

AFRITACs
Independent Mid-term Evaluation
Volume I – Final Report

By: Independent Evaluation Team

April 2005

Executive Summary

African leaders, the International Monetary Fund (IMF), and donors agree that lack of capacity has prevented African governments from formulating and implementing their own macroeconomic poverty-reducing policies. The African Technical Assistance Centers (AFRITACs) were established as part of the Africa Capacity Building Initiative, launched by the IMF in 2002 to strengthen the capacity of sub-Saharan countries to design and implement poverty reduction policies frameworks and to improve the coordination of capacity-building technical assistance (TA) in the Poverty Reduction Strategy Paper process.

The AFRITAC mid-term evaluation was commissioned and managed by the IMF's Office of Technical Assistance Management (OTM), and was conducted by a three-person team of independent consultants specializing in public economics, financial management, and evaluation techniques.

The evaluation had three main objectives:

- Assessing whether the AFRITACs have provided value added to beneficiary countries,
- Assessing the extent to which the AFRITACs' objectives have been achieved, and
- Assessing whether the centers have enhanced cooperation between stakeholders (member countries, the IMF, and donors) in their respective regions.

Methodology

The evaluation methodology was based on an evaluation matrix that included key evaluation questions, data sources, and data collection methods. Data collection took place over 11 weeks in 2004 and included a review of relevant documents; individual and group interviews at IMF Headquarters in Washington, D.C., and in participating African countries; field visits and analysis of selected projects in seven participating countries; and a Web-based questionnaire survey of 75 stakeholders (33 responses). IMF departments, donors, and Steering Committee (SC) members provided feedback on the findings of the evaluation.

Background

East AFRITAC was opened in Dar es Salaam, Tanzania, in October 2002 to serve six member countries in East Africa (Eritrea, Ethiopia, Kenya, Rwanda, Tanzania, and Uganda). West AFRITAC was opened in Bamako, Mali, in May 2003 to serve 10 member countries in West Africa (Benin, Burkina Faso, Côte d' Ivoire, Guinea-Bissau, Guinea, Mali, Mauritania, Niger, Senegal, and Togo). If these two pilot projects are successful and sufficient financing can be secured, three more centers could be established to cover all sub-Saharan Africa. The AFRITACs are financed by contributions from 16 donor partners and the IMF, as well as by contributions by hosting governments.

Each center is guided by an SC and managed by a Center Coordinator who reports to the IMF African Department and OTM. Resident advisors (five in East AFRITAC and six in West AFRITAC) provide advice, TA, and training and supervise short-term experts in implementing capacity-building projects. To date, the two centers have conducted needs assessments in member countries and have provided capacity-building TA and training in a range of subject areas (banking supervision, customs administration, debt and financial markets, financial programming, microfinance supervision, monetary operations, public expenditure management, revenue administration, statistics, tax administration).

Findings

The 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.

Value Added

The two pilot centers have enhanced the quality of TA delivered to member countries. The centers undertook a demand-driven approach to TA based on large-scale consultations with member countries to define their priorities.

The AFRITACs' delivery approach is seen as a complement to or a substitute for four other TA delivery modes (short missions by IMF Headquarters [HQ] staff or outside experts; advisors based in the office of the IMF resident representative in the region; long-term resident advisors; training at the IMF Institute in Washington). Respondents noted that the AFRITAC model enhances country ownership, increases regional solidarity, keeps donors better informed about country situations and needs, enhances staff accountability, and has increased the use of African experts.

Although evaluation of the AFRITACs' cost-effectiveness is hampered by lack of information and indicators and by ambiguity in measuring overhead costs, the AFRITACs' delivery approach seems to be more cost-effective than other IMF TA delivery modes. Staff at IMF HQ and in the field believes that the AFRITACs' value added more than compensates for the effort it requires.

Fulfillment of AFRITAC Objectives

The majority of respondents praise the quality, timeliness, and relevance of AFRITAC activities, but note the need for improved follow-up on both training and TA.

IMF HQ staff report significant complementarity between the TA delivered through HQ and through the AFRITACs (e.g., HQ benefits from the AFRITACs' close contact with client countries and donor initiatives, its valuable input into TA design, new demands for TA, and its training of African experts). Under the AFRITACs, member countries have received a higher volume of TA and there has been no decrease in TA to nonmember countries.

The balance between direct TA (62–63% provided by resident advisors) and indirect TA (37–38% provided by short-term experts) has been appropriate for the AFRITACs' early years. As more African talent is identified in the future, resident advisors could allocate more of their time to managing and coordinating short-term experts, although this would require additional funding.

The SCs have made significant contributions in guiding and managing the centers in their early stages and are now beginning to focus on more strategic issues. Both AFRITAC SCs would benefit from the development of indicators and use of a logical framework approach (LFA) as a management tool as well as for monitoring and evaluating progress. SC representation may need to be reexamined as the level of authority and influence of country representatives to the SCs has an impact on their effectiveness.

Management, Monitoring, and Backstopping

The AFRITACs' organization of their people, processes, activities, and work flow is highly professional. During their pilot phase, the AFRITACs' management has demonstrated sound financial management, program management, and process management. The main weakness is monitoring and evaluation, arising from lack of performance indicators.

Overall, human resource management is satisfactory, although the management and accountability of resident advisors is hampered by poorly defined roles and responsibilities. In terms of infrastructure, Mali is still not considered as the permanent base for West AFRITAC, which is creating some ambiguities for the Center Coordinator and the local authorities who provide the office space. In addition, both centers are at risk of losing information in the absence of proper backup of servers and computer hard drives.

To date, IMF backstopping has been working well. The IMF technical departments and the OTM have provided high-quality advice, documentation, and support to the Center Coordinators and resident advisors. The majority of respondents praised their recruitment of staff and short-term experts. However, the limited resources of the IMF technical departments and of OTM are over-extended, and the recently launched Middle East Technical Assistance Center will likely stretch staff resources further and threaten the quality and timeliness of technical support.

Both centers have promoted African expertise by identifying and using local experts in their capacity-building activities. Beneficiaries and partner institutions should be consulted further to continue building a regional database of African expertise.

The AFRITACs' relationship with IMF resident representatives has been mutually supportive and was cited as a key success factor. IMF resident representatives have assisted AFRITAC resident advisors by facilitating contacts with the authorities and donor representatives, and have been kept well informed by the Center Coordinators and resident advisors.

Enhancing Stakeholder Cooperation

Member governments have been supportive and committed to the success of the AFRITACs. Postconflict countries have shown more interest than have others (and more resources have been deliberately allocated to these countries). The AFRITACs have worked closely with some regional institutions such as the African Capacity Building Foundation and AFRISTAT (Economic and Statistical Observatory for Sub-Saharan Africa) but could benefit from further developed relations with the Macroeconomic and Financial Management Institute for Eastern and Southern Africa and Joint Africa Institute. The AFRITACs have helped to improve information sharing among members and have fostered some peer review, although other opportunities such as websites could increase further sharing.

Donors have shown keen interest and provided strong support to the AFRITACs. The Centers' interaction and cooperation with other TA providers has helped to enhance TA coordination among providers, although all stakeholders agree that member countries should assume leadership in TA coordination.

Recommendations

1. Beneficiaries

- AFRITAC beneficiary countries should adopt comprehensive capacity-building programs as part of their PRSPs.
- Agencies benefiting from the AFRITACs should prepare plans for developing staff resources and institutional capacity. Where comprehensive capacity-

building programs already exist, they will constitute the framework for agency plans. The plans would describe the current status of the area (statistics, public finance, etc.), and outline steps for the agency to take in order to meet international standards. An inventory of reforms already under way through donor support should be included. The plans would provide for regular monitoring of capacity and of agency performance indicators established according to international standards.

- Countries' representation in the SC should adequately reflect their TA needs. To ensure effective participation, countries should reexamine the level of their SC representation. To further enhance the effectiveness of countries' TA management, focal points for AFRITAC resident experts should be designated and counterparts formally appointed.
- Countries should exercise great care in the selection of AFRITAC workshop participants. Participants should be required to share the acquired knowledge with colleagues from their and related agencies, through in-house seminars and other means.
- A number of countries need to take more responsibility for coordinating TA from various donors, including the AFRITACs, than is presently the case. The AFRITACs can serve as facilitators in this process.

2. IMF

- The Executive Board and management should respond to the Technical Departments' and OTM's needs for additional staff resources to respectively coordinate and backstop the existing regional Technical Assistance Centers and any additional ones that are established in future.
- The IMF should work with member countries and donors to ensure that necessary TA is provided to help AFRITAC beneficiary agencies develop and monitor the capacity-building plans recommended above.
- 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.
- As recommended by the Technical Assistance Committee, a subset of Article IV/Poverty Reduction and Growth Facility missions should be asked to prepare, on a pilot basis, an assessment of AFRITAC and other TA in relevant fields as an annex to their report.
- Where this is not yet the case, Resident Representatives' Terms of Reference should include assisting the AFRITAC intervention in their assigned country.

3. Donors

- As most already do, donors should recognize capacity building as a long-term process. Though results of the AFRITAC activities cannot yet be quantified, the indicators described in this report strongly suggest that they offer significant value added and are cost-effective.

- Donors should consider provision of TA to help beneficiary agencies develop and monitor human resource plans.
- 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.

4. AFRITACs

- 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.
- Regional workshop curricula should be designed so as to enable staff to identify and prepare individuals who can serve as trainers in their own countries or regionally. The AFRITACs should promote local, in-house workshops.
- Center staff should facilitate the processes, referred to above, of capacity-building planning and monitoring by benefiting agencies.
- 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.

Acronyms

ACBF	African Capacity Building Foundation
AfDB	African Development Bank
AFRISTAT	Economic and Statistical Observatory for sub-Saharan Africa
AFRITAC	African Technical Assistance Center
ASR	Activity Status Reports
BCEAO	Banque Centrale des Etats de l'Afrique de l'Ouest (Central Bank of West African States)
BOAD	Banque Ouest Africaine de Développement (West African Development Bank)
BRS	Budget Reporting System
BTO	Back-to-Office reports
CC	Center Coordinator
EA	East AFRITAC
ET	Evaluation Team
FAD	Fiscal Affairs Department
GDDS	General Data Dissemination System
HIPC	Highly Indebted Poor Country
HQ	Head Quarters
HR	Human Resources
IEC	Integrated Expenditure Circuit
IMF	International Monetary Fund
IT	Information Technologies
JAI	Joint Africa Institute
LFA	Logical Framework Approach
LT	Long-term
MOU	Memorandum of Understanding.
MEFMI	Macroeconomic and Financial Management Institute for Eastern and Southern Africa
OTM	Office of Technical Assistance Management
PACT	Partnership for Capacity Building in Africa
PEM	Public Expenditure Management
PFM-RPs	Public Finance Management Reform Programs
PRGF	Poverty Reduction and Growth Facility
PRSP	Poverty Reduction Strategy Paper

Acronyms

RAP	Resource Allocation Plan
RR	Resident Representatives
SC	Steering Committee
ST	Short Term
TA	Technical Assistance
TORs	Terms of References
WA	West AFRITAC
WAEMU	West African Economic and Monetary Union
WAIFEM	West African Institute for Financial and Economic Management

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1. Introduction

The following report constitutes the mid-term evaluation report of the African Technical Assistance Centers (AFRITACs) initiative launched in May 2002.

From the inception of the project, it was decided that after about 18 months of operation, the two pilot centers would be evaluated by an independent team of evaluators.

The evaluation will assess the effectiveness and sustainability of the centers and the technical assistance (TA) provided by them, bearing in mind the long-term nature of capacity building. The evaluation will also formulate recommendations for future action. If the centers are seen as successful, the number of centers could be expanded to up to five over the medium term.¹

The evaluation will have three main objectives:

- Assessing whether the AFRITACs have provided value added to beneficiary countries;
- Assessing the extent to which the AFRITACs' objectives have been achieved; and
- Assessing whether the centers have enhanced cooperation between stakeholders in their respective regions.

The evaluation will encompass both centers since their inception and will provide a combined evaluation of their overall performance, as well as a center-specific assessment. Because of the short duration of operations of the centers, particularly in West Africa, the primary focus of the assessment will be on the regional TA centers (TACs) as an effective delivery vehicle of capacity building, instead of an assessment of the impact and sustainability of their TA activities in member countries. (See Appendix I – Terms of Reference.)

Organization of the Report

This report is a synthesis of the Independent Evaluation Team's (ET) findings and observations drawn from a number of sources, including document reviews, field visits, telephone/e-mail interviews, and an online survey. The report is organized as follows:

- Section 2 briefly describes the methodology for carrying out the evaluation.
- Section 3 provides a background on the AFRITAC initiative, the centers' organization, and activities planned and undertaken.
- Section 4 presents major findings and observations on issues raised in the Terms of Reference.
- Section 5 summarizes the key findings and provides the overall conclusions.
- Section 6 presents recommendations for future action.

¹ Project document, paragraph 45.

2. Methodology

2.1 Overall Approach

The primary goal of the AFRITAC mid-term evaluation is to assess the East and West AFRITACs' performance over the past 18 months. Because the centers have been in operation such a short time, the impact of the technical assistance (TA) and the training was not a primary concern of the ET. The methodology for conducting the evaluation was driven by a matrix that included the key evaluation questions, data sources, and data collection methodologies (see Appendix II). The matrix was developed according to the key issues raised in the Terms of Reference (TOR).

The overall evaluation of the AFRITACs performance examined the following:

- AFRITAC effectiveness: the extent to which the objectives of AFRITAC development interventions were achieved;
- AFRITAC efficiency: how AFRITAC resources/inputs (funds, expertise, time, etc.) have been converted into results;
- AFRITAC relevance: the extent to which the objectives of AFRITAC development interventions and “intuition” are consistent with agency requirements and country needs; and
- AFRITAC financial sustainability: the extent to which AFRITAC is a cost-effective organization for the delivery of TA and the achievement of results.

2.2 Key Approaches to Data Collection

This report integrates the results and findings of data collected over a period of 11 weeks (see Appendix III – Timeline) using a mix of qualitative and quantitative techniques, including document review, individual and group interviews, project document analysis, field visits, and a questionnaire survey. The following provides a description of those methods.

Document Review: The team reviewed a wide range of pertinent documents related to the themes and projects under consideration. A list of documents consulted and reviewed is presented in Appendix IV.

Interviews and Field Visits: Face-to-face individual and group interviews were conducted at the International Monetary Fund (IMF) Headquarters (HQ) in Washington, D.C., and in seven of the sixteen participating African countries (Burkina Faso, Eritrea, Guinea-Bissau, Kenya, Mali, Mauritania, and Tanzania). Key donors and members of the Steering Committee were asked to provide feedback either by telephone interviews or in written format. See Appendix V for the full list of people met during all interview sessions. Summaries of the information gathered during key meetings are presented in Appendix VI.

Analysis of Selected Projects: In countries where field visits were conducted, the ET reviewed AFRITAC TA for timeliness, relevance, and quality. Included were a file review, interviews with resident advisors, and interviews with beneficiaries. In addition, several projects were analyzed in greater depth to assess quality issues in AFRITAC projects. The projects selected included poor, average, and strong performers in terms of achievement of planned outputs and outcomes. The analysis of selected projects is presented in Section 4.2.1. Appendix VII presents the summary of the file review.

Questionnaire: A Web-based questionnaire survey was administered to 75 stakeholders from participating countries where field visits were not conducted. Of these, 33 completed questionnaires were received. The full results of the survey are presented in Appendix VIII. Contacts who were not able to respond through the Web were asked to complete and fax their responses.

2.3 Methodological Limitations

There were some limitations to conducting the AFRITAC mid-term evaluation, particularly the relatively short time of the centers' existence—especially in West Africa. The focus of the evaluation is primarily on the centers' relative effectiveness as delivery vehicles for capacity-building TA, rather than an assessment of the impact and sustainability of specific TA interventions. Results of capacity-building efforts can be measured only over a longer period. Moreover, the project's design did not include indicators for measuring the results of capacity-building TA.

Given the small size of the sample of activities selected for in-depth analysis, the results may be less than representative overall.

2.4 Team Composition

Each Steering Committee (SC) member (i.e., member countries, donors, and the IMF) has nominated a list of suitable candidates from which the IMF short-listed the six most qualified evaluators. The chairpersons of the SCs were requested to select three members of the ET from the short list, giving due consideration to diversity and stakeholder representation. The team was contracted and administratively managed by the IMF's Office of Technical Assistance Management (OTM).

An independent team of three experienced short-term experts with a solid background in public economics, financial management, and evaluation techniques as well as knowledge of French carried out the evaluation.

Mr. Mande Sidibe: (Nominated by the African countries) Mr. Sidibe started his career as an IMF economist; then took up positions at the Central Bank of West African States (BCEAO), including the post of National Director of Mali. He then became Special Advisor to the President of the Republic of Mali. During 2000–2002, Mr. Sidibe was the Prime Minister of Mali. Since then he has undertaken several consulting and lecturing engagements. (Francophone, fluent English)

Ms. Suzanne Kirouac: (Nominated by the donors) Ms. Kirouac has an extensive background in evaluation methodologies, organizational assessment, and TA, including work done in West Africa regarding capital market development in the BCEAO countries. She has also worked for Canadian International Development Agency and the World Bank in areas of microfinance and evaluation of macroeconomic management training programs. (Bilingual)

Mr. Clive Gray: (Nominated by the IMF) Mr. Gray was for 30 years a Fellow of the Harvard Institute for International Development, undertaking advisory missions to Africa and elsewhere on macroeconomic policies, investment appraisal, and public financial management. He assisted the IMF's Fiscal Affairs Department (FAD) in Highly Indebted Poor Country (HIPC) assessments in West Africa and TA in public expenditure management (PEM) to Anglophone Africa. (Anglophone, fluent French)

Mr. Mande Sidibe is the team leader and Ms. Suzanne Kirouac the "rapporteur." However, the ET divided the work as equitably as possible.

3. The AFRITAC Initiative

3.1 Background

3.1.1 Context – PRSPs and Capacity Building

Over the past few decades, substantial financial resources have been devoted to TA in African countries. Results in terms of capacity building in public institutions have been far below what was planned and hoped for. The absorptive capacity of the economies of African countries remains very low, and their economic growth rates are well below what is required for reducing poverty. African leaders, the IMF, and donors agree that insufficient capacity (lack of a critical mass of talented people, and more generally of national capacity) has been a key bottleneck in the implementation of economic reforms and constitutes a major constraint to poverty reduction efforts. Capacity building (Box 3.1 - Capacity Building), particularly in areas related to macroeconomic policy, is instrumental and must be the core of the Poverty Reduction Strategy Paper (PRSP) process.

Box 3.1 - Capacity Building

The capacity of a country is its ability to analyze a situation and formulate and implement the required reforms. In the particular case of this evaluation, it means the ability of a country to formulate and implement sound macroeconomic policies.

Capacity relates to human resources, institutions, and procedures.

Capacity building aims at creating a critical mass of human skills (talents), quality institutions (including the legislature), and sound procedures.

Thus, capacity building is both a short- and long-term process.

It is widely believed that lack of capacity has prevented African governments from formulating and implementing their own macroeconomic poverty-reducing policies.

The PRSP process has been a priority program for poverty-reducing reform over the past few years. One of its key objectives is to provide a means to coordinate donor assistance, including capacity-building efforts. However, no PRSP fully articulates (a) measures required to develop the necessary administrative capacity for reducing poverty, (b) prioritization of capacity-building needs, and (c) identification of potential donor assistance to address these needs.

To date, the majority of AFRITAC member countries have prepared a fully participatory PRSP, whereas others have an interim PRSP. Only two countries have a separate Capacity Building Reform Plan. Table 3.1 presents the PRSP preparation status of the countries covered by the present initiative. Since 2002, PRSP preparation has progressed, whereas only a few countries have completed a Capacity Building Reform Plan. The IMF and World Bank country missions are helping countries to prepare their PRSPs via a participatory process (involving all stakeholders in civil society) but not in the Capacity Building Reform process.

Table 3.1 - PRSP Preparation Status (2002 versus 2004)

AFRITAC Countries	PRSP Process Stage					
	2002			2004		
	Full PRSP	Interim PRSP (I-PRSP)	Capacity-Building Reform Plan	Full PRSP	Interim PRSP (I-PRSP)	Capacity-Building Reform Plan
EAST				√		
Eritrea					√ (draft)	
Ethiopia		√		√		√
Kenya		√		√		
Rwanda		√		√		
Tanzania	√			√		
Uganda	√			√		
WEST						
Benin		√		√		
Burkina Faso	√			√		
Côte d'Ivoire					√	√
Guinea				√		
Guinea-Bissau		√			√	
Mali		√		√		
Mauritania				√		
Niger	√			√		
Senegal		√		√		
Togo					√	

3.1.2 Initial Purpose of the Project

In response to the capacity-building gap, particularly in macroeconomic policy areas, the IMF launched in May 2002 its Africa Capacity Building Initiative, stating that “Assistance in developing comprehensive capacity-building strategies within the PRSP process is, therefore, one of the main objectives of this project.”² The creation of the AFRITAC initiative stems from the initial success of similar initiatives in both the Caribbean and Pacific regions. Other reasons given for creating the AFRITACs were as follows:³

- The inability of countries to administer measures that are necessary for reducing poverty is one of the core problems in these countries.
- Building the capacity of African governments for macroeconomic management is a key component of the strategy to reduce poverty.
- The PRSP process is the principal mechanism to help develop a country-driven reform program and to coordinate donor assistance, including capacity-building efforts.

² African Regional Technical Assistance Centers (AFRITACs) Project Document, March 21, 2002, paragraph 8.

³ The IMF's Africa Capacity Building Initiative— Concept Paper, Feb. 22, 2002.

- Capacity-building efforts in the context of implementing PRSPs are hampered by the shortage of personnel in the field with expertise in specialized areas, whose responsibility is primarily to help the countries (a) identify and prioritize needs, (b) design TA projects, (c) promote coordination among TA providers, and (d) follow-up on the implementation of projects.
- Insufficient follow-up and inadequate coordination have at times limited the long-run impact of the IMF's TA.
- The AFRITACs will help close these gaps in the provision of TA in a cost-effective manner.

The successful implementation of two pilot projects centers in Africa (East and West) that would supplement and enhance the effectiveness of IMF TA to the two sub-regions was to be a precursor to a total of five regional TA centers (TACs). Operating in close vicinity to participating countries, the centers would be a source of high-quality TA, promptly available to address emerging problems and requests for assistance and improve coordination of TA resources. The centers would give recipient governments greater input to shaping the assistance they received while increasing their accountability. "The centers will be designed to increase efficiency, foster ownership, enhance accountability, and strengthen coordination among technical assistance providers and recipients as rapidly as possible, and in concert with the implementation of PRSP."

3.2 The AFRITACs

3.2.1 Project Objectives

The project's strategic goal is to strengthen the capacity of the sub-Saharan countries to design and implement their poverty-reducing strategies as well as to improve the coordination of capacity-building TA in the PRSP process. This should help the African countries develop their own capacity-building programs for effective macromanagement in the context of the PRSP process.

The Board approved the project on April 24, 2002; its objectives (see Box 3.2) are to be achieved by (a) establishing regional TACs in sub-Saharan Africa and (b) the IMF's participation in the Partnership for Capacity Building in Africa (PACT).

The IMF thought that, to complement existing capacity-building efforts and avoid duplication, the Initiative should provide for the IMF to participate in PACT and strengthen cooperation with other regional TA providers.

The IMF was to become a member of the African Capacity Building Foundation (ACBF), the implementing agency of the PACT. The plan was to use its contribution to the ACBF to finance ACBF training activities designed and implemented jointly by the ACBF and the AFRITACs. The IMF would sit on ACBF's Board of Governors and ACBF would participate in each AFRITAC's SC as an observer.

To the extent possible, the African Development Bank (AfDB) and AFRITAC were to work closely to enhance financial governance. Through the PRSP process and its membership in the SC, the AfDB would play an important role in developing AFRITAC's work plans and its macroeconomic management TA.

AFRITAC was to seek closer cooperation with regional training institutions such as the Economic and Statistical Observatory for sub-Saharan Africa (AFRISTAT), the Macroeconomic and Financial Management Institute for Eastern and Southern Africa (MEFMI), the West African Institute for Financial and Economic Management (WAIFEM), and the Joint Africa Institute.

3.2.2 AFRITAC Governance and Organizational Structure

The project's first two centers were established in Tanzania and in Mali. East AFRITAC covers six countries (Eritrea, Ethiopia, Kenya, Rwanda, Tanzania, and Uganda), and West AFRITAC includes ten countries (Benin, Burkina Faso, Côte d'Ivoire, Guinea, Guinea-Bissau, Mali, Mauritania, Niger, Senegal, and Togo).

Box 3.2 - Project Objectives⁴

1. To make expertise available to African countries, so as to help them develop their own capacity-building programs for macroeconomic management within the PRSP process. To date, 5 countries on the African continent have prepared a fully participatory PRSP, and 20 countries an interim PRSP; while capacity building features prominently in these documents, a fully developed capacity-building strategy is seldom articulated;
2. To help address part of the identified capacity-building TA needs by increasing the volume of the IMF TA to Africa and refocusing it on capacity building;
3. To help improve coordination among providers of capacity-building TA in the IMF's areas of competence;
4. To raise the effectiveness of individual TA projects through fast response, close monitoring and follow-up, and more transparent reporting of outcomes;
5. To increase the accountability of recipient governments through the creation of appropriately designed mechanisms for country representation in the decision-making process for capacity-building TA programs;
6. To improve the cost-effectiveness of TA by increasing field presence in, or close to, the countries to be served; and
7. To collaborate with existing capacity-building efforts in Africa, with a view to improving donor coordination and offering the IMF's expertise to ongoing important capacity-building efforts.

⁴ April 24, 2002, Board paper that formally approved the IMF's ACBI (EBS/02/72).

East AFRITAC opened in October 2002 and is located in a commercial building provided by the Central Bank of Tanzania located in Dar es Salaam. West AFRITAC, originally scheduled to be located in Abidjan, was temporarily moved to Bamako, Mali, for 18 months and is housed in the BCEAO building. West AFRITAC was inaugurated in May 2003, seven months after its Eastern counterpart.

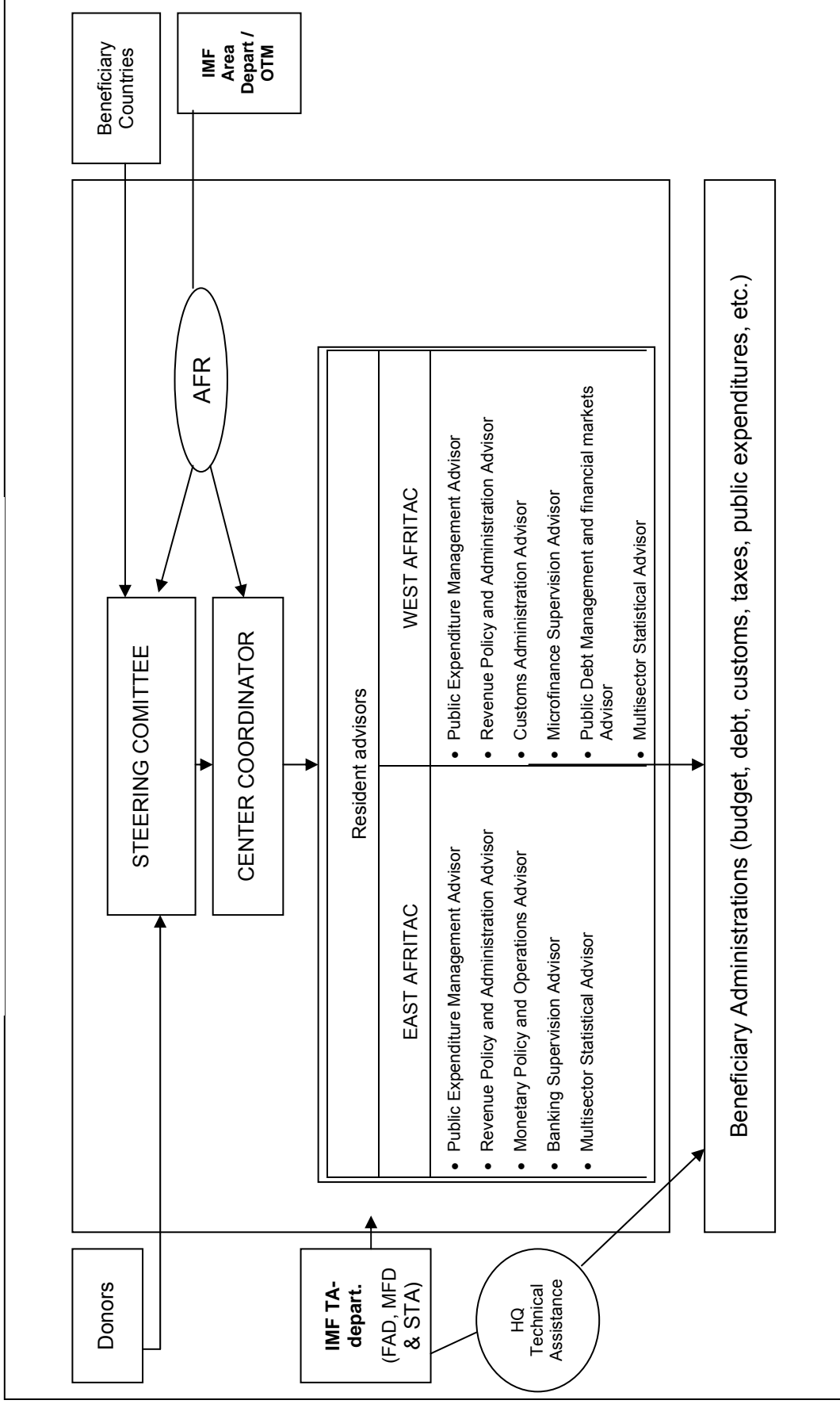
The main function of the centers is to

- Help member governments design and develop a comprehensive capacity-building program within the PRSP process and provide assistance in the coordination process among national authorities and TA providers;
- Support each country's capacity-building program in the IMF's areas of competence (macroeconomic policy, including tax policy and revenue administration, public expenditure management, monetary policy, the exchange rate system, financial sector sustainability, and macroeconomic statistics); and
- Conduct training seminars and workshops. The centers also collaborate with, and support, training activities of other African institutions such as the ACBF. However, training is not envisaged to be the centers' core activity.

The initial AFRITAC planning conference, held in Paris in July 2002, developed guiding principles for the governance and operation of the centers, while recognizing the need for flexibility in implementation.⁵ The IMF's African Department and OTM have joint responsibility for supervising the project's implementation and administration. SCs provide guidance to the AFRITACs. (See attached organizational chart.)

⁵ Paris conference, July 15–16, 2002, AFRITAC project.

AFRITAC Organization Chart



3.2.3 Steering Committee

Each center is guided by an SC, composed on a constituency basis of representatives from the participating countries and supporting donor agencies, as well as observers from key regional institutions involved in capacity building and the Center Coordinator (CC) and IMF representatives. Other regional institutions and providers, where relevant, are invited as observers. The SC composition varies between the two centers (see Table 3.2). The East AFRITAC SC's membership appears to be weighted toward central bank representatives.

According to the project document, "each Steering Committee will assess achievements in every participating country against benchmarks that will be agreed in the annual work plans. The benchmarks will be used to specify which measures the recipient countries will have to take within the context of the technical assistance to be provided, and which will be the basis on which to review what the countries have actually achieved; whether steps have been taken to implement the recommendations of the TA; or whether the assistance provided has resulted in reform."⁶

The SCs normally meet twice a year to provide guidance for the centers' strategy and priorities, approve their work programs, and monitor implementation (Box 3.3). Each SC is chaired by a representative from a participating African Government.

The SC governance structure is destined to promote African ownership, accountability through peer review, and systematic evaluation of the centers (Table 3.2).

Box 3.3 - Steering Committee Meetings

Biannual meetings objectives

- Review progress in implementation
- Approve the centers' work plans for the period ahead
- Endorse the appointment of the resident advisors

Past SC meetings dates

East AFRITAC

- October 2002
- January 2003
- June 2003
- January 2004
- July 2004

West AFRITAC

- May 2003
- September 2003
- February 2004
- July 2004

Table 3.2 - Steering Committee Composition

East AFRITAC	West AFRITAC
Chairperson – Economic Advisor to the Government of Eritrea, Ministry of National Development (formerly Governor of the Bank of Tanzania)	Chairperson - Minister of Finance of Mali
6 participating countries	10 participating countries
3 donor representatives (Canada, Italy, and Sweden—representing a dozen donor agencies on a constituency basis)	3 donor reps (Canada, France, and Germany—representing a dozen donor agencies on a constituency basis)
African Development Bank (AfDB)	African Development Bank (AfDB)
IMF	IMF
	BCEAO
Observer status: – ACBF	Observer status: – ACBF – West African Economic and Monetary Union (WAEMU) – Economic and Statistical Observatory for sub-Saharan Africa (AFRISTAT)

⁶ African Regional Technical Assistance Centers (AFRITACS) Project Document, March 21, 2002.

3.2.4 AFRITAC Staffing

The AFRITAC centers are staffed by a CC, long-term resident advisors, an administrative assistant, an office manager, and support staff. East AFRITAC's team of resident advisors numbers five and West AFRITAC's, six. The number and area of specialization of the resident advisors vary according to the number of countries covered by the centers and local demand. Appendix IX presents both the East and West AFRITAC Staffing.

3.2.5 Center Coordinator

The day-to-day management, administration, and operations of the AFRITACs are delegated to the CCs, with close supervision by the relevant departments at IMF Headquarters. This is in line with the project document whereby "the leadership and management of each center's activities and staff will be the responsibility of the Center Coordinator." The coordinators are senior staff members who report to the IMF's African Department and OTM. The CCs are responsible for maintaining close relationships with the client countries, acting as a liaison with the relevant IMF departments, the bilateral donors, the

AfDB, the ACBF, the World Bank, and other TA providers in the region. Finally, the CCs also serve as secretaries to their respective SCs (Box 3.4).

The CC answers to the IMF African Department and OTM and has a counterpart, currently an advisor, who acts as a link within the organization.

The CC supervises the AFRITAC support staff and, jointly with the relevant IMF technical department, the resident advisors. The technical department controls TA quality and the CC manages day-to-day operations.

Box 3.4 - Center Coordinator's Responsibilities

- Day-to-day management, administration, and operations of the AFRITACs
- Close relationship with the client countries
- Liaison with the relevant IMF departments, the bilateral donors, the AfDB, the ACBF, the World Bank, and other TA providers in the region
- Act as secretary to the center's Steering Committee

3.2.6 Resident Advisors

Resident advisors are long-term advisors, most of whom have previously worked in the region with the IMF. Selected by the IMF, the resident advisors are specialists in the IMF's core areas of expertise. Whenever possible, the centers recruit qualified staff from Africa. Starting in 2005, three of the eleven advisors in the two centers will be citizens of member countries. Day to day the resident advisors work under the guidance of their CC, especially in their consultation and coordination roles—including contacts with officials of finance ministries, central banks, and donor agencies. Each resident advisor confers with his or her HQ backstopper, who ensures that the technical quality of the advisor's work meets international standards and best practices. Resident advisors submit a monthly activity report to IMF HQ and the CC and prepare quarterly reports for the SCs.

Box 3.5 - Resident Advisors' Responsibilities

- Providing immediately needed advice and assistance to client countries
- Monitor ongoing projects and follow up on the implementation of completed projects
- Identify and develop new projects
- Facilitate the implementation of some of these projects through the center and the search for funding from other providers
- Help coordinate donor TA activities, including through active participation in the PRSP process
- Act as a referral point for the center's cooperation with providers of regional and in-country training courses, seminars, and workshops, and for professional training attachments

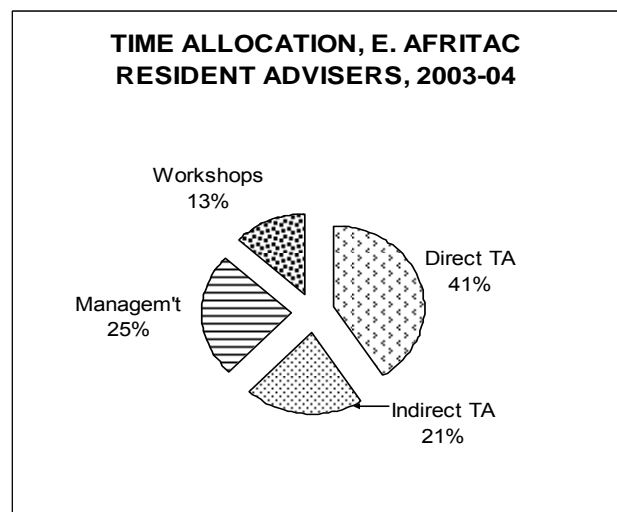
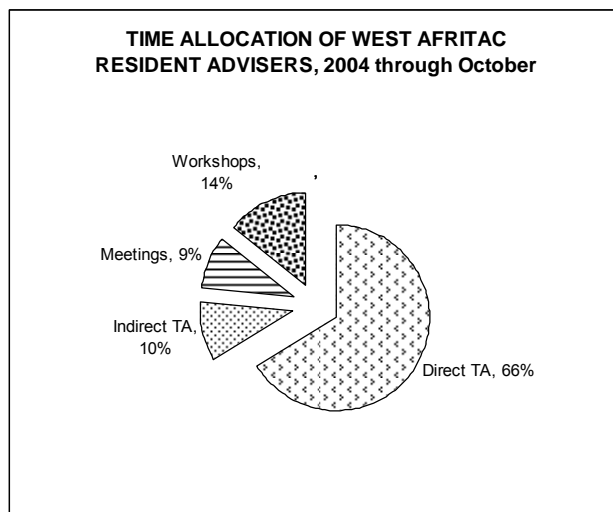
A brief review of resident advisors' Terms of Reference (TOR) reflects a diverging view of their and AFRITAC's roles on the part of the technical departments (Box 3.5). In some TORs, the resident advisor's role is depicted as largely managerial, whereas other TORs outline a more technical role. The resident advisor can be (and has in some cases been) called upon to serve on technical department missions. The accountability of the resident advisor to two authorities makes for ambiguity in a number of TORs.

The centers also provide short-term experts, supervised by the resident advisors, to assist the recipient governments in implementing the capacity-building projects included in each center's work plan. As shown in Table 3.3 and Chart 3.1, derived from timesheets furnished by the two centers, recruitment and supervision of short-term experts (termed "indirect TA" by the centers) represented 21% of East AFRITAC resident advisors' time during the 22 months through October 2004. The corresponding figure for West AFRITAC (February–October 2004) was only 10% (Table 3.3).

Table 3.3 - Time Allocation of AFRITAC Resident Advisors

	<u>East</u>	<u>West</u>
Direct TA	41%	66%
Indirect TA	21%	10%
Management / meetings	25%	9%
Workshops	13%	14%
TOTAL	100%	100%

Chart 3.1 - Distribution of Time by AFRITAC Resident Advisors (Source: AFRITAC Timesheets)



Conversely, West AFRITAC advisors devoted two-thirds of their time to direct TA, compared with 41% in the East. East AFRITAC advisors spent over twice as much of their time (25%) on

management and meetings as did their counterparts in the West (9%). This reflects that West AFRITAC advisors supervised fewer short-term experts than did the East AFRITAC advisors. In both centers, advisors spent 13–14% of their time preparing for or conducting regional workshops (Chart 3.1).

Several issues could explain differences in time allocation between various categories (direct TA, indirect TA, Workshops, Management) and between East and West AFRITAC. These include the differences in TA needs between the two regions; the volume of donor activity in the regions; the different budget allocation to activities; the SC decisions on country priorities; the management versus TA delivery priority in the resident advisors' job descriptions; and the CC's management style.

3.2.7 Support Staff

Both centers are supported by an administrative assistant, an office manager, and a staff assistant. East AFRITAC is supported by two staff members on loan from the Bank of Tanzania. All other employees are hired directly by the CC. In the West, the Malian Government has provided a lump sum payment for hiring the center's support staff. Job descriptions for these positions may be found in Appendix X.

3.2.8 AFRITAC Activities

The work plans prepared by the AFRITACs summarize delivery of TA and training activities. They present planned TA as well as progress to date. It should be noted that the work plans include no other management information that might help SC members guide or follow AFRITAC's progress. This will be further discussed in Section 4.2.5. The CCs present other information in an ad hoc manner. The following paragraphs describe AFRITAC's service delivery: work plans and TA and training activity (Box 3.6).

Work Plan

Design: The initial project design required a capacity-building needs assessment for each country. At regional conferences held in Nairobi and Dakar in June and July 2002, respectively, the IMF, representatives of AFRITAC member countries, and donors agreed on an initial assessment of TA needs presented by country representatives to be addressed by the two centers. This assessment was reinforced and supplemented at a unified preparatory conference in Paris in July 2002. Following its inauguration in October 2002, the East AFRITAC team (excluding one resident advisor not yet in post) visited all six member macromanagement countries (Dec 2002) to make initial contact with the authorities and deepen the discussion of TA needs. As a result of the need to relocate its headquarters from Abidjan to Bamako, the West AFRITAC team's initial tour took place only from June to August 2003. On the basis of those tours and the earlier discussions, the teams drafted 2003 work plans (for West AFRITAC it was an interim work plan for September 2003–January 2004) providing for activities by each advisor in most or all of the countries.

In principle, the work plans are approved by the respective SCs. The second meeting of East AFRITAC's SC in January 2003 approved its work plan "in principle," with the proviso that a revised version reflecting comments of SC members be circulated as early as possible. This was done shortly after the meeting.

The meeting also discussed a draft procedure for approval of urgent member country requests for assistance outside the approved work plan, and a document reflecting SC comments was likewise circulated shortly afterward. The document stipulated conditions under which such requests should be considered, along with procedures for rapid SC approval.

The West AFRITAC work plan was submitted to its second SC meeting in September 2003, where members expressed satisfaction subject to a few observations. No formal approval action was taken, and no formal procedures for rapid approval of requests were discussed.

The assessment of needs evolved continually in the interaction between the resident advisors, the IMF's technical departments and occasional missions from Washington, and member country counterparts. Most of these contacts led to concrete TA and training activities and repeated country visits by East AFRITAC resident advisors during the center's first year.

Box 3.6 - East AFRITAC - Designing the Work Plan

- **June 2002 (Nairobi):** Capacity-building needs assessment presentations to IMF staff, representatives of the AfDB, and other donors by representatives of the six countries to be served by the East AFRITAC. Identified priority areas for the center's work with a view to determining the needed skill mix of the center's resident and short-term experts.
- **July 2002 (Paris):** High-level ministerial conference of countries to be served by the first two AFRITACs and representatives of development partners and multilateral institutions. Approved priority areas of assistance to be provided by each center.
- **October 2002 (Dar es Salaam):** Inauguration of the East AFRITAC and holding of first meeting of its Steering Committee.
- **November 2002:** Circulation of questionnaire by the East AFRITAC to donor partners (via Steering Committee members) in each participating country regarding their capacity-building activities.
- **December 2002:** Tour of participating countries by the East AFRITAC team to discuss country priorities for capacity-building assistance to be provided by the Center during calendar year 2003 and their linkages to the PRSP process, drawing on the consultations previously held in Nairobi and Paris.
- **January 2003 (Dar es Salaam):** Second Steering Committee meeting approved in principle the work plan for 2003 with comments of Committee members to be incorporated in a revised version.
- **February 2003:** Revised version of the work plan and minutes of the Second Steering Committee meeting circulated to Committee members.
- **February–June 2003:** Implementation of the work plan.
- **June 2003 (Kampala):** Third Steering Committee meeting reviewed the implementation of the work plan and proposed revisions. Agreed to place greater emphasis in future Steering Committee meetings on strategic issues relating to the effectiveness of the Center rather than on the details of the work plan.
- **July 2003:** Revised work plan and minutes of third Steering Committee meeting circulated to Steering Committee members.
- **August 2003 to the present:** Implementation of the revised work plan.

The schedule for TA and training activity in the approved work plan was not always strictly observed because of contingencies such as competing commitments of participating agencies and security alerts that delayed travel by resident advisors. In exceptional cases, country agencies did not respond to detailed resident advisors' proposals for follow-up TA or indicated disagreement with the proposals, and a small number of elements of the original work plan were not consummated.

Taking into account execution of the 2003 work plan and consultations with country authorities held during the year, the AFRITAC teams drafted work plans for 2004. These plans were again submitted to the respective SCs.

The East AFRITAC Work Plan was approved in January 2004. As in 2003, modifications occurred in the course of execution and consultations between East AFRITAC staff and agency counterparts.

West AFRITAC submitted a work plan at its February 2004 SC meeting. Again the SC discussed and commented on it in favorable terms without giving formal approval. As in 2003, the plan evolved in the course of execution and consultations between West AFRITAC resident advisors and agency discussion partners. The July 2004 SC meeting (No. 4) considered a revised version of the 2004 plan, extended to April 2005 to bring both AFRITACs' work plans in line with the IMF's (May–April) fiscal year (as of July 2004). Once more the SC discussed and commented on it favorably without giving formal approval.

Implementation and monitoring: Once the work plan and activities are agreed upon, the resident advisors prepare an action plan and budget for discussion with the CC. Once the action plan and budget are approved, an account is opened by the financial assistant and a file is opened by the administrative assistant. The process usually follows this pattern:

1. Preliminary discussion with the beneficiary country agency to refine the needs and map out the general parameters of the project;
2. A written request for assistance by a senior official of the participating country, usually through an SC member;
3. Opening of a project file;
4. Preparation of a work plan and budget; and
5. Opening of a financial account and budget. Following execution, an end-of-project report is placed in the files.

The center's contracts for short-term experts not on the IMF panel usually consist of a one-page contract letter and TOR, whereas international and paneled regional experts are hired and administered by the IMF technical departments via a more elaborate contracting process.

Box 3.7 - West AFRITAC - Designing the Work Plan

• **July 2002 (Dakar):** Capacity-building needs assessment presentations to IMF staff, representatives of the AfDB, and other donors by representatives of the countries to be served by the West AFRITAC. Identified priority areas for the center's work with a view to determining the needed skill mix of the center's resident and short-term experts.

• **July 2002 (Paris):** High-level ministerial conference of countries to be served by the first two AFRITACs and representatives of development partners and multilateral institutions. Approved priority areas of assistance to be provided by each center.

• **October 2002–April 2003:** Work on the opening of the West AFRITAC hampered by the political events in Côte d'Ivoire.

• **May 2003 (Bamako):** Inauguration of the West AFRITAC and first Steering Committee meeting.

• **June–August 2003:** Tour of participating countries by the West AFRITAC team to discuss country priorities for capacity-building assistance to be provided by the Center during the remainder of calendar year 2003 and calendar year 2004, drawing on the consultations previously held in Dakar and Paris and further discussions with participating countries.

• **September 2003 (Bamako):** Steering Committee held its second meeting and approved the initial work plan for the period through January 2004.

The resident advisors manage the technical aspects of the training workshops, implemented by the AFRITACs and administered by office staff. Technical aspects include the selection and supervision of trainers, preparation of training materials, and compilation of participants' evaluations. The Back to Office Report, prepared by the trainer, records the rationale for the workshop, its curriculum, the trainer's evaluation of its effectiveness, and the trainer's summary of participants' evaluations.

Resident advisor missions to a country are followed by a standard "Back to Office Report" which summarizes principal findings and conclusions and the next steps for follow-up work. All expenses associated with the activity are recorded by the office manager. Management and administrative procedures are clear and are correctly implemented. Prior to every SC meeting, progress reports that update the work plan are prepared. These are circulated to members at least two weeks prior to the meeting.

The resident advisors stressed to the Evaluation Team the large number of reports that need to be produced for both the technical departments (monthly) and the CC (activity status reports [ASRs], Back-to-Office reports, requests for travel, quarterly reports, annual reports, etc.). They recommended either a reduction in number of reports or a harmonization to avoid writing the same information in different formats. The reports submitted to the SC will be discussed in Section 4.2.4.

TA Delivery

Table 3.4, based on work plans approved by the respective SCs, summarizes the projected delivery of person-weeks of AFRITAC TA by member country and portfolio (subject area) during calendar years 2003 and 2004. The data include activity by AFRITAC resident advisors as well as short-term experts recruited and managed by them. Appendix XI provides a further breakdown into programmed TA delivery by portfolio for each country. Section 4.2.3 breaks down the activity by category of expert.

As expected, actual delivery has diverged from the work plans, but data on 2003 actual for East AFRITAC was not available to the ET in this format.

Person-weeks of staff time, resident advisors, & short-term consultants managed by AFRITAC											Work-shops	Total weeks
<u>By country</u>												
East AFRITAC	<i>Eritrea</i>	<i>Ethiopia</i>	<i>Kenya</i>	<i>Rwanda</i>	<i>Tanzania</i>	<i>Uganda</i>						
	90	107	105	106	100	48					138	694
West AFRITAC	<i>Benin</i>	<i>Burkina Faso</i>	<i>Cote d'Ivoire</i>	<i>Guinea</i>	<i>Guinea-Bissau</i>	<i>Mali</i>	<i>Mauritania</i>	<i>Niger</i>	<i>Senegal</i>	<i>Togo</i>		
	35	49	25	43	68	37	34	39	32	37	91	488

By portfolio							
East AFRITAC	<i>Monetary operations</i>	<i>Banking supervision</i>	<i>Public expenditure management</i>	<i>Revenue administration</i>	<i>Statistics</i>	<i>Financial programming</i>	<i>Total weeks</i>
	124	141	157	118	138	16	694
West AFRITAC	<i>Customs</i>	<i>Microfinance supervision</i>	<i>Public expenditure management</i>	<i>Revenue administration</i>	<i>Statistics</i>	<i>Public debt</i>	
	79	71	100	79	88	72	488

¹ Data according to ex ante work programs, with one exception: 2003 data for West AFRITAC are actual.

Table 3.4 shows most member countries diverging only modestly from the respective averages of person-weeks of programmed AFRITAC TA, with four exceptions:

- In East AFRITAC, Uganda is allocated only about half the average volume of TA, because it is already receiving more TA in IMF-core areas from other sources compared with any other member country.
- In West AFRITAC, Guinea-Bissau receives roughly twice as much as most of the other member countries because of loss of institutional capacity in civil conflict.
- Its current security situation causes Côte d'Ivoire to fall well below the average.
- Burkina Faso's relatively high quota was ascribed by several of the ET's discussion partners to exceptional efficiency on the part of its external aid managers. It should be noted that in 2002 Burkina Faso had already adopted a Programme de Réforme de la Gestion Budgétaire, which contained specific capacity-building plans for customs, taxation, and treasury agencies.

Table 3.5 lists the multitude of subject areas covered by AFRITAC TA missions under the portfolios of each center's 2004 work plan. The topics are also labeled "Capacity Building Objectives" in the respective plans.

Table 3.5 - Subject Areas Covered by AFRITAC TA Missions

Subject Areas in AFRITAC 2004 Work Plans		
Monetary operations	East AFRITAC	Public expenditure management
Foreign Exchange Operations*	Banking supervision	Fiscal decentralization*
Monetary Operations*	Problem assets*	Budget Reforms*
Payment System Reform	Resolution and Liquidation*	PEM Training*
Financial Market Development	Nonbank Financial Institutions*	Economic classifications
Foreign Reserves Management	BASEL II Accords*	Commitment control
Central Bank Accounting	On-/Off-Site Supervision	PEM strategy
Monetary Operations	Risk-based Supervision	Treasury reforms
	On-site inspections	Public accounting
	Nonbank depository institutions	Aid management
	Bank supervision procedures	Institutional reorganization
		Budget & accounting classifications
Revenue administration	Statistics	Financial programming*

April 2005

Revenue mobilization*	Development Price Indices*	2 workshops
Revenue Management Capacity*	Producer Price Index	
Modernize revenue administration	National Accounts	
Modernization of Customs	Implementation of the 1993 SNAout]	
Tax Policy	Government Finance Statistics	
	Data dissemination	
	Regional Accounts	
	Consumer Price Index	
	Business Register	
	National Statistical System	
	West AFRITAC	
Customs administration	Tax administration	Public expenditure management
Applic. of Customs software pkas.*	Tax fraud . expansion of tax base*	Integrated computer svstems for PEM*
Combating Customs fraud*	Upgrade tax agency. monitor ref.*	Program budgeting. MTE Framework*
Improve selectivity of controls	Impl. of FAD miss. recommends.	Management of local gov't finances*
Introduce suspension regime	Modernization of tax legislation	Strengthen Treasury management
Assessment & application of WTO	Large, med., & small taxpayer units	Processing of acct'ing data for TOFE
Organize ex-post control	Improve tax dep't. performance	Strengthen budget management
Determine areas of coop. w. CIDA	Computerization	Integrated Expenditure Circuit (IEC)
Transit & control of air passengers	Anal. status of reforms, TA needs	Integrate foreign aid drawdown into IEC
Assess import duty base	Expand tax base	Accounting reform
Modernization of Customs	Monitor implement. of reforms	Improve budget classifications
Implement FAD mission	Prepare for introduction of VAT	Adapt budget info. svstem to new class.
	Updating of action plan	Processing of receipts data
	Prerequisites for tax policy reform	Strengthen Treas. & Acc'ts Dept.
		Monitoring antipoverty expenditure
		Monitoring investment budget exec.
		Domestic nonbank financing in TOFE
		Computerization at regional level
		Strengthen ministry contribs. to budget
		Computerization of accounts
Debt & financial markets	Statistics	Microfinance supervision
Issue of securities & debt mgt.*	National accounts, 1993 System*	Sect. policy & micro-fin. supervision*
Debt viability. med.-term strategy*	Gov't Fin. Statistics manual 2001*	Governance of savings & credit soc.*
Forecasting & mgt. of gov't needs	Strengthen Nat. Stat agency	Develop supervision strategy
Diagnose debt data base	Modernize national accounts	Assess training needs & facilities
Public debt management	GDDS	Regulatory legislation
Institutionalize debt management	Public finance statistics	Identify needs, coord. with BCEAO
Reduction of domestic arrears	Mining statistics	Strengthen Min of Finance capacity
Diagnose information system	Strengthen Budget Dept. capacity	Coordinate donor aid
Institutional & accounting reforms	Preparation of TOFE	
Proceds. for issue of gov't secur.		

*Workshop(s)

Training

Training seminars and workshops form part of AFRITAC's contribution to capacity building in the two regions. A number of these activities have been conducted jointly with the ACBF. In addition, the centers plan to collaborate with other African training institutions. However, AFRITAC's design does not call for training courses to be its core activity.

East AFRITAC's calendar 2003 work plan initially foresaw 103 staff-weeks of seminars and regional workshops. This program was subsequently revised and prioritized. As of end-November 2004, East AFRITAC had conducted 13 workshops attended by 358 participants. In

terms of resources, approximately 50 person-weeks of staff time were utilized. Of the thirteen workshops, five covered topics in the monetary and banking sector, two in financial programming, and six in fiscal themes. All 13 were held at the Kenya School for Monetary Studies in Nairobi.

West AFRITAC's initial work plan for calendar years 2003–2004 contemplated 110 staff-weeks for regional seminars and workshops. During the interim period, October 2003–January 2004, two workshops were conducted. The work plan for February 2004–December 2004 programmed 72 staff-weeks for seminars and workshops. As of end-November 2004, West AFRITAC had conducted eight seminars and workshops attended by close to 200 participants. Four related to fiscal areas, one to money laundering, two to monetary policy, and one to microfinance. The courses were held in five different locations within the region. In both East and West, four of the workshops were organized jointly with ACBF.

Common features of regional seminars and workshops conducted by both centers are as follows:

- The work programs are rolling one-year plans, and their evolving nature makes it difficult to compare planned work programs and outcomes.
- All workshops feature country presentations by participants.
- Topics are generally chosen to ensure linkage to ongoing reforms in the region and TA delivered by the AFRITACs.
- Resident advisors take responsibility for the workshops, assisted by the administrative staff, with the CC overseeing the whole process.
- Mode of selection: the coordinator sends out letters of invitation to country authorities describing the content of a course and the qualifications for participants, who are selected by the authorities.
- A number of training activities are jointly organized by the centers and ACBF. These activities, which are integrated within an annual program, are elaborated in accordance with a Memorandum of Understanding.

3.3 AFRITAC Funding and Budgets

The AFRITACs' budgets are made up of contributions from the IMF, donors, and host countries. The IMF funds from its own budget the cost of the CCs and their travel. IMF also funds the salaries of the office managers and some expenditures related to some of the support staff. The host countries provide the office facilities, including, in some cases, part of the utilities and the support staff (either as government staff seconded to the Center [East] or as a cash contribution allowing the IMF to hire support staff [West]). All other costs are covered from the AFRITAC project on the basis of donor contributions. Donor contributions are made through Letters of Understanding between the donor and the IMF, and the contributions are held in a separate account. OTM is responsible for managing donor contributions.

Appendix XII shows a three-year cost estimated by the IMF at \$30 million, or just over \$10 million per annum for the two AFRITACs. The table lists pledges from 15 bilateral donors, one multilateral donor (the AfDB), the IMF, and the two host countries, Tanzania and Mali. The largest donor pledges were forthcoming from the AfDB (\$3 million) and Switzerland (\$2.5 million). The four next largest donors—Canada, Germany, Italy, and the United Kingdom—pledged amounts in the range of US\$1.6–1.7 million.

As of January 12, 2005, compared with the three-year budget, donors had pledged 60%, the host countries' contribution was estimated at 9%, the IMF had committed itself to 25%, and

there was a funding gap of 6%. As of the same date, \$16.25 million of the pledges had been paid in, leaving an unpaid balance of \$2.03 million. It is estimated that to cover all externally financed centers' budgets, an additional US\$1,750,340 is required (funding gap).

Table 3.6 - AFRITACS' Budget and Funding

	(millions of US\$ equivalents)	%	
Three-year budget	\$30.4		
Commitments:			
Host countries (Mali & Tanzania)	\$ 2.8	9.2%	
IMF	\$ 7.5	24.7%	
Donor pledges, of which:	\$18.3	60.2%	
paid in by 12/09/04			\$ 14.7
remaining to be paid as of 12/09/04			\$ 3.6
Total commitments	\$28.6	94.1%	
Funding gap	\$ 1.8	5.9%	

3.4 Management of Funds

The CC overlooks the budget for the center in coordination with the appropriate HQ department. The IMF contribution is managed by the African Department, but the local expenditures (salaries of assistants, etc.) are paid out at the center from an impressed account set up for that particular purpose. The cost related to all project activities is recorded at the IMF Finance Department, but some (e.g., resident advisors' salaries and the cost of short-term experts) could be paid out by the Finance Department and some expenditures occurring in the field (such as the cost of seminars and locally recruited short-term experts) are paid out by the centers. The centers keep a second impressed account for this purpose. OTM and the Finance Department closely monitor these accounts, and all costs are booked at the Finance Department. Once expenditures are properly documented and paid, OTM requests the Finance Department to transfer the equivalent sum from the AFRITAC donor account. Every six months, statements on the budget status are prepared and reported to the donors and a more detailed account is sent to the SCs. Appendix XIII presents East and West AFRITAC expenditures for fiscal year (FY) 2003 and FY 2004. As of August 2004, East AFRITAC spent 48% of their budget whereas West AFRITAC spent only 25% of their planned budget, mainly because of the six-month startup delay.

Some initial guidelines were elaborated on and indeed followed. However, as the AFRITAC project evolved with increasing complexities, the need for updating the guidelines was recognized. At the same time, the centers gained access to various central computer systems, which necessitated computer training and guidelines. OTM is in the process of compiling a formal set of guidelines.

4. Findings and Observations

The following sections address the issues raised in the Terms of Reference (see Appendix I). Each subsection begins by quoting, in italics, the full description of the given issue in TOR Section C.

4.1 AFRITACs' Value Added

4.1.1 Effectiveness in Enhancing TA Quality

Terms of Reference: *Evaluate the effectiveness of the centers in enhancing the quality of TA delivered to AFRITAC member countries, in particular the center's role in defining country TA priorities and the appropriateness of the TA provided to country needs.*

As part of AFRITACs' value added, the team looked at "the effectiveness of the centers in enhancing the quality of TA delivered to AFRITAC member countries" by exploring the degree to which the centers have helped countries better define their TA priorities and the appropriateness of the TA provided to answer country needs.

Definition of priorities

The chronology of work plan formulation shows that country TA priorities were sufficiently addressed in order to be received favorably by the SCs, including the country representatives on them. In the Evaluation Team's interviews, most country representatives, including both SC members and nonmembers, expressed general satisfaction with both AFRITACs' assistance in defining their TA needs in the so-called IMF core areas (relevant to macroeconomic policy making and execution); the inclusion of activities to address those needs in the 2003 and 2004 work programs; and the centers' flexibility in adapting their activities to client agency work schedules and evolving needs that became clear in the course of work plan execution. The non-visited country respondents found AFRITAC had helped them in setting priorities (77% of respondents); 10% of respondents found they were not very helpful; and the other 13% were unable to judge because of noninvolvement in the process.

At the same time, many AFRITAC clients who were consulted, particularly more senior individuals, insisted that it was up to the countries themselves to define their TA priorities; and that, insofar as the AFRITACs had presented work plans reflecting those priorities, this was because the centers' staff had listened to their country discussion partners. This process also reflects the demand-driven nature of the AFRITACs. Some clients noted that AFRITAC staff played a useful role in translating general descriptions of TA needs into TOR for specific TA missions or workshops to be mobilized by AFRITAC or other TA providers.

Some discussion partners reported that AFRITAC had turned down requests for assistance for functions that the Center described as outside its scope—for example, supplying programmers to install software packages. However, participating agencies did not indicate disagreement with the Center's explanation of its modus operandi and financial constraints.

By consulting the member countries in drafting work plans and submitting those for SC approval, then jointly reviewing and, as requested, modifying the plans in their application on the ground, the AFRITACs have provided substantial assistance to the countries in defining their TA priorities.

Appropriateness of AFRITAC TA to country needs

Within the seven countries visited, the ET interviewed officials of 69 agencies and agency departments that had interacted with AFRITAC advisors or AFRITAC-recruited experts on TA missions, or sent staff to AFRITAC regional workshops (see Appendix XIV). In only one case did an interviewee state that advice and recommendations provided by AFRITAC did not address his unit's needs and that the unit had accordingly chosen not to request follow-up TA from AFRITAC. The Center involved defended its advice and claimed that the agency in question had not responded to it.⁷

Though the overwhelming majority of country officials expressed satisfaction with the TA provided by the centers, a significant number in West Africa nuanced their observations by indicating it was too early to detect a positive impact on agency performance. Only a small number of interviewees cited negative outcomes. Box 4.1 illustrates some of the clients' views on appropriateness, both positive and negative, toward AFRITAC advisors and short-term experts' interventions.

In a small number of cases, appropriateness could not yet be determined because the first TA mission is scheduled for early 2005. In one case the client expressed disappointment in AFRITAC's delay in scheduling the first mission.

Among the non-visited countries, 87% of respondents agreed that AFRITAC had indeed enhanced the quality of delivery of TA in their country. The other 13% of respondents either were not able to judge or did not answer. No respondents charged AFRITAC with inability to enhance TA delivery.

The satisfaction expressed by all consulted agencies applied to (a) TA provided directly by the AFRITAC resident advisors; (b) TA

Box 4.1 - Categories of Interventions by AFRITAC Advisors and Short-Term Experts

(i) Demonstrated positive impact

- Senior leaders express satisfaction that they can interact on short notice with AFRITAC coordinator or resident staff for policy advice/planning of TA (most important in host countries, Tanzania and Mali, but not limited to them)
- AFRITAC recommendation for institutional reform to rationalize staff efforts (e.g., establishment of a special unit for large or medium-scale taxpayers) implemented
- AFRITAC intervention has been instrumental in helping client to design concrete requests for further TA, from AFRITAC or other sources
- AFRITAC advisors intervened with agencies receiving donor aid, both financial and technical, for across-the-board reform programs, and provided Quality Assurance with respect to execution of reform measures as well as non-AFRITAC TA
- AFRITAC advisors/short-term experts helped client staff diagnose weaknesses of certain software packages, and advised on corrective measures
- Client agency recognized AFRITAC advice as appropriate and meriting implementation, and measures to implement have been introduced, although time is too short to measure impact on performance

(ii) Intervention agreed but not yet implemented

- At client's request, TA was scheduled for a particular date, but because of local administrative blockages, or national event such as an election, client has postponed AFRITAC mission

(iii) Lack of client follow-up

- Client agency recognized AFRITAC advice as appropriate and meriting implementation, but because of lack of qualified staff, or agency leadership's focus on other priorities, there is little or no progress toward applying recommendations

(iv) AFRITAC intervention delayed or not approved

- Client considered advice and recommendations unresponsive to its needs; hence no follow-up TA was requested
- AFRITAC advice did not conform to national policy in crisis conditions; hence follow-up TA was neither requested nor offered

(v) Regional workshops

- Participant describes him- or herself as stimulated by workshop presentations and opportunity to trade experiences with participants from other countries in region, and has attacked job responsibilities with increased creativity (according to participant or his or her supervisor)
- Participation has sensitized interviewee to a topic he or she accepts as important, but found him- or herself unprepared for its complexity and feels five-day workshop was too short to comprehend it
- Participant sensed lack of policymaker interest in implementing recommendations from workshop and has not felt motivated to seek to arouse interest; hence there is no impact thus far on his or her performance

Subsequent to workshop, participant has transferred to a function unrelated to workshop topic or even resigned from government service.

⁷ The ET chose not to examine the details of this episode and try to apportion blame for the failed intervention.

provided by the centers through the advisors' participation in missions out of the IMF Headquarters; and (c) TA provided by other short-term experts recruited by the centers.

Country representatives described the TA as oriented toward developing solutions to practical problems and the creation of capacity among agency counterparts to continue and sustain the work. They expressed appreciation for the fact that the centers' proximity, its staff's concentration on serving the member countries, and their repeat visits facilitated continuous contact with the advisors and reinforced the establishment of capacity.

Conclusion: Following a large-scale consultation with beneficiary countries, the centers submitted a representative work plan for Steering Committee approval. This was the basis for the formulation of the demand-driven TA approach of AFRITAC. By jointly reviewing and, as requested, modifying the plans in their application on the ground, the AFRITACs have provided substantial assistance to the countries in defining their TA priorities. Moreover, country agencies interviewed by the Evaluation Team described the overwhelming proportion of AFRITAC-provided TA as appropriate to their needs.

Finding #1: The centers have indeed enhanced the quality of TA delivered to AFRITAC member countries by providing substantial assistance to the countries in defining their TA priorities and providing TA appropriate to their needs.

4.1.2 Value Added Relative to Other TA Delivery Modes

Terms of reference: *To the extent possible, the value added of the centers relative to other TA delivery modes will be addressed.*

For discussion purposes, the AFRITAC was compared with four other TA delivery modes:

- Short missions by the IMF Headquarters (Washington-based) staff or outside short-term experts recruited and managed by Headquarters;
- TA provided to countries in a region by long-term regional advisors based in one country and covering several neighboring countries (sometimes referred to as peripatetic, regionally based IMF advisors);
- Long-term resident advisors provided by (a) the IMF Headquarters, (b) bilateral donors, or (c) hired directly by AFRITAC member countries out of loan funds; and
- Training at the IMF Institute (INS) in Washington.

To begin with, the comparison has to take into account the fact that TA needs differ among countries, among agencies within a country, and at different times within a given agency. TA needs include consultation to identify the needs; design of policies and administrative measures to implement them; implementation of specific proposals (e.g., VAT and large taxpayers' units); and follow-up/evaluation of implementation.

The ET did not find evidence that any delivery mode X is generically better suited than mode Y to fulfill any of these needs. The delivery mode selected depends in part on the particular mix of skills and experience of AFRITAC advisors versus HQ staff. On different occasions AFRITAC advisors have addressed all the foregoing needs competently; on the other hand, situations

arise (e.g., where IMF Headquarters decides that a major input of resources is warranted) where an intervention from HQ can be more effective than an AFRITAC's more limited input.

Value added relative to all other delivery modes. The overwhelming consensus in the ET's interviews with country, donor, and the IMF representatives was that AFRITAC's unique governance structure gives it an added value over all alternative modes. The SCs with their broad representation of stakeholders provide a forum for give and take among representatives of member countries, multilateral and bilateral aid agencies, and the IMF Headquarters as well as regional (AFRITAC) staff. Country representatives informed the ET that they profit from exchanging views and experiences with each other, with donors, and with the IMF regarding the status of macroeconomic reform measures and TA needs.

Country representatives also agreed that the opportunity given to them to assert their sovereignty and approve or modify AFRITAC work plans enhances country ownership of the exercise.⁸ Discussion of how to apportion AFRITAC resources as a function of relative needs of member countries augments regional solidarity.

For their part, donors, especially those with thin representation in the field, indicated that the SCs make them better informed about country situations and needs. All interviewees agreed that the AFRITAC coordinators' and advisors' obligation to report to the SCs and seek their approval enhances accountability on the part of the centers' staff.

The pressure exerted on the AFRITACs by the SCs to make increasing use of regional expertise has clearly reinforced the staff's efforts to identify and prepare African experts and petition Headquarters to include them in its expert panels. These efforts are evidenced by the fact that one resident advisor in East AFRITAC and two in West AFRITAC are citizens of member countries and the centers' use of regional experts is growing rapidly.

For evaluation of the SCs' effectiveness, see Section 4.2.4 below.

Short missions out of Washington.

TA missions managed by AFRITAC and missions managed by IMF Headquarters are not mutually exclusive because AFRITAC advisors regularly participate in the latter. For example, during 2003–04, East AFRITAC advisors participated in all, or portions of, at least 18 HQ-led missions.

Interviews in Washington and the field pointed to a division of labor between TA missions to AFRITAC member countries that are managed by HQ technical departments (FAD, Monetary and Financial Systems Department (MFD), Statistics Department (STA)) and those managed by AFRITAC. This division of labor and the relative advantages of AFRITAC are spelled out in Box 4.2.

⁸ One senior interviewee described ownership as compromised by the fact that AFRITAC funds were not transferred to country accounts so that member governments could contract directly with short-term experts, a procedure that he believed would bring substantial cost savings. Other discussion partners did not echo this view.

Box 4.2 - Comparison of AFRITAC and Short HQ Missions

- The majority of HQ-managed missions involve a team of individuals and take a strategic approach, diagnosing the current situation and reform needs over the medium term. The ensuing report recommends measures to be taken over varying periods by several government units. On the other hand, in AFRITAC missions (and in joint missions), the AFRITAC participant focuses on a narrower set of issues and on reform measures subject to more rapid execution. The work program he or she then develops with country counterparts involves both administrative measures and training activities, local and/or regional, designed to develop capacity for implementing the measures.
- Headquarters staff members have many functions other than going on TA missions, and most are concerned with countries in addition to members of East or West AFRITAC. They also participate annually in several African Department-led missions in connection with Article IV report preparation and PRGF review.
- Based in the region and having as their sole function to provide and manage TA to member countries, AFRITAC advisors can better monitor the implementation of earlier recommendations and, if appropriate, propose corrective measures. They can also more easily travel on short notice, or stop off briefly in the course of multi-country itineraries. For agency managers in member countries it is more convenient (and, when by telephone, cheaper) to contact AFRITAC staff, including the Center Coordinator, than to refer a query to Washington.
- If reform measures recommended by a TA mission are significantly delayed, AFRITAC is often the first IMF “antenna” to become aware of this, and has saved resources by recommending that further TA interventions be postponed. However, it should be noted that Resident Representatives also serve as an important antenna for delays in implementation.
- The more frequent formal and informal contact of AFRITAC advisors with member countries has enabled them to become better acquainted with TA initiatives of other donors in the IMF-core areas and to exercise informal coordination among related efforts.
- AFRITACs can better identify regional experts and test them in field TA and/or workshops prior to recommending their inclusion in HQ expert panels. In this way, AFRITAC is helping to build intellectual capital at regional level for more effective implementation of macroeconomic reform.
- West AFRITAC is ahead of the East in the length of its list of regional experts and their use. (For further analysis of AFRITAC’s role in promoting African expertise, see Section 4.2.7 below.)

The two host countries benefit most from these advantages, but they are not alone. Every agency manager interviewed in seven countries, on up to finance ministers and central bank governors, stressed proximity and speed of response as the main elements of AFRITAC’s value added.

Long-term/peripatetic regionally based IMF advisors

This model does not currently exist in sub-regions served by AFRITAC. It would involve several long-term regional advisors working out of the office of an IMF resident representative, or out of host government offices (e.g., finance ministries), utilizing the offices’ logistical services including staff support. The TA would be provided to several neighboring countries. As is noted in Section 4.1.3 below on cost-effectiveness, the model could avoid part of the AFRITACs’ overhead. However, it is the ET’s view, presented in Box 4.3, that such a scenario would forgo several advantages of the AFRITACs and offer less value added.

Box 4.3 - Comparison of AFRITAC and Peripatetic Regionally Based Advisors

- A governance structure similar to the AFRITAC Steering Committees could not operate in such an environment. Even if an SC could be established to oversee advisors of several specialties in different locations, it would be difficult to coordinate the flow of information to SC members as this is now carried out by the AFRITAC coordinators.
- The peripatetic arrangement would forgo the value added by the AFRITAC coordinators, who are IMF direct-hire employees, in furnishing local supervision of the resident advisors, who serve on contract to the IMF, not as employees. (Technical supervision by the IMF departments would apply in both models.)
- According to senior country leaders, notably finance ministers and central bank governors, persons at their level find it convenient and appropriate to liaise with the coordinators in working out details of SC-approved TA to their agencies or, as needed, in modifying work plans that may cover several areas. They have found the coordinators to be knowledgeable and helpful in supplying direct policy advice backed by their authority as the IMF staff. Individual advisors based in another country's IMF RR office would not enjoy this status.
- AFRITAC's advisors are seen as representing an institution that occupies an intermediate position between IMF/Washington and the country authorities. This gives the advisors more authority to negotiate and coordinate with the authorities and donors than a solitary regional advisor would command.
- Resident advisors differ in their perception of the depth of team interaction, but most agreed that a recently returned advisor's update of the situation in a given country was helpful to other advisors planning future interventions in that country.
- An IMF RR in country X would be reluctant to add supervision over a peripatetic advisor to his or her tasks vis-à-vis country Y and risk crossing wires with the RRs in the other countries served. At the present time, RRs have no incentive for doing this under the current arrangements. Hence peripatetic advisors would likely operate without field-based supervision.

Long-term resident advisors.

In most of its interviews with government staff, the ET invited views as to the relative advantages of short- and long-term advisors. A range of opinions, sometimes contradictory, was expressed. The team heard stories of foreign advisors who had operated in a country for ten or more years and created little or no local capacity to succeed them.

Nearly all interviewees agreed that the relative advantages were heavily influenced by the skills, motivations, and personalities of individual foreign experts. In contrast to the stories of overextended stays by foreign advisors, examples were cited of long-term advisors who had been motivated to create local capacity and tried hard to do so. It was also agreed that government agencies were often to blame for failure to support capacity building by refusing to assign trainable counterparts, neglecting incentives that would keep trained staff on the job, and/or shifting staff among posts with little regard to their institutional knowledge and skills.

Nonetheless, the team found a consensus regarding circumstances in which long-term advisors were likely to be more productive than short-termers, and vice versa. Box 4.4 spells out the relative advantages of the two modes as outlined in the team's interviews.

Box 4.4 - Comparison of AFRITAC and Long-Term Advisors

- Representatives of postconflict countries, afflicted by severe gaps in institutional capacity, outlined a need for more resident advisors than any combination of donors could be expected to supply.
- In most countries resident advisors can still be useful in posts demanding relatively high technical qualifications, where trained national staff are not yet available or have left government service and cannot be attracted back with any feasible incentive package. However, the advisors' terms of reference should emphasize institution building and training, and contractual arrangements should allow for early termination of advisors who are not filling that role.
- Short-term experts are preferred in situations where a basic local capacity is in place that can respond to concrete suggestions and materials. It is useful for the outside expert to return periodically, evaluating the progress achieved and offering new suggestions for overcoming any blockages. This is preferable to depending on a resident advisor who might be tempted to play an operating rather than advisory role, and whose presence could delay the development of local capacity.

Representatives of countries with a history of relative political stability say they have largely outgrown the need for resident advisors, and regard short-term TA à la AFRITAC as appropriate to their stage of development. Examples are cited of finance ministries with ten or more resident advisors in place only a decade ago, now reduced to one or none. Yet short-term TA is still sought and appreciated.

The IMF's TA departments informed the ET that long-term advisors are playing a decreasing role in their TA to Africa as well as other regions. At the time this report was prepared, the IMF was supporting three resident advisors in as many East AFRITAC countries and none in the West AFRITAC region.

Data are available from OTM on the evolution of the breakdown between long-term and short-term experts in the IMF-managed TA to East AFRITAC countries during the past six years (including a projection for FY 2005). These data classify the AFRITAC resident advisors, whose activity begins in FY 2003, as long-term experts.

In fact, the resident advisors, although based full-time in Dar es Salaam, function as short-term experts vis-à-vis the individual East AFRITAC beneficiary countries. Table 4.1 shows the distribution of long- and short-term experts on both classifications of the advisors. If they are treated as long-term, the share of short-term experts rises during the period from 12% to 32%. If the short-term classification is used, the trend is much more dramatic, with the share of short-termers ending up at 68% in FY 2005. Indeed, classifying the advisors as short-term reverses the shares of long- and short-term experts in that year.

Table 4.1 - Distribution of Long- and Short-Term Experts in the IMF TA to East AFRITAC Countries
FYs 2000–2005¹

Data are in person-years and percentages of total TA

Long-Term vs. Short-Term Distribution According to OTM

IMF fiscal years		<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005²</u>
Long Term	person-yrs	9.0	8.1	11.8	9.0	9.7	9.5
	%	88%	84%	85%	83%	75%	68%
Short Term	person-yrs	1.2	1.6	2.0	1.8	3.3	4.6
	%	12%	16%	15%	17%	25%	32%
Total IMF Delivery	person-yrs	10.2	9.7	13.9	10.8	13.0	14.1

Classifying AFRITAC resident advisors as short- instead of long-term

Long Term	person-yrs	9.0	8.1	11.8	6.51	4.71	4.53
	%	88%	84%	85%	60%	36%	32%
Short Term	person-yrs	1.2	1.6	2.0	4.32	8.28	9.58
	%	12%	16%	15%	40%	64%	68%
Total IMF Delivery	person-yrs	10.2	9.7	13.9	10.8	13.0	14.1

¹ Including TA delivered through AFRITAC.

² Projection.

Note: These data relate only to long- and short-term experts, and exclude other categories of TA included in Table 4.6. Both sets of figures were provided by OTM.

OTM's February 2004 "Review of Technical Assistance" (p. 7) sums up this trend Fund-wide by noting that, during the 1990s, "TA delivery modalities changed, as the menu of delivery options expanded, shifting in part away from the traditional long-term resident advisor to short-term expert assignments, peripatetic expert visits, and headquarters-based staff missions, as well as regional approaches."

Training at the IMF Institute.

Estimating the net value added of AFRITAC's training activities, comprising both regional workshops⁹ and single-country events, is not possible because INS/Washington courses that would be relevant to the officials attending AFRITAC workshops—that is, excluding seminars for senior officials—are considerably longer, and therefore presumably convey deeper understanding of the material. Specifically, INS/Washington courses last six to eight weeks, whereas most AFRITAC workshops last one week or less. (Five of West AFRITAC's first seven workshops lasted four days; the others lasted two, five, and three days, respectively; of East AFRITAC's first 11 workshops, two lasted two weeks and one was only three days long.)

⁹ These are sometimes called "seminars," but we standardize here with the term "workshop."

Box 4.5 lists the advantages of the AFRITAC workshops over INS/Washington courses that were cited by both agency managers and participants interviewed by the ET.

Box 4.5 - Comparison of AFRITAC and IMF Institute Training

- The shortness of AFRITAC workshops enables agencies to spare more than one official from job responsibilities, ensuring that two or more persons from the same agency share the training and can collaborate in its application. Conversely, INS/Washington courses normally accept only one participant per country.
- The specific geographical coverage of AFRITAC workshops enables each member country to send several participants, normally covering more than one agency. On the basis of the pedagogical principle that courses should not exceed 30 participants, the average East AFRITAC workshop accepts five participants per country,¹⁰ whereas West AFRITAC workshops accept three from each of ten countries. In practice, not all member countries are represented in each workshop.
- The same geographical feature restricts workshop focus to issues affecting countries that share similar problems. Nearly all participants interviewed by the ET stressed the benefits of trading experiences with some two dozen colleagues from neighboring countries, a feature that INS/Washington courses would not offer.
- Not every workshop or individual session therein leaves every participant inspired to improve his or her job performance. As noted earlier, most participants in East AFRITAC's two financial programming workshops, even though these lasted two weeks, found the course material too complex for the allotted time. (INS/Washington allots eight weeks to its financial programming and policy course.) Moreover, though the workshop resource persons were generally praised by interviewees, there were a small number of exceptions.

Conclusion: AFRITAC has demonstrated value added in relation to four other TA delivery modes, both in its role as a complement to them and as a replacement or substitute. The advantages most emphasized by country authorities are AFRITAC's full-time preoccupation with their TA needs and its proximity. AFRITAC has shortened response times to their TA requests. Its staff gain close familiarity with local problems. Its unique governance structure promotes country ownership and regional solidarity. It has accelerated the process of developing regional expertise. Its workshops accommodate multiple trainees from each country and promote exchange of comparable experiences.

Finding #2: AFRITAC has demonstrated value added in relation to four other TA delivery modes, both in its role as a complement to them and as a replacement or substitute.

4.1.3 Relative Cost-Effectiveness, Especially in Capacity Building

Terms of reference: *Cost-effectiveness is an important element of value added. However, given that some important benefits of the centers' TA are qualitative and therefore difficult to measure, the evaluation will focus on assessing costs and benefits to the extent permitted by the available data and the qualitative nature of many of the centers' benefits. Thus the evaluation will assess the cost-effectiveness of the centers in contributing to capacity building in the membership, taking into account the difficulties inherent in judging costs and benefits of*

¹⁰ Three workshops supported by the African Capacity Building Foundation accepted between six and nine participants from non-AFRITAC member countries.

capacity-building activities. To the extent possible, the cost-effectiveness of the centers will also be assessed relative to other TA delivery modes. The Evaluation Team could recommend a methodology for measuring effectiveness in enhancing capacity building in the medium term.

The team's investigations in the field confirmed the difficulty of judging benefits of capacity-building activities. Judging costs is much less difficult because the AFRITAC centers maintain full and transparent accounts, which this section draws on below. Moreover, for the purpose of comparing costs of different TA delivery modes, the IMF has conducted thorough analysis of costs of Headquarters-managed TA, to which this discussion will likewise refer. The problem on the cost side arises in deciding which indirect costs to include in overhead for comparable activities of AFRITAC and IMF technical departments.

Quantifying capacity building.

Over the past two years, the AFRITACs have had considerable outreach. TA interventions and training workshops have covered 113 subject areas (see Section 3.2.8). The 2003–04 work plans provided for delivery of 1182 person-weeks (p-w) of TA and training: 694 p-w by East AFRITAC over 24 months and 488 p-w by West AFRITAC over 16 months. Participants in regional workshops numbered 358 in the East and 188 in the West. In the team's view, AFRITAC's design overlooked opportunities for assessing progress in the area of capacity building which, though not subject to valuation in money terms, would have provided more information of a quantitative nature than is now available. Specifically, arrangements could have been made for preparing inventories of trained personnel in agencies targeted by AFRITAC and tracking changes—subtractions as well as additions—over time. Obviously, not every positive change could be attributed to AFRITAC, but the question of its share in them would be much more focused than would a search for the project's overall benefit. Agency managers as well as AFRITACs and the IMF Headquarters staff could make rough estimates that would come closer to measuring impact than is currently possible.

An indispensable component of modern management is tracking the qualifications of staff in different departments as measured by academic preparation, time in post, exposure to TA, and in-service training, including participation in courses such as those run by AFRITAC. The coming of new staff on board, gaining of experience, exposure to TA, and additional in-service training augment capacity, whereas staff departures diminish it. Some agencies in AFRITAC-member countries track these changes closely, but nearly all the managers interviewed by the ET demurred when queried about inventories of staff capacity. All admitted that such information was desirable, and most said its preparation was on their near-term agenda.

In the ET's views, it is urgent to help AFRITAC client agencies to systematically monitor their staff capacity and its evolution over time as well as institutional capacity-building efforts. To that end, the ET recommends that the IMF help mobilize donor assistance. Until that is done, assessing AFRITAC's impact on capacity building will remain a stab in the dark.

Appendix XV describes the proposed TA investment, which in the ET's view could be carried out by engaging a few months' worth annually of consultant time. The appendix also presents a pro forma spreadsheet illustrating the personnel data that AFRITAC client agencies should be collecting and evaluating.

AFRITAC beneficiary agencies should also prepare plans for improving institutional capacity. Ideally, such a plan would include the current status of the area (statistics, public finance, etc) and an action plan for the agency to follow in order to meet international standards. An inventory of reforms already under way through donor support should be included. Agency performance indicators would be established according to international standards.

Several tools for measurement already exist and may be explored. For example, the statistics bureau's performance could be followed using the General Data Dissemination System (GDDS). In the area of PEM, scores attained by AFRITAC-member countries in the periodic joint IMF/International Bank of Reconstruction (IBRD) [PEM Assessment and Action Plan (AAP), part of the HIPC debt relief program, could be used to measure evolution of institutional capacity. HIPC countries are assigned marks of A, B, and C on 16 criteria of PEM. The Bank and IMF determine benchmarks (marks of A or B) that they believe HIPC countries could reasonably be expected to attain at the present time. A country's progress over two or three years is assessed according to the number of benchmarks met or exceeded in the later year, compared with the number met or exceeded in the earlier year. A joint IMF-Bank Board paper, scheduled for release in March 2005, will compare scores assessed in 2001 and 2004 for 28 HIPC countries, including 11 of the 16 AFRITAC-member countries. Appendix XVI lists the 16 criteria.

An institutional capacity-building plan would help beneficiary agencies clarify their goals. It would give AFRITAC staff a clearer picture of where they should focus their capacity-building efforts. These plans and their indicators could roll into the logframe (or Logical Framework Approach [LFA]). The ET recommends that the AFRITACs should support the beneficiary agencies in preparing these plans.

Comparative costs of TA delivery modes.

Table 4.2 gives comparative costs of the two AFRITACs as budgeted by OTM based on the entire budget of each center's three-year life (for West AFRITAC, which started operations several months after the East, this carries through the first month of the IMF's fiscal year 2007). Also, West AFRITAC has supplied actual per-month costs of short-term experts, showing these to be only \$15,500, or 55% of OTM's budgeted \$28,000. Table 4.2 uses the lower figure for West AFRITAC but not the East.

For the sake of comparison with other TA modes, the table adds regional travel to the salaries and benefits of the resident advisors to arrive at their direct costs. (Direct costs of short-term experts already include travel.) It should be noted that the cost of regional travel for East AFRITAC includes travel to six countries whereas West AFRITAC includes travel to ten countries. Three budgeted items are treated as center overheads: an item labeled "office support and communications"; payments by the host government for rent and local staff; and costs of the Center Coordinator (IMF staff member) together with operating costs not included in the first item.

West AFRITAC is housed in the office building of the national BCEAO agency, which does not charge rent. Center staff suggested that the ET use the actual unit rental paid by the World Bank for its Bamako office space to ensure comparability of the two centers. Multiplying this figure times 400 square meters of AFRITAC space times 3 years gives roughly \$150,000 equivalent.

Table 4.2 apportions center overheads among (a) long-term advisors, (b) short-term experts, and (c) training according to each one's share in the total direct cost of experts and training (line 8).

Table 4.2 - AFRITAC Budgeted Costs, FYs 2003-2007^a
(cost data in \$'000 except per person/day)

	Person/ months	Share in local overhead			Total cost incl. overhd. E = B+D	Unit Costs	
		Direct costs B	%			Direct cost F = B/A	...includ- ing local overhead G = E/A
			C = B/B8	D = C*B13			
A	B	C = B/B8	D = C*B13	E = B+D	F = B/A	G = E/A	
EAST AFRITAC - FYs 2003-06							
1	Long-term experts	175					
2	Salary & benefits	3 194					
3	Travel	952					
4	Total, l-t experts	4 146	50.5%	840	4 986	23.7	28.5
5	Short-term experts	106	36.2%	601	3 569	28.0	33.7
6	Subtotal, experts	7 114					
7	Training	1 091	13.3%	221	1 458		
8	Subtotal, experts & training	8 205		1 662	10 966		
9	Overhead (local, exclud. HQ)	Overhead					
10	Office support, communications, etc.	118					Cost per p/day**
11	Bank of Tanzania	319				1 077	1 295
12	IMF - Coordinator & operations	1 224				1 273	1 530
13	Total overhead (local)	1 662					
14	Total costs	9 867					
WEST AFRITAC - FYs 2004-07							
1	Long-term experts	216					
2	Salary & benefits	3 999					
3	Travel	861					
4	Total, l-t experts	4 860	63.6%	1 000	5 860	22.5	27.1
5	Short-term experts	104	21.0%	331	1 938	15.5	18.6
6	Subtotal, experts	6,467					
7	Training***	1,175	15.4%	242	1 417		
8	Subtotal, experts & training	7 642		1 573	9 215		
9	Overhead (local, exclud. HQ)	Overhead					Cost per p/day**
10	Office support, communications, etc.	200				1 023	1 233
11	Government of Mali****	230				703	847
12	IMF - Coordinator & operations	1 143					
13	Total overhead (local)	1 573					
14	Total costs	9 215					

* Table excludes IMF administrative fee of 13% on externally funded costs.

** Assumes 22 working days per month.

*** Based on actual costs of short-term experts, May '04-Feb. '05, which are only 55% of originally budgeted cost (equal to figure of \$28,000 used for East AFRITAC).

****(d) Government of Mali's budgeted contribution does not include imputed rent of premises in BCEAO/Bamako headquarters. For comparability, figure used here is \$150,000, based on per meter² rental cost of World Bank offices in Bamako X 400 m² AFRITAC office space X 3 years.

A February 2004 paper entitled “Review of Technical Assistance,” prepared by OTM, gives a table (p. 26) comparing direct costs of three TA delivery modes. It is reproduced here as Table 4.3.

Mode of Delivery	Time (person-days)	Salary and Benefits	Travel Cost	Total Direct Cost	Total Direct Cost per day
Headquarters-based mission	77	\$52,000	\$43,000	\$95,000	\$1,230
Short-term expert	22	\$19,100	\$10,800	\$29,900	\$1,360
Long-term regional advisor - 2/	260	\$215,600	\$49,000	\$264,600	\$1,020

1/ The results are weighted averages of TA departments' TA delivery data. Salary and benefits costs are derived from standard cost data for IMF staff and for TA experts. Travel cost data are derived from a survey of actual travel costs for IMF staff and TA experts.

2/ Direct cost data are applicable to a single long-term advisor serving two or more countries, and to a long-term advisor attached to a regional TA center. Data do not include any overhead costs.

OTM's estimate of a long-term regional advisor's direct cost per day is close to the computation for AFRITAC resident advisors in this report's Table 4.2, which gives \$1,077 for East AFRITAC and \$1,023 for the West compared with OTM's \$1,020. By contrast, the AFRITACs' figure of \$1,273 for short-term experts is about 3% higher than the OTM estimate for a member of a Headquarters-based (short-term) mission.

These comparisons are summarized in Table 4.4, which also shows the AFRITACs' figure for short-term experts to be 7% less than OTM's estimate of \$1,360 for a Headquarters-managed expert.

Delivery mode	Total Direct Cost per day according to OTM (Table 4.3)	Direct cost per day of AFRITACs (Table 4.2)		AFRITACs versus Alternative Delivery Modes Cost Difference (%)	
		East	West	East	West
HQ-based mission	\$1,230				
Short-term expert	\$1,360	\$1,273	\$703	-7%	-48%
Long-term regional advisor	\$1,020	\$1,077	\$1,023	5%	0.3%

Note: A negative value means that the AFRITAC costs are less expensive than the corresponding delivery mode.

The minor cost differential between the AFRITACs and OTM's “long-term regional advisor” delivery mode could be explained by the difference in travel costs. In Table 4.3, the travel cost associated with long-term regional advisors covering, on average, two countries is \$49,000. The budgeted annual travel cost for East AFRITAC resident advisors, covering six countries, works out to about \$64,000, whereas the corresponding figure for West AFRITAC, covering ten

countries, is \$48,000. (West AFRITAC reports that its actual travel costs for FY 2005 have amounted to only \$27,500, or 57% of budget.)

Dealing with overhead costs.

Treatment of overhead costs gives rise to ambiguity in comparing costs. Adding in only overhead costs incurred at the centers raises AFRITAC unit costs by about 20% (20.3% in the East, 20.6% in the West). All categories of AFRITAC assistance now appear more costly than the alternative delivery modes listed in Table 4.3. However, at least for long-term regional advisors, this comparison is misleading, because they also incur local overhead costs.

Table 1 in the OTM paper (p. 25, not reproduced here) allocates \$1,383,000 in Headquarters staff costs to each of the AFRITACs for the single fiscal year 2004. These are defined as “direct costs for backstopping, supervision, and inspection visits, and indirect costs for support.” The paper explains further:

The complex TA environment characterizing the countries served by the AFRITACs has meant that the centers are drawing on Headquarters staff resources for backstopping of experts, coordination of TA work between headquarters and the centers, formulation of the centers' work programs, and coordination with other TA providers, to a greater extent than expected. (p. 23)

Over three fiscal years the allocation increases the total cost of each AFRITAC by \$4.15 million, or 42% for the East and 45% for the West. If this cost is distributed among resident advisors, short-term experts, and training in the same way as Table 4.2 distributes local overhead, the results in Table 4.5 are obtained:

Table 4.5 - Impact on AFRITAC Unit Costs of Attributing Full IMF/Headquarters Staff Costs										
	East AFRITAC				West AFRITAC					
A.	HQ FY 2004 overhead per centeracc. to OTM				HQ FY 2004 overhead per centeracc. to OTM					
	\$1,383,000				\$1,383,000					
	Resident advisors		Short-term experts		Resident advisors		Short-term experts			
B.	No. person-months per year		No. person-months per year		No. person-months per year		No. person-months per year			
	60		35		72		35			
C.	% share in overhead (Table 4.2)		% share in overhead (Table 4.2)		% share in overhead (Table 4.2)		% share in overhead (Table 4.2)			
	50.5%		36.2%		63.6%		21%			
	p-month (\$'000)		p-day (\$)		p-month (\$'000)		p-day (\$)		p-month (\$'000)	p-day (\$)
D.	Unit costs incl. local overhead (Table 4.2)		Unit costs incl. local overhead (Table 4.2)		Unit costs incl. local overhead (Table 4.2)		Unit costs incl. local overhead (Table 4.2)		Unit costs incl. local overhead (Table 4.2)	Unit costs incl. local overhead (Table 4.2)
	\$ 28.5	\$1,295	\$ 33.7	\$1,530	\$ 27.1	\$1,233	\$ 18.6	\$847		
E.	HQ FY 2004 overhead per p-month or p-day (= C*A/B)		HQ FY 2004 overhead per p-month or p-day (= C*A/B)		HQ FY 2004 overhead per p-month or p-day (= C*A/B)		HQ FY 2004 overhead per p-month or p-day (= C*A/B)			
	\$ 11.6	\$ 529	\$ 14.3	\$ 650	\$ 12.2	\$ 555	\$ 8.3	\$ 378		
F.	Unit costs including local and HQ overhead (= D+E)		Unit costs including local and HQ overhead (= D+E)		Unit costs including local and HQ overhead (= D+E)		Unit costs including local and HQ overhead (= D+E)			
	\$ 40.1	\$1,825	\$ 48.0	\$2,180	\$ 39.3	\$1,788	\$ 26.9	\$1,225		
G.	% excess, F over D				% excess, F over D					
	41%				45%					

Source: Unit cost data from Table 4.2; additional IMF HQ overhead cited in text.

In other words, inclusion of Headquarters staff costs according to OTM's table raises the unit staff costs (including local overhead) of East AFRITAC by 41% and West AFRITAC by 45%. However, the paper is not entirely consistent, because on page 25 it states,

Owing to data limitations, it is not possible to compare the resources spent on management, coordination, backstopping and administration of a regional TA center with the indirect cost of backstopping and administration of a single expert providing TA to one or more countries. Informal staff surveys and Budget Reporting System (BRS) data suggest that these types of overhead costs may add around *25 percent* [emphasis added] to a long-term expert's total cost. Backstopping and overhead costs for short-term peripatetic experts appear to be somewhat higher.

To make an authoritative comparison with alternative delivery modes, one would need data on the backstopping, supervision, field visits, and indirect costs for support incurred by the IMF's technical departments for each mode. How can support costs be evaluated for staff of the departments themselves in preparing, conducting, and following up on field missions? The ET was informed that no consensus has formed behind efforts to estimate such costs. This lack of consensus is not surprising, given the multiplicity of tasks performed by IMF departmental managers.

AFRITAC model versus long-term/peripatetic regionally based IMF advisors.

The delivery model that seemingly comes closest to the AFRITACs is the long-term/peripatetic regionally based IMF advisors discussed in Section 4.1.2. The first question concerning costs is whether and how costs of HQ backstopping would differ between that model and the AFRITACs. IMF departments noted to the ET that working through the CCs and SCs subsumes considerably more department staff time than dealing solely with regionally based advisors. On the other hand a comparison of the two models has to take into account the fact that the IMF could not support additional regionally based advisors out of its own budget, but would have to seek donor support. Accordingly some staff effort would be required in any case to report periodically to donors and satisfy them regarding the program's benefits.

To be sure, the peripatetic regionally based advisor model does not envisage a component of consultation among host countries such as that conducted through the SCs. The question then becomes one not of comparative costs, but whether the country and regional ownership of TA conveyed by the SCs is worth the extra cost. The ET believes that it is. To deliver a product fully comparable to the AFRITACs, long-term/peripatetic regionally based IMF advisors would need a similar level of office support. They would not have access to the services of a coordinator, who currently negotiates with high levels of beneficiary governments and accounts for his or her center's activities to donors. Instead, they would have to perform such services themselves. Thus, while "saving" the roughly \$50,000 annual per-advisor cost of a coordinator, the peripatetic model would impose significant additional burdens on advisors' time.

Few host government agencies would provide a single resident advisor, much of whose time was allocated to other countries, with the same level of office management and communications now provided by the AFRITACs. If they did, they would forgo the economies of scale now achieved by the AFRITACs with only one office manager, one or two other support staff, and two drivers serving five or six resident advisors.

Table 4.6 compares the daily cost including local overhead of an AFRITAC advisor with costs of a long-term peripatetic regionally based IMF advisor, assuming equal extent and quality of office support.

For lack of data—the cost of office space for a single resident advisor would vary widely among host institutions and countries—this item was not factored into the daily costs of a long-term peripatetic regionally based IMF advisor. On the other hand, because the cost of office space is known for East AFRITAC, the AFRITAC advisor figure includes it.

On the foregoing assumptions, Table 4.6 indicates that the daily cost of a long-term peripatetic regionally based IMF advisor would be higher than the daily costs of the AFRITAC advisors. The ET realizes the figures used are rough estimates and systematic evaluation of overhead costs of the alternative model would require further work.

Table 4.6 – Daily Costs Comparison between AFRITAC Advisors and Long-term/peripatetic regionally-based IMF advisors

	Long-term peripatetic regionally- based advisor	East AFRITAC advisor	West AFRITAC advisor
Direct cost of advisors	\$ 1,020	\$ 1,077	\$ 1,023
Local overhead costs			
• Office support/manager (1)	\$ 96		
• Driver and vehicle (2)	\$ 77		
• Office space (3)	Not available	Included in total below	
• Cost of travel to 4 additional countries (4)	\$ 58		
Total local overhead costs	\$ 231	\$ 218	\$ 189
Total costs	\$ 1,251	\$ 1,295	\$ 1,212

1) Based on approx. \$ 25,000 annual salary / 260 days

2) Based on driver salary and vehicle upkeep, etc of \$20,000 / 260 days

3) Not available for peripatetic regional model.

4) Based on \$15,000 difference between estimated travel cost of East AFRITAC and average IMF-wide travel cost according to OTM (see table 4.3), divided by 260 days.

Sources: Tables 4.2, 4.3, and standard cost estimates.

Comparative costs of training.

The same OTM paper (p. 28) compares direct costs of the IMF Institute (INS) courses in Washington and at regional training institutes supported by the Institute. Table 4.7 below takes data from the paper's Table 4 and adds cost data from East AFRITAC's first eleven workshops and West AFRITAC'S first seven.

The two measures of East AFRITAC direct costs, excluding honoraria, turn out to be only three-quarters of the cost of comparable regional programs. The direct costs for West AFRITAC one-week courses, while higher than East AFRITAC's, are only 80% of INS costs for two-week courses.

Once again, a full cost comparison turns on the level of overhead. If local overhead is correctly allocated among experts and training in Table 4.2, the total budget for training rises by about

one third for both AFRITACs (= 367/1,091 and 376/1,175.) As in the case of expert costs, adding the Headquarters staff cost given in Table 4.5 would raise the cost of AFRITAC training by 84% and 78% in the East and West respectively.

On the other hand, INS and its regional partners also have overhead costs excluded from Table 4.5. According to OTM, "Comprehensive data are not available to compare the indirect administrative support costs for training activities in Washington and at the regional programs" (p. 28).

The second part of Table 4.7 shows West AFRITAC training costs to have been significantly (42%) higher than those in the East for the first few workshop rounds.

Sponsor	Regional programs 2/	Washington courses
Comparison of IMF Institute & East AFRITAC costs excluding honoraria		
IMF Institute 1/		
All courses	1,850	1,890
Typical two-week course	1,620	2,670
East AFRITAC 1/		
11 workshops - \$511,000 total cost divided by 367 participant-weeks	1,392	
Two two-week courses, \$151,000 divided by 120 participant weeks	1,258	
West AFRITAC 1/		
7 workshops - \$404,000 total cost divided by 188 participant-weeks 3/	2,149	
Comparison of East & West AFRITAC costs including honoraria		
East AFRITAC		
11 workshops - \$638,000 total cost divided by 367 participant-weeks	1,738	
West AFRITAC		
7 workshops - \$465,000 total cost divided by 188 participant-weeks 3/	2,472	
1/ Participant costs and staff travel costs.		
2/ Unweighted average of regional programs.		
3/ WA data show most courses lasting four days, treated here as one week.		
Source: INS costs from OTM, <i>Review of Technical Assistance</i> , February 2004. AFRITAC workshop costs provided by respective centers.		

Conclusion: Evaluation of cost-effectiveness in capacity building is hampered by a lack of concrete information on the status and evolution of the human resource endowment of the institutions where AFRITAC has intervened. On the cost side, comparable data are not available on overhead charges. If overhead is ignored, the cost of AFRITAC resident advisors approximates that of the IMF long-term experts and is 3% higher than that of IMF Headquarters missions. AFRITAC-managed short-term experts are budgeted at 7% less than those managed by Headquarters, while actual costs of West AFRITAC short-term experts have turned out to be 48% lower. Training costs excluding staff honoraria are lower in both AFRITACs than

comparable INS figures; including honoraria, East AFRITAC training costs fall below those in the West.

Finding #3: Despite the lack of indicators with which to evaluate AFRITAC benefits and the inherent difficulty of overhead cost measurement, for major components of country needs the AFRITACs seem more cost-effective than any other delivery mode of IMF TA.

4.2 Fulfillment of AFRITAC Objectives

4.2.1 Quality, Timeliness, and Relevance of Activities

Terms of Reference: The quality, timeliness, and relevance of the activities undertaken and outputs produced. The team may want to select a representative sample of TA activities undertaken by each center in a number of countries to come to a judgment.

The quality of activities and outputs produced is illustrated through the overall appreciation of their design, implementation, monitoring, and follow-up. The timeliness of activities can be defined by the time that elapses between the actual request and the delivery. The relevance of activities explored the degree to which the purpose of the projects remained valid and pertinent up to delivery time. In addition, the beneficiaries' needs assessment process and the participant selection and evaluation of activities are important factors to consider.

The ET analysis is based on data from the field mission, an evaluation survey, the workshop evaluations, and an in-depth review of selected activities. During the field mission, approximately 69 activities/projects were discussed with interviewees. Of these projects, a certain number were selected for an in-depth review (presented in Appendix VII).

Quality of Activities

Training

Design: Training packages designed by AFRITAC/IMF are of very high quality. These seminars were considered to be of a more practical nature than are those at the IMF in Washington. Many judged the courses as not being long enough and wondered why the same course that lasts for eight weeks in Washington lasts for only two through AFRITAC. Although these courses are not comparable in scope, participants' perception is that the regional training still does not have the same value as the Washington-based course. One-week courses were described as being, in reality, only 3 ½-day seminars once activities such as introductions, last-day presentation of case studies, and handing out of certificates were excluded. Participants felt they were rushed through a great deal of material in a small amount of time.

Implementation: The method of bringing together several different countries is interesting for sharing information and stimulated several country participants to participate in a more productive way. The case studies were quoted as being very useful except that little work time was allocated during the schedule and participants often had to work during their free time to prepare. Discussion groups of ten participants were deemed too large for efficient sharing of information.

Presenters were, in general, well appreciated and there were only two cases where participants in the East region mentioned the need for AFRITAC to better prepare presenters. For example, in one case a presenter had too much information to give (about 90 slides) in a very limited time.

The general feeling of participants is that the outreach of this type of training programme is effective because for the same cost of sending one person to Washington, up to ten people in the region can be trained.

The ET's online survey asked respondents to compare the regional training delivered by AFRITAC with (a) training delivered by the INS; (b) training delivered by regional institutions in their field of work; and (c) training delivered by other donors. AFRITAC regional training is viewed as more efficient than that of the IMF Institute and comparable to other regional institutions or donor-delivered training. The following results were obtained:

Question 13 - Please compare the quality of Regional Training delivered by AFRITAC to:			
	Not as efficient	Comparable	More efficient
Training delivered by the IMF Institute	29%	29%	42%
Training delivered by regional institutions in your field of work	12%	59%	29%
Training delivered by other donors	20%	60%	20%

In general the regional training delivered by AFRITAC is considered more efficient than the training delivered by the INS. It is comparable to training delivered by other regional institutes as well as to the training delivered by other donors.

Monitoring/follow-up: Trainees feel they are left on their own and not supported by AFRITAC after the sessions, which they believe hinders the potential change process in many departments because, for example, their supervisors are not sensitized to the new processes. Often quoted for its mentor approach and sustainability, MEFMI was put forward as a best practice for AFRITAC to work toward. An initial inventory of skills that could serve as a benchmark is missing in the training process. It is difficult to assess the training impact and measure trainees' progress. This could be addressed by establishing a trainee's profile which includes description of the trainee, the job he or she does, reasons why the trainee should follow the training, expected results in work output following the training, and job requirements prior to training.

Technical Assistance

Design: The design of the TA is generally outlined within the TORs and varies according to the issuing office (Washington or AFRITAC). The format is standardized and well-structured and provides sufficient information for the experts. This is usually supplemented by a table that provides a summary of the interventions and the measurable outputs. All selected projects reviewed contain clearly detailed objectives and tasks. Usually the TORs designed by the centers can be shared with the authorities and even posted on the AFRITAC website as they focus mainly on mission tasks and measurable output. HQ TORs have a more extensive background and discuss recent policies and weaknesses. They may include some confidential information as they are the TORs of the mission members and are normally not shared with the authorities, at least not in their extensive format. Overall, the TA, whether from the centers or out of HQ, is consistently well-designed. The beneficiary agencies that the ET spoke to appreciate being implicated in the TORs write-up because it gives them an increased sense of ownership.

Implementation: Beneficiaries find the TA activities provided by short-term experts as well as the resident advisors to be more practical and better adapted to their reality than those coming out of Washington. They also mentioned that still too many prescriptive reports are being produced. Beneficiaries expressed interest in AFRITAC's integrating the IMF recommendations for their PRSPs.

When asked to compare the quality of TA delivered by AFRITAC with that delivered by others, the non-visited countries support the general opinion that it is comparable.

Question 11 - Please compare the quality of Technical Assistance delivered by AFRITAC with:			
	Not as efficient	Comparable	More efficient
Long-term technical assistance delivered by the IMF Headquarters	24%	66%	10%
Short-term technical assistance delivered by the IMF Headquarters	8%	65%	27%
Long-term technical assistance delivered by other donors	19%	43%	38%
Short-term technical assistance delivered by other donors	8%	56%	36%

In general the TA delivered by AFRITAC is comparable to TA delivered by IMF Headquarters and other donors. The AFRITAC TA is considered by 38% of the respondents to be more efficient than the long-term TA delivered by other donors. It is in short-term TA where AFRITAC TA outperforms most other TA delivered by either IMF Headquarters or other donors.

According to some beneficiaries, AFRITAC focuses more on the delivery of inputs at TA activities level and not so much on using a capacity-building approach, which is more institutional. Capacity building is long-term and cannot be measured in terms of input. Greatest success in sustainability and implementation has been achieved when resident advisors have been able to work with a committee or team. The Tanzanian National Bureau of Statistics provides a perfect example where such an approach works. Beneficiaries said, "Thanks to AFRITAC and the resident advisor, we have improved our competencies and especially our confidence."

AFRITAC TA can and has mobilized important changes; the case of Mauritania's statistics (application of GDDS) demonstrates achieved results through AFRITAC intervention. The resident advisor was able to mobilize several donors to finance a mission to analyze the situation. At the end of the mission, a forum was organized with the authorities, and the resident advisor convinced them of the importance of the application. Today, as a result of this work, the proposed metadata is accepted by the IMF. The use of GDDS had been on the back burner for a while but with the coaching of the resident advisor, some beneficiaries have moved faster than they otherwise would have.

The regional nature of AFRITAC has also seemingly enhanced the solutions proposed to participating countries for implementation. The proximity of the Center and the practical knowledge of the region have contributed to a readiness to accept the resident advisors. As resident advisors travel throughout the region, they are exposed to different work methods in agencies and can propose very practical solutions from a neighboring country. As well as being coaches and mentors, resident advisors act as peer reviewers; beneficiaries who have used them in this manner have all expressed their satisfaction, saying that excellent comments had

been provided. Many beneficiaries mentioned, however, that the resident advisors in West Africa were overstretched.

Monitoring/follow-up: The ASRs and Back-to-Office (BTO) reports provide a snapshot of results and measurable outputs achieved. These allow the CCs as well as the IMF departments to follow the work of the resident advisors and the short-term experts. In some cases, the IMF departments request resident advisors to complete monthly status reports. In all selected projects reviewed, the ASRs and BTO reports are adequately completed; however, the description of achievements of outputs and results could be clearer; the project reports reviewed do not allow for quick and clear follow-up on achievements. This issue should be attended to, as these periodical reports should flow into the quarterly and annual reports. The various types of reports and formats surely contribute to overstressing the resident advisors.

Some beneficiaries from both East and West AFRITACs mentioned their concern with AFRITAC's lack of follow-up activities. Although AFRITAC's work in this area has been commendable, beneficiaries would like to see AFRITAC help more in the implementation of the recommendations or the changes in the environment.

Timeliness of Activities

Training

Little can be said on the timeliness of regional training. These training sessions are based on the needs expressed by the beneficiary agencies and fed into the work plan.

Most of the local training either is part of the work plan or forms part of ad hoc activities during the resident advisor country visits. Some agencies have expressed that their training needs were articulated over two years ago at the Paris meeting and these needs have still not been met with any form of training. This situation, however, should be addressed within the following year's work plan.

Technical Assistance

Overall, when requests have been formulated, it takes approximately three to four months from request to delivery. This time frame is difficult to confirm because neither AFRITAC maintains an active database-tracking system when project requests come in.

It has been noted that some delays have been experienced in TA delivery and though beneficiaries recognize their own responsibility for delays in some of the activities, they do not accept full responsibility. Political instability and the demand on resident advisors (e.g., servicing up to ten countries) are cited as the main reasons in the delay of TA delivery. Beneficiaries from Burkina Faso and Mali, in particular, were of the opinion that AFRITAC was spreading its efforts too thinly.

Among the non-visited countries in the online survey, 69% of the respondents found the AFRITACs were able to answer their requests more quickly than the IMF Headquarters did and 31% of respondents thought it was comparable. When asked to compare AFRITAC's response rate with that of other donors, 4% of respondents found AFRITAC to be slower than other donors, 17% found AFRITAC to be comparable, and 79% thought AFRITAC was quicker in responding to requests. Some recipient countries did not feel that there was a strong enough presence of resident advisors in their country.

Relevance of Activities

Training

Selection process and needs analysis: The majority of agencies have a selection process managed by either the human resource department or the training department. The supervisor could also be implicated according to the trainee profile provided by AFRITAC. There were some cases in which the participant was presented a series of training courses from which to select (e.g., AFRITAC, MEFMI, IMF). Agency and department heads all stated that no method was in place to identify the training needs through a competency profile exercise.

The type of participant selected is usually based on his or her job description; in some isolated cases selected trainees were not from the appropriate work division and therefore inappropriate as participants.

Many agencies mentioned that “we should be paying more attention to who we send to these seminars so that the country can get the most benefits.” However, when donors offer training not requested or identified by the agencies, participants are sent regardless of whether the training is relevant to their work.

Validity and pertinence: The majority of participants believed the training has been useful in improving their way of thinking and working. It is too early for any noticeable changes or concrete outputs but the lack of systems and method for tracking the usage and usefulness of acquired knowledge is a weakness in the AFRITACs. The cases where the training was said not to be relevant could have resulted from communication problems within the needs analysis process. The needs identified by other departments or agencies did not fit with their agencies’ needs (e.g., topic content oriented more toward Ministry of Finance than Central Banks and vice versa).

From the participants interviewed, the most beneficial aspects of regional training that increased its relevance were (a) the sharing of information (similar problems, work methods, etc.) with neighboring countries which, in some cases, was a stimulant toward better performance and (b) the broader macroeconomic picture presenting the interrelatedness of agencies and functions, which demonstrated how participants’ outputs could have an effect on other departments.

One interesting output of the training, mentioned by some Eritrean participants, was expressed in this statement: “It was very relevant because it helped us understand the Article IV mission and we are now able to work with the IMF people.”

Technical Assistance

Needs identification / definition process: The identification process and needs analysis of TA varied across all visited countries. Some beneficiaries said that when the initiative was discussed and they had to identify their own needs, they did not know how to do so. Others used the IMF PRGF and their own reform programs to identify their needs. The linkages with the PRSP might not have been evident two years ago because some countries did not have a PRSP completed. Today most of the targeted countries have a PRSP or an Interim-PRSP. The capacity-building plan is developed in only two countries, namely Ethiopia and Côte d’Ivoire. Some countries, such as Burkina Faso, have been successful at integrating AFRITAC TA within their reform programs.

The initial needs assessment, which fed into the work plan, stirred up different opinions (Box 4.6). Some beneficiaries may not have had the capabilities to adequately identify their needs in 2002. It is through working with resident advisors that some beneficiaries now better understand the importance of their needs analysis. A beneficiary said: “AFRITAC has helped us in understanding what we want and how we can get things but we are the ones doing it.”

Box 4.6 - Some Divided Opinions on Initial Needs Assessment

- Some agencies mentioned that the initial needs assessments of two years ago were somewhat outdated today.
- Others pointed to both East and West AFRITAC's inflexibility either toward their changing needs or changing priorities once the work plan had been finalized.
- The officials of the Ministry of Finance of Mali expressed they did not get enough help to formulate and present their problems and their requests.

One weakness of the needs identification process is the absence of information on the beneficiary agencies' status allowing for appropriate capacity-building progress measurement. Aside from the work plan, resident advisors do not have a written document analyzing and summarizing the status of the various beneficiary agencies.

Validity and pertinence:

Overall, the TA provided is perceived as relevant because it is demand-driven. The majority of the TA is pertinent; however, there have been cases where beneficiaries have withdrawn TA requests during the writing of the TORs, realizing it was a duplication of other TA already received. The microfinance project in Mali is such an example (see Selected Projects in Appendix VII).

Some beneficiaries said a “communication barrier with resident advisors” was one reason some TA may not have been as relevant as desired. Beneficiaries felt short-term experts were “shadow boxing” for the resident advisors; because the resident advisors were the backstopper, the recommendations were thought to be influenced by them. In fact, the AFRITACs are not clearly understood and recognized but with time and greater visibility, the demand, understanding, and recognition for AFRITAC services will surely increase.

Conclusion: The ET's interviews with the beneficiary agencies' staff as well as with workshop participants confirmed the quality, timeliness, and relevance of activities. In general, the AFRITACs' response to country requests has been more rapid and better-informed than has the response of other donors or IMF HQ. The implementation phase is more closely monitored and there seems to be a greater government ownership and accountability for the TA and training received. The centers should avoid sporadic TA activities and provide TA as part of a sustained capacity-building effort. It is understandable that the AFRITACs feel the pressure to show short-term results. However, it should position its TA for capacity building within a medium-term horizon. It would be more useful to help individual countries or agencies to develop long-term TA strategies and support the coordination of other TA providers.

Finding #4: The quality, timeliness, and relevance of AFRITAC's activities are praised by a large majority of respondents. However, the follow-up to AFRITAC's activity and its impact on capacity building need more attention.

4.2.2 Additionality of TA

Terms of Reference: *The additionality of TA delivered by the centers, as compared with TA delivered from the IMF Headquarters: additionality will be assessed in terms of both complementariness and volume. With respect to the latter, the evaluation will attempt to assess whether there has been a possible crowding out of the IMF TA to African countries not covered by the centers.*

Complementariness. The ET was informed at Headquarters that some of the IMF's TA had initially seen establishment of the AFRITACs as a potential threat to their roles as planners and providers of TA. However, this fear seems to have largely dissipated, as the three departments consulted by the team (FAD, MFD, and STA) all spoke positively of the complementary relationship between themselves and the AFRITACs, while also pointing to some issues. Box 4.7 summarizes the departments' observations.

Box 4.7 - Complementarity of TA Delivered by AFRITACs and the IMF TA Departments

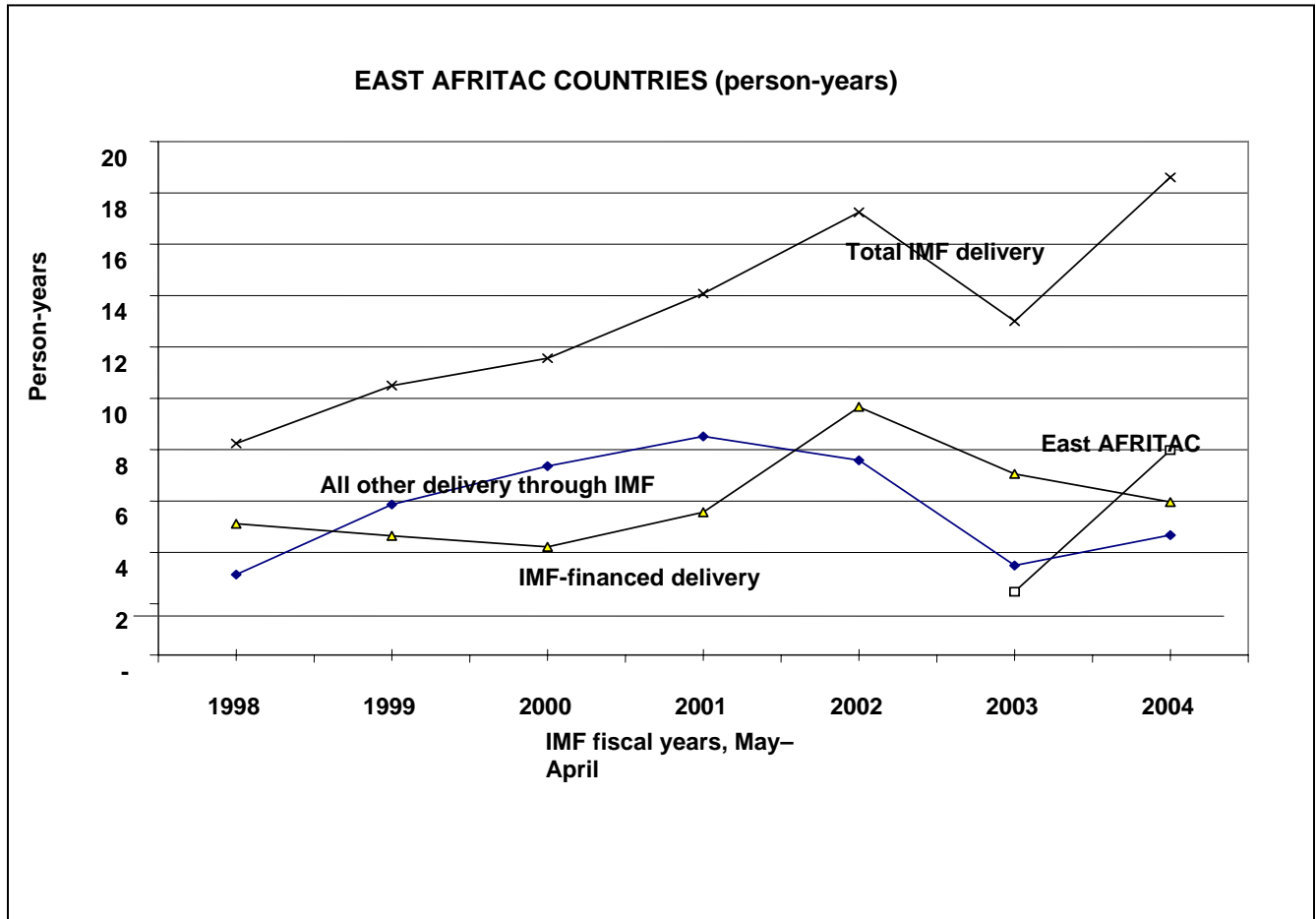
- The activity of AFRITAC advisors has generated additional demands for HQ TA—according to the TA departments, considerably more than they have the resources to provide and backstop.
- As indicated in Section 4.1.2, a significant number of field assignments of AFRITAC advisors have been joint missions with HQ staff or HQ-managed short-term experts. It was noted that AFRITAC staff normally focus on concrete measures for implementing broad reform strategies proposed by HQ. HQ requests for joint missions arise from concerns to involve resident advisors in the implementation of policies and strategies down the road, and also to further develop their familiarity with the IMF's work and procedures. AFRITAC advisors perceive some requests as also growing more out of a desire to fill mission staffing gaps than out of respect for a center's approved work program.
- The more up-to-date and detailed picture that AFRITAC advisors provide regarding the status of a given macro policy area has enabled at least one department to move from a largely reactive approach to country TA requests, to more systematic design of diagnostic missions. Thus, advice from AFRITAC advisors has helped shape the department's Resource Allocation Plan (RAP), just as HQ advice influences the work plan each center proposes to its Steering Committee.
- According to department staff, the AFRITAC advisors' residence in the field and repeated visits to member countries give them an advantage over HQ in monitoring progress in implementing reform, proposing new measures to assist the authorities, and identifying needs for additional TA. They are also better placed than HQ to render TA on the ground, such as by sitting down with a counterpart at his computer and helping him construct a spreadsheet.
- Department staff indicated that the AFRITACs' management of short-term experts has positively complemented HQ TA. Moreover, the closer coordination among client agencies and donors that AFRITAC advisors have helped bring about has benefited departmental TA plans. According to some department staff, the advisors' role in management and coordination is more important than the direct TA they render.
- The AFRITACs' recruitment and evaluation of regional experts adds to the pool of expertise that departments can tap, inside and outside member countries.
- Individual AFRITAC advisors are naturally more experienced in some areas than in others. One department indicated that it takes cognizance of this by focusing its own TA initiatives on areas less thoroughly covered by the AFRITACs.
- A division of labor between HQ and the AFRITACs spares the latter from intervening in politically sensitive issues such as exchange rate management.

AFRITAC resident advisors are subject to technical supervision and quality control by HQ departments, and copy their country reports to their Washington backstoppers, who strive to ensure conformity with the IMF professional standards. The ET was informed of occasional differences of opinion between HQ and the field as to how closely an advisor should be managed from Washington, and what flexibility he or she should have to judge how best to accommodate to local circumstances. (See Section 4.2.6.)

Volume: Charts 4.1 and 4.2 show delivery of the IMF-managed TA to the East and West AFRITAC countries during the past seven fiscal years (1998 through 2004). The series

combines long-term and short-term TA. “All other delivery through the IMF” means the IMF-managed delivery funded by other donors.¹¹

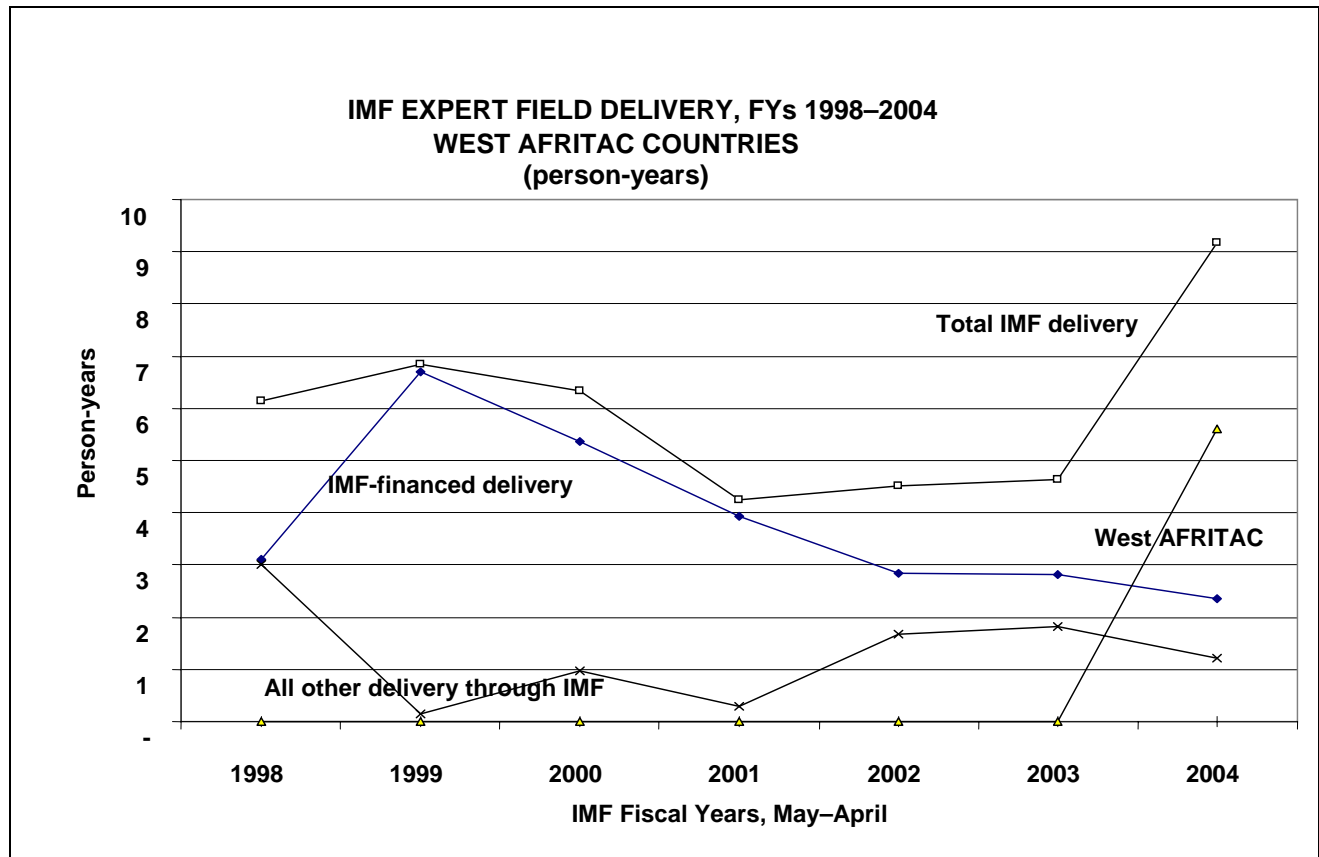
Chart 4.1 - IMF Expert Field Delivery, FYs 1998–2004



Source: OTM, spreadsheet entitled *TA Delivery in African Countries*, December 2004

¹¹ Notably the USA.

Chart 4.2 - IMF Expert Field Delivery, FYs 1998–2004



Source: OTM, spreadsheet entitled *TA Delivery in African Countries*, December 2004.

The charts show the total IMF delivery of TA to AFRITAC countries increasing with the establishment of the AFRITACs. In the East, delivery prior to AFRITAC reached a peak in FY 2002, dropped off the following year but then, with the establishment of AFRITAC, achieved a historic high of 18.6 person-years in FY 2004. The IMF-managed TA in the ten West AFRITAC countries—in FY 2004 still only half as much as in the six East AFRITAC countries—has risen more dramatically, doubling from 4.6 person-years in FY 2003 to 9.2 the following year.

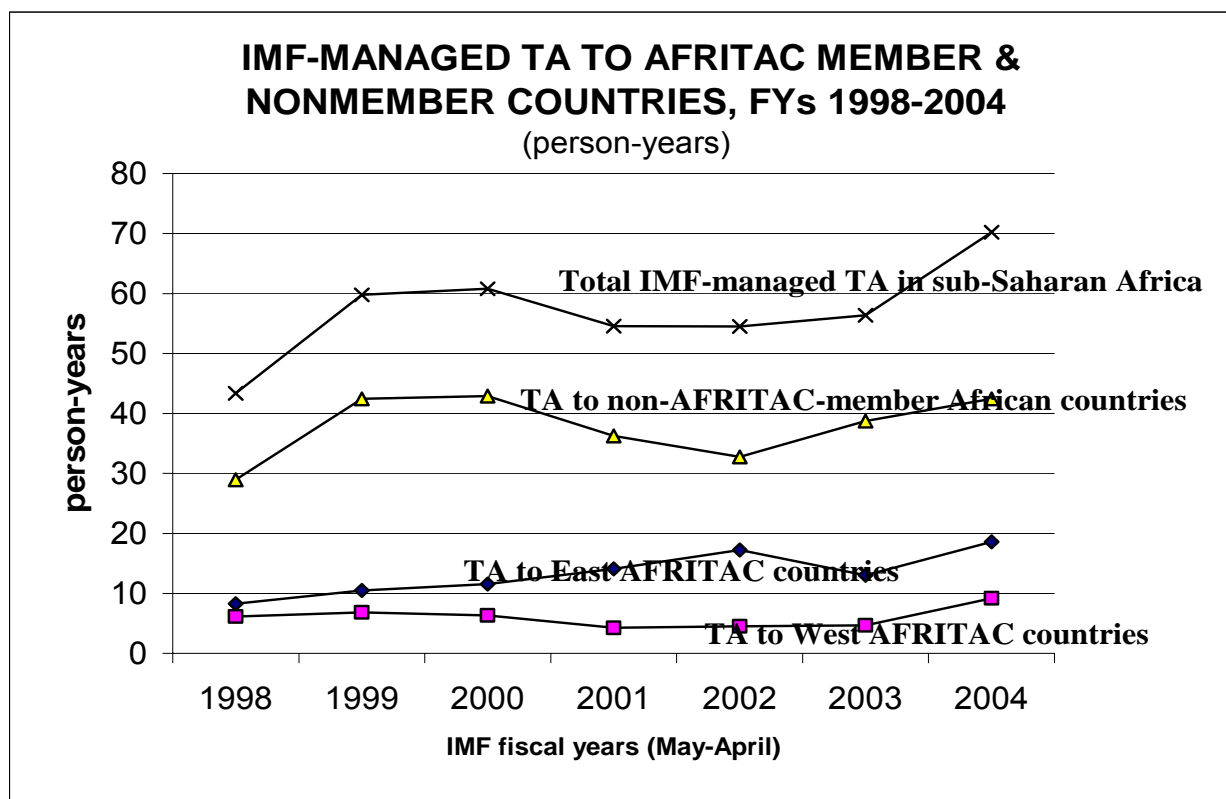
As shown in Table 4.7, with the two AFRITACs combined, total IMF-managed TA in AFRITAC member countries rose from 17.6 person-years in FY 2003 to 27.8 person-years in FY 2004, an increase of 58%.

Table 4.7 - IMF-Managed TA to AFRITAC Member and Nonmember Countries, FYs 1998–2004

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
6 East AFRITAC countries							
IMF Financed	3.1	5.9	7.4	8.5	7.6	3.5	4.7
AFRITAC Financed						2.5	8.0
Other Externally Financed	5.1	4.6	4.2	5.6	9.7	7.1	6.0
Total IMF-Managed, East AFRITAC	8.2	10.5	11.6	14.1	17.2	13.0	18.6
10 West AFRITAC countries							
IMF Financed	3.1	6.7	5.4	3.9	2.8	2.8	2.4
AFRITAC Financed							5.6
Other Externally Financed	3.0	0.1	1.0	0.3	1.7	1.8	1.2
Total IMF-Managed, WA	6.1	6.8	6.3	4.2	4.5	4.6	9.2
Total, AFRITAC member							
Countries	14.4	17.3	17.9	18.3	21.8	17.6	27.8
AFRICA REGION TOTAL	43.3	59.8	60.8	54.6	54.5	56.4	70.2
Residual, non-AFRITAC							
Member countries	29.0	42.5	42.9	36.2	32.7	38.7	42.4

Source: OTM, spreadsheet entitled *TA Delivery in African Countries*, December 2004.

Chart 4.3 - IMF-Managed TA to AFRITAC Member & Nonmember Countries for 1998—2004



Source: OTM, spreadsheet entitled *TA Delivery in African Countries*, December 2004.

Crowding out of TA to non-AFRITAC-member countries As shown in Table 4.8 and Chart 4.3, during IMF FYs 2001 and 2002, TA to non-AFRITAC-member African countries experienced a significant dip, falling by almost one-fourth from about 43 person-years in FYs 1999–2000 to less than 33 in 2002. However, the following two years, even while AFRITAC was coming onstream, saw a revival, and the level in FY 2004 was virtually back to that of 1999–2000. In sum, there is no evidence of the putative crowding out.

Conclusion: The IMF Headquarters staff cite many areas of complementarity between their and AFRITAC’s TA. Headquarters benefits from the AFRITACs’ close contact and familiarity with client countries and donor initiatives. Inter alia, the AFRITACs provide inputs into the design of Headquarters TA, generate new demands for that TA, and identify and train regional expertise for resident and short-term assignments. As regards the additionality of volume, the total IMF TA to AFRITAC member countries reached an all-time high in FY 2004, whereas in that year TA to nonmember African countries returned to its FY 2000 peak.

Finding #5: The AFRITACs demonstrates additionality through both complementarity with other IMF TA and a higher volume of TA to AFRITAC member countries. No crowding out vis-à-vis nonmember countries is evident.

4.2.3 Balance Between Direct and Indirect TA Delivery

Terms of Reference: The appropriateness of the balance between direct (i.e., by the resident advisors themselves) and indirect (i.e., by AFRITAC-supervised, short-term experts) TA delivery.

The most immediate issue arising here is one of cost. The design of the two centers provided for complements of five and six resident advisors in East and West AFRITAC, respectively (not including the two coordinators). Their costs therefore become fixed costs from the viewpoint of center operation, whereas the costs of short-term experts take on the character of variable costs.

Table 4.8 – AFRITAC Budgeted Work Months & Costs, FY 2003–2007¹

All figures represent totals budgeted by OTM (rev. May 2004)
over centers' three-year lives

<u>Line</u>	<u>Work-months</u>		<u>Cost (\$'000)</u>	
	<u>Time</u>	<u>%</u>		
East AFRITAC				
1	Long-term experts	175	62%	3,194
2	Short-term experts	106	38%	2,968
3	Other costs ²			2,297
4	IMF Administrative Fee			1,100
5	Cost-sharing by host government			319
6	IMF direct contribution			1,224
7	Total, East AFRITAC	281		11,102
West AFRITAC				
1	Long-term experts	180	63%	3,285
2	Short-term experts	104	37%	2,912
3	Other costs ²			2,262
4	IMF Administrative Fee			1,100
5	Cost-sharing by host government			80
6	IMF direct contribution			1,143
7	Total, West AFRITAC	284		10,782
8	Grand total, AFRITACs	565		21,884

¹ To accord with OTM budgets, some figures are not strictly comparable with economic costs as used in Section 4.1.3. Specifically, economic costs are defined there to exclude evaluation, included in line 3 here, and to include imputed rent for BCEAO premises in Bamako, excluded here.

² Comprises "regional travel, evaluation, training, office support & communications, etc."

Source: OTM, AFRITAC Financial Documents - Financial Summary as of August 31, 2004.

OTM informed the ET that, as of October 2004, funding commitments, including contributions by external funders as well as the host governments and the IMF, fell short of the centers' three-year budgets by \$1.7 million. If the resident advisors do indeed constitute fixed costs, it is questionable whether increasing the use of short-term experts is a practicable option. The budgets give the marginal cost of 12 months of short-term expert time as \$336,000 (= 12 x \$28,000), all included.

In light of the financial constraint, it is appropriate to ask whether the budgeted mix of resident advisors and short-term experts—62–63% versus 37–38% of total expert time—represents optimal TA strategy. This is not, of course, the same issue as the choice between long- and short-term experts that was raised in Section 4.1.2, because when AFRITAC's resident advisors provide TA to member countries, they function as short-term experts.

It appears that, in terms of location, the resident advisors divide their time roughly equally between the centers and field work in member countries. East AFRITAC's calendar 2004 work plan foresaw the advisors spending a total of 100 person-weeks at the Center (Dar es Salaam) and 102 weeks in the field. West AFRITAC's work plan for February–December 2004 provided for 136 weeks of resident advisor time in Bamako and 124 weeks in the field.

Table 3.3 and Chart 3.1 in Section 3.2.6 break down the actual allocation of resident advisors' time, as reported by the two centers based on advisors' timesheets, among four principal functions. (The period reported by East AFRITAC was calendar 2003 plus January–October 2004; for West AFRITAC the period was January–October 2004.) Table 4.10 gives a further breakdown of direct and indirect TA between the centers and the field, and projects it to a full work year of 260 days.

Table 4.9 - Allocation of AFRITAC TA Time Between Centers and Field – 2004

	East AFRITAC¹		West AFRITAC²	
	% of total	Annual equiv. in work days³	% of total	Annual equiv. in work days³
Technical assistance (TA)	62%	162	77%	199
Direct TA	41%	106	66%	172
Center office ⁴		37		96
Field		69		77
Indirect TA	21%	56	10%	27
Center office ⁴		48		27
Field		8		0
Workshops	13%	34	14%	37
Management/meetings	25%	61	9%	24
TOTALS⁶	100%	260	100%	260

¹ January 2003–October 2004

² 2004 through October.

³ One year = 260 work days.

⁴ Dar es Salaam and Bamako, respectively.

⁵ Minor discrepancies due to rounding.

The two centers differ significantly in the amount of time devoted to direct TA, with West AFRITAC spending over 60% more (172 versus 106 days). However, because the West AFRITAC advisors spend 56% of that time at the Center office, the difference in field time is much less—77 as opposed to 69 days, a difference of 10%. In Section 3.2.8 it was pointed out that the larger share of time devoted to direct TA in West AFRITAC might be due to several different factors.)

Significantly, all (in the West) or nearly all (East) the time devoted to indirect TA—recruiting and supervising short-term experts—is spent at the Center offices. Assuming the average East AFRITAC resident advisor works in four out of the six countries, his or her field time per country would average about 17 work days ($\approx 69 \div 4$), or three and a half weeks per country. Assuming the average West AFRITAC advisor works in six out of ten member countries, his or her average field time per country would be four days less ($77 \div 6 \approx 13$ days).

As indicated in Section 4.2.2, some of the ET's interviewees at IMF Headquarters stated that the resident advisors' primary strength was in the management of short-term consultants and informal coordination of donor interventions in relevant areas. The team's impression of the advisors' work load was that few of them would be able to manage more short-term experts without shifting their time allocation and spending even more of it at the Center office.

By what proportion could the advisors reduce their direct TA to a country and still keep in sufficiently close touch with counterparts to design and propose appropriate work plans, determine terms of reference for consultants, and identify African experts? It is not certain that 13 to 17 days of field TA per country per year gives advisors much scope for shifting part of that time to the centers.

The team found that the current balance between direct and indirect TA is appropriate for AFRITAC's early years. However, as the centers identify more African talent to provide short-term expertise, it will be appropriate for the resident advisors to allocate more of their time to recruiting and supervising it. At that point the issue of financial constraint will need to be revisited.

Conclusion: The planned split of AFRITAC TA time over the centers' three-year lives is resident advisors—62–63%, short-term experts—37–38%. Whether the share of indirect TA (i.e., short-term experts) can be increased depends on availability of funds to cover an existing deficit and increase budgeted expenditure. A significant body of IMF Headquarters opinion favors expanding the advisors' role as managers and coordinators of indirect TA as AFRITAC matures. Given the current allocation of time between centers and field, the scope for doing so is limited.

Finding #6: Resident advisors' current time allocation between direct and indirect TA is satisfactory, but as AFRITAC matures, a greater role in recruiting and supervising short-term experts, especially from member countries, would be desirable. However, additional funding will be required.

4.2.4 Effectiveness of Steering Committees

Terms of Reference: The effectiveness of the Steering Committees in providing guidance to the centers.

The AFRITAC Conference (Paris) set out guiding principles for the design and operations of the centers. It recognized the need for flexibility in implementation and decided the best way to achieve this was to set up SCs for each AFRITAC. As stated in the project document, "each AFRITAC will be guided by a Steering Committee, which will act as an advisory body, providing guidance for the center's strategy and priorities."¹²

The AFRITAC SCs are governance structures that should provide policy framework and direction. A good SC should be fully cognizant of both the internal and external environments. It should be able to assess whether the initiatives of the organization that it governs are supportable and meet development goals, nationally or regionally, whether the organization is responding appropriately to important forces and trends in its field and within the wider environment; and whether the organization is meeting the needs of those it serves.

A series of questions were explored by the ET to better understand the effectiveness of the SCs and to what extent they affect the AFRITACs' performance:

Discussion questions on the effectiveness of the SCs	
1.	Does the SC have a clearly defined way to review and set organizational direction? Does the charter (or standing rules and procedures) provide an adequate framework for carrying out the mission of the organization and for dealing with external changes?
2.	Does the SC have the mechanisms to review and assess organizational performance and, if appropriate, create conditions to support change?
3.	Does the SC have a group responsible to respond appropriately to major environmental trends and influences, be they social, political, or economic? For instance, are both quality and equity issues reflected in the minutes and discussions?
4.	Does the SC have a group responsible to scan the external and internal environment to understand the forces affecting the organization and its performance?

1. Does the SC have a clearly defined way to review and set organizational direction? Does the Charter (or Standing Rules and Procedures) provide adequate framework for carrying out the mission of the organization and for dealing with external changes?

The closest document resembling a charter is East AFRITAC's SC's "Standing Orders and Procedures," a document outlining the composition of the SC, voting process, main work of the SC, contingency/reserve plan, and the process that must be followed to bring about changes to the approved work plan. This document provides an adequate framework for the SC.

West AFRITAC does not have a charter; however, the first SC meeting did summarize discussions among the members on the SC organization and the manner in which it functions. From an examination of the East AFRITAC SC meetings minutes, the framework they set themselves has been respected. In contrast, the conduct of the West AFRITAC SC was very general, with some SC members unclear as to how to proceed in bringing about changes to the work plan, for example.

2. Does the SC have the mechanisms to review and assess organizational performance and, if appropriate, create conditions to support change?

The bulk of the SC meetings proceeded as follows : (a) reviewed progress achieved in the implementation of the 2003 work plan and reasons for some delays and cancellations of

¹² African Regional Technical Assistance Centers (AFRITACs) Project Document, paragraph 43, May 21 2002.

activities; (b) provided feedback on the center's operations provided by participating countries and development partners; (c) approved new priority requests for assistance for the remainder of the calendar year; and (d) reviewed the center's budget execution. SC members are informed through the AFRITACs' progress reports "describing progress in implementing activities and in achieving planned results, as measured against the benchmarks included in the work plan; the reports will also highlight specific areas of concern." This is the present mechanism for how AFRITACs execute their activities.

However, as the centers are becoming more established and with the number of activities increasing, the discussions are gradually shifting toward more strategic issues (country ownership, integration with development partners assistance, regional short-term expertise, role of SC in recruitment of resident advisors, long-term assistance, etc.). With this shift in focus, SC members and the centers are exploring ways of improving SC meetings, quality of information, and knowledge sharing. The format of AFRITAC reports provided to the SC has been discussed and SC members have expressed a need to better understand the results achieved by the centers.

According to the initial project document, the centers must prepare a logical framework (LFA): "In addition to the benchmarks, each center will develop a set of key indicators, which will be submitted for approval by the Steering Committees within the first six months of operation. These indicators will form the basis for medium-term performance monitoring and will be used to establish a baseline for each participating country, against which progress will be assessed over the medium term." The first, second, and third SC meeting minutes of East AFRITAC discussed a need for a framework for monitoring and evaluation of East AFRITAC operations and supported the two-tier monitoring/evaluation framework. An LFA was developed by an IMF staff member and feedback was requested during the third meeting. To this day, the LFA has never been approved by the SC. The issue of logframe was not discussed in West AFRITAC. **Both AFRITAC SCs would benefit from the development and use of a LFA, which is not only a framework for monitoring and evaluating but also a management tool.** As stated by a member of the SC: "There is a clear misunderstanding of the use of the LFA which is not only a map of where we are going but what we have accomplished."

The question arises as to the necessity of a separate and different LFA for each AFRITAC. Two LFAs presently exist: a general LFA setup at the onset of the project; and a more specific LFA discussed during East AFRITAC SC meetings. Both LFAs contain valid information. It is the ET's opinion that the Technical Assistance Center (TAC) approach should be covered by the same LFA to enable performance comparisons among centers. Each core area targeted by the AFRITACs should have country-specific indicators. These would have been established through the individual country capacity-building plan that results from an inventory of the initial status of various agencies, reform processes, and so on. At the present time it is difficult to measure progress because no benchmark has been established.

3. Does the SC have a group responsible for responding appropriately to major environmental trends and influences, be they social, political, or economic? For instance, are both quality and equity issues reflected in the minutes and discussions?

The SCs do not have a specific group to respond to major trends and influences but work as a whole to deal with certain challenges; in the East and West SC minutes there is evidence that sensitivity to social, political, and economic issues of the member countries exists. For example, more resources have been deliberately reallocated to postconflict countries. The SC is a forum where each member country can express its difficulties with program participation and get support or find regional solutions.

4. Does the SC have a group responsible to scan the external and internal environment to understand the forces affecting the organization and its performance?

There is no evidence of a formal group at the SC being responsible for scanning the external and internal environment. Some countries have created focal points (other than the SC members) to enhance in-country coordination among participating agencies and to prepare the SC members to better represent them at meetings, which may play this scanning role. In many countries there exists little formal structure or administrative authority given to focal points. The general opinion is that SC members should hold meetings with all beneficiaries of TA in their respective countries before attending the SC meetings so as to provide better feedback on the assistance received and thus enrich the SC discussion. The SC meetings should be a forum where donors and country representatives share information on other TA providers and any specific capacity-building issues that may be of interest to the center. This would strengthen the SC's ability to provide better guidance to the centers.

The issue of who can best represent the participating country beneficiaries at the SC meetings came up often and may also depend on who is best placed to scan and understand the external and internal environment of the AFRITACs. Some SC members expressed the need to look into the matter: "We should seriously look at who should be representing the country on the Steering Committee."

The composition of the East AFRITAC SC is primarily Central Bank representatives while the Central Bank dominance in the West AFRITAC SC is not an issue because West AFRITAC has only three central banks (the BCEAO and the central Banks of Guinea and Mauritania) among the countries represented. However, the West AFRITAC SC members' level of authority and/or influence within their own country may impact their effectiveness. Attendance at SC meetings by donors, country representatives, and observers has suffered from high turnover. It will be helpful for donors and countries to commit representatives for a longer period.

Conclusion: The SCs have made significant contributions in identifying problems, resolving issues, allocating the resources according to country needs, endorsing staffing appointments, and reviewing and adopting work plans, thus ensuring proper guidance to the AFRITACs. The Progress Report on the Implementation of the IMF's Africa Capacity-Building Initiative (Dec. 2003) as well as a review of the SC meeting minutes illustrate these efforts. In the initial phase of the project, SC (at both East and West AFRITAC) discussions focused more on the day-to-day activities of the centers and are moving toward more strategic issues. The lack of coordination and/or management tools may hinder their effectiveness somewhat.

Finding #7: The Steering Committees have provided significant guidance to the AFRITACs. However, country representation at an appropriate level, better preparation, regular attendance by all participating members, and use of a logical framework to guide discussion will increase the SC's effectiveness.

4.2.5 Management, Monitoring, and Backstopping

Terms of Reference: *The quality and timeliness of management, monitoring, and backstopping at the AFRITACs.*

To evaluate the management aspects, the ET reviewed (a) human resources management; (b) financial management; (c) infrastructure; (d) program management; and (e) process management. Discussions on monitoring and backstopping were dealt with in other sections of the report and will be summarized.

Human resources

The staffing and human resources management at the AFRITACs has been described in Section 3.2.2. Overall the human resource management has gone well. Delays in recruiting resident advisors in West AFRITAC and the high concentration of resident advisors originating from the same region were mentioned. All staff have terms of references or job descriptions with the exception of the support staff. A brief review of resident advisors' terms of references reflects a diverging view of AFRITAC and resident advisors' actual role and accountability. This review transpires within the evaluation process of the resident advisors. TA departments evaluating the quality of work have not always consulted the coordinator for feedback. The TORs for resident advisors will need to better articulate the reporting structure for advisors: Center Coordinator versus TA backstopper. Appraisals of resident advisors in their day-to-day work should be made by the coordinators using the IMF standard procedures.

Finding #8: Ill-defined roles and responsibilities contribute to accountability issues in the management of resident advisors.

Financial management

Financial management of the centers is carried out by the CC with the assistance of the office manager. The Coordinator, office manager, administrative assistant, and the general assistant are paid by the IMF with host country contributions. The resident advisors are paid out of AFRITAC project funds. OTM is responsible for managing donor contributions.

If external short-term experts are contracted out of headquarters, they are usually paid through the Finance Department from AFRITAC project funds. All other contracts are paid through the centers. Recently the office managers received a highly praised and appreciated training on the IMF financial reporting system at HQ.

AFRITACs' financial management follows procedures established by the IMF for its Resident Representatives (RRs) for post management and for its recruitment/payment of short-term experts. Procedures do exist but AFRITAC-specific financial management rules may need to be developed to allow better cost control and more timely compilation of data on cost indicators.

Some issues raised by stakeholders were financial management pertaining to (a) mistakes in coding costs to the wrong department or to AFRITAC; and (b) TA departments hiring short-term experts without taking into account AFRITAC's budget for the activity. During West AFRITAC SC meetings, questions were raised on availability of financial information.

Finding #9: AFRITAC-specific financial management rules may need to be developed to allow better cost control and more timely compilation of data on cost indicators.

Infrastructure

Infrastructure includes the facilities management and technology management.

Facilities management: The facilities management is generally supervised by the CC assisted by the office manager. Maintenance, cleaning, and such are all done by service contracts. Large purchases are sent to a unit in the human resources department.

Mali is still not considered as the permanent base for West AFRITAC, which creates an ambiguous situation not only for the CC but also for the local authorities who supply AFRITAC's office space. For the IMF, it considers the office temporary and has not refurbished it as a full permanent office.

Finding #10: IMF, donors, and member countries should decide where to locate the West AFRITAC on a permanent basis.

Technologies management: In East AFRITAC, a resident advisor is identified as the information technology (IT) contact in the office. The Center has contracted an outside firm for IT maintenance, and is supported by IMF Washington for the day-to-day management. No backup is done on a regular basis on either servers or hard drives. Last May 2004, a visiting IT support mission promised to provide a reliable backup system for East AFRITAC files. The office runs a risk of losing all its files in the event that the system crashes.

The situation is very similar in West AFRITAC; the local network rarely works; and there are many complaints about nonperforming equipment. Communication with Washington is also difficult.

Finding #11: Both AFRITACs are at risk of losing information in the absence of proper backup of servers and computer hard drives.

Programme management, monitoring, and backstopping of activities

Section 3.2.6 describes the process used by resident advisors to manage, monitor, and backstop activities. Section 4.2.1 reviews the implementation and monitoring of TA provided by short-term experts and also resident advisors. In general the managing, monitoring, and backstopping of activities by resident advisors was exemplary. Routine monitoring and follow-up, especially for multiphased activities, is an integral part of AFRITAC work, as evidenced in the advisors' monthly reports. Many beneficiary agencies and short-term experts found the AFRITAC's backstopping was more than adequate. Beneficiaries raised a few issues concerning the absence of follow-up by AFRITAC on TA recommendations. The apparent lack of recommendation implementation is partially due to either a misunderstanding of the recommendation itself or the lack of knowledge in operationalizing the recommendations. AFRITAC's assistance in this area is needed.

The response time to unplanned requests has been quite quick (3 weeks to 3 months) and respondents find they can always reach the resident advisors by phone, fax, or e-mail. The support and guidance to short-term experts provided some with extra confidence but also ensured the delivery of high-quality TA. All short-term experts who were interviewed were satisfied with the contract management.

Finding #12: AFRITAC manages, monitors, and backstops its program in a highly professional manner. A weakness noted by a number of beneficiaries was the lack of AFRITAC follow-up on some TA recommendations, especially in the area of operationalizing and implementing them.

Process management

Process management includes planning, problem solving, decision making, communication, and monitoring and evaluation.

Planning: The work plan is the result of a long planning process (see Section 3.2.8). All resident advisors develop their work program according to the work plan. No other document on the strategic development or positioning of AFRITAC seems to exist. Clearer strategic vision and beneficiary long-term capacity-building goals would help better anchor the work plan and resident advisors' interventions. Some resident advisors have been able to develop more targeted action plans with beneficiaries by referring to Article IV reports and other TA evaluation reports, for example.

Problem solving and decision making: AFRITAC staffs are very autonomous. If they encounter technical difficulties, they will usually refer to their backstoppers. For other day-to-day issues, they consult with the CC. This seems to work well and no major issues were raised. If necessary, the CC may involve the SC chairperson or an SC member.

Communication: Because staff members are often on the road, it is difficult for coordinators to build teams. Recently, East AFRITAC has started having monthly staff meetings as a forum to exchange ideas and create synergies. The overall comments are positive. The coordinators are well appreciated for their open-door policy, which encourages communication flow.

Monitoring and evaluation: Monitoring and evaluation have been discussed in various other sections. The major weakness of the AFRITACs is a lack of indicators to manage performance.

Finding #13: AFRITAC's process management is well developed. Planning, problem solving, decision making, and communications all run fairly smoothly. Monitoring and evaluation seem to be the main weaknesses, arising from lack of performance indicators and resources for this purpose.

4.2.6 Backstopping by the IMF Departments

Terms of Reference: *The role played by the IMF's TA departments and the quality and timeliness of their backstopping. The effectiveness of the coordination in the programming, delivery, quality control, and monitoring of TA between the IMF Headquarters and the centers.*

The IMF through the TA departments has the responsibility for international standards in the core technical areas covered by AFRITAC. The TA department's main responsibilities are to (a) support the CC and the long-term resident advisor with advice, information, documentation, and other technical materials; and (b) ensure that in the recruitment of long- and short-term experts the highest standards of expertise, experience, and professionalism are maintained. They also review the centers' work plans to ensure they are technically sound.¹³

¹³ Project document paper, 2002.

Support to CC and resident advisors

IMF TA departments, on a monthly basis, monitor the work of each advisor. The resident advisor submits to the responsible IMF technical backstopper a monthly report for comment and guidance. The CC and the resident advisors send regular reports on their work plans and activities to the backstoppers. They also send ad hoc communications on specific matters as they arise.

Discussions with the resident advisors and their backstoppers in Washington and a review of some monthly reports show a system that is working well. Depending on the departments, resident advisors' autonomy will vary. In general, Washington allows a very large degree of autonomy while still monitoring and providing needed support.

The role of the AFRITAC resident advisor is different from the role of a country resident expert/advisor in that the job involves TA delivery, capacity building, program development, supervision of experts, reporting, coordination with technical departments and area departments (as well as resident representatives), and coordination with donors in the field. This difference changes the type of backstopping that is needed. HQ backstopping has not yet fully adapted to the volume and complexity required to effectively backstop resident advisors. HQ backstopping by TA department could be envisaged as a team effort with mixed skills, especially in PEM where a range of different skills is needed (accountants, economists, budget officers, auditors). The same team could cover all regional TACs, with each team member being the primary backstopper for one specific center. This would ensure cross-fertilization and information/resource sharing between the regional TACs.

The TA departments find that resources (human and financial) are already overstretched. The increasing demands from the existing AFRITACs compounded by the recently launched METAC will surely overextend staff and threaten the quality and timeliness of technical support. Management should address this issue quickly. This particular point was already highlighted in the board paper review¹⁴: "At the same time, the complex TA environment characterizing the countries served by the AFRITACs has meant that the centers are drawing on HQ staff resources for backstopping of experts, coordination of TA work between HQ and the centers, formulation of the centers' work programs, and coordination with other TA providers, to a greater extent than expected."

Some beneficiary countries mentioned their uneasiness with the IMF HQ backstopping through AFRITAC; they were concerned that the IMF might push their ideas and programs through AFRITAC. As the resident advisors demonstrate no hidden agendas and display a real concern for the promotion of best practices, they are slowly being accepted.

The CC and the resident advisors all mention having established good personal relationships with their backstoppers. Resident advisors praised the accessibility of most backstoppers with some exceptions. They found it was beneficial to exchange ideas and get advice on challenging issues.

The ET talked a great deal about the TA departments providing support to AFRITACs and very seldom about the support provided by the OTM. This fact is somewhat overshadowed by the support provided by the TA departments. All the oversight that OTM provides seems very labor-intensive. The coordination of donor support, the presentation of reports to donors and to the Board, and the attendance of steering committees are only a few of the responsibilities

¹⁴ Board paper review, paragraph 51, Feb. 2004.

assumed by OTM. Everyone agrees that OTM provides excellent services. OTM has limited resources to deal with the two existing AFRITACs, let alone any additional ones.

Recruitment of staff and short-term experts

SCs endorse all AFRITAC staffing appointments. The IMF African department is responsible for the selection of the CC with final approval by the SCs. The resident advisors are selected through the joint efforts of the TA departments and the CC. Each center has a team of resident advisors (five in the east and six in the west); “the profile of the resident advisors is specific to each center and was determined on the basis of a needs assessment that was developed and discussed with the participating countries and endorsed at the AFRITAC Conference held in Paris on July 15–16, 2002.”¹⁵ A review of some TORs for the resident advisors illustrates inconsistencies in format as well as in roles and reporting. Some descriptions emphasize a greater technical expertise required and others a more prominent business development role. The latter gives the impression the resident advisors and the centers are the TA departments’ “front office.” The lack of cohesiveness among TA departments could potentially cause tensions among resident advisors or come in conflict with CCs’ management.

As part of AFRITAC activities, the TA departments are also responsible for the selection of some short-term experts. An effort is needed to find qualified experts from Africa. Short-term experts are supervised by the center’s resident advisors and the IMF’s TA departments.

The IMF’s selection of the CCs and resident advisors has been praised by beneficiary countries, donors, and regional organizations. The CCs and the resident advisors have earned the trust and respect of all beneficiary countries. Their competence and knowledge of the region contributes favorably to the notoriety of the centers. Some beneficiaries commented on the high turnover among AFRITAC staff (East) and expressed the concern for continuity. They would like to see resident advisors stay longer than one year. They are, however, very happy with the use of Africans as resident advisors.

One concern raised in some beneficiary countries and among donors is the use of talented public servants as experts. Beneficiary agencies lending some of these public servants for consulting mandates to AFRITAC see this as a potential irritant if the frequency increases or if they are not compensated through additional training of resources.

Finding #14: The IMF technical departments’ support of the Center Coordinators and resident advisors has been adequate; however, it could suffer with the establishment of METAC, the new Middle East Technical Assistance Center. The departments have provided high-quality advice and documentation. Moreover, the majority of respondents praised their recruitment of AFRITAC staff and short-term experts. OTM has also provided good support to the AFRITAC initiative but suffers from overextended resources.

¹⁵ Progress Report on the Implementation of the IMF’s Africa Capacity-Building Initiative, December 11, 2003.

4.2.7 Effectiveness in Promoting African Expertise

Terms of Reference: *The effectiveness of the centers in identifying, utilizing, and promoting African expertise in their activities.*

Part of AFRITAC's role is to promote African expertise. The conceptualization of the initiative was that resident advisors would be selected from the panels maintained by the IMF's TA departments. Whenever possible the centers would give due consideration to hiring qualified staff from Africa. It also infers that the centers would try identifying, utilizing, and promoting African expertise for short-term activities (training or TA).

African expertise within AFRITAC staff

- In the West, an African from the region was selected as a resident advisor at the project startup. His contract has been renewed for a second year. Another African expert has just been selected as a resident advisor, raising the number of resident advisors from the region to two out of a team of six members.
- In the East, an African expert from the region has just been hired to replace a departing non-African advisor, thus increasing the African experts to two in East AFRITAC.

African expertise within programme activities

- As of the end of November 2004, East AFRITAC has hired 17 regional experts as short-term experts or lecturers for regional or in-house workshops. As of the same date, West AFRITAC had utilized 12 short-term technical experts of whom two-thirds were regional experts; 80% of the 30 lecturers were from the region.
- Secondment of African experts from one country to another was also used by both centers to deliver short-term TA activities. Experts from Eritrea and Rwanda provided such assistance to Kenya and Tanzania; Guinea-Bissau and Togo benefited from similar TA from Benin and Burkina Faso. The latter benefited from secondment of an expert from Senegal.
- In both centers, resident advisors have endeavored to establish at the inception of each TA activity a local counterpart to facilitate ownership, promoting the transfer of knowledge and ensuring the implementation and follow-up as well as continuity on the project.
- A comprehensive list of African experts is being established by both centers. Identified experts are being coached by resident advisors for possible enrollment. In the East the STA resident advisor has conducted a recruitment workshop for experts in statistics.

Non-visited countries were asked to rate how effective the centers are in using African expertise in their activities. The findings and opinions support the general feeling of visited countries.

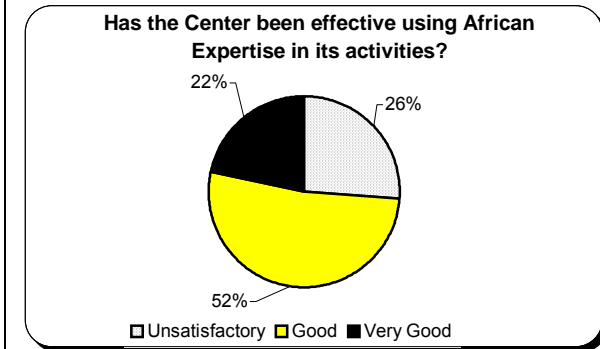
The majority of respondents found AFRITAC's use of African expertise to be good (Question 23 of online survey). In the area of promoting African experts as regional consultants, respondents do not categorize AFRITAC as doing a good or bad job of promoting African expertise (Question 25 of online survey).

Stakeholders' and beneficiaries' main observations are as follows:

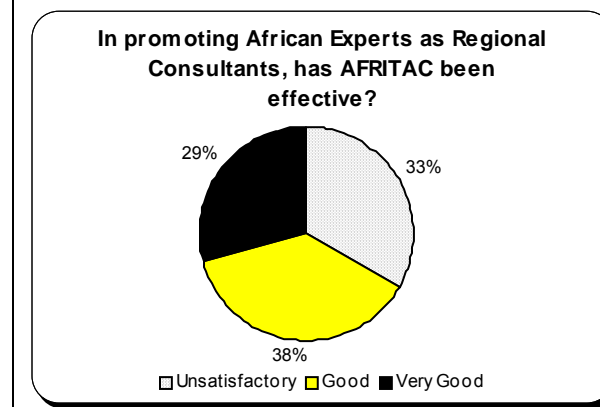
- Everyone subscribes fully to the idea of promoting African expertise but with no dilution of quality.
- Some wondered whether AFRITAC is reaching out enough.
- Countries' authorities have not formally appointed technical counterparts of resident advisors. Such formal designation by countries ought to be systematically done.
- Countries have been receptive to the use of African experts, emphasizing their knowledge of local environment.
- In identifying African skills, the AFRITACs have not actively sought the assistance of the African capacity-building institutions to build their roster of experts.
- The process of choosing short-term experts has not been clearly explained and efforts should be made to create a local expert roster. Being regionally based, AFRITACs should have provided a platform to identify African expertise available. In the meantime, the Center lacks the knowledge of available resource persons in various parts of Africa.

The Evaluation Team found that AFRITAC did not have an elaborate database to manage or identify African resources. Many African resources were identified through the coordinators or resident advisors network. No active recruitment process has been done at the present time except for a joint training session organized by the Statistics Department of the IMF in collaboration with East AFRITAC for the prospective experts from the region on the planning and delivery of TA in statistics. A panel of statistical experts was thereafter selected and would be available to conduct assignments for AFRITAC. Many respondents and partner institutions mentioned they knew African resources that could be useful to AFRITAC; however, they had never been asked.

Question 23 – Has the center been effective using African expertise in its activities?



Question 25 – In promoting African experts as regional consultants, has AFRITAC been effective?



Finding #15: Both AFRITAC centers have identified and utilized African experts in their activities. Beneficiaries and partner institutions should be consulted further toward building a regional roster of African expertise.

4.2.8 IMF Resident Representatives' Contribution

Terms of Reference: *The involvement of the IMF's resident representatives in enhancing the center's effectiveness.*

The original project papers stipulate that the resident representative and the resident advisors are to interact closely in assisting the countries in their capacity-building efforts, facilitating aid coordination, and following up on the projects' activities. They should complement each other; one provides the expertise in overall macroeconomic management and the other offers technical expertise in specialized areas.¹⁶

The Evaluation Team discussed the involvement of the IMF's RRs in enhancing the center's effectiveness with CCs as well as three RRs in the seven countries visited, two of them located in the cities where the AFRITACs are located.

From these discussions, it appears that interaction between RRs and AFRITAC resident experts has been intense. The IMF RRs have assisted resident advisors in their TA activities by facilitating contacts with the authorities and donor representatives. AFRITACs' missions have briefed them and used their office facilities. All RRs met during the field mission noted they were kept well informed by the CCs and resident advisors. They indicated that they shared information with CCs and had good working relationships with the AFRITACs in general. One of them expressed the view that complementarity between RRs and AFRITAC is the key to success. AFRITAC could benefit from inputs of the RR who is in constant contact with the Government.

To further enhance the cooperation, it was suggested that the close cooperation be clearly specified in the IMF's Resident Representatives' TORs.

Finding #16: The relationship with the IMF resident representatives has been mutually supportive and satisfactory.

¹⁶ Project document paragraph 19, 2002.

4.3 Enhancing Stakeholder Cooperation

4.3.1 Support from Member Governments and Regional Agencies

Terms of Reference: *Beneficiary governments and key regional organizations' support and commitment to the AFRITACs.*

The ET looked at the degree of commitment and support to the AFRITACs provided by the beneficiary governments and key regional organizations. Box 4.8 summarizes the “Expected” support (as outlined in the project documents) and the “Actual” support provided from the ET’s observations.

Box 4.8 - Commitment & Support	
Expected	Actual
<p>Host Government:</p> <ul style="list-style-type: none"> • Suitable office space for the centers, training facilities for regional training, and other local costs, such as secretarial support, security and cleaning services. 	<ul style="list-style-type: none"> • Host countries have discharged their obligations promptly. In particular, suitable office facilities and local support staff have been provided.
<p>Participating Governments:</p> <ul style="list-style-type: none"> • Support for facilities to assist project implementation, including the appointment of senior level members of the Steering Committee, provision of travel and per diem expenses for Steering Committee members, and appointment of national counterpart staff for AFRITAC experts; and • Nomination of staff and provision of local counterpart costs for training activities and administrative and logistical support for in-country training activities. 	<ul style="list-style-type: none"> • Member countries have generally attended SC meetings and have endeavored to facilitate TA activities in their countries through the mobilization of their staff. In only one or two cases have counties not been able to attend. • In most countries, national counterpart staff have been appointed for AFRITAC advisors. • Countries have facilitated all in-country training activities.

Host and participating governments have gone beyond the expected commitment and support toward AFRITAC. Countries have willingly provided facilities for regional workshops at no cost. Burkina Faso’s Customs department provided such assistance in 2004. The West African Development Bank (BOAD) and the Commission of the WAEMU also provided facilities for regional workshops organized in Lomé and Ouagadougou, respectively. According to an informal agreement, all East AFRITAC’s seminars and workshops are conducted at the Kenya School of Monetary Studies in Nairobi, owned and run by the Central Bank of Kenya, which is one of AFRITAC’s correspondents. These infrastructure facilities are offered at a relatively low cost.

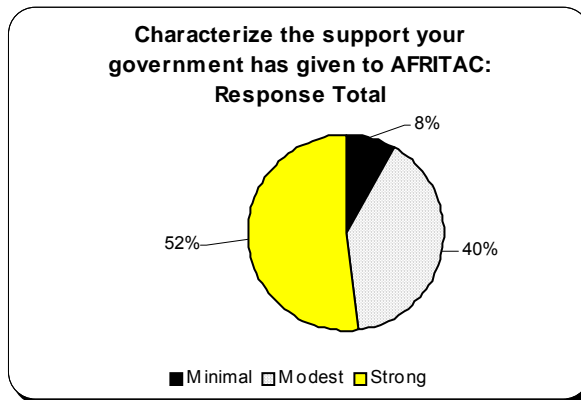
Whenever requested, countries have accepted secondment of their staff for use in short-term TA to other countries.

Overall, respondents interviewed during the field mission viewed their governments' contribution as very strong. Respondents in the survey of non-visited countries split in characterizing their governments' support of AFRITAC as strong (52%) versus modest (40%) (Question 27 of online survey).

Regional agencies' support

AFRITAC's design envisaged that the centers would work closely with regional institutions and wherever possible use African expertise, thus improving the institutions' capacity. Some of these institutions are the AfDB; ACBF; AFRISTAT, and MEFMI (Box 4.9).

Question 27 – Characterize the support your government has given to AFRITAC.



Box 4.9 - Regional Agencies' Commitment and Support	
Expected	Actual
<p>African Development Bank</p> <ul style="list-style-type: none"> As a prominent regional development agency, in its participation in the PRSP process, and in its interventions in the Steering Committees, the African Development Bank will play an important role in developing the macroeconomic management TA programs and the AFRITAC work plans discussed above. In particular, AFRITACs will consult and where appropriate work with the AfDB in developing programs for upgrading financial governance standards (e.g. the code of conduct for public officials, financial legislation, and administrative procedures) and strengthening the capacities to enforce these standards. 	<ul style="list-style-type: none"> The AfDB is a major financial contributor to AFRITAC. The Joint Africa Institute (JAI), located at the AfDB, is a unique capacity-building initiative of the AFDB, the IMF, and the World Bank. JAI and the AFRITACs have not yet initiated any collaborative action. They intend to do so in the near future. AFDB has regularly attended SC meetings. A staff member of AFDB was used as a short-term expert by West AFRITAC.
<p>ACBF</p> <ul style="list-style-type: none"> The ACBF will be invited to participate in each AFRITAC's Steering Committee as an observer to minimize the risk of duplication of assistance. The IMF will make a financial contribution to the ACBF. This contribution will be used to finance the ACBF's seminars, workshops, and other training activities for African nationals within the IMF's core areas of responsibility. These activities will be designed and implemented jointly by the ACBF and the AFRITACs. 	<ul style="list-style-type: none"> A Memorandum of Understanding signed between the IMF and ACBF provides an appropriate framework for a formal relationship and collaboration. The IMF is a member of the ACBF's Board of Governors. The IMF has paid its agreed contribution. Three of East AFRITAC's first regional workshops

Box 4.9 - Regional Agencies' Commitment and Support	
Expected	Actual
<ul style="list-style-type: none"> An annual training program will be developed jointly by the ACBF and the IMF. Other regional training institutions will be consulted in formulating the annual training program to avoid overlap and duplication and increase collaboration. The implementation of the joint annual training program will be the responsibility of the ACBF, but each individual training activity will be designed and implemented jointly with one or more of the AFRITACs. This being a new area of training activity for ACBF, the joint activities and general interaction between ACBF and AFRITACs will also contribute to the development of the ACBF's overall program of activity. 	<p>and four of West AFRITAC's were organized jointly by AFRITAC and ACBF.</p> <ul style="list-style-type: none"> East AFRITAC organized fifteen seminars jointly with ACBF and West AFRITAC organized five seminars.
<p>AFRISTAT, MEFMI, and other regional institutions</p> <ul style="list-style-type: none"> The AFRITACs will work closely with, and in support of, other regional institutions offering TA, training, and advisory services. Collaborative efforts between AFRITACs and existing regional institutions will mainly include interactions and exchanges of views that will seek to follow up or complement the centers' assistance to participating countries, but can also be in the form of joint assessment and advisory visits. 	<ul style="list-style-type: none"> The IMF has a collaborative agreement with AFRISTAT, a regional agency engaged in capacity building in the area of economic and social statistics. Under this agreement, which runs through March 2005, AFRISTAT is assisting the IMF in the implementation of its GDDS project. West AFRITAC and AFRISTAT have decided to work closely together to strengthen countries' capacities in their respective domains of competence. There is no formal agreement but AFRISTAT sits on the SC as an observer and West AFRITAC sits on AFRISTAT's Scientific Advisory Board. They plan to jointly organize a workshop on national accounts in February 2005. In East AFRITAC resident advisors in Banking Supervision and Monetary Operations participate in training activities sponsored by MEFMI.

Finding #17: Member governments have been supportive and committed to the success of AFRITACs. Postconflict countries have shown more interest through their active participation in meetings and feedback.

AFRITACs have worked closely with ACBF and AFRISTAT and somewhat closely with MEFMI.

4.3.2 Contribution to Information Sharing Among Members

Terms of Reference: AFRITAC's contribution to improving information sharing among members on common issues and fostering peer review.

Most beneficiaries' agencies and participants were positive concerning the sharing opportunities and peer review offered to them through AFRITAC. They appreciated the opportunity to better understand what other countries were doing. Of the non-visited country respondents, 88.4% agreed that AFRITAC contributed to greater information sharing and promoted peer review among members (Question 29 of online survey).

Respondents identified two forums where sharing of information and peer review occurs: (a) SC meetings and (b) regional workshops.

SC meetings are opportunities for sharing information among members. They review work plans and progress reports on TA activities as well as strategies and priorities. During some discussions, members share country experiences and practical solutions to similar problems. In addition, peer review by member governments takes place in the discussions of individual countries' performance.

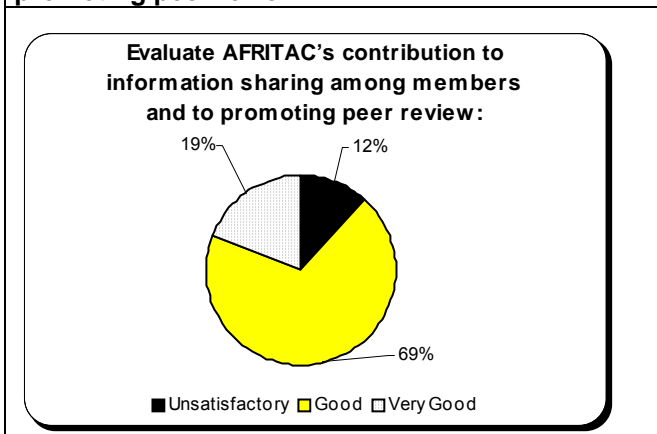
The bringing together of different countries in regional workshops not only allows information sharing but stimulates some country participants to improve their performance. The case studies presented in workshops were cited as very useful for examining the solutions implemented by neighboring countries. Country presentations are opportunities to exercise peer review. Participants deplored only the little time allocated during the workshops to work on them and described the discussion groups (ten participants) as too large for efficient sharing of information.

The secondment of regional experts as well as the use of African experts in TA and workshops are also vehicles for sharing information and experience among member countries.

Some respondents and beneficiaries said that AFRITAC should do even more to stimulate sharing of ideas. A joint East-West Web-based forum could be set up where best practices or success stories of AFRITAC countries could be posted. This could also be a place to post questions and obtain answers from resident advisors or other participating countries.

Finding #18: AFRITAC has helped to improve information sharing among members and has fostered some peer review. However, many opportunities exist to increase sharing and peer review still further.

Question 29 – Evaluate AFRITAC's contribution to information sharing among members and to promoting peer review.



4.3.3 Donor Support and AFRITACs' Contribution to TA Coordination

Terms of Reference: *The level of interest shown and support provided by donors to the centers, and the success of the centers in enhancing coordination among concerned TA providers.*

AFRITAC's design encompassed several features aimed at ensuring that capacity-building efforts of TA providers would reinforce each other and avoid overlap.

Donors who agreed to support AFRITAC agreed with the IMF that lack of capacity was a key bottleneck in the implementation of economic reforms in Africa. Hence they welcomed the IMF's initiative. Their interest and support is evidenced by the level of their pledges, which represent 59% of the centers' three-year budgets. They have regularly attended and participated in SC meetings.

To improve the effectiveness of the SCs, donor representatives expressed a desire for more substantive information on the implementation of reform programs by member countries, including follow-up to AFRITAC interventions. The donors have shown willingness to share information on their TA activities. Their regular meetings in AFRITAC member countries are attended by the IMF RRs and, when invited, by the CCs, thereby contributing to TA coordination.

The centers have promoted coordination among TA providers through

- CCs' participation in selected donor meetings and interaction with IMF RRs; and
- Resident advisors' interaction and cooperation in the field, and sharing of reports, with experts provided by other donors as well as with donor representatives.

The following cases illustrate the effectiveness of the centers' collaborative actions:

- AFRITAC's intervention in Benin was refocused to take into account Canada's activities in the Customs area. In Mali, AFRITAC's intervention complemented Canada's assistance in the area of revenue administration. In Guinea-Bissau, AFRITAC was instrumental in the United Nations Development Program's financing of a critical six-month TA.
- Joint or collective TA efforts as means of avoiding duplication: In Mauritania, AFRITAC played the role of catalyst in the GDDS project, which was successfully implemented as a collective TA effort. In Rwanda, the fiscal decentralization project provided a good opportunity for successful cooperation between AFRITAC and several other TA providers (European Commission (EC), Department for International Development (DFID), United States Agency for International Development (USAID), and the World Bank). In Kenya, Rwanda, and Tanzania, coordination has also taken place under the Public Finance Management Reform Programs (PFM-RPs).

The authorities and donors both expressed the view to the ET that countries should take charge of TA coordination, with AFRITAC playing the role of facilitator through its expert input. Significant progress has been achieved in this regard in Burkina Faso and Tanzania.

Finding #19: Donors have shown keen interest and provided strong support to AFRITACs' centers. The latter's interaction and cooperation with other TA providers has helped to enhance TA coordination among providers. All stakeholders agree that member countries should exercise leadership in TA coordination.

5. Conclusion & Recommendations

5.1 Conclusion

The focus of the present evaluation was on three main objectives:

- Assessing whether the AFRITACs have provided value added to beneficiary countries;
- Assessing the extent to which the AFRITACs' objectives have been achieved; and
- Assessing whether the AFRITACs have enhanced cooperation between stakeholders (member countries, the IMF, and donors) in their respective regions.

The following list recapitulates the main findings of the evaluation according to the issues and concerns raised in the terms of reference. These are linked to, or derived from, the main project objectives.

AFRITAC Value Added

Finding #1: The centers have indeed enhanced the quality of TA delivered to AFRITAC member countries by providing substantial assistance to the countries in defining their TA priorities and providing TA appropriate to their needs.

Finding #2: AFRITAC has demonstrated value added in relation to four other TA delivery modes, both in its role as a complement to them and as a replacement or substitute.

Finding #3: Despite the lack of indicators with which to evaluate AFRITAC benefits and the inherent difficulty of overhead cost measurement, for major components of country needs the AFRITACs seem more cost-effective than any other delivery mode of IMF TA.

Fulfillment of AFRITAC objectives

Finding #4: The quality, timeliness, and relevance of AFRITAC's activities are praised by a large majority of respondents. However, the follow-up to AFRITAC's activity and its impact on capacity building need more attention.

Finding #5: AFRITAC demonstrates additionality through both complementarity with the other IMF TA and a higher volume of TA to member countries. No crowding out vis-à-vis nonmember countries is evident.

Finding #6: Resident advisors' current time allocation between direct and indirect TA is satisfactory, but as AFRITAC matures, a greater role in recruiting and supervising short-term experts, especially from member countries, would be desirable. However, additional funding will be required.

Finding #7: The SCs have provided significant guidance to the AFRITACs. However, country representation at an appropriate level, better preparation, regular attendance by all participating members, and use of a logical framework to guide discussion will increase the SC's effectiveness further.

Findings #8 to 13: AFRITAC organizes its people, processes, activities, and flow of work soundly and commendably. During its startup phase, AFRITAC's management has demonstrated the following strengths and weaknesses:

Strengths

- Financial management - **Finding #9:** AFRITAC-specific financial management rules may need to be developed to allow better cost control and more timely compilation of data on cost indicators.
- Program management - **Finding #12:** AFRITAC manages, monitors, and backstops its program in a highly professional manner. A weakness noted by a number of beneficiaries was the lack of follow-up of some TA recommendations to help recipients understand and implement them.
- Process management - **Finding #13:** AFRITAC's process management is well developed. Planning, problem solving, decision making, and communications all run fairly smoothly. Monitoring and evaluation seem to be the main weakness, arising from lack of performance indicators and resources for this purpose.

Weaknesses

- Human resource management - **Finding #8:** Ill-defined roles and responsibilities contribute to accountability issues in the management of resident advisors.
- Infrastructure - **Finding #10:** The IMF, donors, and member countries should decide where to locate the West AFRITAC on a permanent basis.
- Knowledge Management - **Finding #11:** Both AFRITACs are at risk of losing information in the absence of proper backup of servers and computer hard drives.

Finding #14: The IMF technical departments' support of the Center Coordinators and resident advisors has been adequate; however, it could suffer with the establishment of METAC, the new Middle East Technical Assistance Center. The departments have provided high-quality advice and documentation. Moreover, the majority of respondents praised their recruitment of staff and short-term experts. OTM has also provided good support to the AFRITACs but suffers from overextended resources.

Finding #15: Both AFRITACs have identified and utilized African experts in their activities. Beneficiaries and partner institutions should be consulted further toward building a regional roster of African expertise.

Finding #16: The relationship with the IMF resident representatives has been mutually supportive and satisfactory.

Enhancing stakeholder cooperation

Finding #17: Member governments have been supportive and committed to the success of the AFRITACs. Postconflict countries have shown more interest through their active participation in meetings, feedback, and such. The AFRITACs have worked closely with ACBF and AFRISTAT and somewhat with MEFMI.

Finding #18: The AFRITAC has helped to improve information sharing among members and has fostered some peer review. However, many opportunities exist to increase sharing and peer review still further.

Finding #19: Donors have shown keen interest and provided strong support to the AFRITACs. The latter's interaction and cooperation with other TA providers has helped to enhance TA coordination among providers. All stakeholders agree that member countries should exercise leadership in TA coordination.

In conclusion, the evaluation has found AFRITAC to be an effective delivery vehicle for capacity building, appreciated by all beneficiary countries. AFRITAC distinguishes itself from other delivery modes by its responsiveness to client needs, proximity, quick response time, familiarity with local problems, and unique governance structure. These characteristics, to which AFRITAC clients attach importance, establish the foundation for a collaborative environment. For the most part, AFRITAC has achieved its objectives. Much work remains to be done in planning capacity building for each member country.

AFRITACs have already positioned themselves for quality service and are often praised for the quality, timeliness, and relevance of their activities. In fact, as beneficiaries reap the benefits of AFRITAC interventions, the demand for their services is sure to increase. Much of AFRITACs' output is due to the leadership and guidance provided by the SCs and their respective chairmen. These have shown resourcefulness, commitment, and support in the creation and running of the AFRITACs. However, the need to better represent one's country and beneficiary agencies in the SCs is recognized by all, as is the need to endow AFRITACs with appropriate strategic indicators.

The AFRITACs have been creative in becoming relatively efficient organizations and in executing their work plans close to schedule. Their success—and it is a success—is due to various factors, including a talented team of staff and leaders, collaboration with the IMF RRs, and support from IMF Headquarters. At the same time, the AFRITACs (like every organization) have limitations, such as in information technologies, accountability issues, and communication. These were noted in the report.

The AFRITACs have reached cruising speed with office setup, work plan development, and staff hiring behind them. The centers can now pay more attention to objectives such as building better relations with regional organizations and TA coordination. The centers collaborate with several regional organizations; however, they could benefit from further developed relations. Everyone views TA coordination as the beneficiary governments' responsibility; however, the relevant agencies often have too many other tasks to develop and pursue appropriate procedures. By supporting governments in developing their capacity-building plans, the centers will better serve the AFRITACs' principal objectives.

The key issue for the AFRITACs is their cost-effectiveness. Despite the lack of indicators with which to evaluate benefits and the inherent difficulty of overhead cost measurement, for major components of country needs the AFRITACs seem more cost-effective than any other delivery mode of IMF TA.

The foundation has been laid for the AFRITACs as well as stakeholders, to work hand in hand toward increasing efficiency and getting more results.

5.2 Recommendations

1. Beneficiaries

- a. AFRITAC beneficiary countries should adopt comprehensive capacity-building programs as part of their PRSPs.
- b. Agencies benefiting from the AFRITACs should prepare plans for developing staff resources and institutional capacity. Where comprehensive capacity-building programs already exist, they will constitute the framework for agency plans. The plans would describe the current status of the area (statistics, public finance, etc.) and outline steps for the agency to take in order to meet international standards. An inventory of reforms already under way through donor support should be included. The plans would provide for regular monitoring of capacity and of agency performance indicators established according to international standards.
- c. Countries' representation in the SC should adequately reflect their TA needs. To ensure effective participation, countries should reexamine the level of their SC representation. To further enhance the effectiveness of countries' TA management, focal points for AFRITAC resident experts should be designated and counterparts formally appointed.
- d. Countries should exercise great care in the selection of AFRITAC workshop participants. Participants should be required to share the acquired knowledge with colleagues from their and related agencies, through in-house seminars and other means.
- e. A number of countries need to take more responsibility for coordinating TA from various donors, including the AFRITACs, than is presently the case. The AFRITACs can serve as facilitators in this process.

2. IMF

- a. The Executive Board and management should respond to the technical departments' and OTM's needs for additional staff resources to respectively coordinate and backstop the existing regional Technical Assistance Centers and any additional ones that are established in future.
- b. The IMF should work with member countries and donors to ensure that necessary TA is provided to help AFRITAC beneficiary agencies develop and monitor the capacity-building plans recommended above.
- c. 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.
- d. As recommended by the Technical Assistance Committee, a subset of Article IV, PRGF missions should be asked to prepare, on a pilot basis, an assessment of AFRITAC and other TA in relevant fields as an annex to their report.
- e. Where this is not yet the case, RRs' TORs should include assisting the AFRITAC intervention in their assigned country.

3. Donors

- a. As most already do, donors should recognize capacity building as a long-term process. Though results of the AFRITAC activities cannot yet be quantified, the indicators described in this report strongly suggest that they offer significant value added and are cost-effective.
- b. Donors should consider provision of TA to help beneficiary agencies develop and monitor capacity-building plans.
- c. 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.
- d. Donors should provide the SC with detailed information on their TA delivery to the AFRITAC countries in the areas of relevance.

4. AFRITACs

- a. 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.
- b. Regional workshop curricula should be designed so as to enable staff to identify and prepare individuals who can serve as trainers in their own countries or regionally. The AFRITACs should promote local, in-house workshops.
- c. Center staff should facilitate the processes, referred to above, of capacity-building planning and monitoring by benefiting agencies.
- d. 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 ASRs should facilitate folding their content into SC reports, thereby meeting donors' legitimate request for more substantive information on countries' follow-up to AFRITAC recommendations
- e. The centers should increase their communication efforts—country visits by the coordinators, press releases, publicity for AFRITAC websites, and so on—to raise local and regional awareness of their contribution.
- f. The AFRITACs should intensify their cooperation with regional capacity-building institutions.