

INTERNATIONAL MONETARY FUND

Review of the Fund’s Regional Technical Assistance Centers

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(In consultation with other Departments)

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SELECTED LIST OF ACRONYMS

ACBF	Africa Capacity Building Foundation
AFR	African Department
AFRITAC	Africa Regional Technical Assistance Center
APD	Asia Pacific Department
CARTAC	Caribbean Regional Technical Assistance Center
FAD	Fiscal Affairs Department
GDDS	General Data Dissemination System
GFS	Government Finance Statistics
HR	Human Resources
IEO	Independent Evaluation Office
INS	IMF Institute
MEFMI	Macroeconomic and Financial Management Institute for Eastern and Southern Africa
METAC	Middle East Regional Technical Assistance Center
MCD	Middle East and Central Asia Department
MFD	Monetary and Financial Systems Department
OBP	Office of Budget and Planning
OTM	Office of Technical Assistance Management
PDR	Policy Development and Review Department
PEM	Public Expenditure Management
PFM	Public Financial Management
PRSP	Poverty Reduction Strategy Paper
PFTAC	Pacific Financial Technical Assistance Center
RTAC	Regional Technical Assistance Center
STA	Statistics Department
TA	Technical Assistance
TRS	Time Reporting System
UFR	Use of Fund Resources
WHD	Western Hemisphere Department

EXECUTIVE SUMMARY

Regional technical assistance centers (RTACs) have become an increasingly important modality for Fund technical assistance (TA). This review is a response to Executive Directors' calls for close monitoring and regular evaluation of their operations. In reviewing the Fund's TA program in March 2004, Executive Directors welcomed the growing evidence that regional arrangements for TA delivery appeared to be effective, but stressed the need for continuous close monitoring and regular evaluation of their operations.¹ Moreover, in connection with the Board's recent discussion of the evaluation of Fund TA by the Independent Evaluation Office (IEO),² Directors called for a thorough review of the performance of the regional TA centers and their role going forward.³ This review is also particularly timely in view of the work underway on the Fund's medium-term strategy, which encompasses the Fund's TA program.

The RTACs were established to assist countries to strengthen institutions and develop the skills needed for effective economic and financial management. Independent evaluations of the RTACs concluded that they provide significant benefits to the countries they serve. They found that the centers have been particularly effective in helping countries define TA priorities and in providing flexible TA and rapid follow-up, and highlighted the positive role of the governance structure in promoting greater country ownership. The evaluations also pointed to some opportunities for strengthening the RTACs' operations by focusing more on reporting on results; and where relevant, on strengthening their potential to assist countries in formulating Poverty Reduction Strategy Papers (PRSPs) and to foster coordination among TA providers.

The experience with the centers has highlighted a number of management and organizational challenges that need to be addressed. The responsibilities of the various stakeholders need to be clarified, work planning processes harmonized between the centers and the Fund's functional departments, and the mechanisms and resources provided to permit functional departments to effectively discharge their quality assurance responsibilities.

Although the RTACs provide important benefits, their costs are substantial owing to their structure and headquarters' overheads. Except in the case of the AFRITACs,

¹ *The Acting Chair's Summing Up, Review of the Fund's Technical Assistance Program*, (BUFF/04/45, 03/11/04). Similarly, in the context of the discussion of the Fund's Africa Capacity Building Initiative, Directors considered that it was critically important to carefully monitor the Africa regional TA centers' operations, and looked forward to the independent evaluation of the centers after 18 months of operations. See: *The Acting Chair's Summing Up, The Fund's Africa Capacity-Building Initiative*, (BUFF/02/67, 05/10/02).

² *IEO Evaluation of the Technical Assistance Provided by the Fund* (SM/05/41/ 1 and SM/05/41/2, 1/31/05). In conducting this review, staff have coordinated closely with the Task Force to follow up on the recommendations of the IEO evaluation of the Fund's TA.

³ However, the IEO evaluation of the Fund's TA did not address the effectiveness of the RTACs.

additional resources were not provided to cover headquarters' costs for backstopping, management, and resource mobilization for RTAC operations. This in turn led to a reallocation of internal resources away from other activities. In the future, it will be important to identify these costs and provide for them within the Fund's budget.

The RTACs' heavy reliance on external financing, which covers about three quarters of direct delivery costs, presents risks that need to be addressed. While they cannot be eliminated, risks could be reduced by requiring that new centers be fully funded up-front for at least three years, funding cycles lengthened, and an explicit exit strategy agreed between the stakeholders in case of a funding shortfall.

Establishing a center may not make sense in every region. The choice of TA delivery modality ultimately depends on specific circumstances. Experience suggests that the RTAC delivery modality is more likely to be effective if TA demands across countries in a region are similar; demand for TA is deemed to require long-term engagement; and sustained, large-scale financing can be secured. Even if these factors are present, the expected costs and benefits of an RTAC would need to be weighed against those for other TA delivery modalities.

Developing a strategy for the use of the RTAC modality needs to be set within the context of the Fund's broader strategic priorities. As this will take time, in the short-run the main priority should be to consolidate the centers' achievements and strengthen their organization and resources. The establishment of new centers could be considered on a case-by-case basis, after a very rigorous assessment of the business case, and assurances that the necessary internal Fund resources and external financing have been secured. It will be important to situate a strategy for the RTACs within the context of the Fund's strategic priorities, as operating a large number of RTACs would have significant consequences for the Fund's budget, for mobilization of external resources, and for the way Fund TA is delivered. Such a scenario would imply a decentralization of the management of TA, which in turn, would require significant changes in the way the TA program is managed, resourced, and staffed.

Stocktaking on the experience with the RTACs should continue, and this review proposes that a strategy for the RTAC modality be developed as part of the Fund's strategic review. In light of the significant work involved, it is proposed that the strategy be reviewed by the Board in two years time.

I. INTRODUCTION

1. **Since 1993, the Fund has used regional TA centers (RTACs) to provide TA to groups of countries that are likely to derive added benefits from a regional approach to TA delivery.**⁴ The purpose of the review is to (i) present the lessons learned from the three evaluations; (ii) provide an assessment of the effectiveness and the implications of the RTACs as a delivery modality, based on these lessons and other information; and (iii) discuss strategic options concerning the future use of the RTACs in the delivery of TA. Effectiveness is assessed from two main perspectives: value added and cost effectiveness. The analysis is complemented by a review of the financial and organizational implications of the RTAC model. The present review was conducted with guidance from an interdepartmental Working Group composed of senior staff from AFR, APD, FAD, MCD, MFD, OBP, OTM, PDR, STA, and WHD.

2. **The paper is organized as follows.** Chapter II reviews the motivation for establishing the RTACs and presents their characteristic features. Chapter III reviews their value added from a qualitative perspective, drawing on the findings of the three independent evaluations, staff surveys and other material. The specific issues for the design and management of TA raised by the RTACs are examined in Chapter IV. Chapter V assesses whether the RTACs are a cost effective way of delivering TA compared with traditional delivery modalities. Chapter VI reviews the financing of the RTACs. Chapter VII develops conclusions and examines strategic options. Issues for discussion are proposed in Chapter VIII.

II. ESTABLISHMENT OF THE REGIONAL TA CENTERS AND KEY CHARACTERISTICS

3. **The RTAC delivery modality has become an increasingly important part of the Fund's TA program.** The RTACs were established to strengthen the Fund's ability to meet the specific TA needs of the countries in the regions they serve in line with the objectives of the Fund's TA program more generally.⁵ Its aims are to assist member countries to strengthen institutions and develop the skills needed for effective economic and financial management. For example, CARTAC and PFTAC were established, among other things, to strengthen the effectiveness of TA in regions where delivering TA through traditional means proved too costly. The motivation for establishing the AFRITACs and METAC was

⁴ As part of the Technical Assistance Evaluation Program, in 2004 the Board was provided with the findings of the independent evaluation of the Caribbean Regional Technical Assistance Center (CARTAC). The CARTAC evaluation, and the recent independent evaluations of the Pacific Financial Technical Assistance Center (PFTAC) and the Africa Regional Technical Assistance Centers (AFRITACs) are provided in the supplements to this paper.

⁵ PFTAC, the first regional TA center, was established in 1993 to serve Pacific Island countries. CARTAC followed in 2001, to provide TA to countries in the Caribbean. In 2002 and 2003, respectively, two AFRITACs were established to serve countries in East and West Africa, and in 2004 METAC opened to serve countries and territories in the Middle East region. Appendix I describes the major characteristics of the centers.

different. The AFRITACs originated from the Fund's response to African leaders' call on the international community to increase TA to Africa and focus it more sharply on capacity building.⁶ METAC was established to facilitate the Middle Eastern region's integration with the world economy and to assist post-conflict countries in the region to rebuild basic macroeconomic institutions.

4. **While the specific reasons for establishing the RTACs have varied, their organizational setup reflects a number of common objectives.** These include strengthened country ownership and greater accountability for implementation; increased responsiveness to TA needs; and greater focus on partnership with other TA providers and donors. In addition, the centers have sought to provide additional Fund TA to the participating countries, and to complement other forms of Fund TA, drawing on their comparative advantages. These include close follow-up and frequent contacts with the country authorities and other TA providers, and more sustained support for implementation of TA recommendations. The centers also bring a regional perspective to the issues and challenges facing the members, and resources to deliver in-country and regional training. In regions where traditional Fund TA is relatively large, such as in the regions served by the AFRITACs and METAC, an important comparative advantage of the RTACs lies in complementing diagnostic and strategically focused headquarters-based TA, and thereby enhancing follow-up and implementation. Where traditional Fund TA has been more limited, such as in the regions served by CARTAC and PFTAC, the RTACs have undertaken a mix of both strategic and follow-up type TA.

5. **The RTACs share the same organizational model** (Appendix I). The model is designed to promote partnership among the stakeholders as well as facilitate increased responsiveness to TA needs. Despite sharing the same model, there are differences in the way the RTACs are managed and run. These differences reflect a number of factors, but especially, the specific circumstances of each region and how the role of the Steering Committee has evolved in each center. Differences exist, for example, in the process of selection of the resident advisors, the drafting and review of the work plan, the degree of decentralization with respect to decisions on the implementation of work plans, and the extent to which RTACs are directly or indirectly involved in supporting the Fund's surveillance activities.

III. VALUE ADDED OF THE REGIONAL TECHNICAL ASSISTANCE CENTERS

6. **The assessment of the value added of the RTAC delivery modality to its main stakeholders is a key element in the review of its overall effectiveness.** It should be noted that many of the benefits of the RTACs are qualitative in nature, and therefore difficult to quantify. The findings presented in this chapter draw on the results of the three independent

⁶ See: *The Fund's Africa Capacity-Building Initiative* (EBS/02/72, 04/24/02).

evaluations which capture the views of the authorities and donors, input from the staff of the centers, and other Fund staff.

A. Summary Findings of the Independent Evaluations

7. **The RTACs represent an important and useful addition to the Fund's TA program, and provide important benefits to the countries they serve.** The evaluations noted that the RTACs have generally met their main objectives of more focused and responsive TA delivery, increased ownership and additional TA for the participating countries. The centers have been particularly effective in helping countries to define their TA priorities, providing TA in a timely and appropriate manner, and allowing rapid follow-up. The evaluations highlighted the positive role of the governance structure in promoting greater ownership of the TA undertaken by beneficiary countries. The evaluations also noted some areas where experience had not met expectations. Among these were: the use of the Steering Committees as a mechanism for peer review had not materialized; the RTACs' role in promoting donor coordination had been uneven; the centers needed to develop indicators or mechanisms to focus more on reporting on results rather than on inputs delivered and activities performed; and the potential of the centers to assist countries in formulating their PRSPs (where relevant) was yet to be realized. The key findings of the evaluations are summarized below.

8. **The evaluations found that the TA delivered from the centers was greatly appreciated by country authorities.** The demand driven nature of the TA directed assistance to areas where country authorities had identified a priority need, and the proximity and accessibility of the resident advisors allowed a timely diagnosis of problems. The resident advisors were able to design and plan TA through close and continuous consultation with the authorities, allowing the centers' TA to be focused on specific tasks within a broader TA strategy.

9. **The RTACs possess a critical mass of expertise which can lead to synergies across technical areas.** The evaluations suggest that the RTAC model facilitates effective sharing of information on TA work and better interaction of the TA advisors in different areas of specialization. Sometimes this can lead to the identification of complementary assistance. Frequently mentioned areas include crossovers between public expenditure management (PEM) and revenue administration (cash flow forecasting), and PEM and statistics (GFS-based classifications).

10. **The potential of the RTACs to assist countries in identifying and implementing TA needs in the context of PRSPs (where relevant) remains relatively untapped.** There is consensus that the PRSP process should provide the framework for countries to work with international partners, including the Fund, to develop and implement their capacity building programs. This is, for example, a stated objective for the AFRITACs, and all of the countries

served by them have full or interim PRSPs.⁷ The AFRITACs' work plans explicitly link the centers' activities, where relevant and available, to the participating countries' PRSP action plans. Nevertheless, the AFRITAC evaluation found only a weak link between the TA the centers provide and countries' PRSPs. This is not surprising, and echoes the findings of the IEO's evaluation of Fund TA which signaled that, in most cases, the PRSP process has still not been able to clearly identify major capacity-building needs that could be taken up by TA.

11. **All three evaluations found that the RTACs significantly contributed to strengthening countries' ownership of TA.** The foremost reasons cited were the demand driven nature of the TA process, and the close consultation between country authorities and RTAC teams in planning and implementing TA activities. In most cases, this process led to strong commitment in implementing the TA recommendations. The evaluations generally found that the Steering Committee mechanism promoted country ownership, enhanced the regional identity of the RTAC, and promoted a sense of "buy-in" by both the participating countries and the donors. At the same time, however, the evaluations noted that the intensity of participating countries' interest in the Steering Committee meetings (a possible indicator of ownership) varied. In a few cases, however, this reflected budget constraints.

12. **The evaluations concluded that the role of the Steering Committees in providing guidance and setting priorities for the RTACs had worked well.** At the same time, however, all of the evaluations noted that because in most cases the Steering Committees did not have formal terms of reference, there was some ambiguity about their role.⁸ The degree of involvement of the Steering Committees had evolved pragmatically, in line with the preferences of their members and the characteristics of the regions they serve.

13. **The evaluations found that the Steering Committee meetings had only to a very limited extent served as a forum for peer review.**⁹ Nevertheless, through the sharing of the RTAC activity reports and work plans, and the Steering Committee's approval of the plans, the meetings serve to keep countries mutually informed of initiatives across countries. Regional workshops and seminars, where country representatives often are invited to present their country's reforms, have provided an informal way to exchange views and experiences.

⁷ Concerning the other RTACs, CARTAC serves two countries (Dominica and Guyana) involved in the PRSP process, while METAC includes one—Yemen. The CARTAC evaluation did not specifically address the issue of the center's support for formulating and implementing countries' PRSPs.

⁸ The role and responsibilities of the Steering Committee are defined in general terms in the Program Document for each center, and are not as detailed as an explicit terms of reference.

⁹ An objective of the Steering Committee is to provide a mechanism to increase the accountability of recipient countries for the implementation of the TA provided to them through "peer review". That is, at the Steering Committee meetings, recipient countries would be encouraged to review progress with the work plan of other recipient countries. This process of peer review was expected to lead to strengthened prioritization of the allocation of RTAC resources.

14. **The RTACs can play a role in donor coordination, but the intensity and form of this cooperation varies.** The RTACs' objective of supporting government's efforts to build capacities in areas of particular interest to donors appears to be playing a role both in donors' interest in funding the centers and in coordinating more closely their own TA with that of the centers. That said, the experience in this regard varies widely.

15. **The evaluations noted that the RTACs have strengthened regional collaboration by anchoring specific TA activities in regional economic initiatives, arranging training jointly with regional institutions, and helping to establish regional professional networks.** The precise nature of regional collaboration reflects to a large degree the regional context in which the RTAC operates. From the outset, the RTACs have been expected to utilize experienced professionals from their region in their work as a way of tapping into a resource with intimate knowledge of regional conditions. The extent of this practice varies, with CARTAC using these resources most often and PFTAC the least, reflecting in part the Pacific region's limited supply of short-term expertise. The evaluations also noted that the benefits from using experts from the region needed to be balanced with the risk of disrupting their work in their home countries.

16. **All of the RTAC evaluations noted that progress reports to the Steering Committees focused almost solely on the inputs delivered and activities performed.** While noting that such reports provided a good basis for monitoring TA implementation, the evaluations emphasized the importance of providing information on the impact of RTAC activities on expected outcomes. The RTACs are currently developing indicators, and reporting formats that could provide better information on the results of their activities.¹⁰

17. **The RTACs have made limited progress in capacity building, but this reflects in part their recent establishment.** Capacity building is a long-term endeavor. The relatively limited resources available to the RTACs—compared with the very large capacity needs—suggest that their objectives in this regard need to be set realistically. Moreover, there may be inconsistencies in the role set for the RTACs that may help explain why limited progress has been made in capacity building. For example, while the RTACs are expected to assist with the strategic identification of TA, including through links with PRSPs, they are also seen as better placed to provide short-term, quick response assistance. There is an inherent difficulty in reconciling these roles. In addition, the RTACs' relatively limited resources and particular staff skill sets act as limiting factors in the centers' ability to deliver on the rather broad capacity-building objectives initially set for them.

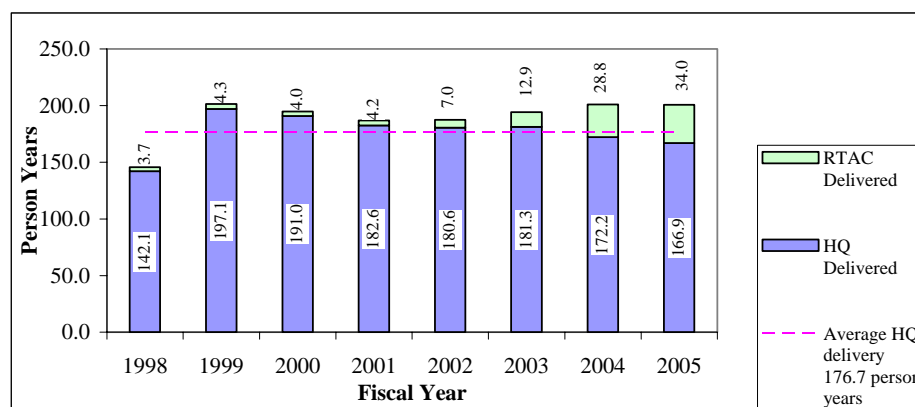
B. Has the Fund Provided Additionality through RTACs?

18. **Providing additional TA to the countries served by the RTACs has been a key objective. Additionality seems to have occurred, but there has also been some**

¹⁰ CARTAC's Steering Committee recently endorsed a results-based reporting system developed by a working group under the Steering Committee.

substitution with headquarters-delivered TA, and interpreting the data is not straightforward, given the need to control for other changes. Additionality could be assessed by comparing total TA delivery before and after the establishment of the centers. On this basis, as Figure 1 shows, compared to the period prior to the RTAC's establishment,¹¹

Figure 1. TA Delivery to All Countries



total Fund (RTAC and non-RTAC) TA delivered to countries served by the RTACs increased. However, developments in total Fund TA delivered to these countries can reflect a number of factors, and it cannot be assumed that overall delivery would have stayed the same in the absence of the RTACs. Indeed, the data show that headquarters-delivered TA to all of the centers declined in FY 2004 and FY 2005 (Figure 2). This may reflect a tighter prioritization of headquarters' TA resources to ensure that the demand from countries not served by an RTAC continues to be met, as well as some substitution of TA delivery from headquarters by that delivered from the centers, reflecting their comparative advantages.

19. **Technical assistance delivery to countries in the same region that are not served by a center, on the whole, does not appear to have been crowded out.** Moreover, it should be noted that the substitution of long-term experts by short-term experts or headquarters missions will de facto cause TA delivery to decline, even though there may be good reasons for a change in the delivery modality. There are differences across sectors. For sub-Saharan Africa, TA declined in some sectors, but rose in others (Figure 3). For non-AFRITAC countries in the Africa region, fiscal sector TA declined somewhat over FY 2003-FY 2005, but this was offset by higher TA in the statistical sector, notably for General Data Dissemination System (GDDS) projects, and in FY 2005, in the financial sector. However, the data need to be interpreted with caution as developments in individual countries have varied widely over the period.

¹¹ Robust data for TA delivery to the Pacific island countries served by PFTAC are not available prior to 1998. Therefore, it was not possible to construct a baseline for PFTAC to track additionality.

Figure 2. TA Delivered to RTAC Beneficiary Countries

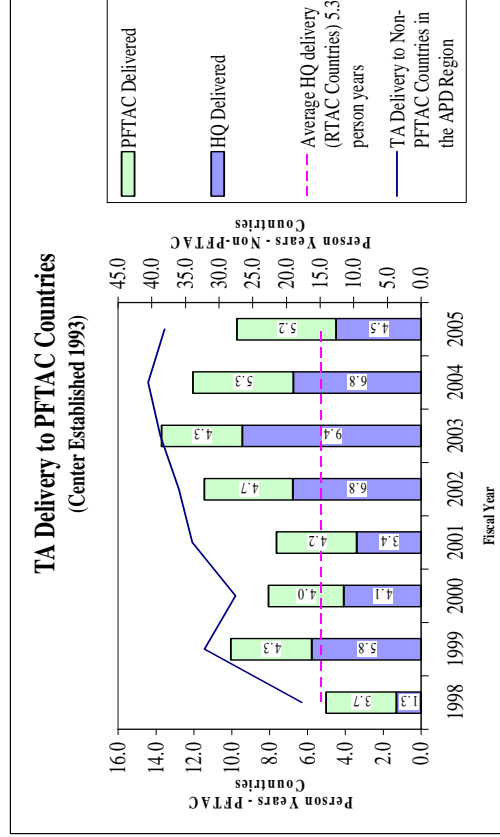
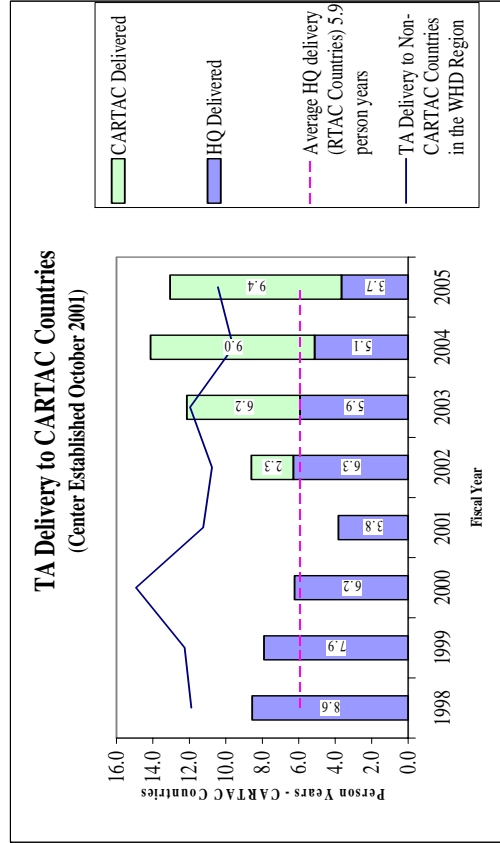
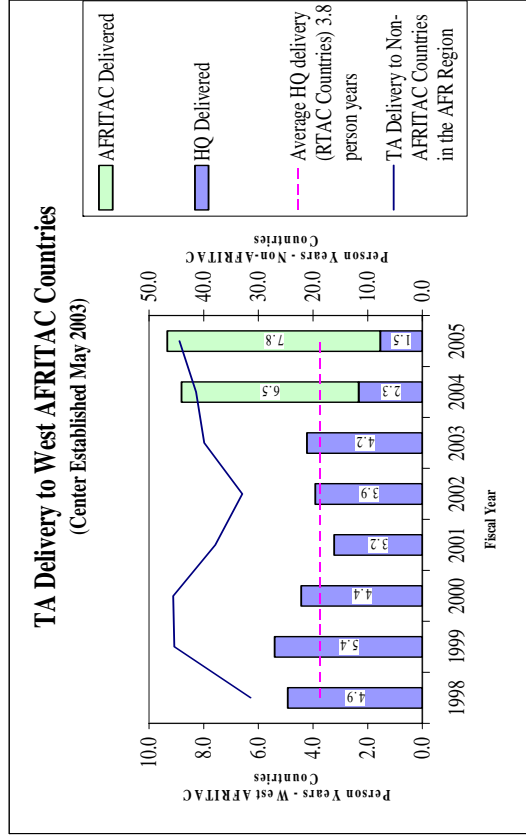
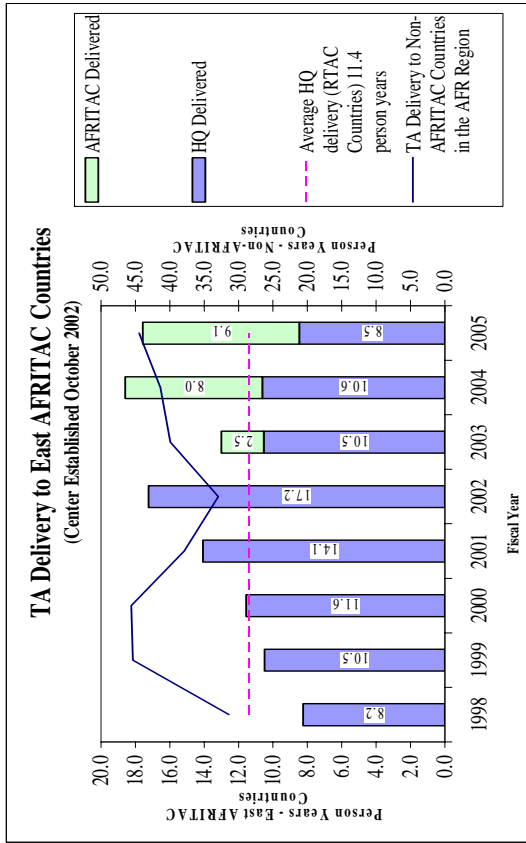
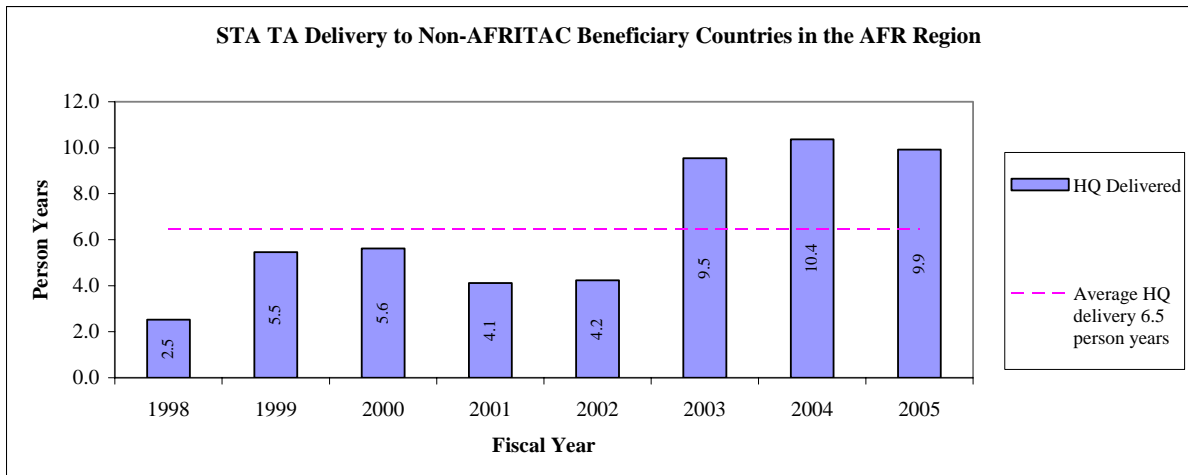
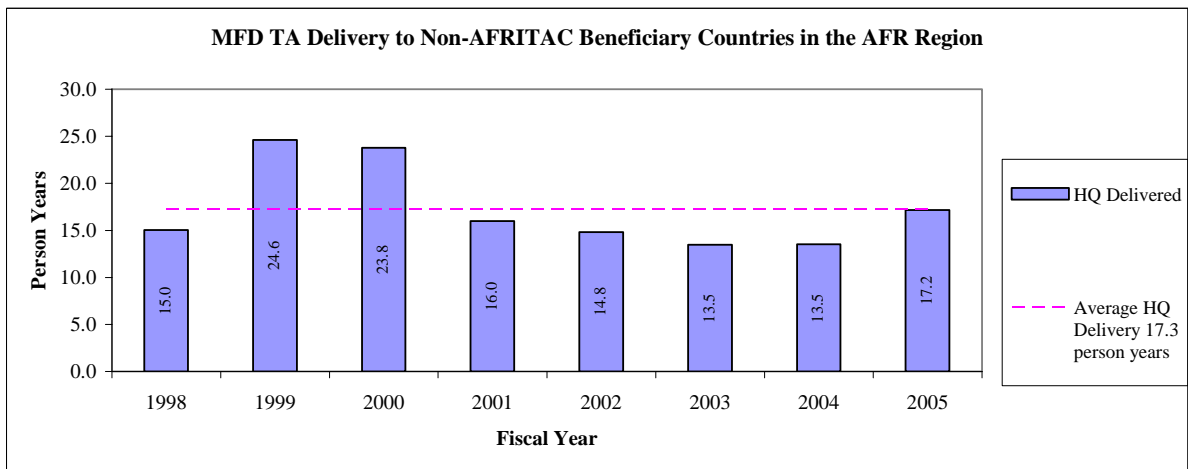
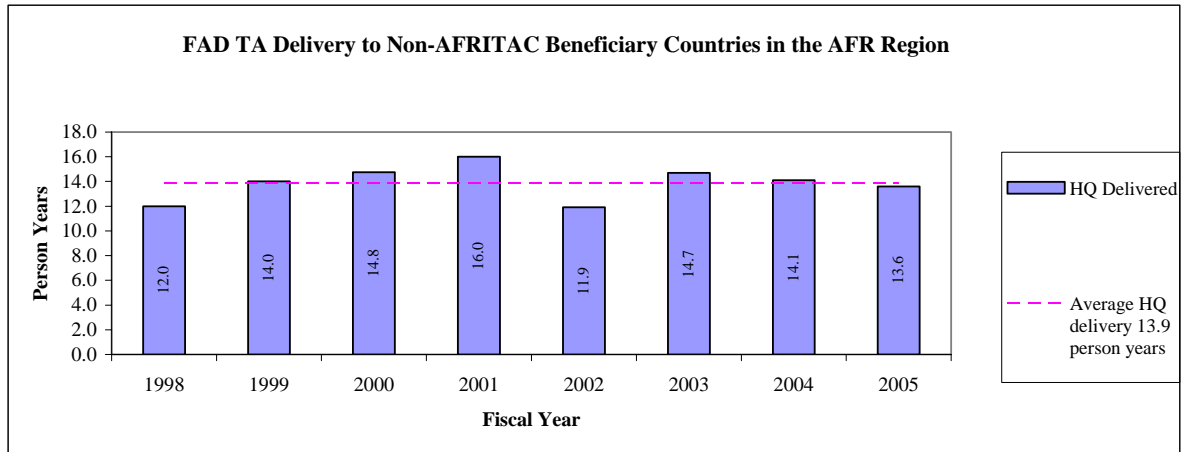


Figure 3. FAD, MFD, and STA TA Delivery in the AFR Region



C. The Fund as a Stakeholder

20. **The Fund is a stakeholder through its direct role in providing TA through the centers and, more broadly, in assisting members to formulate macroeconomic policy and capacity-building strategies in the context of surveillance and lending operations.** It is therefore useful to examine the RTACs' role in supporting the Fund's activities in these areas. Background information with which to assess this issue was collected through a survey of area department mission chiefs and resident representatives of countries benefiting from an RTAC (Appendix II), as well as focused input collected from discussions with area and functional department staff on the specific centers they deal with.

21. **The RTACs support the Fund's work in different ways depending on the individual center's characteristics, comparative advantage, and integration within the region.** A large majority of those surveyed indicated that the RTACs played a positive role in supporting surveillance and use of Fund resources (UFR) through the design and implementation of economic reforms. Nearly all those surveyed indicated that the RTACs have been particularly useful in assisting area departments in following up on technical problems and vulnerabilities identified in the context of surveillance and UFR missions. CARTAC and PFTAC were reported to have been particularly important in contributing to improved dialogue between countries and the Fund. However, the respondents felt that the RTACs had been somewhat less important in assisting area departments in identifying issues of concern.

22. **With regard to the capacity building focus of the RTACs, the picture from the survey is broadly positive.** Area department staff also underscored the relevant role of RTACs in fostering regional integration and encouraging best practices at a regional level. Survey respondents considered the resident advisors instrumental for the overall success of the RTACs, in particular, owing to their ability to provide continuity in TA services and their role in bridging communication gaps with Fund headquarters. Some respondents felt that the centers should have more resources, notably for an expanded pool of resident advisors, to maximize the centers' achievements. Finally, in considering the elements most critical for the RTACs' success, respondents cited the shared strategy of the RTAC and Fund departments, effective management, backstopping and quality control, and the size and composition of the panel of resident advisors.

23. **Interaction between RTAC staff and Fund resident representatives takes place, but could be strengthened.** This is most relevant for the AFRITACs, as there are few resident representatives in countries served by the other centers. Respondents noted that the AFRITACs could improve their relevance for surveillance activities if contacts between area department mission teams and resident representatives were intensified to discuss the objectives and results of TA activities. At the same time, staff generally expressed concern about creating unrealistic expectations concerning the role of the resident representative vis-à-vis the RTACs. The resident representative could act as a facilitator, but should not be expected to take a leading role in following up on TA.

D. Complementarity Between RTAC and Other Fund Training

24. **The regional technical assistance centers have used tailor-made training to reinforce the impact of technical advice.** Training activities, including seminars, workshops, and professional attachments, accounted for about 15 percent of the TA delivery cost in FY 2005, and the centers provided considerable outreach with these resources (Table 1). These events ranged from regional workshops for high-level officials to discuss reform initiatives, and regional seminars for broader categories of staff, to in-country, short training seminars carried out in connection with providing technical advice, thereby exposing a large number of officials to concepts and practices in a “hands-on” way. Topics have been wide-ranging and have included, for example, the calculation of price indices, how to deal with problem assets in commercial banks, and regional harmonization of customs administration. The RTACs cooperate closely with regional training organizations and regional professional networks.¹²

Table 1. Training Seminars and Workshops Organized by the RTACs in FY 2005

	PFTAC	CARTAC	East AFRITAC	West AFRITAC	METAC	Total
Number of seminars held	4	33	11	11	3	62
Total number of participants	87	879	227	448	54	1,695
Number of participant weeks	80	589	368	460	151	1,648
Source: Office of Technical Assistance Management						

25. **RTAC-delivered training complements the training provided by the IMF Institute (INS) through its regional training programs.** A number of courses have been organized jointly between the INS and the centers, including two financial programming courses for East AFRITAC participants, four courses for CARTAC participants, and a high level conference on financial sector regulation and supervision carried out jointly by PFTAC and the Singapore Regional Training Institute. Additional joint courses are planned in FY 2006. Generally, the RTACs’ proximity and the limited number of countries they serve

¹² For example, the AFRITACs cooperate with the Africa Capacity Building Foundation (ACBF) and the Macroeconomic and Financial Management Institute for Eastern and Southern Africa (MEFMI). PFTAC has worked with the University of the South Pacific to develop a public expenditure management module as part of a masters degree course in governance. CARTAC provides support for the Caribbean Public Finance Association and the Association of Insurers in the Caribbean.

allow participating countries to send more participants to RTAC training events than would typically be possible for INS courses offered at headquarters or through the INS' regional training centers which serve a much wider group of countries. Cooperation between the RTACs and the INS generates other synergies. The RTACs are active in publicizing INS training events and in identifying suitable candidates for INS courses, and in providing input on issues of particular interest to officials in their regions.

26. **Going forward, the RTACs and the INS will continue to look for ways to take advantage of synergies in the training area.** However, the possibility to combine RTAC and INS training activities in a single location is limited at present. The locations of the RTACs and the current INS training centers are widely dispersed, and combining their operations under current financing arrangements would be very costly.¹³ In addition to the large exit and set-up costs that this would entail, INS training centers rely to a much greater extent on in-kind and financial arrangements provided by the host countries, which probably could not be replicated in other locations. For the most part, INS has established a set of centers with first-class training facilities and comfortable accommodation arrangements in regional hubs with good flight connections, and it also has good working relationships and cost-sharing agreements with its partner organizations. Nevertheless, were the Fund to consider the establishment of new RTACs and new INS overseas training centers, there may be a case for combining their operations in one location on cost and efficiency grounds, and the possibility will be seriously explored.

IV. ORGANIZATIONAL LESSONS AND IMPLICATIONS

27. **The establishment of the RTACs has had important organizational implications for the Fund's TA program.** It can be argued that the establishment of the RTACs represents a fundamental shift in the Fund's way of delivering TA toward a more decentralized model. This raises specific issues for the design and management of Fund TA and presents a number of challenges.

A. Integration of the RTAC Activities in the TA Program

28. **Given the number and diversity of the stakeholders involved, it should not be surprising that the design and implementation of the centers' work plans, and their integration within the Fund's TA program, have been central to a number of the challenges which have surfaced as experience has been gained with the RTACs.** First, ensuring that the work performed by the centers provides an effective complement to Fund TA delivered through other means requires careful coordination and planning by the departments involved, and a more central role for the relevant area department. Second, harmonizing the different mechanisms to plan TA activities that are used by RTACs and

¹³ For a description of INS overseas training activities see: *Review of Technical Assistance*, (SM/04/41, 2/17/04, pp. 27-29), and (SM/04/41, 2/17/04, Supplement 1, pp. 42-47).

Fund departments presents management challenges. Third, the important role envisioned in the Steering Committee governance structure for the participating countries and the donors in defining priorities, strategic objectives, and approving the TA activities within the centers' work plans presents challenges for coordination and planning.

29. **The process of developing the RTAC's work plan is designed to be collaborative and demand driven to reflect countries' priorities and ownership of the outcome.** The work plan should reflect the area department's strategic views regarding the role of TA within the macroeconomic policy framework which have been discussed with the countries' authorities. In addition, the work plan should be consistent with the functional departments' strategic view of TA in the participating countries, as well as with their ongoing TA activities in the countries concerned, their overall resources, and views on prioritizing and sequencing TA activities. Moreover, the work plan activities should reflect the appreciation by the center coordinator and the team of resident advisors, from their perspective in the field, of countries' needs and absorptive capacities. These objectives are normally well aligned through close coordination and dialogue among the various groups.

30. **However, the lack of explicit terms of reference for the Steering Committee, and ambiguities about the role of the centers in setting work priorities, on the one hand, and the role of Fund departments, on the other, have led at times to a lack of clarity about who has the final word on what should be included in the work plan.** This situation is particularly problematic if the center's activities are at odds with the priorities and TA activities of functional departments. For example, functional departments report that from time to time the RTACs' work plans include TA that is peripheral to their core areas of expertise, reflecting the priorities of the country authorities and/or the area department, which complicates backstopping and quality control. Functional departments have also questioned whether they are full partners at Steering Committee meetings, and are able to voice concerns, because, institutionally, the Fund is represented at the meetings by a staff member from the relevant area department.

31. **The integration of RTAC activities with the Fund's overall TA program can also create management challenges.** The annual Resource Allocation Plan (RAP) is the mechanism used by functional departments to allocate TA resources across countries and regions. Functional departments meet frequently with area departments to update the RAP throughout the fiscal year. The RTACs' ongoing work plans are intended to be consistent with the RAP, however, some RTAC activities—mainly TA delivered by short-term experts—are not always fully included. This reflects the fact that the RTACs hire and backstop many of these experts locally, and functional departments are not always informed about changes in work plan implementation. Thus, functional departments may not always have a comprehensive view of the centers' activities, which makes coordination, backstopping, and quality control difficult. Moreover, functional departments may have different views from RTAC staff or the country authorities about the appropriate sequencing and prioritization of the RTAC's work plan.

32. **The integration of the center's work plan with the Fund's overall TA program has proved relatively unproblematic in the case of CARTAC and PFTAC, which serve regions where, traditionally, Fund TA delivered from headquarters has been relatively limited.** In the case of the AFRITACs the situation has been more challenging. Because of the large Fund TA program in the countries served by the AFRITACs, the need for close coordination and for functional departments to have a comprehensive view of all the TA being provided has been more acute.

B. Quality Control and Accountability

33. **The functional departments are responsible for the quality of the assistance provided through the Fund's TA program, which includes TA provided by the RTACs.** However, in practice, the role of functional departments in setting priorities and activities, and in selecting and backstopping technical experts for the RTACs has been circumscribed by the centers' governance mechanism and ability to hire experts locally. As a result, the functional departments stress that if they are being held accountable directly for quality control of the TA provided by the RTACs, their role in setting priorities, identifying activities, and selecting and backstopping experts needs to be aligned with that for other TA delivery modalities.

34. **Issues of accountability and quality control surface most vividly in the area of hiring and backstopping short-term experts, where potential reputational risks for the Fund are of particular concern.** Many of the short-term experts are hired and backstopped locally, in line with the RTACs' objective of providing responsive assistance to the participating countries, and utilizing local expertise. Functional departments are very reluctant to be held accountable for the quality of the TA provided by short-term experts whom they do not hire and backstop directly.

35. **Concerns also may arise over the role of the Steering Committee in the selection of the RTACs' resident advisors, and the process by which the area of specialization of advisors is determined.** The RTAC model foresees the selection of the resident advisors as the responsibility of the functional departments, in consultation with the relevant area department and the Steering Committee. Although the functional departments invariably identify and select the candidates, the practice concerning the respective roles of the stakeholders varies. In some cases, CARTAC for example, the functional departments submit a ranked shortlist of names to the Steering Committee for approval. Generally, the process works well. However, on occasion, it may be difficult for functional departments to identify more than one candidate, owing to problems in attracting well qualified candidates, or the Steering Committee may select a lower ranked candidate. In the first case, countries' and donors' ownership of the process may be weakened, while in the second, functional departments may face higher backstopping costs to assure quality. Tensions can also arise if there are disagreements between area and functional departments regarding the appropriate area of specialization of the resident advisors.

C. Resource and Staffing Issues

36. **The significant resources required to backstop RTAC experts, manage the centers, and conduct regular fundraising are now becoming apparent and are creating strains for functional departments and OTM.** When the AFRITACs were established a total of 6 new staff positions were provided in the Fund's FY 2003 administrative budget to backstop and manage them.¹⁴ To put this in perspective, data show that in FY 2004 headquarters-based management costs for four RTACs amounted to US\$1.6 million or about 10 person years (Table 2).¹⁵ Preliminary estimates for FY 2005 and FY 2006 suggest that, given the higher level of operations of the AFRITACs and the establishment of METAC, these costs have risen sharply. Departments and OTM have had to meet these costs by reallocating resources from other activities, including, in some cases, from the direct provision of TA and from mobilization of external resources for other TA activities.

37. **The expansion of the RTAC modality raises important issues for staffing both at the centers and at headquarters.** Two issues in particular—rising costs for backstopping resident advisors as the number of centers has expanded, and functional departments' concerns about quality control—have staffing implications. First, backstopping responsibilities have implications for the mix of the work undertaken by staff in functional departments. Currently, the vast majority (83 percent) of field-delivered TA is provided by experts, which involves a considerable amount of backstopping by functional department staff. A significant share of staff-led TA is in sensitive or policy-related areas, or of a broad diagnostic nature, which is generally considered unsuitable for expert-led delivery. Further increases in backstopping responsibilities would cut into the time that staff can dedicate to such TA delivery, and thereby have adverse consequences for both career development and professional growth, as backstopping is generally seen as less rewarding than directly delivering TA. Second, functional departments' concerns regarding quality control could be mitigated if the RTAC resident advisor positions were occupied by Fund staff, who with their knowledge of functional departments' practices and technical requirements, would require less backstopping and could take on a large share of the backstopping responsibility of locally-hired experts. Currently, human resources (HR) policies discourage placing staff as resident advisors. Very few staff serve in this capacity, and those who do must take leave of absence from the Fund.

38. **There could be potential efficiency gains in placing Fund functional department staff as resident advisors in the RTACs.** In addition to direct savings in backstopping costs, such an approach could help strengthen communications between the centers and functional departments, provide an in-country mechanism through which staff resident advisors could

¹⁴ This excludes the position of the center coordinators. The additional staff positions were provided to AFR, FAD, MFD, and STA. OTM, which manages fundraising, donor resources, and a number of administrative functions for the RTACs, did not receive additional resources.

¹⁵ Assuming that this is mainly carried out by A9-A15 staff at a standard cost of US\$165,000 in FY 2004.

systematically test local experts who could be used by the centers, and in the longer run, provide additional career opportunities for functional department staff if an assignment at an RTAC was recognized as mobility for career advancement purposes. However, given the emphasis on the use of regional expertise, not all donors may be willing to provide funding for the centers if the advisors were predominately Fund staff.

D. RTACs from the Perspective of the IEO Evaluation of the Fund's TA

39. **The findings from the recent IEO evaluation of the Fund's TA are relevant to an assessment of the effectiveness of the RTAC model.** In particular, Chapter 5 of the IEO evaluation notes that a hands-on approach to providing TA, accessibility of TA experts, close involvement of the authorities in the TA process, awareness of institutional and political constraints, and adequate donor coordination are key to achieving successful TA outcomes. In addition, the IEO stressed the importance of framing TA within a country-driven framework for setting priorities, with a more central role for area departments, and noted that the PRSP provides the natural vehicle to identify TA priorities and for TA coordination. The IEO also emphasized the need for more systematic approaches to track progress on TA activities.

40. **In a number of respects, the RTACs have served as a pilot for the approaches suggested by the IEO evaluation.** While delivering on many of the benefits that could be expected to flow from the implementation of the IEO's recommendations, such as increased country ownership, better targeted TA, and a more strategic role for the area departments and hence a closer integration of TA with the Fund's surveillance and lending activities, the experience with the centers has also highlighted the tensions that can arise with such an approach. In particular, experience with the RTACs has shown the difficulties inherent in striking a balance between promoting ownership and providing workable mechanisms for the Fund's functional departments to fulfill their accountability responsibilities. In this sense, the lessons derived from experience with the RTACs can provide valuable input to inform the broader strategy for the Fund's TA.

E. Implications

41. **The RTAC model represents a departure from the organization and management processes typical of traditional Fund TA delivery modalities, and has led to a number of challenges.** Going forward, it will be important that these challenges be addressed while at the same time preserving the benefits that the RTAC model offers. Adjustments in the following areas should help.

- *Clarifying roles and responsibilities:* The IEO evaluation of the Fund's TA could provide useful guidance in this regard. With respect to the Fund's internal organizational processes, a way forward could be for the area departments to provide a strategic view regarding the role of TA within the country's policy framework, making sure that areas of concern and TA needs identified in the context of surveillance and other activities—notably PRSPs—are covered. For their part, in line

with their accountability for the quality of TA, the functional departments would ensure that TA strategies and activities embedded in the centers' work plans are effectively designed and sequenced, technically sound, and appropriately resourced and staffed. This approach would clearly place the RTAC organizational process within the framework of the Fund's TA program generally. The area department would provide overall oversight, whereas the functional departments would have supervisory responsibility on all technical aspects of TA.¹⁶

To strengthen accountability and quality control, functional departments would be given the responsibility for all technical supervision of resident advisors, and would select and backstop short-term experts working for the RTACs. The latter responsibility could in many instances be delegated to the centers, which should facilitate responsiveness and use of local experts. Facilitating functional department staff to take up RTAC resident advisor positions would also help in this regard. Nevertheless, reflecting the fact that resident advisor positions are currently donor financed, the implications of this approach for resource mobilization and the adjustments that would need to be made in HR policies would require further review.

It will also be important to clarify the role and responsibilities of the Steering Committees, but this clarification should be tempered by the need to preserve existing practices that work well and to avoid rigid, one-size-fits-all solutions. Clarifying to what extent individual RTACs' Steering Committees wish to be involved in work plans and the selection of experts and center coordinators, and whether members see a need for formal terms of reference will be key first steps. A greater focus by Steering Committees on sector issues to help identify new trends or emerging issues could also be considered as part of the overall guidance they are expected to provide. This would provide functional departments with an opportunity to present their views directly to Steering Committees and might also help promote a better integration of the work plan in the Fund's TA program.

- *Integration of RTAC activities in the TA program:* Clarifying roles and responsibilities would go a long way toward ensuring a more integrated TA program. In addition, the respective tasks of the RTACs and functional departments could be clarified to recognize more explicitly the comparative advantages of each. That is, delivery of strategically-focused TA, for example on tax and expenditure policy, is usually provided by the respective functional departments, whereas the roles of the centers and functional departments are more easily interchangeable with respect to support for the actual implementation. This division of labor recognizes that strategic advice may require specialized skills that are not available at an RTAC.

¹⁶ The role of the center coordinator would continue to be to assemble the draft work plan in close consultation with member countries, and drawing on knowledge about other TA providers' activities. The coordinator would also continue to exercise administrative oversight of the center's staff, and act as Secretary to the Steering Committee.

- *Resource requirements:* Going forward, it will be important to provide the necessary resources for managing, backstopping, administration and fundraising associated with the centers as part of the budget process. This will require more work in ensuring that the resource requirements are adequately identified through comprehensive and accurate time reporting by staff in the Time Reporting System (TRS) on the various functions associated with the RTACs.

42. **It should be recognized, however, that the other RTAC stakeholders may not necessarily support these views.** There is an inherent tension between, on the one hand, Fund control over TA priorities and delivery modalities, and on the other hand, country ownership and donor interest in these. Given the evolution of the role of the Steering Committees, this may be particularly true in the case of the RTACs. To the extent that the organizational and management challenges noted above can be resolved internally in the Fund, this would not affect the other stakeholders. More generally, these tensions could be mitigated by increasing the complementarity of the TA provided by the RTACs to headquarters-based TA. This would call for a greater recognition that strategic TA should be delivered by headquarters and non-strategic TA, or the implementation of strategic TA, should be delivered from the RTACs under the technical supervision of the functional departments.

V. COST EFFECTIVENESS OF THE CENTERS

43. **To comprehensively assess the effectiveness of the RTAC modality, it is also important to determine whether the TA is being delivered in a cost-effective way.** This requires an assessment of both direct field-based costs, and the management, administrative and overhead costs at headquarters, as well as a comparison of these costs with other delivery modalities. Although the new TRS provides a platform for improvements, regardless of the delivery modality, sufficiently detailed departmental data is not yet available to calculate headquarters costs with precision. Notwithstanding this difficulty, the costs of various delivery modalities have been estimated drawing in part on a recent analysis of the FY2004 cost of the Resident Representative Program¹⁷ and estimates provided by departments. The results are considered relatively robust and broadly representative of the experiences of departments, but caution is required when comparing costs across delivery modalities, since the outputs delivered may be quite different.

¹⁷ The centers are in many ways administered as resident representative posts. In particular, center coordinators have the status of resident representatives. The estimates for some of the headquarters' functions associated with the RTACs presented in this chapter thus draw on some of the detailed costing of the FY 2004 operation of the Resident Representative Program review. For details, see the *Strategic Review of the Resident Representative Program* (EC/CB/05/2).

A. RTAC Costs

44. **Although varying across centers, the average FY 2006 budget for field-based costs is US\$3.8 million per center.**¹⁸ A large part, roughly 77 percent, is accounted for by the externally-financed costs of the resident advisors and their travel, short-term expert assignments, and training and seminars. The salaries, benefits and travel of the center coordinator, facilities, and general office operations account for about 18 percent of costs and are covered by the Fund. The remaining 5 percent is met by in-kind host country contributions covering office rent, local staff, and certain contractual services.

45. **In FY 2004, the field-based costs for the AFRITACs, CARTAC, and PFTAC together amounted to around US\$10.9 million** (Table 2). The cost of TA delivery was roughly US\$8.3 million, while the Fund's cost for the four center coordinator posts, including facilities and administration, totaled about US\$2.2 million, and the estimated in-kind contribution of the host countries was US\$0.4 million.

46. **In addition to field-based costs, indirect costs are incurred by the Fund at headquarters for departmental management and support.** For FY 2004, the total identifiable management, administrative and resource mobilization costs, and an allowance for supervision costs, in area and support departments, have been estimated at US\$1.0 million. Costs incurred by functional departments for delivery management (supervision and backstopping) and administration have been estimated at around US\$0.6 million. The total FY 2004 costs, including the estimates for indirect headquarters costs, was thus US\$12.5 million, or US\$3.1 million per center.¹⁹ The average outturn for FY 2005 is expected to be 3–4 percent higher.

¹⁸ The variation reflects primarily differences in the centers' TA delivery. For example, owing in part to a limited availability of external finance, PFTAC's TA delivery is less than half of CARTAC's, which is the highest overall.

¹⁹ This excludes costs related to maintenance and buildings at Fund headquarters and general Fund governance.

Table 2. Costs of the Regional Technical Assistance Centers
(In million of U.S. dollars, unless otherwise noted)

Component	FY 2003	FY 2004	FY 2005 Estimated	FY 2006 Budget
Field-based costs				
TA delivery (externally financed), of which:	3.6	8.3	10.8	14.7
Resident advisors	2.6	5.0	5.6	6.7
Short-term experts	0.4	2.6	3.1	5.5
Seminars and training	0.5	0.6	1.6	2.3
Management and support (Fund financed), of which: 1/	1.5	2.2	2.7	3.4
Center coordinators	1.0	1.3	1.9	2.0
Center coordinators' business travel and office administration	0.4	0.5	0.5	1.0
Facilities	0.2	0.3	0.3	0.4
In-kind contribution of host countries (estimated)	0.3	0.4	0.6	0.9
Subtotal	5.4	10.9	14.1	19.0
Headquarter-based costs (Fund financed, estimated)				
Management and support (area and support departments)	...	1.0	...	...
Delivery management and administration (functional departments)	...	0.6	...	...
Subtotal	...	1.6	...	...
Total costs	...	12.5	...	...
Memorandum items:				
Number of centers 2/	3	4	5	5
Setup cost (Fund financed, estimated) 3/	0.5	0.8	0.5	...
Overhead ratios (as percent of TA delivery):				
Field-based management and support overhead	41.7	26.5	25.0	23.1
Field and headquarters-based management and support overhead	...	38.6	...	...

Sources: PeopleSoft Financials; and staff estimates based on data provided by departments and the Review of the Resident Representative Program.

1/ The Fund-financed costs are slightly different from the outturn numbers presented in the Supplement to the *FY 2006 Budget and the Medium-Term Budgetary Framework—Selected Topics and Statistical Appendix* Paper (EBAP/05/39, 4/15/05, Supplement 1) due to the use of standard costs for the center coordinators and the incorporation of the various overseas allowances.

2/ East AFRITAC was established in mid-FY 2003; West AFRITAC in early FY 2004; and METAC in mid FY 2005.

3/ Direct and indirect costs. Set-up costs for the West AFRITAC were higher owing to the decision to move the center to Mali following the civil unrest in Côte d'Ivoire, after most setup costs had already been incurred.

47. **In FY 2006, the five RTACs are expected to reach their full costs.** The field-based operations of the RTACs are budgeted at US\$19.0 million, reflecting the full-year effect of the establishment of METAC, a pick-up in West AFRITAC's activities, as well as more modest increases in TA delivery in the other three centers. Based on the FY 2004 estimates for indirect headquarters costs, the total direct and indirect FY 2006 cost is estimated to be around US\$21-22 million, or about 2¼ percent of the Fund's gross administrative budget.

48. **Two measures for the overhead associated with the delivery of the RTACs' services have been estimated.** The first, and most narrow, relates to the management and support costs in the field. As shown in Table 2, this overhead ratio has been falling significantly as the new centers' TA delivery has picked up—usually at least one year of operations passes before the centers are able to meet their medium-term delivery targets—and is expected to be around 23 percent in FY 2006. The other, and broader, measure includes also the indirect management and support costs at headquarters (US\$1.0 million in FY 2004).²⁰ In FY 2004, this broader overhead ratio was about 39 percent, but is expected to drop to about 33-34 percent in FY 2006. A cost comparison across TA delivery modalities would need to take the additional costs captured by this latter overhead ratio into consideration.

49. **Although significant, the overhead should not be considered merely from a cost perspective, as the RTAC organizational structure delivers a number of less tangible benefits, such as proximity and sustained outreach, and the synergies derived from having a group of experts in a single location.** The organizational structure of the RTACs cannot be considered in isolation from the associated benefits and the possible additional costs that might need to be incurred if the structure was not there. While the benefits and opportunity costs have not been quantified, given the inherent difficulty of doing so, it is likely that in the absence of a center coordinator and office support additional resources would have to be devoted at Fund headquarters to the coordination and follow-up on TA issues, and to more frequent use of expert briefings and inspection missions. Host countries would be expected to provide administrative support to experts, and headquarters' staff would have to handle administrative matters related to seminars and training now administered directly by the centers.

B. Cost Effectiveness of the RTACs and Other TA Modalities

50. **A comparison of RTAC TA with other TA delivery modalities indicates that as a result of the additional management and support costs, the TA provided through an RTAC is generally more expensive than other long-term delivery modalities, but less costly than the alternative short-term modalities (Table 3).** The indicative unit cost of TA delivery—here defined as a day of effective delivery at the mission site—from the centers

²⁰ It does not include functional departments' delivery management and administration costs, which totaled US\$0.6 million in FY 2004. They are, however, included in the next section which compares the costs of the various TA modalities

through the resident advisors compares well with both headquarters-based missions and short-term expert assignments. Notwithstanding this cost advantage, the objectives of headquarters-based missions are typically very different and thus the two are not generally considered interchangeable. Short-term expert assignments are, on the other hand, often similar in both scope and output. The estimated cost of short-term expert assignments delivered through the centers is somewhat higher than regular short-term expert assignments. This will vary, however, depending on the extent to which the centers use experts from within the region, with the concomitant savings on travel expenses and time.

Table 3. Indicative Cost to the Fund of Various Technical Assistance Delivery Modalities, FY 2004
(Per effective person day of delivery at mission site)

Modality	Unit cost US\$ 1/	Percent of which			
		Direct delivery cost (Salary, benefits, and travel)	Indirect delivery management and administration cost (Functional departments)	Indirect management and support cost (Area, support departments, and RTACs)	Indirect costs as percent of direct delivery cost
Non-regional TA delivery modalities					
Headquarters-based mission	2,100	79.1	20.5	0.4	26.4
Short-term expert assignment	1,700	85.4	13.5	1.1	17.1
In-country long-term expert assignment	1,000	91.9	5.9	2.1	8.8
Single regional long-term expert assignment	1,100	90.7	7.2	2.0	10.2
Regional technical assistance centers					
Resident advisor assignment					
CARTAC/PFTAC	1,450	71.7	5.0	23.3	39.5
AFRITACs	1,600	64.8	7.3	27.9	54.3
Short-term expert assignment					
CARTAC/PFTAC	1,750	74.9	0.9	24.2	33.6
AFRITACs	1,900	68.6	1.9	29.5	45.8

Sources: PeopleSoft Financials; Travel Information Management System; and staff estimates provided by departments.

1/ Rounded to nearest US\$50. Cost includes salary, benefits, and travel of staff/expert; functional departments' delivery management and administration; and area and support departments' management and support costs. For the RTACs, the latter includes also the cost of center coordinators, office operations, and facilities. Regardless of TA modality, cost excludes in-kind contributions from host countries (covering office accommodation, secretarial support), set-up costs, maintenance and buildings at Fund headquarters, and Fund governance.

51. **Long-term experts—whether covering one country or a group of countries—are less costly.** The unit cost of long-term experts covering one country is significantly lower than that of the RTACs' resident advisors. However, over the years functional departments have increasingly shifted toward greater use of peripatetic experts (in some cases with back-to-back assignments within a specific region) or long-term experts with a regional remit as this allows the experts to assist other countries while their advice or recommendations are being implemented (Box 1). Based on the unit cost estimates, regional advisors, who now account for just over 5 percent of total TA field delivery, are less costly than the resident advisors used by the RTACs. Some of this difference may be accounted for by higher travel costs for the RTAC resident advisors as they serve many more countries than does a single regional advisor.

Box 1. An Alternative Regional TA Modality—Regional Advisors

The use of regional advisors is a small but growing way of addressing the needs of the membership. The regional advisors provide sector-specific TA to countries within a region, but the specific arrangements vary. For example, advisors may cover a limited number of countries on a peripatetic basis, or they may be based in one of the countries served and travel regularly to the others. The use of the latter type of regional advisor is a particularly cost-effective alternative to most other modalities and the host authorities provide the necessary office and administrative support. The advisors' location in the field and daily contact with their counterparts provide some of the advantages that are typical of the RTAC delivery modality. Accounting for about 5 percent of total field delivery, this modality is not used as intensively as the RTACs, but it is flexible and does not entail long resource commitments, although its potential for external financing needs to be explored further.

The scope of the regional advisors are typically more narrowly defined than that of the RTAC resident advisors, focusing on specific activities within a single sector, and they generally serve no more than 2–3 countries. With a few exceptions, the regional advisors do not organize regional training and seminars, or supervise short-term experts, while the RTAC advisors do take on this role. There are, however, a number of examples of regional advisors being used as part of a broader delivery strategy, most notably the regional GDDS projects. As demonstrated in these projects, the use of regional advisors can be effectively combined with short-term expert assignments, regional training, and seminars involving the various stakeholders. The latter can potentially be used to secure greater “buy-in” and ownership from country authorities, and can feed into the TA planning process.

52. **Although cost considerations are becoming increasingly important, the choice of TA delivery modality ultimately depends on a number of specific circumstances.**

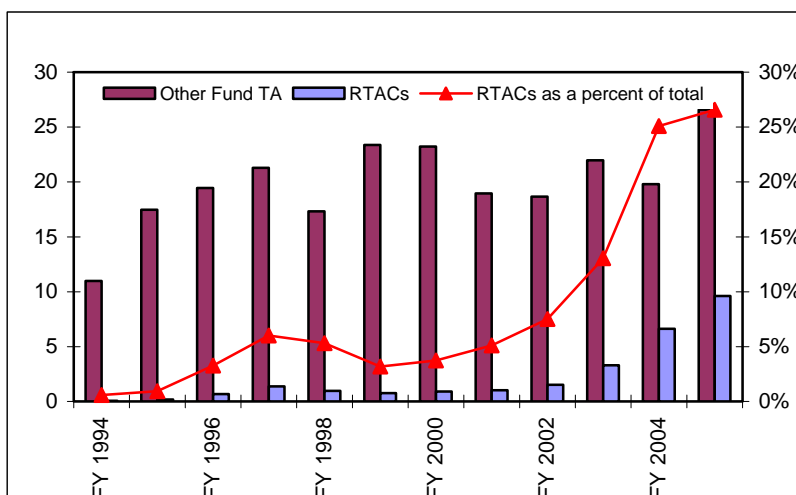
Decisions on which delivery modality is the most appropriate are made in close consultation with the country authorities and the area department, and are first and foremost a question of the policy content of the request. If the request is in a sensitive or policy-related area, a staff-led mission is, despite its higher costs, typically the most appropriate modality. The same applies for diagnostic missions, as they provide the critical policy framework and action plan for follow-up TA. Most other types of requests are considered primarily from a resource perspective and are delivered through experts. In determining the delivery modality, the capacities and skills of counterparts, and the implementation commitment of the country's authorities are key criteria. Another consideration is whether efficiencies can be gained from

assigning an expert to more than one country either as a regional advisor or as a peripatetic expert covering multiple countries. In terms of the choice between providing TA through a regional center or alternative modalities, the key concern is to ensure that the RTAC has the necessary skills and resources to respond to the request. Policy-related TA and diagnostics are usually provided from headquarters, while TA needs requiring a long-term presence would be delivered most cost-effectively by an in-country long-term expert (Table 3).

VI. FINANCING OF THE RTACs

53. **With the increasing number of RTACs, the volume of external finance that has had to be mobilized has increased significantly in recent years.** Between FY 1994 and FY 2005, donors provided around US\$36 million to finance the RTACs, and external finance for the centers has constituted an increasingly large share of external financing of Fund TA, reaching 27 percent of the total in FY 2005 (Figure 4). Donor financing for other long-term TA delivery modalities is also significant. (Table 4).

Figure 4. External financing of RTACs and Fund TA
(In US\$ millions and percent of total)



54. **Donor contributions for other types of TA continue to be important and have also increased in recent years.** External finance supports roughly half of other TA. (Table 4). Indeed, with the exception of headquarters missions, all other TA delivery modalities rely heavily on external finance—90 to 95 percent of TA delivery by long-term experts and regional advisors is funded from external sources, in particular from Japan.

Table 4. Sources of Finance of Other TA Modalities, FY 2003–FY 2005
(External finance as percent of person years of field delivery, unless otherwise noted)

	FY 2003	FY 2004	FY 2005
Headquarters-based missions 1/	4.8	4.6	2.9
Short-term experts	35.3	47.9	43.9
Single country long-term experts	85.7	90.7	89.2
<i>of which Japan funded (in percent)</i>	<i>79.7</i>	<i>74.1</i>	<i>74.4</i>
Regional advisors (non-RTAC)	79.2	94.2	93.0
<i>of which Japan funded (in percent)</i>	<i>81.0</i>	<i>74.1</i>	<i>78.2</i>
All of above	50.4	54.0	48.0
Memorandum item:			
Regional TA centers (percent of direct costs) 2/	70.6	79.0	80.0

Sources: PeopleSoft Financials; Travel Information Management System; and staff estimates.

1/ Expert participation only.

2/ External finance (excluding in-kind host country contributions) as percent of total direct field-based costs.

55. **The RTAC modality has provided a vehicle for leveraging Fund TA resources.** While mobilizing sufficient donor resources for the RTACs is an ongoing challenge, once received, the resources have generally been provided in a flexible way which has helped minimize the Fund’s management burden. Donor resources are sought for three-year funding cycles and are generally channeled through a multidonor subaccount established for purposes of managing the contributions to a specific center, and have as such been subject to fewer restrictions than some other external finance arrangements.²¹ While individual donors may have greater influence on other TA activities that they fund, there is probably little difference when compared with the collective influence that the RTAC donors exercise through the Steering Committees. From the donors’ perspective, the RTAC model allows them to support TA that is focused on sound economic policy formulation and management, which is seen as a precondition for effective development assistance more generally. The flexible and responsive TA that the RTACs offer is seen as an important complement to the longer-term TA projects supported by donors bilaterally.

56. **As the number of centers has increased, so have the amounts that need to be mobilized each year.** For FY 2006 alone, more than US\$14 million had to be secured. At

²¹ The contributions are for a specific center (or centers, in the case of the AFRITACs) for a set timeframe (usually three years) and the project is defined as the activities undertaken by the center. Both the donors’ and the Fund’s commitments thus relate to the particular center and timeframe.

present, a US\$2.1 million funding gap for the current RTAC funding cycles remains.²² While the RTACs' external financing needs have generally been met, it has at times been a difficult task, and has required significant effort from staff and management. For example, securing agreement with the initial donors supporting the AFRITACs on the establishment of the subaccount, and the mobilization of funding from a total of 17 donors supporting the AFRITACs are estimated to have required 0.75-1.0 person years of staff time and a significant amount in travel costs. While it is difficult to assess whether mobilization of resources for the RTACs is easier or more difficult than for other delivery modalities, it is clear that, for a given level of resource mobilization activity, the heavy focus on the RTACs carries opportunity costs.

57. **More fundamentally, the heavy dependence on external financing entails risks.** Notwithstanding that there is no formal presumption that the Fund will cover shortfalls in external financing and that understandings with the donors include termination clauses, the potential difficulty of scaling back or winding down an RTAC in the event that external financing became insufficient or unavailable should not be underestimated. Unless there is a clear strategy, including an exit strategy, that is explicitly shared by all stakeholders, disruption in external financing could have a serious impact on the Fund's internal resources. For example, unless offset by a scaling back of RTAC activities, a shortfall of 25 percent in external finance for all of the RTACs could result in an additional cost to the Fund of about 2.6 percent of the net discretionary budget. Although, as indicated above, other TA delivery also relies on external finance, the other modalities distinguish themselves from the RTACs by being essentially "self-liquidating." That is, in contrast to the RTACs, which as currently conceived are "open-ended" financial commitments with the expectation that they will continue, the commitment period for other externally-funded TA is matched to the projected life cycle of the TA activity.

58. **So that they are not disproportionately funded from potentially temporary sources of funding, options for the future financing of the RTACs need to be considered and centered within the context of the Fund's medium-term budget framework.** Given the importance of external financing for the RTACs and the growing proportion of total external financing for Fund TA that is devoted to the centers, the options for the RTAC financing model need to be considered in the wider context of the Fund's medium-term budget framework, and in particular, the work to develop a policy framework for external financing of Fund activities. Given the above considerations, an important element of this work will be to ensure that the funding for the RTACs is sustainable over the long-term.

59. **The operationally most desirable option would be to improve the predictability of external financing.** The simplest option would be for the Fund to reduce the risk associated with the RTAC's dependence on external funding by financing the RTACs

²² The current funding cycles run as follows: AFRITACs until end-FY 2006; CARTAC and METAC until mid-FY 2008; and PFTAC until end FY 2008. PFTAC and METAC have funding gaps of US\$1.7 million and US\$0.4 million, respectively.

entirely from Fund resources. However, pursuing this option under the Fund's current budgetary environment would likely entail a reallocation of resources within the TA program, which would not only reduce overall TA delivery, but also impair functional departments' flexibility to respond to changing needs and unforeseen demands. Another option, which would expand the resource base by targeting non-governmental and philanthropic sources of financing, has been ruled out on practical grounds.

60. **In addition to signaling ownership and commitment, beneficiary country contributions could be a useful source of additional funding.** This has been particularly effective in the case of METAC, where voluntary contributions from beneficiary countries total US\$3.9 million, or around 40 percent of the three-year external financing requirement. In the case of CARTAC, there is a requirement that beneficiary countries, excluding the host country which provides significant in-kind support, contribute US\$10,000 per year to the cost of the center. In the first funding cycle, CARTAC beneficiary countries contributed around US\$0.4 million, or about 3 percent of total donor contributions.

61. **To mitigate the financial risks, the threshold for external funding commitments could be raised significantly for the establishment of new centers and the renewal of funding cycles for existing centers.** The current practice of moving forward with the establishment or renewal of a center on the basis of a minimum one year of secured external finance entails substantial risks. These risks could be dealt with by requiring that new centers be fully funded before the decisions on their location and their establishment are taken. Furthermore, increasing the length of the funding cycles from the current three years to five years would ensure greater funding predictability and reduce the periodicity of the fundraising effort. A formal decision point on future funding could be established at the three-year mark, with the understanding that the continuation of the RTAC's operations for the next 5 year cycle would be contingent on continued funding. In any case, commitments should not be entered into without a clear understanding—both within the Fund and among stakeholders—of the Fund's position in the event of insufficient external funding or the withdrawal of significant donor contributions.

VII. CONCLUSIONS

A. Experience with the Current RTACs

62. **The RTAC model has proven an important and useful addition to the Fund's TA program.** Accounting for around 17 percent of the Fund's total TA field delivery, the centers are well appreciated by beneficiary countries, regional organizations and donors. The three independent evaluations conveyed a very positive assessment of the centers' work, which is strongly shared by the respective area departments. Notwithstanding their differences, the most important benefits of the centers relate invariably to their field presence, complementarity with other types of TA, and role in fostering country ownership. The centers have played a useful role for the Fund by meeting TA requests that might not otherwise have been fulfilled, helping with the identification and prioritization of TA requests, and providing sustained support for implementation of TA recommendations. The

centers have also supported area departments in their activities, in particular through follow-up on technical problems and concerns. Less tangible benefits include being closer to the members and other TA providers, enhanced dialogue, and sustained outreach.

63. Notwithstanding the overall positive assessment of the centers' benefits, the independent evaluations suggested a number of areas where more work is required, and the realism of some of the centers' objectives might also need to be reviewed. The evaluations have highlighted the need for more focus on monitoring the impact of RTAC activities on outcomes, and the need to develop instruments which would help in this regard. Work in this direction is currently underway. In addition, the centers' achievements in terms of strengthening coordination among TA providers and supporting country authorities in their leadership role in this regard have varied. This reflects the fact that there are general limitations on the extent to which the RTACs alone can play this, at times, complex and very resource intensive role. The structure of the centers has helped enhance ownership and provided a platform for sharing experiences and networking, however, the anticipated use of peer review as a means to strengthen country implementation has not materialized.

64. RTACs have higher unit costs than most other TA modalities, mainly because of additional overheads. However, the benefits of the RTAC modality are significant and, depending on the specific regional circumstances, will warrant the additional costs. But establishing an RTAC does not make sense in every region or sub region, and enhanced judgment should be exercised in selecting this type of TA delivery modality.

65. Experience suggests the RTAC delivery modality is more likely to be effective if the following regional characteristics are met:

- TA demand across countries in the region is similar and lends itself to a regional delivery approach. There is greater scope for synergy and economies of scale if countries' public administrative structures and traditions are similar. Such similarities may coincide with, and be reinforced by, membership in regional entities that influence the norms and standards applied in the member countries, or in currency unions. This should be valid in at least three functional areas, otherwise, regional advisors are likely to be a more cost-effective and flexible modality.
- Local capacities and skills across countries require significant strengthening for reforms to be effectively implemented. The advantages of field presence are best utilized when a center's resources can be used to deliver regional training, seminars and workshops which can help bridge the gap between existing capacities and TA implementation requirements and encourage the establishment of professional networks within and across countries.
- TA demand is anticipated to remain similar in the medium to long term and require sustained support, with emphasis on local implementation of strategies and reform programs developed through headquarter-based diagnostic and policy-oriented missions. If follow-up TA is key to the successful implementation of Fund policy

advice, an RTAC may be a good complement to regular Fund TA. On the other hand, a changing demand pattern and a need for strategic and policy-oriented advice—rather than support for the actual implementation—would suggest that other modalities, such as headquarters-based missions, and short and peripatetic expert assignments, provide for greater overall flexibility, and, given the specialized needs, more appropriate advice.

- Common language, tradition of regional collaboration, stable and secure environments, ease and cost of travel, and logistical support are other important elements.

66. Even if these characteristics are present, the expected costs and benefits of an RTAC would need to be weighed against those for other TA delivery modalities. Given the significant start-up costs and the long-term resource commitment associated with the establishment of an RTAC, the potential advantages of a center over other modalities should be evaluated very carefully. The decision to establish a center should not only be based on a solid business case, but the criteria used to reach the decision should also hold in the medium to long term.

67. These same characteristics can also be used to assess the business case for continuing an existing center. The phase-out of an RTAC would be a clear consequence of the RTAC having met its intended objectives. However, the objectives of the current RTACs do not lend themselves to determining precise time horizons for their operations. In most RTAC regions, the capacity constraints and TA needs are not expected to change significantly in the near term and the overall objectives of the centers are thus expected to remain valid for the foreseeable future. This does not imply, however, that changes in TA demand or regional circumstances, or in the TA environment, cannot lead to an RTAC becoming less effective as a delivery modality vis-à-vis other TA modalities.

B. Management Challenges Associated with the RTACs

68. The experience with the current RTACs, and in particular the AFRITACs, have highlighted a number of management challenges. As set out in Chapter IV, the roles and responsibilities of the various stakeholders need to be clarified and adjusted, and the planning processes harmonized between the centers and the functional departments. Going forward, it is important that the governance structure is clear and that the various stakeholders are given the necessary authority and instruments to discharge their responsibilities. Headquarters costs for managing and fundraising have proven to be underestimated. It will be important to identify these costs explicitly and allocate the corresponding resources as part of the budget process.

69. The risks attached to the heavy reliance on external finance need to be reduced. While the risk cannot be eliminated it might be possible to reduce the risk of shortfalls in external finance by requiring that the centers are fully funded up-front, funding cycles are lengthened, and that an explicit exit strategy is agreed between the stakeholders.

70. **The proposed changes would need to be implemented gradually, and some will require agreement among the stakeholders, while others will involve further review.** Some actions could be taken relatively quickly, in particular (i) greater coordination between the centers and headquarters could be facilitated through more extensive use of video conference facilities, and an annual meeting for center coordinators at headquarters; and (ii) clarification of roles, responsibilities, and comparative advantages of RTACs versus headquarters-based TA. Others, such as adjustments in the planning process, would need to be discussed with the relevant Steering Committees. This would ideally be done in the context of upcoming meetings of the Steering Committees and/or the preparations of new funding cycles. In doing so, it will be important to avoid imposing rigid, one-size-fits-all solutions and changing practices that already work well. Actions, such as reviewing the implications of a greater use of functional department staff as resident advisors would take more time.

C. Next Steps

- **The way forward with respect to developing a strategy for the use of the RTAC modality needs to be set within the context of the Fund's broader strategic priorities. As this will take time, in the short-run the main priority should be to consolidate the centers' achievements and strengthen their organization and resources.** The existing centers need to be strengthened along the lines indicated in the independent evaluations. In addition, it will be important to expeditiously and effectively address the management, organization, and financing challenges associated with the RTAC model. It will also be useful to begin to thoroughly assess the experience with alternative TA modalities, in particular, the use of regional advisors and peripatetic experts, including the extent to which these modalities have enhanced country ownership and attracted external financing.²³

71. **In the interim, while a comprehensive strategy for the use of the RTAC modality is being developed, the establishment of new centers could be considered on a case-by-case basis, after a very rigorous assessment of the business case for establishing the proposed center, and assurances that the necessary internal Fund resources and full external financing have been secured.** The criteria for the establishment of a new center, outlined in Section A above, would be a starting point for such an assessment. Secondly, sufficient internal resources would have to be provided for delivery management, administration and resource mobilization—hence any decision on new centers should be linked to the budget process and transparently accounted for. Thirdly, to minimize the risks associated with external financing, a requirement should be that the proposed center would be fully funded up-front for at least three years, and an explicit exit strategy agreed between the stakeholders.

²³ An evaluation of STA's regional GDDS projects, which usually include a regional advisor, short-term or peripatetic experts, and regional seminars, is already scheduled in the context of the Technical Assistance Evaluation Program, but other evaluations could also be considered.

72. **The need to situate a strategy for the RTACs within the context of the Fund's strategic priorities is clear, as operating a large number of RTACs would have significant consequences for the Fund's budget, for mobilization of external resources, and for the way Fund TA is delivered.** For example, if the number of RTACs increased from the current 5 centers to, say, 10 or 12 centers, the Fund's cost would likely be US\$12–14 million per year in addition to US\$2.5–3.5 million in setup costs; the external finance requirement would be US\$30–35 million per year; and there would be significant implications for the way Fund TA is delivered. Under such a scenario RTAC-delivered TA would likely rise to almost a third of total TA field delivery compared with the current 17 percent. Furthermore, if additional resources were not provided to functional departments to cover the additional management and administration costs—for example for the hiring of TA project managers—there would be a significant crowding out of staff-led TA delivery. Based on the experience with the current 5 RTACs, this could total 6-8 person years of field delivery. On top of this, staff in functional departments would have to do more supervision and backstopping, and less direct TA delivery. It is estimated that the latter would be reduced by around 20 percent. Given that the vast majority of the TA program is already delivered by experts, any further movement away from actual delivery would have adverse implications for the departments' ability to attract and retain qualified TA staff.

73. **Essentially, such a scenario would imply a decentralization of the management of TA which would be difficult to operate without a much greater use of functional department staff in the centers.** This would in turn require significant changes in the way the TA program is managed, resourced and staffed, including also adjustments to HR policies on such issues as staff development and mobility, and consideration of wider issues such as donor financing of staff.

74. **Notwithstanding the trend towards decentralized operations among development organizations and agencies, it is unclear at this stage whether this would be desirable for the Fund.** The World Bank and the regional development banks have to varying degrees decentralized their operations. Similarly, bilateral donors are increasingly delegating the authority for country programming to the country level and allocate their development budgets accordingly. The motivations behind these trends are primarily to improve dialogue with the country authorities, coordination, monitoring, and delivery of services. These are mainly organizations that support a broad development agenda and interact with a wide range of stakeholders in the field. Their operations and HR policies take account of the decentralized structure, and staffing of the field offices is an integral part of career development and mobility. In addition, while some rely on external sources to help finance their delivery, they do so to a much more limited extent than the RTACs. On the other hand, organizations such as the Fund that focus on a more narrow agenda, are specialized, and global standard setters, tend to be more centralized in their operations.

75. **Stocktaking on the experience with the RTAC modality should continue, and it is proposed that a strategy for the future use of the RTAC modality should be developed as part of the Fund's strategic review.** Such a strategy would benefit from continued assessment of the RTAC modality and further review of other TA modalities, in

particular the use of regional advisors. In light of the significant work involved, it is proposed that the strategy be reviewed by the Board in two years time.

VIII. ISSUES FOR DISCUSSION

76. Executive Directors may wish to comment on the following issues:

- The independent evaluations concluded that the RTACs have been an important and useful addition to the Fund's TA program, and provide significant benefits to the countries they serve. The evaluations and staff surveys suggest that the RTACs have played a useful role in supporting the Fund's activities more broadly, and in particular surveillance and lending operations. Do Directors agree with this assessment?
- The organizational setup of the RTACs represents a departure from the organizational and management processes typical of traditional Fund TA delivery modalities, which raise specific management challenges. Do Directors agree that the organizational structure, including resource and staffing implications, needs to be reviewed in order to secure a better balance between the roles and responsibilities of the various stakeholders and ensure quality control, along the lines suggested in the paper?
- The RTACs are generally more costly than other TA modalities, however, the centers have provided clear and important benefits for the countries they serve and for the Fund. Do Directors agree that given these benefits, the additional cost is justified, but that costs and benefits need to be judged against other delivery modalities?
- The RTAC modality has been an effective and a welcome way of leveraging Fund resources through external financing. However, the heavy dependence on external financing entails risks. Do Directors agree that in light of these risks the financing model should be reviewed, full up-front financing for at least three years required, and a clear exit strategy developed?
- The implications of substantially greater use of the RTAC modality would be significant for the way the Fund's TA program is managed, resourced, and staffed, and for the budget. In light thereof, do Directors agree that a strategy for the future use of the RTAC modality needs to be developed in the context of the Fund's strategic review?
- Do Directors agree that the main priority in the short run should be to consolidate the RTACs' achievements and strengthen the management, organization, and financing of the current RTACs?
- Do Directors agree that while an overall strategy for the RTACs is being developed, establishing additional centers could be considered on a case-by-case basis, based on a strict and rigorous assessment of the business case for opening the center; sufficient internal Fund resources for delivery management, administration, and resource

mobilization being provided; and assurances secured that the proposed center would be fully funded up-front, and an explicit exit strategy agreed between the stakeholders?

- Do Directors agree that in light of the significant work involved, the RTAC strategy should be reviewed by the Board in two years' time?

Regional Technical Assistance Centers—Main Characteristics

A. The RTAC Model

1. The centers' staff consists of a center coordinator and a number of resident advisors. The center coordinator is a member of, and supervised by, the relevant Fund area department and is responsible for managing the center's activities. He coordinates the production of the work plan, maintains a close relationship with the participating countries, and liaises with Fund departments, and donors to ensure effective coordination of TA in the field. The resident advisors deliver advice and training, staying in close touch with country counterparts. The size and composition of the panel of resident advisors reflect the number of countries covered by the RTACs, and their TA needs. The resident advisors are selected and supervised by the respective functional departments. In addition, RTACs provide TA through short-term experts who may be hired and supervised by the functional departments or by the RTACs directly.
2. The Steering Committees are the RTACs' governing bodies, and are expected to set the strategic direction of the centers and review rolling work plans. They are composed of representatives from the participating countries, donors, the Fund, and regional organizations (the latter, generally as observers). The Steering Committee is chaired by a representative from the participating countries.

B. Organizational Differences Among the Centers

3. Despite sharing the same broad organizational model, there are differences in the way the RTACs are run. Differences exist, for example, in the selection and appointment of the resident advisors, channeling countries' requests for TA, drafting the work plan, the prominence of the Steering Committee in defining the centers' priorities, and coordination with headquarters' TA work.
4. The identification and selection process of the resident advisors varies from center to center. The functional departments are responsible for the identification of the advisors, but the Steering Committees may take a view regarding their selection. In some cases, particularly for CARTAC, the Steering Committee has wished to indicate a preference for an advisor from a ranked shortlist proposed by the functional departments. In most cases, the Steering Committees have either not wanted to be involved, or have endorsed the first ranked candidate.
5. The work plan is normally assembled by the center coordinator in a collaborative way involving area and functional departments, and the member countries. While the process is similar among centers, the role and involvement of the parties may vary. The timeframe of the work plans and the frequency of their review is also different among centers. PFTAC has a three-month work plan, adjusted on a monthly basis, and is circulated electronically to Steering Committee members for information. CARTAC has a six-month work plan,

reviewed at each Steering Committee meeting. The AFRITACs' and METAC's work plans are for a one-year, with a review every six months at the Steering Committee meeting.

6. The RTAC model is designed to provide flexibility, thus work plans are indicative and can be amended to reflect new country priorities. There are no common rules on how requests should be addressed, and each center has developed its own set of procedures. In some cases requests are addressed directly to the RTACs, in others, requests are processed at headquarters.

7. The Steering Committees' role and responsibilities vary across centers. Steering Committees usually meet twice a year to provide strategic guidance, review past activities, and approve the work plans. PFTAC is the only exception, as the Steering Committee meets only every 12–18 months. It is unusual for the Steering Committee to focus on specific activities.

Appendix Table 1. Regional Technical Assistance Centers—Main Characteristics of Countries Served

	PFTAC (Suva, Fiji)	CARTAC (Bridgetown, Barbados)	East AFRITAC (Dar es Salaam, Tanzania)	West AFRITAC (Bamako, Mali)	METAC (Beirut, Lebanon)
Date opened and number of countries/territories served	1993 15	2001 20	2002 6	2003 10	2004 10
Countries/territories	The Cook Islands Fiji Kiribati Marshall Islands Micronesia Nauru Niue Palau Papua New Guinea Samoa Solomon Islands Tokelau Tonga Tuvalu Vanuatu	Anguilla Antigua and Barbuda The Bahamas Barbados Belize Cayman Islands Dominica Dominican Republic Grenada Guyana Haiti Jamaica Montserrat St. Kitts and Nevis St. Lucia St. Vincent and the Grenadines Suriname Trinidad and Tobago Turks and Caicos Virgin Islands	Eritrea Ethiopia Kenya Rwanda Tanzania Uganda	Benin Burkina Faso Côte d'Ivoire Guinea Guinea-Bissau Mali Mauritania Niger Senegal Togo	Afghanistan Egypt Iraq Jordan Lebanon Libya Sudan Syria West Bank and Gaza Yemen
Low income (GNI per capita less than \$765) 1/	Solomon Islands Papua New Guinea	Haiti	All	All	Afghanistan Yemen Sudan
PRSP	None	Dominica Guyana	All	All	Yemen
Fund-supported programs, including SMP (as of May 1, 2005)	None	PRGF: Dominica and Guyana Emergency: Haiti and Grenada	PRGF: Kenya, Rwanda, Tanzania, and Uganda	PRGF: Burkina Faso, Mali, Niger, and Senegal	EPCA: Iraq SMP: Afghanistan and Sudan
1/ World Development Indicators Database, World Bank, 2005, GNI for 2003, Atlas methodology.					

Appendix Table 2. Regional Technical Assistance Centers—Main Characteristics of Funding and Resources								
	PFTAC	CARTAC	AFRITACs	METAC				
Donors	Australia Asian Development Bank Japan Korea New Zealand	Canada Caribbean Development Bank European Commission Inter-American Development Bank Ireland UK-DFID UNDP USAID The World Bank	African Development Bank Canada China Denmark Finland France Germany Italy Luxembourg Netherlands Norway Russia Sweden Switzerland UK-DFID	Egypt European Investment Bank European Commission France Jordan Kuwait Lebanon Libya Oman Yemen				
Composition (as of May 1, 2005)	2 Fiscal advisors 1 Financial sector advisor 1 Statistics advisor	2 Fiscal advisors 2 Financial sector advisors 1 Statistics advisor 1 Economist 1/	<table border="1"> <thead> <tr> <th>East</th> <th>West</th> </tr> </thead> <tbody> <tr> <td>2 Fiscal advisors 1 Financial sector advisor 1 Statistics advisor</td> <td>3 Fiscal advisors 1 Debt management advisor 1 Financial sector advisor 1 Statistics advisor</td> </tr> </tbody> </table>	East	West	2 Fiscal advisors 1 Financial sector advisor 1 Statistics advisor	3 Fiscal advisors 1 Debt management advisor 1 Financial sector advisor 1 Statistics advisor	2 Fiscal advisors 2 Financial sector advisors 1 Statistics advisor
East	West							
2 Fiscal advisors 1 Financial sector advisor 1 Statistics advisor	3 Fiscal advisors 1 Debt management advisor 1 Financial sector advisor 1 Statistics advisor							
1/ On secondment from the Caribbean Development Bank.								

Appendix Table 3. Survey of Fund Headquarters, Staff, and Resident Representatives						
Question	Not at All	To a Very Little Extent	To a Some Extent	To a Great Extent	To a Very Great Extent	Do Not Know
The extent to which the RTAC has been able to deliver on its general objectives						
1.						
1a.	0	1	6	15	10	n.a.
1b.	0	1	9	11	7	4
1c.	1	1	8	11	9	2
1d.	0	4	5	12	5	6
1e.	1	4	9	7	6	5
Overall contribution of the RTAC to economic reforms and capacity building in participating countries						
2.						
2a.	0	3	13	7	7	2
2b.	2	4	13	11	1	1
2c.	0	5	11	10	2	3
The appropriateness of the RTAC's structure and organization to fulfill effectively its objectives						
3.						
3a.	0	3	6	12	4	7
3b.	0	0	10	9	8	5
3c.	1	0	6	11	5	9

The extent to which the work of the RTAC is integrated with the Fund's surveillance and UFR and supports mission chiefs/resident representatives										
4.										
4a.	To what extent has the RTAC assisted in identifying issues of concern of relevance to your work (e.g., data problems, technical problems and vulnerabilities) in your assigned country?	0	6	11	8	7	0			
4b.	To what extent has the RTAC contributed to the follow-up of technical problems or concerns and vulnerabilities identified in the context of surveillance or UFR missions?	1	2	9	13	6	0			
4c.	To what extent has the presence of the RTAC contributed to an improved dialogue between your assigned country and the Fund?	0	4	13	8	5	2			
4d.	For each of the following areas, to what extent has the RTAC supported your work as mission chief/resident representative?									
	Support for mission preparation (mission chiefs only)	5	2	5	6	7	0			
	Regular cooperation with the authorities and following up on technical issues	1	4	8	10	8	1			
	Participation of RTAC staff in, or overlapping with, area department missions	10	8	6	2	4	1			
4e.	Overall, to what extent has the Fund's fulfillment of its surveillance and lending mandate in your assigned country been strengthened by the country's participation in the RTAC?	0	2	13	9	8	n.a.			

		Management of the RTAC	Role of the Steering Committee	HQ backstopping and quality control	Shared strategy with HQ TA	Size and composition of the panel of resident advisors	Number & proximity of participating countries	Similarities of needs of the participating countries	Localization of the RTAC	Other
5.	Factors critically important or inhibiting success of the RTAC									
5a.	Which of the following was <i>critically important for the success</i> of the RTAC in meeting the TA needs of the member countries?	17	7	13	20	13	8	10	11	3
5b.	Which of the following was <i>inhibiting the success</i> of the RTAC?	0	0	3	1	5	1	1	1	5