It is critical that to fulfill its regional sustainable capacity building mandate, AFE takes proactive steps to partner with regional and country training institutions to host/organize workshops. Partnerships need to be identified, deepened and widened. *(AFE)*
5. The current usage of capacity building tools such as attachments, training of trainers, use of regional consultants, etc. is very limited. These were presented as important capacity building tools in the AFE Program Document. To the extent that these tools are still considered important, targets should be set for each sector and reported against. *(AFE, Steering Committee)*

### 12.3.6 IMPROVING AFE'S COST-EFFECTIVENESS

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1. A key first step in improving cost-effectiveness is the accurate determination of costs. Our previous recommendations relating to the need to develop systems and processes to determine project, workshop and program-level costs need to be implemented. Actual costs need to be compared with budgets regularly, the reasons for differences identified and appropriate action needs to be taken systematically to reduce costs. *(AFE, HQ Departments)*
2. Mission and workshop incorporate various fixed costs in preparation, travel, reporting, etc. Where this could be justified, the lengths of such activities should be extended. In addition to improving cost-effectiveness, they enhance effectiveness of TA delivery. *(AFE)*
3. At present, a substantial proportion of the CC's and RAs' time is spent on administrative and reporting activities that could be carried out by others who are substantially less expensive. Appropriately qualified junior staff, e.g. for the CC and research assistants for RAs should be appointed to take on such responsibilities. *(AFE, ICDGP)*

4. As highlighted in the Report, the costs of all RAs, the CC and support staff from AFE and representatives of the different HQ Departments attending the SC meetings are considerable. Steps are taken by HQ Departments to reduce the associated costs, e.g., by connecting attendance with missions and not all the associated HQ travel and time is charged to AFE (although we recommend this should be done to improve accounting accuracy). This is a cost to the system and the IMF/AFE should consider, perhaps in discussion with the SC, whether this level of physical attendance is necessary to discharge the IMF's accountability and donor relationship responsibilities. *(AFE, HQ Departments, SC)*

### 12.3.7 ENHANCING THE EFFECTIVENESS OF RBM IMPLEMENTATION

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1. Country/Sector Results Chains: There needs to be substantially more consideration given to the context within which AFE's interventions, at the sector level within each country and at individual project level, are intended to be delivered. It is highly unlikely that AFE's interventions will be able to deliver important outcomes on their own. The relevant dependencies, and associated risks need to be clearly assessed, documented and their potential impact on achieving outcomes analyzed. These include:
  - i. Sequencing – e.g., whether necessary preconditions, such as enabling legislation and regulation for implementing the actions that are the subject of the TA are in place, and if not, what the implications for achieving outcomes are, in their absence.
  - ii. Wider reform needs ("assumptions" in RBM/logframe terminology). Many TA projects, particularly in the areas of PFM and revenue administration, are likely to be dependent on other supporting reforms that may be beyond AFE's capacity, or its remit (e.g., IT). An absence of, or delays in, such reforms would have a direct impact on the success of AFE's projects. This will also require a good understanding and methodical documentation of the other IMF activities and those of other donors acting in such areas. In the absence of a country sector development strategy IMF HQ/AFE will help define such a strategy through its diagnostic TA. Following on from the Results Chain will be an AFE project specific logframe which may have in its risks section any failure to deliver the other interventions identified in the Results Chain. Where project logframe milestones do not correspond with the RA's work plan or expertise, STXs should be engaged to provide support. Where further TA is envisaged, there should be a parallel AFE or other donor plan to facilitate implementation. These plans should form the basis of monitoring the achievement of milestones and outcomes at both Results Chain and project logframe levels. The role of other donors could be specifically reported on at the project design stage.
  - iii. Risks – Specific risks to the TA achieving outcomes, and on time. These could include weak staff capacity, high staff turnover or inadequate staffing in beneficiary institutions, poor track record of implementation, political uncertainty, conflict risks, etc. Steps needed to mitigate such risks should be considered and where this is not possible, whether the risk is too high to proceed with the project considered. *(AFE)*
2. With respect to its RBM framework, the AFE and IMF should consider:
  - i. Extending the logframe to project level within each country;
  - ii. Incorporating project level input/cost information;
  - iii. Ensuring all projects/countries that are contributing to an outcome are accommodated in a logframe. Relatively small interventions should be incorporated in a simplified format, rather than be excluded;
  - iv. Placing more emphasis on monitoring milestones.

Overall, we believe that the framework's effectiveness and usage will be improved if it is implemented as a TA management tool, rather than its current focus on reporting. *(AFE, ICDGP)*

3. Briefing Papers should be drafted on a project basis, which could be multi-year, rather than for each mission that is part of a project. In addition to the background, activities and expected outputs, it should include:
  - a. The full project logframe, including outcomes. For the first/diagnostic mission, broad outlines where possible.
  - b. The country level outcomes and how the project contributes to it in a verifiable way.
  - c. After the first/diagnostic mission, the logframe should include (perhaps elaborated in the BTO):
    - i. TA advice implementation milestones and dates.
    - ii. TA timetable, including an outline of future missions in relation to milestones.
    - iii. Project budget, in sufficient detail, broken down by mission.
    - iv. TA implementation risks identified during the mission and steps necessary by client (in implementation plan) or AFE (e.g. timing of mission, increasing STX support) to address it.
    - v. Proposed monitoring approach for the TA. (AFE)
4. AFE gathers key lessons from its projects on an *ad hoc* basis, as reported on with respect to challenges in implementing TA. It should formalize this by providing in the BTO a dedicated section for listing lessons learnt, and having a process to periodically collate these and ensure dissemination and incorporation in TA practice. (AFE)
5. We believe that the RBM framework's effectiveness and usage will be improved if it is implemented as a TA management tool, rather than its current focus on reporting. We note that some RAs have developed monitoring matrices and perhaps these could be analyzed and adapted to other topical areas. (AFE, ICDGP)
6. More training is required for the RAs to appropriately define and input information in the logframe. In our experience it inevitably takes time for users to get familiarized with logframe terminology. One option for accelerating the learning process is to engage a logframe specialist, either for AFE or say across the AFRITACs, to review logframe entries and provide technical feedback to improve users' practical understanding of their use. (AFE, ICDGP)

#### 12.3.8 INCREASING STANDARDIZATION OF PRACTICES AND INFORMATION SHARING ACROSS RTACS

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1. We recommend a study of the different practices be carried out by the different RTACs, covering RBM-related and wider SC/management reporting, and also the approaches being adopted by each for different stages of the entire project management cycle including for example recruitment and management of STXs, to identify and disseminate 'best practice' information. In particular, we believe that the different approaches being adopted by RTACs, once embedded, will be difficult to change in due course, may result in some RTACs implementing RBM sub-optimally, and become a barrier to comparability. (ICDGP)
2. The RTACs are relatively unique and it is difficult to compare their performance against other donor or IFI projects. We believe that the IMF should consider developing a number of Key Performance Indicators (examples of some have been presented in the Report) to monitor the relative performance between them, in addition to them serving as useful monitoring tools over time for each RTAC. Some key indicators should be easy to develop as high-level budget and actual information is generally standardized over time. As IMF's information systems become more useful for managing projects, the KPIs could become more in-depth and their effectiveness as management tools further enhanced. (ICDGP, AFE)
3. There is scope for greater information sharing between the RTACs, and especially the AFRITACs, which face common issues. Consideration should be given to developing, for example, an internet portal to share workshop presentations and TA reports. (ICDGP)

4. IMF should consider circulating to SC members the executive summaries from the independent evaluations of other RTACs. There are various common lessons that can be shared across the Centers. *(ICDGP)*

#### 12.3.9 ENHANCING EFFECTIVENESS OF AFE'S WORKSHOPS AND TRAINING

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1. Consideration should be given to ensure that the topics selected for workshops are as directly linked as possible to the AFE/IMF work plans benefiting the majority of AFE member countries, to ensure that their impacts are maximized. This is generally the case, but we have highlighted a number of exceptions in the Report. *(AFE)*
2. Sectors such as PFM and FSR which have a high proportion of regional workshops of one week or less should consider extending them to two weeks, to improve their effectiveness and derive better value for money. *(AFE)*
3. At present, post workshop participant feedback questionnaires are not standardized. We believe these should be standardized to ensure comparability and analyses. *(AFE)*
4. The workshop BTOs provide for lessons learnt for implementation in the future. There is very limited evidence that there is any systematic follow-up on such issues/TA. There should be a methodical process to incorporate lessons into project design and future TA work plans. *(AFE)*
5. Develop a more structured approach to post-workshop follow-ups including where appropriate: (i) setting up a virtual network of participants; (ii) providing follow up training to the same participants on the same topic; (iii) setting up mentorship arrangements; and (iv) providing on-the-job training; and (iv) organizing study tours. *(AFE)*
6. Adequate preparation time should be budgeted for, in particular, in-country workshops to develop tailored case studies. *(AFE)*
7. Consideration should be given to extending training sessions, e.g., where appropriate allowing STXs to stay on and provide training or assisting with implementation of lessons learnt after the RA has left. *(AFE)*

The use of in-country workshops should be reassessed with the view of ensuring AFE's focus is on areas where its limited capacity can be deployed to best produce outcomes. In our view courses for example on general macro-fiscal analysis, or financial analysis for supervisors, can be delivered by other TA providers in the region or local expertise is readily available. Consideration could also be given to building capacity of country or regional institutions to deliver such training, especially as these courses often require repeats. AFE's focus should be on delivering high quality advice and specialized training to the extent necessary to enable its implementation. *(AFE)*

### 12.3.10 IMPROVING THE EFFECTIVENESS OF AFE'S GOVERNANCE

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1. We believe the RTAC organization, management and governance structure needs to be examined again in the light of experience. The present structure may have been appropriate when RTACs were first launched but now could be a time to take a fresh look. The reporting lines are in several different directions depending on whether considering a CC, an RA, an STX or local staff. Financial controls are equally diffuse. In these circumstances it is difficult to pin down accountability, transparency or responsibility for success or failure. Perhaps RTACs should be run more in a typical corporate form i.e. with a CEO (the CC), professional staff (the RAs and STXs) initially accountable to the CC with back up quality control on technical issues from TA departments and overview of regional priorities from AFR. *(AFE, AFR, TA Departments, ICDGP)*
2. The SC's role needs to be formally defined given the inconsistencies in the role as set out from time to time e.g. the Program document for Phase III did not mention results monitoring as an SC function. *(ICDGP, SC)*
3. AFE should review the options for improving the focus and analysis in its reports to the SC, along the lines suggested in the Report. *(AFE)*
4. Given the volume of information presented and the SC's size, we believe that too little time is devoted in SC meetings for members to effectively query and make contributions on strategic and results-related matters. This is evident from our analysis of topics covered in the discussions during the meetings. We recommend more time is devoted in the SC agenda for strategic matters. *(SC, AFE, ICDGP)*
5. The SC may be too large a body for effective decision-making on some issues given the short time allocated for meetings. It is useful to have a body for receiving and considering reports, having the opportunity to raise some questions and thereby ensuring the accountability of AFE, but it may be too cumbersome to conduct enquiries and make decisions on specific issues such as, for example, assessment of results of AFE interventions or critique of longer term AFE strategic plans (such as eventually for Phase IV). We suggest sub-committees be formed for important topics. *(SC)*
6. The turnover of SC members attending meetings is very high, with a number of countries and donors being represented by different individuals in each meeting. This materially detracts from the SC's effectiveness. Consideration should be given to improving continuity. *(SC)*

### 12.3.11 IMPLEMENTING RECOMMENDATIONS

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1. To formalize the process of acceptance and implementation of recommendations from the Evaluation, we recommend the following:
  - i. For each recommendation, relevant AFE/IMF departments indicate whether they accept it.
  - ii. The relevant AFE/IMF unit provides any additional comments on each recommendation, especially if they do not consider a recommendation to be practical for implementation.
  - iii. With input from all responsible units, AFE produces an implementation plan for recommendations that have been accepted for implementation, with quarterly benchmarks.
  - iv. A SC Sub-Committee is established to guide the implementation plan.

We acknowledge that many of the recommendations require changes at HQ and approach to the RTACs, which may cause delays. Focus should be on addressing the recommendations that can be implemented or progressed by AFE on its own.

2. We have indicated in Section 11 which of the recommendations from the 2009 Evaluations we consider to be still relevant. These should also be included in the implementation plan.

*(AFE, Steering Committee, IMF Departments)*



## ABBREVIATIONS AND ACRONYMS

ACBF	African Capacity Building Foundation
AfDB	African Development Bank
AFE	East AFRITAC
AFR	African Department (IMF)
AFRISTAT	Observatoire Economique Et Statistique D'Afrique Sub Saharienne
AFRITAC	Africa Regional Technical Assistance Center
AML/CFT	Anti-Money Laundering/Combating the Financing of Terrorism
AML/CFT TTF	AML/CFT Topical Trust Fund
BCPs	Basle Core Principles for Effective Banking Supervision
BoT	Bank of Tanzania, the Tanzanian central bank
BoU	Bank of Uganda, the Ugandan central bank
Briefing Papers	Terms of references for AFE missions
BTO	Back to Office Reports (AFE)
CBK	Central Bank of Kenya, the Kenyan central bank
CC	Center Coordinator
CEAI	Composite Economic Activity Indicator
Center, the	AFE
CPI	Consumer Price Index
CPIA	Country Policy and Institutional Assessment (World Bank)
CS	Consolidated Supervision
DAC	Development Assistance Committee of the OECD
DfID	Department for International Development of the United Kingdom
DI	Destination Inspection
EAC	East African Community
EAMU	Proposed East African Monetary Union
EU	The European Union
Evaluation	Interim evaluation of Phase III of East AFRITAC, the subject of the Report
Evaluation Sub-Committee	Sub-committee composed of representatives of IMF and Steering Committee members to guide the Evaluation
FAA	Framework Administered Account (IMF)
FAD	Fiscal Affairs Department (IMF)
FSAP	Financial Sector Assessment Program
FSR	Financial Sector Regulation (AFE)
Fund, the	IMF
FY	IMF Fiscal Year, from 1 May to 30 April
GDP	Gross Domestic Product
GIZ	The Deutsche Gesellschaft für Internationale Zusammenarbeit (German Agency for International Cooperation)
GoK	Government of Kenya
GoR	Government of Rwanda
HQ	IMF Head Quarters
ICD	Institute of Capacity Development (IMF)
ICDGP	ICD Global Partnerships Division, previously OTM (IMF)
ICDI	ICD Institute
IFI	International Financial Institution
IFMIS	Integrated Financial Management and Information System
IMF	The International Monetary Fund
KEQs	Key Evaluation Questions for the Evaluation

KNBS	Kenya National Bureau of Statistics
KPIs	Key Performance Indicators
LEG	Legal Department (IMF)
LoU	Letter of Understanding
MCM	Monetary and Capital Markets (IMF)
MEFMI	Macroeconomic and Financial Management Institute
METAC	Middle East Technical Assistance Center
MFA	Macro-Fiscal Analysis (AFE)
MPO	Monetary Policy and Operations (AFE)
NAS	National Accounts Statistics
NEPAD	The New Partnership for Africa's Development
OBL	Organic Budget Law
OECD	Organization for Economic Cooperation and Development
OTM	Office of Technical Assistance Management, now ICDGP (IMF)
OVI	Objectively Verifiable Indicator for logframes
PBB	Program Based Budgeting
PEFA	Public Expenditure and Financial Accountability
PFM	Public Financial Management
Program	Phase III of AFE, October 2010 to September 2015
Program Document	The document, dated April 2009, setting out the details of the Program
PRSP	Poverty Reduction Strategy Paper
RA	Resident Advisor (AFE)
RAP	Resource Allocation Plan
RBM	Results Based Management
RBR	Results Based Reporting
RBS	Risk Based Supervision
Report	This report dated March 2013, containing the results of the Evaluation
RSN	Regional Strategy Note
RTAC	Regional Technical Assistance Center
SC or Steering Committee	steering committee of AFE
SNA	System of National Accounts
SSA	Sub Saharan Africa
STA	Statistics Department (IMF)
STX	Short-Term Expert (AFE)
TA	Technical Assistance
TAIMS	Technical Assistance Information Management System (IMF)
TIMS	Travel Information Management System (IMF)
ToRs	Terms of Reference for the Evaluation
TPA-TTF	Tax Policy and Administration TTF (IMF)
TRA	Tanzania Revenue Authority
TTF	Topical Trust Fund (IMF)
VI	OVI

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## APPENDICES

## I. TERMS OF REFERENCE FOR THE EVALUATION

### TERMS OF REFERENCE FOR THE INDEPENDENT MID-TERM EVALUATION OF AFRITAC EAST

August 2012



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## I. BACKGROUND AND OBJECTIVES OF THE EVALUATION

### A. Background

1. The IMF Regional Technical Assistance Center in East Africa (AFRITAC East) was established in June 2002 in Dar Es Salaam (Tanzania) with the overarching goal of assisting countries in the East Africa region to strengthen their capacity for effective macroeconomic management and to support the region's integration into the world economy. Specifically, AFRITAC East has the objective of strengthening the institutional and human capacities of its members to undertake effective public financial management, manage robust financial systems, and produce high-quality macroeconomic statistics. The Center's activities focus on six key areas representing common policy challenges to member countries: tax and customs administration; medium-term expenditure frameworks and other public financial management issues; money and public debt markets; financial sector supervision; and macroeconomic statistics.
2. AFRITAC East provides technical assistance (TA) and training to seven beneficiary countries<sup>1</sup> over a five-year cycle. The third and current cycle started in November 2009 and will end in October 2014. AFRITAC East operations are funded by contributions from the host country, the IMF, and bilateral and multilateral donors<sup>2</sup>, including the AFRITAC East host and other beneficiary countries. The total budget of AFRITAC East over the current five-year funding cycle, including the IMF contribution and the host country in-kind contribution, is USD 50.6 million.
3. Operations are guided by a rolling annual work plan within the results-based management framework recently developed by AFRITAC East. This approach ensures that activities are programmed and implemented efficiently and effectively on the basis of beneficiary countries' needs, are complementary to other forms of Fund TA, and are an integral part of the Fund's overall TA program. AFRITAC East is guided by a Steering Committee (SC), acting as an advisory body, and composed of representatives of the authorities of the countries served by the Center, the donors and the IMF. It meets annually to review progress in the implementation of the work plan, to discuss and endorse the work plan for the period ahead, and to discuss strategic directions for the Center.
4. AFRITAC East's work program is undertaken by its eight resident advisors together with short term experts, and is based on assessment of and feedback from member countries on their TA and training needs, and Fund TA priorities for the region.

<sup>1</sup> Eritrea, Ethiopia, Kenya, Malawi, Rwanda, Tanzania, and Uganda. South Sudan has signaled its intention to apply for membership in AFRITAC East.

<sup>2</sup> AFRITAC East multilateral donors include: the European Commission and the African Development Bank. Bilateral donors include: United Kingdom, Australia, Netherlands, Germany, Switzerland, and Canada.

### B. Objectives of the Mid-Term Evaluation

5. The Terms and Conditions governing the establishment and operation of the multi-donor trust fund for AFRITAC East provides for an evaluation of the Center's activities. According to those Terms and Conditions, an independent evaluation of the activities financed under the Subaccount "will be initiated no later than 40 months after the activities financed under the Subaccount with respect to each funding cycle have begun". Specifically, the AFRITAC East Program Document<sup>3</sup> foresees that an independent evaluation will be initiated in each cycle "...after no fewer than three years of operation...[to] assess the effectiveness and sustainability of the Center and the TA provided by it, bearing in mind the long-term nature of capacity building, and...[to] formulate recommendations for improvement. The findings of the evaluation will inform discussions on the Center's operations for the remainder of the present five-year period and beyond." The period covered by this evaluation is the third phase. The overall objective of the evaluation is to assess the extent to which AFRITAC East is achieving its objectives, in an efficient and effective manner, and the extent to which the TA and training delivered is sustainable. In view of the Center having been operational for ten years, a particular focus of the evaluation will be to assess the extent to which AFRITAC East has built on the work of the previous multi-year cycles, and whether the results of these previous phases have been sustained in the current phase.
6. An important task of the evaluation will be to assess the extent to which AFRITAC East is achieving the advantages typically associated with the Regional Technical Assistance Centers' (RTACs) delivery modality: better identification of countries' TA needs, rapid and flexible TA delivery, closer interaction with beneficiary country authorities, strengthened country ownership, and greater exchange of information with other TA providers and donors in the region. The evaluation will also look at the challenges and known risks that the Center has faced in implementing TA and training, and whether additional steps from those indicated in the Center's strategic logframe can be taken to address these challenges and/or mitigate risks, including the authorities' response in member countries. In view of the possible extension of AFRITAC East activities beyond the current five-year cycle, it is important for the evaluation to look at AFRITAC East's achievements and lessons learned and provide recommendations for improvement. The evaluation will also assess the status of the implementation of the recommendations of the 2009 Evaluation of the AFRITACs (see Appendix A) and the extent to which these remain valid.
7. To address these objectives, the evaluator(s) will consider a set of interlinked evaluation questions (outlined in more detail below) related to the TA and training activities provided by AFRITAC East focusing on: a) relevance of the TA and training

<sup>3</sup> Page 90, paragraph 184 of the AFRITAC East Program Document

<sup>4</sup> The Program Document for AFRITAC East can be found at: <http://www.imf.org/external/np/exr/key/RTACs.htm>

activities provided by AFRITAC East; b) efficiency (i.e. the processes by which resources e.g. human resources/expertise, financial resources and time, were converted to achieve outcomes and results); c) effectiveness (i.e. the extent to which the outcomes identified in the Program Document are being achieved); and, d) the extent to which the outcomes are likely to be sustained. In addition, the evaluators should use the above information to form a view on the extent to which AFRITAC East (and the RTAC model) remains relevant in the regional context, including whether it is operating at an appropriate scale and in an efficient manner.

8. Prior to the launch of this evaluation, AFRITAC East introduced new tools to support Results Based Management (RBM), in line with IMF strategy, including a strategic logical framework (log frame) for the Center overall, a series of topical log frames per country to guide the work of the resident advisors and a new format work plan to track inputs. The Center has in parallel developed a database to provide flexibility in management and reporting of the log frame and work plan. While the primary focus of the evaluation will be to assess performance against the objectives set out in the Program Document, the evaluator may refer to these new tools as appropriate. The evaluator may refer to the relevance and expected effectiveness of these tools, and the extent to which an appropriate process is in place to support implementation of the RBM framework and, if relevant, propose refinements to the tools and/or suggestions to enhance RBM implementation.

### C. Steering Arrangements for the Mid-Term Evaluation

9. While the Global Partnerships Division (GPD) of the IMF's Institute for Capacity Development (ICD) will manage the procurement process and support information gathering by the evaluator, an Evaluation Sub-Committee (ESC) has been established to guide the evaluation (see Appendix B). The creation of ESCs is in line with IMF evaluation practice and allows active participation of RTAC SCs in the evaluation process.

10. The role of the ESC in the evaluation is to provide strategic guidance for the evaluation and to ensure that key issues relevant to stakeholders are appropriately integrated into the evaluation process. The ESC will: 1) review, and comment on draft ToRs; 2) review and comment on the Inception Note prepared by the evaluator(s), and 3) review and comment on the Draft Evaluation Report. The ESC comprises 11 members, distributed as follows:

- SC Chair (1)
- Member countries (2)
- Donors (2)
- IMF Area Department (1)
- IMF TA Departments (3)
- IMF Institute for Capacity Development (1)

## II. KEY EVALUATION QUESTIONS

11. As noted above, the evaluation will address a set of interlinked evaluation questions that are in line with best international practice and reflect the Development Assistance Commitment (DAC) criteria of relevance, efficiency, effectiveness and sustainability. Of these, relevance is fundamental — without relevance, interventions cannot be effective. In the absence of 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.

12. The key evaluation questions can therefore be summarized as shown in Table 1:

DAC Criteria	Key Evaluation Question(s)
Relevance	<ul style="list-style-type: none"> <li>• How AFRITAC East determines the need for TA and training, including the processes used by members to determine their needs;</li> <li>• The extent to which AFRITAC East activities are linked to national/regional strategies;</li> <li>• Whether AFRITAC East is meeting the priority needs of member countries;</li> <li>• Whether the national authorities are effective in ensuring strong country ownership of AFRITAC East activities;</li> <li>• Whether AFRITAC East activities and staffing are appropriately focused in terms of subject areas, taking into account the IMF's expertise and the priority needs of the beneficiary countries, integration with HQ and other Fund activities (e.g. other training and TA delivered including through the topical trust funds) and the work of other development partners.</li> </ul>
Efficiency	<ul style="list-style-type: none"> <li>• Whether AFRITAC East is delivering activities in an efficient manner including: i) process and implementation efficiency (e.g. timeliness in executing the work plan); ii) efficient use of resources (human and financial) and attention to cost effectiveness and, iii) monitoring and reporting.</li> </ul>

Effectiveness	<ul style="list-style-type: none"> <li>Whether AFRITAC East is appropriately focused on delivering outputs and outcomes that contribute to the achievement of priority reforms, including assessing, to the extent possible, outcomes and impacts at topic, country and/or regional level;</li> <li>Whether interventions reflect learning from experience both in AFRITAC and beyond to ensure the most effective practices are used to secure maximum output and outcome effectiveness;</li> <li>The quality of TA delivered, including the added value of backstopping;</li> <li>The extent to which beneficiaries have followed up advice/training provided.</li> </ul>
Sustainability	<ul style="list-style-type: none"> <li>The extent to which AFRITAC East TA and training has led to tangible and lasting results and factors affecting sustainability;</li> <li>The contribution of AFRITAC East to building regional capacity, as well as identifying and using regional expertise, including local and regional expertise;</li> <li>Whether staff turnover is well managed to ensure adequate institutional learning in AFRITAC East and with beneficiary country relationships;</li> <li>Sustainability of the funding model.</li> </ul>

13. As AFE is in its third cycle, the evaluators should consider the extent to which AFRITAC East interventions have directly or indirectly contributed to impacts, in particular in terms of enhanced organizational performance, improved regulatory frameworks at country/regional levels etc. The evaluators could also consider the extent to which AFRITAC East interventions are designed and implemented so as to ensure impact. Unlike the criteria set out above, impact will not be rated in this evaluation.

14. Building on the answers to the evaluation questions above, the evaluator(s) will consider: (i) the extent to which AFRITAC East has responded adequately to challenges, (ii) whether it continues to deliver additionality, i.e. whether the underlying intervention logic is still valid and, hence whether there still a clear role for AFRITAC East; and (iii) whether is the Center operating at an appropriate scale and with an appropriate skill mix given its mandate and in an efficient and cost-effective manner.

15. The evaluation should record and report on any significant lessons that can be drawn from the AFRITAC East experience, highlighting its strengths and weaknesses, and will provide recommendations for improvement, including implications for the RBM framework. The evaluation team will take note of the suggestions received during the course of the review on the direction of AFRITAC East operational modalities and areas of work.

### III. METHODOLOGY

#### A. Evaluation Criteria and Ratings

16. A quantitative rating scheme will be used to a) ensure transparency in the judgments made by the evaluator(s) and b) to allow for aggregation across RTACs or functional areas. Appendix B therefore proposes a rating scheme consistent with that used in the 2009 External Evaluation of the African Regional Technical Assistance Centers. The Evaluator(s) will assess the adequacy of this scheme and propose amendments or refinements as necessary in the Inception Note, while ensuring consistency with the methodology used in the 2009 Evaluation.

#### B. Information Sources

17. The evaluation will draw on information from a range of sources including documents and data available from the IMF (see Appendix C for a list of documents to be provided to the evaluators), interviews with a selected group of country authorities and the SC (including staff of the beneficiary country authorities) and a set of case studies. Importantly, each evaluation criteria should be assessed using at least two different information sources.

- **Document and data analyses:** The evaluators will be expected to review and analyze the full set of available materials, including work plans, SC minutes, and internal transaction documents produced by the Center Coordinator, Resident Advisors and Short Term Experts. Financial information on implementation will also be provided.
- **Interviews:** The evaluator will conduct a series of semi-structured interviews with country authorities and SC members. Interviews with country authorities are expected to cover the appropriateness and responsiveness of the TA and training provided (by both Resident Advisors and short-term experts), and how well it addressed their needs, as well as to explore and document any specific results that have emerged. Discussions with AFRITAC East staff should also be planned. The evaluators will also be expected to meet with staff in Washington, DC from the IMF's TA Departments, Area Department (AFR) and Institute for Capacity Development, as well as with donors at HQ and country offices and other stakeholders.
- **Survey tools:** The evaluators may seek to consult a wider range of relevant individuals from beneficiary authorities, civil society or the SC by means of a survey.
- **Case Studies (sample of countries/projects):** The evaluators will be expected to visit at least three countries in the region to develop a series of case studies that can be used for dissemination purposes. Selection criteria will be discussed and agreed during the Inception Phase and outlined in the Inception Note.



#### IV. TIMING AND KEY DELIVERABLES

##### A. Timing

18. The evaluation is expected to commence in mid October 2012, and end by Spring 2013. The evaluators will be contracted for a maximum of 145 person–working days (including travel) during that period. The evaluation process will be carried out through three phases: a desk phase, a field phase, and a synthesis phase.

- **Desk Phase:** At the latest 5 weeks after contract signing and before the commencement of the field phase, the evaluators will: (i) conduct a desk review of the relevant documents; (ii) visit IMF Headquarters to interview relevant staff in Global Partnerships Division (GPD), TA departments and the African Department (AFR), together with the Center Coordinator(s), and make contact with any important stakeholders (key donors, chair of SC etc.) and, (iii) prepare an Inception Note (see below on the contents), which will then be finalized in consultation with GPD and the ESC. The evaluator will hold a briefing with the IMF representatives before proceeding to the field phase. Total work time for this phase is estimated to be about 50 person days.
- **Field Phase:** The evaluators will visit AFRITAC East and beneficiaries in at least three member countries. The evaluators will ensure adequate contact and consultation with, and involvement of the different stakeholders, working closely with the relevant government authorities and agencies, civil society and other relevant stakeholders in relevant academia/think tanks and donor offices. The field phase is estimated to take up to 40 person days, including travel time.
- **Synthesis Phase:** This phase is mainly devoted to the preparation of the draft report, as well as any necessary follow–up interviews with IMF staff. The evaluator(s) will make sure that the assessments are objective and balanced and recommendations realistic. The evaluation team will prepare a succinct draft evaluation report presenting the main findings, lessons learned, and recommendations, accompanied by a summary of the information gathered during key meetings. The draft report will be prepared in English and submitted electronically and in hard copy format to the ESC. The evaluation team will consider the comments provided on the draft report at their discretion and will draft a final report. The report should be finalized (with comments incorporated) by March 15, 2013. The evaluators may be asked to present their findings (final report) to the AFRITAC East Steering Committee, due to be held in end March or early April 2013. Subject to the approval of the Steering Committee, the final report will be posted on the Center's website. The total work time for this phase of the project will be up to person 55 days (including the briefing of the AFRITAC East SC and associated travel time).

##### B. Key Deliverables

19. The evaluation team will provide 3 key deliverables, as set out below. Deliverables should be succinct, quality controlled by the evaluators and in the case of the Final Evaluation Report and case studies, of a standard suitable for publication.

- **An Inception Note:** The Inception Note will set out the methodology for data collection and analysis (including the criteria for selection of samples or case studies), draft interview guidelines and draft survey instruments, together with a detailed work plan for data collection, a list of potential interviewees and an outline of the Draft Mid–Term Evaluation Report table of contents.
- **A Draft Evaluation Report.**
- **A Final Evaluation Report.**

##### V. EVALUATOR QUALIFICATIONS

20. The evaluation team should demonstrate the following qualifications:

- Extensive knowledge of the issues covered by IMF TA and training; experience and expertise in the delivery and review of TA; and some capacity and background in macroeconomic policy making would be desirable;
- Experience in the region and countries covered by AFRITAC East;
- Extensive experience in evaluation, including evaluation of TA and training;
- Substantive input from local experts insofar as possible;
- Ability to work effectively in English.

21. In addition, the evaluator is also expected to outline a quality control mechanism (s)he will put in place to ensure that drafts of key deliverables are of an appropriate quality.

## APPENDICES

### A. Recommendations from 2009 AFRITACs Evaluation

**Recommendation 1:** OTM's presentations during the negotiations for the next financial replenishment should argue for additional resources to strengthen the human and financial resources of the AFRITACs and necessary support from Headquarters, including AFR, MCM, FAD, STA and OTM, contingent upon the AFRITACs, with the backstopping and guidance of the TA Departments, making credible commitments to further improving the tracking and monitoring of results (see Recommendation 2) and improve information dissemination and coordination with other TA providers (see Recommendation 3), and identifying ways to improve the implementation of TA recommendations to promote sustainability (Recommendation 4). Increased levels of funding would be consistent with the positive assessment of the AFRITACs performance, as well as the commitments that the donors made at Gleneagles and in the Paris Declaration and the Accra Agenda for Action. **AFRITACs need to be appropriately resourced if they are to effectively contribute to capacity building in post conflict countries.** The planned topical trust funds in some of the main areas in which the AFRITACs work has the potential to partly alleviate this problem of limited resources if those funds are well coordinated with the activities of the AFRITACs. In taking forward these recommendations it will be important for IMF to support requests for additional financing from donors by: (i) assessing higher administrative spending on the part of IMF that may not be fully covered by external financing; and (ii) identify either additional source of financing or offsetting savings elsewhere for such costs.

**Recommendation 2:** The three AFRITACs should, in coordination with the TA Departments, by the end of calendar year 2010, adopt a three year plan for each cluster of TA interventions in a country that sets out the strategic objectives and outcomes that the capacity building initiative expects to achieve and provides a framework with indicators against which progress can be monitored. Although some progress has been made in managing for development results and the enhanced version of the TAIMS is a positive development, the AFRITACs need further improvement in defining, tracking and reporting on the outcomes achieved. A similar recommendation was made in the 2005 Evaluation. Steering Committees should continue to insist on further progress in this area. TAIMS, IMF's internal system to monitor and track results, should be viewed as being complementary to internationally accepted frameworks (e.g., PEFA; FSAPs, the World Bank's Country Statistical Information Database). Strengthening results based monitoring is essential to improve TA management and maximize accountability of the AFRITACs to the beneficiary countries and donors.

**Recommendation 3:** While recognizing that beneficiary countries should lead donor coordination, all three AFRITACs need to strengthen their donor coordination and dissemination strategies. This will involve: (i) all groups represented in the AFRITAC governance structure working together to improve coordination with other TA providers in the areas of macroeconomic management; (ii) West and Central AFRITACs preparing information dissemination strategies by the end of calendar 2009; (iii) OTM securing adequate funding during the replenishment to implement the strategies; (iv) OTM, the AFRITACs and the Office of External Relations working together to develop and implement the dissemination strategies and operate a common portal on the IMF server; (v) IMF making a corporate decision to share the tables of planned TAs, including both Headquarters and AFRITAC TAs in the Regional Assistance Plan, that underpin the Regional Strategy Notes with the Steering Committees; and (vi) more frequent retreats for share experience among the AFRITACs. Improving coordination and dissemination was recommended in the 2005 Evaluation and these issues received considerable prominence in the AFRITAC program documents. However, some donors complained to the Evaluation Team about a lack of knowledge of AFRITAC operations and coordination with their organizations.

Consistent with this feedback, respondents to the AFRITAC Evaluation survey assigned a lower score when rating the coordination with other TA providers than for most other criteria assessed. Although the AFRITACs have a good story to tell, they have not put enough effort into disseminating information and marketing their product. A good dissemination strategy, that makes full use of web based technology and draws on the knowledge, expertise and networks of contacts of the External Relations Department, would help to share information to all stakeholders and promote coordination.

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

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

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

AFRITACs and training of local staff; (viii) strengthening financial management and control; and (ix) planning and budgeting to improve internet connectivity.

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

**Recommendation 8: By the end 2009 the AFRITACs and OTM should develop formal action plans for each accepted recommendation, identifying the necessary resources and monitorable benchmarks to implement recommendation and report the implementation status of the action plans to the Steering Committees in FY2010 and FY2011.** The generally poor implementation status of the recommendations in the 2005 Evaluation suggests that periodic reporting to the Steering Committee is needed to reinforce efforts to implement evaluation recommendations. **The Evaluation Team believes that all of the recommendations are important and should be implemented.** However, the Team recognizes taking action in all of these areas represents a challenging agenda. To provide some guidance in setting priorities **the Evaluation Team grouped the recommendations into two groups: (i) highest priority; and (ii) high priority.** The following criteria were used to define these groups: (i) no more than four recommendations could be included in the Highest Priority group; (ii) recommendations in the Highest Priority group could be expected to make a direct contribution to improving the effectiveness and sustainability of TAs in the medium term; and (iii) the recommendations in the Highest Group would have clear, positive, tangible impacts on the operations of the AFRITACs. Based on these criteria, **Recommendations 1, 2, 3 and 4 were categorized as Highest Priority** and Recommendations 5, 6, 7 and 8 were categorized as High Priority. Taken as a package, **Recommendations 1 to 4 should improve effectiveness and sustainability by addressing resource constraints, better monitoring results, improving donor coordination and information dissemination, and providing more support for implementing TA recommendations.**

## B. Evaluation Sub-Criteria and Weights

DAC Criteria and Weighting	Key Evaluation Question(s)	Sub-Criteria and Weights
Relevance (32%)	<ul style="list-style-type: none"> <li>Whether AFRITAC East is meeting the priority needs of member countries and whether there has been strong country ownership of AFRITAC East activities;</li> <li>Whether AFRITAC East activities are appropriately focused in terms of subject areas, taking into account the IMF's expertise and the priority needs of the beneficiary countries, HQ activities and the work of other development partners.</li> </ul>	<p>A starting point for the evaluation will be to compile an overview of quantitative and qualitative data on activities (TA and training) delivered by AFRITAC East since its inception. This will include an assessment of whether the delivered TA and training was relevant in terms of: a) priorities identified in the Program Document, b) the needs of the member countries and region, and c) whether it was appropriately coordinated with other stakeholders.</p> <p><b>Ratings and weights will be distributed as follows:</b></p> <p>(i) <b>Consistency with Program Document and Government Priorities (60%):</b> particular attention to the linkage between AFRITAC East TA and training and macro economic reform programs and capacity development programs formulated by ministries of finance, central banks and statistical agencies, regional organizations and other recipients of AFRITAC East TA and training.</p> <p>(ii) <b>Coordination with Development Partners (20%):</b> Whether there has been sufficient effort to coordinate with development partners, including outreach efforts.</p> <p>(iii) <b>Consistency with IMF Headquarters Activities (20%):</b> The extent to which AFRITAC East TA and training is integrated with TA, surveillance, and lending activities of IMF HQ; evidence of consistency could be examined by drawing on the results obtained from a review of documents and interviews</p>

DAC Criteria and Weighting	Key Evaluation Question(s)	Sub-Criteria and Weights
		with staff of the WHD Department, IMF Resident Representatives and the TA Departments.
Efficiency (22%)	<ul style="list-style-type: none"> <li>Whether AFRITAC East is delivering activities in an efficient manner while ensuring the quality and timeliness of expert input (including management and backstopping of by IMF headquarters-based staff).</li> </ul>	<p>The mid-term evaluation will also consider issues of efficiency including the management and use of resources and the extent to which 'locational' efficiencies have been achieved, i.e. the cost benefits of being based in the region. In assessing the operations and administration of AFRITAC EAST.</p> <p>Ratings and weights will be distributed as follows:</p> <p><b>Ratings and weights will be distributed as follows:</b></p> <p>(i) <b>Process and Implementation Efficiency (40%):</b> covered such factors as IMF's internal management of AFRITAC East activities, appropriate counterpart/workshop participant selection and the quality and timeliness of management and backstopping of AFRITAC East TA and training by HQ staff; planning for the timely recruitment of qualified Resident Advisors, the efficiency of planning and executing the TA and training delivery.</p> <p>(ii) <b>Efficient Use of Resources (40%):</b> Whether expenditures have been in line with annual work plans, whether AFRITAC East TA and training has proven to be cost-effective compared to other TA delivery modes; whether opportunities for efficiency gains are considered and explored; respondents to the AFRITAC East TA and training evaluation survey may be asked to give their perceptions on the relative cost efficiency of AFRITAC East TA and training compared to other TA providers and IMF HQ.</p> <p>(iii) <b>Monitoring and Reporting (20%):</b> degree to which AFRITAC</p>

DAC Criteria and Weighting	Key Evaluation Question(s)	Sub-Criteria and Weights
		East uses self-evaluation (i.e. monitoring) and better reporting to improve the efficiency and effectiveness of their activities. That involved examining the use AFRITAC East is making of TAIMS and efforts to put RBM in place.
Effectiveness (28%)	<ul style="list-style-type: none"> <li>Whether AFRITAC East is appropriately focused on delivering outputs that contribute to the achievement of priority reforms, including assessing, to the extent possible, outcomes and impacts at topic, country and/or regional level;</li> <li>The quality and timeliness of activities undertaken and outputs produced and the reporting and monitoring of these the activities and outputs</li> </ul>	<p>(i) <b>Use of AFRITAC East Outputs (40%)</b>: including an assessment of the use of the outputs of each topic area and whether the outputs are leading, or are likely to lead, to the planned outcomes (identified in the Program Document); whether the technical assistance and training has delivered outputs that contributed to the achievement of beneficiary country reforms capacity building.</p> <p>(ii) <b>Planned vs. Actual Achievements (30%)</b>: The actual outputs were compared to the planned outcomes stated in the AFRITAC East Program Document, work programs and other documentation. In many cases, there will be an unfinished agenda. In such cases, the Evaluator(s) may form a judgment as to whether the expected outcomes are likely to be achieved.</p> <p>(iii) <b>Significance of Contribution to Developing Core Economic Functions and Institution Building (30%)</b>: AFRITAC East activities and outputs 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 AFRITAC East, HQ assistance, support provided by other development partners and government initiatives. The Evaluator(s) may estimate the relative importance of AFRITAC East contributions by considering whether the results could have been achieved</p>

DAC Criteria and Weighting	Key Evaluation Question(s)	Sub-Criteria and Weights
		without AFRITAC East involvement.
Sustainability (18%)	<ul style="list-style-type: none"> <li>The extent to which AFRITAC East technical assistance and training has led to tangible and lasting results;</li> <li>Whether constraints faced by — AFRITAC East member countries prevent them from taking full advantage of AFRITAC East technical assistance and training, and how such constraints can be addressed.</li> </ul>	<p>(i) <b>Executing Agency Ownership and Use of the Outputs (75%)</b>: An important factor to be considered is whether the workshop participants/trainees use the knowledge gained on the job. Participant selection may be examined in the context of this sub-criterion. Whether the TA outputs are embedded in the routine businesses practices of the executing agencies.</p> <p>(ii) <b>Promoting the Use of regional Expertise (25%)</b>: Has AFRITAC East promoted the use of regional 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 regional expertise.</p>

**C. List of Documents to be Provided to the Evaluator(s)**

- Program Document,
- Work Plans,
- Annual Reports,
- Minutes of Steering Committee meetings,
- Activity reports,
- Budget,
- TA reports,
- Previous evaluations of RTACs,
- General information on the Fund TA, RTACs, etc.

## II. RESPONSES TO TORS QUESTIONS IN REPORT

This Section provides an index of the specific questions referred to in the Evaluation's TORs/SOW and the relevant sections in the Report where we propose to provide responses to them. Where responses are covered in more than one section, we will at a minimum sought to indicate the section where the principal component of the response is dealt with. Whilst reference is made to the KEQs in the TORs in this section, in the final report we will provide a similar report relating the sections with the revised KEQs.

Question	Response in Section
<b>Overall Objective (Section 5 of SOW)</b>	
Assess the extent to which AFE is achieving its objectives, in an efficient and effective manner, and the extent to which the training and TA delivered is sustainable	3, 4, 5, 6, 8
Extent to which AFE has built on the previous multi-year cycles and whether results of previous phases have been sustained in the current phase	2, 4
<b>Achievement of Objectives of AFE Model (Section 6)</b>	
Better identification of TA needs; rapid and flexible TA delivery; closer interaction with beneficiary country authorities; strengthened country ownership; and greater exchange of information with other TA providers and donors in the region.	6
Challenges, known risks faced by Centre in implementing TA and delivering training, and additional steps from those indicated in Centre's strategic logframe to address risks/take mitigating action, including authorities' response in member countries.	4,5, 9
Achievements, lessons learned and recommendations	3, 12
<b>Implementation of Recommendations of 2009 Evaluation (Section 6)</b>	
Status of Recommendations 1 to 8	11
<b>Other Issues (Sections 7 and 8)</b>	
Extent to which AFE and (the AFE model) remains relevant in the regional context, including whether it is operating at an appropriate scale and in an efficient manner.	6, 7, 8
Refer to relevance and expected effectiveness of new tools to support RBM (strategic logframe, topical logframes per country, new format work plan to track inputs, separate reporting database (AFE), suitability of tools, and extent to which appropriate process is in place to support implementation of RBM, and if relevant propose refinements to the tools and/or suggestions to enhance RBM implementation.	9
<b>Key Evaluation Questions (Section 12)</b>	
<b>Relevance</b>	
How AFE determines the need for TA and training, including the processes used by members to determine their needs.	8.2
The extent to which AFE activities are linked to national/regional strategies.	3.2, 4, Vol. II
Whether AFE is meeting the priority needs of member countries.	3.2, Vol. II
Whether the national authorities are effective in ensuring strong country ownership of AFE activities.	6.8
Whether AFE activities and staffing are appropriately focused in terms of subject areas, taking into account the IMF's expertise and the priority needs of the beneficiary countries, integration with HQ and other Fund activities (e.g. other training and TA delivered including through the topical trust funds) and the work of other development partners.	8
<b>Efficiency</b>	
Whether AFE is delivering activities in an efficient manner including: i) process and implementation efficiency (e.g. timeliness in executing the work plan); ii) efficient use of resources (human and financial) and attention to cost effectiveness and, iii) monitoring and reporting.	3.4, 7, 8
<b>Effectiveness</b>	
Whether AFE is appropriately focused on delivering outputs and outcomes that contribute to the achievement of priority reforms, including assessing, to the extent possible, outcomes and impacts at topic, country and/or regional level.	3.3, 4, 5, Vol. II
Whether interventions reflect learning from experience both in AFE and beyond to ensure the most effective practices are used to secure maximum output and outcome effectiveness.	6.6.4
The quality of TA delivered, including the added value of backstopping.	3.3, 8.8
The extent to which beneficiaries have followed up advice/training provided.	4, 5, Vol. II
<b>Sustainability</b>	

Question	Response in Section
<ul style="list-style-type: none"> <li>▪ The extent to which AFE TA and training has led to tangible and lasting results and factors affecting sustainability.</li> </ul>	3.5, 4, 5
<ul style="list-style-type: none"> <li>▪ The contribution of AFE to building regional capacity, as well as identifying and using regional expertise, including local and regional expertise.</li> </ul>	6.20, 8.6
<ul style="list-style-type: none"> <li>▪ Whether staff turnover is well managed to ensure adequate institutional learning in AFE and with beneficiary country relationships.</li> </ul>	8.5
<ul style="list-style-type: none"> <li>▪ Sustainability of the funding model.</li> </ul>	10.5
<b>Other issues (Sections 13, 14 and 15)</b>	
<ul style="list-style-type: none"> <li>▪ Extent to which AFE interventions have directly or indirectly contributed to impacts especially on enhanced organizational performance, improved regulatory frameworks, etc. Consider the extent to which interventions are designed and implemented to ensure impact. Not to be rated.</li> </ul>	3.3, 4, 5, Vol. II
<ul style="list-style-type: none"> <li>▪ Drawing on questions above, consider (i) the extent to which AFE has responded adequately to challenges, (ii) whether it continues to deliver additionality, i.e. whether the underlying intervention logic is still valid and, hence whether there still a clear role for AFE; and (iii) whether the Center is operating at an appropriate scale and with an appropriate skill mix given its mandate and in an efficient and cost-effective manner.</li> </ul>	6
<ul style="list-style-type: none"> <li>▪ Record and report on any significant lessons that can be drawn from the AFE experience, highlighting its strengths and weaknesses, and will provide recommendations for improvement, including implications for the RBM framework.</li> </ul>	12
<ul style="list-style-type: none"> <li>▪ Take note of the suggestions received during the course of the review on the direction of AFE's operational modalities and areas of work.</li> </ul>	6.11, 6.12, 8



### III. EVALUATION TOOLS AND MAJOR TASK GROUPS

The table below sets out the various tools we used for each of the broad sets of tasks in arriving at our evaluation conclusions.

DAC Criteria	Questions	Desk Top Reviews	Surveys TA & Work-shops	IMF HQ TA Depts, Africa Region & ICDGP	SC and Other Donors (incl. Survey)	AFE and RAs	Field Trips (2 countries) Incl. Case Studies and Stakeholder Interviews
<b>Relevance</b>	1. How AFE determines the need for TA & training, including members' processes to determine needs.	Project files- include FSAPs, diagnostics, and other sources	Yes	Yes		Yes	High level officials, country plans (as available), studies.
	2. The extent to which AFE activities are linked to national/regional strategies.	Sectoral strategies where available, action plans	Yes	Yes	Yes	Yes	Country plans, sector strategies.
	3. Whether AFE is meeting the priority needs of member countries.	Yes	Yes			Yes	Nat'l plans; high level officials; PRSPs FSAP,
	4. Whether nat'l authorities ensuring strong ownership of AFE activities.		Yes	Yes	Yes	Yes	High level officials.
	5. Whether activities are well focused: subject areas, regard to IMF's expertise & country priority needs, integr. HQ & other Fund activities (e.g. training), & other dev't partners.	IMF surveillance reports.	Yes	Yes		Yes	Yes
<b>Effective-ness</b>	1. Whether AFE is appropriately focused on delivering outputs and outcomes that contribute to the achievement of priority reforms, including assessing, to the extent possible, outcomes and impacts at topic, country and/or regional level.	Project monitoring reports vs Program & topical log frames Other IMF surveillance reports	Yes		Other donor delivered TA and coordination with AFE	Yes	Case studies with emphasis on Results planned and measured
	2. Whether interventions reflect learning from experience both in AFE and beyond to ensure the most	Past external evaluation recommendations	Yes	Yes	Yes	Impl. of past recommendations Use of log frames	Yes

DAC Criteria	Questions	Desk Top Reviews	Surveys TA & Work-shops	IMF HQ TA Depts, Africa Region & ICDGP	SC and Other Donors (incl. Survey)	AFE and RAs	Field Trips (2 countries) Incl. Case Studies and Stakeholder Interviews
	effective practices are used to secure maximum output and outcome effectiveness.						
	Outputs (including quality and timeliness).	Project files	Yes	Yes		Yes	Yes
	Outcomes achieved (including extent to which beneficiaries have followed up and implemented TA/training lessons).	Project files	Yes	Yes		Yes	Yes
	Outcomes in development.	Project files	Yes	Yes		Yes	Yes
	Project monit. reports, IMF rating.	Project files		Yes		Yes	Yes
	Project monitoring- recipient rating.		Yes			Yes	Yes
	Recipient overall satisfaction rating of workshops.		Yes				Yes
Efficiency/ Operations	1. Whether AFE delivered efficiently: process & impl. (e.g. work plan timeliness); use of human % financial resources & attention to costs; monitoring & reporting.	Monitoring reports, backstopping, budget vs actual reports, CARTAC cost effectiveness study, etc.)	Yes	Yes	Yes	Yes	Yes
	2. Support of HQ MIS.	MIS system		Yes		Yes	
	3. Project design & budgeting process.	Project files		Yes	Yes	Yes	
	4. TA risk assessment.	Project files	Yes	Yes		Yes	Yes
	5. Work plan/RAP process.	SC reports				Yes	
	6. Procurement process.			Yes		Yes	
	7. Speed of project cycle- application to approval.		Yes			Yes	Yes
	8. Approval to commencement.		Yes			Yes	Yes

DAC Criteria	Questions	Desk Top Reviews	Surveys TA & Work-shops	IMF HQ TA Depts, Africa Region & ICDGP	SC and Other Donors (incl. Survey)	AFE and RAs	Field Trips (2 countries) Incl. Case Studies and Stakeholder Interviews
	9. Effectiveness of monitoring, post completion & incorporation of lessons learnt.	Monitoring reports, TA reports, Briefing Papers		Yes		Yes	
	10. Effectiveness/added value of backstopping.	Comments received		Yes		Yes	
	11. RBM implementation Status.	Files, RBM Working Group Report		Yes		Yes	
<b>Sustaina-bility</b>	1. The extent to which AFE TA & training led to tangible & lasting results & factors affecting sustainability.	TA reports	Yes		Yes	Yes	Yes
	2. The contribution of AFE to building regional capacity, + identifying & using local and regional expertise.		Yes	Yes	Yes	Yes	Yes
	3. Whether staff turnover ensures inst. learning in AFE & with beneficiary country relationships.	Staff turnover information		Yes	Yes	Yes	Yes mainly beneficiaries
	Sustainability of funding model.			Yes	Yes		
<b>Strategy</b>	Regional versus country approach.	SC reports	Yes	Yes	Yes	Yes	Yes
	Coordination with SC donors.	SC reports		Yes	Yes	Yes	
	Coordination with other donors.	SC reports	Yes	Yes		Yes	
	How AFE adjusts/cooperates with other IMF topical trust funds e.g. Tax policy and Administration TTF.		Yes	Yes		Yes	
	Adequacy of funding <i>vis a vis</i> demand.	Commitment statements, work plan, financial reports		Yes		Yes	

DAC Criteria	Questions	Desk Top Reviews	Surveys TA & Work-shops	IMF HQ TA Depts, Africa Region & ICDGP	SC and Other Donors (incl. Survey)	AFE and RAs	Field Trips (2 countries) Incl. Case Studies and Stakeholder Interviews
	Extent to which AFE strategy is geared to achieving advantages re., to RTAC Model (actual achievements covered under other headings): <ul style="list-style-type: none"> <li>Better identification of TA needs;</li> <li>Rapid/Flexible TA delivery;</li> <li>Closer interaction with beneficiaries</li> <li>Strengthened country ownership</li> <li>Greater exchange of info with stakeholders / donors.</li> </ul>	Yes	Yes	Yes	Yes	Yes	Yes
	Review existing AFE strategic logframe and suggest improvements, esp. in respect to risk assessment and mitigation.	Yes Program Doc.	Yes	Yes		Yes	Yes
Governance	Adequacy of reports to SC.	SC reports			Yes		
	SC influence on AFE policy/strategy.	SC minutes		Yes	Yes		
	Recipient view on multi-donor benefit.		Yes				Yes
	IMF view on multi-donor benefit.			Yes		Yes	
	Clear charter for SC.	LoUs, RTAC Guidance Note.					
2009 Evaluation follow-up	Assess the degree to which recommendations have been implemented and to what extent they remain valid.	Yes. '09 eval. report; SC updates reports.		Yes		Yes	

#### IV. KEY EVALUATION QUESTIONS

DAC Criteria	KEQs at AFE Program level	KEQs at individual case study/TA/training intervention level
<b>Relevance</b>	<p><b>Consistency with Program Document and Government Priorities</b></p> <ul style="list-style-type: none"> <li>Consistency of AFE activities with Program Document and AFE strategy.</li> <li>Consistency of AFE activities with national/regional priorities: <ul style="list-style-type: none"> <li>Extent to which activities are linked to and support national strategies;</li> <li>Extent to which the Program supports EAC/regional initiatives;</li> <li>Extent to which activities are linked to and support sector/topical reform strategy;</li> <li>Effectiveness of TA selection process;<sup>45</sup></li> <li>Extent to which strong country ownership of AFE activities has been demonstrated.</li> </ul> </li> <li>Whether AFE's work plans are appropriately sequenced, given the completed/outstanding reform needs for that sector.</li> </ul> <p><b>Consistency with IMF Headquarter/other activities</b></p> <ul style="list-style-type: none"> <li>Whether AFE's activities are appropriately focused in terms of subject areas, taking into account the IMF's expertise, and integration with HQ and other Fund activities (e.g. other training and TA delivered including through the topical trust funds).</li> </ul> <p><b>Coordination with Development Partners</b></p> <ul style="list-style-type: none"> <li>Whether AFE's activities generally are effectively coordinated with and complement the work of other development partners.</li> </ul>	<p><b>Consistency with Program Document and Government Priorities</b></p> <ul style="list-style-type: none"> <li>Consistency of activity with Program Document, AFE strategy, and approved work plan.</li> <li>Consistency of intervention(s) with national/regional priorities: <ul style="list-style-type: none"> <li>Extent to which activity is linked to and supports national strategy (if one exists – e.g., PRSP);</li> <li>Extent to which activity is linked to and supports regional/EAC strategy (if one exists)</li> <li>Extent to which activity is linked to and supports sector/topical reform strategy;</li> <li>Extent to which strong country/institutional ownership of activity has been demonstrated.</li> </ul> </li> <li>Whether the activity is appropriately sequenced, given the completed/outstanding reform needs for that sector/institution: <ul style="list-style-type: none"> <li>E.g., appropriateness of project expected outcomes given country/institutional absorptive and implementation capacity.</li> </ul> </li> </ul> <p><b>Consistency with IMF Headquarter/other activities</b></p> <ul style="list-style-type: none"> <li>Whether activity is appropriately focused in terms of subject area, taking into account the IMF's expertise, and integration with HQ and other Fund activities (e.g. other training and TA delivered including through the topical trust funds).</li> </ul> <p><b>Coordination with Development Partners</b></p> <ul style="list-style-type: none"> <li>Whether the intervention has been effectively coordinated with and complements the work of other development partners.</li> </ul>

<sup>45</sup> Including what is done with projects that are not taken forward

DAC Criteria	KEOs at AFE Program level	KEOs at individual case study/TA/training intervention level
	<b>Context of donor/TA landscape of IMF TA</b> <ul style="list-style-type: none"> <li>How relevant is the AFE program when compared to other programs on offer?</li> <li>Why do countries choose the AFE as the TA provider?</li> </ul>	<b>Context of donor/TA landscape of AFE TA</b> <ul style="list-style-type: none"> <li>Why did the TA recipient choose the AFE as the TA provider as opposed to other donors?</li> <li>How do workshop participants compare those provided by AFE with workshops from other donors?</li> </ul>
<b>Effectiveness</b>	<b>Impact</b> <ul style="list-style-type: none"> <li>AFE and aggregated project-level <i>Impact</i><sup>46</sup> as defined in the Program Document, achieved or likely to be achieved.</li> </ul> <b>Outcomes</b> <ul style="list-style-type: none"> <li>RTAC and aggregated project-level <i>Outcomes</i> (short, medium and long term, is/as defined), as defined in the Program Document, achieved or likely to be achieved, including e.g., implementation of advice.</li> <li>Significance of AFE's contribution/likely contribution to developing core economic functions and institution building in the country/region.</li> </ul> <b>Outputs</b> <ul style="list-style-type: none"> <li><i>Outputs</i> achieved or likely to be achieved at aggregated project level, including: <ul style="list-style-type: none"> <li>Timeliness;</li> <li>Quality of reports/workshop presentations;</li> <li>Appropriateness/applicability of advice, given existing capacity/constraints;</li> <li>Whether Outputs are likely to produce intended Outcomes.</li> </ul> </li> </ul>	<b>Impact</b> <ul style="list-style-type: none"> <li>Intervention's expected <i>Impact</i> achieved or likely to be achieved (to the extent defined in the activity's logframe).</li> </ul> <b>Outcomes</b> <ul style="list-style-type: none"> <li>Intervention's <i>Outcomes</i> achieved or likely to be achieved (as defined in its logframe<sup>47</sup>): Short, medium and long term Outcomes</li> <li>Significance of AFE's contribution/likely contribution to developing core economic functions and institution building in the country/region, through the activity.</li> </ul> <b>Outputs</b> <ul style="list-style-type: none"> <li>Intervention's <i>Outputs</i> achieved or likely to be achieved (as defined in its logframe), including: <ul style="list-style-type: none"> <li>Timeliness of reports/workshop presentations;</li> <li>Quality of reports/workshop presentations;</li> <li>Appropriateness/applicability of advice, given existing capacity/constraints;</li> <li>Whether Outputs are likely to produce intended Outcomes.</li> </ul> </li> </ul>

<sup>46</sup> Impact assessed qualitatively only, and only where practical.

<sup>47</sup> We reviewed the logframes for project proposals where available and/or where needed, suggest refinements and indicators to measure performance against.

DAC Criteria	KEQs at AFE Program level	KEQs at individual case study/TA/training intervention level
<b>Efficiency</b>	<p><b>Process and implementation efficiency</b></p> <ul style="list-style-type: none"> <li>Management/Steering mechanism for developing AFE's strategy and work plans is efficient and optimizes results delivery;</li> <li>Timeliness in executing work plans;</li> <li>Appropriateness/effectiveness of IMF's internal management of AFE activities;</li> <li>Appropriateness of selection of counterpart/workshop participants;</li> <li>Quality and timeliness of management and backstopping;</li> </ul> <p><b>Efficient use of resources (human and financial) and attention to cost effectiveness</b></p> <ul style="list-style-type: none"> <li>Appropriateness of staffing composition/effectiveness of HR function, including RA turnover.</li> <li>Appropriateness of work allocation between HQ and AFE;</li> <li>Appropriateness of degree and nature of use of regional/ local expertise;</li> <li>Whether expenditures have been in line with medium term/multi-year and annual work plans and evidence of analysis of variances;</li> <li>Whether AFE TA and training, given its results, has proven to be cost-effective compared to other TA delivery modes, given results;</li> <li>Whether opportunities for efficiency gains are considered and explored;</li> <li>Allocation of time between TA delivery and project management;</li> <li>Perceptions on the relative cost efficiency of AFE TA and training compared to other TA providers and IMF HQ.</li> </ul> <p><b>Monitoring and reporting</b></p> <ul style="list-style-type: none"> <li>Appropriateness of overall M&amp;E framework for AFE;</li> <li>Degree to which AFE uses self-evaluation (i.e. monitoring) and better reporting to improve the efficiency and effectiveness of their activities;</li> <li>Effectiveness in making use of TAIMS to monitor and manage projects;</li> <li>Effectiveness/progress in efforts to put RBM in place and its usage in managing AFE.</li> </ul>	<p><b>Process and implementation efficiency</b></p> <ul style="list-style-type: none"> <li>TA/workshop design has been efficiently carried out;</li> <li>Timeliness in executing the activity;</li> <li>Appropriateness/effectiveness of IMF's internal management of the activity;</li> <li>Appropriateness of selection of counterpart/workshop participants (where relevant);</li> <li>Quality and timeliness of management and backstopping in relation to activity;</li> <li>The efficiency of planning and executing the TA/training delivery.</li> </ul> <p><b>Efficient use of resources (human and financial) and attention to cost effectiveness</b></p> <ul style="list-style-type: none"> <li>Appropriateness of staffing composition for the intervention;</li> <li>Appropriateness of work allocation between HQ and AFE in relation to activity;</li> <li>Appropriateness of degree and nature of use of regional/ local expertise;</li> <li>Whether expenditures have been in line with activity budget and evidence of analysis of variances;</li> <li>Whether activity, given its results, has been cost-effective compared to other TA delivery modes, given results;</li> <li>Whether opportunities for efficiency gains during the intervention have been considered and explored.</li> </ul> <p><b>Monitoring and reporting</b></p> <ul style="list-style-type: none"> <li>Evidence of effective use of self-evaluation (i.e. monitoring) and reporting to improve the efficiency and effectiveness of activity;</li> <li>Effectiveness in making use of TAIMS to monitor and manage project/workshop;</li> <li>Effectiveness/progress in use of RBM and its usage in managing the intervention.</li> <li>Use of RBM to manage activity;</li> <li>Incorporation of lessons learnt in project design and implementation.</li> </ul>

DAC Criteria	KEQs at AFE Program level	KEQs at individual case study/TA/training intervention level
	<ul style="list-style-type: none"> <li>Whether systems exist and they are effectively used for interventions to reflect learning from experience both in AFE and beyond to ensure the most effective practices are used to secure maximum output and outcome effectiveness.</li> </ul>	
<b>Sustainability</b>	<p><b>Sustainability of AFE activity</b></p> <ul style="list-style-type: none"> <li>The extent to which AFE TA and training has led to tangible and lasting results.</li> <li>Whether AFE's Outcomes will last beyond the completion of the current phase of AFE activity.</li> <li>Degree to which AFE's systems allow for retention of organizational memory (e.g. to avoid duplication of effort, improved hand-overs, etc.)</li> </ul> <p><b>Sustainability of the AFE funding model</b> How sustainable is the AFE funding model? Is there a clear strategy/progress toward funding sustainability being achieved?</p> <p><b>The contribution of AFE to building regional human capacity</b></p> <ul style="list-style-type: none"> <li>AFE's contribution in identifying and using local and regional expertise to build local advisory capacity.</li> </ul>	<p><b>Sustainability of TA activity</b></p> <ul style="list-style-type: none"> <li>Outcomes from intervention will last beyond/continue after completion of TA/training.</li> <li>For TA/training designed to deliver Sustainability, local institutions/ capacities have been strengthened to sustain results beyond the life of the intervention:</li> <li>E.g., absorptive capacity improved and developed to sustainable level; in-house training capacity built, where relevant.</li> <li>For interventions designed to deliver sustainability, financial sustainability has been achieved (i.e., recipients will be implement the advice from own/other financial resources in a sustainable manner).</li> <li>Effectiveness in maintenance and use of institutional memory relating to the activity;</li> </ul> <p><b>Contribution to building sustainable regional TA, implementation capability.</b></p>



## V. CALCULATIONS OF UNIT COSTS OF RAS, STXS AND WORKSHOP PARTICIPANTS

In arriving our estimates, we took into account the budgeted and actual costs and RA and STX days (with adjustments highlighted below) as reported by AFE for FYs 2010 to 2012, with only half of FY2010 reported days taken into account. We have also taken into account the actual direct costs of workshops and seminars over that period, their respective lengths and the number of attendees. The following information has been used:

- Direct RA costs and their travel costs.
- Direct STX costs.
- Direct seminar and workshop costs.
- HQ RA and STX backstopping costs allocated to RAs and STXs respectively. Only 50 percent of backstopping costs were taken into account as project management, the remainder being assumed to be akin to TA delivery.
- HQ Staff TA time and travel costs were excluded.
- The remaining actual and in-kind costs were allocated between RAs, STXs, and workshops in proportion to their direct budgeted and actual costs (48 and 51 percent respectively for RAs; 35 and 34 percent for STXs; and 17 and 15 percent for workshops).

We then calculated the number of units of TA and training delivered as follows:

- For RAs, we took the reported planned and actual total weeks of 964 and 979 days respectively, and after adjusting for half of FY2010 to correspond with reported budgeted and actual spend, we arrived at total of 825 weeks (budget) and 819 (actual). We then adjusted these days for time allocated to TA and for other activities. Estimates produced by RAs suggest that they spend 41 percent of their time on mission; 9 percent on TA report writing; and a further 3 percent on *ad hoc* advice from the Center. Thus we estimate TA delivery to be accounted for by 53 percent of RAs' time (excluding leave and weekends, etc.). In addition, RAs estimate that on average they spend 7 percent of their time to be spent on project managing and backstopping STXs and 11 percent of their time is devoted to preparing for, delivering and reporting on workshops. We have allocated the latter two costs to STXs and workshops respectively to arrive at their unit costs. The balance of 29 percent is devoted to mission preparation (8 percent); travel (7 percent); BTOs, internal reports and attending SC meetings (10 percent) and other activities (4 percent). We consider these items to be non-TA delivery costs.
- For STXs, we took the reported budgeted and actual field weeks of 501 and 383 days respectively for FYs 2010 to 2012, and after adjusting for half of FY2010, arrived at planned and actual field weeks of 418 and 321, respectively. Assuming an average of field TA delivery of 10 days per mission, we increased this number by 40 percent to take into account preparation and post-mission report writing. In reality, because the majority of missions cover two weeks, the weekend in the middle could be considered non-TA, but we do not believe that the impact is significant as some of the STXs may be working over that period. We arrived at a budgeted STX TA delivery weeks of 585 and 449, respectively.
- For each of the 25 workshops held over the review period, we took the number of days and attendees to arrive at the number of person days of workshops delivered. This came to a total of 3,592 days (25 workshops; average number of attendees, 28.04; average length, 5.16 days).

The unit costs arrived at are based on applying the above assumptions, and for RAs and STXs, assuming a 5-day working week.

Estimation of Resident Advisor, STX and Workshop Participant Unit TA Delivery Costs															
	Total		Resident Advisors				STXs				Workshops				
	Budget	Actual	Budget		Actual		Budget		Actual		Budget		Actual		
	US\$'000	US\$'000	%	US\$'000	%	US\$'000	%	US\$'000	%	US\$'000	%	US\$'000	%	US\$'000	
RA Salary and Costs	6,301.4	5,319.2	6,301.4		5,319.2										
STX Fees and Expenses Incl. Travel	4,586.4	3,570.7						4,586.4		3,570.7					
LTX Travel	959.0	970.4	959.0		970.4										
CC Travel	-	2.8	48%	-	51%	1.4	35%	-	34%	0.9	17%		15%	0.4	
Seminars and Training	2,247.1	1,584.6					2,247.1								1,584.6
HQ RA Backstopping	411.8	211.4		411.8		211.4									
HQ STX Backstopping	246.1	15.6					246.1		15.6						
HQ Project Management	757.2	265.3	48%	363.2	51%	134.7	35%	264.4	34%	90.4	17%	129.5	15%	40.1	
Other Costs	617.7	32.5	48%	296.3	51%	16.5	35%	215.7	34%	11.1	17%	105.7	15%	4.9	
Evaluation	150.0	125.0	48%	72.0	51%	63.5	35%	52.4	34%	42.6	17%	25.7	15%	18.9	
Trust Fund Management Fee	1,308.0	887.8	48%	627.5	51%	450.9	35%	456.7	34%	302.7	17%	223.8	15%	134.3	
IMF In-Kind Contribution	2,262.8	1,197.6	48%	1,085.6	51%	608.2	35%	790.1	34%	408.3	17%	387.1	15%	181.2	
Host Country In-Kind Contribution	1,142.7	540.7	48%	548.2	51%	274.6	35%	399.0	34%	184.3	17%	195.5	15%	81.8	
Total Pre-Contrib. In Kind	20,990.1	14,723.7		10665.0		8,050.7		7,010.7		4,626.7		3,314.3		2,046.3	
Unallocated costs															
IMF Travel	546.6	298.7													
Staff TA Delivery	1,354.7	13.3													
	657.9	227.0													
Total Budget & Actual	23,549.2	15,262.7													
RA Cost/Day				825		819									
% TA Weeks			53%	437	53%	434									
% Workshop Weeks Incl. travel/prep)			11%	91	11%	90									
% STX Management/Supervision			7%	58	7%	57									
Total TA Delivery + Workshop				586		581									
RA TA Cost/Week			18.21		13.84										
RA TA Cost/Day				3.64		2.77									
STX Cost/Day															
RA Costs for STX Admin/PM							1,051.5		793.7						
No. of STX Field Weeks								418		321					
Addnl time for Prep/TA report writing etc						40%		585	40%	449					
STX TA Cost/Week								13.78		12.06					
STX TA Cost/Day							2.76		2.41						
Workshop Cost/Participant															
RA Costs for Workshop Attendance/Org												1,652.3		1,247.3	
No. of Participant Days							3592								
Cost/Participant/Day														0.92	
Cost/Participant/Av Workshop														5.16	4.73

## VI. EXTRACTS FROM AFE LOGFRAME HIGHLIGHTING ISSUES

Count ries	Objective VIs (2 per objective)	General risks and assumptions	Outcomes (up to 4 per country)	Outcome VIs (1 per outcome)	Milestone (several poss. for 1 OC)	Milestone Date	Specific Risks & Assumptions (1 per OC)	Output (several possible per OC)
<b>Topic/Project Objective: Strengthen planning and budget practices</b>								
ERI	VI 1: MoF/Line ministries awareness of modern budget techniques increased...	Sufficient  Same outcomes etc repeated as 2 missions envisaged?	MoF/Line ministry awareness of modern budget techniques increased	25-30 budget officers trained	Training completed  No dates provided for outcomes. Range being considered	Q2	Sufficient ownership by authorities. No deterioration in politics...	Same general risks repeated. No difference between general and specific risks
ERI	More appropriate as an outcome. Repeated as an outcome VI	How will AFE define/verify 'increased awareness'?	MoF/Line ministry awareness of modern budget techniques increased	25-30 budget officers trained	Outcomes and objective VIs same	Q4	Sufficient ownership by authorities. No deterioration in politics...	MTBF and PB concept document approved
ETH	VI 1: Ministerial budget ceilings aligned to... VI 2: Ceilings produced and submitted on time.	authorities. No deterioration in politics...	Ministerial budget ceilings aligned to national priorities	and submitted on time	Budget policy framework statement adopted	Q1	Sufficient ownership by authorities. No deterioration in politics...	Milestone, not output produced...
ETH	Not appropriate VI at objective level costings tied to measures. budget coverage increased; budget formats agreed	Sufficient ownership by authorities. No deterioration in politics...	Improved costings tied to performance	1. Program budget coverage increased, 2. Budget formats agreed	Program budget formats agreed	Q2	Sufficient ownership by authorities. Complementary TA from WB on budget formulation	Program budget formats submitted to MCF
KEN	VI 1: Designed document of performance indicators are SMART. VI 2: National budget program budget submitted on time....	Sufficient ownership by authorities. No deterioration in politics...	Performance indicators simple, measurable and aligned to international stds	National budget submitted on time	Revised PB framework submitted	Q1	Sufficient ownership by authorities. No deterioration in politics...	Program budget formats submitted to MoF
MWI	VI 1: Ministerial budget ceilings aligned to.... VI 2: 1) MTBF reporting formats adopted; 2) MTBF aligned to fiscal framework; 3) MTBF used in annual budget process	Sufficient ownership by authorities. No deterioration in politics...	Ministerial budget ceilings aligned to national priorities	1. MTBF formats adopted, 2. MTBF aligned to fiscal framework, 3. MTBF used in annual budget process	reporting formats approved by MoF  No target dates	Q1	Sufficient ownership by authorities.	MTBF formats submitted to MoF; Policy framework produced on time.

Count ries	Objective VIs (2 per objective)	General risks and assumptions	Outcomes (up to 4 per country)	Outcome VIs (1 per outcome)	Milestone (several poss. for 1 OC)	Milestone Date	Specific Risks & Assumptions (1 per OC)	Output (several possible per OC)
MWI	VI 1. Ministerial budget ceilings aligned to national priorities... VI 2. 1) National program budget coverage increased; 2) SMART indicators adopted.	Sufficient ownership by authorities. No deterioration in politics...	Streamlined program budget submissions to parliament	1. National PB coverage increased, 2. SMART indicators adopted	Program budget submitted on time	Q3	Sufficient ownership by authorities. Complementary TA from donors (DFID, GIZ)	Draft PB manual submitted to MoF
RWA	2 listed	Complementary TA availability.	Performance based budget doc prepared by central budget agencies	Revised budget docs submitted to parliament for approval	Budget docs submitted on time	Q2	None	Budget docs submitted on time
TNZ (main)	2 listed		2 listed	2 listed	2 listed		Same as general risks	2 listed
TNZ (main)	2 listed							
TNZ- ZNZ	2 listed	Lots of risks between workshop delivery and objectives/ outcomes being realized	2 listed (same as each other)	2 different indicators listed	2 listed	2 listed		
TNZ- ZNZ	2 listed							
UGA	2 listed		1 listed		Improved budget perf. submissions		Not an output under IMF definition	PFM law adopted
Regio nal (work shop)	VI 1. Improved alignment of budget ceilings. 25-30 budget officers trained.	No major risks.	Improved alignment of budget ceilings to national priorities	25-30 budget officers trained	Training completed	Q2	No major risks	Workshop completed, training material completed.

## VII. KEY ISSUES DISCUSSED BY AFE STEERING COMMITTEE MEMBERS

SC Meeting	12 <sup>th</sup> (Ethiopia Apr 2010)	13 <sup>th</sup> (Malawi Mar/Apr 2011)	14 <sup>th</sup> (Malawi Mar 2012)
Work plan	<ul style="list-style-type: none"> <li>Malawi needed more TA in mining tax, debt management, macroeconomic statistics.</li> <li>Enhanced AFE involvement in EAC integration/harmonization.</li> <li>HQ or AFE takes lead in financial stability analysis and macro-prudential supervision TA?</li> <li>Should TA requests be sent to HQ or AFE?</li> </ul>	<ul style="list-style-type: none"> <li>TA focus of FY2012 needed country by country; provide indicators and baseline; work plan reporting set in context by country; multi-year work plans.</li> <li>Need deepening of focus in a number of important topics: supervision, audits, cross-border activities of mobile payments systems (with potential harmonization of regulations across countries), building capacity for macro-fiscal projections and development of quarterly economic statistics, addressing financial stability issues, implementing treasury single accounts, and information technology solutions for revenue administration.</li> </ul>	<ul style="list-style-type: none"> <li>Clearer division of labor and definition of mandates between IMF HQ and AFE.</li> <li>AFE must retain flexibility to respond as needs arise, within medium-term planning framework.</li> <li>Oversight of mobile banking needs to expand to include payment systems (Malawi).</li> </ul>
Donor coordination and dissemination	<ul style="list-style-type: none"> <li>Special attention needed on improving donor coordination.</li> <li>Whether budget support groups are consulted by RAs.</li> <li>Distribute JSA AFE evaluation to development partners.</li> <li>GIZ tabled 'zero draft' paper on pilot methodology to strengthen PFM coordination.</li> <li>Up to governments, not donors, AFE or IMF to implement donor coordination.</li> </ul>	<ul style="list-style-type: none"> <li>Need to continue to follow-up on donor coordination and cooperation with EAC.</li> <li>Results of PFM donor coordination pilots mixed and difficult to conclude, but general improvement acknowledged.</li> <li>Enhance outreach activities: <ul style="list-style-type: none"> <li>Revamp website.</li> <li>More support from Res Reps.</li> <li>Quarterly newsletters.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Pilot PFM information sharing exercise should be extended to all countries/sectors.</li> <li>Germany – better cooperation with German interventions compared with two years ago, but more improvement needed.</li> <li>Better dissemination of TA advice.</li> <li>Better sharing of experiences between countries.</li> <li>More effective exchange of ideas, information and experiences among donors and AFE.</li> <li>Integration of AFE work plan into PFM reform plan (Rwanda, EU).</li> </ul>
RBM	<ul style="list-style-type: none"> <li>Capacity building initiative not easy to track, would take time to effectively implement RBM.</li> <li>Governments are important stakeholders, results will assist donors in selling AFE services.</li> <li>Identify key challenges in AFE TA delivering results.</li> </ul>	<ul style="list-style-type: none"> <li>AFE needs to report on how TA implementation challenges being met.</li> <li>Frame TA in broader contexts (e.g. Fund supported programs and FSAPs) to alleviate challenges.</li> <li>RAs to brief member SC representatives on upcoming missions and TA bottlenecks.</li> <li>TA constraints/risks to be identified more clearly in TA matrices.</li> </ul>	<ul style="list-style-type: none"> <li>Sufficient resources for effective follow-up and monitoring of TA implementation.</li> <li>On RBM implementation: <ul style="list-style-type: none"> <li>Quality of indicators varied across sectors.</li> <li>Framework too complex for readers to understand.</li> <li>More emphasis needed on impact of activities.</li> </ul> </li> </ul>

SC Meeting	12 <sup>th</sup> (Ethiopia Apr 2010)	13 <sup>th</sup> (Malawi Mar/Apr 2011)	14 <sup>th</sup> (Malawi Mar 2012)
		<ul style="list-style-type: none"> <li>Need better reporting in a RBM framework.</li> </ul>	<ul style="list-style-type: none"> <li>Process and responsibilities for compiling and monitoring logframes need clarification.</li> </ul>
Financial reporting		<ul style="list-style-type: none"> <li>Financial report on AFE activities incomplete, insufficient and lacking in specificity. Various gaps in information. Significant under execution in budget, FY2012 contributions may be difficult to justify.</li> <li>Need to clarify/update IMF and host country contributions. Budget report should include these.</li> <li>Update on fundraising efforts as full Phase III budget not secured.</li> </ul>	<ul style="list-style-type: none"> <li>Linkages required to identify expenditures with deliverables in RBM framework.</li> <li>More analysis needed on reasons for variances between actual and budget.</li> <li>Budget needs revision and SC needs involvement.</li> </ul>
Other	<ul style="list-style-type: none"> <li>Need to track implementation of 2009 evaluation recommendations.</li> <li>More information on AFE's TA modalities.</li> </ul>	<ul style="list-style-type: none"> <li>Invitation to AFE membership extended to South Sudan and Burundi.</li> <li>Train the trainers to improve sustainability, also improve institutional memory and hand overs between RAs.</li> <li>Tanzania to provide details of in-kind contributions.</li> <li>Strong interest in outcomes of RTACs Governance and RBM work at HQ. Request consultation in good time to discuss and comment on recommendations before final adoption.</li> <li>Implementation of 2009 evaluation recommendations slow/unsatisfactory.</li> </ul>	<ul style="list-style-type: none"> <li>Ethiopia and Kenya had not signed LoUs.</li> <li>Uganda pledge remained under discussion.</li> </ul>

## VIII. LIST OF MEETINGS AND INTERVIEWS

IMF HEADQUARTERS		
Department	Position	Name
Global Partnerships Division, ICD	Division Chief	Ms. L. Effie Psalida
	Deputy Division Chief	Mr. Ulrich Jacoby
	Deputy Division Chief	Ms. Xiangming Li
	TA Officer (AFE)	Ms. Bineta Ba
	TA Officer (AFW)	Mr. Jonathan A. Wolsey
	TA Officer (CAPTAC-DR)	Ms. Katarzyna Kardas
	Senior TA Officer	Ms. Liz Cunningham
	Budget Officer	Mr. Barrie Williams
	Senior TA Officer (re RBM IT systems)	Mr. Harish Mendis
	Budget Officer (phone, email)	Ms. Harriet Adria
African Division, ICD	Division Chief	Mr. Marc Quintyn
Strategy and Evaluation Division, ICD	Assistant Director	Mr. John Green
African Department	Technical Assistance Coordinator	Mr. Ricardo Velloso
	Senior Economist (Ethiopia)	Mr. Noriaki Kinoshita
	Mission Chief (Rwanda)	Mr. Paulo Drummond
	Senior Economist (Tanzania)	Mr. Nikoloz Gigineishvili
	Senior Economist (Kenya)	Mr. Armando Moralis
Fiscal Affairs Department	Division Chief, Resource and Information Management	Mr. Brian L Christensen
	Technical Assistance Advisor, Backstopper	Ms. Suzanne Flynn
	Budget Assistant	Mr. Walid Saifullah
	Economist	Mr. Eliko Pedastaar
	Division Chief, Revenue Administration II	Ms. Katherine O. Baer
	Senior Economist	Mr. Andrew Okello
	Deputy Division Chief, Revenue Administration I (previously Coordinator of AFRITAC West)	Mr. Olivier Benon
Statistics Department	Division Chief, Real Sector Division	Mr. Kim Zieshang
	Assistant Director	Ms. Armida San Jose
	Technical Assistance Officer	Mrs. Claudia Mariel
	Senior Economist, Resource Management Division	Mr. Subramanian S. Sriram
Monetary and Capital Markets	Deputy Division Chief, Technical Assistance Division, Backstopper	Ms. Mary Zephirin
	Division Chief, Resource and Information Management Division	Mr. Mark O'Brien
	Deputy Division Chief, Technical Assistance Division	Mr. Karl Driessen
	Senior Technical Assistance Officer	Ms. Ava Ayrton
	Technical Assistance Advisor	Ms. Dilek Goncalves
Legal Department	Senior Financial Sector Expert, Legal Department (previously FSR RA at AFE)	Mr. Ian Carrington

<b>Office of Budget and Planning</b>	Assistant to the Director Budget Officer	Mr. Heikki Hatanpää Ms. Nina Kappor
<b>Finance</b>	Accountant Accounts Officer	Ms. Gaielle Latortue Ms. Felincia Lofton

#### EAST AFRITAC

Institution	Position	Name
	Coordinator	Mr. Xavier Maret
	Macroeconomic Statistics Advisor	Mr. Zia A. Abbasi
	Public Finance Management Advisor	Mr. Guy Anderson
	Public financial Management Advisor	Mr. Onesmus Ayaya
	Public Financial Management Advisor	Mr. Tawfik Ramtoolah
	Revenue Policy and Administration Advisor	Mr. Henry Kanyesiime Gaperi
	Monetary Policy and Operations Advisor	Mr. Elias Byekwaso Kasozi
	Macroeconomic and Fiscal Analysis Advisor	Mr. Mario Gutierrez
	Bank Supervision Advisor	Mr. Dirk Jan Grolleman
	Office Manager	Ms. Edina Moshi
	Information Technology Officer	Ms. Evonne Masawe

#### TANZANIA

Institution	Position	Name
<b>Case Study: Risk Based Supervision</b>		
<b>Bank of Tanzania (Directorate of Banking Supervision)</b>	Manager, Banks Supervision Department	Ms. Salva A. Kazimoto
	Manager, Operations, Policy Review and Licensing Department	Mr. Abubakar Ukhoty
	Assistant Manager, Large Banks Supervision Division, Banks Supervision Department	Mr. Kened A. Nyoni
	Principal Bank Officer, Microfinance Supervision Department	Mr. Julius E. Masota
	Manager, Non-Banks Supervision Department	Mr. Augustino N. Hotay
	Senior Financial Analyst, Microfinance Supervision Department	Mr. Nkanwa Magina
	Bank Examiner, Operations, Policy Review & Licensing Department	Mr. Aristidi Tarimo
	Bank Examiner, Operations, Policy Review & Licensing Department	Mr. Reginald Tarimo
	Officer, Operations, Policy Review and Licensing Department	Mr. Omar Msuya
	Chief Manager Finance	Ms. Consolata C. Lalika
<b>DCB Commercial Bank</b>	Chief Manager – Banking Operations	Mr. Kapilima Saidi
	Risk and Compliance Manager	Mr. Kulwa Stanley Detebe
	Chief Manager ICT	Mr. Mohamed Mtulia
<b>CRDB Bank</b>	Deputy Managing Director – Shared Services	Ms. Esther Kileo-Kitoka
	Director of Finance	Mr. Frederick B. Nshekanabo
	Executive Assistant to the Managing Director	Mr. Kenneth Davis Kasigila
<b>Short-Term Consultant (via Skype)</b>	Consultant	Mr. Michael Andrews

#### Steering Committee Members

<b>Bank of Tanzania</b>	Deputy Governor, Administration & Internal Controls	Mr. Juma H. J. Reli
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<b>Ministry of Finance and Economic Affairs</b>	Permanent Secretary	Mr. Ramadhani Mussa Khijjah
<b>European Union</b>	Head of Section, Economics, Governance and Regional Integration	Mr. Olivier Coupleux
	Economist, Budget Support and Public Finances Management	Mr. Guillaume Barraut
<b>African Development Bank</b>	Resident Representative	Ms. Tonia Kandiero

#### PFM Donor Group

<b>CIDA</b>	PFM Advisor	Mr. Jim Halliday
<b>Belgian Technical Cooperation</b>	Governance Advisor	Mr. Gauthier De Woelmont

#### Other institutions

<b>IMF</b>	Resident Representative	Mr. Thomas Baunsgaard
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### KENYA

Institution	Position	Name
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#### Case Study: Program Based Budgeting

<b>Ministry of Finance</b>	Economic Secretary	Mr. Geoffrey Mwau
	Program Budgeting Unit	Mr. Francis Anyona
	Deputy Director, Economic Affairs	Mr. Henry K. Rotich
	Economic Advisor (GIZ Funded)	Mr. Kristian Rosbach

#### Case Study: Quarterly National Accounts

<b>Kenya National Bureau of Statistics</b>	Acting Director General	Mr. Zakary Mwangi Chege
	Senior Manager, Macroeconomic statistics	Mr. Collins Omondi
	National Accounts, Macroeconomic Statistics Department	Mr. Benjamin Muchiri
<b>Central Bank of Kenya, Research Department</b>	Assistance Director	Ms. Angeline Limo
	Monetary Statistics	Ms. Ester Kamau
	External Statistics	Mr. Lukas Njoroge
<b>DfID</b>	Statistics Advisor	Mr. Michael Morris
<b>KIPPRA</b>	Director	Mr. Eric Aligula
<b>IMF</b>	Economist	Ms. [Koori] Ngoka

#### Desktop: Consolidated Supervision

<b>Central Bank of Kenya</b>	Director, Bank Supervision Department	Mr Frederick Pere
	Assistant Director, Bank Supervision Department	Mr Matu Mugo
	Manager (Surveillance), Bank Supervision Department	Ms Cynthia Lekoolool
<b>PriceWaterhouseCoopers</b>	Partner	Mr Richard Njoroge

#### Steering Committee Member

<b>Ministry of Finance<sup>48</sup></b>	Economic Secretary	Mr. Geoffrey Mwau
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#### Other Institutions

<b>IMF</b>	Resident Representative	Mr Ragnar Gudmundsson
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<sup>48</sup> Also met in the context of the Kenya PBB case study.