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AFRITACs



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Volume 1: Main Report

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

LIST OF ABBREVIATIONS

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

Table of Contents

List of Abbreviations	ii
Executive Summary	iii
I. Background and Introduction	
Key Messages	1
A. Background and Objectives	2
B. Governance, Organization and Management of the AFRITACs	4
C. Focus of AFRITAC Assistance	7
D. Financing the AFRITACs	8
E. Characteristics of the AFRITAC Client Countries	9
F. Other Factors Relevant for the Evaluation	11
G. 2005 Evaluation	11
H. AFRITACs and the Accra Agenda for Action	12
I. Evaluation Approach and Methodology	13
II. Main Evaluation Findings	
Key Messages	16
A. Introduction	17
B. Relevance of AFRITAC TAs	18
C. Effectiveness of AFRITAC TAs	25
D. Efficiency of AFRITAC TAs	31
E. Sustainability of the Benefits of AFRITAC TAs	35
F. Overall Assessment of the AFRITACs	38
G. AFRITACs and Poverty Reduction	43
H. AFRITACs and Reducing Corruption	46
III. Overarching Issues	
Key Messages	49
A. Introduction	50
B. Increasing the Resources for the AFRITACs	50
C. Managing for Development Results	51
D. Improving Coordination and Dissemination.....	53
E. Sustainability and Supporting the Implementation of TA Recommendations.....	58
F. Improving Organization and Management.....	60
G. Supporting Regional Harmonization and Integration.....	67
H. Long Run Organizational Implications of the AFRITAC Model for IMF.....	69
IV. RECOMMENDATIONS	
A. Implementation Status of the Recommendations in the 2005 Evaluation.....	71
B. Recommendations.....	72

(Note: Supporting Annexes are in Volume 2)

Executive Summary

1. **This independent evaluation is part of the governance structure of the East, West and Central African Technical Assistance Centers (AFRITACs).** The evaluation is based on interviews of government officials, workshop participants, AFRITAC staff and representatives of other TA providers and information gathered during visits to eight countries (Tanzania, Kenya and Rwanda in East Africa; Gabon and Cameroon in Central Africa; and Mali, Côte d'Ivoire and Guinea in West Africa), 815 responses to an electronic survey, interviews at IMF Headquarters and a review of available documents and data. The evaluation methodology involved the use of a quantitative rating methodology that allowed evaluations of relevance, effectiveness, efficiency and sustainability to be ranked and aggregated across functional areas and AFRITACs to assess the AFRITAC Initiative as a whole. When the field work was undertaken East and West AFRITACs had been operational for five to six years while Central AFRITAC for only 18 months.
2. **The AFRITAC governance structure is designed to promote country ownership, donor involvement and accountability. Steering Committees have representatives from member countries, donors, and regional organizations. Selected observers are invited to attend meetings. Opening up IMF's decision making processes to others was a major innovation of the AFRITAC model. Center Coordinators, who are staff of the Africa Department (AFR), manage the day-to-day activities of the AFRITACs. Resident Advisors and short term experts deliver the TAs.** They are recruited, managed and supervised by IMF's three TA departments [Monetary and Capital Markets (MCM); Fiscal Affairs (FAD); and Statistics (STA)]. Consistent with the IMF business model for TA and to maintain quality control, the three TA departments backstop the work of the Resident Advisors and short term experts. The **Office of Technical Assistance Management (OTM)** maintains relations with donors, mobilizes TA funds, monitors their use, manages the finances and commissions independent evaluations of TA activities.
3. **Delivering TA through the AFRITACs is consistent with the calls in the 2003 Rome Declaration on Harmonization, the March 2005 Paris Declaration on Aid Effectiveness and the September 2008 Accra Agenda for Action for increased country ownership, greater donor harmonization and coordination and building institutional capacity.** The donors identified IMF as the international organization with the comparative advantage for macroeconomic management TAs and then provided funds to it. This reduced the number of separate missions from donors, the amount of conflicting policy advice provided by different donors and the transaction costs for governments.
4. **The overall rating of the performance of the AFRITAC Initiative was Good. In terms of the four dimensions of evaluation the highest scores were for relevance and the lowest scores were for sustainability** (see Table 1). The AFRITACs are reliant on actions taken by the executing agencies or factors beyond their control (e.g., broader institutional capacity issues; staffing and budgetary issues in the executing agencies; political economy issues; decisions related to the continued funding of the AFRITACs) to achieve high scores in sustainability. There was a large body of evidence on which to base the evaluations of the East and West AFRITACs. For those AFRITACs, the Evaluation Team was on firmer ground relative to Central AFRITAC in making judgments about whether their TAs would achieve the desired outcomes.
5. **The performances of the East, West and Central AFRITACs were all rated as Good, with East AFRITAC rated above the midpoint of the Good range and West and Central AFRITACs were close to, but below, the midpoint. While all AFRITACs have some of the**

most challenging countries in the world as clients, a disproportionate number, some with very weak institutional capacity and challenging political economy conditions, are in the Central AFRITAC region.

Table 1: Rating the AFRITAC TAs

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

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

Highly Successful (Excellent) ≥ 3.5 ; $3.5 < \text{Successful (Good)} \geq 2.5$; $2.5 < \text{Partly Successful} \geq 1.5$

(Modest); Not Successful (Poor) < 1.5

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

7. **The fact that the performance of Central AFRITAC was rated as nearly being on par with West AFRITAC is commendable and indicates that it is off to a very good start.** However, as Central AFRITAC was not quite halfway through its second fiscal year at the time the field work was undertaken for this evaluation. **At this stage the best that can be done is to base the assessment of Central AFRITAC on the Evaluation Team's judgment of potential for relevance, effectiveness, efficiency and sustainability rather than actual performance of TAs.** Capacity building is a medium to long term endeavor that requires sustained input over several years to make an impact. Given the weakness of institutions and political economy challenges in many of its client countries and the fact that Central AFRITAC has just begun operations, it is not surprising that at this stage the Evaluation Team has some concerns about long run sustainability. The challenges and TA needs for the newest AFRITAC are similar to those of West Africa. Central AFRITAC should learn from the experience of West AFRITAC and use the lessons learned to improve TA delivery.

8. **The AFRITAC TAs were grouped into five clusters: (i) monetary operations and debt management; (ii) financial sector supervision; (iii) public financial management; (iv) revenue administration; and, (v) statistics as one cluster covering macroeconomic statistics, central bank statistics and public finance statistics. The TA clusters were rated on a four point scale of Excellent, Good, Modest and Poor. These clusters were grouped into functional areas covered by the three TA departments – MCM, FAD and STA.**

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

Table 2: Rating the AFRITAC TAs by Functional Area

	Weights (%)	Monetary/ Financial Systems	Fiscal	Statistics	Total
Resident Advisor Input (Person Months)		144	258	114	516
Relevance	32%	3.4	3.1	3.1	3.2
Effectiveness	28%	3.3	2.7	2.7	2.9
Efficiency	22%	3.0	2.9	2.7	2.9
Sustainability	18%	2.8	2.7	2.6	2.7
Total Rating	100%	3.2	2.9	2.8	2.9

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

Highly Successful (Excellent) ≥ 3.5 ; $3.5 < \text{Successful (Good)} \geq 2.5$; $2.5 < \text{Partly Successful} \geq 1.5$

(Modest); Not Successful (Poor) < 1.5

10. **The AFRITACs delivered high quality TA in an effective and efficient manner. The Evaluation Team found that: (i) AFRITAC TAs were responsive to countries' needs and were "owned" by the countries; (ii) the involvement of recipient countries, donors and IMF staff in the AFRITAC governance structure has proven to be a successful model; (iii) the AFRITACs provided rapid and flexible services; (iv) all TA delivery modes were effective, particularly regional seminars and the mission work of Resident Advisors; (v) the quality of the expertise in the AFRITACs was good and the Evaluation Team did not identify instances where the**

AFRITACs exposed IMF to reputational risk – on the contrary, AFRITACs have enhanced IMF's reputation; (vi) AFRITACs are well suited to play an important role in IMF's support for regional economic integration and harmonization; (vii) AFRITAC TAs supported countries' Poverty Reduction Strategies particularly PFM, Revenue Administration, Debt Management, and Microfinance Supervision TAs; and (viii) some AFRITAC TAs, (e.g., PFM, Revenue Administration and Government Financial Statistics clusters) improved transparency, accountability and control, thus contributing to reducing opportunities for corruption.

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

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

13. **While good work has been done in all regions and all functional areas, the performance of the AFRITAC Initiative can be improved by learning some of the lessons of experience identified by the evaluation.** Some of the key lessons are distilled below:

(i) **Better grounding of AFRITAC TA programs:** AFRITAC programs need to be better grounded in IMF country strategies, whether through the African Department's annual country strategy notes, IMF country programs and surveillance reports, Poverty Reduction and Growth Facilities (PRGFs) or Poverty Support Instruments (PSIs). A stronger link is needed to follow-up strategies for implementing regional and country specific Financial Sector Assessment Program (FSAP) findings and recommendations or the Public Expenditure and Financial Accountability (PEFA) assessments. Better coordination is needed between MCM's and STA's "upstream" role (diagnostics and strategy) with AFRITACs "downstream" role (supporting implementation) to ensure effective implementation of the IMF's overall business model for TA.

(ii) **Better sharing of lessons learned among the AFRITACs:** Sharing experience across AFRITACs will become a more important issue with the establishment of two more AFRITACs. Preparing and disseminating working papers that chronicle experience in successful areas of TA delivery, such as has been done recently by East AFRITAC, is a model for replication in all AFRITACs. Although there have been periodic retreats to share information among AFRITACs (e.g., the AFRITAC retreat in Nairobi in July 2006; the RTAC Center Coordinator retreat in Washington in December 2008), such retreats should be held more regularly going forward.

(iii) **More effective donor coordination:** Donor coordination consistently received the lowest ratings among the three relevance sub-criteria (consistency with government priorities; donor coordination; consistency with IMF Headquarters operations). Notwithstanding that individual country authorities have a lead role to play, all AFRITACs in all functional areas need to improve donor coordination and information sharing. This will require active support from all parties involved in the AFRITAC governance structure – beneficiary and donor representatives on the Steering Committees; observers attending Steering Committee meetings;

(iv) **More intensive engagement in post conflict countries:** The Resident Advisors are spread too thinly to be able to engage intensively in post conflict countries. In concert with TA departments, the AFRITACs need to apply the lessons of the MCM and FAD self evaluations of their TA programs in post conflict countries and engage more intensively in such countries. IMF's efforts to establish a Topical Trust Fund to finance "upstream" and "downstream" TA for post-conflict countries, together with the expected funding for the next phases of the AFRITACs, should provide additional resources for this approach.

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

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

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

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

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

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

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

statistics, some with considerably more resources than the AFRITACs, few other TA providers are involved in central bank and government finance statistics.

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

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

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

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

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

Recommendation 5: Each AFRITAC should prepare a plan to indicate how it will use a regional approach to facilitate the development of the macroeconomic tools in its areas

of competence that are necessary to support regional integration and harmonization and present the plan to their Steering Committees in 2010.

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

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

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

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

I. BACKGROUND AND INTRODUCTION

Key Messages

- The objective of the three AFRITACs is to support international and regional efforts to build institutional and human capacity in public financial management, revenue mobilization, monetary and financial systems and statistics.
- All AFRITACs have some very challenging client countries. Generally, institutional absorptive capacity is strongest in East Africa and weakest in Central Africa. Country characteristics and institutional weaknesses create risks for TAs achieving sustainable results and may have implications for the AFRITAC model going forward.
- The well documented lessons of the self evaluations of the experience of FAD and MCM providing TA in post conflict countries should be applied more vigorously in many AFRITAC client countries.
- There are no significant differences among the three AFRITACs in the cost of delivering one person month of input.
- The 2005 Evaluation of the East and West AFRITACs found that they were effective vehicles for delivering TAs, were responsive to client needs, enhanced country ownership of reforms, increased regional cooperation, increased the use of African experts and improved accountability in the delivery of TAs.
- Delivery of TAs through the AFRITACs is consistent with calls in the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action for increased country ownership, greater donor harmonization and coordination and building institutional capacity. The donors identified IMF as the international organization with the comparative advantage in macroeconomic management TAs and then provided funds to IMF. Steering Committees provide a voice to the beneficiary countries and selected donors in establishing priorities and monitoring the implementation of the work program.
- Extending the financing cycle to five years and providing more resources to increase the level of engagement in fragile/post-conflict countries would be consistent with the Accra Agenda for Action.
- A quantitative rating methodology was applied in an evaluation framework based on relevance, effectiveness, efficiency and sustainability. Evaluation findings were aggregated across functional areas and across AFRITACs.
- AFRITAC TAs were grouped into five clusters: (i) monetary operations and debt management; (ii) financial sector supervision; (iii) public financial management; (iv) revenue administration; and (v) statistics as one cluster.

A. Background and Objectives

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

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

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

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

¹ African Development Bank. Medium-Term Strategy 2008-2012. 11 December 2008. Paras 3 and 6.

² IMF. East and West AFRITACs Phase II Program Document. November 2005. Page 16. This model was more clearly followed in the fiscal area where the Fiscal Affairs Department (FAD) undertook comprehensive diagnostic studies than in the other functional areas. The Statistics Department (STA) felt that it was necessary for its backstoppers to travel to the regions to review downstream TAs.

5. **The AFRITACs were established within the framework of IMF's Regional Technical Assistance Center (RTAC) modality**³. Since 1993, IMF has provided TA through RTACs to groups of countries where there is value added associated with a regional approach to TA delivery. RTACs have become an increasingly important way for IMF to deliver TA. RTACs were designed to improve IMF's ability to help countries to strengthen institutions and develop the skills needed for effective economic and financial management. In addition to the three AFRITACs, three other RTACs are in operation covering the Pacific, the Caribbean and the Middle East. Plans have reached an advanced stage to open two more AFRITACs and two other RTACs covering Central America and Central Asia.

6. Evaluations are mostly backward looking in terms of assessing the results achieved, identifying the factors that led to those results and identifying the lessons to be learned and making recommendations to improve future performance. However, it is important to put the evaluation in the context of recent policy developments. For this evaluation, the most important new policy is the 2008 IMF policy to enhance the impact of TA⁴. The key features of that policy include: (i) better integrating TA and IMF surveillance and lending operations; (ii) improving the prioritization of TAs by better aligning TA with strategic objectives of countries; (iii) better integrating TA into IMF's medium-term budget; (iv) using performance indicators to make TA more transparent and accountable – TAs will have clear objectives and deliverables against which progress will be measured and TA evaluation will become more systematic in monitoring and assessing results and better disseminate lessons learned; (v) improving the costing of TAs; and (vi) strengthening IMF's partnerships with donors.

7. Because of the 2007 restructuring and budget cut backs, IMF's internally financed TAs will decline by about 20% in real terms over the medium term. Thus mobilizing more external financing for TAs is strategically important since IMF would like the total volume of TA to increase. Since the volume of IMF's internal resources available to finance TAs has declined, this implies a greater than proportional increase in mobilizing external financing. To augment its TA resources IMF is planning on launching **a series of topical trust funds** in 2009⁵. In addition to providing more resources, particularly for low and lower middle income countries, the topical trust funds are expected to strengthen IMF's partnerships with donors by engaging them on a broader, longer-term, and more strategic basis and leverage IMF's expertise and experience. Topics under consideration for such funds include: (i) **fragile states/post conflict countries**⁶; (ii) **general data dissemination standards/national strategy for the development of statistics**; (iii) anti-money laundering/countering financing of terrorism; (iv) **public financial management (PFM)**; (v) management of natural resource wealth⁷; (vi) **debt sustainability and public debt/asset management**; and (vii) **financial sector stability and development in lower income countries**. Some of the proposed topical trust funds are directly related to the work of the AFRITACs (e. g., fragile states/post conflict countries; statistics; PFM; debt; financial sector stability).

³ IMF. Review of the Fund's Regional Technical Assistance Centers. 28 June 2005.

⁴ IMF. Enhancing the Impact of Fund Technical Assistance. 3 April 2008.

⁵ IMF to Launch Trust Funds to Support Technical Assistance. IMF Survey online. 29 September 2008.

⁶ Many donors have placed priority on supporting fragile states/post conflict countries. See for example the AfDB's 2008 Medium Term Strategy.

⁷ The topical trust fund for resource rich countries could target some AFRITAC client countries to help prevent immediate negative macroeconomic consequences, create framework for intertemporal/intergenerational transfers and support for good governance.

8. IMF is in the process of introducing a new mechanism to charge countries for TAs so that they pass a market test to ensure that TAs are provided efficiently and cost-effectively. This is based on a theory that a free service is subject to excess demand. It is thought that charging for TA will provide incentives for recipients to use TA efficiently and for IMF to design TAs that address country priorities. Willingness to pay is seen as a proxy for country ownership. Externally financed TA, including that provided through RTACs, will be exempted from the charging mechanism because the market test is reflected in third-party financing and some beneficiary countries contribute to financing the RTACs. Assessing the pros and cons of charging for TA is beyond the terms of reference for this evaluation. However, there appears to be a risk that beneficiary countries will make requests for TA provided by AFRITACs to avoid paying directly for TA provided by Headquarters.

B. Governance, Organization and Management of the AFRITACs

9. **The governance, organization and management structures of the three AFRITACs are similar and are designed to promote country ownership, donor involvement and AFRITAC accountability** (see Figure I.1). For each AFRITAC a Steering Committee meets once or twice a year, with representation from member countries, donors, regional organizations and the IMF. **The Steering Committees provide strategic guidance to the AFRITACs, review their work plans⁸, and assess progress in TA delivery.** The work plans are to: (i) reflect the needs of member countries, i.e., be demand driven; (ii) be closely linked to the poverty-reducing strategies; (iii) be coordinated with TA provided by other donors; and (iv) be integrated with the TA, surveillance, and lending activities of IMF Headquarters. **This is a departure from IMF's typical model in that beneficiary countries and some other donors have a role in the formal decision making process** (e. g., setting priorities; determining work plans; monitoring implementation).

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

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

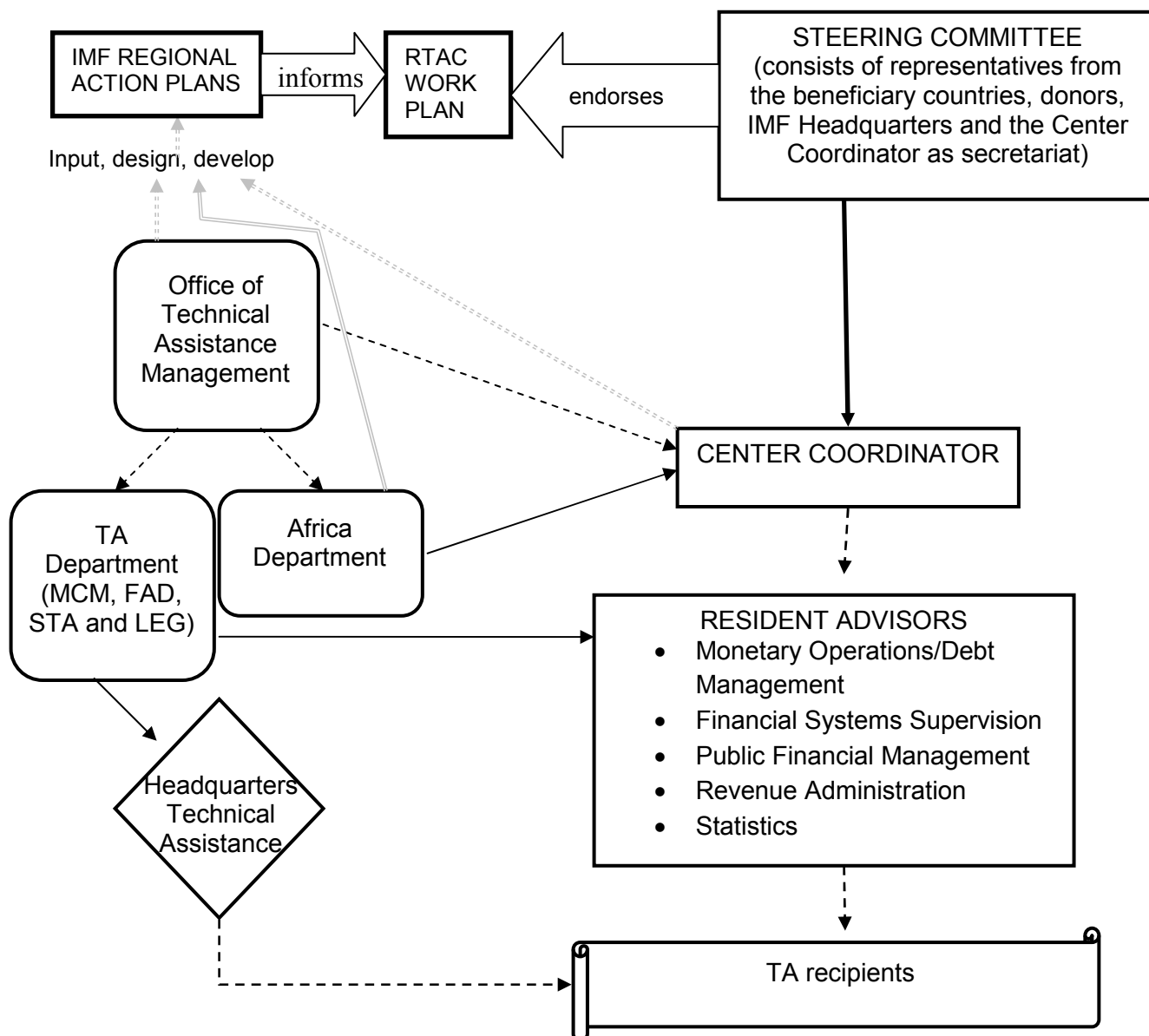
12. **The Center Coordinators are full time IMF staff who are appointed by, and report to, the Africa Department (AFR)⁹.** The Center Coordinators, who are appointed for a three year period, with the possibility of extension, manage the day-to-day activities of the AFRITACs and

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

⁹ Although it is informed after the selection process has been completed, the Steering Committee has no formal role in the selection of Center Coordinators or Resident Advisors.

are the secretaries of the Steering Committees. In some countries titles are important because they convey messages about status and importance of an individual within an organization. Consideration should be given to changing the title of the Center Coordinators to Directors. While this would not affect IMF's internal position compliment system and levels, for some external observers the title of director might enhance their view of the importance of the role of Center Coordinators.

Figure I.1 AFRITAC Organization Chart



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

Note: Solid lines to Steering Committee box indicate membership. Heavy solid lines indicate direct reporting lines. The broken lines indicate indirect influence.

13. Although the skill mix varies somewhat among the AFRITACs, the **Resident Advisors as a group broadly have expertise in areas such as public financial management, revenue administration, macrofiscal programming, financial sector supervision including microfinance, monetary operations, public debt management, and macro-economic statistics. The Resident Advisors are identified, selected, and appointed by the three TA departments**, (MCM, FAD, and STA) depending on their expertise. Center Coordinators and Steering Committees have no **formal** role in selecting¹⁰ or supervising Resident Advisors.

14. The Resident Advisors are appointed on one year contracts, which can be extended. The procedures for extension are not uniform across the three TA departments. Although the Program Document states that the process of selecting Resident Advisors is to be transparent, with due consideration given to candidates from the region, **the positions of the Resident Advisors are not publically advertised as a matter of policy**. While some positions were advertised internationally, others were only advertised on the IMF webpage, and some were not advertised. Some TA Departments prefer to select Resident Advisors from their rosters of vetted experts and only advertise in cases where difficulty is experienced in finding suitable and willing candidates. To improve transparency, the Evaluation Team believes that all Resident Advisor positions should be publicly advertised as a matter of policy. Although footnote 9 in the January 2006 RTAC Operational Guidance Note¹¹ states that Resident Advisors may be IMF staff or external consultants, in practice Resident Advisors are not IMF staff. **IMF's policies discourage staff from considering a position as a Resident Advisor**¹².

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

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

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

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

¹² IMF staff must go on an unpaid leave of absence, thus adversely affecting employment benefits, including the accumulation of pension benefits. The benefits received by Resident Advisors are less generous than those received by IMF staff when posted outside of Washington.

Resident Advisors submit their reports to the MCM Africa Regional Division which has some functional expertise and is the first filter in the backstopping process. The Regional Division forwards reports to the concerned functional divisions when the back stopper determines a need for more specialized inputs. Some Resident Advisors working in the MCM areas are allowed to select short term experts and provide first level back stopping consistent with the level of operational autonomy of the Resident Advisor. In terms of level of effort devoted to backstopping, STA appears to be between MCM and FAD. STA defines the terms of reference for and selects the Statistics Advisors, supervises the implementation of their work plan and provides back stopping (e. g., responds to requests from the Statistics Advisors; reviews reports; some participation of Advisors in STA missions). The resource implications for the STA back stopping model are not inconsequential. Because the focus of the statistics TAs in all three AFRITACs was on real sector statistics, the burden of back stopping, and hence the resource implications, fell disproportionately on STA's real sector division which has six economists. In FY2009, of the 215 missions worldwide by STA's real sector division, 85 were to AFRITAC client countries¹³. All three TA departments advised the Evaluation Team that the back stopping model was under stress because of a mismatch between a growing workload and shrinking resources.

C. Focus of AFRITAC Assistance

17. **AFRITAC TAs address** both: (i) **institutional capacity building** (e.g., legal/ regulatory frameworks; organizational structures; procedures, manuals, and systems; major reform programs; strengthening or streamlining structures and systems); and, (ii) **human capacity building** (e.g., staff competencies; knowledge to apply and use methodologies, best practices, procedures, manuals, and systems used by the institutions; professional integrity; professional networks). Depending on the needs, the TA is delivered by Resident Advisors, short term experts, workshops/seminars/training courses or professional attachments. Regional workshops¹⁴ provide forums to share experience among country delegations and to promote regional integration and harmonization. The AFRITACs also organize and finance in-country workshops to address country-specific needs.

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

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

¹³ Some of these missions were for the DfID's funded Anglophone Africa GDDS project.

¹⁴ Many workshops were co-financed by the African Capacity Building Foundation (ACBF).

- (vi) **improve the legal and regulatory framework for financial sector supervision; and**
- (vii) **improve the compilation and dissemination of macroeconomic statistics.**

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

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

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

D. Financing the AFRITACs

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

22. **The East and West AFRITACs are financed by the African Development Bank, 13 bilateral donors¹⁵, funds from the China TA Account and project/activity funding from Japan.** Donor contributions for Phase II, covering the period from 1 May 2006 to 30 April 2009, totaled \$23.455 million¹⁶. **The new donor money for Phase II totaled \$21.297 million, a 17% increase over Phase I.** During Phase II **donors are expected to finance 85.7% of the costs of East and West AFRITACs, IMF 12.5% and the host governments 1.8%.** The financing pattern for Central AFRITAC is very different. Only two traditional bilateral donors contributed to the financing of the Central AFRITAC.¹⁷ The African Development Bank pledged \$1.5 million. The vast majority of the financing for the Central AFRITAC was provided by the beneficiary countries. From FY 2007 to FY 2010, **beneficiary countries are expected to finance about 70% of the costs of the Central AFRITAC, donors 18% and IMF 12%. The dominance of the beneficiary countries in the financing of Central AFRITAC demonstrates strong country ownership.**

¹⁵ Canada; Denmark; Finland; France; Germany; Italy; Luxembourg; Netherlands; Norway; Russia; Sweden; Switzerland; United States.

¹⁶ Including a carryover of \$2.158 million from Phase I.

¹⁷ France (\$1.28 million) and Germany (\$640,000).

23. AfDB is the largest external contributor to the AFRITAC Initiative, providing a total of \$4.5 million to the last funding phase, \$1.5 million per AFRITAC. Among other things, the paper¹⁸ that the AfDB Board approved to support the three AFRITACs stressed the importance of: (i) capacity building to support sound macroeconomic management; (ii) the focus of the AFRITACs' operations; (iii) monitoring and managing for development results; (iv) evaluation; (v) donor coordination; (vi) use of African expertise; and (viii) regional integration.

24. Expenditures on the three AFRITACs from FY2006 to FY2008 totaled nearly \$27 million. Of this, 38% was for East AFRITAC, 46% was for West AFRITAC and 16% was for Central AFRITAC (see Table A.2 in Annex A). The low share for Central AFRITAC reflects the fact that it was not operational in FY2006 and was only functioning for a few months in FY 2007. The average cost, including overheads, of a person month of input, **Resident Advisors and short term experts combined, was about \$38,500¹⁹. The three Centers were within plus or minus 6% of this average, suggesting that there are not major cost efficiency differences among the AFRITACs.**

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

E. Characteristics of the AFRITAC Client Countries

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

27. **The Evaluation Team assessed the strength of the institutional absorptive capacity for AFRITAC client countries** drawing on the following data bases: (i) the Brookings Institution²⁰ index of state weakness that ranks 141 countries; (ii) the Fund for Peace's Failed States Index²¹ that is calculated for 177 countries; and (iii) the World Bank's governance

¹⁸ African Development Bank. Proposal for the Award of an ADF Grant of US\$ 4.5 Million to Finance the Second Phase of the Regional Technical Assistance Centers Program (AFRITAC). 14 November 2006.

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

²⁰ Susan E. Rice and Stewart Patrick. Index of State Weakness in the Developing World. Brookings Institution. 2008

²¹ Failed States Index Scores 2007. The Fund for Peace. www.fundforpeace.org

indicators²² that are available for 212 countries. Institutional absorptive capacity was rated as Excellent, Good, Modest and Poor. The detailed analysis supporting the overall ratings of institutional absorptive capacity given in Table I.1 is shown in Tables A.4 to A.9 in Annex A.

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

East Africa		West Africa		Central Africa	
Eritrea*	Modest	Benin	Good	Burundi*	Poor
Ethiopia	Modest	Burkina Faso	Good	Cameroon	Modest
Kenya	Modest	Côte d'Ivoire*	Poor	Central African Republic*	Poor
Malawi	Modest	Guinea*	Poor	Chad	Poor
Rwanda	Good	Guinea-Bissau*	Poor	Republic of the Congo	Poor
Tanzania	Good	Mali	Good	Democratic Republic of the Congo*	Poor
Uganda	Modest	Mauritania	Modest	Equatorial Guinea	Poor
		Niger	Modest	Gabon	Modest
		Senegal	Good		
		Togo*	Modest		

* country classified by IMF as a fragile state

28. There are differences in the institutional absorptive capacity among AFRITAC client countries and across regions. **For East AFRITAC, institutional absorptive capacity was** rated as Good in two East African countries (Rwanda; Tanzania) and Modest in the other five countries. It was not rated as poor in any East AFRITAC client country. **The institutional environment in some countries in which the West AFRITAC operates is more challenging.** In West Africa, four countries were rated as having Good institutional capacity (Benin; Burkina Faso; Mali; Senegal). However three countries were rated as having Poor institutional absorptive capacity (Côte d'Ivoire; Guinea; Guinea-Bissau) and three as Modest. **The institutional capacity in Central Africa was the weakest among the three regions.** While Gabon and Cameroon were rated as Modest, the institution absorptive capacity for all other Central African countries was classified as Poor²³. The Evaluation Team's classification accords reasonably well with the countries identified by IMF as being fragile states. Institutional absorptive capacity was rated as Poor for six of the eight countries categorized by IMF as fragile states. Although the other two (Eritrea; Togo) were rated as having Modest absorptive capacity, both countries scored just above the cut off point for Poor. Institutional absorptive capacity was assessed as Poor in two other countries (Republic of the Congo; Equatorial Guinea). The documentation reviewed by the Evaluation Team indicates that in some cases political tensions and lack of responsiveness in some member countries resulted in less delivery of TAs than was originally planned. For example, political instability and poor absorptive capacity in four West AFRITAC countries (Guinea, Guinea-Bissau, Côte d'Ivoire, and Mauritania) resulted in limited delivery of TA (e.g., Côte d'Ivoire) and repeats of TA missions in Guinea, Guinea-Bissau and Mauritania following personnel changes in beneficiary agencies. These factors negatively impacted on the effectiveness of TA delivery in West AFRITAC. Political, institutional and relationship issues limited the amount of TA that East AFRITAC could deliver to Eritrea.

²² See www.govindicators.org

²³ The Program Document for Central AFRITAC states that "the capacity building needs of Central Africa are more acute than in other parts of Africa" (see Para 10 of that document). Five of the Central African countries (i. e., Burundi; Central African Republic; Chad; the Democratic Republic of Congo; the Republic of Congo) are post-conflict countries.

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

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

F. Other Factors Relevant for the Evaluation

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

G. 2005 Evaluation

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

H. AFRITACs and the Accra Agenda for Action

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

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

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

²⁴ African Development Bank. Medium-Term Strategy 2008-2012. 11 December 2008. Para 5.3

	civil society, foundations or private sector organizations. AFRITAC efforts to make extensive use of African expertise, support regional harmonization and promote quasi-peer reviews through regional workshops are consistent with encouraging South/South cooperation.
Strengthen and use country systems. Successful development depends on the capacity of governments to implement policies and manage public resources through their institutions and systems. Donors committed to using those systems to the maximum extent possible. Where country systems require strengthening, donors will support the necessary reforms and provide capacity development assistance.	AFRITAC TAs strengthen country systems. PFM work helps to create fiscal systems that donors can use to scale up their aid using general budget support. Under the Accra Agenda for Action donors reaffirmed their Paris Declaration commitment to provide 66% of aid as program-based approaches and to channel 50% or more of government-to-government assistance through country fiduciary systems.
Achieving development results and openly accounting for them: Improve the management for results by (i) developing cost-effective results management instruments; (ii) better linking information in national statistical systems, budgeting, planning and monitoring systems and country-led evaluations; and, (iii) strengthening national statistical capacity.	All AFRITACs are in the process of developing systems to measure and monitor the results that they are achieving, although these systems need further work. All AFRITACs provide modest assistance to strengthen national statistical systems and extensive assistance to strengthen the fiscal systems.
Be more accountable and transparent to our publics for results, including the results obtained from development expenditures, undertaking independent evaluations and both donors and partner countries doing their utmost to fight corruption.	Independent evaluations are an integral part of the AFRITAC's governance system. Much of the AFRITAC's assistance in the fiscal area is designed to improve the transparency, accountability and control of public expenditures and revenues, essential elements of the fight against corruption,
Adopt aid policies for countries in fragile situations: The aid effectiveness principles need to be adopted in fragile states, including countries emerging from conflict to reflect weak ownership and weak capacity (see the Principles for Good International Engagement in Fragile States and Situations). Donors committed to working to address the issue of countries that receive insufficient aid.	All AFRITACs, particularly in West and Central Africa, are engaged in fragile/post-conflict states. However, the AFRITAC model is the same for all client countries and the resources envelop for each AFRITAC appear to be independent of the number of fragile/post-conflict states among its clients. Increasing the resources available to the AFRITACs to broaden their engagement their engagement in fragile states (e.g. through a Topical Trust Fund) would be consistent with the Accra Agenda for Action.
Increase medium-term aid predictability by: (i) strengthening budget planning processes for managing domestic and external resources and improving the linkages between expenditures and results over the medium term; and (ii) donors providing information on their rolling three- to five-year forward expenditure and/or implementation plans.	The past commitment to finance the AFRITACs over a three year period was consistent with improving the predictability of aid. Extending the time period covered by the next replenishment to five years would be consistent with this aspect of the Accra Agenda for Action.

I. Evaluation Approach and Methodology

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

35. The evaluation approach and methodology is described in detail in Annex B. The evaluation drew on information from documents and data available from IMF, interviews at IMF Headquarters and with AFRITAC Steering Committee members, Center Coordinators and Resident Advisors, government officials, workshop participants and representatives of other TA

providers. The Evaluation Team visited the three AFRITACs and 8 of the 25 countries served by the AFRITACs²⁵. To broaden the coverage of the evaluation an electronic survey was undertaken of key informants. A total of 815 responses were received.

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

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

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

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

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

²⁵ Tanzania, Kenya and Rwanda in East Africa; Gabon and Cameroon in Central Africa; and Mali, Côte d'Ivoire and Guinea in West Africa. The criteria for selecting countries visited included: (i) the location of the AFRITACs; (ii) level of AFRITAC engagement; (iii) linkage with IMF operations; (iv) availability of local officials in the ministries of finance, central banks and statistics agencies; (v) maximize the number of countries covered; and (vi) ease of logistics. Feedback was received from the Steering Committees and Center Coordinators on the suggested country visits.

- (b) **Patrick Downes**, monetary/banking expert: During his 35 plus years of experience, Mr. Downes has held senior management positions in both the IMF and the Central Bank of Ireland. He has had hands-on experience in monetary, banking and financial market issues and promotion of financial system stability, based on best practices and international standards and codes. Recently he was the monetary/banking expert for the evaluation of IMF's TAs in Iraq. For this evaluation, Mr. Downes was responsible for evaluating all areas of the support provided by the AFRITAC Initiative in the finance and banking areas. He also contributed to developing the methodology and assessing the strategic issues identified by the evaluation.
- (c) **Henry Kanyesiime Gaperi**, fiscal expert: Mr. Gaperi's 19 years of professional experience includes many senior positions in Rwanda including the Director General of the Social Security Fund, Chairperson of Rwanda Capital Markets Advisory Council, Commissioner General of Rwanda Revenue Authority, Commissioner for Large Taxpayers, Chairperson for Rwanda Revenue Authority Modernization and Computerization Committees, Member of Tax Policy and Commissioner of Value Added Tax. Mr. Gasperi was responsible for evaluating all areas of the support provided by the AFRITACs in the fiscal area, including both PFM and revenue administration.
- (d) **Isaac Njiemoun**, statistics expert: Mr. Njiemoun has over 35 years of professional experience and is the Vice President of the Association of Statisticians in Cameroon and a member of the African Association for Public Administration and Management. During his career in Cameroon, he was the Minister of Posts and Telecommunications, the General Manager of the Caisse Autonome d'Amortissement and held senior positions in the Ministry of Finance and the Department of Statistics and National Accounts. Mr. Njiemoun contributed to evaluating the support provided by the AFRITAC Centers in the statistics area.

II. MAIN EVALUATION FINDINGS

Key Messages

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

A. Introduction

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

41. The electronic survey was designed to provide a voice to a larger group of key informants than the Evaluation Team could interview during its field work. The results of the survey are summarized in Annex C and are used in Annexes D, E and F to test and validate the conclusions of the Evaluation Team. In general, there was a high degree of consistency between the Evaluation Team's findings and conclusions and the responses to the survey. A total of **815 responses were received** when the AFRITAC Evaluation survey was closed on 17 December 2008. The **response rate was 60%** for the delivered E-mails and it ranged between 54% and 70% for the different categories of respondents²⁶ (see Table C.1 in Annex C). **Government officials accounted for about 60% of the completed questionnaires.** About 60% of the government officials were from East AFRITAC client countries, a quarter were from West AFRITAC countries and one in five were from the Central AFRITAC region. **Responses were also received from a reasonable number of IMF staff (141), IMF consultants (99) and representatives of other TA providers (90).** Of the government officials, 39% worked in ministries of finance, 27% in central banks, 22% in revenue administrations and 9% in statistical agencies. There was reasonable coverage of IMF staff from the various departments. The largest groups of TA providers included on the survey master list were from the African Development Bank and the World Bank. Other respondents in this category were from bilateral donors. The relatively small number of respondents from STA and statistical agencies raise some concerns about the robustness of the survey results for the statistical area. **Nearly 650 respondents felt that they had enough knowledge to rate the performance of an AFRITAC -- 357 for East AFRITAC, 176 for West AFRITAC and 115 for Central AFRITAC.**

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

B. Relevance of the AFRITAC TAs

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

²⁶ Government officials in East, West and Central Africa, TA providers, IMF and AFRITAC staff and IMF consultants.

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

44. Drawing on the detailed ratings in Annexes D, E and F²⁷, the relevance of the AFRITAC program as a whole was rated as **Good** (see Table II.1). The relevancy assessment indicates that the AFRITAC TAs were focused in the right areas. The relevancy ratings were consistently **Good** across all three AFRITACs and across the functional areas – at or above the midpoint in the range. There were, however, some differences among the TA clusters. The relevance of three TA clusters, Revenue Administration and Financial Sector Supervision in East AFRITAC and Debt Management in Central AFRITAC, was rated as **Excellent**. The relevance of two other clusters, Debt Management and Microfinance Supervision in West AFRITAC was rated as **Good bordering on Excellent**. The relevance of four TA clusters was rated as **Good but below the midpoint of the Good range** (e.g., the PFM clusters in all three AFRITACs and the Monetary cluster in East AFRITAC). The relevance of the **Statistics TAs was rated as Good for all three AFRITACs with slightly higher ratings for West AFRITAC** because of the good coordination with AFRISTAT and the synergies between the Statistics and PFM Advisors in the areas of Government Finance Statistics.

Table II.1: Relevance of AFRITAC TAs

	East AFRITAC		West AFRITAC		Central AFRITAC		Total	
	Person Months	Score	Person Months	Score	Person Months	Score	Person Months	Score
Monetary/Finance TAs								
Monetary/Debt	13	3.0	29	3.4	15	3.8	57	3.4
Financial Supervision	36	3.6	36	3.4	15	2.8	87	3.4
Total Monetary Finance	49	3.4	65	3.4	30	3.3	144	3.4
Fiscal TAs								
PFM	45	2.8	60	2.8	30	2.8	135	2.8
Revenue Administration	36	3.8	72	3.2	15	3.0	123	3.4
Total Fiscal TAs	81	3.2	132	3.0	45	2.9	258	3.1
Statistics	31	3.0	72	3.2	11	3.0	114	3.1
RELEVANCE Rating	161	3.2	269	3.2	86	3.0	516	3.2

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

45. The Evaluation Team's rating of relevance is consistent with the results of the AFRITAC Evaluation Survey. One third of the 616 respondents rated the relevance AFRITAC TAs as **Excellent** and 59% rated it as **Good**. Very few people rated relevancy as **Modest** (8%)

²⁷ See the summary ratings for East AFRITAC in Table D.37, for West AFRITAC in Table E.36 and Central AFRITAC in Table F.34.

or **Poor** (1%). A higher proportion of survey respondents rated relevancy of the East AFRITAC TAs as Excellent than was the case for the West and Central AFRITAC.

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

1. Relevance of Monetary/Financial System TAs

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

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

49. Reflecting both regional characteristics and country needs, all AFRITACs have a Resident Advisor in each of the two clusters as follows: (i) Monetary Operations Advisor and Banking Supervision Advisor in East AFRITAC; (ii) Advisors in Debt Management and Microfinance Supervision in West AFRITAC; and (iii) Advisors in Debt Management and Banking Supervision in Central AFRITAC. In West and Central AFRITACs, these arrangements are less than optimal when viewed from the perspective of the client countries with central banks. MCM seeks to provide TA in these countries but it is not clear that this arrangement works effectively for the countries concerned or is the most efficient way to provide the TAs. **There is a need to ensure a level playing field for access to monetary and financial system TAs, especially monetary operations and banking supervision, for all AFRITAC**

country clients. Although the AFRITAC's work plans can be modified when they are considered by the Steering Committees, the amount of flexibility is limited in situations in which the demand for TAs exceeds the delivery capacity of the AFRITAC or the AFRITACs do not have the necessary skills to deliver the type of TA requested.

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

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

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

2. Relevance of Fiscal TAs

53. **The broad areas covered by PFM TAs included:** (i) developing appropriate legislative and regulatory frameworks for PFM; (ii) improving budget preparation and management to ensure better alignment of resource allocations to national priorities including pro-poor initiatives; (iii) supporting the introduction of GFSM 2001 based budget classification; (iv) promoting treasury reforms to improve management, transparency and accountability; (v) strengthening capacities to manage inter-governmental fiscal relations;²⁸ and (vi) supporting the design and implementation of PFM reform agendas.

²⁸ The need for such assistance is clear from the data available in the World Bank's data base on statistics. Few of the AFRITAC client countries report consolidated government accounts.

54. **Revenue Administration TAs supported tax and customs authorities in fine-tuning their strategies and action plans in a number of areas:** (i) modernizing revenue legal frameworks; (ii) strengthening tax administration and broadening the tax base; (iii) being more taxpayer focused by using segmentation approaches in managing large, medium and small taxpayers; (iv) promoting self-assessment systems; (v) reviewing business processes, including increasing transparency and strengthening accounting, internal control and audit; (vi) using risk management approach in revenue administration; (viii) using appropriate information technology systems in both the tax and customs areas; and (ix) ethics training supporting efforts to reduce corruption, fraud and smuggling.

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

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

57. The relevance of Revenue Administration TAs is clear from a statement in East AFRITAC's annual report for FY2007-FY2008²⁹ "Generating and administering national revenues is one of the most important functions of a state, a basic foundation upon which all else depends, from the running of schools and hospitals to the paying of salaries and pensions. Assisting the countries of East Africa in developing a solid revenue administration therefore contributes to the achievement of several important objectives: firstly, it is a key element in state-building and state-strengthening; secondly, it generates additional funds for the country's development; and thirdly, it helps member countries reduce their dependency on external funding." The Evaluation Team agrees with the general thrust of this statement and believes that it also applies to the Revenue Administration TAs in the West and Central AFRITACs.

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

²⁹ East AFRITAC Annual Report 2007–08. Page 8.

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

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

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

3. Relevance of Statistics TAs

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

62. At a conceptual level the relevance of statistics TAs is clear. Senior government officials need accurate, reliable and timely national accounts data to formulate and implement sound macroeconomic policies. Monitoring the implementation of national poverty reduction strategies requires tracking macro indicators such as gross domestic product (GDP) and prices. Central banks use timely monthly CPI figures to track inflation and to help formulate monetary policy. Accurate, timely Balance of Payment (BOP) estimates are needed by central banks in making decisions in the area of monetary policy, and currency and capital account management. Sound

Government Financial Statistics (GFS) promote efficient, transparent budget planning and execution and sound fiscal policies, more generally. IMF needs accurate and up to date estimates of real GDP growth rates, CPI, BOP and GFS for its lending, monitoring and surveillance work. There are weaknesses in the quality, timeliness and coverage of statistics and statistical practices in most African countries as is clear from an examination of information available on the World Bank's Country Statistical Information Database. Addressing these weaknesses requires significant investment³⁰. In East and Central AFRITACs, statistics TA was delivered by one Statistics Advisor whose main expertise was in real sector statistics. There were two Statistics Advisors in West AFRITAC, one focusing on real sector statistics³¹ and one on GFS.

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

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

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

³⁰ Estimated at \$75 million per year for all African countries and at \$60 million per year for low income countries. See Regional Strategic Framework For Statistical Capacity Building in Africa: Better Statistics For Improved Development Outcomes. Sources: Economic Commission for Africa, African Development Group, the World Bank, and Paris 21.

³¹ This position is financed by the Japan Sub Account.

knowledge.”³² Some have recently concluded that “Data quality may emerge as one of the most critical factors affecting analysis in the coming decade.”³³

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

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

4. Common Findings on Relevance of AFRITAC TAs

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

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

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

³² Statistical Methodology. A. F. Karr, A. P. Sanil and D. L. Banks. Data Quality: A Statistical Perspective. 2006, 3, Pages 137–173.

³³ TECHNOMETRICS. Leland Wilkinson. The Future of Statistical Computing. November 2008, Volume 50, NO. 4. Page 424.

get the sequencing right and to coordinate TAs among donors³⁴. It was concluded that it was important to have a strategic overview of issues related to the legal/regulatory framework, the need to strengthen institutions and designing TAs that were consistent with government priorities and institutional absorptive capacity. With the exception of the PFM area generally, revenue administration and bank supervision in East Africa and debt management and microfinance in West Africa, these broad diagnostics were sometimes missing. The relevancy of some TAs might have improved if more diagnostic work had been done by MCM and STA. For example, given the many needs of some statistical agencies, it was not always clear that the highest priority for AFRITAC assistance was to help improve the computational methodology. The AFRITACs and STA do not always have to play the leading role in developing broad strategic plans to improve statistics. Often these can and should be led by other TA providers. However, if the Statistics Advisors believe that such strategies are absent or are not being implemented, part of their donor coordination responsibilities should be to pro-actively help the concerned agencies mobilize the necessary support for their preparation and implementation.

71. **An important element of the governance structure of the AFRITACs is the role of the Steering Committees in supervising, providing oversight and approving the work programs and budgets of the AFRITACs.** Of the 350 survey respondents who rated the Steering Committees, **18% rated their performance as Excellent and two thirds gave a Good rating** (see Table CX.6). The feedback from the government officials and Center Coordinators interviewed by the Evaluation Team was that the **Steering Committees were effective in giving a voice to beneficiary countries and other TA providers and that the Steering Committee meetings were not dominated by IMF. There are, however, areas for improvement** (e.g., poor meeting attendance by some donors and countries in West AFRITAC; a more comprehensive and forceful articulation of priorities by country representatives; stronger and more dynamic role for the national AFRITAC focal points and a greater recognition of their roles). Steering Committee members should more proactively support AFRITAC outreach in government organizations in their countries and with the local donor community. Donor representatives should more proactively share information among the constituencies that they represent. **The experiment of opening up the decision making to people representing the views of concerned government officials and TA providers was a successful and useful innovation. It helped to increase country ownership and make AFRITAC TAs responsive to country needs, thereby improving the relevance of AFRITAC TAs.**

C. Effectiveness of AFRITAC TAs

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

³⁴ See: (i) IMF MFD Technical Assistance to Recent Post-Conflict Countries. 14 December 2004; and, (ii) IMF. Rebuilding Fiscal Institutions in Post-Conflict Countries. 13 December 2004.

Table II.2: Effectiveness of AFRITAC TAs

	East AFRITAC		West AFRITAC		Central AFRITAC		Total	
	Person Months	Score	Person Months	Score	Person Months	Score	Person Months	Score
Monetary/Finance TAs								
Monetary/Debt	13	2.6	29	3.0	15	3.3	57	3.0
Financial Supervision	36	3.7	36	3.4	15	3.0	87	3.5
Total Monetary Finance	49	3.4	65	3.2	30	3.2	144	3.3
Fiscal TAs								
PFM	45	2.7	60	2.4	30	2.3	135	2.5
Revenue Administration	36	3.4	72	2.7	15	2.7	123	2.9
Total Fiscal TAs	81	3.0	132	2.6	45	2.4	258	2.7
Statistics	31	2.7	72	2.8	11	2.4	114	2.7
Effectiveness Rating	161	3.1	269	2.8	86	2.7	516	2.9

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

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

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

³⁵ The Central AFRITAC Statistics Advisor had only been in office for about a year when the Evaluation Team visited Gabon.

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

1. Effectiveness of Monetary/Financial System TAs

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

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

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

78. **There was evidence that the Debt Management TAs in West and Central AFRITACs were effective in delivering tangible results**. These TAs provided key inputs in an important area for poverty reduction, i.e. getting a number of countries closer to post HIPC achievement status and creating fiscal space for targeted spending on poverty reduction. **The capacity**

building process in West and Central AFRITAC's TAs was found to work well. It included the development of legal frameworks for debt management (e. g., in Gabon and Mali) as well as the provision of technical advice through missions and workshops.

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

2. Effectiveness of Fiscal TAs

80. The **Public Expenditure and Financial Accountability (PEFA)**³⁶ Performance Measurement Framework is designed to measure PFM performance across countries in a consistent, objective and transparent way. The PEFA Performance Measurement Framework has six dimensions of performance and 28 explicit criteria³⁷ that are scored and ranked. The status of the preparation of PEFA assessments for AFRITAC client countries is shown in Table B.1. Relatively recently completed assessments are available on the PEFA home page for all East AFRITAC client countries except Eritrea. However, PEFA assessments are available for only two West AFRITAC client countries (Benin; Burkina Faso) and one Central AFRITAC client country (Gabon). Given the time and resources available for the evaluation, and the fact that PEFA assessments were not readily available for most West and Central AFRITAC client countries, the Evaluation Team could not use the PEFA framework to assess the effectiveness of the PFM TAs. Rather, as described in Annex B, a simpler set of criteria were used to evaluate the effectiveness of the PFM TA clusters. The PFM Advisors were aware of the PEFA assessments. Many of the PFM TAs will contribute to addressing issues related to the PEFA criteria.

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

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

³⁷ Public Financial Management Performance Measurement Framework. June 2005 Reprinted May 2006. PEFA Secretariat. World Bank. Washington. Page 9.

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

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

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

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

3. Effectiveness of Statistics TAs

85. The **statistics objectives** were to: (i) upgrade the methodologies for compilation of economic and financial statistics to international standards; and (ii) improve the dissemination of macroeconomic data. Like the other two functional areas the unfinished agenda in the statistics

area is clear from the survey. Progress was reported in achieving the statistics objectives. Few people felt that the objectives had been achieved or that no progress was being made. A comparison of the published data in the September 2005 and October 2008 issues of IMF's International Financial Statistics (IFS) indicates that progress has been slow and that data gaps and delays in timely publication remain in many countries. Also, the information in the World Bank's Country Statistical Information Database indicates that many of the problems on statistical practice in AFRITAC member countries are enduring.

86. **The effectiveness rating for the portfolio of statistics TAs was rated as Good but below the midpoint in the range for Good. The statistics TAs were rated as Good in terms of effectiveness in East and West AFRITACs, below the midpoint in both cases but Modest bordering on Good in Central AFRITAC.** The delay in filling the vacancy in the East AFRITAC Statistics Advisor position contributed to lowering the rating of that cluster³⁸. The first East AFRITAC Statistics Advisor performed well and achieved results. The rating for West AFRITAC reflects, in part, the fact that it had two Statistics Advisors. As a result only West AFRITAC delivered significant TA in the GFS area to support the work of the PFM Advisors. The AFRITAC Evaluation Survey responses were consistent with a Good rating, near the midpoint of the range, for two effectiveness sub-criteria³⁹ (see Table CX.23).

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

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

4. Common Findings on Effectiveness of AFRITAC TAs

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

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

³⁹ Use of TA outputs and achieving tangible results.

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

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

D. Efficiency of AFRITAC TAs

91. **In the past IMF's time recording system did not link IMF staff time to specific TA activities. Thus the data available was not adequate to undertake a proper cost efficiency analysis to assess the relative cost-effectiveness of AFRITAC and Headquarters TA⁴⁰. IMF's new time recording system should capture IMF staff time spent on back stopping and TA delivery and administration. Such data should permit a better cost efficiency analysis of alternative IMF TA delivery modes in about one year's time.** Based on the available information, the Evaluation Team's assessment of the efficiency of the AFRITAC TAs is summarized in Table II.3. As shown in Annexes D, E and F⁴¹, for each TA cluster, three efficiency sub-criteria were rated: (i) process and implementation efficiency; (ii) efficient use of

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

⁴¹ See Tables D.9, E.9 and F.8 for the Monetary/Financial System TAs, Tables D.21, E.21 and F.20 for the Fiscal TAs and Tables D.33, E.32 and F.30 for the Statistics TAs.

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

Table II.3: Efficiency of AFRITAC TAs

	East AFRITAC		West AFRITAC		Central AFRITAC		Total	
	Person Months	Score	Person Months	Score	Person Months	Score	Person Months	Score
Monetary/Finance TAs								
Monetary/Debt Management	13	2.6	29	2.8	15	3.0	57	2.8
Financial Supervision	36	3.4	36	2.8	15	2.8	87	3.0
Total Monetary Finance	49	3.2	65	2.8	30	2.9	144	3.0
Fiscal TAs								
PFM	45	2.6	60	2.8	30	3.0	135	2.8
Revenue Administration	36	3.2	72	2.8	15	3.0	123	2.9
Total Fiscal TAs	81	2.9	132	2.8	45	3.0	258	2.9
Statistics	31	2.6	72	2.8	11	2.8	114	2.7
Efficiency Rating	161	2.9	269	2.8	86	2.9	516	2.9

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

1. Overview of Efficiency Findings

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

93. **While the evaluation concludes that the AFRITACs are efficient, some findings that detracted from efficiency: (i) shortcomings in the monitoring and effective**

benchmarking of progress achieved; (ii) problems in connectivity make it time consuming and difficult to use some of IMF's computer systems from the AFRITACs; and (iii) inadequate investment in training local administrative staff undermined office efficiency.

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

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

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

96. The terms of reference required the Evaluation Team to examine whether AFRITAC TAs were cost-effective in relation to other comparable TA delivery modes, as determined by the evaluators, and bearing in mind the difficulties inherent in measuring the benefits of capacity-building activities. IMF's data base is not adequate to compare the cost of delivering AFRITAC and Headquarters' TAs and the Evaluation Team does not have access to a comprehensive data bases to allow cost effectiveness comparisons between TA delivered by AFRITACs and other TA providers. **Given the lack of objective data to compare AFRITAC TAs with other sources of TA, the Evaluation Team relied on subjective or perceptual data, as was done for the 2005 Evaluation.** The AFRITAC Survey Respondents were asked a series of questions to compare the effectiveness and efficiency of AFRITAC TAs with TAs delivered by Headquarters and other TA providers. The results are summarized below and detailed in Annex C. In about a year or so data will be available from IMF's new time recording system that will allow a cost comparison of AFRITAC and Headquarters' TAs. That data base should be **complemented by an evaluation to compare the effectiveness of TAs delivered by the RTACs and the three TA departments to test the hypothesis suggested by the perception**

data. It will be important to examine both effectiveness and cost and not to restrict the analysis to only a cost comparison. In interpreting the results summarized below, one must bear in mind that the TA departments are involved in the AFRITAC TAs and contribute to its good quality through the strategic prioritization of TA, the selection of well qualified and experienced Resident Advisors and backstopping which helps to ensure good quality TA. The Evaluation Team could not separate the precise contributions of the AFRITACs and Headquarters staff to the generally good TA outcomes. Also, many of the people interviewed by the Evaluation Team and those responding to the AFRITAC Evaluation survey would not be aware of the role played by the TA departments in the delivery of effective and efficient AFRITAC TA.

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

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

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

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

⁴² This is consistent with the “upstream”/ “downstream” division of work between the AFRITACs and Headquarters. Presumably the policies and strategies were developed by Headquarters TA missions in collaboration with the beneficiary countries.

financed by other TA providers and training/assistance provided by regional institutions (see Table CX.13). For all of the types of comparisons, **between 40% and 50% of the respondents felt that the AFRITACs were more cost efficient and slightly less than 40% thought that the cost effectiveness was equivalent. The AFRITACs were rated as less cost effective by only 10% to 20% of the respondents, depending on the comparator.**

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

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

E. Sustainability of the Benefits of AFRITAC TAs

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

⁴³ See Tables D.10, E.10 and F.9 for the detailed rating of the sustainability of Monetary/Financial Systems TAs, Tables D.23, E.23 and F.21 for the Fiscal TAs and Tables D.35, E.34 and F.32 for the Statistics TAs.

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

Table II.4: Sustainability of AFRITAC TAs

	East AFRITAC		West AFRITAC		Central AFRITAC		Total	
	Person Months	Score	Person Months	Score	Person Months	Score	Person Months	Score
Monetary/Finance TAs								
Monetary/Debt	13	2.7	29	2.8	15	2.7	57	2.8
Financial Supervision	36	3.1	36	2.8	15	2.6	87	2.9
Total Monetary Finance	49	3.0	65	2.8	30	2.7	144	2.8
Fiscal TAs								
PFM	45	2.7	60	2.7	30	2.1	135	2.6
Revenue Administration	36	3.2	72	2.7	15	1.9	123	2.7
Total Fiscal TAs	81	2.9	132	2.7	45	2.0	258	2.7
Statistics	31	2.8	72	2.6	11	2.1	114	2.6
Sustainability Rating	161	2.9	269	2.7	86	2.3	516	2.7

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

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

105. In the order of 500 respondents felt that they had sufficient knowledge to rate the sustainability of the benefits of AFRITAC TAs. **Thirty percent of the respondents rated**

sustainability as Excellent⁴⁴, 58% as Good, 11% as Modest and only 1% as Poor. The respondents felt that the benefits of all five TA clusters were sustainable. Sustainability was rated by the respondents above the midpoint in the range for only one TA cluster (Financial Supervision) and was below the midpoint for three clusters (Monetary/Debt Management; PFM; Revenue Administration). The sustainability rating given by the respondents was at the midpoint of the range for the cluster of Statistics TAs. The results of the AFRITAC Evaluation Survey broadly validate the sustainability ratings of the Evaluation Team.

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

107. Despite some positive findings, the Evaluation Team's overall assessment of sustainability is Good but below the midpoint on the range. This assessment of sustainability reflects several factors: (i) the limited institutional absorptive capacity, particularly in post conflict countries, which create risks for sustainability – this is a concern for some client countries of all AFRITACs but is particularly the case for Central AFRITAC (see Tables B.2, B.3 and B.4 in Annex B); (ii) much of the TA could be described as works in progress – thus it is not clear at this stage if the benefits will be sustained once AFRITAC involvement ceases; (iii) all three TA departments indicated that the backstopping model is at risk; (iv) some Resident Advisors are covering too many countries and in some cases may not be able to provide the amount of follow up required to achieve sustainable results; (v) a lack of post workshop support and follow up; (vi) staff turnover in some executing agencies; and (vii) at the time of the evaluation there was no commitment on the part of the other partners or IMF to finance the next phase of the AFRITACs – it is possible that the budgetary pressure that traditional donors will face as a result of the global financial crises will lead in cuts for Official Development Assistance. **Given the limited institutional capacity in some countries in all regions, sustainability of TA benefits will be at risk unless sufficient resources are mobilized for in-depth multi-year comprehensive capacity building programs. The experience documented in the FAD and MCM self evaluations of TAs in post conflict countries has shown that this type of intervention is needed** to make meaningful progress in building institutional capacity in such challenging circumstances. IMF is in the process of mobilizing a topical trust fund to address this issue.

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

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

⁴⁴ The sustainability ratings were broadly similar across AFRITACs, although a slightly higher proportion of respondents assigned an Excellent rating for East AFRITAC (34%) than for West (25%) or Central (27%) AFRITAC.

reported to be a problem in some countries and functional areas -- bank supervision, cash management, computerization of financial management systems, budget policy analysis and reporting, revenue administration and statistics. To mitigate the loss of technical expertise and knowledge, **authorities should be encouraged to undertake effective documentation of policies and procedures in key reform areas. Succession planning and knowledge and skills transfer are needed to ensure lasting impact of AFRITAC assistance.**

110. One of the objectives of the AFRITACs was to make increasing use of African expertise, either as Resident Advisors, short-term experts or as resource persons in seminars⁴⁵. **The Evaluation Team found that it was particularly useful for executing agencies to receive advice from people who have had recent experience implementing similar reforms in organizations that are facing similar challenges and are at roughly the same level of development. While African experts were welcome, during interviews senior officials stressed that they must be well qualified and have the knowledge and experience necessary to do the job. The survey results also indicate that people generally feel that the AFRITACs have done a Good job promoting the use of African expertise -- 26% of the 484 respondents rated the AFRITACs as Excellent in this area, 50% as Good, 19% as Modest and 5% as Poor (see Table CX.17). The AFRITACs are viewed as being more efficient in using African expertise than either IMF Headquarters or other TA providers.** The positive feedback on the use of African expertise was consistent across the AFRITACs, although the ratings were marginally lower for East AFRITAC.

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

F. Overall Assessment of the AFRITACs

1. Evaluation Team Ratings

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

⁴⁵ The Evaluation Team did not have data that showed the amount of TA delivered by African and non-African experts.

performance of each AFRITAC (see Table II.5) and the TAs in the functional areas of the three TA departments (see Table II.6).

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

Table II.5: Rating the AFRITAC TAs

	Weights (%)	East AFRITAC	West AFRITAC	Central AFRITAC	Total
Resident Advisors Input (Person Months)		161	269	86	516
Relevance	32%	3.2	3.2	3.0	3.2
Effectiveness	28%	3.1	2.8	2.7	2.9
Efficiency	22%	2.9	2.8	2.9	2.8
Sustainability	18%	2.9	2.7	2.3	2.7
Total Rating	100%	3.1	2.9	2.8	2.9

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

Highly Successful (Excellent) ≥ 3.5 ; $3.5 < \text{Successful (Good)} \geq 2.5$; $2.5 < \text{Partly Successful} \geq 1.5$

(Modest); Not Successful (Poor) < 1.5

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

Table II.6: Rating the AFRITAC TAs by Functional Area

	Weights (%)	Monetary/ Financial Systems	Fiscal	Statistics	Total
Resident Advisors Input (Person Months)		144	258	114	516
Relevance	32%	3.4	3.1	3.1	3.2
Effectiveness	28%	3.3	2.7	2.7	2.9
Efficiency	22%	3.0	2.9	2.7	2.9
Sustainability	18%	2.8	2.7	2.6	2.7
Total Rating	100%	3.2	2.9	2.8	2.9

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

Highly Successful (Excellent) ≥ 3.5 ; $3.5 < \text{Successful (Good)} \geq 2.5$; $2.5 < \text{Partly Successful} \geq 1.5$ (Modest); Not Successful (Poor) < 1.5

2. Validation from the AFRITAC Evaluation Survey Results

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

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

117. All of the ratings from the survey for each criteria for each TA cluster were rated as **Good**, except for the relevance of the Financial Sector Supervision TAs which was rated as **Excellent**. The very positive rating of the relevance of the Financial Sector Supervision TAs reflects, in part, the fact that responses for East AFRITAC dominated the survey results. The feedback that the Evaluation Team received in Tanzania, Rwanda and Kenya indicated that the

former Bank Supervision Resident Advisor in East AFRITAC made excellent contributions to help in the successful transition from traditional bank supervision to risk based supervision. Very positive feedback was also received on microfinance supervision TAs of West AFRITAC and Revenue Administration TAs in East Africa.

118. Ratings in the **bottom quartile of the Good range** included three in the area of Public Financial Management (coordinating with other TA providers; use of TA outputs; achieving tangible results). Coordinating with other TA providers was also rated as relatively low for Revenue Administration, Monetary Operations/Debt Management, and Financial Sector Supervision⁴⁶. **Coordinating with other TA providers received the lowest score among the nine criteria. During the field work, some donors complained about a lack of knowledge of AFRITAC operations and lack of access to reports prepared by the Resident Advisors.** The issues of coordination and information dissemination are discussed in more detail in Chapter III.

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

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

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

- (i) **Better grounding of AFRITAC TA programs:** AFRITAC programs need to be better grounded in IMF country strategies, whether through the African Department's annual country strategy notes, IMF country programs and surveillance reports, Poverty Reduction and Growth Facilities (PRGFs) or Poverty Support Instruments (PSIs). A stronger link is needed to follow-up strategies for implementing regional and country specific FSAP findings and recommendations. Better coordination is needed between MCM's and STA's "upstream" role (diagnostics and strategy) with AFRITACs "downstream" role (supporting implementation).
- (ii) **Better sharing of lessons learned:** Central AFRITAC learning the lessons of experience from West AFRITAC is the most obvious case for sharing experience

⁴⁶ Feedback that the Evaluation Team received from country officials in: (i) Rwanda on the payments system modernization project; and (ii) in Côte d'Ivoire, Guinea and Mali on debt management and microfinance, provided evidence of some examples of good coordination between AFRITACs and other donors.

across AFRITACs. However, this will become a more important issue with the establishment of two more AFRITACs. Preparing and disseminating working papers that chronicle experience in successful areas of TA delivery, such as has been done recently by East AFRITAC, is a model for replication in all AFRITACs. Although there have been periodic retreats to share information among AFRITACs (e.g., the AFRITAC retreat in Nairobi in July 2006; the RTAC Center Coordinators retreat in Washington in December 2008), such retreats should be held more regularly going forward. Better information dissemination and the use of web pages are discussed in Chapter III.

- (iii) **More effective donor coordination:** All AFRITACs need to improve donor coordination and information sharing, an issue that is discussed in Chapter III.
- (iv) **More intensive engagement in post conflict countries:** The Resident Advisors are spread too thinly to be able to engage intensively in post conflict countries. The AFRITACs need to engage more intensively in such countries. IMF's efforts to establish a Topical Trust Fund to finance "upstream" and "downstream" TA for post-conflict countries, together with the expected funding for the next phase of the AFRITACs, should provide additional resources for this⁴⁷.
- (v) **Better monitoring of results:** Despite the progress that has been made, the quality of reporting on results needs to be improved in all AFRITACs and across all functional areas. The Steering Committees and the TA departments need to ensure that there is more meaningful tracking that emphasizes outcomes and impacts rather than delivery of outputs (see Chapter III).
- (vi) **Greater focus on sustainability through the effective implementation of TA recommendations:** The issue of implementing TA recommendations needs to be considered in the TA design. Providing good quality advice and largely leaving the implementation of the resulting recommendations to the authorities is not the way to achieve sustainable outcomes and impacts. Authorities should be encouraged to establish the necessary policy and institutional framework for initiating reform projects, including cabinet approved policy decisions, establishment of project teams, formulating realistic work plans and assigning medium/long term experts. Sometimes resources need to be mobilized to support the implementation of TA recommendations. This issue is discussed in more detail in Chapter III.
- (vii) **Mitigate the loss of technical expertise and knowledge:** The authorities should be encouraged to undertake effective documentation of policies and procedures in key reform areas. Succession planning and knowledge and skills transfer need to be done by member countries to ensure a lasting impact of AFRITAC TAs.
- (viii) **Expand the range of monetary and financial system TAs available from West and Central AFRITACs:** It is important to ensure that there is a level playing field for access to monetary and financial system TAs -- especially for monetary operations -- for all country clients, especially those which are not members of WAEMU or CEMAC and have their own central banks and currencies.
- (ix) **Find a strategic niche for PFM TAs:** Compared to some other TA providers, the AFRITACs have relatively modest amounts of PFM TA. Strategic niches

⁴⁷ In its comments on the draft report, OTM advised that IMF's working model is that the planned TAs to be provided to a country would be described in the Regional Strategy Notes and would involve a mix of modalities (e.g., Headquarters TAs; short and long term experts; AFRITACs). While the Fragile States Topical Trust Fund would not be available at the direct discretion of the AFRITACs, IMF would aim to deliver an integrated, comprehensive package of assistance to fragile states.

need to be identified where the AFRITACs can add value. Areas of strength that could be built on include actively promoting the adoption of best practices in key areas (e.g., medium-term planning and budgeting; cash management and banking arrangements; migration to GFS 2001 classification; improved fiscal reporting; strengthening the legal and regulatory framework) and providing quality control and monitoring the implementation of PFM action plans. While IMF has experience and expertise and there are clear needs in all of these areas, the AFRITAC's human and financial resources are limited. Thus, more focus to be consistent with the resource envelope would be desirable.

- (x) **Consolidate gains made in Revenue Administration:** Continued support is needed to achieve the modernization objectives, consolidate the gains made and deepen reforms. Areas of focus could include improving transparency and accountability, taxpayer services, taxpayer segmentation and management, the increased use of risk-based compliance management approaches in both tax and customs, natural resources taxation management, business process review and design and the use of robust information technology platforms.
- (xi) **Better aligning the expectations in the AFRITAC program documents for statistics with the likely resource envelop:** The program documents for East and West AFRITACs state that the Statistics Advisors will provide the following types of assistance in 7 to 10 countries -- National Accounts; Price Indexes; Incorporating Statistical Development Plans into PRSPs; Balance of Payments; Government Financial Statistics; Institutional Issues and Exploiting Synergies with other Resident Advisors. Delivering such a wide ranging suite of services is beyond the capacity of even the most competent, hard working Advisor. More focus is needed. While many donors are active in the area of real sector statistics, some with considerably more resources than the AFRITACs, few other TA providers are involved in central bank and government finance statistics. An overly wide area of responsibility sometimes resulted in a lack of follow up, something that is essential to achieve outcomes and impacts.

G. AFRITACs and Poverty Reduction

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

Table II.7: Poverty Incidence in AFRITAC Client Countries

	% of Population Under the National Poverty Line		% of Population Under the International Poverty Line (Income of \$1 per Day)	
	Year of Survey	%	Year of Survey	%
East Africa				
Eritrea	1993/94	53	--	--
Ethiopia	1999/2000	44	1999/2000	23
Kenya	1997	52	1997	23
Malawi	1997/98	65	1997/98	42
Rwanda	1999/2000	60	1999/2000	52
Tanzania	2000/01	36	2000/01	58
Uganda	2002/03	38	--	--
West Africa				
Benin	1999	29	2003	31
Burkina Faso	2003	46	2003	27
Côte d'Ivoire ^{a/}	2008	49	2002	15
Guinea	1994	40	--	--
Guinea-Bissau	--	--	--	--
Mali	1998	64	1994	72
Mauritania	2000	46	2000	26
Niger	1989/90	63	1995	61
Senegal	1992	33	1995	22
Togo	1987/89	32	--	--
Central Africa				
Burundi	1990	36	1998	55
Cameroon	2001	40	2001	17
Central African Republic	--	--	1993	67
Chad	1995/96	64	--	--
Republic of the Congo	--	--	--	--
Democratic Republic of the Congo	--	--	--	--
Equatorial Guinea	--	--	--	--
Gabon	--	--	--	--

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

122. The proportion of the population in client countries that are living on incomes that are below the poverty line is estimated to range between 15% and 72% for AFRITAC client countries using the \$1 per day threshold and between 29% and 65% using the national poverty lines⁴⁸. Based on World Bank data, 271 million people in Sub-Saharan Africa, 46% of the population, were living on incomes of less than \$1 per day in 1996. By 2002, 303 million people, 44% of the population, were living below in the international poverty line. Most Sub-Saharan African countries have not made significant progress in the war against poverty. Malnutrition, which is closely associated with poverty, is expected to fall in all regions of the world except in Sub-Saharan Africa⁴⁹.

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

⁴⁹ This information was abstracted from the World Development Indicators 2006, published by the World Bank.

123. Many authors have concluded that **robust economic growth that is sustained over many years is a necessary pre-requisite for countries to successfully reduce poverty**⁵⁰. The IMF's mission in low-income countries is defined as helping them to achieve the macroeconomic and financial stability needed to raise growth and reduce poverty⁵¹. **The tools necessary for sound economic management and financial stability include good public expenditure management, sound revenue administration, good monetary policy, a sound, well regulated financial sector and good economic statistics. AFRITAC work programs are focused on developing the tools necessary for sound economic management that will indirectly contribute to poverty reduction.**

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

- (i) **Debt Management TAs** helped to: (a) achieve HIPC debt reduction plans that free up resources for expenditures directly linked to poverty reduction; (b) put into place capacities to formulate debt sustainability framework for the medium term, including a proper data base, that helps to avoid countries falling into debt poverty trap again; and (c) promote the development of sub regional money and government debt markets that enhance cash management, budget financing and development investment.
- (ii) **Microfinance TAs** promoted deepening of financial intermediation and providing access to credit to the less advantaged people not reached by conventional banking and supported small scale livelihood initiatives.
- (iii) **PFM and Revenue Administration TAs** helped to ensure that adequate resources are available for health, education, and infrastructure, all of which promote growth, help poorer segments of the population, and track or shift expenditures to pro-poor areas (e.g., health, education, and livelihood and poverty reduction). **Successful PFM TAs help to create an environment in which donors can feel more comfortable scaling up aid using general budget support and debt forgiveness to help address poverty.**
- (iv) **Statistics TAs** provide a better data base for policy development and planning and monitoring the progress being made in reducing poverty and implementing the poverty reduction strategies.

125. **The AFRITACs are not alone in adopting an indirect approach to poverty reductions and the Millennium Development Goals (MDGs).** A paper analyzed the substance of the Poverty Reduction Strategy Papers (PRSPs) of 22 developing countries and the policy frameworks of 21 bilateral programs.⁵² The major conclusions were: (i) economic growth for income poverty reduction and social sector investments (education, health and water) are important priorities in most PRSPs; and (ii) PRSPs emphasized the importance of good governance to achieve the MDGs, but most of the focus was on economic governance rather than on participatory and equitable processes. The paper identified three uses of global goals: (i) consensus objectives; (ii) monitoring benchmarks; and (iii) planning targets. The paper

⁵⁰ ADB INSTITUTE RESEARCH PAPER 33. Growth and Poverty: Lessons from the East Asian Miracle Revisited. M. G. Quibria. February 2002.

⁵¹ IMF. The Role of the Fund in Low-Income Countries. 16 June 2008.

⁵² International Poverty Center. ARE THE MDGs PRIORITY IN DEVELOPMENT STRATEGIES AND AID PROGRAMMES? ONLY FEW ARE! Sakiko Fukuda-Parr. Professor of International Affairs, The New School University, New York. Working Paper Number 48. October, 2008.

concluded that “Most donor policy statements and PRSPs use MDGs as consensus objectives. Most PRSPs also use MDGs as planning targets, but without adapting them to local conditions and priorities. In most cases where MDG targets are set, they are in line with the MDG 2015 targets; this is not necessarily a sign of “ownership” because these targets are not accompanied by coherent action plans. If the MDGs are to be used as planning targets for resource allocation purposes, the international community could develop a more consistent and effective approach to the local incorporation of MDGs into national planning and priority setting.”⁵³

H. AFRITACs and Reducing Corruption

126. **During the past decade, supporting efforts to reduce opportunities for corruption have become an increasingly important part of the development agenda.** It is now widely recognized that corruption: (i) misallocates resources; (ii) diverts public resources to private gains and away from needed public spending on education, health and infrastructure; (iii) reduces public revenues and thus the funds available for public expenditure through tax fraud and non-compliance, smuggling and mis-declaration; (iv) adversely affects economic growth; (v) reduces investment; (vi) contributes to crony capitalism and the creation of rent seeking monopolies and oligopolies; (vii) impacts disproportionately on the poor; (ix) transfers capital out of developing countries; (viii) skews consumption towards imported luxury goods; (x) increases the cost of projects; and (xi) results in substandard construction and poor operations and maintenance⁵⁴. A lack of transparency and opaque rules and regulations hamper business and create opportunities for bribery and corruption. It has been estimated that up to one third of development investment in some countries is wasted⁵⁵. **World Bank data indicates that 13 of the 25 countries served by the AFRITACs are ranked in the bottom 20% of countries in the world as far as control of corruption is concerned** (see Table II.8). It is very difficult to reverse the wide spread and systematic corruption embedded in the structure of government. If tax payers in donor countries feel that there is a high likelihood that a portion of their tax dollars allocated to the development budget will be stolen, there is an understandable reluctance among the public to see their tax dollars spent in such countries.

⁵³ Ibid. See abstract in the paper.

⁵⁴ Asian Development Bank. 2006 Annual Evaluation Review. September 2006. Para 77.

⁵⁵ Geert van der Linden, ADB and OECD, “Knowledge, Commitment and Action Against Corruption in Asia and the Pacific”, 5th Regional Conference on the ADB-OECD Anti-Corruption Initiative for Asia and the Pacific, Beijing, PRC, September 2005, pages 28-32.

Table II.8: Corruption Ratings of AFRITAC Client Countries

East AFRITAC		West AFRITAC		Central AFRITAC	
	%		%		%
Eritrea	35	Benin	40	Burundi	9
Ethiopia	28	Burkina Faso	47	Cameroon	16
Kenya	16	Côte d'Ivoire	7	Central African Republic	18
Malawi	26	Guinea	3	Chad	5
Rwanda	59	Guinea-Bissau	7	Republic of the Congo	11
Tanzania	43	Mali	45	Democratic Republic of the Congo	4
Uganda	25	Mauritania	38	Equatorial Guinea	2
		Niger	18	Gabon	21
		Senegal	38		
		Togo	14		

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

Source: World Bank Governance Indicators

127. According to a September 2008⁵⁶ fact sheet, **IMF's approach to combating corruption emphasizes prevention, concentrating on measures to strengthen governance and limiting the scope for corruption**⁵⁷. IMF helps to prevent and address corruption in areas where it has a mandate and expertise. **IMF's activities that can help to reduce opportunities for corruption can be divided into two areas:** "(i) *improving the management of public resources* through reforms covering public sector institutions (e.g., the treasury, central bank, public enterprises, civil service, and the official statistics function), including administrative procedures (e.g., expenditure control, budget management, and revenue collection); and (ii) *supporting the development and maintenance of a transparent and stable economic and regulatory environment conducive to efficient private sector activities* (e.g., price systems, exchange and trade regimes, and banking systems and their related regulations)"⁵⁸. IMF's approach to improving accountability and transparency to reduce opportunities for corruption focuses on promoting sound oversight and **operation of the internal control, auditing, and public financial reporting mechanisms, improving accountability by enhancing transparency**⁵⁹ in policies, in line with internationally recognized standards and codes and **combating money laundering and the financing of terrorism**.

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

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

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

⁵⁸ From IMF Corruption and Governance Guide 2005.

⁵⁹ IMF has developed a Code of Good Practices on Fiscal Transparency and a Code of Good Practices on Transparency in Monetary and Financial Policies.

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

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

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

III. OVERARCHING ISSUES

Key Messages

- The AFRITACs' good performance merits increasing the resources made available to them to allow them to more effectively service the growing demand for their services and to reflect the fact that they are operating in multiple countries, including post conflict countries with limited absorptive capacity.
- All parties involved in the AFRITAC governance structure need to work together to do a better job coordinating with other TA providers and sharing and disseminating information and reports -- West and Central AFRITAC should follow East AFRITACs good dissemination initiatives. If the AFRITACs are expected to develop and maintain web pages, they will need to be resourced accordingly.
- While some progress has been made to more effectively track and report on outcomes and results, the Steering Committees should demand more progress in this area, recognizing that this is an IMF-wide issue.
- Compared to 2005, improvements have been made in integrating AFRITAC TAs with Headquarters surveillance work and IMF programs.
- Evaluation findings indicate that the concern in 2005 that the involvement of the Steering Committee would undercut the ability of TA departments to ensure TA quality and result in reputational risks for IMF did not materialize.
- The backstopping model is under more pressure in 2008 than it was in 2005, although IMF's plans to charge donors for backstopping and allocate the associated funds directly to be budgets of the TA departments should reduce this risk to the sustainability of the AFRITAC model.
- IMF's operational and management procedures for RTACs need to be codified in a manual. Issues to consider include: (i) empowering the Resident Coordinators; (ii) lengthening the appointment of Resident Advisors; (ii) improving the recruitment procedures and succession planning for Resident Advisors; (iv) removing barriers in IMF policies that discourage staff from TA Departments working as Resident Advisors; (v) formalizing the role of the Resident Representatives for the AFRITACs; (vi) harmonizing backstopping across the TA Departments; (vii) improving administrative support for AFRITACs and training of local staff; (viii) strengthening financial management and control; and (ix) improving connectivity. Some of these improvements will have resource implications to be considered in the next funding cycle.
- AFRITACs should do more to build on their comparative advantage to use a regional approach to help develop the macroeconomic management tools necessary to support regional harmonization and integration.
- IMF should prepare a long term vision statement for the AFRITACs that would address, among other things, the implications of more decentralized delivery and supervision of TA and a redeployment of some TA staff from Headquarters to the AFRITACs to build on, and expand, the successful model that has been documented in this evaluation and the 2005 evaluation.

A. Introduction

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

B. Increasing the Resources for the AFRITACs

131. **There are large capacity building needs in AFRITAC client countries.** The overwhelming majority of survey respondents replied that while progress has been made, the AFRITACs have not fully achieved their objectives. There is a large unfinished agenda. **Looking to the future, Government officials in all countries visited by the Evaluation Team see a growing demand for AFRITAC TA. The characteristics of the client countries and the limited institutional capacity suggest that some Resident Advisors are spread too thinly.** Capacity building requires sustained involvement over a period of years. Spreading the Resident Advisors so thinly undermines their ability to effectively service clients and to achieve results that have the desired impact and are sustainable. Covering multiple countries efficiently is also hampered by the difficult travel logistics, particularly in West and Central Africa. Capacity building in post conflict countries is a particular challenge. FAD and MCM self evaluations indicate that during the initial years, considerable resources are needed to achieve objectives in such environments. The AFRITACs are not adequately resourced for this purpose. **IMF is planning on launching a series of topical trust funds** in 2009⁶⁰ some of which are directly related to the work of the AFRITACs (e. g., fragile states/post conflict countries; statistics; PFM; debt; financial sector stability; management of natural resource wealth). **These topical trust funds have the potential to address the problem of over stretched AFRITACs if they are well coordinated with the work of the AFRITACs.**

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

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

⁶⁰ IMF to Launch Trust Funds to Support Technical Assistance. IMF Survey online. 29 September 2008.

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

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

C. Managing for Development Results

135. Consistent with the calls in the Paris Declaration and the 2008 Accra Agenda for Action to manage for development results, there was considerable emphasis in the AFRITAC Program Documents on developing a results-based monitoring system to track the AFRITACs' performance. The Program Documents committed the AFRITACs to introducing a results-based monitoring system. They were to use the computerized Results-Based Management System to track the implementation of TA projects and activities. Logical frameworks⁶¹ were to be used to monitor TA project implementation against specified objectives, outputs, and indicators using the Technical Assistance Information Management System (TAIMS). TAIMS was not a user friendly system and was not consistently used in IMF for most of the period covered by the evaluation. Information technology and communications infrastructure weaknesses compounded the problems for AFRITACs and made it difficult for them to access the system. A review of TAIMS was undertaken in 2007 and recommendations were made for improvement⁶². **By mid-2008 an enhanced version of TAIMS was operational.** Although it is too early to determine whether the enhanced version of TAIMS will result in IMF having a better TA management information system, the enhanced version of TAIMS has addressed many of the problems identified in the TAIMS usability assessment.⁶³

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

⁶² IMF. Second Review of TAIMS. Jonathan Palmer, Chief Information Officer. June 2007

⁶³ Evans Incorporated. Technical Assistance Information Management System (TAIMS). Usability Testing. TASK 3 Deliverable. Usability Test Final Report. 23 April 2007.

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

137. **The Steering Committee minutes indicate a desire for the AFRITAC's to do a better job of reporting on results achieved rather than on inputs provided. The Steering Committees should be the main audience for AFRITAC reports on results based management and should actively demand such reports.** The Steering Committees welcomed the progress reported on the implementation of the results-based management pilot, started in January 2006, and strongly supported by the integration of the AFRITACs into TAIMS. **Despite the progress that has been made, the AFRITACs efforts to develop a good results based system remains an unfinished agenda.** In interpreting this outcome, given the findings of the 2005 evaluation and the language in the AFRITAC program documents, it is important to recall three factors: (i) **all TA providers are struggling to operationalize results based management systems**; (ii) it is widely acknowledged that **developing ways to measure and monitor capacity building TA is a major challenge**; and (iii) as documented in the TA evaluation undertaken by the Independent Evaluation Office and the 2008 paper on improving the impact of TA, **this is an IMF wide issue rather than just an AFRITAC specific issue**⁶⁴. **As an institution, IMF is investing considerable time and resources to improve results based monitoring and reporting. The AFRITACs should benefit from this effort.** However, measuring performance in a meaningful way and moving to a results focused management of TAs will take time and will be an evolutionary process.

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

⁶⁴ For example the April 2008 paper on improving TA impact states that: (i) IMF's TA is not sufficiently standardized to facilitate effective monitoring and evaluation; and (ii) there is no common understanding of the parameters for performance measurement or common benchmarks for success.

139. TAIMS is not the only tool that should be used to monitor and track results. In some areas there are internationally accepted frameworks that can complement TAIMS. In the PFM area PEFA (see Annex B) provides a sound framework to monitor the progress of countries strengthening their PFM systems in a manner that reflects the combined contributions of all TA providers. Similarly, the FSAPs provide periodic assessments of the financial sectors and the World Bank's Country Statistical Information Database could be used for similar purposes in the area of statistics. The need for internal mechanisms for IMF to track and monitor results, and for external mechanisms for IMF and other partners (e. g., donors, member countries) to track and monitor results are not mutually exclusive. Both are required and should be viewed as being complementary.

D. Improving Coordination and Dissemination

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

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

⁶⁵ The ACBF/IMF partnership was formalized in 2002. IMF contributed \$5 million to ACBF, which was to be used to co-finance AFRITAC workshops. The AFRITACs were designated as IMF's focal points for ACBF.

142. While donor coordination appears to have improved in all regions since the 2005 evaluation, it remains a challenge. Effective donor coordination is more evident in some areas (e.g., revenue administration where relatively few donors involved) and more complex in other areas (e.g., PFM and statistics areas where there are many donors). Generally both TA providers and government officials recognize the expertise of AFRITACs and IMF's good track record of quality assurance and welcome AFRITAC involvement in its areas of expertise.

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

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

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

146. There were some common factors associated with good examples of donor coordination that suggest some useful lessons going forward. These include: (i) the government played a leading role in defining priorities and articulating them to the donor community; (ii) AFRITAC had

skills and expertise that were recognized by other donors; (iii) selected members of the donor community worked together to achieve a well defined objective; (iv) the roles, inputs and outputs of each donor were clearly articulated; (v) the AFRITAC TA produced a specific output that was recognized as an important input to achieve the broader objectives; (vi) AFRITAC Resident Advisors made clear efforts to share information; and (vii) another donor provided the funds necessary to implement the TA recommendations (e. g., to finance information technology equipment and software).

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

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

- (i) **Conservative Disclosure Policy:** Historically **IMF has treated most TA information as confidential and generally did not share it with others.** The Program Document states that “In respect to the technical reports provided to country agencies and authorities, these may be released by the country authorities for sharing among SC members, and/or the public in general, subject to the relevant IMF policies. The AFRITACs will post the reports accordingly on their respective web sites.” In practice, **the reports prepared by Resident Advisors and short term experts were not shared with other TA providers, even in cases where the concerned government had no objection to the wider dissemination of the reports.** This issue was raised in Steering Committee meetings and **several TA providers stated forcefully to the Evaluation Team that IMF’s corporate decision not to share the reports was viewed as a hindrance to effective donor coordination.** They felt that they had a right to gain access to those reports since they paid for them through their contributions to AFRITAC⁶⁶. At the corporate level, **IMF now believes that TA information and reports should be disseminated more widely to improve coordination, exploit synergies, and strengthen ownership in TA recipient countries.** IMF recognizes, rather belatedly in the view of some, that donors to IMF’s TA programs have a legitimate interest in receiving information on TA that is financed by them. In May 2008 the IMF Board considered a policy paper on Dissemination of Technical Assistance Information.⁶⁷ On the basis of the framework in that policy paper, **staff guidelines were developed that set out the new disclosure procedures, which became operational in January 2009.** AFRITACs should now be able to disseminate reports after securing a no

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

⁶⁷ SM/08/97. Supplement 1. April 3, 2008.

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

- (ii) **Procedures Governing the Preparation of the Regional Strategy Notes: IMF has made significant progress in planning the use of TA resources in a more strategic way during the past three years.** The preparation of the Regional Strategy Notes is led by the regional departments and involves consultation with the three TA departments. Priorities are set within the available resources. Lists are prepared of TAs to be delivered by FAD, MCM, STA, LEG and the AFRITACs. The African Regional Strategy Notes⁶⁸ define the TA priorities by functional area for the region as well as the TA priorities on a country by country basis. These notes sometimes describe the role of AFRITACs and selected other TA providers, particularly the World Bank. The fact that the Regional Strategy Notes are publically available on IMF's web page is a welcome improvement in transparency. However, most TA providers and some AFRITAC Resident Advisors were not aware of the Regional Strategy Notes. There is room for better integration of the AFRITAC work programs and budgets into the Regional Strategy Notes and the AFR regional allocation budget. This process was described as "haphazard" by one key informant and most of the TAs described in the Regional Strategy Notes were Headquarters TAs rather than TA delivered by AFRITACs. Government input into the Regional Strategy Notes is indirect, through priorities that are expressed separately to AFR, the three TA departments and the AFRITACs. These suggestions are made by officials in different government agencies. There is no consolidated list of government priorities that reflects the available resources. The initial long list of proposed TAs typically exceeds the available resources. The resulting prioritization process is coordinated by AFR and involves input from the three TA departments. Unlike many other TA providers **IMF does not have a formal sign off procedure that signifies government agreement with the list of TAs that are prioritized by IMF.** This could be relatively easily done by asking the Resident Representatives to discuss the list of TAs that underlie the Regional Strategy Notes with their country authorities. **The final list of TAs is not made public or shared with the government or other TA providers. The Regional Strategy Notes would be more effective from a coordination perspective if: (a) lists of planned TAs were shared with the governments, the AFRITAC Steering Committees and other TA providers; and (b) the TA program covered two years, rather than one year⁶⁹.** Discussing the country based sectoral TA plans with the Steering Committee, government officials and TA providers has the potential to improve coordination between donors and generate more local interest in the AFRITAC work programs and how they fit into the broader TA picture. Sharing the lists of planned TAs, both from Headquarters and the AFRITACs, over a two year time frame with other donors would make it easier for the AFRITAC's to develop synergies and complementarities with other donors in on-going and planned TAs. Making such material publically available would also

⁶⁸ IMF. African Department: Regional Strategy Note FY2009–11. 27 October 2007.

⁶⁹ A time frame longer than one year is needed in the area of capacity development which is generally recognized as a medium to long term endeavor. A longer time frame would also increase the ability of other TA providers, which typically use a multi-year planning horizon, to plan their own program in a manner that complements and does not duplicate the TA program.

make it easier for the AFRITACs to plan collaborations with national and regional capacity building institutions which, in the longer term, should improve the impacts and sustainability of the TAs.

149. **The importance of dissemination was recognized in the AFRITAC Program Documents. One of the objectives of Phase II for East and West AFRITACs was to develop and use secured websites as an instrument to improve the dissemination of information on AFRITAC projects and work plans. East and West AFRITACs developed websites but they were not sustainable.** The East AFRITAC website was eventually decommissioned because the local server was not reliable and the documents on the West AFRITAC website⁷⁰ are out of date – the most current documents are dated early 2006. A decision is needed to either devote the resources to update the material on the West AFRITAC webpage or close it down. Central AFRITAC made a sound decision not to develop a web site until it had the capacity to operate and maintain it.

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

151. East AFRITAC is the only AFRITAC that has a written dissemination strategy. This initiative has four pillars: (i) developing a good flier; (ii) preparing a professionally done, colored annual report that provides an excellent overview of AFRITAC activities during the year – the demand for that report was high so 1,000 copies were printed for the FY2007/08 report, double the number printed for the previous issue; (iii) developing a logo and letter head; and (iv) reviving the East AFRITAC website. The first three pillars have been completed and work is underway on the new web site. Its implementation was delayed by the difficulties experienced in identifying and recruiting a suitably qualified local website/data management assistant⁷¹. In late 2008 AFRITAC introduced another excellent knowledge product, working papers that distill the lessons of East AFRITAC's capacity building experience in specific areas⁷². The other AFRITACs should follow the lead of East AFRITAC and strengthen their dissemination activities.

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

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

⁷¹ The person was in place on 1 December 2008.

⁷² The first three working papers will cover a Taxpayer Audit Improvement Guide, a Guidebook on Risk Based Supervision Implementation for banks and financial information systems.

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

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

E. Sustainability and Supporting the Implementation of TA Recommendations

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

⁷³ Other communications and dissemination channels would need to be explored in those countries where there is no Resident Representative.

155. IMF is not normally in the business of financing computers, software or surveys. However, **in situations where the success and sustainability of capacity building TAs depend on the availability of such systems, ways must be found to secure the necessary funding.** The first step is for the TAs to clearly define and cost the investments needed to implement its recommendations. This should be mandatory for all TAs. Once the costs are known, **a strategy must be developed to secure the necessary support for the financing.**

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

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

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

159. To further support the implementation of recommendations resulting from TA missions and workshops, East and Central AFRITACs may wish to follow a recent initiative taken by

West AFRITAC. Recently a guideline was endorsed by the West AFRITAC Steering Committee aimed at developing a harmonized mechanism to monitor the implementation of recommendations, based on a central capacity-building coordination unit in governments, which would work with all agencies and donors.

F. Improving Organization and Management

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

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

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

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

⁷⁴ IMF. Review of the Fund's Regional Technical Assistance Centers. 28 June 2005. Paras 27 to 38.

⁷⁵ The 2008 policy paper on improving the impact of TAs includes further improvements in this area.

for other TA activities. **The backstopping model was reported to be under more stress in 2008 than in 2005 because of the growing number of RTACs and the 2007 budget and staff cutbacks. IMF is addressing this challenge by implementing a more detailed time recording system that will allow donors to be charged the backstopping costs and for the resulting funds to be accrued to the budgets of the TA departments rather than the IMF central budget** as is currently the case for the administrative fees charged for TA funds. In 2005 it was thought that efficiency gains could be made in reducing the involvement of Headquarters staff in backstopping by assigning staff from the three TA departments to RTACs since experienced IMF staff would require less backstopping than Resident Advisors who were not IMF staff. Until the aftermath of the 2007 budget cut backs, IMF staff were not assigned to AFRITACs⁷⁶ and some IMF policies discouraged IMF staff from considering such a move as a career option. IMF needs to address this issue, which is discussed in more detail below. There are considerable strengths associated with the back stopping model. It contributed to the good quality TA provided by the AFRITACs and was generally appreciated by the Resident Advisors and senior government officials. Other TA providers also recognize IMF's expertise in its areas of competencies. The key challenges are to: (i) make the model more efficient and less resource intensive for procedural issues that do not add value; (ii) resource the back stopping function appropriately; (iii) consider whether it would be more efficient to station selected staff of TA departments in AFRITACs to do the back stopping, possibly on a regional basis; and (iv) ensure that back stoppers give professional advice to peers whose knowledge and expertise is recognized and valued rather than as part of a superior/subordinate relationship.

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

163. **The evaluation findings indicate that there are areas where synergies could be leveraged to increase the effectiveness of the AFRITACs if Resident Advisors worked more closely together.** Some examples include: (i) revenue administration efforts to broaden the tax base, especially for small and medium sized businesses, could be complimented by efforts of the Statistics Agency to better measure the size and structure of the informal sector; (ii) revenue authorities desire to increase revenue from extraction industries means that the statistics on production in those sectors need to be improved⁷⁷; (iii) there are many areas of synergies in the GFS area for the PFM and Statistics Advisors⁷⁸; (iv) coordination is needed

⁷⁶ Three IMF staff joined East AFRITAC as Resident Advisors in 2008.

⁷⁷ The Evaluation Team was advised of the need for better data on gold and mining production in Guinea and Mali and oil/petroleum would be another potential area. However, given the specialized, technical nature of statistics in this area, it is not clear whether such requests should be handled by the Statistics Advisors in AFRITACs or experts from the Statistics Department. At the minimum, the AFRITACs should flag the issue and mobilize the assistance.

⁷⁸ The East AFRITAC PFM and Statistics Advisors worked together for a PFM workshop in Malawi. Statistics and PFM Advisors in West AFRITAC worked together to make progress in the GFS area.

between the Statistics and Monetary Advisors to sequence and select the countries in which priority will be given to improve the CPI for inflation management and forecasting and for the Africa Department's surveillance activities; (v) the Statistics Advisors and Monetary Operations Advisors need to sequence and select the countries for which priority will be given to improve the BOP statistics; and (vi) the Financial Supervision and Statistics Advisors should both be involved in efforts to fill the gaps banking surveys and financial institution surveys that are evident from the International Financial Statistics publications. There are examples of Resident Advisors working together both formally in the case of GFS and PFM areas and informally during conversations among colleagues. However, when reviewing the documentation, the Evaluation Team expected to see more examples of Resident Advisors working together to deliver TA. Part of the reason for this may be structural. The Resident Advisors are recruited and supervised by the TA departments that work largely independently from each other.

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

(i) **Empower the Resident Coordinators:** The current AFRITAC Center Coordinators are all very experienced, well rounded professionals who have served as resident representatives at some point in their careers. Their experience in regional departments has given them broad exposure to IMF's surveillance and lending activities and TA in the fiscal, monetary, bank supervision and statistics areas. However, **IMF is not making full use of the technical expertise of the Center Coordinators in the management and operation of the AFRITACs.** Center Coordinators are not formally involved in the selection or supervision of the Resident Advisors⁷⁹. **The Center Coordinators should have a formal role in the selection and supervision of Resident Advisors. While the technical experts in TA departments should assess technical skills of applicants and supervise the technical aspects of their work, Center Coordinators should assess the local knowledge, diplomatic skills and inter personal skills of applicants.** These are all important skills in delivering capacity building TA. It is also important to develop synergies among Resident Advisors, respond to emerging country needs, tailor advice to be appropriate for local circumstances and avoid personality clashes in small offices far from Headquarters. The Center Coordinators should be able to provide feedback and guidance to Resident Advisors in these areas. **Ways should be found to empower the Center Coordinators in the areas of recruitment and supervision of the Resident Advisors but this should be done in a manner that does not eliminate the technical inputs from the TA departments.**

(ii) **Lengthen the Appointment of Resident Advisors:** Resident Advisors are appointed for one year, and can be renewed for one or more years⁸⁰. Capacity building is a medium to long term objective and most Resident Advisors cover several countries. It is not possible for Resident Advisors to make a significant impact in the area of capacity building in such circumstances in a one year time frame. Also, moving to a different country to take up a new assignment has implications for families and careers. It may be that some potentially excellent candidates would not apply because of the disruption to family life and careers given the risk that a one year contract might not be extended. The Evaluation Team believes that **Resident Advisors should be recruited like other staff in IMF. They should initially be recruited for two years, including a one year probationary period. They could then be extended for up to a maximum of three years, depending on their performance**

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

⁸⁰ In its comments on the draft report, Human Resources Department (HRD) stated that the contracts for Resident Advisors can be written for more than one year.

and the demand for their services. The Resident Advisors should be subject to an annual performance review⁸¹, using the same approach that is used for regular IMF staff. That system includes sufficient safeguards to deal with poor performance issues, including possible non-renewal of probationary appointments or non-renewal after two years. **The Resident Advisors are currently managed like short term experts. However, the nature of their jobs and tenure are fundamentally different from those of short term experts. IMF's procedures for recruiting and managing Resident Advisors should reflect these differences.** To avoid the loss of valuable institutional knowledge, the appointments of the Center Coordinators and Resident Advisors **should be staggered so that most of the Resident Advisors and the Center Coordinator do not turn over in the same year.**

(iii) **Improve the Recruitment of, and Succession Planning for, Resident Advisors:** **Better succession planning is needed when Resident Advisors are replaced.** There were long gaps in filling vacancies in the Monetary, PFM and Statistics Advisors in East AFRITAC⁸². **It is inconsistent for IMF to market the AFRITACs as vehicles to provide rapid, flexible responses to country needs and then to leave Resident Advisor positions vacant for long periods.** Some executing agencies justifiably complained to the Evaluation Team about the lack of service from East AFRITAC during these periods. The issue of gaps in replacing Resident Advisors was also identified as an issue of concern by the East AFRITAC Steering Committee. **The TA Departments must do a better job in succession planning and recruiting Resident Advisors in a timely, efficient manner. There should be a period of overlap during which the outgoing Resident Advisor can orient and brief the incoming Resident Advisor.** Given that the decision to turn over a Resident Advisor would be made about a year in advance, there is more than ample time to organize the recruitment process so that gaps do not occur. The recruitment process should begin eight months or so before the term of an Advisor is scheduled to end. **The transparency of the recruitment process for Resident Advisors also needs to be improved. All such positions should be advertised.** While some positions have been advertised during the last three years, it was reported to the Evaluation Team that some TA Departments resisted external advertisement and preferred to limit the possible candidates to people on their rosters⁸³. Advertising would not prevent the consideration of candidates on the rosters. Indeed, it is likely that some strong candidates would be on the rosters of experts that the TA departments maintain. However, external advertisements would increase transparency and enlarge the pool of potential candidates, something that is important since one of the objectives of the AFRITACs is to develop and use African expertise. **Both external candidates and IMF staff should be allowed to apply for the positions.** It may be that the efficiency of the recruitment process would be improved if it were managed by human resource specialists in the TA departments rather than being left to the technical experts.

(iv) **Remove Barriers in IMF Policies that Discourage Staff from TA Departments Working as Resident Advisors:** Although footnote 9 in the January 2006 RTAC Operational Guidance Note states that Resident Advisors may be IMF staff or external

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

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

⁸³ All TA Departments rosters of candidates that have been vetted through TA assignments. In response to the concerns of some Board members about the transparency of the rosters, a review of expert roster is scheduled for FY2009.

consultants, in practice Resident Advisors are not IMF staff. In fact, **some IMF policies and procedures discourage IMF staff from considering a position as a Resident Advisor** as part of their career planning. Policies regarding Headquarters staff filling Resident Advisor positions cut across several departments⁸⁴ with overlapping roles and responsibilities. They will need to work together to resolve these issues. To become a Resident Advisor, IMF staff must go on an unpaid leave of absence. Thus pension benefits are not accrued during their tenure in AFRITACs. This is a major disincentive for Headquarters staff to work in AFRITACs. There are also issues related to the benefit package. The Evaluation Team believes that many **staff of the TA Departments would benefit from spending time in the AFRITACs at some point during their careers. It would help them to develop local knowledge, be more involved in the implementation of recommendations and better appreciate actual constraints on the ground.** These views were echoed by some government officials and IMF staff interviewed by the Evaluation Team. **This is not a new issue.** Benefits associated with posting staff from TA departments in RTACs identified in the 2005 RTAC review included: (a) savings in backstopping costs; (b) strengthening communications between RTACs and functional departments; (c) providing an opportunity for staff from TA departments to systematically test local experts; (d) providing more opportunities for staff from TA departments to be involved in TA delivery rather than spending an increasing proportion of their time on backstopping which is generally seen as less rewarding than directly delivering TA; and (e) providing supervision and training for Resident Advisors who are not IMF staff on IMF's policies, procedures, practices, technical requirements, best international practice and IMF's standards of excellence. For all of these reasons, **an assignment in an AFRITAC should be seen as desirable for professional growth and career mobility for the staff of the TA departments.** The policies that discourage placing TA department staff in RTACs as Resident Advisors should be changed to facilitate this, something that was identified in 2005 but not acted upon. That being said, **not all Resident Advisors should be IMF staff. There should be a balance between IMF staff and new people with significant African expertise.**

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

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

⁸⁴ HRD; Office of Budget and Planning; OTM; LEG; and the TA Departments.

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

(vii) **Improve Administrative Support for the AFRITACs:** Experience has shown that the skills of locally recruited staff are not at the same level as people hired in Washington. Further, administrative staff working in AFRITACs do not benefit from an environment like Headquarters where there is always somebody available to help or to explain something. **Although local staff in AFRITACs are not familiar with IMF policies and procedures, are not familiar with IMF computerized financial and administrative systems⁸⁵, and do not know who in IMF Headquarters to contact for help and assistance, they receive minimal training** (e.g., only one of the three administrative staff in Central AFRITAC received formal training from Headquarters). **New AFRITACs need more support and more training for the local staff from Headquarters than was provided when the Central AFRITAC was established.** The experience of the initial phase of the operation of Central AFRITAC indicates that it often takes longer than expected to recruit and train local staff. In practice, a large amount of the time of the Center Coordinator was taken up with such duties. The Center Coordinators have an operational background and, relative to administrative staff from Headquarters, do not have a comparative advantage to setting up administrative systems and routine office procedures or training people in their use. If Center Coordinators are required to spend a significant portion of their time setting up administrative procedures and training and orienting administrative staff, it means that there will be insufficient time for the Center Coordinator to establish close working relationships with the members of their Steering Committee, senior government officials in client countries and other TA providers, develop strategic objectives for the AFRITAC and formulate a work plan that responds to country needs. **Requiring the Center Coordinator to focus on administrative issues during the start up**

⁸⁵ For example, the Travel Information Management System and the system used for contracts.

phase rather than these more strategic issues is an inefficient use of his/her time. IMF should consider seconding an experienced administrative staff from Headquarters for about three months during the establishment of new AFRITACs to help the Center Coordinator to select local administrative staff, set up office systems, train the staff in the use of IMF management information systems and to electronically introduce them to staff in Headquarters who can provide advice and assistance in various areas. The experience of the more established AFRITACs supporting Central AFRITAC when it was established was also a useful model that could be replicated when the two new AFRITACs are established. Providing such support needs to be planned and budgeted for when new AFRITACs are established. A full time experienced administrative assistant in OTM, servicing all RTACs, to help with the myriad of administrative issues that come up on a day to day basis would improve the efficiency of the AFRITACs and provide day to day support and coaching for local staff. Such support would allow the AFRITAC to become fully operational at an earlier stage and to function more efficiently. OTM would need to be resourced to provide such services. Some of these issues could be covered in a broader ongoing review of locally recruited RTAC staff and benefits being undertaken by the Human Resources Department. Training for RTAC staff could be reviewed by OTM and a training needs assessment conducted with the support of the Human resources Department.

(viii) **Strengthen Financial Management and Control:** The Center Coordinators have operational backgrounds and at the time of their appointment do not have a sound knowledge of IMF's financial management and control systems. The Center Coordinators have insufficient tools to maintain budgetary control. The accounting system is administered in Headquarters without AFRITAC input. Center Coordinators should have the delegated authority to manage small budget issues⁸⁶. The Central AFRITAC experience suggests that **support in IMF's financial management and control systems is particularly important when new AFRITACs are established. IMF's current financial system for the AFRITACs involving Book 1, Book 2 and Book 3 is complicated and probably needs to be replaced by an integrated system in a manner that covers both the donor needs and IMF's internal budget and expenditure control systems. Also, consideration could be given to providing simplified budget monitoring and expense reporting tools.** Such actions would reinforce budgeting, controls, accountability and reporting. The current financial management system allows little flexibility to reallocate resources across budget books to offset changes in priorities or unexpected events like exchange rate movements. Consideration needs to be given to recruiting well qualified office managers with a background in book keeping/accounting and delegating some level of signature authority to Central Coordinators.

(ix) **Improve Connectivity:** **Because of weaknesses in the local communications infrastructure and limited investment by IMF in information communications technology compared to some other TA providers, connectivity to the Internet is a problem for the AFRITACs and they do not have ready access to video conferencing⁸⁷.** While AFRITACs can now access TAIMS, the system is not designed for easy remote access, entry of information is time consuming, the response time is slow and periodically the connection fails with the loss of data that has already been entered. World Bank and African Development Bank field offices appear to be better equipped in terms of connectivity, information technology and access to video conferencing. Looking to the future, it is likely that with technological advances, the AFRITACs will be even more handicapped with their lack of connectivity (e.g., use of technology to deliver workshops via the Internet). **Options to improve connectivity need to be investigated which could include sharing facilities with some other TA providers. For**

⁸⁶ Examples include changes in mission costs and approval of budgeted travel within the region.

⁸⁷ There are plans to install small video conferencing units in all RTACs in FY2010.

the AFRITACs, adequate information technology should be planned and budgeted for in the financing for the next phase.

(x) **Promote Learning Across AFRITACs:** The AFRITACs deliver broadly similar products and all work in challenging environments. Periodically Center Coordinators and Resident Advisors turn over and two additional AFRITACs will be established. The Evaluation Team identified only a few instances in which staff of one AFRITAC supported staff in another AFRITAC, although when it happened it was very much appreciated. **An annual meeting of the soon to be five AFRITAC Center Coordinators and Resident Advisors would help the AFRITACs to learn from each other⁸⁸.** Center Coordinators and Resident Advisors would particularly benefit from learning from their peers during the first two years of their assignments. Effectively, the more experienced Center Coordinators and Resident Advisors would act as coaches for their less experienced colleagues. **Such retreats should be held to share experience, both positive and approaches that were less successful, across AFRITACs.**

G. Supporting Regional Harmonization and Integration

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

166. **Regional integration and harmonization are important issues in East, West and Central Africa⁸⁹.** The East African Community (EAC) is driving regional integration and moving toward monetary union by 2012. Important regional institutions in West and Central Africa include the West African Economic and Monetary Union (WAEMU), the Banque Centrale des États de l'Afrique de l'Ouest (Central Bank of West Africa (BCEAO)), the Communauté Économique et Monétaire des États de l'Afrique Centrale (CEMAC)(Economic and Monetary Union of Central African States), the Commission Bancaire de l'Afrique Centrale (COBAC) (Banking Commission of Central Africa) and Banque des États de l'Afrique Centrale (BEAC) (Central Africa Central Bank). **East AFRITAC did not work directly with the East African Community for most of period covered by the evaluation⁹⁰. West and Central AFRITACs had limited engagement⁹¹ with the regional central banks except for TA work on debt management and financial markets development and on microfinance supervision which is done in consultation with BCEAO.**

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

⁸⁸ The first such meeting of RTAC Coordinators took place in Washington in December 2008. A meeting for East and West AFRITACs took place in Nairobi in 2006.

⁸⁹ AfDB's 2008 Medium Term Development Strategy notes the importance of regional integration initiatives in Africa. Supporting regional integration is identified as a key strategic objective for AfDB.

⁹⁰ In late 2008, East AFRITAC did initiate contact with the East Africa Community's secretariat in Arusha to explore ways of working together. The East AFRITAC Statistics Advisor is beginning to promote regional harmonization for national accounts and price statistics. These are welcome developments which should continue.

⁹¹ This was by design as the regional central banks were expected to receive TA from other sources.

area. Some evidence that some West AFRITAC TA work engaged with the WAEMU Commission in helping with to revise the WAEMU guidelines on the harmonized regional fiscal legal and regulatory framework, and guidelines on government finance statistics. West AFRITAC has also started support to the ECOWAS commission on fiscal harmonization.

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

169. **The AFRITACs' work of promoting regional harmonization and integration was effective. A constant theme in the focus group sessions that the Evaluation Team held with groups of workshop participants was that the regional workshops were highly appreciated.** The participants appreciated being exposed to what was being implemented in other countries and found that peer learning from case studies presented by other participants was a particularly effective way of learning. The regional workshops were also an effective way of exposing staff from countries in the region which were lagging behind in an area to advances being made by their peers. **If regional workshops were more systematically complimented by policy dialogue with the senior staff in those organizations that are to adopt the policies, systems and procedures covered in the workshops, it would be a powerful way of promoting reform and regional harmonization.** Further positive evidence on this topic was provided in the AFRITAC Evaluation Survey, the results of which indicated that: (i) the regional workshops received the highest effectiveness score among the TA delivery modalities⁹² – 43% of respondents rated them as excellent and a further 44% rated them as good (see Table CX.8); (ii) 30% of respondents strongly agreed and a further 57% agreed with the statement that AFRITACs more effectively promote regional harmonization than IMF Headquarters (see Table CX.11); and (iii) 26% of respondents strongly agreed and 55% agreed with the statement that AFRITACs more effectively promote regional harmonization than other TA providers (see Table CX.12).

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

⁹² Many of the regional workshops were cofinanced by the African Capacity Building Foundation. All AFRITACs collaborated with the ACBF. There were also some evidence of collaboration between East AFRITAC in the statistics area with the DfID funded GDDS project and West AFRITAC collaborated with AFRISTAT. These collaborations helped to expand the reach of AFRITAC TAs.

171. Playing a more strategic role in developing the macroeconomic management tools that support regional integration and harmonization, will require **engagement with the institutions that are leading the promotion of regional harmonization**. Four East AFRITAC clients are members of the East African Community, 8 West AFRITAC clients are members of WAEMU and 6 Central AFRITAC clients are members of CEMAC. These organizations are involved in setting the agenda for some of the macroeconomic management reforms that will be undertaken at a regional level. The AFRITACs should be more aware of their plans as this would help to more effectively program and deliver TAs that support regional integration and harmonization in the areas of AFRITAC competence. A greater focus on regional integration might also have implications for the local training institutions with which the AFRITACs work.

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

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

173. **The proportion of IMF's TA that has been financed by donors has grown over the past decade. This trend is expected to continue.** Among other things IMF's TA strategy is to expand and deepen its relationships with donors to: (i) help meet the growing demand for TA; (ii) cope with the 2007 reduction in IMF's budget and human resources; (iii) integrate IMF TA in a more coherent development framework; and (iv) improve IMF's TA products by responding to donor requests to strengthen TA governance and effectiveness⁹³. Looking to the future, IMF expects the composition of TA financing to change. Although the total volume of TA is expected to increase, the amount of TA financed from internal sources will decline and the amount of externally financed TA will increase.

174. **Increasing TA delivery through RTACs is expected to result in more ownership by recipient countries, lower costs, increase effectiveness of capacity building assistance and improve coordination with other TA providers**⁹⁴. Evaluations of RTACs have generally reached positive conclusions. Given the positive results of RTAC evaluations and the

⁹³ IMF. Enhancing the Impact of Fund Technical Assistance. 3 April 2008. Para 52

⁹⁴ IMF. Review of the Fund's Regional Technical Assistance Centers. 28 June 2005.

consistency of the AFRITAC model with the principles of the Paris Declaration and the Accra Agenda for Action, plans are being developed to open four new RTACs, two of which will be in Africa.

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

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

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

178. In 2005 OTM prepared a review of the RTACs⁹⁵, drawing on the independent evaluations of the AFRITACs, Caribbean Regional Technical Assistance Center (CARTAC) and Pacific Financial Technical Assistance Center (PFTAC). Another evaluation of PFTAC is planned for 2009. With the completion of that evaluation, this evaluation, the second evaluation of CARTAC in 2006⁹⁶ and the evaluation of the Middle East Regional Technical Assistance Center (METAC) in 2007⁹⁷, it would be timely for OTM to update the review of the RTACs. Part of that review should outline a long term strategic vision for RTACs that addresses the issues outlined above.

⁹⁵ IMF. Review of the Fund's Regional Technical Assistance Centers. 28 June 2005.

⁹⁶ IMF. Second Mid-Term Review Of the Caribbean Regional Technical Assistance Centre. September, 2006.

⁹⁷ IMF. MID-TERM EVALUATION OF THE MIDDLE EAST REGIONAL TECHNICAL ASSISTANCE CENTER (METAC). March 2007.

IV. RECOMMENDATIONS

A. Implementation Status of the Recommendations in the 2005 Evaluation

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

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

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

182. The implementation of some of the broader, more policy oriented recommendations for beneficiary countries, IMF and donors was generally rated as Poor to Modest. This should not be surprising. Some key policy decision makers in beneficiary countries, IMF and donors were not the main audience for the 2005 Evaluation. For the broad recommendations it was not clear who specifically was to take action to implement the recommendation or by when. It is a relatively common experience for aid agencies to take little notice of evaluation recommendations at the policy level⁹⁸. Evaluation results are not the only things to go into making decisions on whether or not to take action to address issues highlighted in evaluations. Other factors include the institutional priorities, the views of other parts of the organization and the influence of external parties. Also, evaluators often spend so much time undertaking the

⁹⁸ See Cracknell, Basil. Evaluating Development Aid. Page 183.

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

B. Evaluation Recommendations

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

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

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

Recommendation 1: OTM's presentations during the negotiations for the next financial replenishment should argue for additional resources to strengthen the human and financial resources of the AFRITACs and necessary support from Headquarters, including AFR, MCM, FAD, STA and OTM, contingent upon the AFRITACs, with the backstopping and guidance of the TA Departments, making credible commitments to further improving the tracking and monitoring of results (see Recommendation 2) and improve information dissemination and coordination with other TA providers (see Recommendation 3), and identifying ways to improve the implementation of TA recommendations to promote sustainability (Recommendation 4). Increased levels of funding would be consistent with the positive assessment of the AFRITACs performance, as well as the commitments that the donors made at Gleneagles and in the Paris Declaration and the Accra Agenda for Action. **AFRITACs need to be appropriately resourced if they are to effectively contribute to capacity building in post conflict countries.** The planned topical trust funds in some of the main areas in which the AFRITACs work has the potential to partly alleviate this problem of limited resources if those funds are well coordinated with the activities of the AFRITACs. In taking forward these recommendations it will be important for IMF to support requests for additional financing from donors by: (i) assessing higher administrative spending on the part of IMF that may not be fully covered by external financing; and (ii) identify either additional source of financing or offsetting savings elsewhere for such costs.

Recommendation 2: The three AFRITACs should, in coordination with the TA Departments, by the end of calendar year 2010, adopt a three year plan for each cluster of TA interventions in a country that sets out the strategic objectives and outcomes that the capacity building initiative expects to achieve and provides a framework with indicators against which progress can be monitored. Although some progress has been made in managing for development results and the enhanced version of the TAIMS is a positive development, the AFRITACs need further improvement in defining, tracking and reporting on the outcomes achieved. A similar recommendation was made in the 2005 Evaluation. Steering Committees should continue to insist on further progress in this area. TAIMS, IMF's internal system to monitor and track results, should be viewed as being complementary to internationally accepted frameworks (e.g., PEFA; FSAPs, the World Bank's Country Statistical Information Database). Strengthening results based monitoring is essential to improve TA management and maximize accountability of the AFRITACs to the beneficiary countries and donors.

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

Recommendation 4: All AFRITACs, the Steering Committees, the Center Coordinators, Resident Advisors, the TA Departments and OTM must do some strategic thinking about how strengthen TA sustainability. Among other things, this will involve providing more follow up and financing to support the implementation of recommendations resulting from TAs. During its fieldwork the Evaluation Team came across several cases where government officials said that while they agreed with, and wished to implement, the TA recommendations, the necessary funds were not available. Such cases typically involved investments in information technology, software and hardware, or support for undertaking surveys. In situations where the success and sustainability of capacity building TAs depend on the availability of such systems, ways must be found to secure the necessary funding. This would include actively trying to mobilize funds from other donors, particularly when donors have pooled their resources to achieve a common objective. In other cases, the issue is not so much money but a lack of follow up or support from the AFRITACs to help implement the

recommendations. **Combining both country and donor contributions would encourage more responsibility for both parties.** The level of effort shown by a country to implement TA Recommendations and significant financial contributions are good proxies for recipient ownership of the TA recommendations, a key factor contributing to TA sustainability. Identifying steps that will increase the likelihood that the TA benefits will be sustainable must be considered as an integral part of TA design.

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

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

Recommendation 7: As part of the next RTAC Review, OTM should prepare a Ten Year Vision for RTACs that outlines the strategic implications for IMF. Among other things this would discuss the implications of a more decentralized model of TA delivery for the structure, role and functions of the three TA departments. Since this review should draw on the planned evaluation of the Pacific Technical Assistance Center, this will be done after the replenishment negotiations are completed for the AFRITACs. However, as part of the replenishment process for the AFRITACs, there needs to be serious commitment by all parties to a strategic vision for the AFRITACs that firmly reestablishes the upstream/downstream roles of Headquarters/TA Departments and AFRITACs, and re-affirms the role of the AFRITACs in providing practical and focused TA through: (i) on site visits; (ii) regional and in-country seminars; (iii) professional attachments; and (iv) some additional resources to help implementation follow-up -- all within a two to three year program determined through a meaningful tripartite consultation process between the beneficiary countries, the AFRITACs and their Steering Committees, AFR, the TA departments and OTM. The broad framework is in

place but some tweaking is needed to give a somewhat stronger role to OTM. There are at least three possible ways of dealing with the member countries, namely, via AFRITACs, via the resident representative or directly with the IMF Headquarters. Depending on the circumstances, one delivery mode may have advantages compared the others. The evaluation findings imply that dealing with member countries via the AFRITACs whenever possible seems to be more cost effective, responsive and appreciated by the member states. The question of more decentralization is something that IMF should carefully consider as it would have major implications for IMF's TA business model but the evidence on the ground suggests that it would be preferred in many circumstances by the client countries. In considering the merits of further decentralization, it must be recognized that the current model of strong central control and back stopping has many advantages (e. g., quality control; integration with Headquarters work; access to broader cross country experience and best international practice). Ways to retain these strengths of the current system should build into any efforts to further decentralize TA delivery.

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

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

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

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Final Report of the Independent Evaluation of the African Technical Assistance Centers

Volume 2: Annexes

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16 February 2009

LIST OF ABBREVIATIONS

ACBF -	African Capacity Building Foundation
AfDB -	African Development Bank
AFR -	Africa Department (IMF)
AFRITAC -	Africa Regional Technical Assistance
AFRISTAT -	Observatoire Economique Et Statistique D'Afrique Sub Saharienne
BCEAO -	Banque Centrale des États de l'Afrique de l'Ouest (Central Bank of West Africa)
BEAC -	Banque des États de l'Afrique Centrale (Central Bank of Central Africa)
BPM5 -	Balance of Payments Manual 5th Edition
CEMAC -	Communauté Économique et Monétaire des États de l'Afrique Centrale
COBAC -	Commission Bancaire de l'Afrique Centrale
CPI -	Consumer Price Index
DfID -	Department for International Development of the United Kingdom
DRC -	Democratic Republic of Congo
EAC -	East African Community
EU -	European Union
FAD -	Fiscal Affairs Department (IMF)
FSAP –	Financial Sector Assessment Program
FY -	Fiscal Year
GDDS -	General Data Dissemination System
GFSM -	Government Finance Statistics Manual
HIPC -	Heavily Indebted Poor Countries
MDRI -	Multilateral Debt Initiatives
IMF -	International Monetary Fund
KSMS -	Kenya School of Monetary Studies
MCM -	Monetary and Capital Markets (IMF)
METAC -	Middle East Technical Assistance Center
MEFMI -	Macroeconomic and Financial Management Institute
MFI -	Micro Finance Institutions
MTEF -	Medium-term Expenditure Framework
OTM-	Office of Technical Assistance Management (IMF)
PEFA-	Public Expenditure and Financial Accountability
PFM -	Public Financial Management
PRGF -	Poverty Reduction and Growth Facility
PSIs -	Poverty Support Instruments
PRSP -	Poverty Reduction Strategy Paper
RAP -	Regional Assistance Plan
RTAC -	Regional Technical Assistance Center
SDDS -	Special Data Dissemination Standard
SNA -	System of National Accounts
STA -	Statistics Department (IMF)
SYGADE -	Système de Gestion et d'Analyse de la Dette
TA-	Technical Assistance
TAIMS-	Technical Assistance Information Management System
TOFE -	Tableau des Opérations Financières de l'État
WAEMU -	West African Economic and Monetary Union
UNCTAD -	United Nations Conference on Trade and Development
UNECA -	United Nations Economic Commission for Africa
UNDP -	United Nations Development Programme

Table of Contents

Annex A: Background on AFRITAC Program	
	Key Messages 1
I.	Background and Objectives..... 1
II.	Governance, Organization and Management of the AFRITACs..... 2
	A. Steering Committee 2
	B. Center Coordinators..... 3
	C. Resident Advisors..... 3
	D. Short Term Experts..... 4
	E. Quality Control and Back Stopping from the TA Departments..... 4
III.	Focus of AFRITAC Assistance..... 5
IV.	Financing the AFRITACs..... 8
V.	Characteristics of the AFRITAC Client Countries..... 10
VI.	Other Factors Relevant for the Evaluation..... 19
	A. Regional Integration and Harmonization..... 19
	B. Poverty Reduction..... 20
	C. Coordination and Dissemination..... 21
	D. Managing for Development Results..... 21
VII.	Findings of the 2005 Evaluation..... 22
Annex B: Evaluation Approach and Methodology	
	Key Messages 25
I.	Objectives of the Evaluation..... 25
II.	Data Sources and Field Work..... 26
	A. Triangulation of Information..... 26
	B. Information Sources..... 27
	C. Field Work..... 31
	D. Electronic Survey..... 31
III.	Evaluation Approach and Methodology..... 34
	A. Conceptual Framework..... 34
	B. Results Chain 34
	C. External Factors 38
	D. Internal IMF Factors 38
	E. Evaluation Criteria and Rating Methodology 39
	F. Schedule and Reporting 46
Annex C: Overview of AFRITAC Evaluation Survey Results	
	Key Messages 48
I.	Survey Response Rate..... 49
II.	Profile of Respondents..... 49
III.	Relevance of AFRITAC TAs..... 51
IV.	Effectiveness of AFRITAC TAs..... 52
V.	Efficiency of AFRITAC TAs 57
VI.	Sustainability of the Benefits of AFRITAC TAs 59
VII.	Overall Success of AFRITAC TAs 61
Appendix C 64	

Annex D: Assessment of East AFRITAC

Key Messages	79
I. Introduction for East AFRITAC	80
II. Evaluation of East AFRITAC Monetary and Banking TAs	82
A. Introduction to Monetary and Bank Supervision TAs	82
B. Relevance of Monetary and Bank Supervision TAs	84
C. Effectiveness of Monetary and Bank Supervision TAs	89
D. Efficiency of Monetary and Bank Supervision TAs	95
E. Sustainability of Monetary and Bank Supervision TAs	99
F. Overall Rating of East AFRITAC Monetary and Bank Supervision TAs	103
G. The Way Forward for East AFRITAC Monetary and Bank Supervision TAs	103
III. Evaluation of East AFRITAC Fiscal TAs	104
A. Introduction to Fiscal TAs	104
B. Relevance of Fiscal TAs	104
C. Effectiveness of Fiscal TAs	111
D. Efficiency of Fiscal TAs	117
E. Sustainability of Fiscal TAs	120
F. Overall Rating of East AFRITAC Fiscal TAs	125
G. The Way Forward for East AFRITAC Fiscal TAs	126
IV. Evaluation of East AFRITAC Statistics TAs	127
A. Introduction to Statistics TAs	127
B. Relevance of Statistics TAs	128
C. Effectiveness of Statistics TAs	134
D. Efficiency of Statistics TAs	141
E. Sustainability of Statistics TAs	143
F. Overall Rating the East AFRITAC Statistics TAs	147
V. Overall Rating of East AFRITAC TAs	148
Appendix D	150

Annex E: West AFRITAC

Key Messages	159
I. Introduction for West AFRITAC	160
II. Evaluation of West AFRITAC Monetary and Financial System TAs	162
A. Introduction to Debt Management and Microfinance Supervision TAs	162
B. Relevance of Debt Management and Microfinance Supervision TAs	165
C. Effectiveness of Debt Management and Microfinance Supervision TAs	170
D. Efficiency of Debt Management and Microfinance Supervision TAs	174
E. Sustainability of Debt Management and Microfinance Supervision TAs	177
F. Overall Rating of West AFRITAC Debt Management and Microfinance Supervision TAs	180
G. The Way Forward for West AFRITAC Debt Management and Microfinance Supervision TAs	181
III. Evaluation of West AFRITAC Fiscal TAs	181
A. Introduction to Fiscal TAs	181
B. Relevance of Fiscal TAs	182
C. Effectiveness of Fiscal TAs	190
D. Efficiency of Fiscal TAs	197
E. Sustainability of Fiscal TAs	200
F. Overall Rating of West AFRITAC Fiscal TAs	206
G. The Way Forward for West AFRITAC Fiscal TAs	207

IV.	Evaluation of West AFRITAC Statistics TAs	208
A.	Introduction to Statistics TAs	208
B.	Relevance of Statistics TAs	209
C.	Effectiveness of Statistics TAs	216
D.	Efficiency of Statistics TAs	222
E.	Sustainability of Statistics TAs	223
F.	Overall Rating West AFRITAC of Statistics TAs	227
V.	Overall Rating of West AFRITAC TAs.....	227
	Appendix E	229

Annex F: Central AFRITAC

	Key Messages	238
I.	Introduction for Central AFRITAC.....	239
II.	Evaluation of Central AFRITAC Monetary and Financial System TAs.....	241
A.	Introduction of Debt Management and Banking Supervision TAs.....	241
B.	Relevance of Debt Management and Banking Supervision TAs.....	243
C.	Effectiveness of Debt Management and Bank Supervision TAs.....	249
D.	Efficiency Debt Management and Bank Supervision TAs.....	254
E.	Sustainability Debt Management and Bank Supervision TAs.....	257
F.	Overall Rating of Central AFRITAC Debt Management and Bank Supervision TA..	261
G.	The Way Forward for Central AFRITAC Monetary/ Financial System TAs.....	262
III.	Evaluation of Central AFRITAC Fiscal TAs	263
A.	Introduction to Central AFRITAC Fiscal TAs	263
B.	Relevance of Fiscal TAs.....	263
C.	Effectiveness of Fiscal TAs.....	269
D.	Efficiency of Fiscal TAs.....	275
E.	Sustainability of Fiscal TAs.....	278
F.	Overall Rating of Central AFRITAC Fiscal TAs	283
G.	The Way Forward for Central AFRITAC Fiscal TAs.....	284
IV.	Evaluation of Central AFRITAC Statistics TAs.....	285
A.	Introduction to Central AFRITAC Statistics TAs	285
B.	Relevance of Statistics TAs	286
C.	Effectiveness of Statistics TAs	292
D.	Efficiency of Statistics TAs	296
E.	Sustainability of Statistics TAs	298
F.	Overall Rating of Central AFRITAC Statistics TA.....	302
V.	Overall Rating of Central AFRITAC's TAs	302
	APPENDIX F	304

Annex G: Implementation Status of Recommendations in the 2005 Evaluation	313
Table G.1: Implementation Status of the 2005 Evaluation Recommendations Addressed to Beneficiary Countries	313
Table G.2: Implementation Status of the 2005 Evaluation Recommendations Addressed to IMF	314
Table G.3: Implementation Status of the 2005 Evaluation Recommendations Addressed to Donors	315
Table G.4: Implementation Status of the 2005 Evaluation Recommendations Addressed to the AFRITACs	315

Annex A: Background on AFRITAC Program

Key Messages

- The objective of the three AFRITACs, which cover East, West and Central Africa, is to support international and regional efforts to build institutional and human capacity in public financial management, revenue mobilization, monetary and financial systems and statistics.
- All AFRITACs have some very challenging client countries. Generally, institutional absorptive capacity is strongest in East Africa and weakest in Central Africa. Country characteristics and institutional weaknesses create risks for TAs achieving sustainable results and may have implications for the AFRITAC model going forward.
- The well documented lessons of the self evaluations of the experience of FAD and MCM providing TA in post conflict countries should be applied more vigorously in many AFRITAC client countries.
- The 2005 evaluation of the East and West AFRITACs found that they were effective vehicles for delivering TAs, were responsive to client needs, enhanced country ownership of reforms, increased regional cooperation, increased the use of African experts and improved accountability for the delivery of TAs.
- Delivery of TAs through the AFRITACs is consistent with calls in the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action for increased country ownership, greater donor harmonization and coordination and building institutional capacity. The donors identified IMF as the international organization with the comparative advantage in macroeconomic management TAs and then provided funds to IMF. Steering Committees provide a voice to the beneficiary countries and selected donors in establishing priorities and monitoring the implementation of the work program.
- Extending the financing cycle to five years and providing the AFRITACs with more resources to increase their level of engagement in fragile/post-conflict countries would be consistent with the Accra Agenda for Action.

I. Background and Objectives

1. As stated in the Program Document for the East and West AFRITACs¹ “The overarching goal for the East and West AFRITAC is to facilitate the achievement of the long-term goals of member countries, as stated in their poverty reduction strategies. The assistance provided by the AFRITACs will aim to strengthen the institutional and human capacities of government institutions in their member countries in order to achieve sound public resource management, well-developed financial systems, and high-quality macroeconomic statistics as a foundation for attaining national development goals.” Similarly, the overarching objective of the Central

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

AFRITAC was to “facilitate the achievement of the long-term development goals of beneficiary countries, through assistance in building capacity for sound economic management in the core areas of the IMF’s expertise. Specifically, assistance provided by the Central AFRITAC will aim to strengthen the institutional and human capacities of governments, in order to strengthen public resource management, develop robust financial systems, and enable the production of high-quality macroeconomic statistics. These in turn would form the foundation for sustained and stable economic growth².”

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

II. Governance, Organization and Management of the AFRITACs

A. Steering Committee

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

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

5. The Steering Committees provide strategic guidance to the AFRITACs, review their work plans, and assess progress in TA delivery. The work plans are to: (i) reflect the needs of member countries, i.e., be demand driven; (ii) be closely linked to the poverty-reducing strategies of member countries; (iii) be coordinated with TA provided by other donors; and (iv) be integrated with the TA, surveillance, and lending activities of IMF Headquarters. The RTAC model is a departure from the organization and management processes that IMF typically uses to deliver TA. In particular, the RTACs represent an explicit partnership between IMF, the beneficiary countries and donors. The AFRITAC model is designed to open up the decision making structure and give a voice to beneficiary countries and donors in terms of setting priorities, determining work plans and monitoring their implementation. The Steering Committees meet once or twice a year, depending on the AFRITAC. Between meetings the

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

Center Coordinators maintain contact with Steering Committee members, particularly the Chair, through E-mail.

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

B. Center Coordinators

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

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

C. Resident Advisors

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

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

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

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

D. Short Term Experts

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

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

15. The reports of Resident Advisors and short-term experts conform to reporting procedures of the TA departments and are copied to AFR and OTM. AFR is expected to ensure that these reports are copied to the concerned mission chief and AFR division.

E. Quality Control and Backstopping from the TA Departments

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

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

annual performance evaluation of the Resident Advisors, a process that may involve seeking feedback from other interested parties, including beneficiary countries.

17. The back stopping system involves: (i) approving all missions, including their terms of reference and back to office reports; (ii) reviewing and approving all reports prepared by the Resident Advisors; and (iii) approving the terms of reference, selection and reports prepared by short term experts. The January 2006 Operational Guidance Note states that the TA departments are responsible for providing sustained and adequate backstopping of the Resident Advisors⁴. In practice the amount of back stopping varies considerably across the three TA departments.

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

III. Focus of AFRITAC Assistance

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

20. AFRITAC TAs is designed to complement rather than to replace or duplicate Headquarters TAs. AFRITAC strengths include client responsiveness, rapid response times and

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

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

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

- (i) **Monetary/Financial System:** (a) **monetary operations, debt management and financial markets**, which includes conducting monetary operation assessment missions outlining a medium-term prioritized reform strategy; assessing and improving reserve management practices; improving monetary operations and reforms; supporting payment systems reform; developing the domestic money and government debt markets (e. g., developing reliable debt management databases and debt sustainability frameworks; institutional aspects debt management; debt market development) and participating in HIPC assessments; and, (b) **Financial supervision**, with a focus on banks, which includes building risk-based supervision systems, undertake surveys of risk management practices and support implementation of necessary changes, procedures, manuals and inspection reports; resolution of weak banks and non-performing loans; strengthening anti-money laundering measures; upgrading on-site inspections and off-site surveillance, upgrading staff skills in core supervisory areas; reforming the legal/regulatory supervisory framework, developing procedures and manuals and supervision of microfinance; drawing up the supervisory framework for non-bank financial institutions and the regulatory framework for the national pension funds; and supporting the development and supervision of microfinance;
- (ii) **Fiscal Affairs:** (a) **public financial management**, which includes enhancing the capacity to prepare sound macroeconomic frameworks, and the associated analysis, forecasting, policy development and macro fiscal tracking; support for budget (e. g., preparation, introducing a Medium Term Expenditure Framework, execution, monitoring including tracking poverty related spending and budget classification), linking public finance policies/priorities and budget allocation; improving the regulatory framework to improve accountability, transparency and governance; managing revenues from extractive industries; treasury management reforms (e. g., single treasury accounts, cash management and banking arrangements, payment and reconciliation issues, reporting), strengthening accounting, auditing, financial control and fiscal reporting; supporting fiscal decentralization and local government financing; supporting Public Financial Management reform programs and action plans; (b) **revenue administration**, which includes strengthening revenue administration at the operational level; improving administration to complement tax policy advice and

assistance from IMF headquarters; establishing modern revenue administrations with capable professional staff; strengthening tax administrations; strengthening large tax payers units; broadening the tax base to cover small and medium sized enterprises; introducing value added taxes; separating operational policy from field delivery; audit and compliance; risk assessments; strengthening tax and customs administrations; establishing revenue intelligence units and tackling non-compliance problems; modernizing, strengthening and computerizing customs administrations; and addressing regional customs issues; and

- (iii) **Statistics:** Statistics was treated as one cluster. Most of the work of Statistics Advisors focused on **macroeconomic statistics** (e.g., improving the quality of national accounts to be consistent with the 1993 System of National Accounts (SNA93), real sector data and price statistics; strengthening methodology and techniques for compiling annual and quarterly accounts and price statistics; improving basic source data, data collection, processing and statistical techniques; introducing international standards; improving data timeliness and accessibility). Modest amount of assistance was also provided to strengthen **central bank statistics** [e.g., improving balance of payments statistics consistent with the Balance of Payments Manual, fifth edition (BPM5)] and improving **public finance statistics** [e.g., improving the statistics in the ministries of finance necessary for sound fiscal management and introducing international standards consistent with the Government Financial Statistics (GFS) Manual 2001].

22. The distribution of AFRITAC's inputs by function area over FY2006 to FY2008 is shown in Table A.1. In total the three AFRITAC's provided 702 person months of input from Resident Advisors and short term experts. Of this, 36% was provided by East AFRITAC, 49% by West AFRITAC and 15% by Central AFRITAC. The lower figure for Central AFRITAC reflects the fact that it was operational for less than half of the evaluation period, whereas both the East and West AFRITACs were fully operational for the three year period. About three quarters of the input was provided by Resident Advisors and one quarter by short term experts. This distribution is consistent with the expectation in the Programs Documents that Resident Advisors would be the key instrument to deliver AFRITAC TA. In terms of functional areas, the fiscal area dominated accounting for 51% of the inputs, monetary/banking accounted for 28% of the inputs and statistics for 21%.

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

	Total Person Months	East AFRITAC (%)	West AFRITAC (%)	Central AFRITAC (%)	Total
Resident Advisors					
PMF/ Fiscal Forecasting	135	33	45	22	100
Revenue	123	29	59	12	100
Total FAD	258	31	51	18	100
Monetary/Debt	57	23	51	26	100
Bank Supervision/ Micro Finance	87	41	41	18	100
Total MCM	144	34	45	21	100
Statistics	114	27	63	10	100
Total Advisors	516	31	52	17	100
Short-term Experts					
FAD STX	99.5	42	45	13	100
MCM STX	50.5	57	34	9	100
STA STX	36	53	36	11	100
Total STX	186	48	40	12	100
Total Advisors & STX					
FAD Advisors & STX	357.5	34	50	16	100
MCM Advisors & STX	194.5	40	42	18	100
STA Advisors and STX	150	33	57	10	100
Total	702	36	49	15	100

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

Source: Derived from the person months of input shown in the audited financial statements for FY2006, FY2007 and FY2008 as adjusted to reflect the Microfinance and Statistics Advisors in West AFRITAC financed by the Japan Administered Sub Account.

IV. Financing the AFRITACs

23. The cost of the AFRITACs and their operations are shared among the partners. All direct costs⁵ of the TA delivered are covered by contributions from donors. The host countries make cash or in-kind contributions towards the office space and the cost of some support staff. IMF finances the cost of the Center Coordinators and some local staff costs. The IMF also provides backstopping, coordination and administrative support and administers the cost-sharing contributions and the associated accounting, reporting, and auditing.

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

24. The East and West AFRITACS are financed by the African Development Bank, 14 bilateral donors⁶, funds from the China TA Account and project/activity funding from Japan. Donor contributions for Phase II, covering the period from 1 May 2006 to 30 April 2009, totaled \$23.455 million, including a carryover of 2.158 million from Phase I. The new donor money for Phase II totaled \$21.297 million, a 17% increase over Phase I. The largest donors for Phase II, each contributing more than \$2 million were the United Kingdom, the African Development Bank, Switzerland and the Netherlands. Norway, Sweden, Germany, France and Canada each contributed between \$1 and \$2 million. A welcome feature of the financing of the East and West AFRITACs were the contributions by two non-traditional donors, the Russia and the People's Republic of China. During Phase II donors are expected to finance 85.7% of the costs of East and West AFRITACs, IMF 12.5% and the host governments 1.8%.

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

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

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

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

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

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

29. The expenditures on the three AFRITACs are summarized in Table A.2 for FY2006 to FY2008 combined. Expenditures totaled nearly \$27 million⁸. Central AFRITAC was not operational in FY2006 and was only functioned for a few months in FY 2007. FY2008 was its first year of full operations. The staff compliment of West AFRITAC increased as a result of the Phase II replenishment. This is reflected by the increase in expenditures after FY2006. The fall in expenditures for East AFRITAC in FY2007 reflects a long delay in MCM filling the Monetary Advisor and six month delays in filling vacancies in the PFM Advisor positions. During the period from FY2006 to FY2008, East AFRITAC accounted for 38% of the expenditures, West AFRITAC for 46% and Central AFRITAC for 16%.

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

	East AFRITAC	West AFRITAC	Central AFRITAC	Total
FY 2006	3,363,498	3,288,961	--	6,652,459
FY 2007	3,002,842	4,331,480	444,108	7,778,430
FY 2008	3,804,266	4,871,385	3,876,450	12,552,101
Total	10,170,606	12,491,826	4,320,558	26,982,990
Expenditures by AFRITAC (%)	38	46	16	100
Person Months of Input of Resident Advisors and Short Term Consultants	251	344	107	702
Cost per Person Month of Input	40,520	36,313	40,379	38,438

Source: AFRITAC Audited Financial Statements for FY 2006, FY 2007 and FY 2008 with adjustments to reflect expenditures financed by the Japan Administered Sub Account.

V. Characteristics of the AFRITAC Client Countries

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

⁸ More details on the expenditures of the East, West and Central AFRITACs are given in Tables D.1, E.1 and F.1 in Annexes D, E and F respectively. To derive Table A.2, the figures in Table E.1 were adjusted to reflect the contributions from the Japan Administered Sub Account to finance the Microfinance and Statistics Advisors.

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

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

31. Despite this relatively good economic performance, Sub-Saharan Africa will likely not achieve most of the Millennium Development Goals by 2015. Economic growth remains below the 7% target needed to reach the Millennium Development Goal of halving income poverty by 2015. Poverty and malnutrition are widespread. Over 500 million people in Sub-Saharan Africa exist on less than \$2 per day. Some countries have experienced armed conflicts¹¹, natural disasters, and weak governance.

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

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

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

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

33. Economic performance in West Africa was more mixed than in East Africa. Real economic growth rates exceeded 5% during the 2005 to 2008 period for only a minority of the countries¹⁵. The economic growth rate was less than 2% in the Côte d'Ivoire in 2005, 2006 and 2007, Guinea in 2007, Guinea-Bissau in 2006 and Togo in 2005. Per capita GDP was under \$200 in Guinea-Bissau and Niger and over \$400 in Senegal and Benin. Three of the countries are landlocked (Burkina Faso; Mali; Niger), one is oil intensive (Côte d'Ivoire) and five¹⁶

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

¹² Ethiopia; Malawi; Rwanda; Uganda

¹³ Kenya; Tanzania

¹⁴ Ethiopia; Malawi; Rwanda; Tanzania; Uganda

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

¹⁶ Benin; Guinea; Guinea-Bissau; Senegal; Togo

countries are non-oil resource intensive. Burkina Faso, Mali, Niger and Senegal are classified as being at HIPC Completion (see Table A.4).

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

	Resource Intensive	Land-locked	HIPC Completion	2007 GDP Per Capita (US\$, 2000 Prices)	Real GDP Growth Rates (%)			
					2005	2006	2007	2008
Benin	Non-oil			401	2.9	3.8	4.2	5.4
Burkina Faso		Yes	Yes	283	7.1	5.5	4.2	4.0
Côte d'Ivoire	Oil			565	1.9	0.7	1.6	2.9
Guinea	Non-oil			376	3.0	2.5	1.8	4.7
Guinea-Bissau	Non-oil			132	3.2	1.8	2.5	3.2
Mali		Yes	Yes	301	6.1	5.3	2.5	4.3
Mauritania								
Niger		Yes	Yes	176	7.4	5.2	3.2	4.4
Senegal	Non-oil		Yes	515	5.3	2.1	5.0	5.4
Togo	Non-oil			226	1.3	4.1	2.1	3.0

Source: IMF. Regional Economic Outlook: Sub-Saharan Africa. April 2008 as updated by AFR.

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

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

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

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

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

35. Country characteristics beyond the control of the AFRITACs and IMF more generally influence the capacity of institutions to successfully absorb TAs and for TAs to achieve effective outcomes and impacts that are sustainable. Some of the data that assess state fragility and governance were analyzed for this evaluation to put the AFRITACs' operational context into perspective (see Table A.6 for East AFRITAC, Table A.7 for West AFRITAC and Table A.8 for Central AFRITAC).

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

37. A second index that can be used to assess the fragility of states is produced by the Fund for Peace.²⁰ Their Failed States Index, which is calculated for 177 countries, is based on 12 indicators covering social, economic and political factors. For this evaluation, **fragile** states were defined as those in the bottom 15% and **moderately fragile** states were those ranked between

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

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

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

15% and 30% out of the 177 countries ranked. Countries ranked about the 30% cut off point were classified as **not fragile**.

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

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

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

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

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

²² See www.govindicators.org

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

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

ratings (15 of the 35) were in the bottom 30% of the 212 countries for which data is available. Government effectiveness would appear to be reasonably directly related to the ability of countries to absorb TA. With the exception of Eritrea, all countries in East Africa were rated as Modest under government effectiveness. This suggests that there is likely to be sufficient institutional capacity to effectively absorb TA in East Africa.

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

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

* country classified by IMF as a fragile state

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

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

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

* country classified by IMF as a fragile state

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

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

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

* country classified by IMF as a fragile state

43. Tables A.6, A.7 and A.8 provide a rough ranking of the absorptive capacity for each country in East, West and Central Africa respectively. The absorptive capacity of institutions varies within countries. Typically central banks are among the strongest agencies in a country. Ministries of finance are generally among the strongest ministries in a country. Statistical agencies are generally weaker than the ministries of finance and central banks in their institutional capabilities, budget and quality of staffing. However, country factors also influence the general ability of institutions to absorb TA. The following methodology was used to convert the information in Tables A.6 to A.8 to describe classifications of institutional absorptive capacity: (i) the state fragility ratings derived from the Brookings Institution and Fund for Peace databases were converted into a numerical score (1 for Fragile; 2 for Modestly Fragile; 3 for Not Fragile); (ii) each of the ratings for political stability, government effectiveness, regulatory quality, rule of law and control of corruption was converted into a numerical score (1 for Very Challenging; 2 for Challenging; 3 for Modest; 4 for Good); (iii) the resulting numerical ratings were aggregated, without applying weights – the minimum possible score was 7 and the maximum possible score was 26; (iv) cutoff points were used to define the descriptors: (a) Poor < 10.5; (b) 10.5 ≤ Modest < 17.5; (iii) 17.5 ≤ Good < 23.5; (iv) Excellent ≥ 23.5.

44. The analysis confirms that there are differences in the institutional absorptive capacity among AFRITAC client countries and across regions (see Tables A.9, A.10 and A.11). Institutional absorptive capacity is stronger in East Africa than in West and Central Africa. It is rated as Good in two countries (Rwanda; Tanzania) and Modest in the other five countries. The institutional environment in which the West and Central AFRITACs operate is more challenging. In West Africa, three countries were rated as having Poor institutional absorptive capacity (Côte d'Ivoire; Guinea; Guinea-Bissau), four as Good and three as Modest. In Central Africa the institutional capacity was, on average, the weakest among the three regions. While Gabon and Cameroon were rated as Modest, the institution absorptive capacity for all other Central African

countries was classified as Poor²⁵. This classification accords reasonably well with the countries identified by IMF as being fragile states. Institutional absorptive capacity was rated as Poor for six of the eight countries categorized by IMF as fragile states. Although the other two (Eritrea; Togo) were rated as having Modest absorptive capacity, both countries scored just above the cut off point for Poor. In addition to the countries categorized as fragile states by IMF, institutional absorptive capacity was assessed as Poor in two other countries (Republic of the Congo; Equatorial Guinea).

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

	State Fragility Brooking	State Fragility Fund for Peace	Political Stability	Government Effectiveness	Regulatory Quality	Rule of Law	Control of Corruption	Absorptive Capacity Score	Absorptive Capacity Rating
Eritrea*	1	2	2	1	1	1	3	11	Modest
Ethiopia	2	2	1	3	2	3	2	15	Modest
Kenya	2	2	2	3	4	2	2	17	Modest
Malawi	2	2	3	3	2	3	4	17	Modest
Rwanda	1	2	3	3	2	3	4	18	Good
Tanzania	2	3	3	3	3	3	3	20	Good
Uganda	1	2	1	3	4	3	2	16	Modest

* Country classified by IMF as a fragile state

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

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

* Country classified by IMF as a fragile state

²⁵ The Program Document for Central AFRITAC states that “the capacity building needs of Central Africa are more acute than in other parts of Africa” (see Para 10 of that document).

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

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

* Country classified by IMF as a fragile state

VI. Other Factors Relevant for the Evaluation

A. Regional Integration and Harmonization

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

46. Regional integration and harmonization is an important issue in East, West and Central Africa. The East Africa Community (ECA) is moving toward monetary union by 2012. For this plan to become a reality, harmonization must take place at many levels. The importance of regional integration in West and Central Africa are reflected by the many regional organizations in existence. Those in the West Africa include the West African Economic and Monetary Union (WAEMU), the Banque Centrale des États de l'Afrique de l'Ouest (Central Bank of West Africa) (BCEAO). In Central Africa the major regional organizations include the Communauté Économique et Monétaire des États de l'Afrique Centrale (CEMAC) (Economic and Monetary Union of Central African States), the Commission Bancaire de l'Afrique Centrale (COBAC) (Banking Commission of Central Africa) and Banque des États de l'Afrique Centrale (BEAC) (Central Africa Central Bank). There are many regional institutions including the African Capacity Building Foundation (ACBF), the Development Bank of West Africa, AFRISTAT

(Observatoire Economique et Statistique d'Afrique Subsaharienne), East-African Revenue Authorities Technical Committee, East African Statistical Center, Macroeconomic and Financial Management Institute (MEFMI), the South Africa Tax Institute and others. The World Bank and the African Development Bank also support regional cooperation initiatives.

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

B. Poverty Reduction

48. The Millennium Development Goals identify measurable, verifiable indicators to monitor progress in addressing the many dimensions of poverty. Millennium Development Goal Number 1 sets a target of cutting in half the proportion of people living below the international poverty line, defined as living on less than \$1 per day, between 1990 and 2015. With the adoption of the Millennium Development Goals, most of the donor community made poverty reduction their overarching objective and rationale for providing development assistance. Country led Poverty Reduction Strategies and Programs (PRSPs) were to become the principal organizing framework for government, civil society and development partners to address the challenges of poverty reduction. The Program Documents describe the rationale for the AFRITACs in the context of the concern of the development community about poverty reduction. The AFRITAC work plans were to be closely linked to the poverty-reducing strategies of member countries.

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

50. Based on the available data, the incidence of poverty in AFRITAC client countries is shown in Table II.7 in Chapter II, using both the national and international poverty lines. Several things are evident from Table II.7: (i) many of the estimates are either missing, particularly in Central Africa, or out of date, i. e., based on surveys undertaken in the 1990s; (ii) there are differences, sometimes substantial differences, between the poverty incidence based on the national and international poverty lines; and (iii) poverty is pervasive, with the estimated

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

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

incidence of poverty ranging between 15% and 72% for AFRITAC client countries using the \$1 per day threshold and between 29% and 65% using the national poverty lines.

51. Based on World Bank data, 271 million people in Sub-Saharan Africa, 46% of the population, were living on incomes of less than \$1 per day in 1996. By 2002, 303 million people, 44% of the population, were living below the international poverty line. The data suggests that most Sub-Saharan African countries have not made significant progress in the war against poverty. The large majority of Sub-Saharan countries for which data is available are either off track or seriously off track to achieve the first Millennium Development Goal of halving the incidence of poverty. Malnutrition, which is closely associated with poverty, is expected to fall in all regions of the world except in Sub-Saharan Africa²⁸.

C. Coordination and Dissemination

52. The Program Documents place considerable emphasis on the importance of the AFRITACs' role in local donor coordination and stress the importance of working with the ACBF²⁹, bilateral donors and the World Bank. AFRITACs were to support government aid coordination efforts by providing expert advice, participating in aid coordination meetings and contributing to aid harmonization in macroeconomic management area. The AFRITAC focal points were expected to play a key role in improving the integration of AFRITAC assistance into country aid strategies. AFRITAC Center Coordinators and Resident Advisors, when visiting countries, were expected to meet with donors to coordinate their activities and to collect and share information.

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

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

D. Managing for Development Results

55. Consistent with the calls in the Paris Declaration and the Accra Agenda for Action to manage for development results, there was considerable emphasis in the AFRITAC Program Documents on developing a results-based monitoring system to track the AFRITACs' performance. The AFRITACs were to use the computerized *Results-Based Management System* to track the implementation of TA projects and activities. Logical frameworks were to be

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

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

used to monitor TA project implementation against specified objectives, outputs, and indicators using the *Technical Assistance Information Management System* (TAIMS).

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

57. Because of system design problems, non-user friendly formats and resistance from some TA Departments, TAIMS was not consistently used in IMF. Communications infrastructure weaknesses compounded the problems for AFRITACs and made it difficult to access the system. Because of these concerns, a review of TAIMS was undertaken in 2007 and recommendations were made for improvement³⁰. The key recommendations were implemented and by mid-2008 an enhanced version of TAIMS was operational. Although it is too early to determine whether the enhanced version of TAIMS will result in IMF having a good TA management information system that is up to date and perceived to be useful by staff in all three TA departments, the enhanced version of TAIMS has addressed many of the problems identified in the usability assessment.³¹

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

VII. Findings of the 2005 Evaluation

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

- (i) The AFRITACs effectively contributed to capacity building and were appreciated by all beneficiary countries, particularly in terms of responsiveness to client needs, proximity to member countries, quick response time and familiarity with the local context;

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

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

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

- (ii) The AFRITACs made a good beginning but considerable work remains in planning capacity building for each member country;
- (iii) The AFRITACs enhanced the quality of TA delivered through their demand-driven approach which enhanced country ownership, promoted regional harmonization, kept donors better informed, enhanced staff accountability and increased the use of African experts;
- (iv) Although the quality, timeliness, and relevance of AFRITAC activities were appreciated, follow-up on both training and the implementation of TA recommendations needed improvement;
- (v) AFRITAC activities and the TA delivered through IMF Headquarters were complementary;
- (vi) The balance between TA provided by Resident Advisors (62–63%) and short term experts (38%) was appropriate, although in the future the proportion of TA delivered by short term experts was expected to increase as more African talent was identified;³³
- (vii) The AFRITACs should develop indicators and use logical frameworks as management tools to monitor and evaluate progress;
- (viii) The composition of the Steering Committee may need to be reexamined as the level of authority and influence of country representatives to the SCs has an impact on their effectiveness;
- (ix) While the AFRITACs' organization of their people, processes, activities and work flow was good (e.g., sound financial, program and process management), there were weaknesses in the areas of monitoring, evaluation and performance indicators;
- (x) Human resource management was satisfactory, although the management and accountability of Resident Advisors was hampered by poorly defined roles and responsibilities;
- (xi) There were issues regarding office space in Mali and information technology equipment;³⁴
- (xii) The IMF backstopping system was working well in supporting the AFRITACs although the limited resources of the TA departments and OTM were reported as being overextended;
- (xiii) The use of African expertise was promoted;
- (xiv) Relationships between the AFRITACs and IMF Resident Representatives were mutually supportive;
- (xv) Member governments were committed to the success of the AFRITACs;
- (xvi) Proportionately more AFRITAC resources were allocated to post-conflict countries;
- (xvii) The AFRITACs worked closely with some regional institutions (e. g., the African Capacity Building Foundation and AFRISTAT) but the 2005 evaluation concluded relationships with regional institutions should be broadened (e.g., the Macroeconomic and Financial Management Institute for Eastern and the Southern Africa and Joint Africa Institute);

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

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

- (xviii) The AFRITACs helped to improve information sharing and peer reviews among beneficiary countries, although efforts should be made to use other instruments (e.g., websites) to further increase sharing;
- (xix) Donors have provided strong support to the AFRITACs; and
- (xx) AFRITAC interaction and cooperation with other TA providers enhanced TA coordination, although all stakeholders agreed that TA coordination should be led by beneficiary countries.

Annex B: Evaluation Approach and Methodology

Key Messages:

- Independent evaluation is part of the AFRITACs' governance framework.
- The evaluation developed a quantitative rating methodology to assess the relevancy, effectiveness, efficiency and sustainability and overall performance of the East, West and Central AFRITACs separately and for the program as a whole.
- The evaluation rated five functional areas – fiscal management (public financial management; revenue administration); monetary/financial system (monetary operations/debt management; financial sector supervision) and statistics.
- The Evaluation Team visited 8 of the 25 AFRITAC countries (Tanzania, Kenya, Rwanda, Gabon, Cameroon, Mali, Ivory Coast and Guinea).
- IMF documents were reviewed and discussions were held with senior government officials and workshop participants from ministries of finance, revenue administrations, central banks and statistical agencies, with IMF staff at Headquarters, in the three AFRITACs and Resident Representatives and with representatives of other TA providers.
- An electronic survey was used to seek input from government of officials, workshop participants, IMF staff and short term experts and representatives of other TA providers.
- The evaluation findings draw disproportionately on the information collected for the countries visited by the evaluation team. Considerably less information was available for the other countries served by the AFRITACs.
- The quantitative rating methodology makes the judgments of the Evaluation Team transparent. Such methodologies involve considerable judgment and the use of perceptual data.
- The evaluation faced the methodological challenges associated with evaluating capacity building TAs, including drawing firm conclusions about capacity building initiatives that are in progress and trying to attribute change to one intervention.

I. Objectives of the Evaluation

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

- (i) relevance of AFRITAC TA:
 - whether the AFRITACs played a useful role in helping to define country TA priorities and the degree AFRITAC TA helped to institutionalize capacity so that countries can define their own policy alternatives, including in the context of poverty reduction strategy papers;
 - the extent to which AFRITAC TA took into account and met the priority needs of member countries and whether the steering committees were effective in ensuring strong country ownership of AFRITAC TA and strategies; and,
 - whether AFRITAC activities were appropriately focused in terms of subject areas, taking into account the IMF's expertise and the priority needs of the beneficiary countries and whether the AFRITACs were more effective some areas than others.
- (ii) the effectiveness of AFRITAC TA:
 - whether AFRITAC TA is appropriately focused on delivering outputs which contributed to the achievement of priority reforms, including assessing, to the extent possible, TA outcomes and impacts;
 - the quality and timeliness of activities undertaken and outputs produced and the reporting and monitoring on the activities and outputs
 - the extent to which AFRITAC activities were coordinated with those of other donors and TA providers; and,
 - the extent to which AFRITAC activities were integrated with TA, surveillance, and lending activities of IMF headquarters.
- (iii) the efficiency of AFRITAC TA:
 - whether AFRITAC TA was cost-effective, bearing in mind the difficulties inherent in measuring the benefits of capacity-building activities; and,
 - the quality and timeliness of management and backstopping of AFRITAC activities by IMF headquarters-based staff.
- (iv) the sustainability of AFRITAC TA:
 - the extent to which AFRITAC TA led to tangible and lasting results;
 - whether constraints faced by AFRITAC client countries prevented them from taking full advantage of AFRITAC TA, and how such constraints can be addressed; and,
 - the effectiveness of the AFRITACs in identifying and using African expertise, including the use of local and regional TA experts.

II. Data Sources and Field Work

A. Triangulation of Information

2. The Evaluation Team drew on information from many different sources including documents and systems data available from IMF, interviews with representatives from concerned constituencies on the IMF Board of Directors, discussions with AFRITAC Center Coordinators and Resident Advisors, staff from OTM, AFR, FAD, MCM and STA and Resident Representatives. Interviews took place in the field with officials in the key macroeconomic agencies served by the AFRITACs, Steering Committee members and representatives of other

TA providers. To broaden the coverage of the evaluation an electronic survey was undertaken of senior government officials, workshop participants, IMF staff, short term experts, former IMF staff and representatives of other TA providers. In reaching its conclusions, the Evaluation Team considered evidence from several sources and attempted, to the extent possible, to validate key conclusions with information from multiple sources. The Evaluation Team is aware of the methodological challenges associated with evaluating TA, particularly TA for capacity building. Some of the challenges were identified in the 2005 AFRITAC evaluation and the Independent Evaluation Office's evaluation of IMF TA. The Evaluation Team tried to address those challenges by using triangulation but the information base was incomplete and a considerable amount of judgment was applied. The evaluation methodology was designed to make those judgments transparent to readers.

3. Given the nature of the work of the AFRITACs and the range of services that they provide, the Evaluation Team relied, to a considerable extent, on perceptual data, i. e., opinions, views and comments made by various key informants and answers on questionnaires. The Evaluation Team attempted to validate the perceptions of the various parties concerned and compare the perceptions with material on the written record and in various reports. Although the results of the AFRITAC Evaluation Survey are presented separately in Annex C and referred to in Annexes D, E and F, the conclusions in Volume 1 and Annexes D, E and F reflect a much broader range of evaluation evidence than just the survey results. The overall conclusions draw heavily on the feedback received by the Evaluation Team during the eight country visits and the review of documentation. However, no attempt was made to weight the conclusions by the data source on which they were based. Rather, the Evaluation Team applied its best judgment, based on its assessment of the totality of the evidence. In most cases the survey results confirmed the conclusions drawn by the Evaluation Team based on field work, interviews at IMF Headquarters and document review.

B. Information Sources

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

1. Fragile States and Governance Databases

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

2. Public Expenditure and Financial Accountability Program

6. The **Public Expenditure and Financial Accountability (PEFA)** ³⁵ Performance Measurement Framework is designed to measure PFM performance across countries in a consistent, objective and transparent way. PEFA³⁶ defines an open and orderly PFM system as one that involves: (i) effective controls of the budget totals and management of fiscal risks that contributes to maintaining aggregate fiscal discipline; (ii) planning and executing the budget in line with government priorities that contributes to implementing government objectives; and (iii) managing the use of budgeted resources in a way that contributes to efficient service delivery and value for money. The PEFA Performance Measurement Framework has six dimensions of performance and 28 explicit criteria³⁷ that are scored and ranked (the explicit criteria are shown in the brackets below):

- (i) **Credibility of the budget** - The budget is realistic and is implemented as intended (aggregate expenditure out-turn compared to original approved budget; composition of expenditure out-turn compared to original approved; timeliness and regularity of accounts reconciliation budget; aggregate revenue out-turn compared to original approved budget; stock and monitoring of expenditure payment arrears);
- (ii) **Comprehensiveness and transparency** - The budget and the fiscal risk oversight are comprehensive, and fiscal and budget information is accessible to the public (classification of the budget; comprehensiveness of information included in budget documentation; extent of unreported government operations; oversight of aggregate fiscal risk from other public sector entities; public access to key fiscal information);
- (iii) **Policy-based budgeting** - The budget is prepared with due regard to government policy (orderliness and participation in the annual budget process; multi-year perspective in fiscal planning, expenditure policy and budgeting);
- (iv) **Predictability and control in budget execution** - The budget is implemented in an orderly and predictable manner and there are arrangements for the exercise of control and stewardship in the use of public funds (transparency of taxpayer obligations and liabilities; effectiveness of measures for taxpayer registration and tax assessment; effectiveness in collection of tax payments; predictability in the availability of funds for commitment of expenditures; recording and management of cash balances, debt and guarantees; effectiveness of payroll controls; competition, value for money and controls in procurement; effectiveness of internal controls for non-salary expenditure; effectiveness of internal audit);
- (v) **Accounting, recording and reporting** – Adequate records and information are produced, maintained and disseminated to meet decision-making control, management and reporting purposes (timeliness and regularity of accounts reconciliation; quality and timeliness of in-year budget reports; quality and timeliness of annual financial statements); and,

³⁵ PEFA is jointly financed by the World Bank, the European Commission, the DFID, Switzerland, Norway, France and IMF. A Secretariat located in the World Bank implements the PEFA work.

³⁶ Public Financial Management Performance Measurement Framework. June 2005 Reprinted May 2006. PEFA Secretariat. World Bank. Washington. Pages 1 and 2.

³⁷ These criteria draw on HIPC expenditure tracking benchmarks, IMF's Fiscal Transparency Code and other international standards. Public Financial Management Performance Measurement Framework. June 2005 Reprinted May 2006. PEFA Secretariat. World Bank. Washington. Page 9.

- (vi) **External scrutiny and audit** - Arrangements for scrutiny of public finances and follow up are operating (scope, nature and follow-up of external audit; legislative scrutiny of the annual budget law; legislative scrutiny of external audit reports).

7. The focus of the PFM performance indicator set is on public financial management at the central government level, including the related institutions of oversight. In addition, there are three criteria that are used to assess donor practices -- predictability of direct budget support; financial information provided by donors for budgeting and reporting on project and program aid; and proportion of aid that is managed by use of national procedures.

8. The status of the preparation of PEFA assessments for AFRITAC client countries is shown in Table B.1. Relatively recent completed assessments are available on the PEFA home page for all East AFRITAC client countries except Eritrea. However, PEFA assessments are publicly available for only two West AFRITAC client countries (Benin; Burkina Faso) and one Central AFRITAC client country (Gabon). Given the time and resources available for the evaluation, and the fact that PEFA assessments were not readily available for most West and Central AFRITAC client countries, the Evaluation Team could not use the PEFA framework to assess the effectiveness of the PFM TAs. Rather, as described in this Annex, a simpler set of criteria were used to evaluate the effectiveness of the PFM TA clusters. It is clear that the PFM Advisors were aware of the PEFA assessments. While many of the PFM TAs will contribute to addressing issues related to the PEFA criteria, it is not clear to the Evaluation Team that the PEFA process had a major impact on the selection and design of AFRITAC's PFM TAs or was used by the AFRITAC's as a framework to coordinate PFM TAs with PFM assistance provided by other donors.

Table B.1: Status of PEFA Assessments					
East AFRITAC		West AFRITAC		Central AFRITAC	
Country	Status	Country	Status	Country	Status
Eritrea		Benin	Final 2007	Burundi	Commenced 2008
Ethiopia	Final 2007	Burkina Faso	Final 2007	Cameroon	Substantially Complete 2007
Kenya	Final 2006 Planned 2008	Côte d'Ivoire	Substantially Complete 2007	Central African Republic	Final 2008
Malawi	Final 2008	Guinea	Final 2007	Chad	Planned 2008
Rwanda	Final 2008	Guinea-Bissau	Substantially Complete 2006	Republic of the Congo	Substantially Complete 2006
Tanzania	Final 2006 Substantially Complete 2008	Mali	Substantially Complete 2007	Democratic Republic of the Congo	Substantially Complete 2008
Uganda	Final 2008	Mauritania	Final 2008	Equatorial Guinea	
		Niger	Commenced 2008	Gabon	Final 2006
		Senegal	Final 2007		
		Togo	Substantially Complete 2006 Planned 2009		

Source: www.PEFA.org (As of 29 August 2008)

3. World Bank Statistical Information Database

9. The World Bank's Country Statistical Information Database³⁸, which covers over 140 countries, is designed to help assess capacity and monitor progress in improving national statistical systems. The database contains information on the statistical legal/regulatory framework, the national statistical strategy, statistical practice, data collection activities, national statistical agencies and publications. A country level composite statistical capacity indicator is available that is based on an assessment of the statistical system against a set of criteria. It has three dimensions:

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

10. For the AFRITAC evaluation, the most relevant dimension is statistics practice. The ratings are based on an examination of 10 variables, each of which is given an equal weight. The variables are given a pass (a score of 1) or fail (score of 0) rating, depending on whether or not the sub-criteria is fulfilled. The 10 sub-criteria and the pass/fail criteria are: (i) national accounts base year (whether or not the base year is older than 10 years); (ii) balance of payments manual in use (whether BPM5 is used); (iii) external debt reporting status (whether actual or preliminary estimates are available); (iv) consumer price index base year (whether or not the base year older than 10 years); (v) industrial production index (produced and available from IMF); (vi) import and export price indexes (produced and available from IMF); (vii) government finance accounting (whether or not the); (viii) school enrolment reporting to UNESCO (at least three times in the last four years); (ix) vaccine reporting to World Health Organization (WHO) (nationally reported data on measles vaccine coverage consistent with WHO estimates); and (x) IMF's Special Data Dissemination Standard (whether or not the national statistics agency subscribes). To make some of these assessments, the World Bank draws on information that is available from IMF's International Financial Statistics.

³⁸<http://web.worldbank.org/WBSITE/EXTERNAL/DATASTATISTICS/0,,contentMDK:20541648~menuPK:1164885~pagePK:64133150~piPK:64133175~theSitePK:239419,00.html>.

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

C. Field Work

12. The fieldwork included visits to the three AFRITACs and selected countries in each region served by an AFRITAC. The criteria for selecting countries visited included: (i) the location of the AFRITACs; (ii) level of AFRITAC engagement; (iii) linkage with IMF operations; (iv) availability of local officials in the ministries of finance, central banks and statistics agencies; (v) maximize the number of countries covered; and (vi) ease of logistics. Feedback was received from the Steering Committees and Center Coordinators on the suggested country visits and was used to finalize the plan for the fieldwork.

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

D. Electronic Survey

14. The Evaluation Team designed a web-based survey using SurveyMonkey³⁹. This electronic survey package was used to: (i) send questionnaires and follow up reminders electronically to the target respondents; (ii) receive the responses; and (iii) tabulate the results.

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

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

- (i) Steering Committee members or people who have attended Steering Committee meetings as observers since 2005;
- (ii) Senior government officials (e. g., Central Bank Governors; Ministers of Finance; permanent secretaries of finance, deputy governors/assistant ministers of finance; heads of statistical agencies; departmental director generals; etc);

³⁹ www.surveymonkey.com .

- (iii) The national AFRITAC focal points and the key technical counterparts (e.g., chief accountant, head of treasury, head of banking supervision department, debt manager, etc.) who have the day-to-day experience of working with the AFRITACs and Resident Advisors;
- (iv) Participants in AFRITAC workshops/training sessions held since 2007;
- (v) Staff in IMF headquarters in AFR, FAD, MCM and STA who worked on the countries covered by the AFRITACs since 2005 and who were familiar with their work.⁴⁰ Priority was given to compiling the names of the AFR mission chiefs who worked on the countries covered by the three AFRITACs over the past couple of years as they were the key informants who would have the most detailed knowledge. FAD, MCM and STA provided extensive lists of functional mission leaders and people involved in TA backstopping. Small numbers of IMF staff working in OTM, IMF Institute and the Legal Department were also included on the list. To the extent possible former IMF staff were also included on the master list.
- (vi) the Center Coordinators and Resident Advisors employed in the three AFRITACs;
- (vii) Resident Representatives in the countries covered by the AFRITACs since 2005;
- (viii) Short term experts employed for the work of the three AFRITACs Centers since 2005;
- (ix) Officials and selected consultants from other TA providers who were knowledgeable of AFRITAC operations, with emphasis on the African Development Bank, the World Bank and bilateral agencies supporting the AFRITACs; and,
- (x) Other people met when the Evaluation Team undertook its field work.

17. Using a web browser, the questionnaire was designed by selecting from a menu of question types. The basic types of questions included: (i) multiple choice requiring only one answer (e. g., 'yes' or 'no' questions); (ii) multiple answers (e. g., select 'all that applies' from a list type of questions); (iii) matrix of choices requiring one answer per row (e.g. for questions asking whether respondent was very satisfied/satisfied/dissatisfied/very dissatisfied/had no opinion on issues related to the AFRITACs); or (iv) text boxes and comment/essay boxes (e. g., for open-ended questions). The skip logic feature was used in the design of the surveys to direct the flow of questioning and enable respondents to skip questions that were not applicable to them. All questions except one were 'close-ended' (i.e., of multiple choice; matrix of choices). The only open ended question was included at the end of the questionnaire to provide an opportunity for respondents to add their views on the AFRITACs.

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

⁴⁰ When possible, this category included people who worked on these African countries in the past but are currently assigned other work or Fund staff who have retired/resigned if their private E-mail addresses were available.

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

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

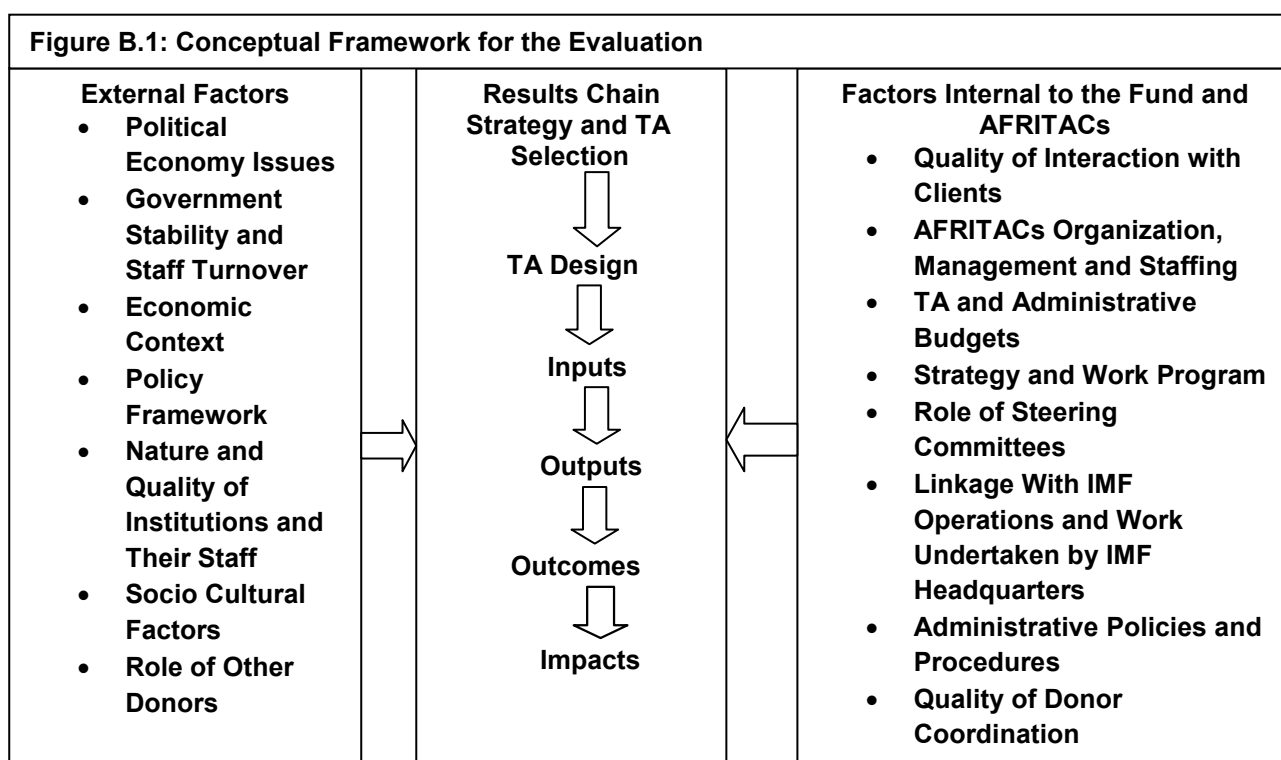
21. Survey results can be tabulated or viewed as graphs or charts at any time during the survey since results are collected in real-time. This feature made it relatively easy to show preliminary results in the draft report and updated results in the final report. Survey results can be downloaded in multiple formats (e. g., pdf, excel spreadsheet, or html) and, after developing linking Excel programs, transferred directly into the various versions of the report. Responses to the survey were accepted until the mid December 2008. There was a total of 1,553 people on the master list. However, E-mails could not be delivered to 165 E-mail addresses. When the survey was closed on 17 December 2008 and the results were downloaded for this report, 815 responses had been received.

22. There were risks associated with trying to do a web based survey in Africa. In some countries the information and communications technology is not well developed, E-mails bounce back because some local networks and servers do not operate well, it is sometimes difficult to access the internet, there are interruptions in power and many private e-mail addresses are not monitored regularly or people have access problems. Also, people sometimes change their E-mail addresses. However, the Evaluation Team felt that these risks were outweighed by the fact that this tool would extend the reach of the evaluation into countries not visited by the Evaluation Team and people not met by the Evaluation Team. The survey also generated data that was used to confirm or challenge views developed by the Evaluation Team based on the interviews conducted during the field work and at IMF Headquarters and their review of documents. The fact that over 800 responses were received validates the decision to conduct the electronic survey.

III. Evaluation Approach and Methodology

A. Conceptual Framework

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



B. Results Chain

1. AFRITACs Strategy, Work Plan and TA Selection

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

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

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

2. Design of AFRITAC Assistance

26. The quality of the design of AFRITAC assistance can be assessed by considering:

- (i) the quality of the diagnosis and organizational assessment underlying the assistance;
- (ii) the consistency of the assistance with Government priorities and degree of executing agency involvement and ownership;
- (iii) the consistency of the assistance with IMF Headquarters operations in the countries covered by the AFRITACs;
- (iv) coordination of the assistance with that provided by other development partners;
- (v) the degree to which the assistance was consistent with, or designed to support, the processes and activities in the executing agency;
- (vi) the clarity of the specified objectives, inputs, activities, output and outcomes, including the use of monitoring indicators;
- (vii) the degree to which local conditions were reflected in the TA design (e.g., capacity of the executing agency; skills of the local staff; limitations related to computer hardware and software; existing systems and procedures; language and culture); and,
- (viii) the degree to which work plans built on, and supported, previous assistance.

3. Inputs/Activities During Implementation

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

- (i) process and implementation efficiency;
- (ii) efficient use of resources;
- (iii) timeliness;

- (iv) the quality of the advice and training;
- (v) criteria and processes used to select the counterparts, workshop participants and trainees; and,
- (vi) consistency of engagement of resident Advisors, short term experts and staff from executing agencies.

4. Outputs

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

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

5. Outcomes

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

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

6. Impacts

30. Medium-run impacts are those that could be plausibly associated with AFRITAC TAs. The program documents state that the AFRITACs will contribute to capacity-building efforts in the areas of financial sector reform, public resource management and statistical systems. The expected relationship between the work of the AFRITACs and the longer term impacts are stated as follows⁴¹:

- (i) A well-developed financial system is critical to the generation and channeling of domestic savings to efficient uses, and thus in supporting private-sector-led growth. While many countries in Africa have made progress towards financial

⁴¹ See East and West AFRITACs Phase II. Program Document. IMF. November 2005. Page 5.

liberalization, important problems remain, including a low level of intermediation and limited private sector access to credit. In order to sustain an adequate level of financing, there is a need for strengthening prudential regulations and banking supervision, restructuring financial institutions, and promoting the expansion of microfinance. In many countries, changes in the legal framework may be necessary, including land reform and adequate protection of property rights.

- (ii) **Sound public resource management** is of critical importance in ensuring that countries use resources efficiently. Public financial management systems need to be reinforced to ensure that essential spending, including on much-needed public infrastructure, is not crowded out. In addition, fiscal transparency needs to be enhanced. Tax administration is also critical, and merits particular emphasis in countries where tax yields are low. A strong customs administration will help minimize revenue losses stemming from trade liberalization initiatives. All of the enhancements will help ensure an efficient and transparent use of public resources, as well as a proper monitoring of the implementation of fiscal policy.
- (iii) The availability of **high-quality macroeconomic statistics** is a key pre-requisite for the formulation of appropriate macroeconomic and financial policies. Accurate and timely statistics in the following areas are deemed necessary in support of a macroeconomic policy framework: national accounts, prices, monetary accounts, fiscal accounts, and balance of payments data, including external debt and reserves. Capacity-building activities in this area provided through the AFRITACs aim to apply internationally accepted methodologies and standards; provide diagnostic and analytical advice and training to promote the adoption of these standards; and model best practices in the dissemination of economic and financial statistics.”

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

32. The evaluation⁴² of IMF’s TAs undertaken by the Independent Evaluation Office found that the diverse range of TA activities presents special challenges in evaluating TA effectiveness and impact. Some of the methodological challenges faced by that evaluation were also encountered by the Evaluation Team and, indeed, are commonly faced by international agencies that provide and evaluate TA. One particular methodological challenge related to attributing results to the effects of TA. This becomes more difficult at the higher levels of the results chain and that such assessments rely heavily upon qualitative judgments. The Independent Evaluation Office concluded that its “efforts to assess impact have revealed shortcomings in documentation and processes that limit the extent to which one can evaluate outcomes. This, in turn, undermines accountability and the potential for the IMF’s evaluations to be used as learning tools and mechanisms to allocate future TA.”⁴³ Similar comments apply to this evaluation, including a lack of documentation on which to base the evaluation of outcomes

⁴² IMF. Independent Evaluation Office. Evaluation of the Technical Assistance Provided by the International Monetary Fund. 31 January 2005.

and impacts. Methodological challenges common in attempts to evaluate capacity building TAs were also reported in the 2005 evaluation of the AFRITAC Initiative.

C. External Factors

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

34. In total the three AFRITACs cover 25 countries. The external factors vary from country to country. It was beyond the scope of the evaluation to visit all 25 countries and to undertake a detailed assessment of such factors on a country by country basis. The absorptive capacity of institutions has a potential impact on the success, or otherwise, of TA in achieving sustainable results. A country specific proxy of institutional absorptive capacity was derived from databases related to state fragility that were developed by the Brookings Institution⁴⁴ and the Fund for Peace⁴⁵ and the World Bank's⁴⁶ set of governance indicators. This assessment drew on a large number of variables covering factors such as political stability, absence of violence, government effectiveness, regulatory quality, rule of law and control of corruption. The resulting classification, which is described in more detail in Table I.1 in Chapter I and Tables A.4 to A.9 in Annex A, was used as a proxy for political economy issues and external factors that might impact on TA outcomes.

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

D. Internal IMF Factors

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

- (i) the quality of AFRITACs' interaction with clients;
- (ii) the AFRITACs' organization, management and staffing, including staff turnover and staff vacancy rates;
- (iii) budgets;
- (iv) TA strategy and work programs;
- (v) role and functioning of the Steering Committees;

⁴³ Ibid. Para 156. The methodological challenges of evaluating TAs were recognized in the comments of both the Board of Executive Directors and the Managing Director during the discussion of the report.

⁴⁴ Susan E. Rice and Stewart Patrick. Index of State Weakness in the Developing World. Brookings Institution. 2008

⁴⁵ Failed States Index Scores 2007. The Fund for Peace. www.fundforpeace.org

⁴⁶ See www.govindicators.org

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

E. Evaluation Criteria and Rating Methodology

37. The terms of reference require the application of a quantitative rating methodology within an evaluation framework that is based on relevance, effectiveness, efficiency and sustainability. These four dimensions of evaluation are commonly used in the international evaluation community⁴⁷. The sub-criteria used to assess relevancy, effectiveness, efficiency and sustainability, the rating methodology and the weights applied are described below. The evaluation methodology draws heavily on the approach and methodology used for the recent evaluation of IMF's TAs in Iraq⁴⁸, modified as appropriate to reflect the needs of this evaluation and the sub-criteria suggested in the Terms of Reference. This will be the second evaluation commissioned by OTM that explicitly specifies and rates sub-criteria for relevancy, effectiveness, efficiency and sustainability.

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

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

- (i) fiscal affairs: (a) public financial management; and (b) revenue administration;

⁴⁷ See the evaluation guidelines and best practice standards on the home pages of the Evaluation Cooperation Group (ECGnet.org) and the OECD DAC Network Development Evaluation (OECD.org).

⁴⁸ See Annex B in Evaluation of the Technical Assistance Subaccount for Iraq. Office of Technical Assistance Management. IMF. March 2008.

- (ii) monetary/banking: (a) monetary operations, debt management and financial markets; and (b) banking supervision; and,
- (iii) statistics: as one cluster covering macroeconomic statistics, central bank statistics and public finance statistics.

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

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

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

1. Relevance

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

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

than is presently the case. The AFRITACs can serve as facilitators in this process.” The Evaluation Team assessed the extent to which AFRITAC TAs were coordinated with those of other TA providers and the role that the AFRITACs played in facilitating coordinating donor assistance.

- (iii) **Consistency with IMF Headquarters Activities (20%):** The extent to which AFRITAC TAs were integrated with TA, surveillance, and lending activities of IMF Headquarters was assessed under this sub-criteria. Evidence of consistency was examined by drawing on the results obtained from the AFRITAC evaluation survey, a review of documents and interviews staff of the African Department, IMF Resident Representatives and the TA Departments.

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

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

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

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

2. Effectiveness

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

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

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

3. Efficiency

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

- (i) **Process and Implementation Efficiency (40%):** Assessing process and implementation efficiency covered such factors as IMF's internal management of

AFRITAC activities, appropriate counterpart/workshop participant selection and the quality and timeliness of management and backstopping of AFRITAC activities by Headquarters-based staff. Another factor examined under the criteria was the consistency of engagement at the institutional and individual level for both AFRITAC and the executing agencies. Other factors considered under this sub-criteria included the timely recruitment of qualified resident Advisors, the efficiency of planning and executing the TA delivery and the timeliness of TA execution.

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

4. Sustainability

50. The sustainability relates to the extent to which AFRITAC TA led to tangible and lasting results. Sustainability depends on whether the institutional, policy and legal framework and human and financial resources are sufficient to sustain the TA benefits. The sub-criteria used to assess sustainability included:

- (i) **Political Economy Issues (25%):** This assessment was largely based on the country institutional absorptive capacity ratings described in Chapter I and Annex A. These general country ratings were modified to reflect the views of the Evaluation Team in those countries visited during the field work.
- (ii) **Executing Agency Ownership and Use of the Outputs (40%):** An important factor considered when assessing this factor was whether the workshop participants/trainees used the knowledge gained on the job. Participant selection was examined in the context of this sub-criteria. Inappropriate participant selection lowered the likelihood that the knowledge gained was used on-the-job. Participant selection was examined in the context of such sub-criteria. Inappropriate participant selection lowered the likelihood that the knowledge gained was used on-the-job. That assessment was based on interviews with participants, AFRITAC Resident Advisors and the replies of the survey respondents. Another indicator used was whether the TA outputs were embedded in the routine businesses practices of the executing agencies. Government/executing agency ownership was assessed based on feedback

received during interviews with senior officials in the ministries of finance, central banks and statistical agencies, IMF Headquarters Staff and AFRITAC Resident Advisors.

- (iii) **Promoting the Use of African Expertise (15%):** The AFRITACs were to promote the use of African expertise, something that should contribute to sustainability in the longer term by building local capacity. The Evaluation Team assessed how effective the Centers were in identifying African expertise.
- (iv) **Financial Sustainability of the Centers (20%):** During some Steering Committee Meetings some concerns were expressed about the amount of, and sustainability of, the financing for the AFRITACs. Concerns were also expressed to the Evaluation Team about the adequacy of human resources in the AFRITACs for TA delivery and in the TA departments for backstopping. Capacity building is a long term endeavor. Adequate resource, both human and financial must be available to achieve results that are sustainable.

51. The delivery of person months of TA for the three functional areas in each AFRITAC is summarized in Tables B.2 to B.4 for FY2007 to FY2009. According to the data in the tables, the AFRITAC host countries received a disproportionate of the TA – 42% of east AFRITAC TA; 54% of West AFRITAC TA and 28% of Central AFRITAC TAs. These high figures may represent a distortion in the data as it appears to reflect both the time that the Resident Advisors deliver TA to the host countries as well as the time spent in the AFRITAC offices. An institutional absorptive capacity index was derived from the information in Table I.1, assigning a score of 4 for Excellent, 3 for Good 2 for Modest and 1 for Poor. A weighted institutional absorptive capacity index was derived for each functional area and for the overall AFRITAC by weighting the Institutional Absorptive Capacity Score shown in the first column of Tables B.2, B.3 and B.4 by the percentage share of TA in each country and aggregating the results. Based on this methodology, the ratings for East and West AFRITAC were Modest and Central AFRITAC was Poor, reflecting the challenging countries in which Central AFRITAC works.

Table B.2: Country Distribution of East AFRITAC TAs for FY 2007-2009, By Functional Area

Countries	Institutional Absorptive Capacity Score	Monetary/ Financial Systems		Fiscal		Statistics		Total for East AFRITAC	
		Person Months 2007-2009	Percent Share	Person Months 2007-2009	Percent Share	Person Months 2007-2009	Percent Share	Person Months 2007-2009	Percent Share
Eritrea	2	0.00	0.0%	0.08	0.9%	0.12	3.9%	0.20	1.0%
Ethiopia	2	0.20	2.3%	0.37	4.4%	0.24	7.8%	0.81	4.0%
Kenya	2	1.32	14.8%	1.47	17.4%	0.52	17.3%	3.32	16.3%
Malawi	2	1.85	20.7%	0.52	6.2%	0.37	12.2%	2.74	13.4%
Rwanda	3	1.45	16.2%	0.74	8.7%	0.52	17.0%	2.70	13.2%
Tanzania	3	2.65	29.7%	4.85	57.3%	1.12	36.8%	8.61	42.2%
Uganda	2	1.46	16.3%	0.43	5.1%	0.15	5.0%	2.04	10.0%
Total		8.92	100.0%	8.46	100.0%	3.04	100.0%	20.42	100.0%
Weighted Absorptive Capacity Score			2.5		2.6		2.5		2.6

Table B.3: Country Distribution of West AFRITAC TAs for FY 2007-2009, By Functional Area

Countries	Institu-tional Absorptive Capacity Score	Monetary/ Financial Systems		Fiscal		Statistics		Total for West AFRITAC	
		Person Months, 2007-2009	Percent Share	Person Months, 2007-2009	Percent Share	Person Months, 2007-2009	Percent Share	Person Months 2007-2009	Percent Share
Benin	3	0.10	2.2%	1.12	13.3%	0.13	3.5%	1.34	8.1%
Burkina Faso	3	0.13	2.9%	0.59	7.1%	0.19	5.2%	0.91	5.5%
Côte d'Ivoire	1	0.38	8.4%	0.22	2.6%	0.04	1.1%	0.64	3.9%
Guinea	1	1.49	32.6%	0.84	10.0%	0.36	9.8%	2.68	16.2%
Guinea-Bissau	1	0.08	1.8%	0.10	1.2%	0.20	5.5%	0.39	2.3%
Mali	3	2.13	46.6%	4.62	55.2%	2.13	59.0%	8.88	53.6%
Mauritania	2	0.04	0.8%	0.00	0.0%	0.00	0.0%	0.04	0.2%
Niger	2	0.02	0.3%	0.34	4.1%	0.16	4.4%	0.52	3.1%
Senegal	3	0.02	0.4%	0.00	0.0%	0.00	0.0%	0.02	0.1%
Togo	2	0.18	4.0%	0.54	6.4%	0.42	11.5%	1.14	6.9%
Total		4.57	100.0%	8.37	100.0%	3.62	100.0%	16.56	100.0%
Weighted Absorptive Capacity Score			2.1		2.6		2.5		2.4

Table B.4: Country Distribution of Central AFRITAC TAs for FY 2007-2009, By Functional Area

Countries	Institu-tional Absorptive Capacity Score	Monetary/ Financial Systems		Fiscal		Statistics		Total for Central AFRITAC	
		Person Months 2007-2009	Percent Share	Person Months 2007-2009	Percent Share	Person Months 2007-2009	Percent Share	Person Months 2007-2009	Percent Share
Burundi	1	2.43	44.7%	1.63	18.0%	0.00	0.0%	4.07	24.2%
Cameroon	2	0.14	2.5%	0.55	6.0%	0.12	5.1%	0.80	4.8%
Central African Republic	1	0.06	1.1%	1.21	13.4%	0.10	4.3%	1.37	8.1%
Chad	1	0.00	0.0%	0.26	2.9%	0.10	4.3%	0.36	2.1%
Rep. of Congo	1	0.05	1.0%	0.37	4.1%	0.24	10.2%	0.66	3.9%
Democratic Rep. Of Congo	1	1.31	24.0%	2.25	24.9%	0.82	35.4%	4.38	26.0%
Equatorial Guinea	1	0.00	0.0%	0.38	4.1%	0.11	4.8%	0.49	2.9%
Gabon	2	1.45	26.7%	2.41	26.6%	0.84	36.0%	4.70	27.9%
Total		5.44	100.0%	9.05	100.0%	2.33	100.0%	16.82	100.0%
Weighted Absorptive Capacity Score			1.3		1.3		1.4		1.3

5. Aggregation of the Ratings for Each AFRITAC

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

6. Aggregation of the Ratings for AFRITAC Program

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

F. Schedule and Reporting

1. Schedule

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

55. The key dates in the evaluation schedule were: (i) initial meetings at IMF Headquarters during the last week of August 2008; (ii) field work in Africa during the month of September; (iii) submission of a synopsis report in November 2008; (iv) submission of draft report in December 2008; and (v) submission of the final report in January 2009. This was a very tight schedule. From a decision making point of view, it was more important for the donors and IMF Management to have access to evaluation findings when they are making decisions rather than to have a “perfect” evaluation at some time after all major decisions were made.

2. Reporting

56. The Evaluation Team produced the following deliverables:

- (i) A detailed work plan was prepared in August 2008 that provided: (i) an overview of how the evaluation will be conducted; (ii) details of the information collection and analysis methodology, including plans for field visits and meetings; and (iii) information on the roles and responsibilities of the team members. The Steering Committees, selected IMF staff at Headquarters and the AFRITACs were given an opportunity to review the evaluation approach and methodology at the beginning of the evaluation. No serious objections to the proposed approach and methodology were raised. In practice, the Evaluation Team fine tuned the approach and methodology as the evaluation progressed.

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

Annex C: Overview of AFRITAC Evaluation Survey Results

Key Messages

- 60% of the 1,364 people who received the questionnaire responded. Government officials accounted for (60%) respondents. The largest group of respondents was from the East AFRITAC region. There were a reasonable number of respondents from the other regions, IMF staff and consultants and TA providers and a good cross section by area of functionality.
- The overwhelming majority of respondents (over 91%) rated the relevance of AFRITAC TA as Excellent or Good. AFRITAC TAs were demand driven, responsive to the needs of the countries, country owned, closely linked to IMF's surveillance work and programs and complimented Headquarters' TAs.
- 84% felt that the Steering Committees provided effective guidance and oversight.
- The overwhelming majority (85%) rated the effectiveness of AFRITAC TA as Excellent or Good.
- Resident Advisors, short term experts and workshops were all effective TA delivery modes.
- There is unfinished agenda – most respondents reported that despite making substantial progress, the AFRITAC objectives have not yet been fully achieved.
- The quality of workshops rated as Good to Excellent and the knowledge gained were used on the job. Considerations should be given to extending the workshop duration and investing more in post-workshop follow up and support.
- 80% or more of respondents Agreed or Strongly Agreed that AFRITACs respond more quickly, are more flexible, have a better understanding of local conditions, are more responsive to country needs and are more effective in promoting regional integration and harmonization than IMF Headquarters and other TA providers. About two thirds rated AFRITAC expertise as equal to or better than Headquarters but one third disagreed with that proposition.
- 82% of respondents Agreed or Strongly Agreed with the statement that IMF should re-allocate staff and resources from Headquarters to the AFRITACs.
- 86% rated the AFRITACs efficiency as Good or Excellent. AFRITACs were rated as more cost-efficient than IMF Headquarters and other TA providers.
- The AFRITACs use of African expertise was rated favorably and better than IMF Headquarters and other TA providers.
- 88% of respondents rated the sustainability of AFRITAC TAs as Good or Excellent but the Evaluation Team has some concerns in this area.
- All five TA clusters were rated in the Good range. The highest ranking was for Financial Sector Supervision and lowest for Public Financial Management.
- The various ratings were broadly similar across the AFRITACs, although East AFRITAC was usually rated marginally higher than the West and Central AFRITACs. The fact that the Central AFRITAC received broadly similar ratings as the other two centers despite being in operation for less than two years and working in the most challenging countries was a positive finding.
- There is room to improve coordination with other TA providers.

I. Survey Response Rate

1. A total of 1,553 people were on the master list for the electronic survey⁴⁹. About 11% (165) of the E-mails could not be delivered, either because the E-mail address were no longer valid or they were mis-typed because of difficulties in reading hand written E-mail addresses. A small number of people (24) formally opted out of the survey because of insufficient knowledge. The net survey population was 1,364 or 88% of the gross survey population. There were a total of 815 responses, equivalent to a response rate of 60% of the net survey population (see Table C.1). The response rate was 70% for IMF short term consultants, 65% for IMF staff, 58% for government officials in East Africa, 58% for government officials in West Africa, 54% for government officials in Central Africa, and 57% for TA Providers. About 58% of the responses were in English and 42% were in French.

Table C.1: AFRITAC Evaluation Survey Response Rate

	Total Respondents	E-mails Not Delivered	Opted Out	Net Survey Population	Responses^a	Response Rate (%)
East AFRITAC	532	28	7	497	287	58%
West AFRITAC	239	35	4	200	116	58%
Central AFRITAC	182	27	4	151	82	54%
IMF Staff	256	36	4	216	141	65%
IMF Consultants	176	30	4	142	99	70%
TA Providers	168	9	1	158	90	57%
Total	1,553	165	24	1,364	815	60%

¹ Responses are as of 30 October 2008.

Source: 2008 AFRITAC Evaluation Survey

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

II. Profile of Respondents

3. The survey was designed to provide a voice to a larger group of key informants than the Evaluation Team could interview during its field work, including government officials in countries not visited by the Evaluation Team. Government officials dominated the responses and accounted for 60% of the completed questionnaires. Government officials from East AFRITAC client countries accounted for 60% of the responses by government officials. There were 116 replies from the West AFRITAC region and 82 from the Central AFRITAC region. A reasonable number of IMF staff (141), IMF consultants (99) and representatives of other TA providers (90)

⁴⁹ The data from the survey included in the draft report are the survey results that were downloaded on 30 October. The numbers will be updated for the final report to reflect additional responses received. While the numbers will change, it is unlikely that the overall conclusions drawn from the data will change.

also responded to the survey. About 39% of the government officials worked in ministries of finance, 27% in central banks, 22% in revenue administrations and 9% in statistical agencies (see Table CX.2). Given that each country in East Africa has a central bank and East AFRITAC has a Monetary Operations Resident Advisor, it is not surprising that 37% of the government officials in East Africa were from central banks. The corresponding figures for West and Central AFRITACs were considerably lower, in the order of 10% to 15%. Most countries in those regions are served by the regional central banks and the West and Central AFRITACs are not actively engaged with the central banks. Proportionately, staff from ministries of finance dominated the replies for the West and Central AFRITACs. Overall, there was a reasonable representation of government officials from the three regions and by functional areas.

4. Combined, IMF staff and short term experts accounted for 29% of the respondents. The largest number of this category of respondents were from the AFRITACs (21%) and Other Departments (22%), followed by FAD (16%), AFR (13%), Resident Representatives (12%) MCM (9%) and STA (5%) (see Table CX.3). The small number of respondents from STA and statistical agencies raise some concerns about the robustness of the survey results for the statistical area.

5. A total of 90 TA provider representatives responded to the survey; the response rate for this class of respondents was 57%. About 81% of the representatives from TA providers were staff of the concerned agency and 19% were employed by them as consultants. The largest groups of TA providers included on the survey master list were from the African Development Bank and the World Bank. The other respondents in this category were mostly representatives of bilateral donors. The number of responses from African Development Bank staff increased after a senior African Development Bank official sent an E-mail to their staff at the request of the Evaluation Team asking them to respond to the survey.

6. Of the 815 respondents, 648 (80%) felt that they had enough knowledge to rate the performance of an AFRITAC. About 55% (357) of those gave their views on East AFRITAC, over 27% (176) on West AFRITAC and 18% (115) on Central AFRITAC (see Table C.2). There are a reasonable number of respondents with sufficient knowledge to assess the performance of all three AFRITACs.

Table C.2: Respondents Rating the AFRITACs

	Percent of Responses	Response Count
East AFRITAC	55%	357
Central AFRITAC	18%	115
West AFRITAC	27%	176
Total Responses	100%	648
No Response	20%	167
Grand Total		815
Response Rate	80%	

Source: 2008 AFRITAC Evaluation Survey

III. Relevance of AFRITAC TAs

7. The respondents were asked to rate the relevance of AFRITAC TAs (see Table C.3). **The feedback received from the survey indicates that the AFRITAC work programs were focused in the right areas.** One third of the respondents rated the relevance of AFRITAC's assistance for building institutional capacity as **Excellent** and 59% rated it as **Good**. Only a small number of respondents rated the relevancy of AFRITAC TAs as **Modest** (8%) and very few (1%) rated it as **Poor**. Based on a score of 4 for Excellent, 3 for Good, 2 for Modest and 1 for Poor, this is equivalent to a **Good** rating for relevancy, above the mid-point on the scale. The overwhelming positive views of survey respondents on the relevancy of AFRITAC TAs are consistent with the positive feedback received by the Evaluation Team during its field work. A higher proportion of respondents rated relevancy of the East AFRITAC TAs as **Excellent** than was the case for the West and Central AFRITAC. In interpreting the survey results for Central AFRITAC it must be borne in mind that it has been operating for less than two years compared to over five years for the other two centers, and that it has the most challenging group of client countries.

Table C.3: Relevance of AFRITAC Assistance

	Percent of Responses	East AFRITAC	West AFRITAC	Central AFRITAC
Excellent	32%	40%	23%	20%
Good	59%	53%	62%	72%
Modest	8%	6%	14%	7%
Poor	1%	1%	1%	1%
Total	100%	100%	100%	100%
Weighted Rating¹	3.2	3.3	3.1	3.1
Total Responses²	616	342	167	107
No Response/No Opinion	30	15	7	8
Grand Total	646	357	174	115
Response Rate	95%	100%	96%	93%

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

² 616 respondents rated the AFRITAC Centers for this issue out of a total of 646 who answered this question

Source: 2008 AFRITAC Evaluation Survey

8. The AFRITACs helped countries to define their TA priorities for macroeconomic management. More people replied that AFRITAC played a role but was not a leader (50%) than those who replied that the AFRITACs played an important and leading role (42%). Very few respondents indicated that the AFRITACs played only a minor role (8%) or no role (less than 1%) in helping countries to establish their TA priorities (see Table CX.4). More respondents replied that East AFRITAC played a leading role in helping to define TA priorities (45%) than West AFRITAC (36%). Central AFRITAC was between the two more established centers (41%), indicating that it has made a significant impact in this area in a relatively short period of time.

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

Agreed/Strongly Agreed that the work of the AFRITACs was demand driven and responsive to the needs of the countries. Over three quarters felt that there was strong country ownership of AFRITAC TAs. Nearly 90% Agreed or Strongly Agreed with the statement that AFRITACs' work was closely linked to IMF's surveillance work and program activities and 92% that it complimented Headquarters TAs. About 80% agreed that the AFRITACs played a key role in providing feedback from countries to Headquarters and nearly 80% felt that the work of the AFRITACs was closely linked to the poverty reduction strategies of their countries. Similarly positive results were reported for all of the AFRITACs. Somewhat more people Strongly Agreed that the East AFRITAC TAs were country owned while a larger proportion responded that the work of the West and Central AFRITACs was strongly linked to Headquarters activities. The survey results provide strong evidence to confirm the relevancy of the work of the AFRITACs.

10. **An important element of the governance structure of the AFRITACs is the role of the Steering Committees in supervising, providing oversight and approving the work programs and budgets.** About 350 respondents felt that they had sufficient information and knowledge to rate the performance of the Steering Committees. Of those, **18% rated the performance of the Steering Committees as Excellent. A further two thirds rated the Steering Committees as Good. Only a small number of people rated the performance of the Steering Committees as Modest (13%) or Poor (3%)** (see Table CX.6). The East AFRITAC Steering Committee received the most **Excellent** (22%), followed by the West AFRITAC Steering Committee (17%) and the less experienced Central AFRITAC Steering Committee (13%). The feedback from government officials and Center Coordinators interviewed by the Evaluation Team was that the **Steering Committees were effective in giving a voice to beneficiary countries and other TA providers and that the Steering Committee meetings were not dominated by IMF.** That being said, **there are areas in which the Steering Committees could improve** (e.g., poor meeting attendance by some donors and countries in West AFRITAC; a more comprehensive and forceful articulation of priorities by country representatives; stronger and more dynamic role for the AFRITAC focal points and a greater recognition of their roles). Steering Committee members should more proactively support AFRITAC outreach in government organizations in their countries and with the local donor community. Donor representatives should more proactively share information among the constituencies that they represent. Overall, **these positive findings suggest that the experiment of opening up the decision making to people representing the views of concerned government officials and TA providers, a major innovation of the AFRITAC governance structure, was a successful and useful innovation.**

IV. Effectiveness of AFRITAC TAs

11. **The survey provided positive feedback on the effectiveness of AFRITAC TAs in achieving tangible results in building institutional capacity.** Nearly a quarter of the respondents rated the effectiveness of AFRITAC TAs as **Excellent** and 62% rated it as **Good**. Very few assessed the AFRITAC's effectiveness as **Modest** or **Poor** (see Table C.4). Overall, this is equivalent to a weighted score of **Good** for effectiveness. While 28% of the respondents rated the effectiveness of East AFRITAC as **Excellent**, the corresponding figure for West and Central AFRITACs was lower, both at about 18%. Similarly positive opinions were expressed about the effectiveness of AFRITACs in enhancing the quality of TA delivery. About 87% of respondents rated the AFRITACs' effectiveness in this area as either **Excellent** (25%) or **Good** (62%) (see Table CX.7). A somewhat higher proportion of people rated the effectiveness of East AFRITAC in enhancing the quality of TA delivery as **Excellent** (29%) than West (23%) or Central (19%) AFRITAC.

Table C.4: Effectiveness of AFRITAC Assistance

	Percent of Responses	East AFRITAC	West AFRITAC	Central AFRITAC
Excellent	23%	28%	18%	17%
Good	62%	60%	61%	70%
Modest	14%	11%	20%	13%
Poor	1%	1%	1%	0%
Total	100%	100%	100%	100%
Weighted Rating ¹	3.1	3.1	3.0	3.0
Total Responses ²	605	336	165	104
No Response	41	21	9	11
Grand Total	646	357	174	115
Response Rate	94%	94%	95%	90%

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

² 605 respondents rated the AFRITAC Centers for this issue out of a total of 646 who answered this question

Source: 2008 AFRITAC Evaluation Survey

12. The objectives defined in the Program Documents for the fiscal areas were to: (i) improve capacity for macroeconomic analysis, policy formulation, and forecasting; (ii) make the checks and balances in public financial management more effective, taking account of codes of good practices promoted by the IMF and other institutions; (iii) make systems and procedures for budgeting, treasury operations, and expenditure planning and control more efficient with appropriate safeguards in terms of oversight and auditing; and (iv) make the reporting of government financial operations more reliable and timely. Less than 15% of the respondents felt that any of these objectives were fully achieved (see Table C.5). Between 54% and 60% reported that despite substantial progress having been made, the objectives have not yet been achieved. About one quarter of the replies indicated that only modest progress had been made to achieve these objectives. Very few, around 5%, reported that no significant progress had been made. The progress reported in achieving the fiscal objectives was broadly similar across the objectives with no substantial differences standing out. The pattern was similar across the AFRITACs in terms of indicating an unfinished agenda in the fiscal areas. About 20% of the East AFRITAC respondents felt that the fiscal objectives had been achieved compared to 10% for West AFRITAC. Not surprisingly, given that it has been in operation for less than two years, less than 5% felt that the fiscal objectives of Central AFRITAC had been fully achieved for the Central AFRITAC.

Table C.5: Achieving Fiscal Objectives

	Percent Answering				Response Count	Response Rate ^{1/}
	Objective Fully Achieved	Despite Substantial Progress, Objective not yet Achieved	Only Modest Progress Made to Achieve Objective	No Significant Progress Made		
To improve capacity for macroeconomic analysis, policy formulation, and forecasting	12%	60%	22%	6%	434	67%
To make the checks and balances in public financial management more effective, taking account of codes of good practices promoted by the IMF and other institutions	14%	55%	26%	5%	409	63%
To make systems and procedures for budgeting, treasury operations, and expenditure planning and control, more efficient with appropriate safeguards in terms of oversight and auditing	13%	54%	27%	6%	398	62%
To make the reporting of government financial operations more reliable and timely	13%	57%	25%	5%	404	63%

¹ Ratio of the response count to the 646 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

13. The two monetary/financial objectives were to: (i) improve monetary operations, debt management and payment systems; and (ii) improve the legal and regulatory framework for financial sector supervision. Broadly similar findings were reported regarding progress being achieved but there remains an unfinished AFRITAC agenda (see Table C.6). Slightly more people felt that the AFRITACs had fully achieved the objective of improving the legal/regulatory framework for financial sector supervision. This reflects the dominance of East AFRITAC respondents. East AFRITAC has made substantial contributions to help several countries make a successful transition from traditional to risk based bank supervision. Over one quarter of the respondents reported that this objective was achieved in East AFRITAC.

14. The objectives in the statistical area were to: (i) upgrade the methodologies for compilation of economic and financial statistics to international standards; and (ii) improve the dissemination of macroeconomic data. The unfinished agenda in the statistics area is also clear from the survey returns. Only about 15% of the people reported that the statistics objectives were fully achieved and only 4% reported that no significant progress had been made in achieving the objectives (see Table C.6). Not surprisingly, a very small number of people felt that the Central AFRITAC had fully achieved its statistics objectives; slightly more progress was reported for the East and West AFRITACs.

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

	Percent Answering				Response Count	Response Rate ^{1/}
	Objective Fully Achieved	Despite Substantial Progress, Objective not yet Achieved	Only Modest Progress Made to Achieve Objective	No Significant Progress Made		
To improve monetary operations, debt management and payment systems	12%	58%	26%	4%	338	52%
To improve the legal and regulatory framework for financial sector supervision	20%	51%	24%	5%	363	56%
To upgrade the methodologies for compilation of economic and financial statistics to international standards	15%	61%	20%	4%	379	59%
To improve the dissemination of macroeconomic data	12%	53%	29%	6%	369	57%

¹ Ratio of the response count to the 646 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

15. The survey results provide some evidence on the effectiveness of the modes AFRITACs use to deliver TA: (i) resident Advisors; (ii) short term experts; (iii) regional workshops; (iv) national workshops; and (v) professional attachments (see Table CX.8). Although all modes of assistance were rated as **Good**, there were some differences in the ratings. The regional workshops had the highest weighted rating, quite close to the cutoff point for an **Excellent** rating and the highest proportion of respondents that gave an **Excellent** rating (43%)⁵⁰. This positive result is consistent with the feedback that the Evaluation Team received in the field. Regional workshops were particularly appreciated because of the peer learning that took place among

⁵⁰ The positive ratings for the TA modalities were broadly similar across AFRITACs.

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

16. A higher proportion of people rated the quality of services provided by Resident Advisors as **Excellent** (35%) than rated short term experts as **Excellent** (26%). Similarly, the proportion rating short term experts as **Modest** and **Poor** was slightly higher than the similar rating for Resident Advisors. The majority of respondents rated the services provided by both Resident Advisors and short term experts as **Good**. These survey results are consistent with the feedback received by the Evaluation Team that the advisory services provided by the Resident Advisors and short term experts was generally of good quality. The few complaints about quality were isolated instances.

17. Nearly 400 participants provided feedback on the workshops that they attended (see Table CX.9). Overall, the workshops were rated as **Good**. The topics covered were rated as **Excellent** and the quality of presentations, the resource persons/presenters and the time to interact with other participants were all rated as **Good bordering on Excellent**. The quality of the venue and course duration were both rated as **Good**. The ratings of the workshops were broadly similar across the AFRITACs, although slightly more participants rated East AFRITAC workshops as **Excellent** than was the case for the other two AFRITACs. There were two areas where participants thought improvements could be made. These areas accounted for most of the **Modest** and **Poor** ratings. Although the length of the courses was rated as **Good**, it was below the midpoint in the range. During the focus group discussions with the Evaluation Team, many participants suggested that one week courses were too short and suggested that the courses be extended to 10 days or two weeks. Given the sunk cost in the airfares, they thought that it would be a more cost efficient use of funds to invest in the air fares for two weeks rather than one week courses. The one area related to the workshops that was rated on the order between **Good** and **Modest** with few ratings in the **Excellent** column (9%) related to post workshop follow up and support. The Evaluation Team received similar feedback in the field. Some participants indicated that the workshops attended were one off events and that there was a lack of post workshop follow up and support. Consequently, the knowledge gained was not used. However, such instances were a minority. In other cases there was excellent follow up through a series of workshops that built on the topics covered under previous workshops. The AFRITACs should address this issue in planning future workshops. In most cases a modest investment of time and resources after the workshop will increase the returns on the resources used to plan and deliver a workshop.

18. An important factor in determining whether a workshop was effective relates to whether the participants apply the knowledge gained on the job. Several questions on the survey were designed to address this issue. Workshop participants were asked whether they Strongly Agreed, Agreed, Disagreed, Strongly Disagreed or had No knowledge/No opinion about a series of questions related to their use of the knowledge gained in the workshop on the job. To probe the validity of the responses, in some cases similar questions were asked in both a positive and negative way. The results given in Table CX.10 were broadly similar for all three AFRITACs. The overwhelming majority (99%) of the participants either Strongly Agreed (66%) or Agreed (33%) that the topics covered in the workshops that they attended were relevant for their day to day activities. The large majority of participants responded that they used the knowledge gained on the job. About 84% of the participants either Strongly Agreed or Agreed with the statement that they used the knowledge gained nearly every day. There may be a positive bias in that

answer as 36% also indicated that they used the knowledge once a week on the job. However, it is clear from the survey that the large majority of respondents use the knowledge on the job. Only 11% Agreed/Strongly Agreed with the statement that they seldom used the skills on the job. Very few respondents, less than 10% in all cases, said that the topics were too advanced for their organizations, they had changed jobs and no longer used the skills or that their organization did not have the information technology or computer systems necessary to use the knowledge gained.

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

V. Efficiency of AFRITAC TAs

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

Table C.7: AFRITAC's Implementation Efficiency

	Percent of Responses	East AFRITAC	West AFRITAC	Central AFRITAC
Excellent	24%	25%	25%	18%
Good	62%	63%	56%	69%
Modest	12%	10%	16%	12%
Poor	2%	2%	3%	1%
Total	100%	100%	100%	100%
Weighted Rating¹	3.1	3.1	3.0	3.0
Total Responses ²	529	286	149	94
No Response/No Opinion	42	21	8	7
Grand Total	571	313	157	101
Response Rate	93%	91%	95%	93%

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

² 529 respondents rated the AFRITAC Centers for this issue out of a total of 571 who answered this question

Source: 2008 AFRITAC Evaluation Survey.

21. Survey respondents were asked to compare the TA delivered by the AFRITACs and TA delivered by IMF Headquarters (see Table CX.11). About 84% of those replying indicated that they Strongly Agreed (34%) or Agreed (50%) that the AFRITACs responded more quickly to requests for assistance than did Headquarters. Between 80% and 85% of the respondents believed that AFRITACs were more flexible than Headquarters, had a better understanding of country needs and were more responsive to those needs. Nearly 90% Agreed/Strongly Agreed that the AFRITACs were more effective in supporting regional integration and harmonization than Headquarters. The large majority (92%) either Agreed or Strongly Agreed that AFRITAC TAs supported the implementation of the policies and strategies identified by Headquarters.

22. Nearly two thirds of those participating in the survey Agreed (48%) or Strongly Agreed (18%) with the statement that the quality of expertise provided by AFRITACs was equivalent to or better than that provided by Headquarters. However, a sizable proportion (35%) Disagreed or Strongly Disagreed with that statement. An alternative approach to this issue was to ask whether people agreed with the statement that AFRITAC expertise was significantly weaker than that provided by Headquarters. Only 17% of the respondents Agreed/Strongly Agreed with that statement. This positive feedback on the AFRITACs relative to Headquarters was echoed during the interviews that the Evaluation Team had with senior government officials. Given these positive replies it should not be surprising that 29% of the respondents Strongly Agreed and 53% agreed with the proposition that IMF should reallocate staff and resources from Headquarters to AFRITACs. This proposition was also supported by many of the senior government officials interviewed by the Evaluation Team.

23. Respondents were also asked to give their opinion on the work of the AFRITACs relative to that of other TA providers (see Table CX.12). In general, about a quarter of the respondents Strongly Agreed and half Agreed that the AFRITACs responded to requests more rapidly than other TA providers, were more flexible, had a better understanding of the client countries, were more responsive to country needs and were more effective in promoting regional coordination than other TA providers. However, a sizable proportion of people disagreed with those sentiments (20% to 25%), although relatively few Strongly Disagreed (3% or less).

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

25. To provide further evidence on cost efficiency, the respondents were asked to state their views on the cost effectiveness of AFRITAC TAs compared to long-term in-country Advisors funded by IMF Headquarters, short-term TA Missions from IMF Headquarters, training put on by the IMF Training Institute, long-term in-country advisors and short-term TA Missions financed by other TA providers and training/assistance provided by regional institutions (see Table CX.13). For all of the types of comparisons, between 40% and 50% of the respondents felt that the AFRITACs were more cost efficient and another 35% to 40% thought that the cost effectiveness was equivalent. The AFRITACs were rated as less cost effective by between 10% and 20% of the respondents, depending on the comparator.

VI. Sustainability of the Benefits of AFRITAC TAs

26. Over 500 respondents felt that they had sufficient knowledge and experience to rate the sustainability of the benefits of AFRITAC TAs (see Table C.8). Overall, the respondents rated sustainability as **Good**, a rating that was similar for all three AFRITACs. About 30% rated sustainability as **Excellent**, 58% as **Good**, 11% as **Moderate** and only 1% as **Poor**. The Evaluation Team's assessment is more guarded. This less optimistic assessment of sustainability reflects several factors: (i) the limited institutional absorptive capacity of institutions in, and the post conflict status of, many countries (see Chapter I and Annex A), which create risks for sustainability; (ii) much of the TA could be described as works in progress – thus it is not clear at this stage if it will reach point where the benefits will be sustainable once IMF involvement ceases; (iii) all three TA departments indicated that the backstopping model is at risk because of the 2007 staff and budget cut backs and growing demands for backstopping; and, (iv) at the time of the evaluation there was no commitment on the part of the other partners or IMF to finance the next phase of the AFRITACs – it is possible that the budgetary pressure that traditional donors will face as a result of the fall out of the sub-prime mortgage crises will result in cuts for Official Development Assistance.

Table C.8: Sustainability of the Work of the AFRITAC TAs

	Percent of Responses	East AFRITAC	West AFRITAC	Central AFRITAC
Excellent	30%	34%	23%	28%
Good	58%	55%	62%	60%
Modest	11%	9%	14%	10%
Poor	1%	1%	1%	2%
Total	100%	100%	100%	100%
Weighted Rating¹	3.2	3.2	3.1	3.1
Total Responses ²	520	286	141	93
No Response/No Opinion	52	28	16	8
Grand Total	572	314	157	101
Response Rate	91%	91%	90%	92%

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

² 520 respondents rated the AFRITAC Centers for this issue out of a total of 572 who answered this question.

Source: 2008 AFRITAC Evaluation Survey

27. The benefits of AFRITAC TAs are more likely to be sustainable if there is consensus that the AFRITAC objectives remain important. The respondents were asked for their views on the continuing importance of the AFRITAC fiscal objectives given in Table C.5 and the monetary, financial sector and statistics objectives given in Table C.6. Respondents were asked to rate the objectives as Highest Importance, Important, Modestly Important and Not Important. In each table, only two objectives could be ranked as Highest Importance. The results are given in Tables CX.14, CX.15 and CX.16. All of the objectives were viewed as being Highest Importance/Important and very few people thought that the objectives were Modestly Important (generally around 5%) or Not Important (generally in the order of 1%). The two most important fiscal objectives were: (i) improving the capacity for macroeconomic analysis, policy formulation, and forecasting; and (ii) making systems and procedures for budgeting, treasury operations, and expenditure planning and control, more transparent and efficient with appropriate safeguards in terms of oversight and auditing. The other three monetary/financial sector/statistics objectives received more votes as being of Highest Importance than did the dissemination objective.

28. The use of African experts to deliver TA was expected to contribute to sustainability by building regional human capacities and helping to transfer knowledge across borders. One of the objectives of the AFRITACs was to make increasing use of African expertise, either as Resident Advisors, short-term experts or as resource persons in seminars and workshops. Of the 12 Center Coordinators and Resident Advisors in East and West AFRITACs in 2005, six (60%) were African. In mid-2008, when the field work for the evaluation was undertaken, 12 (48%) of the 25 Center Coordinators and Resident Advisors were African (2 of 9 in East AFRITAC; 6 of 9 in West AFRITAC and 4 of 7 in Central AFRITAC). All three AFRITACs have used numerous African short term experts. The feedback to the Evaluation Team was that local knowledge and customs allowed the qualified African short term experts to be successful. It was particularly useful for executing agencies to receive advice from people who have had recent experience implementing similar reforms in organizations that are facing similar challenges and are at roughly the same level of development. Although the Evaluation Team received positive feedback on use of African expertise, when this issue was discussed with government officials,

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

29. The use of African expertise was one of the sub-criteria used for the sustainability rating. The survey results indicate that people generally feel that the AFRITACs have done a **Good** job promoting the use of African expertise -- 26% rated the AFRITACs as **Excellent** in this area, 50% as **Good**, 19% as **Modest** and 5% as **Poor** (see Table CX.17). Generally, the AFRITACs are viewed as being more efficient in using African expertise than either IMF Headquarters or other TA providers. Nearly half of the respondents agreed with the statement that the AFRITACs made better use of African expertise than IMF Headquarters and another 35% Strongly Agreed with the statement. Compared to other TA providers, 48% of the people Agreed and 26% Strongly Agreed that the AFRITACs made better use of African expertise. Few respondents felt that the AFRITACs did not make as good use of African expertise than either IMF Headquarters or other TA providers (see Table CX.18). The positive feedback on the use of African expertise was consistent across the AFRITACs, although the ratings were marginally lower for East AFRITAC.

VII. Overall Success of AFRITAC TAs

30. For each of the five TA clusters⁵¹ respondents were asked to rate AFRITAC TAs on a scale of Excellent, Good, Modest and Poor in the following areas: (i) relevance of the assistance in helping to build capacity; (ii) consistency with Government priorities; (iii) coordination of AFRITAC activities with those of other TA providers; (iv) coordination of AFRITAC activities with those of IMF Headquarters; (v) use of the outputs by the institutions that they are helping; (vi) effectiveness in achieving tangible results; (vii) significance of contributions to developing core economic functions/institution building; (viii) expertise and assistance available from the AFRITAC; and (ix) sustainability of the benefits associated with the work of the AFRITACs. The number of respondents providing ratings for the various criteria ranged from a low of 55⁵² to a high of 95⁵³.

31. The replies are detailed in Tables CX.19 to CX.23 in Appendix C and summarized in Table C.9. The scores shown in Table C.9 are the weighted average of the responses, assigning a score of 4 for Excellent, 3 for Good, 2 for Modest and 1 for Poor. As described in Annex B, the following descriptors were used, based on numerical cutoffs: (i) **Excellent** if the score was greater than 3.5; (ii) **Good** if the score was between 2.5 and 3.5; (iii) **Modest** if the score was between 1.5 and 2.5; and (iv) **Poor** if the score was less than 1.5. The figures in the Total column of Table C.9 were derived by weighting the scores across the five TA clusters by the person months used to deliver the TAs in each cluster (see Table A.1). The rating for each TA cluster in the last row of Table C.9 is the simple or unweighted average of the scores in the columns. In interpreting the results in Table C.9, it is important to recall that these ratings reflect the survey results. They do not reflect the results of the detailed analysis and judgment of the Evaluation Team which are reflected in Chapter II and Annexes D, E and F.

⁵¹ Public Financial Management, Revenue Administration, Monetary Operations/Public Debt Management/Payment Systems and Financial Markets, Financial Sector Supervision and Statistics.

⁵² Rating the coordination of AFRITAC Monetary Operations/Public Debt Management/Payment Systems and Financial Markets TAs with those of other TA providers.

⁵³ Rating the relevancy of Revenue Administration TAs.

Table C.9: Success By TA Cluster

Criteria	Public Financial Management	Revenue Administration	Monetary Operations/ Public Debt Management/ Payment Systems/ Financial Markets	Financial Sector Supervision	Statistics	Overall Rating for the Criteria
Weight (%)¹	26%	24%	11%	17%	22%	100%
Relevance of TAs in helping to build capacity	3.1	3.3	3.2	3.4	3.3	3.3
Consistency with Government priorities	3.0	3.1	3.0	3.2	3.1	3.1
Coordination with other TA providers	2.6	2.7	2.7	2.7	2.9	2.7
Coordination with IMF Headquarters	3.1	3.2	3.1	3.1	3.2	3.2
Use of the outputs	2.7	2.9	3.0	3.2	3.0	2.9
Effectiveness in achieving tangible results	2.6	2.9	2.9	3.2	2.9	2.9
Significance of contributions to developing core economic functions	2.8	3.0	3.0	3.3	3.0	3.0
Expertise and assistance	3.1	3.2	3.1	3.4	3.1	3.2
Sustainability of the benefits of AFRITAC TAs	2.8	2.9	2.9	3.1	2.9	2.9
Average for All Criteria	2.9	3.0	3.0	3.2	3.0	3.0

¹ Ratio of Resident Advisor person months used to deliver the TA cluster.

Source: 2008 AFRITAC Evaluation Survey

32. There was relatively little difference in the ratings for the five TA clusters. All were rated in the **Good** range for the aggregation of the nine criteria. The highest ranking was for Financial Sector Supervision. In meetings with central bank officials in Kenya, Tanzania and Rwanda from Governor level to the operational level, very high levels of satisfaction were expressed about the quality and effectiveness and sustainability the cluster of East of AFRITACs TAs to strengthen bank supervision. The lowest rating was for Public Financial Management, the TA cluster to which the AFRITACs have allocated the largest share of the time of their Resident Advisors to deliver the TA. The Evaluation Team was advised that FAD devoted considerably more resources to backstopping than did MCM. These results do not provide evidence that larger amounts of resources devoted to backstopping increased the success of FAD TAs relative to the TAs back stopped by MCM and STA. When more information is available from IMF's new time recording system, this issue merits a more detailed analysis in the context of the

evaluations of other RTACs. If the result of that analysis is that there is no compelling evidence that FAD TAs achieve better results than those of the other TA departments, then questions must be raised about whether the resource intensive FAD backstopping model represents and effective and efficient use of scarce human resources at IMF Headquarters.

33. Although all of the other ratings are in the **Good** range, there were differences among the criteria and TA clusters. The highest score among the **Good** ratings was for Financial Sector Supervision for relevance and expertise and assistance which **bordered on Excellent**. Two relevancy ratings scored at the **high end of the Good range** (Revenue Administration; Statistics) as did the significance of contributions for Financial Sector Supervision. The very positive rating of the relevance of the Financial Sector Supervision TAs reflects, in part, the fact that responses for East AFRITAC dominated the survey results. The feedback that the Evaluation Team received in Tanzania, Rwanda and Kenya indicated that the former Bank Supervision Resident Advisor in East AFRITAC made excellent contributions to help in the successful transition from traditional bank supervision to risk based supervision.

34. There were also a number of ratings in the **Good** range that were at the low end of the range **bordering on Modest**. Ratings **in the bottom quartile of the Good range** included three in the area of Public Financial Management (coordinating with other TA providers; use of TA outputs; achieving tangible results). Coordinating with other TA providers was also rated as relatively low for Revenue Administration, Monetary Operations/Financial Systems and Financial Sector Supervision.

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

Table CX.1: Respondents by Employer

	Total Responses	East AFRITAC	West AFRITAC	Central AFRITAC
Government Ministry/Agency	60%	65%	48%	56%
TA Providers	11%	7%	13%	7%
IMF and Short-term Experts	29%	19%	32%	31%
Other	0%	10%	6%	6%
Total (in percent)	100%	100%	100%	100%
Total Responses¹	815	357	176	115

¹ Distribution in first column is based on different groups of respondents, which totaled 815, and the other 3 columns are based on responses to this question of the 646 who rated the AFRITAC Centers.

Source: 2008 AFRITAC Evaluation Survey

Table CX.2: Government Officials By Type of Organization

	Total Responses	East AFRITAC	West AFRITAC	Central AFRITAC
Ministry of Finance	39%	28%	48%	45%
Central Bank	27%	37%	12%	15%
National Statistical Agency	9%	7%	20%	9%
Revenue Administration	22%	27%	13%	26%
Other	3%	1%	7%	5%
Total (in percent)	100%	100%	100%	100%
Total Responses	467	232	85	65
Grand Total	476	232	85	65
Response Rate (%)	98%	100%	100%	100%

¹ There were 476 respondents from government, 467 answered which government organization they were from and 382 rated the AFRITAC Centers.

Source: 2008 AFRITAC Evaluation Survey

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

	Total Responses	East AFRITAC	West AFRITAC	Central AFRITAC
African Department	13%	7%	17%	19%
Fiscal Affairs Department	16%	21%	16%	6%
Monetary and Capital Markets Department	9%	15%	3%	11%
Statistics Department	5%	9%	3%	3%
Resident Representative Office	12%	1%	21%	17%
AFRITAC	21%	21%	24%	25%
Other	22%	26%	16%	19%
Total (in percent)	100%	100%	100%	100%
Total Responses	179	68	58	36

¹ There were 179 IMF/Short-term Experts respondents of which 162 rated the AFRITAC Centers.

Source: 2008 AFRITAC Evaluation Survey

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

	Total Responses	East AFRITAC	West AFRITAC	Central AFRITAC
An Important and Leading Role	42%	45%	36%	41%
Played a Role But Not a Leader	50%	47%	57%	50%
Minor Inputs	8%	8%	7%	8%
Did Not Play Any Role	0%	0%	0%	1%
Total (in percent)	100%	100%	100%	100%
Total Responses ¹	565	301	162	107
No Response/No Opinion	83	56	14	8
Grand Total ²	648	357	176	115
Response Rate	87%	84%	93%	93%

¹ 565 rated the AFRITAC Centers for this issue out of a total of 648 who answered this question.

Source: 2008 AFRITAC Evaluation Survey

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

	Percent Answering				Response Count	Response Rate ^{1/}
	Strongly Agree	Agree	Disagree	Strongly Disagree		
Work is demand-driven and responsive to the needs of countries	42%	52%	6%	1%	522	91%
Strong country ownership	22%	58%	18%	2%	485	85%
Closely linked to IMF's surveillance work and program activities	26%	64%	9%	2%	466	82%
Closely coordinated with IMF Headquarters TAs	30%	62%	7%	1%	443	78%
AFRITAC provides feedback from countries to IMF Headquarters	24%	56%	15%	4%	380	67%
Closely linked to the poverty-reducing strategies of its member countries	20%	59%	17%	4%	426	75%

¹ Ratio of the response count to the 571 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

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

	Total Responses	East AFRITAC	West AFRITAC	Central AFRITAC
Excellent	18%	21%	17%	13%
Good	66%	62%	68%	75%
Modest	13%	15%	13%	10%
Poor	3%	2%	3%	3%
Total (%)	100%	100%	100%	100%
Weighted Rating ¹	3.0	3.0	3.0	3.0
Total Responses ²	350	169	109	72
No Response/No Opinion	221	144	48	29
Grand Total	571	313	157	101
Response Rate	61%	54%	69%	71%

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

² 350 rated the AFRITAC Centers for this issue out of a total of 571 who answered this question.

Source: 2008 AFRITAC Evaluation Survey

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

	Total Responses	East AFRITAC	West AFRITAC	Central AFRITAC
Excellent	25%	29%	23%	19%
Good	62%	59%	62%	72%
Modest	11%	9%	14%	9%
Poor	2%	2%	1%	0%
Total (in percent)	100%	100%	100%	100%
Weighted Rating ^{2/}	3.1	3.1	3.1	3.1
Total Responses	598	328	165	105
No Response/No Opinion	48	29	9	10
Grand Total ^{3/}	646	357	174	115
Response Rate	93%	92%	95%	91%

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

² 598 rated the AFRITAC Centers for this issue out of a total of 646 who answered this question.

Source: 2008 AFRITAC Evaluation Survey

Table CX.8: Effectiveness of TA Delivery Modalities

	Percent Answering				Weighted Rating ^{1/}	Response Count	Response Rate ^{2/}
	Excellent	Good	Modest	Poor			
Resident Advisers	35%	50%	12%	3%	3.2	433	67%
Short Term Experts	26%	56%	16%	2%	3.1	525	81%
Regional Workshops/ Training Courses	43%	44%	11%	2%	3.3	534	83%
National Workshops/ Training Courses	26%	53%	14%	7%	3.0	419	65%
Professional Attachments in African Organizations	21%	44%	25%	10%	2.8	286	44%

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

² Ratio of the response count to the 646 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

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

	Percent Answering				Weighted Rating ^{1/}	Response Count	Response Rate ^{2/}
	Excellent	Good	Modest	Poor			
Topics Covered	62%	36%	2%	0%	3.6	388	98%
Resource Persons/Presenters	46%	50%	3%	1%	3.4	388	98%
Quality of Presentations	45%	50%	5%	0%	3.4	389	98%
Time to Interact with Other Participants	36%	54%	9%	2%	3.2	388	98%
Quality of the Venue	32%	53%	12%	3%	3.1	388	98%
Length of course	9%	57%	27%	7%	2.7	389	98%
Post Course/ Workshop Follow up and Support	7%	34%	37%	22%	2.3	349	88%

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

² Ratio of the response count to the 395 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

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

	Percent Answering				Response Count	Response Rate ^{1/}
	Strongly Agree	Agree	Disagree	Strongly Disagree		
The topics covered were relevant to my day to day activities	66%	33%	1%	1%	366	93%
Used knowledge nearly every day on the job	37%	47%	14%	1%	355	90%
Used knowledge occasionally (once a week) on the job	7%	29%	42%	22%	346	88%
Seldom used knowledge on the job	1%	10%	40%	49%	346	88%
Topics too advanced	2%	6%	40%	52%	355	90%
Changed jobs and do not use knowledge	1%	3%	38%	57%	327	83%
Organization does not have the information technology or computer systems needed to use the knowledge gained	3%	8%	35%	55%	342	87%

¹ Ratio of the response count to the 395 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table CX.11: The AFRITAC TAs Compared to IMF Headquarters TAs

	Percent Answering				Response Count	Response Rate ^{1/}
	Strongly Agree	Agree	Disagree	Strongly Disagree		
Responds more quickly than Headquarters	34%	50%	14%	3%	340	60%
More flexible than Headquarters	31%	54%	12%	2%	353	62%
Better understands countries than Headquarters based staff	32%	51%	14%	3%	430	75%
More responsive to country needs than Headquarters	27%	54%	17%	2%	384	67%
More effectively promotes regional integration and harmonization than Headquarters	30%	57%	11%	2%	403	71%
Supports the implementation of policies and strategies identified by Headquarters	26%	66%	6%	1%	417	73%
IMF should re-allocate staff and resources from Headquarters to the AFRITACs	29%	53%	13%	5%	424	74%
Expertise equivalent or better than that provided by Headquarters	18%	48%	28%	7%	389	68%
Expertise and advice significantly weaker than that provided by the IMF Headquarters	5%	12%	56%	27%	383	67%

¹ Ratio of the response count to the 571 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table CX.12: The AFRITAC TAs Compared to Other TA Providers

	Percent Answering				Response Count	Response Rate ^{1/}
	Strongly Agree	Agree	Disagree	Strongly Disagree		
Responds more quickly to requests than other TA providers	24%	53%	21%	1%	335	59%
More flexible than other TA providers.	21%	53%	23%	3%	332	58%
Better understands of the countries than other TA providers	25%	50%	22%	3%	356	62%
More responsive to country needs than other TA providers.	22%	51%	24%	3%	340	60%
More effectively promotes regional integration and harmonization than other TA providers.	26%	55%	17%	2%	344	60%

¹ Ratio of the response count to the 571 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table CX.13: The Comparative Cost-effectiveness of AFRITAC TAs

	Percent Answering			Response Count	Response Rate ^{1/}
	Comparable	More Efficient	Not as Efficient		
Long-term in-country advisers funded by IMF	36%	46%	18%	314	55%
Short-term TA Missions from IMF Headquarters	39%	43%	18%	350	61%
Training put on by the IMF Training Institute	35%	49%	17%	286	50%
Long-term in-country advisors from other TA providers	35%	43%	23%	265	46%
Short-term TA Missions from other TA providers	37%	49%	15%	279	49%
Training/assistance provided by regional institutions	40%	50%	10%	303	53%

¹ Ratio of the response count to the 571 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

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

	Percent Answering				Response Count	Response Rate ^{1/}
	Highest Importance	Important	Modestly Important	Not Important		
To improve capacity for macroeconomic analysis, policy formulation, and forecasting	56%	36%	6%	2%	512	90%
To make the functioning of checks and balances in public financial management more effective, taking account of codes of good practices promoted by the IMF and other institutions	39%	54%	7%	1%	488	85%
To make systems and procedures for budgeting, treasury operations, and expenditure planning and control, more transparent and efficient with appropriate safeguards in terms of oversight and auditing	56%	41%	3%	0%	493	86%
To make the reporting of government financial operations more reliable and timely	36%	55%	8%	1%	494	87%

¹ Ratio of the response count to the 571 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

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

	Percent Answering				Response Count	Response Rate ^{1/}
	Highest Importance	Important	Modestly Important	Not Important		
To improve monetary operations, debt management and payment systems	52%	42%	6%	1%	483	85%
To improve the legal and regulatory framework for financial sector supervision	48%	46%	5%	1%	494	87%

¹ Ratio of the response count to the 571 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

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

	Percent Answering				Response Count	Response Rate ^{1/}
	Highest Importance	Important	Modestly Important	Not Important		
To upgrade the methodologies for compilation of economic and financial statistics to the latest international standards	45%	48%	7%	1%	495	87%
To improve the dissemination of macroeconomic data and metadata	30%	58%	11%	1%	492	86%

¹ Ratio of the response count to the 571 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table CX.17: Promotion of African Expertise

	Percent of Responses	East AFRITAC	West AFRITAC	Central AFRITAC
Excellent	26%	26%	27%	24%
Good	50%	48%	51%	56%
Modest	19%	19%	21%	17%
Poor	5%	6%	1%	3%
Total (in percent)	100%	100%	100%	100%
Weighted Rating ¹	3.0	2.9	3.0	3.0
Total Responses ²	484	262	134	88
No Response/No Opinion	87	52	23	13
Grand Total ^{3/}	571	314	157	101
Response Rate	85%	83%	85%	87%

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

² 484 rated the AFRITAC Centers for this issue out of a total of 571 who answered this question.

Source: 2008 AFRITAC Evaluation Survey

Table CX.18: AFRITACs' Use of African Expertise

	Percent Answering				Response Count	Response Rate ^{1/}
	Strongly Agree	Agree	Disagree	Strongly Disagree		
Makes better use of African expertise than does Headquarters.	35%	49%	14%	2%	398	70%
Makes better use of African expertise than other TA providers.	26%	48%	20%	5%	345	60%

Source: 2008 AFRITAC Evaluation Survey

Table CX.19: Success of Public Financial Management TAs

	Percent Answering				Weighted Rating ^{1/}	Response Count	Response Rate ^{2/}
	Excellent	Good	Modest	Poor			
Relevance of TAs in helping to build capacity	36%	43%	14%	6%	3.1	83	92%
Consistency with Government priorities	33%	42%	19%	6%	3.0	81	90%
Coordination with other TA providers	15%	49%	23%	14%	2.6	74	82%
Coordination with IMF Headquarters	33%	51%	13%	3%	3.1	70	78%
Use of the outputs	17%	46%	26%	11%	2.7	76	84%
Effectiveness in achieving tangible results	14%	46%	28%	12%	2.6	78	87%
Significance of contributions to developing core economic functions	19%	54%	19%	8%	2.8	74	82%
Expertise and assistance	31%	49%	15%	5%	3.1	78	87%
Sustainability of the benefits of AFRITAC TAs	20%	51%	22%	7%	2.8	76	84%
Average for All Criteria	24%	48%	20%	8%	2.9	77	85%

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

² Ratio of the response count to the 90 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table CX.20: Success of Revenue Administration TAs

	Percent Answering				Weighted Rating ¹	Response Count	Response Rate ²
	Excellent	Good	Modest	Poor			
Relevance of TAs in helping to build capacity	47%	40%	9%	3%	3.3	95	97%
Consistency with Government priorities	35%	47%	13%	4%	3.1	93	95%
Coordination with other TA providers	18%	43%	30%	8%	2.7	76	78%
Coordination with IMF Headquarters	40%	46%	15%	0%	3.2	81	83%
Use of the outputs	20%	54%	21%	5%	2.9	91	93%
Effectiveness in achieving tangible results	24%	50%	21%	5%	2.9	92	94%
Significance of contributions to developing core economic functions	25%	49%	22%	4%	3.0	85	87%
Expertise and assistance	40%	43%	15%	2%	3.2	93	95%
Sustainability of the benefits of AFRITAC TAs	24%	50%	22%	4%	2.9	92	94%
Average for All Criteria	30%	47%	19%	4%	3.0	89	90%

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

² Ratio of the response count to the 98 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table CX.21: Success of Monetary Operations/ Financial Systems TAs

	Percent Answering				Weighted Rating ¹	Response Count	Response Rate ²
	Excellent	Good	Modest	Poor			
Relevance of TAs in helping to build capacity	32%	55%	12%	0%	3.2	65	92%
Consistency with Government priorities	23%	60%	14%	3%	3.0	65	92%
Coordination with other TA providers	9%	56%	29%	5%	2.7	55	77%
Coordination with IMF Headquarters	22%	64%	14%	0%	3.1	59	83%
Use of the outputs	20%	55%	25%	0%	3.0	60	85%
Effectiveness in achieving tangible results	20%	52%	27%	2%	2.9	64	90%
Significance of contributions to developing core economic functions	27%	48%	23%	2%	3.0	64	90%
Expertise and assistance	27%	55%	19%	0%	3.1	64	90%
Sustainability of the benefits of AFRITAC TAs	18%	50%	32%	0%	2.9	62	87%
Average for All Criteria	22%	55%	22%	1%	3.0	62	87%

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

² Ratio of the response count to the 71 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table CX.22: Success of Financial Sector Supervision TAs

	Percent Answering				Weighted Rating ¹	Response Count	Response Rate ²
	Excellent	Good	Modest	Poor			
Relevance of TAs in helping to build capacity	53%	38%	8%	1%	3.4	77	96%
Consistency with Government priorities	29%	59%	11%	1%	3.2	75	94%
Coordination with other TA providers	15%	50%	29%	6%	2.7	66	83%
Coordination with IMF Headquarters	29%	52%	15%	3%	3.1	65	81%
Use of the outputs	40%	47%	11%	3%	3.2	73	91%
Effectiveness in achieving tangible results	36%	49%	14%	1%	3.2	73	91%
Significance of contributions to developing core economic functions	36%	55%	9%	0%	3.3	69	86%
Expertise and assistance	49%	39%	11%	1%	3.4	76	95%
Sustainability of the benefits of AFRITAC TAs	31%	53%	14%	3%	3.1	72	90%
Average for All Criteria	35%	49%	13%	2%	3.2	72	90%

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

² Ratio of the response count to the 80 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table CX.23: Success of Statistics TAs

	Percent Answering				Weighted Rating ¹	Response Count	Response Rate ²
	Excellent	Good	Modest	Poor			
Relevance of TAs in helping to build capacity	44%	45%	11%	1%	3.3	94	97%
Consistency with Government priorities	30%	52%	16%	2%	3.1	91	94%
Coordination with other TA providers	23%	49%	25%	4%	2.9	80	82%
Coordination with IMF Headquarters	36%	47%	16%	1%	3.2	77	79%
Use of the outputs	24%	54%	18%	4%	3.0	83	86%
Effectiveness in achieving tangible results	21%	52%	22%	4%	2.9	90	93%
Significance of contributions to developing core economic functions	28%	51%	16%	5%	3.0	86	89%
Expertise and assistance	35%	46%	15%	4%	3.1	89	92%
Sustainability of the benefits of AFRITAC TAs	17%	63%	17%	3%	2.9	89	92%
Average for All Criteria	29%	51%	17%	3%	3.0	87	89%

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

² Ratio of the response count to the 97 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Annex D: Assessment of East AFRITAC

Key Messages

- East AFRITAC opened in late 2002 and has been operational for six years.
- Overall, the East AFRITAC's performance is rated as Good, above the midpoint of the range.
- The highest ratings were for relevance which indicates that the TAs were well chosen, were owned by the governments and were well aligned with IMF operations in the countries.
- For all TA clusters, the donor coordination was relevance sub-criteria for which the most problems were reported, especially finding ways for East AFRITAC to engage effectively when other donors pool their resources in the PFM and Statistics areas.
- The lowest ratings were for efficiency and sustainability.
- Long delays experienced in filling vacancies for the Monetary Operations, PFM and Statistics Advisors lowered the efficiency and effectiveness ratings. All three TA departments need to do a better job in succession planning and the timely recruitment of Resident Advisors in East AFRITAC.
- Common issues in the area of sustainability include the excessive country responsibilities of Resident Advisors and institutional absorptive capacity. Staff turnover is a problem in some agencies.
- There is a need to strengthen benchmarking and monitoring of progress.
- Regional workshops were effective in sharing regional experience, the workshop documentation was used as reference material and most workshop participants used the knowledge gained on the job. Follow-up requires greater attention to facilitate the implementation of workshop recommendations.
- There were clear differences in performance across the TA clusters. The East AFRITAC's Banking Supervision TAs were rated as Excellent and the Revenue Administration TAs were rated as Good, on the margin of being Excellent. Although the Monetary Operations, PFM and Statistics TAs were all rated as Good, these clusters were rated below the midpoint in the Good range.
- The sense of ownership and significance of contribution was excellent for the banking supervision TAs where a team-based model was used over four years to deliver important outputs, including in risk-based supervision. These outputs contributed to significant achievement of a shift from a traditional to a risk-based bank supervision system, a priority for the central banks.
- In the fiscal area, TAs helped to embed outputs in the routine businesses practices of the executing agencies although in some cases constraints prevented a full implementation of TA recommendations.
- Strengths of the statistics TAs included: (i) their clear relevance to the needs of the client countries and complementary nature with IMF surveillance and monitoring activities; and (ii) achievements of tangible results that are country owned and are likely to be sustained in areas related to balance of payments, quarterly national accounts, CPI and PPI.

I. Introduction for East AFRITAC

1. East AFRITAC opened in late 2002 and has been operational for six years. Annex D presents the detailed evaluation of East AFRITAC. The Monetary and Banking TAs were grouped into two clusters: (i) Monetary Operations and (iii) Banking Supervision. The fiscal TAs were also grouped into two clusters: (i) Public Financial Management; and (ii) Revenue Administration. All statistics TAs were analyzed as one group covering national accounts, prices, balance of payments and government financial statistics.

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

3. The conclusions of the Evaluation Team reflect: (i) the feedback received from government officials and workshop participants, East AFRITAC staff, Resident Representatives and representatives of other TA providers during interviews in Kenya, Rwanda and Tanzania; (ii) the feedback received on East AFRITAC from the respondents to the AFRITAC Evaluation Survey; (iii) documentation review; and (iv) interviews undertaken in IMF Headquarters.

4. A special run was done on the AFRITAC Evaluation Survey to analyze the 359 East AFRITAC specific responses. Some of the key tables are included in the main text of Annex D and other tables are included in the appendix to this annex.

5. The Evaluation Team had more information about East AFRITAC's TAs in the countries that it visited (i. e., Kenya; Rwanda; Tanzania) than the other East AFRITAC client countries (i. e., Eritrea; Ethiopia; Malawi; Uganda). To try to ensure that this did not unduly bias its conclusions, the Evaluation Team used multiple sources of information to validate key conclusions. In general there was a close correlation between the conclusion of the Evaluation Team and the survey results which provides some comfort about the overall assessment of East AFRITAC.

6. Based on the data in Table B.2, East AFRITAC delivered 55% of its TA to countries rated as having a Good institutional absorptive capacity (Rwanda; Tanzania). Relatively little TA (1%) was delivered to Eritrea, the East AFRITAC client with the weakest institutional absorptive capacity. Weighting the institutional absorptive capacity score by the proportion TA delivered to the country resulted in a 2.6 weighted institutional capacity score, Good but just above the cut off point for Modest. This rating is skewed upward because Mali dominates Table B.2, purportedly accounting for 42% of the TA delivered by East AFRITAC. This probably reflects time spent in the East AFRITAC office by the Resident Advisors. A rating of Modest might better accord with the general capacity of the institutions in East AFRITAC client countries.

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

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

Source: IMF, Office of Technical Assistance Management.

1 Fiscal year runs from May 1 to April 30

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

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

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

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

II. Evaluation of East AFRITAC Monetary and Banking TAs

A. Introduction to Monetary and Bank Supervision TAs

7. Reflecting both the mixed social and economic characteristic of countries in the region⁵⁴ and the fact that all of the client countries have central banks that oversee both the implementation of monetary policy for independent currencies and the supervision of banks (including microfinance), East AFRITAC's monetary and financial system TAs are provided solely to central banks and embrace a broad menu of activities in both monetary operations and banking supervision areas⁵⁵.

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

9. The Phase II work plan (FY2006-2008) continued and better coordinated these activities and gradually sharpened the focus and thrust of monetary operations work to support the deepening of financial intermediation and more market determination of interest rates. This was done by helping central banks to build in-house capacities for formulation and implementation of monetary policy through: (i) the adoption of market based instruments to facilitate the development of foreign exchange, money and domestic debt markets; (ii) improving liquidity management and monetary operations; (iii) supporting ongoing efforts to modernize payment and settlement systems, including harmonization of regional efforts involving cross border payments; and (iv) supporting reforms in central bank accounting⁵⁶ and adoption of International Financial Reporting Standards(IFRS).⁵⁷

⁵⁴ See Table I.1 in Chapter I for the country characteristics developed by the Evaluation Team to compare institutional absorptive capacity for AFRITAC client countries. For East AFRITAC two countries, Rwanda and Tanzania, are rated as good and the other five (Eritrea, Ethiopia, Kenya, Malawi and Uganda) are rated modest. While some countries in the region have not been without social and economic tensions and poverty reduction is an important goal for all, in terms of financial sector progress many of the countries are either well into second generation financial sector reforms or at least making a good start in that direction.

⁵⁵ In contrast, monetary and financial system TAs of West and Central AFRITACs have a narrower focus within client countries, largely reflecting the predominance of regional central banks and common currency regimes, pegged to the euro, in their client countries (see Annex E and F).

⁵⁶ Such accounting reforms in central banks often support Safeguards Assessments carried out by the IMF to enhance governance structures.

⁵⁷ The objective for monetary operations TAs in the Phase II work Program was to enhance efficiency and effectiveness of monetary policy implementation using indirect instruments in an increasingly market-based financial environment by improving the central bank's liquidity management tools and developing financial markets.

10. A similar pattern is evident in the evolution of banking supervision TAs. Priorities in the Phase I work plan activities included: (i) upgrading skills in core supervisory activities, namely on-site inspections and off-site surveillance in many countries in the region; (ii) initiating support for the shift from traditional to a risk-based supervision (RBS) approach in Kenya Rwanda and Tanzania by drawing up an implementation framework and mobilizing dedicated teams to oversee the change process⁵⁸; (iii) development of an on-site inspection manual and an off-site surveillance system in Eritrea; (iv) establishing a new format for inspection reports and reviewing loan classification and provisioning methodology in Rwanda; (v) helping to draw up the supervisory framework for non-bank financial institutions and the regulatory framework for the national pension fund in Uganda; (vi) dealing with problem banks and non-performing loans; (vii) implementing anti-money laundering measures; and (viii) introducing the CAMEL⁵⁹ rating system for banks in a number of countries.

11. The work program for Phase II⁶⁰ continued the aforementioned banking supervision activities, essentially multiyear capacity building projects, but in a more structured manner that focused on three major themes: (i) **strengthening baseline supervision** (i. e., implementation of RBS, enhancing offsite surveillance/monitoring systems of financial condition and performance using the CAMEL rating framework); (ii) **achieving greater compliance with the Basle Core principles** (i. e., strengthening the legal and regulatory framework for all financial institutions and providing for cross border supervision of financial entities on a consolidated basis); and (iii) **addressing specific banking supervision issues** (i. e., supervision of non-bank financial institutions, microfinance and foreign exchange bureaus, compliance with international reporting standards, preparing for Basle II capital framework, and putting in place AML/CTF measures).

12. Commendably, the objectives and thrust of the Phase II work programs in both monetary operations and banking supervision were influenced by, and received impetus from, the joint IMF-World Bank FSAPs completed for five countries in the region between 2001 and 2004. The FSAPs identified to the respective country authorities' capacity building needs, relating to monetary policy implementation, development of financial markets and financial sector supervision.⁶¹

13. TAs in both the monetary operations and banking supervision were delivered by Resident Advisors, with the support of short-term experts. For a period of over two years (Jan 2005-April 2007) the Monetary Operations Advisor position remained unfilled and TA to member countries was provided by MCM.^{62,63}

⁵⁸ To initiate this process, surveys of risk management practices of banks and other financial institutions have been conducted by the Bank of Tanzania, the Central Bank of Kenya and the National Bank of Rwanda; and draft risk management guidelines for banks were prepared.

⁵⁹ CAMEL is the acronym for the widely accepted performance rating system covering capital adequacy, asset quality, management, earnings and liquidity.

⁶⁰ The objective for banking supervision TAs in the Phase II Work program laid emphasis on promoting financial sector soundness and enhanced competition in financial markets. The end goal is to provide an effective supervisory and regulatory framework that enables sound financial institutions to compete and thus increase efficiency in financial intermediation.

⁶¹ An FSAP for Malawi was completed in 2007.

⁶² The Evaluation Team has not been provided with details of TA delivered from Headquarters during that period but it was clear from discussions with the central bank authorities in all three countries visited that the hiatus caused by the protracted delay in filling the vacancy negatively impacted the pace of reforms in effectiveness and sustainability of East AFRITAC's monetary operations TAs for significant parts of Phases I and II. It is also clear from AFR program documents that MCM has been providing TA in monetary operations and banking supervision over the period of the evaluation to countries in the region (e.g. Rwanda) which provides evidence that MCM (upstream) and AFRITAC (downstream) model of delivering TA has not been consistently followed.

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

B. Relevance of Monetary and Bank Supervision TAs

1. Consistency with Government Objectives

15. Examination of relevant documents⁶⁴ and feedback from extensive meetings that the Evaluation Team held with officials in the Central Banks of Kenya, Rwanda and Tanzania, indicate evidence of strong ownership of TAs in monetary and banking supervision. Officials from the Governor level to middle management are involved and interact closely with East AFRITAC and its Advisors in ensuring that the TA program is focused on the capacity-building needs of the monetary and financial system. Indeed, conscious of the linkage of all of the TAs with macroeconomic policy effectiveness, Central Bank officials closely support all the work of East AFRITAC. Also, senior officials in the Central Banks have actively participated in the Steering Committee, including serving as chair for much of the time.

16. A good example of the relevancy of monetary and financial system TAs with government objectives is the extent to which many of the countries who voluntarily undertook joint IMF-World Bank FSAPs have been motivated to request East AFRITAC assistance to support implementation of key findings and recommendations relating to capacity building needs, both in monetary policy implementation/development of financial markets and financial sector supervision.⁶⁵

17. East AFRITAC TAs in monetary operations and banking supervision support regional integration and harmonization, a key objective of many countries in the region,

⁶³ Provision was also made in the Phase II work plan for professional attachments to be arranged for strong performers from one supervisory authority to another to join bank inspection in another country. East AFRITAC pioneered this initiative to encourage opportunities for effective peer review, facilitate adoption of more modern practices, and help develop regional expertise.

⁶⁴ Especially the work programs for Phases I and II and the minutes of the Steering Committee meetings.

⁶⁵ Motivated by the findings of FSAPs, Kenya, Tanzania and Rwanda requested TA to support a shift from a traditional approach in banking supervision to a risk-based approach. Risk-based supervision is a new approach to supervision that is more effective and efficient while at the same time nurturing a "risk-management" culture among financial institutions that will engender sound financial conditions of these entities. The FSAPs also highlighted two major problems in the region, i.e., low financial intermediation and lack of access to financial services, which influenced requests from the client countries for monetary operations-type TA to strengthen both the money and debt markets and competition among the players in the markets.

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

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

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

20. The Monetary operations and banking supervision TAs contributed tangentially to **strengthening the institutional capacity of countries to design and implement millennium development goals and poverty reducing strategies.** TAs to Improve the implementation of monetary policy and strengthen the quality of supervision of banks and micro finance institutions in Kenya, Rwanda and Tanzania have contributed to improving and deepening of intermediation and the extension of payment and other competitive financial services, especially microfinance, in an orderly and safe manner to the less advantages sections of the community.⁶⁶

⁶⁶ The relatively recent development of telephonic payment (Mpesa) and deposit facilities, an outgrowth of the rapid expansion of mobile phone networks combined with technology-linked ATM financial services is having a profound

2. Coordination with Development Partners⁶⁷

21. Since the signing of an agreement in September 2002, whereby the IMF became a contributing partner to the ACBF, East AFRITAC has been one of the focal points of ACBF collaboration. In the monetary operations and banking supervision areas joint short-term training seminars on risk-based financial sector supervision, issuance of government securities and AML/CTF have been undertaken. The training program has been well received by participating countries and organizations. This good collaboration continued through Phase II. East AFRITAC has also collaborated with MEFMI in the organization of seminars and workshops. The Kenya School for Monetary Studies (KSMS) has been an effective and constant partner in providing first class facilities to accommodate regional seminars and workshops for East AFRITAC.⁶⁸ Based on feedback from workshop participants the collaboration has been effective.

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

23. The evaluation team met with donors in the three countries visited. East AFRITAC's cooperation with donors in Tanzania appears to work reasonably well on monetary operations and banking supervision issues but coordination with donors in other countries has been less smooth. In Nairobi, donors complained about poor coordination and not being adequately informed of East AFRITAC's work in the banking supervision area. In Rwanda, East AFRITAC's coordination with World Bank on some elements of payments system modernization though initially problematic were later resolved in a tripartite discussion involving East AFRITAC and the resident representatives of the World Bank and the IMF in Kigali and the project went ahead. While East AFRITAC has clearly made the most progress among the three AFRITACs in outreach and dissemination of materials on its activities⁶⁹, more needs to be done in all three AFRITACs. This issue is further discussed in Chapter III.

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

impact on extension of financial services to the poorer and informal sectors of the economy in a few countries and is being carefully monitored by central banks in the region. In Kenya, for example, central bank officials estimated that about 3 million people were using the Mpesa service and the potential market could be up to 13 million users.

⁶⁷ The IMF's Africa Capacity Building Initiative placed strong emphasis from the outset on strengthening coordination among technical assistance providers and recipients as soon as possible. There are many donors active in financial sector in the region, including World Bank, AfDB, DFID, CIDA, the European Union Commission and GTZ. Additionally, KSMS, which provides the facilities for many of East AFRITAC's regional workshops, wishes to develop closer partnerships with both East AFRITAC and the IMF Institute, in making available to participants from all regions in AFRICA a broader range of high quality capacity building courses in key areas underpinning macroeconomic management.

⁶⁸ Some 6 to 7 joint regional workshops take place each year, with the cost of facilities being part of Kenya's in-kind contribution to East AFRITAC.

⁶⁹ East AFRITAC has made systematic efforts to facilitate coordination with donors: (i) by contacting them individually or through the country's donor coordination group; (ii) by using the IMF resident representatives as "ambassadors" since, outside of Tanzania, they have the best knowledge of stakeholders; (iii) having three donor representatives on the Steering Committee; and (iv) by producing and disseminating a comprehensive annual report its activities for the past two years. In some cases development partners have sought advice from East AFRITAC in the process of developing and finalizing their own TA program.

microfinance supervision from participants at the seminar was positive and the sharing of experience was much appreciated.

3. Consistency with IMF Activities

25. An examination of financial sector reform objectives and measures in IMF staff reports, surveillance and program related documents shows the linkage of East AFRITACs TA activities with IMF activities⁷⁰. The findings and recommendations of Joint World Bank/IMF FSAPs completed for six countries in the region also attest to the relevance of East AFRITAC TAs in monetary operations and banking supervision to IMF activities.

26. The African Department (AFR) of the IMF produces annually a set of country strategy notes that in addition to outlining the thrust of current macroeconomic policy direction, lists priorities for TA, which for monetary and financial system issues were developed in consultation with MCM. East AFRITAC's TAs in monetary operations and banking supervision are consistent with the strategy notes⁷¹. In general, East AFRITAC staff were unaware of AFR country notes and it would be desirable that these be better disseminated both to AFRITAC and to the Steering Committees who should be given some more opportunity to discuss and be seen to have involvement and ownership of the strategy notes. More specifically related to monetary and financial system TAs, to the extent that the strategy relates to FSAP follow-up, the relevant East AFRITAC Advisors should be involved, with "upstream" assistance from MCM as needed. A meaningful effort to develop a comprehensive FSAP follow-up strategy (such as was done in Tanzania and Rwanda in 2004-2005) would provide opportunities for a more focused role for AFRITAC advisors in an area crucial to promoting more effective regional integration.

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

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

⁷⁰ The IMF Staff Report on the 2008 Article IV discussions for Kenya notes the authorities' intention to finalize a Financial Sector Strategy and strengthen banking supervision through amendments to the central bank and banking laws and improve monetary operations and money market efficiency through introduction of dematerialized treasury bill transactions and adoption of a Master Repurchase Agreement governing horizontal repurchase agreements. Tanzania objectives under the Policy Support Instrument (PSI) notes in a letter of intent of May 2008 the progress made in centralizing government deposits in the central bank, strengthening liquidity forecasting to improve monetary policy operations and achieve a notable decline in interest rates, and measures to improve competition in the market for government securities through fortnightly auctions of treasury bills, as well as enhanced outreach to support greater transparency in monetary policy actions. A recent staff Report on Rwanda notes that financial sector reforms focus on improving the operation of monetary policy, modernizing the national payments system, improving access to credit and financial services and promoting non-bank financial institutions.

⁷¹ The FY 2009 AFR strategy notes for: (i) Kenya, attach priority to strengthening the domestic debt market, improving monetary operations, the payments system and banking supervision in order to increase the effectiveness of monetary policy and promote financial market deepening; (ii) Rwanda, emphasize a continuation of work on banking supervision and monetary operations and strengthening legal and regulatory system for payments systems; and (iii) Tanzania, focus on deepening domestic financial markets, improving monetary operations, including liquidity forecasting and foreign exchange operations.

Table D.2: Relevance of East AFRITAC Monetary and Banking TAs

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

28. Tables D.3 and D.4 show the results of the AFRITAC evaluation survey. The survey responses on the relevance of the two TA clusters are broadly consistent with the ratings in Table D.2. The number of responses is reasonable, ranging between 35 and 46, depending on the area. For the Monetary Operations cluster, the large majority of the respondents rated their relevance as good on all of the sub-criteria. Of those responding 37% ranked the relevancy of the Monetary TAs as **Excellent**, 56% as **Good**, 7% as **Modest**, and none as **Poor**. This is equivalent to a **Good** rating, **bordering on Excellent**. Eighty to ninety percent ranked the coordination with government priorities and coordination with IMF activities as **Good**, with a composite rating slightly above the midpoint in the Good range. The lowest ratings were for coordination with other TA providers. This is the only sub-criteria that respondents rated below the midpoint on the **Good** range. A substantial portion of those responding to the survey, about one in three, rated coordination with other donors as **Modest or Poor**. The respondents to the AFRITAC Evaluation Survey ranked the relevancy of the Banking Supervision cluster as **Excellent** (65% ranked the relevancy of the Banking Supervision TAs as **Excellent**; 26% as **Good**, 7% as **Modest**, and 2% as **Poor**) (see Table D.4). The rating for consistency with government priorities was **Good, bordering on Excellent** and the rating for coordination IMF activities was slightly above the mid-point of the **Good** range. As was the case with the Monetary TAs, coordination with other TA providers was the only sub-criteria with rating below the midpoint in the **Good** range and with a substantial number, about one in four, of **Modest or Poor** ratings.

Table D.3: Relevance of East AFRITAC's Monetary Operations/Financial Systems TAs

	Percent Answering				Weighted Rating ¹	Response Count	Response Rate ²
	Excellent	Good	Modest	Poor			
Relevance of TAs in helping to build capacity	37%	56%	7%	0%	3.3	41	89%
Consistency with Government priorities	22%	68%	10%	0%	3.1	41	89%
Coordination with other TA providers	14%	54%	26%	6%	2.8	35	76%
Coordination with IMF Headquarters	22%	61%	17%	0%	3.1	36	78%
Average for All Criteria	24%	60%	15%	1%	3.1	38	83%

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

² Ratio of the response count to the 46 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table D.4: Relevance of East AFRITAC's Financial Sector Supervision TAs

	Percent Answering				Weighted Rating ¹	Response Count	Response Rate ²
	Excellent	Good	Modest	Poor			
Relevance of TAs in helping to build capacity	65%	26%	7%	2%	3.5	46	94%
Consistency with Government priorities	39%	52%	9%	0%	3.3	44	90%
Coordination with other TA providers	15%	59%	20%	7%	2.8	41	84%
Coordination with IMF Headquarters	26%	62%	10%	3%	3.1	39	80%
Average for All Criteria	36%	50%	11%	3%	3.2	43	87%

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

² Ratio of the response count to the 49 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

C. Effectiveness of Monetary and Bank Supervision TAs

1. Use of AFRITAC Outputs

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

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

2. Planned versus Actual Achievements

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

32. An examination of the reports presented to the Steering Committee by East AFRITAC since 2006 indicate a commendable degree of success in TA delivered versus planned for monetary operations and banking supervision⁷². Where this did not happen the reasons were generally beyond the control of East AFRITAC and reflected a protracted delay in filling the Monetary Operations Advisor vacancy. To some extent in a few countries problems related to absorptive or security factors. Where necessary, East AFRITAC reduced the delivery of its work program to live within the available budget.

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

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

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

⁷² Recently the delivery of TA in the monetary operations area was in fact larger than planned (55 person weeks against the 49 planned) no doubt reflecting some pent up demand following the return of a Resident Advisor to East AFRITAC after an hiatus of over two years.

bank governors and deputy governors to heads of the supervision departments to workshop participants.

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

3. Significance of AFRITAC's Contributions

37. Progress toward building capacity in terms of a critical mass of human skills, quality institutions and best practice procedures that enhance countries' capacity to formulate and implement sound macroeconomic policies⁷³ is one key indicator of the significance of East AFRITAC's contributions in responding to the TA needs of countries in the region. Another indicator is the extent to which it can be demonstrated that the TA as delivered has resulted in more effective implementation of policies.

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

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

40. Ongoing support over the coming years in both areas of TA is vital to sustaining the progress being made in the more advanced central banks in the region and to gain greater traction in capacity building for other central banks that have not progressed as far. **The harmonized and consistent approach of East AFRITAC to delivering these two clusters of TAs to central banks in the region can help the process of regional integration and the planned move to a common currency.** Macroeconomic convergence indicators have an important role to play in promoting effective regional economic integration but adopting common platforms for supervision of banks and financial institutions as well as facilitating the operational integration of payments systems and cross border integration of financial markets has an equally important role to play. East AFRITAC should engage more with the EAC secretariat and

⁷³ The backstopping from MCM is designed to ensure that monetary and financial system TAs delivered by East AFRITAC conform with codified best international practices, as established by World Bank, IMF and other relevant standard setting agencies such as the Basel Committee on Banking Supervision.

the relevant working group on financial sector matters to see how best it can assist in this area to play a meaningful role in helping the process of regional integration as envisaged in its work plans.

4. Effectiveness of East AFRITAC Monetary and Banking TAs

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

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

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

42. For the cluster of Monetary TAs, for each sub-criteria, (i.e., use of TA outputs; effectiveness in achieving results; significance of contributions) all were rated in the mid-point of the **Good** range with about one quarter of the respondents giving an **Excellent** rating, one half a **Good** rating and one in five respondents assigning a **Modest** score. Almost no respondents rated the effectiveness of Monetary TAs as **Poor** (see Table D.6). The survey respondents provided slightly more positive responses when rating the effectiveness sub-criteria for the Banking Supervision TAs (see Table D.7). Although all three of the sub-criteria were rated as **Good**, the weighted scores were all bordering on **Excellent**. Typically 45% gave an **Excellent** rating, between 40% to 50% a **Good** rating and about 10% a **modest** rating. An insignificant number of respondents rated any effectiveness sub-criteria as **Poor**.

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

	Percent Answering				Weighted Rating ¹	Response Count	Response Rate ²
	Excellent	Good	Modest	Poor			
Use of the outputs	24%	57%	19%	0%	3.1	37	80%
Effectiveness in achieving tangible results	25%	55%	18%	3%	3.0	40	87%
Significance of contributions to developing core economic functions	27%	51%	20%	2%	3.0	41	89%
Expertise and assistance	25%	63%	13%	0%	3.1	40	87%
Sustainability of the benefits of AFRITAC TAs	18%	50%	33%	0%	2.9	40	87%
Average for All Criteria	24%	55%	20%	1%	3.0	40	86%

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

² Ratio of the response count to the 46 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

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

	Percent Answering				Weighted Rating ¹	Response Count	Response Rate ²
	Excellent	Good	Modest	Poor			
Use of the outputs	45%	41%	11%	2%	3.3	44	90%
Effectiveness in achieving tangible results	43%	45%	11%	0%	3.3	44	90%
Significance of contributions to developing core economic functions	48%	43%	10%	0%	3.4	42	86%
Expertise and assistance	57%	33%	9%	2%	3.4	46	94%
Sustainability of the benefits of AFRITAC TAs	39%	48%	11%	2%	3.2	44	90%
Average for All Criteria	46%	42%	10%	1%	3.3	44	90%

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

² Ratio of the response count to the 49 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

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

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

	Percent Answering				Response Count	Response Rate ¹
	Objective Fully Achieved	Despite Substantial Progress, Objective not yet Achieved	Only Modest Progress Made to Achieve Objective	No Significant Progress Made		
To improve monetary operations, debt management and payment systems	18%	54%	24%	3%	189	53%
To improve the legal and regulatory framework for financial sector supervision	28%	48%	20%	4%	204	57%

¹ Ratio of the response count to the 357 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

D. Efficiency of Monetary and Bank Supervision TAs

1. Process/Implementation Efficiency

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

45. More specifically and in relation to the ongoing work of East AFRITAC, the inputs/outputs process in terms of: (i) devising an annual work program for the monetary and financial systems TAs, based on country needs, agreed in the context of MCM's Regional Assistance Plan (RAP) at Headquarters and approved by the Steering Committee, and (ii) delivery of the TAs by the Resident Advisors/short-term experts, was reasonably good though, as in other AFRITACs, the Evaluation Team did not have the impression that Advisors were as conversant with MCM's planned TA activities in the region as one would expect. Neither were the Advisors familiar with the annual regional strategy notes developed by AFR in conjunction with MCM and other TA departments. However, they were conversant with FSAP findings and recommendations for the client countries. Given the growing profile of East AFRITAC as a significant contributor of capacity building TA to underpin more effective implementation of macroeconomic policies in countries in the region, and while acknowledging the distinction between "upstream" (Headquarters) and "downstream" (AFRITAC) TA, it could be more efficient if MCM ensured that its activities and plans relating to TA in the region were actively shared with the relevant Resident Advisors so that they are aware of the big picture in their respective areas and working off the same page as MCM staff. Indeed it would be desirable to share this big picture information with the Steering Committee to ensure that the "upstream/downstream" model works better and bolsters MCM's backstopping role in relation to resident advisors. This would also help the donor coordination process and avoid duplication of TA.⁷⁴

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

47. During the evaluation period, the protracted delay in filling a vacancy for the Monetary Operations Advisor position negatively impacted the East AFRITAC's ability to deliver TA and interrupted continuity on a number of projects.⁷⁵ The latter caused problems for counterparts in beneficiary agencies. Procedures should be put in place to avoid a recurrence and to maintain the quick response and continuity aspect, which is a hallmark and key strength of East AFRITAC TA. Central bank officials, including those who participated in the regional workshops, were positive in their feedback about the quality of regional workshops and the benefits derived from solving common problems in a regional forum. Some middle and senior level officials suggested that length of workshops be extended as sometimes they were too short, particularly when new projects were getting started. Others suggestions to improve TA process implementation included: (i) scaling up the professional attachments within member countries to promote capacity building in weaker countries and facilitate transfer and harmonization of best practices; and (ii) developing a mentorship/fellowship program to build regional capacity.

2. Efficient Use of Resources

48. There is a reasonable balance between the time advisors spend at the home office and in the field (about 35% to 65%). It is difficult to be judgmental on where the best balance lies given that unmet demands can arise due to budgetary constraints. However, if increased budgetary resources are made available in Phase III, one way to increase efficiency of resource

⁷⁴ Some central banks in the region feel challenged to minimize or avoid duplication of TA and one alluded to the fact that this can happen "even within the IMF itself (MCM and East AFRITAC)".

⁷⁵ It also dilutes the effectiveness and sustainability of this TA cluster and impacts the ratings in the evaluation

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

49. For the monetary and financial systems TAs, East AFRITAC provided a total of 79 person months during FY 2006 to FY 2008, or an average of 26 person months per year. This is substantially less than the average of 36 person months of TA provided in the MCM areas in FY 2004 and FY 2005. The reason for this was the long delay in filling the vacant Monetary Operations Advisor position. In FY 2006 zero months of TA was delivered and one month was delivered in FY 2007. This vacancy was not offset by an increased of short term experts in the MCM areas. Although 14 person months of TA in the MCM areas was delivered through short term experts in FY 2006, about the same as in the two previous years, the corresponding figure fell to 7.5 person months in both FY 2007 and FY 2008. A full 12 months of Monetary Operations Advisor input was delivered in FY 2008 after the vacancy was filled. Thus, during the three year evaluation period, the Monetary Operations Advisor was only available for about one third of the time. This is unacceptable. In contrast, the Banking Supervision Advisor position was filled for the entire evaluation period. About 35% of the TA in the MCM area was provided by short term experts⁷⁶. It cost slightly less than \$1.9 million to deliver this TA, equivalent to a cost of about \$24,400 per person month of input. This marginally higher than the average cost per person month of TA for East AFRITAC (\$23,800) and comparable to the cost per person month of TA delivered in the MCM area by West (\$22,600) and Central (\$23,000) AFRITAC. These cost comparisons indicated that in terms of cost efficiency, there is no substantial difference between the three AFRITACs in the MCM area.

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

3. Monitoring and Evaluation

51. The Phase II work program for East AFRITAC envisaged that a results-based monitoring system would be introduced to facilitate effective monitoring and evaluation of performance and more efficient follow-up on assistance delivered. While East AFRITAC has made greater efforts than other two AFRITACs in seeking to collect meaningful information on its activities and achievements and to disseminate results through its excellent annual report and other outreach activities, there is still considerable room for improvement in benchmarking progress in a more effective manner. The issues of monitoring and management for development results are discussed in Chapter III of this Report.

52. In the plenary session that the Evaluation Team had with the Center Coordinator and all Resident Advisors at the outset its visit to Dar as Salaam, it was noted that MCM backstopping of substantive issues was less intensive than from FAD and STA. In part this was attributed to perceptions that a number of successive restructurings of MCM over the past five or six years,

⁷⁶ The information available to the Evaluation Team did not break the inputs of the short term consultants down into monetary operations and debt management and bank supervision.

accompanied by staff reductions because of the recent IMF-wide retrenchment, diluted MCM's capacity for this activity and the incentive for staff to give it high priority.⁷⁷ Part of the problem seems to be that functional divisions in MCM do not play as active a role in backstopping as is the case in FAD.

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

54. A reading of monthly reports of the Advisors and of sample reports for two missions in each Advisor's area did not identify any substantial areas of concern other than to confirm that the amount of value added in backstopping was minimal. One area where backstopping could play a more substantive role is commenting on Advisors' periodic reports and mission reports, especially the latter. The Evaluation Team is of the view that more emphasis needs to be given by back stoppers in ensuring that mission reports pay more attention to noting progress achieved in a rolling work program, that would: (i) more effectively benchmark progress in each mission report; (ii) enhance the data on progress benchmarking for TAIMS⁷⁸; (iii) improve the quality of bi-annual reports to the Steering Committee; and (iv) facilitate production of better outreach and dissemination materials for East AFRITAC. While such benchmarking of progress should be done at a country level in the context of a two to three year rolling program for each country,⁷⁹ monitoring of progress could also take place on financial sector issues in the context of implementing FSAP follow-up strategies in cooperation with central banks⁸⁰. Follow-up strategies should provide an indication of deliverables for East AFRITAC TA and how this will be monitored.⁸¹

⁷⁷ This was also the sense that the Evaluation Team took from discussions with MCM staff, i.e. that backstopping was carried out but was limited due to resource constraints and a relatively low priority attached by MCM management to this activity. An additional problem is that backstopping seems to be centered in the AFR regional division of MCM.

⁷⁸ Resident Advisors are now inputting all TA activities into the TAIMS system. Over time the TAIMS should play a more significant role in the monitoring of efficiency of TA and facilitating evaluation.

⁷⁹ Thus would include preparing a plan for what should be done in each of the TA clusters and periodic monitoring and reporting to the Steering Committee on what has been accomplished and what remains to be done. Another approach would be to have an activity status report for each TA project through to completion

⁸⁰ Follow-up strategies were done for Tanzania and Rwanda in 2004-2005 and are in the course of implementation.

⁸¹ The Evaluation Team was of the impression that MCM backstopping, limited as it was, sometimes placed more emphasis on process issues e.g. hiring of long and short-term experts for East AFRITAC assignments than on substantive issues (e.g., how East AFRITAC's implementation of TAs fits into MCM's diagnostic work and strategy for individual countries). Additionally, MCM's involvement in diagnostic and strategy for individual countries is limited compared to FAD. Sometimes MCM seemed to be competing with East AFRITAC in the delivery of TAs. In sum, the upstream/downstream model for MCM and East AFRITAC needs to be strengthened.

4. Efficiency Assessment of East AFRITAC Monetary and Banking TAs

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

56. The survey results regarding the quality of East AFRITAC's expertise and assistance reported in the second last row of Tables D.6 and D.7 are largely consistent with the ratings in Table D.22 and buttress them, as do the impressions that the Evaluation Team gained from discussion with counterparts in the three countries visited. The quality of the Bank Supervision expertise and assistance was rated as **Good bordering on Excellent**, with 57% of the respondents assigning an **Excellent** rating. The quality of the monetary expertise and assistance was rated as **Good**, with 25% of the respondents assigning an **Excellent** rating.

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

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

E. Sustainability of Monetary and Bank Supervision TAs

1. Political Economy issues

57. In terms of institutional absorptive capacity ratings calculated by the Evaluation Team⁸², two of the seven countries covered by East AFRITAC, are rated good and five are rated modest. Weighting the country institutional absorptive capacity ratings by the proportion of monetary and bank supervision TA delivered to each country resulted in a weighted institutional absorptive capacity score of 2.5, Good but at the cutoff point for Modest (see Table B.2). Central banks are among the strongest institutions in East AFRITAC's client countries, something that was

⁸² See Table I.1 in Chapter I and Annex A.

confirmed during the Evaluation Team's visit to Kenya, Rwanda and Tanzania. It is clear that East AFRITAC Monetary and Bank Supervision Advisors are, by and large, operating in a relatively benign environment that does not pose serious risks for the achievement of desired outcomes for TAs in the monetary and financial sector supervision area. There is no guarantee that countries in the region are immune from the incidence of difficult social and political problems (as occurred in Kenya in the relatively recent past and in Eritrea⁸³, currently classified by the IMF as a fragile state). In most countries central banks are among the strongest organizations in terms of capacity and staffing and this was noticeable in the countries visited by the Evaluation Team. Given the relative strengths of the central banks, and with all countries having good or modest ratings for institutional absorptive capacity, the prospects for the TA benefits to be sustainable are positive in relation to this criterion.

2. Executing Agency Ownership and Use of TA Outputs

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

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

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

3. Promoting the Use of African Expertise.

61. None of the Monetary Operations or Banking Supervision Advisors during the period of this evaluation were African but all have extensive experience of working in Africa and in other

⁸³ No TA in the Monetary and Bank Supervision areas were delivered during the period covered by Table B2.

developing countries in their fields of expertise. Little use has been made of short-term experts from the region so far but the prospects are good for the future as many countries in the region are well into implementation of second generation financial sector reforms. East AFRITAC has recently arranged a professional attachment for an official from the central Bank of Tanzania to complete a working paper on the successful introduction of risk-based supervision (RBS) to a number of central banks in the region. This working paper chronicles the experience of East AFRITAC in the practical task of fleshing out the dimensions of RBS and developing a meaningful methodology to implement it in countries in the region. This evidences good output/impact of the East AFRITAC's work. This kind of activity can be expanded to other areas of East AFRITAC's work and can lead to establishing it as a center of excellence for effective TA that also contributes to regional integration and harmonization. East AFRITAC and MCM should explore opportunities for greater use of African expertise during the upcoming Phase III work program.

4. Financial Sustainability of East AFRITAC Monetary and Banking TAs

62. It seems likely that ongoing financing for monetary operations and financial sector supervision TAs, sufficient to at least maintain the same level of delivery as during Phase II will be needed to ensure continuity in maintaining the momentum of second generation reforms in the more advanced central banks in the area. East AFRITAC provides a source of TA support that is like a lifeline to central banks and there is a need to continue and deepen the working relationship for capacity building through the in-house team based delivery model⁸⁴ approach that has been pioneered in banking supervision work but is a good model for all monetary and financial system TAs delivered by East AFRITAC. Tangible results from East AFRITAC TAs have been achieved by central banks in the region who expect support to continue as the projects and initiatives supported by the center are part of the central banks' strategic objectives.

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

5. Sustainability Assessment of East AFRITAC Monetary and Banking TAs

64. The sustainability ratings for the portfolio of monetary operations and financial sector supervision TAs are shown in Table D.10. The two TA clusters were both rated as sustainable as was the overall rating portfolio. Executing agency ownership and use of the TA outputs was rated as **Excellent** for financial sector supervision TAs and **Good** for monetary operations. Political economy issues were rated as **Good** for both TAs, while the other two sustainability sub-criteria were rated as **Modest**. The challenges for sustainability of East AFRITAC's TAs appear manageable provided financing for Phase III can be arranged. These sustainability

⁸⁴ Under this approach East AFRITAC's Advisors/short-term experts work with project teams before and after missions to ensure that the objectives of the projects owned and implemented by teams in the central banks are achieved.

ratings are virtually identical to the feedback on sustainability from 40 or so respondents for the AFRITAC Evaluation Survey. The weighted average sustainability rating from the survey for the Monetary Operations TAs was 2.8 (see Table D.6) and it was 3.2 for the cluster of Bank Supervision TAs (see Table D.7).

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

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

65. Table D.11 summarizes the opinion of the survey respondents about the continuing importance assigned to the monetary and financial sector objectives. Other things being equal, the sustainability of the TA benefits will be more likely if people believe that the overall objectives remain important going forward. This is clearly the case for the Monetary/ Financial Supervision TAs. About 95% of the respondents replied that the two objectives were either of **Highest Importance** or **Important**, with a slightly higher proportion of 260 or so respondents assigning the **Highest Importance** rating.

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

	Percent Answering				Response Count	Response Rate ¹
	Highest Importance	Important	Modestly Important	Not Important		
To improve monetary operations, debt management and payment systems	56%	38%	5%	1%	259	83%
To improve the legal and regulatory framework for financial sector supervision	51%	44%	4%	1%	267	85%

¹ Ratio of the response count to the 313 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

F. Overall Rating of East AFRITAC Monetary and Bank Supervision TAs

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

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

Norm of Evaluation	Weight (%)	Rating By Monetary/ Financial Sector TA Cluster ^a		
		Monetary Operations	Financial Sector Supervision	Score ^b
		27	73	100
1. Relevance	32	3.0	3.6	3.4
2. Effectiveness	28	2.6	3.7	3.4
3. Efficiency	22	2.6	3.4	3.2
4. Sustainability	18	2.700	3.100	3.0
Overall Rating/Score	100	2.7	3.5	3.3
^a Rating: 4 = Excellent; 3 = Good; 2 = Modest; 1 = Poor ^b Weight by % of East AFRITAC's Budget Allocated to the Activity/TA Cluster Highly Successful (Excellent) ≥ 3.5; 3.5 < Successful (Good) ≥ 2.5; 2.5 < Partly Successful ≥ 1.5 (Modest); Not Successful (Poor) < 1.5				

G. The Way Forward for East AFRITAC Monetary and Bank Supervision TAs

67. Going forward, with many countries in the region, including the three countries visited by the evaluation team, now moving ahead with second generation financial sector reforms, there is a need to maintain the momentum of East AFRITAC's TA

deliveries in the monetary and financial system areas. This will help to promote the East AFRITAC as a standard-bearer in the broader challenge of developing the AFRITACs as centers of excellence in TA delivery for capacity building that contributes to effective macroeconomic management. Much of East AFRITAC's work in monetary operations and financial sector supervision, by helping to establish common standards and approaches is supporting regional integration and the proposed move to a common currency by 2012. East AFRITAC could be more proactive in this work, in collaboration with relevant regional committees of EAC, and also in supporting follow-up strategies to implement findings and recommendations in country FSAPs—all of which will support the aims of regional integration and harmonization as well as capacity building.

III. Evaluation of East AFRITAC Fiscal TAs

A. Introduction to Fiscal TAs

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

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

B. Relevance of Fiscal TAs

1. Consistency with Government Priorities:

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

- (i) modernizing revenue legal framework;
- (ii) integrating tax administration;
- (iii) being more taxpayer focused by using segmentation approaches in managing large, medium and small taxpayers;
- (iv) promoting self-assessment systems;
- (v) reviewing business processes;
- (vi) using risk management approach in revenue administration;
- (vii) using appropriate IT systems; and
- (viii) promoting East African Community integration via customs union and trade facilitation.

71. The relevance of revenue administration is clear from a statement in East AFRITAC's annual report for FY2007-FY2008⁸⁵ **"Generating and administering national revenues is one of the most important functions of a state, a basic foundation upon which all else depends, from the running of schools and hospitals to the paying of salaries and pensions.** Assisting the countries of East Africa in developing a solid revenue administration therefore contributes to the achievement of several important objectives: firstly, it is a key element in state-building and state-strengthening; secondly, it generates additional funds for the country's development; and thirdly, it helps member countries reduce their dependency on external funding."

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

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

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

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

73. **The Revenue Administrations served by East AFRITAC have been able to identify their priorities and engage in discussions as equals with the Advisors to agree on the priority areas for assistance.** One useful approach has been the ability of the Tax Advisor to liaise closely with each revenue administration and work with them on various regional initiatives. To-date, the most challenging engagement case for East AFRITAC has been Eritrea⁸⁶. For the countries visited by the Evaluators (Kenya; Rwanda; Tanzania), the authorities were all very satisfied with the degree of collaboration with East AFRITAC, and IMF more generally, in defining the priorities for TA delivery. All the revenue administrations, except for Eritrea, have developed medium term strategies and corresponding action plans based on their priorities. This has helped the coordination between the East AFRITAC and the authorities,

⁸⁵ EAST AFRITAC ANNUAL REPORT 2007–08. Page 8.

⁸⁶ The challenges in effectively working in Eritrea go far beyond the Fiscal Advisors and East AFRITAC. For most of the evaluation period, Eritrea accepted only very few missions. It is not possible to develop the types of relationships that are necessary to deliver effective capacity building TA in such circumstances.

coordination within the donor community and assisted in prioritizing and putting TA delivered by East AFRITAC into perspective.

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

- (i) **the need for direct budget support to scale-up of aid to support poverty reduction strategies;**
- (ii) **well functioning public finance management systems make positive contributions towards developing and implementing fiscal policy; and**
- (iii) **rationalizing, managing and monitoring public expenditures and ensuring timely budget execution increase transparency and accountability.**

75. **East AFRITAC's FY 2007—FY2008 Annual Report⁸⁷ makes a clear case for the relevancy of PFM TAs, which the Evaluation Team endorses.** While East African governments are earning more national revenue than before, care must be taken to ensure that the revenue is well spent and reaches its intended recipients. This requires reflecting the right priorities when national budgets are prepared, ensuring sound budget execution, ensuring sound cash management and implementing sound control and reporting procedures. Strengthening PFM contributes to good governance and, by promoting transparency and accountability, reduces opportunities for corruption. Many donors wish to make greater use of direct budget support to support the national poverty reduction strategies. This is only possible if they have confidence in the government's public expenditure management systems.

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

- (i) developing appropriate legislative and regulatory framework for PFM -- East AFRITAC and FAD have helped some countries, for example Kenya and Rwanda, to draft PFM related legislation;
- (ii) improving budget preparation and management to ensure better alignment of resource allocations to national priorities, including pro-poor initiatives like health and education -- East AFRITAC and FAD have helped Kenya, Rwanda and Malawi in this area and five of the seven countries have been helped in introducing GFS 2001 based budget classification;
- (iii) promoting treasury reforms aimed at improving the management and accountability of funds, thus improving transparency and accountability;
- (iv) strengthening capacities to manage inter-governmental fiscal relations⁸⁸ in countries such as Rwanda, Uganda and Ethiopia; and,
- (v) designing and guiding the implementation of PFM reforms agendas.

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

⁸⁷ EAST AFRITAC ANNUAL REPORT 2007–08. Page 13.

⁸⁸ The need for such assistance is clear from the data available in the World Bank's data base on statistics. Among East AFRITAC client countries, only Ethiopia and Rwanda report consolidated central government accounts.

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

79. **There is a significant level of regional coordination in the revenue administration area.**⁸⁹ Recently East AFRITAC has provided support in the context of the EAC 2004 Customs Management Act. TA to Rwanda is designed to help with their preparation for accession to the EAC Customs Union. TA was provided to finance a regional workshop that identified six priority areas for FY 2007-08: (i) trade management – Uganda; (ii) modernization and harmonization of systems and procedures – Rwanda; (iii) risk management – Kenya; (iv) human resource development – Tanzania; (v) communication strategy – Kenya; and (vi) legislation – EAC Secretariat. The countries have set up working groups that will liaise with stakeholder to develop and implement improved strategies. **This provides a framework to prioritization of future TA and the EAC.** This promising effort should be pursued and emulated in other functional areas by East AFRITAC. There has been less regional focus in the PFM area. For example, no dialogue has been initiated with the EAC Secretariat or the donors, to move towards developing regional harmonization of common standards, best practices, etc., in the PFM area.

2. Coordination with Development Partners

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

81. **Donor coordination is more challenging in the PFM area.** There is a multiplicity of donors, partly because of the desire of some donors to scale up their levels of assistance support in East African countries to support the poverty reduction strategies. Many of these donors are new in this area but have substantial amounts of funds, which dwarf the amount of TA that East AFRITAC and IMF can provide. The World Bank is also active in the PFM area and has substantial expertise and experience in PFM. The Evaluation Team expected to see more evidence of close strategic coordination with the World Bank in the PFM area. Because of shared interests and a desire, consistent with the Accra Declaration for Action, to increase their use of the direct budget support modality, in some East AFRITAC client countries, donors have pooled their financial resources in the PFM. This type of donor coordination was specifically called for in the Accra Agenda for Action. **East AFRITAC, and IMF more generally, does not pool its TA resources and has not found a good way to interact with such donor coordination mechanisms, other than for the PMF Advisor meeting with other TA providers and their consultants during country visits. Although East AFRITAC's PFM TA resources are small compared to the amounts available from the donor pools, representatives of other TA Providers recognized the competence of the PMF Advisors and the expertise of IMF more generally in the field of PFM and re-affirmed that East**

⁸⁹ The regional network for Revenue Administrations has been operational for over a decade.

AFRITAC has an important role to play in the PFM area, especially when it comes to quality assurance and monitoring at a strategic level the implementation of PFM action plans. **In the PFM area the challenges regarding donor coordination are to: (i) identify niche areas, consistent with the funds available, where East AFRITAC has expertise and can add value; and (ii) undertake more outreach and share more information with other stakeholders in this area.**

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

3. Consistency with IMF Headquarters Activities

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

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

85. Quality assurance for both PFM and revenue administration is done by FAD via backstopping. FAD provides strategic direction to the Resident Advisor through the backstopping mechanism. The back stopper is normally someone who has been on the ground during their career and has considerable expertise in a given field. **Although there are areas for refinement, the principles of the backstopping practice should be maintained as it is seen as advantageous** because:

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

4. Relevancy Rating of East AFRITAC Fiscal TAs

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

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

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

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

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

Source: 2008 AFRITAC Evaluation Survey

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

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

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

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

Source: 2008 AFRITAC Evaluation Survey

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

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

Table D.16: Relevance of East AFRITAC Fiscal TAs

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

C. Effectiveness of Fiscal TAs

1. Use of Outputs

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

90. **For Revenue Administration, satisfaction was expressed by management, department heads and staff of the benefiting agencies that the TAs outputs were being put to use and the desired outcomes were being attained. This success was attributed to strong ownership and involvement by the revenue administrations in the TAs. Revenue administrations served by East AFRITAC have substantial autonomy in most countries⁹⁰. Furthermore, there is a considerable degree of coordination regionally among the revenue administrations.** They have a history of sharing training and assisting each other in skills transfer and capacity building. Their involvement in identifying the required TA ensured its relevancy and instant usefulness. For example, the heads of revenue agencies within the East African Community meet at least two times a year to examine, give guidance and endorse the work of the East African Revenue Authorities Technical Committee. The priorities identified by this committee and endorsed by the heads of revenue agencies become valuable input to the necessary TAs. In addition, revenue agencies have had joint training in areas such as

⁹⁰ Five of the seven member countries have revenue administrations whose autonomy is granted by the law.

compliance management (training held in Nairobi, Kenya), information technology (workshop held in Rwanda) and customs administration (training held in Mombasa, Kenya).

91. **There are more mixed results for PFM. The TA related with the treasury in cash management and those related to budgeting were generally successful** (e.g., in Rwanda, Tanzania). Practices like the use of single treasury account have been particularly useful. Those related to oversight are beginning to show positive signs but will need more effort to achieve the desired objectives. For example in Tanzania the Office of the Auditor General and the Budget Parliamentary Committee were included as part of PFM capacity building initiatives. **A challenge is that the PFM departments in the ministries of finance that are executing the TAs have limited autonomy to make decisions to implement the TA recommendations.** Once skills are attained, using those skills may require changes in the way departments operate. **Making systemic changes in large departments like ministries of finance is a challenge and requires strong leadership from the most senior levels.** The Evaluation Team recognizes that **organizational change and change management are difficult in most organizations.** Such change cannot be driven by technical expertise alone. **PMF TAs need to put more emphasis at the design stage on developing a strategy to implement technically sound recommendations in the country concerned.** In addition, **the ability of PFM departments to coordinate regionally is constrained by the lack of autonomy.** There are cases when East AFRITAC provided high quality advice and assistance but the TA outputs are not being used and thus the desired outputs will not be achieved (e. g., some participants in PFM workshops in Rwanda and Tanzania did not use the skills gain on the job).

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

2. Planned vs. Actual Outputs

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

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

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

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

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

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

4. Effectiveness Assessment of East AFRITAC Fiscal TAs

98. Public Expenditure and Financial Accountability (PEFA) assessments are available for five East AFRITAC client countries – Ethiopia; Kenya; Rwanda; Tanzania; and Uganda. PEFA studies assess PFM systems against specific criteria. Given the resources allocated for the evaluation and the fact that PEFA assessments were not available for most West and Central AFRITAC client countries, the Evaluation Team could not use the PEFA framework to assess the effectiveness of PFM TAs. Rather more generic effectiveness indicators were used, (e. g., use of TA outputs; planned vs. actual achievements; significance of contributions).

99. The results of the AFRITAC Evaluation Survey provided some feedback on the views of survey respondents on the effectiveness of East AFRITAC fiscal TAs (see Tables D.17 and D.18). A total of 37 people rated the effectiveness of PFM for the three sub-criteria for effectiveness. **For use of outputs, 70% rated it as Good or Excellent. The corresponding figures for achieving tangible results and significance of contributions to developing core economic functions were 60% and 78% respectively. The average ratings were below the mid-point of the range for all three sub-criteria of effectiveness with achieving tangible results bordering on a Modest rating.** A substantial 41% of the respondents rated East AFRITAC as Modest or Poor in achieving tangible results in the PFM area (see Table D.17). **Somewhat more positive findings were reported for Revenue Administration. The proportion of the respondents reporting that East AFRITAC revenue administration TAs**

achieved Good to Excellent results was 85% for use of outputs, 80% for achieving tangible results and 78% for making substantial contributions. The ratings for all three of these effectiveness sub-criteria were at the mid-point of the range and there were fewer Modest/Poor ratings than for PFM TAs (see Table D.18). **An important contributor of the effectiveness of TAs is the quality of the expertise and assistance. The respondents rated the expertise as Good for both TA clusters with marginally higher ratings for the Revenue Administration TAs** (see Tables D.17 and D.18).

Table D.17: Effectiveness of East AFRITAC PFM TAs

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

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

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

Source: 2008 AFRITAC Evaluation Survey

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

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

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

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

Source: 2008 AFRITAC Evaluation Survey

100. The four fiscal objectives defined in the East AFRITAC program document were to: (i) improve capacity for macroeconomic analysis, policy formulation, and forecasting; (ii) make the checks and balances in public financial management more effective, taking account of codes of good practices promoted by the IMF and other institutions; (iii) make systems and procedures for budgeting, treasury operations, and expenditure planning and control, more efficient with appropriate safeguards in terms of oversight and auditing; and (iv) make the reporting of government financial operations more reliable and timely. Survey respondents were asked to indicate whether these objectives were being achieved, a broad indication of their views on the effectiveness of the fiscal TAs. **In terms of achieving the objectives: (i) 20% or less of the 200 or so respondents felt that the fiscal objectives had been achieved; (ii) 50% to 60% reported that significant progress had been made but that the objectives had not been achieved; (iii) 20% to 25% felt that modest progress had been made; and (iv) a small portion of the respondents (about 5%) stated that no progress had been made in terms of achieving the objectives (see Table D.19). The broad picture suggested is that while progress is being made, East AFRITAC faces an unfinished agenda in the fiscal area.**

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

	Percent Answering				Response Count	Response Rate ¹
	Objective Fully Achieved	Despite Substantial Progress, Objective not yet Achieved	Only Modest Progress Made to Achieve Objective	No Significant Progress Made		
To improve capacity for macroeconomic analysis, policy formulation, and forecasting	16%	59%	20%	5%	230	64%
To make the checks and balances in public financial management more effective, taking account of codes of good practices promoted by the IMF and other institutions	20%	51%	25%	4%	205	57%
To make systems and procedures for budgeting, treasury operations, and expenditure planning and control, more efficient with appropriate safeguards in terms of oversight and auditing	19%	50%	25%	5%	195	55%
To make the reporting of government financial operations more reliable and timely	16%	56%	22%	6%	208	58%

¹ Ratio of the response count to the 357 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

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

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

D. Efficiency of Fiscal TAs

1. Process and Implementation Efficiency

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

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

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

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

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

2. Efficient Use of Resources

107. In the FAD area, East AFRITAC provided a total of 124 person months of TA during FY 2006 to FY 2008, or an average of 41 person months per year. This is about the same level of inputs as in FY 2004 and FY 2005, despite the expectation that there would be an increase in Phase II. There was a substantial increase to 51 person months in FY 2008. This reflects the filling of an additional PMF Advisor position and six month vacancies each in replacing two PFM Advisors who departed, one in 2006 and one in 2007. Thus, during the evaluation period, there was a vacancy for the PFM Advisors totaling nearly a year. FAD should be able to do a better job of planning and recruiting advisors to avoid such long vacancies. The number of person months of short term experts in the FAD area was 13/14 for each of the three years under review. Slightly over one third of the TA in the FAD area delivered by East AFRITAC was provided by short term experts⁹¹. It cost slightly less than \$3 million to deliver the fiscal TA, equivalent to a cost of about \$23,300 per person month of input. This is marginally higher than the average cost per person month of TA for East AFRITAC (\$23,800) and comparable to the cost per person month of TA delivered in the FAD area by West (\$22,600) and Central (\$23,800) AFRITAC. **These cost comparisons indicated that in terms of cost efficiency, there is no substantial difference between the three AFRITACs in the fiscal area.**

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

⁹¹ The information available to the Evaluation Team did not break the inputs of the short term consultants down into the PFM and revenue administration areas.

3. Monitoring and Reporting

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

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

4. Efficiency Assessment of East AFRITAC Fiscal TAs

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

Table D.21: Efficiency of East AFRITAC Fiscal TAs

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

E. Sustainability of Fiscal TAs

1. Political Economy Factors

112. **Political stability, a sound macroeconomic context, policy continuity and sound institutions help to create conditions that increase the likelihood of donor support in general, and for AFRITAC support in particular, will more likely be successful. If some or all of these conditions are absent, the likelihood of achieving sustainable benefits diminishes.** In general, all member countries served by East AFRITAC are stable, save some recent problems in Kenya and tensions between Ethiopia and Eritrea. Based on broad political economy factors, the general institutional absorptive capacity in Rwanda and Tanzania was rated as Good and it was rated as Modest in Eritrea, Ethiopia, Kenya, Malawi and Uganda (see Table I.1 in Chapter I). Weighting the country institutional absorptive capacity ratings by the proportion of fiscal TA delivered to each country resulted in a weighted institutional absorptive capacity score of 2.6, Good but near the cutoff point for Modest (see Table B.2). Because ministries of finance and revenue authorities are among the strongest institutions in East AFRITAC's client countries, a rating of Good was adopted for this evaluation. **That being said, evaluation results show that the institutional absorptive capacity of revenue administrations among East AFRITAC's client countries is higher than in those departments of ministries of finance dealing with PFM.** The social political environment in some countries erodes the political will to undertake the major reforms, resulting in delayed implementation of recommendations (e.g., Eritrea; Kenya).

113. Four of the seven member countries belong to the East African Community. The East African community countries are in the process of economic integration. This includes forming a Customs Union and a common market. Quite a number of revenue administration and PFM practices are likely to converge. The enthusiasm for EAC countries for regional harmonization and integration may require East AFRITAC, and IMF more generally, to adjust its approach accordingly and balance between what support should be country specific and what should be

regional. If this is successfully done, it should increase the likelihood that TAs will result in sustainable benefits.

2. Executing Agency Ownership and Use of TA Outputs

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

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

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

116. The workshop participants expressed the following concerns:

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

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

118. **East AFRITAC has helped agencies and departments to embed many TA outputs in the routine businesses practices of the executing agencies although in some cases, constraints have prevented them from fully implementing the TA recommendations.** Examples for which TA recommendations have been embedded in the standard operating procedures of executing agencies include budgeting and cash management in Tanzania and Rwanda. However, there were also cases in which the TA recommendations have not been

embedded in the procedures of the executing agencies (e.g., use of single treasury account in Uganda and Kenya). **In general, there was more evidence of sustainable use of the outcomes for Revenue Administration TAs than for PFM TAs.**

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

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

3. Promoting the Use of African Expertise

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

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

4. Financial Sustainability

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

5. Sustainability Assessment of East AFRITAC Fiscal TAs

124. **The sustainability of the fiscal TAs depends, in part, on how important the stakeholders believe the fiscal objectives are that East AFRITAC is trying to address. As shown in Table D.22, over 90% of the 250 or more respondents of the AFRITAC Evaluation Survey that gave an opinion assigned fiscal objectives either a Highest Importance or Important rating.** Respondents were only allowed to rate a maximum of two objectives in the Highest Importance category. **The largest number of Highest Importance ratings was assigned to the following fiscal objectives: (i) improving capacity for macroeconomic analysis, policy formulation, and forecasting; and (ii) making systems and procedures for budgeting, treasury operations, and expenditure planning and control, more transparent and efficient with appropriate safe guards in terms of oversight and auditing.** The fact that **very few people rated the fiscal objectives as either Modestly Important or Not Important** augers well for the sustainability of the fiscal TAs.

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

	Percent Answering				Response Count	Response Rate ¹
	Highest Importance	Important	Modestly Important	Not Important		
To improve capacity for macroeconomic analysis, policy formulation, and forecasting	57%	35%	7%	1%	272	87%
To make the functioning of checks and balances in public financial management more effective, taking account of codes of good practices promoted by the IMF and other institutions	38%	54%	8%	0%	256	82%
To make systems and procedures for budgeting, treasury operations, and expenditure planning and control, more transparent and efficient with appropriate safe guards in terms of oversight and auditing	48%	48%	4%	0%	253	81%
To make the reporting of government financial operations more reliable and timely	34%	56%	9%	1%	259	83%

¹ Ratio of the response count to the 313 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

125. The sustainability rating of the East AFRITAC TAs is shown in Table D.23. Overall, the Evaluation Team has rated the portfolio of fiscal TAs as being **Sustainable**. Although the cluster of Revenue Administration TAs were rated as **Sustainable**, the sustainability of the PFM TAs is more open to question and was rated as **Sustainable but below midpoint in the range. The relative ranking of sustainability of the Evaluation Team was consistent with the results of the AFRITAC Evaluation Survey.** Of the 38 respondents giving an opinion on the sustainability of East AFRITAC PFM TAs, 24% rated the prospects as Excellent, 45% as Good, 24% as Modest and 8% as Poor. More positive results were reported for the expected sustainability by 53 respondents for the Revenue Administration TAs – 26% rated it as Excellent, 53% as Good, 17% as Modest and 4% as Poor (see Tables D.17 and D.18). The Evaluation Team's sustainability ratings are consistent with those of the survey respondents.

Table D.23: Sustainability of East AFRITAC Fiscal TAs

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

F. Overall Rating of East AFRITAC Fiscal TAs

126. The overall rating and evaluation of East AFRITACs fiscal TAs is shown in Table D.24. **The performance of the entire portfolio was rated as Good. The highest ratings were for Relevance and the lowest ratings were for Efficiency and Sustainability.** There were, however, differences in the two clusters of TAs. **The Revenue Administration TAs were scored at 3.4, the highest part of the Good range and very near to the cut off point for Excellent. The PFM TAs received a weighted score of 2.7, below the midpoint of the Good range.** This difference in relative performance is also reflected in the feedback received by the Evaluation Team. A consistent theme was that Revenue Administration TAs performed better than PMF TAs. Similarly, the survey results for East AFRITAC consistently gave more positive feedback for Revenue Administration TAs than for PMF TAs. **The inability of FAD to fill vacancies in PFM Advisor positions in a timely manner undercut the ability of East AFRITAC to deliver timely, effective PFM TA for about a third of the evaluation period.**

Table D.24: Overall Assessment of East AFRITAC Fiscal TAs

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

G. The Way Forward for EAST AFRITAC Fiscal TAs

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

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

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

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

IV. Evaluation of East AFRITAC Statistics TAs

A. Introduction to Statistics TAs

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

130. A review of the monthly reports of the Statistics Resident Advisor, her end of assignment report, East AFRITAC's two recent annual reports and interviews that the Evaluation Team had in East AFRITAC and with government officials in Tanzania, Kenya and Rwanda show that not all of the areas received equal attention. East AFRITAC statistics TAs were mostly related to macroeconomic statistics, both improving the national accounts in meet SNA93 standards and quarterly national accounts, price statistics, both the Consumer Price Index (CPI) and the Producer Price Index (PPI). A small amount of TA helped to improve Balance of Payments estimates and very little to improving Government Financial Statistics (see Table D.25).

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

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

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

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

B. Relevance of Statistics TAs

132. At a conceptual level the relevance of statistics TAs is clear. Senior government officials need accurate, reliable and timely national accounts data to formulate and implement sound macroeconomic policies. Monitoring the implementation of National Poverty Reduction Strategies requires tracking macrofinancial indicators such as gross domestic product (GDP, which reflects growth) and price indices (which track inflation). Central banks use timely monthly CPI figures to track inflation and to help formulate monetary policy. Accurate, timely Balance of Payment (BOP) estimates are needed by central banks in making decisions in the area of monetary policy and currency management. Sound Government Financial Statistics (GFS) promote efficient, transparent budget management and execution and sound fiscal policies more generally. IMF needs accurate and up to date estimates of real GDP growth rates, CPI, BOP and GFS for its monitoring and surveillance work. However, rating the relevancy of statistics TAs cannot rely solely on such broad truisms. The assessment of relevancy of the cluster of East AFRITAC statistics TAs must go beyond such broad assertions to examine whether the TAs were relevant within the framework of the specific country contexts (e. g., consistency with government priorities), IMF Headquarters operations and coordinated support from all TA providers.

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

strained relationship with IMF, East AFRITAC has not been able to seriously engage with Eritrea for the past several years to try to help address these problems. Considerably less TA was delivered to Eritrea than to other East AFRITAC client countries.

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

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

¹ Rank on a scale of 0 to 100. The average ranking for Overall is 65 and for Statistical Practice it is 56. BPM% = Balance of Payment Manual, 5th Edition; CPI = Consumer Price Index; SDDS = Special Data Dissemination Standard

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

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

135. By 2005 all but one of the East African countries were participating in the General Data Dissemination System (GDDS). East AFRITAC was to coordinate closely with the IMF GDDS project for Anglophone African countries to optimize synergies among activities. There is evidence that the Statistics Advisor coordinated with GDDS advisors in some countries. Most of East AFRITAC statistics TA was provided mainly to build capacity for macroeconomic statistics. (i) establishing a program of statistics for prices and national accounts; (ii) introducing concepts and internationally accepted methodologies; (iii) strengthening compilation procedures, including data preparation, verification, and computerization; and (iv) disseminating data. In the longer term such a package of assistance, well coordinated with the work of other donors, will develop the building blocks necessary to subscribe to SDDS. Kenya, Tanzania and Uganda are

expected to subscribe to the SDDS by 2010. The relevance of this work is clear from the last column in Table D.26 that shows that currently no East African country subscribes to SDDS.

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

1. Consistency with Government Priorities

137. The Steering Committee, the Center Coordinator and the Statistics Advisor all recognized the importance of providing country demand-driven statistics TAs. Before formulating the work plan, the Statistics Advisor met with concerned government officials in client countries to identify their needs and priority ranking. This approach was confirmed during the meetings that the Evaluation Team had with senior officials in the statistics agencies in Tanzania and Kenya. The feedback in those meetings was that the Statistics Advisor knew what they wanted in terms of TA. The feedback in Rwanda was somewhat different. Although TAs were provided for national accounts training, there was no follow up, in part because of a delay in filling the vacant Statistics Advisor position. However, in general the Statistics Advisor established a good rapport with her counterparts and was in frequent contact by E-mail and country visits. Progress in strengthening the statistical institutions in East Africa by adopting statistics laws, formulating national statistics development strategies and creating National Bureaus of Statistics, or in some cases more independent National Institutes of Statistics, helped to create an environment in which the authorities could clearly define their priorities. This helped to increase the relevance of the TAs in the statistics cluster. However, the Evaluation Team identified two facts that reduced the relevancy of the statistics TAs: (i) all countries had more requests for TAs than could be provided by East AFRITAC; and (ii) in many cases problems with the quality of the underlying data (e.g., out of data surveys; limited coverage) was viewed as a greater problem than continuing to improve computational and methodological techniques. East AFRITAC and IMF more generally do not respond to requests for assistance in this area, although the Program Document suggests that East AFTITAC would help to address such problems.

138. For most of the period covered by the evaluation, East AFRITAC was not significantly involved in working with ministries of finance to strengthen public finance statistics. Such assistance would complement the efforts of the PMF Resident Advisors to strengthen fiscal management. Implementation of the GFS Manual 2001 requires improvements in the institutional coverage and the quality and timeliness of the table on financial operations of the State. Given the high priority of PFM in East AFRITAC's operations and the importance other donors accord to strengthening PFM to allow them to scale up their budget support assistance to support poverty reduction efforts, an opportunity to develop synergies between the work of the PMF and Statistics Resident Advisors appears to have been largely missed. There is, however, some evidence that in 2007/2008 synergies began to develop between the Statistics and the PFM Advisors. A GFS workshop in Malawi was the first event conducted jointly by the

two Advisors. The workshop increased the awareness of participants on the importance of adopting the international classifications and concepts contained in GFSM 2001. Changing the budget classifications to be consistent with GFSM 2001 is a major reform. Because of the success of that initiative, similar joint statistics-PFM workshops are planned for 2008/2009 in Rwanda and Tanzania. This is a promising development which should improve the broad relevancy of statistics TAs going forward.

139. Given the momentum in the East African Community for increased regional integration and harmonization, encouraging regional harmonization of statistics would help to increase the relevancy rating of statistics TAs. A welcome new initiative has begun in this area. The Statistics Advisor is organizing workshops to encourage harmonization for national accounts and price statistics and plans to produce a paper on this topic.

2. Coordination with Development Partners

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

141. Governments are taking a more active role in coordinating donor assistance than was the case when the 2005 evaluation was undertaken. The coordination mechanism varies from country to country. In some cases government authorities take the lead and set up a coordinating committee that involves all development partners and government representatives – this is the case in Kenya. In some other countries, coordination is led by one of the important donors, usually the World Bank, AfDB or the European Union. The Evaluation Team agrees with the 2005 evaluation that the best solution donor coordination mechanism is when countries take the lead but to do so they must have sufficient capacity. This is not always the case.

142. According to the World Bank's Country Statistical Information Database, five countries have completed national statistics development strategies, the process is under way in one country and the process has been initiated in the other. The national statistics development strategies set broad priorities and provide a good framework in which donors can coordinate their assistance. The documents reviewed by the Evaluation Team suggest that East AFRITAC was not heavily involved in the preparation of these strategies.

143. The most innovative donor coordination mechanism that the Evaluation Team came across in the field was in Rwanda. UNDP is managing a multi-donor pool of assistance to strengthen statistics in Rwanda. From the perspective of the Rwanda National Institute of Statistics, the multi-donor pool is an effective and efficient way for donors to support capacity building. The administrative procedures are flexible and the reporting requirements are not onerous. This mechanism reduces transaction costs for the Rwanda National Institute of Statistics, reduces the number of missions and reduces the amount of conflicting policy advice. Donors pooling their funds is consistent with the principles of the Paris Declaration and Accra Agenda for action. The pool is providing substantial assistance and is currently funding six long

term advisors, one for each department head. Some of the funds are also being used to finance computer hardware and software and surveys. The pool has a donor steering committee. At the moment, IMF and East AFRITAC are not active partners in this innovative donor coordination mechanism.

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

3. Consistency with IMF Activities

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

4. Relevancy Rating of East AFRITAC Statistics TAs

146. The overall weighted Relevance rating for the statistics cluster of East AFRITACs TAs was rated as **Good** as indicated in Table D.27. Based on the evaluation findings, the following measures could be taken to improve the relevance rating in the future: (i) better coordination with development partners, including developing an effective mechanism for East AFRITAC to participate effectively in local donor coordination groups; (ii) more significant support to ministries of finance, in coordination with the PFM Resident Advisors, for GFS; (iii) considering how to cover both urban and rural areas to come up with a national CPI -- more efforts could be made to draw from the African Development Bank experience and to harmonize in the East African Community; (iv) countries should receive TAs to continue to improve the methodology for the estimation of quarterly GDP in constant and current prices and start the preparation of estimates using the expenditure approach – more frequent and timely GDP estimates would support economic management in the countries and IMF’s surveillance; (v) developing sectoral PPI; and (viii) help update the GDDS metadata and provide guidance on coordination of GDDS related activities. Clearly there is a demand for statistics TAs in East Africa in all of IMF’s areas

of expertise and competence. Thus, based on the findings of the Evaluation Team the continued provision of statistics TAs would be relevant to the needs of the region. This is a large agenda. It is not clear to the Evaluation Team that one Statistics Advisor, covering seven countries, can meet these demands for assistance, regardless how dedicated and hard working she/he is. Achieving an **Excellent** rating for relevance in the future would require East AFRITAC to significantly increase its support for statistics. One well informed source suggested to the Evaluation Team that the Statistics Advisor was over stretched but that relevancy could be improved by exiting from the national accounts, or at least limiting East AFRITAC's inputs through short term experts, since other donors are also active in that field. That would allow East AFRITAC to focus on central bank and government finance statistics since few other TA providers are active in those areas.

Table D.27: Relevance of East AFRITAC Statistics Assistance

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

147. The responses to the AFRITAC Evaluation Survey confirm this rating of relevance. Around 40 respondents provided opinions on the various dimensions of relevance for East AFRITAC statistics TAs (see Table D. 28):

- (i) Relevance of TAs in helping to build capacity: The rating was **Good**, with 31% replying that it was Excellent, 55% that it was Good and 14% that it was Modest.
- (ii) Consistency with Government Priorities: The rating was **Good**, with 27% replying that it was Excellent, 46% that it was Good, 27% that it was Modest.
- (iii) Coordination with Other TA Providers: The rating was **Good**, with 21% replying that it was Excellent, 50% that it was Good, 26% that it was Modest and 3% that it was Poor. This was the only sub-criteria for which more people gave a Modest rating than gave an Excellent rating or which received a Poor rating.
- (iv) Coordination with IMF Headquarters: The rating was **Good**, with 34% replying that it was Excellent, 40% that it was Good and 26% that it was Modest. This was one of the sub-criteria which received the highest number of Excellent ratings.

Table D.28: Respondents' Views on the Relevance of East AFRITAC's Statistics TAs

	Percent Answering				Weighted Rating ¹	Response Count	Response Rate
	Excellent	Good	Modest	Poor			
Relevance of TAs in helping to build capacity	31%	55%	14%	0%	3.2	42	95%
Consistency with Government priorities	27%	46%	27%	0%	3.0	41	93%
Coordination with other TA providers	21%	50%	26%	3%	2.9	34	77%
Coordination with IMF Headquarters	34%	40%	26%	0%	3.1	35	80%
Average for All Criteria	28%	48%	23%	1%	3.0	38	86%

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

Source: 2008 AFRITAC Evaluation Survey

C. Effectiveness of Statistics TAs

1. Use of AFRITAC Outcomes

148. Some statistics TAs have resulted in tangible achievements. The Evaluation Team identified clear progress and the use of TA outputs in the following areas: (i) a revised series of annual GDP estimates that better reflect the economic structure and produce statistics based on the 1993 system of national accounts (SNA 1993); (ii) progress in rebasing and benchmarking of annual GDP figures; (iii) three countries (Kenya, Uganda and Tanzania) are now producing quarterly GDP estimates in constant prices with Kenya publishing its first quarterly estimates in June 2007; (iv) use of updated weights to better reflect consumption patterns and the recommended formulae for the calculation of the CPI to produce more accurate measures of inflation, an important input for determining monetary policy and for IMF surveillance purposes (e.g., Ethiopia; Tanzania; Zanzibar); (v) Ethiopia, Rwanda and Uganda regularly compile and publish a monthly Producer Price Index (PPI) for Manufacturing; (vi) improving the calculation of Balance of Payments estimates in Rwanda and Tanzania; and (vii) Uganda and Tanzania are in the process of subscribing to the IMF Special Data Dissemination Standard (SDDS). The feedback received by the Evaluation Team from senior officials in the statistics agencies and central banks in Tanzania and Kenya was that the TAs resulted in some tangible outputs that were being used. The feedback received in Rwanda was more mixed. The National Bank of Rwanda advised that TA helped to improve Balance of Payment estimates particularly the coverage of foreign direct investment and adopting a new code list for exchange control records but the Rwanda National Institute of Statistics advised that the TA provided to it did not generate outputs that are being used because of a lack of follow up TA.

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

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

151. Further evidence on the use of TA outputs is available from the AFRITAC Evaluation Survey (see Table D.29). Of the 36 respondents who rated the use of the outputs of East AFRITAC statistics TAs, 17% rated the use of TA outputs as Excellent, 61% as Good and 22% as Modest. Nearly half of the respondents rated the performance of the statistics TAs in achieving tangible results as Good, while 21% provided an Excellent rating in this regard and 29% a Modest rating. An insignificant 3% rated the TAs as Poor in achieving tangible results. The survey responses confirm the view of the Evaluation Team that East AFRITAC's statistics TAs could be rated as Good in producing outputs that were used.

Table D.29: Effectiveness of East AFRITAC's Statistics TAs

	Percent Answering				Weighted ratings ¹	Response count	Response Rate ²
	Excellent	Good	Modest	Poor			
Use of the outputs	17%	61%	22%	0%	2.9	36	82%
Effectiveness in achieving tangible results	21%	47%	29%	3%	2.9	38	86%
Significance of contributions to developing core economic functions	29%	45%	21%	5%	3.0	38	86%
Expertise and assistance	24%	59%	8%	8%	3.0	37	84%
Sustainability of the benefits of AFRITAC TAs	18%	58%	21%	3%	2.9	38	86%
Average for All Criteria	22%	54%	20%	4%	2.9	37	85%

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

² Ratio of the response count to the 44 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

2. Planned versus Actual Achievements

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

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

- (i) National Accounts: By 2005 almost all East African countries had shifted to SNA93. Its implementation was to be supported in Phases II by addressing the weaknesses identified during benchmarking and rebasing exercises carried out in 2004 and 2005 (e.g., compilation of institutional sector income and capital accounts). Assistance in compiling Quarterly National Accounts was to be provided in selected countries. DfID provided substantive support in rebasing national accounts in Rwanda, Tanzania, Zanzibar and Uganda while East AFRITAC made modest contributions by commenting on methodological computational issues to support the work financed by DfID. There was no follow up through in East AFRITAC’s work in developing Supply and Use Tables in Ethiopia and Uganda. East AFRITAC was more successful in achieving the planned objectives in supporting the production of Quarterly National accounts in Kenya, Tanzania and Uganda.
- (ii) Price Indexes: Assistance was planned to support the construction of consumer and producer price indices. Promoting a consistent methodology to harmonize the CPIs in the region was expected to allow countries to make meaningful cross-country comparisons. East AFRITAC contributed to improving the CPI in Ethiopia, Tanzania, and Zanzibar. East AFRITAC helped to strengthen the PPIs in Ethiopia, Rwanda and Uganda to the point where they could be published. It is too early to conclude whether support for the PPI in Malawi and Tanzania will lead to similarly positive outcomes.
- (iii) Incorporating Statistical Development Plans into PRSPs: Comprehensive plans were expected to provide the basis for prioritization of TA and for costing the requisite statistical reforms to facilitate their full funding and inclusion in the medium-term expenditure framework of the PRSP. The GDDS was to be applied as the organizing framework. There is no evidence that East AFRITAC participated in a meaningful manner in this area.
- (iv) Balance of Payments: East AFRITAC made good contributions to improve Balance of Payments estimates in Rwanda and in Tanzania, where a Compilation Guide is now available,
- (v) Government Financial Statistics: Expanded coverage of GFS and recommendations for fully developed migration paths to adopt the GFS Manual 2001 were expected. East AFRITAC provided very little GFS TA. The planned GFS assistance was provided to Zanzibar in 2006, but there was no follow up so

it is not clear what was/will be achieved. A joint seminar with the PFM Advisor was held in Malawi in 2007. While this is a promising beginning which may be replicated in other countries, it is too early to assess whether or not tangible results will be achieved.

- (vi) Institutional Issues: The Program Document recognizes that the timeliness and data accessibility need to be improved in all countries and that institutional and organizational issues if not resolved, will adversely impact the effectiveness of the capacity-building efforts. Inadequate funding, inadequate staff, delays in the enactment of the new statistical laws and poor statistical inter-agency coordination were some of the issues that were identified as needing to be addressed. East AFRITAC was not significantly involved in addressing the strategic, organizational and budget issues. Other donors played the leading role in this area. Some key informants suggested that an appropriate role for East AFRITAC would be to undertake a strategic review of such plans and to help monitor their implementation. However, the Program Document does state that Statistics Advisor's role will be more as coordinator, mentor and back-stopper providing in-country TA on regular visits and continued support through e-mail and visit by officials to East AFRITAC and, by implication, would not be directly involved in addressing these important strategic issues.
- (vii) Regional Workshops: As planned regional workshops were supported that enhanced regional harmonization and integration, shared common experiences and built professional networks. Some of these workshops were organized in collaboration with the African Capacity Building Foundation (ACBF) and the Macroeconomic and Financial Management Institute (MEFMI). East AFRITAC was also to collaborate with "Inwent" Capacity International (Germany) on an e-learning/distance learning course on national accounts. East AFRITAC does not make regular use of distance learning to deliver its workshops.
- (viii) Exploiting Synergies: The Program Document recognizes that potential synergies exist for the Statistics Advisor with revenue administration (e.g., making use of administrative data such that those for the VAT system for data collection purposes) and PFM (e.g., GFS). The only example of the Statistics Resident Advisor working with other Resident Advisors was the joint GFS seminar in Malawi. This may be because of a structural issue. The Resident Advisors report to different TA departments which operate independently from each other, something that does not support capitalizing on synergies of Resident Advisors working together (see Chapter III).

154. The Program Document defines two objectives for statistics TAs: (i) upgrading the methodologies for compiling economic and financial statistics to international standards; and (ii) improving the dissemination of macroeconomic data. A significant number of survey respondents, nearly 200, gave their views on whether or not East AFRITAC had achieved these objectives (see Table D.30). For the former, 56% said that although substantial progress had been made, the objective had not been achieved. Similar portions, about one in five, thought that either the objective had been fully achieved or only modest progress had been made. A somewhat different pattern emerged for the second objective. While nearly half said that despite making substantial progress, the objective had not been achieved, nearly one third of the respondents reported that only modest progress had been made.

155. The Statistics Advisor was competent and hard working. However, three factors beyond her control limited lowered the Evaluation Team's assessment of the effectiveness of East AFRITAC's statistics portfolio: (i) the expectations in the program document were overly

ambitious; (ii) one person working in seven countries cannot be expected to fully deliver such a wide ranging agenda; and (iii) a long vacancy in fielding the second Statistics Advisor.

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

	Percent Answering				Response Count	Response Ratio ¹
	Objective Fully Achieved	Despite Substantial Progress, Objective not yet Achieved	Only Modest Progress Made to Achieve Objective	No Significant Progress Made		
To upgrade the methodologies for compilation of economic and financial statistics to international standards	21%	56%	19%	4%	194	54%
To improve the dissemination of macroeconomic data	16%	47%	31%	6%	194	54%

¹ Ratio of the response count to the 357 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

3. Significance of East AFRITAC's Contributions

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

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

158. The survey respondents were asked to rate the significance of East AFRITAC's contributions to developing core economic functions in the area of statistics. Of the 38 replying, 29% rated the contributions as Excellent, 45% as Good, 21% as Modest and 5% as Poor (see Table D.29). This is equivalent to a Good rating. The Evaluation Team has a somewhat more guarded assessment of the significance of East AFRITAC's contributions in the area of statistics and rates it as Modest. The reasons for this lower rating include: (i) compared to other donors, East AFRITAC had only a modest amount of resources; (ii) the areas of intervention were not focused on one or two areas – rather they spanned many different aspects of statistics; (iii) it is difficult for one Advisor, supported by a few short term experts, covering seven countries to have a substantial impact; and (iv) East AFRITAC was not involved in addressing broad, strategic issues.

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

159. IMF has rather stringent criteria before it includes data for member countries in the International Financial Statistics (IFS) publication. The October 2008 edition of the IFS was reviewed to identify which key statistics were included for the East African countries (see Table D.31). There is a delay in publishing national account estimates in the IFS throughout the region and there are gaps in GFS, an area in which East AFRITAC was supposed to be involved but was not, and for banking surveys, an area that did not feature in the East AFRITAC statistics strategy. East AFRITAC made some contributions for the CPI and BOP figures that are published for all countries. East AFRITAC was not involved in the monetary survey, the results of which are published in the IFS for all countries. One way to determine the effectiveness of the statistics TA is to compare the information in Table D.31 with previous IFS editions to see if there has been an improvement. The September 2005 IFS edition was reviewed to determine whether or not there has been progress in the past three years. The comparison indicated that based on this data source, significant progress is not evident. Generally the same data was available in 2008 as in 2005. Overall the gaps identified and problems of timeliness are similar to the situation prevailing in 2005. In some cases, the situation was better in 2005 than it was in 2008: (i) balance of payments data was reported for Eritrea in 2005 for 2000 – now balance of payments figures were reported in 2008; (ii) the most current figure for balance of payments reported for Malawi in 2008 was for the year 2002 – data for the same year was reported in 2005; (iii) more complete GFS data was reported in 2005 than in 2008 for Kenya, Rwanda and Tanzania; there was a three year lag in reporting national accounts in Tanzania in 2008 – the lag was two years in 2005; (iv) quarterly national accounts data for Kenya were not published in 2008 although they are being produced; and (v) in both years, the PPI was only published for Malawi and Tanzania. The one area where there was a clear improvement on timeliness related to the CPI in Tanzania. In 2008 annual data was available for 2007 while in 2005 there was a three year lag.

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

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

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

Date inserted if most recent data is prior to 2007

¹ Means significant missing data

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

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

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

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

D. Efficiency of Statistics TAs

1. Implementation Process

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

162. Up to the end of 2007, there was a close follow up between Statistics Advisor and member countries. The first Statistics Advisor had good cooperation between other development partners and their consultants. These personal relationships facilitated process efficiency. However, inefficiencies in the process of selecting a replacement for the first Statistics Advisor undermined the efficiency of implementation. The first Advisor was appointed in November 2002 and served for five years, ending her term in November 2007. Having one Advisor for a five year period is consistent with the medium to longer term horizon needed for capacity building and allowed sufficient time for her to build good relations with the national statistics agencies and central banks that were her clients. The efficiency of the Statistics Department in succession planning and selecting her replacement was rated as poor as the position was vacant for over six months. The delay in filling the vacancy was attributed to the time required to selecting an appropriate candidate through a competitive selection process who was willing to be posted in Dar es Salaam. An interim Statistics Advisor was posted to East AFRITAC from January to April 2008 to allow for continuity in the delivery of some TAs. The second Statistics Advisor arrived in East AFRITAC in July 2008. She is an IMF staff member from the Statistics Department who was required to go on a leave of absence to take up the position. The fact that the second Statistics Advisor was an IMF staff should improve efficiency during her first few months in East AFRITAC since she knows IMF's policies, systems and procedures, international statistical standards and high professional standards. The Evaluation Team would expect that she would need less mentoring and coaching during her first year in East AFRITAC than would a Resident Advisor who was not an IMF staff member.

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

learned is that the recruitment process must start six to eight months before the planned departure of an Advisor.

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

2. Use of Resources

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

3. Monitoring and Reporting

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

167. There are opportunities to improve sharing of information with other TA providers. During meetings with the Evaluation Team, some donors complained of a lack of information on East

AFRITAC's activities in the statistics area. At the country level, with the exception of Eritrea, the close cooperation and good relations between the Statistics Advisor and her counterparts was helpful for monitoring in-country developments related to statistics.

4. Assessment of the Efficiency of East AFRITAC Statistics TAs

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

Table 33: Efficiency of East AFRITAC's Statistics Assistance

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

E. Sustainability of Statistics TAs

1. Political Economy Issues

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

170. Developments that have taken place after the turn of the century have increased the capacity of East African statistics agencies and they are stronger now than was previously the case. All countries except Eritrea have enacted statistics legislation and adopted national statistics development strategies. Budgets for statistics organizations have increased in the region. Since the 2005 evaluation, the strengthening of the Rwanda National Statistics Institute has been particularly impressive. There has been an increasing recognition among economic managers that they need good quality statistics and donors have increased their assistance for statistics, in part because of the need to monitor the results being achieved by Poverty Reduction Strategies. With the exception of Eritrea, the statistical systems and statistical

practices of all countries in East Africa were rated about mid-range in the World Bank's data base. Institutional weaknesses in Eritrea will not have a major impact on the sustainability of the TA portfolio since few statistics TAs were delivered to that country.

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

172. Weighting the country institutional absorptive capacity ratings by the proportion of statistics TA delivered to each country resulted in a weighted institutional absorptive capacity score of 2.5 for the statistics area, the cutoff point between Good and Modest (see Table B.2). Because the data in Table D.26 indicates that most statistics agencies in East AFRITAC's region are rated near the world average⁹², a rating of Good was adopted for this evaluation.

2. Executing Agency Ownership and Use of the Outputs

173. The Evaluation Team received generally positive feedback on the ownership and use of TA outputs from senior officials in executing agencies in Tanzania and Kenya. The feedback was more mixed in Rwanda – positive feedback from the Bank of Rwanda on the use of the outputs of balance of payments TAs and less positive feedback from the Rwanda National Statistics Institute. The strongest indicator of ownership and use of TA outputs is when the recommendations of the TAs are accepted by the executing agency, embedded in their procedures and the resulting improved data is published or there has been sufficient progress to allow the Evaluation Team to conclude that the data will be published in the reasonably near future. The Evaluation Team found evidence that this has happened in several cases: (i) Ethiopia (CPI; PPI); (ii) Kenya (quarterly national accounts); (iii) Malawi (balance of payments); (iv) Rwanda (balance of payments; PPI); (iv) Tanzania (quarterly national accounts; CPI;

⁹² Only 3.9% of East AFRITAC's statistics TAs were delivered to Eritrea, the East AFRITAC client with the weakest institutional capacity in the statistics area.

balance of payments); Zanzibar (analysis of 2001 census of production; CPI); and (v) Uganda (quarterly national accounts; PPI). However, there were other cases for which the Evaluation Team could not conclude that executing agencies will use the TA outputs: (i) Eritrea (both TAs); (ii) Ethiopia (Supply and Use Table); (iii) Rwanda (national accounts); (iv) Tanzania (regional national accounts); (v) Zanzibar (GFS); and (vi) Uganda (Supply and Use Table). In other cases it is too early to make a judgment, for example PPI work in Malawi, Tanzania and Zanzibar. While some TA outputs are not being used, in a larger number of cases, the TA outputs have been, or are likely to be, embedded in the systems of the executing agencies.

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

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

3. Promoting the Use of African Expertise

176. In addition to organizing regional workshops and seminars to help member countries share experience, the Statistics Advisor made efforts to use the knowledge in the region and promote the use of African expertise. During the period 2004-2008, East AFRITAC hired 175 short-term experts of whom 29% were African Experts. Some of these were African statistics experts. The survey results imply that due care was exercised in selecting and supervising experts, including African experts, and that quality control was adequate. Of the 37 respondents who rated the quality of the expertise and assistance provided by East AFRITAC statistics TAs, 24% rated it as Excellent, 59% as Good, 8% as Modest and 8% as Poor (see Table D.29). The Evaluation Team did not receive adverse feedback on the quality of expertise used, African or otherwise. East AFRITAC also uses professional attachments to help develop and promote African expertise. To date, there have been no professional attachments in the area of statistics.

4. Financial Sustainability

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

5. Sustainability Rating for East AFRITAC TAs

178. An important determinant of sustainability is whether the underlying objectives of the activities remain important. About 260 survey respondents gave an opinion on the continuing importance of the two objectives for statistics in the Program Document for East Africa (see Table D.34). The overwhelming majority, 91%, replied that upgrading the methodologies for compiling economic and financial statistics to the latest international standards was either of Highest Importance or Important. A similarly overwhelming majority, 86%, rated improving the dissemination of macroeconomic data and metadata as either of Highest Importance or Important. A significantly higher proportion of respondents rated the former, which is the core strength of East AFRITAC, as being of Highest Importance. These survey responses auger well for the sustainability of East AFRITACs statistics TAs.

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

	Percent Answering				Response count	Response Rate ¹
	Highest Importance	Important	Modestly Important	Not Important		
To upgrade the methodologies for compilation of economic and financial statistics to the latest international standards	43%	48%	7%	2%	261	83%
To improve the dissemination of macroeconomic data and metadata	26%	60%	12%	1%	258	82%

¹ Ratio of the response count to the 313 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

179. Based on the forgoing analysis, the Evaluation Team's rating of the sustainability of East AFRITAC's statistics TAs was **Good, albeit below the midpoint in the range** (see Table D.35). This rating is generally consistent with the responses to the AFRITAC Evaluation Survey. Of the 38 people who responded to the question, 18% rated sustainability of the statistics TAs as Excellent, 58% as Good, 21% as Modest and 3% as Poor (see Table D.29).

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

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

F. Overall Rating of the East AFRITAC Statistics TAs

180. Based on the evaluation of the relevance, effectiveness, efficiency and sustainability, the Evaluation Teams' overall assessment of the cluster of East AFRITAC's statistics TAs is that they were **Successful, below the midpoint in the range** (see Table D.36). The strengths of the statistics TAs included: (i) their clear relevance to the needs of the client countries and complementary nature with IMF surveillance and monitoring activities; (ii) achievements of tangible results that are country owned and are likely to be sustained in areas related to balance of payments, quarterly national accounts, CPI and PPI; and (iii) use of African expertise. Areas of concern to the Evaluation Team include: (i) some TAs will not achieve sustainable results, either because support in the areas was terminated or because of a lack of follow up; (ii) the Statistics Advisor was over-stretched trying to service seven client countries, each with multiple executing agencies; (iii) the lack of efficiency in recruiting and selecting the second Statistics Advisor – the resulting vacancy undermined the effectiveness and efficiency of East AFRITAC's activities in the statistics field; (iv) the balance between theory and practice in some workshops; (v) high staff turnover in some countries that raises issues for the sustainability of TA benefits; (vi) the lack of synergies between the Statistics Advisor and other Resident Advisors; and (vii) the lack of effort in the area of GFS. The results of the AFRITAC Evaluation Survey largely confirm and support that Evaluation Team's assessment of the East AFRITAC statistics TA cluster.

Table D.36: Rating of East AFRITAC Statistics Assistance

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

V. Overall Rating of East AFRITAC TAs

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

182. There were clear differences in performance across the TA clusters. The East AFRITAC's Banking Supervision TAs were rated as **Excellent** and the Revenue Administration TAs were rated as **Good but one the margin of being Excellent**. Although the Monetary Operations, PFM and Statistics TAs were all rated as **Good**, these three clusters were all rated below the midpoint in the Good range.

Table D.37: Overall Assessment of East AFRITAC

Criteria	Weight (%)	Rating By Activity/TA Cluster ¹			
		Monetary/ Finance	Fiscal	Statistics	Total Score ²
		31	50	19	100
1. Relevance	32	3.4	3.2	3.0	3.2
2. Effectiveness	28	3.4	3.0	2.7	3.1
3. Efficiency	22	3.2	2.9	2.6	2.9
4. Sustainability	18	3.0	2.9	2.8	2.9
Overall Rating/Score	100	3.3	3.0	2.8	3.1
¹ Rating: 4 = Excellent; 3 = Good; 2 = Modest; 1 = Poor ² Weight by % of East AFRITAC's Budget Allocated to the Activity/TA Cluster Highly Successful (Excellent) ≥ 3.5; 3.5 < Successful (Good) ≥ 2.5; 2.5 < Partly Successful ≥ 1.5 (Modest); Not Successful (Poor) < 1.5					

East AFRITAC Survey Results

Table DX.1: East AFRITAC Respondents by Employer

	% of Total Responses	Response Count
Government Ministry/Agency	65%	232
TA Provider	7%	25
IMF and Short-term Experts	19%	67
Other	10%	33
Total	100%	357

Source: 2008 AFRITAC Evaluation Survey

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

	% of Total Responses	Response Count
Ministry of Finance	28%	65
Central Bank	37%	86
National Statistical Agency	7%	16
Revenue Administration	27%	62
Other	1%	3
Total	100%	232

Source: 2008 AFRITAC Evaluation Survey

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

	% of Total Responses	Response Count
African Department	7%	5
Fiscal Affairs Department	21%	14
Monetary and Capital Markets Department	15%	10
Statistics Department	9%	6
Resident Representative Office	1%	1
AFRITAC	21%	14
Other	26%	18
Total	100%	68

Source: 2008 AFRITAC Evaluation Survey

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

	% of Total Responses	Response Count
Important and Leading Role	45%	135
Played a Role But Not a Leader	47%	141
Minor Inputs	8%	24
Did Not Play Any Role	0%	1
Total	100.0%	301
Total Responses	84%	301
No Response/No Opinion	16%	56
Grand Total		357

Source: 2008 AFRITAC Evaluation Survey

Table DX.5: Relevance of East AFRITAC TAs

	Percent Answering				Response Count	Response Rate ¹
	Strongly Agree	Agree	Disagree	Strongly Disagree		
Work is demand-driven and responsive to the needs of countries.	42%	52%	4%	1%	285	91%
Strong country ownership	27%	57%	15%	2%	259	83%
Closely linked to IMF's surveillance work and program activities.	22%	67%	9%	2%	243	78%
Closely coordinated with IMF Headquarters TAs	27%	64%	7%	2%	225	72%
AFRITAC provides feedback from countries to IMF Headquarters	22%	64%	10%	4%	201	64%
Closely linked to the poverty-reducing strategies of its member countries	18%	65%	14%	3%	221	71%

¹ Ratio of the response count to the 313 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

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

	% of Total Responses	Response Count
Excellent	21%	35
Good	62%	104
Modest	15%	26
Poor	2%	4
Total	100.0%	169
Weighted Rating ¹	3.0	
Total Responses	54%	169
No Response/No Opinion	46%	144
Grand Total		313

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

Source: 2008 AFRITAC Evaluation Survey

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

	% of Total Responses	Response Count
Excellent	29%	95
Good	59%	195
Modest	9%	30
Poor	2%	8
Total	100.0%	328
Weighted Rating ¹	3.1	
Total Responses	92%	328
No Response	8%	29
Grand Total		357

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

Source: 2008 AFRITAC Evaluation Survey

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

	Percent Answering				Weighted Rating ¹	Response Count	Response Rate ²
	Excellent	Good	Modest	Poor			
Resident Advisors	39%	44%	12%	5%	3.2	234	66%
Short Term Experts	28%	55%	15%	2%	3.1	284	80%
Regional Workshops/ Training Courses	48%	41%	8%	3%	3.3	315	88%
National Workshops/ Training Courses	30%	50%	13%	7%	3.0	239	67%
Professional Attachments in African Organizations	23%	41%	22%	14%	2.7	183	51%
Average for All Criteria	34%	46%	14%	6%	3.1	251	70%

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

² Ratio of the response count to the 357 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

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

	Percent Answering				Weighted Rating ¹	Response Count	Response Rate ²
	Excellent	Good	Modest	Poor			
Topics Covered	63%	35%	2%	0%	3.6	250	99%
Resource Persons/Presenters	52%	44%	3%	1%	3.5	251	99%
Quality of Presentations	50%	44%	5%	0%	3.4	251	99%
Time to Interact with Other Participants	35%	52%	11%	2%	3.2	251	99%
Quality of the Venue	35%	49%	13%	3%	3.2	251	99%
Length of course	11%	58%	23%	8%	2.7	251	99%
Post Course/ Workshop Follow up and Support	8%	37%	33%	22%	2.3	224	89%
Average for All Criteria	28%	48%	17%	7%	3.0	246	97%

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

² Ratio of the response count to the 253 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table DX.10: Use of the Knowledge Gained in East AFRITAC Workshops

	Percent Answering				Response Count	Response Rate ^{1/}
	Strongly Agree	Agree	Disagree	Strongly Disagree		
The topics covered were relevant to my day to day activities	66%	33%	0%	0%	241	95%
Used knowledge nearly every day on the job	37%	51%	11%	1%	238	94%
Used knowledge occasionally (once a week) on the job	6%	28%	45%	20%	232	92%
Seldom used knowledge on the job	2%	12%	35%	52%	233	92%
Topics too advanced	1%	4%	39%	55%	235	93%
Changed jobs and do not use knowledge	0%	3%	36%	60%	219	87%
Organization does not have the information technology or computer systems needed to use the knowledge gained.	1%	9%	33%	57%	231	91%

¹ Ratio of the response count to the 253 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table DX.11: East AFRITAC TAs Compared to IMF Headquarters TAs

	Percent Answering				Response Count	Response Rate ¹
	Strongly Agree	Agree	Disagree	Strongly Disagree		
Responds more quickly than Headquarters	34%	52%	11%	2%	174	56%
More flexible than Headquarters	32%	52%	14%	2%	175	56%
Better understands countries than Headquarters based staff	34%	52%	12%	2%	231	74%
More responsive to country needs than Headquarters	28%	55%	15%	2%	201	64%
More effectively promotes regional integration and harmonization than Headquarters	31%	58%	9%	2%	219	70%
Supports the implementation of policies and strategies identified by Headquarters	21%	70%	7%	2%	215	69%
IMF should re-allocate staff and resources from Headquarters to the AFRITACs	26%	55%	15%	3%	220	70%
Expertise equivalent or better than that provided by Headquarters	10%	50%	32%	8%	184	59%
Expertise and advice significantly weaker than that provided by the IMF Headquarters	7%	13%	55%	25%	182	58%

¹ Ratio of the response count to the 313 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table DX.12: East AFRITAC TAs Compared to Other TA Providers

	Percent Answering				Response Count	Response Rate ¹
	Strongly Agree	Agree	Disagree	Strongly Disagree		
Responds more quickly to requests than other TA providers	28%	54%	18%	1%	167	56%
More flexible than other TA providers	22%	57%	19%	2%	170	57%
Better understands of the countries than other TA providers	28%	53%	16%	3%	187	62%
More responsive to country needs than other TA providers	25%	51%	21%	3%	170	57%
More effectively promotes regional integration and harmonization than other TA providers	30%	56%	12%	2%	181	60%

¹ Ratio of the response count to the 300 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table DX.13: Comparative Cost-effectiveness of East AFRITAC TAs

	Percent Answering			Response Count	Response Rate ¹
	Comparable	More Efficient	Not as Efficient		
Long-term in-country advisors funded by IMF	33%	51%	16%	169	54%
Short-term TA Missions from IMF Headquarters	37%	45%	18%	181	58%
Training put on by the IMF Training Institute	34%	52%	14%	155	50%
Long-term in-country advisors from other TA providers	36%	42%	22%	146	47%
Short-term TA Missions from other TA providers	35%	50%	15%	152	49%
Training/assistance provided by regional institutions	39%	49%	12%	179	57%

¹ Ratio of the response count to the 313 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

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

	Percent of Responses	Response Count
Excellent	26%	68
Good	48%	127
Modest	19%	50
Poor	6%	17
Total	100.0%	262
Weighted Rating ¹	2.9	
Total Responses	83%	262
No Response/No Opinion	17%	52
Grand Total	100%	314

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

Source: 2008 AFRITAC Evaluation Survey

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

	Percent Answering				Response Count	Response Rate ¹
	Strongly Agree	Agree	Disagree	Strongly Disagree		
Makes better use of African expertise than does Headquarters.	31%	49%	17%	3%	211	67%
Makes better use of African expertise than other TA providers.	25%	50%	23%	3%	191	61%

¹ Ratio of the response count to the 313 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Annex E: West AFRITAC

Key Messages

- West AFRITAC opened in early 2003 and has been operational for 5.5 years.
- Overall, the West AFRITAC's performance is rated as Good, slightly below the midpoint of the range.
- The highest ratings were for relevance which indicates that the TAs were well chosen, were owned by the governments and were well aligned with IMF operations in the countries.
- For all TA clusters, the donor coordination received the lowest ratings among the relevance sub-criteria.
- The lowest ratings were for sustainability which reflects political economy issues, institutional absorptive capacity issues, a need for more follow up and finding ways to implement TA recommendations in countries facing budget constraints and excessive country coverage of Resident Advisors.
- Although all clusters were rated as Good, there were some differences in performance across the TA clusters. The Microfinance TAs were rated above the midpoint in the Good range and the Debt Management TAs were rated on the midpoint. West AFRITAC's PFM, Revenue Administration and Statistics clusters were all rated as Good, but below the midpoint on the range.
- There is a need to strengthen benchmarking and monitoring of progress.
- Regional workshops were effective in sharing regional experience, the workshop documentation was often used as reference at work and most workshop participants used the knowledge gained on the job. Follow-up on workshop recommendations requires greater attention to facilitate the implementation of recommendations.
- The process at West AFRITAC in the debt management and microfinance areas works, whether it be completing the development of legal and regulatory frameworks, coaching a targeted cadre of staff to improve the quality of offsite and onsite inspections or training in debt sustainability analysis.
- Some challenges faced by West AFRITAC member countries have prevented them from taking full advantage of the fiscal TAs and raise risks for sustainability (e.g., absence in some countries of a comprehensive legislative framework to underpin PFM reforms; slow progress in implementing recommendations; problems related to low level of computerization; inadequate understanding and support from spending agencies; inadequate collaboration and role clarity among development partners; political economy factors in some countries).
- There was excellent use of African expertise in the fiscal area -- all the four West AFRITAC Fiscal Resident Advisors are from Africa. The authorities in countries served by West AFRITAC and FAD staff were happy with their performance and the quantity and quality of their output.
- Improving the results delivered by West AFRITAC statistics TAs will require progress on a broad range of areas -- implementing institutional reforms to address staffing and budgetary issues, finding ways to more actively support the implementation of TA recommendations in countries with severe budget and staffing limitations and more support from, and better coordination with the donor community.
- The work of the GFS and PFM Advisors was highly complementary.

I. Introduction

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

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

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

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

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

6. Based on the data in Table B.3, West AFRITAC delivered 67% of its TA to countries rated as having a Good institutional absorptive capacity (Benin; Burkina Faso; Mali; Senegal). This was dominated by Mali, which probably reflects time spent in the West AFRITAC office by the Resident Advisors. Very limited TA was delivered to Senegal. Ten percent of the TA was delivered to countries with a Modest institutional absorptive capacity ratings (Mauritania; Niger; Togo) and 22% to countries with a Poor institutional absorptive capacity rating (Côte d'Ivoire; Guinea; Guinea-Bissau). Weighting the institutional absorptive capacity score by the proportion TA delivered to the country resulted in a 2.4 weighted institutional capacity score, Modest but just below the cut off point for Good. This rating is skewed upward because Mali dominates Table B.3, purportedly accounting for 54% of the TA delivered by West AFRITAC. This probably reflects time spent in the West AFRITAC office by the Resident Advisors. A rating of Modest would likely better accord with the general capacity of the institutions in West AFRITAC client countries.

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

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

Source: IMF, Office of Technical Assistance Management.

1 Fiscal year runs from May 1 to April 30

2 Advisors funded by the Japan Administered Subaccount are not included in this table (e. g. the Microfinance and another Statistics Advisors worked for 36 months during the three years.

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

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

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

II. Evaluation of West AFRITAC Monetary and Financial System TAs

A. Introduction to Debt Management and Microfinance Supervision TAs

7. Key priorities for TA for the Monetary and Financial System in West AFRITAC work plans, especially Phase II were to: (i) develop public debt management and related domestic and sub-regional financial markets; and (ii) strengthen national capacities to supervise and regulate microfinance institutions. The more traditional MCM/central banking-type TA topics such as monetary operations, liquidity management, reserves management, banking supervision and payments system have not featured on West AFRITAC's TA delivery agenda, largely reflecting the long-established common currency arrangements and the existence of a regional central bank (BCEAO) and regional banking supervision agency (Commission Bancaire).⁹³ However, in the context of West AFRITAC Phase II, the two non-WAEMU member countries, Guinea and Mauritania, have expressed strong interest in TA in monetary operations/liquidity management and bank supervision⁹⁴.

8. Within the region sound **debt management** is viewed as a cornerstone of external viability, and thus an important part of individual country efforts to ensure macroeconomic and financial stability. TA in this area has taken on added importance in the context of the access that many countries have to the HIPC Initiative⁹⁵. In addition, IMF surveillance activities, supplemented by regional and, in a number of cases, country-specific FSAP, have helped identify weaknesses in public debt management and related market development. Thus, technical assistance has been provided by West AFRITAC on both aspects of debt management, directly to individual countries and on a regional basis.

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

⁹³The common currency, linked to the euro (the French Franc earlier) has provided a relatively stable monetary environment to WAEMU countries. To the extent that these agencies have required TA, it has been dealt with in the past by MCM or other TA providers/ donors. Neither of the two agencies has requested TA from West AFRITAC but have cooperated with the Center on TA topics of mutual interest and BCEAO is on the Steering Committee.

⁹⁴ As West AFRITAC has not been specifically staffed to cover these topics, they have largely been dealt with by MCM though there is evidence that authorities in both countries, particularly Guinea, would like to have assistance from West AFRITAC. Both countries availed of TA on debt management and microfinance supervision -- the latter to a limited extent until recently as, unlike the WAEMU countries, microfinance activities are of lesser significance for financial intermediation. Going forward, in the context of developing a new work program for Phase III (and perhaps the plans for another AFRITAC in West Africa), it would appear that there is a need for MCM and AFRITAC, in concert with the Steering Committee, to review and decide how best AFRITAC can respond to the needs of the two country clients who have their own central banking and financial supervision arrangements. This should be done in a manner that ensures a level playing field in the range of assistance that single country central banks in all AFRITAC regions can access.

⁹⁵ The HIPC Initiative aims to ensure that no poor country pursuing IMF/ World Bank -supported adjustment and reform programs faces a debt burden that it cannot manage. To accelerate progress toward the UN Millennium Development Goals (MDGs), the Initiative was supplemented in 2005 by the Multilateral Debt Relief Initiative, which also included debt relief from the African Development Fund (AfDB) when a country **completes** the HIPC process. There are preconditions for access, including developing a Poverty Reduction Strategy Paper (PRSP) and establishing a track record of reform and sound policies. Tracking and monitoring stages in the process toward completion, linked to progress with reforms and PRSP implementation, include: (i) **decision point**, when interim debt relief starts; and (ii) **completion point**, when lenders provide full and irrevocable debt relief, as committed at decision point. Capacity building TA in all aspects of debt management has a crucial role to play in helping countries through this multiyear process and most importantly to support debt sustainability going forward. (See www.imf.org/np/hipc/index.asp)

country needs, emphasis was given to more in-depth training of the debt managers including on procedures for establishing amortization schedules and data validation of creditor documents such as comprehensive country data bases. Later on the focus of TA was extended to portfolio analysis and the conceptual aspects of debt sustainability analysis, drawing on the comparative advantage that IMF has at Headquarters in developing in this area. Eligibility for the HIPC Initiative together with: (i) IMF and World Bank debt-related work with individual country authorities leading to the decision point, (ii) the required transition and accession to the completion point by many beneficiary countries in the region, and (iii) the elimination by the regional central bank (BCEAO) of its overdraft facility to finance budget deficits, were key factors catalyzing and highlighting the urgency of TA needs in these areas.

10. As West AFRITAC TA efforts gained momentum, it became clear that non-existent or inadequate accounting and reporting systems characterized debt management in most of the countries. Accordingly, TA to assess performance of the systems in place was necessary and during Phase II it was envisaged that West AFRITAC would cooperate closely with other development partners engaged in this area to ensure that these needs were addressed⁹⁶. The traditional approach to public debt management has emphasized the assessment of debt sustainability and, in particular, how fiscal positions affect debt dynamics and debt sustainability. However, over time, recognition of the importance of debt composition, market structure, and good debt management practices in influencing the sustainability of debt exposure has received greater attention in West AFRITAC's TA delivery.

11. From 2006, West AFRITAC TA focused on: (i) on-site evaluation of the performance of existing automated debt management systems; (ii) definition of the institutional responsibilities for the different agencies involved in debt management; and (iii) construction of reliable external debt databases. Later as the Phase II work plan evolved, the focus changed to: (i) setting up national debt committees to manage a country's indebtedness and ensure its sustainability; (ii) strengthening capacity in sovereign debt management; and (iii) developing the domestic debt market and management of cash-flow needs of the treasury.

12. The elaboration and implementation of West AFRITAC TA in debt management/financial market development was carried out by one Resident Advisor, complemented by short-term experts. TA has been delivered through missions, in-country workshops, regional seminars, and professional attachments with backstopping from MCM. Since April 2006 the current Resident Advisor has carried out 31 missions to client countries (on debt management capacity building-related issues) and conducted 5 national workshops (on debt sustainability analysis), and 5 regional workshops (on government bond yields, domestic debt management, debt statistics, debt sustainability analysis and mobilization of national and regional savings).

13. Because of the importance of microfinance in financial sector development in West AFRITAC client countries, TA in **microfinance supervision** was viewed as a priority from the outset. Although financial sector growth as a whole has been slow in the ten countries covered by West AFRITAC, especially in rural areas, the microfinance sector has evolved into a significant economic phenomenon in many of them, particularly the WAEMU countries. At the same time, past failures of microfinance institutions (MFIs) have had adverse effects on public confidence in the financial system, as well as significant economic and social consequences for clients, especially in the less well-off groups in the region. Thus, there is a need to ensure

⁹⁶ These included Pole Dette, an inter-regional agency, supported by the two regional central banks (BCEAO and BEAC) and the UK-based Debt Restructuring Initiative (DRI).

appropriate regulation and supervision of MFIs in order to preserve financial soundness, while recognizing the costs associated with full prudential regulation and supervision in that sector.

14. The regional central bank (BCEAO) and the national governments recognize the importance of this sector. Within the WAEMU, the BCEAO is responsible for the overall regulation of the financial sector. At the operational level it supervises banks, while the ministries of finance of the member countries are responsible for supervising MFIs and savings and loan cooperatives. West AFRITAC TA has focused on helping the countries in the region to: (i) improve regulations; (ii) train staff; and (iii) develop a risk-based micro-finance supervision strategy that is consistent with ensuring that micro-finance institutions contribute to deepening financial intermediation. A capacity-building program was proposed and accepted by the member countries, and TA assistance initially focused on formalization of policy statements, licensing analysis, and staff training.

15. As TA gained traction in Phase II and countries modernized the legal and regulatory frameworks governing MFIs, the focus of assistance was on supporting the national authorities in updating the legal framework, under the aegis of the BCEAO, and the elaboration and implementation of guidelines and manuals of operational procedures, especially those relating to onsite and offsite inspection. With the coming on-stream in some countries of credit rating bureaus for MFIs and savings and loan cooperatives, the need for strengthening inspection became more urgent as supervision units' databases could benefit from this new information only if an appropriate risk-analysis process was implemented. West AFRITAC is providing the technical assistance to review the risk-assessment process with the ministries. A better identification of risky institutions should lead to better protection of the sector. Looking forward, member countries want to make housing loans available for larger portions of the population and new products and institutions will emerge (mortgage banks and refinancing structures), leading to adjustments in supervision policies and processes. Technical assistance, including training, on regulation and supervision of these activities, will be required and member countries look to West AFRITAC to meet these needs.

16. The elaboration and implementation of TA was carried out by one resident advisor in micro-finance supervision, complemented by short-term experts, in-country workshops, regional seminars, and professional attachments. Since December 2004 the Resident Advisor had conducted or coordinated 67 missions to client countries, a number of which consisted of in-country workshops and a few regional workshops on cross-cutting microfinance supervision related topics.

17. In the following sections a quantitative assessment, incorporating ratings and covering dimensions of relevance, effectiveness, efficiency and sustainability is made for the two MCM-related clusters of TA. Criteria considered to be most relevant in benchmarking each dimension of the assessment were pre-selected⁹⁷. Statements and judgments made in the criteria subsections for each of the four dimensions and ratings reached in the tables are based on a composite assessment of: (i) IMF/West AFRITAC country program documents; (ii) reports prepared for Steering Committee meetings and the minutes of such meetings; (iii) examination of all reports of the two advisors—including an in-depth look at two randomly selected advisors' mission reports (one of which, in the case of each advisor included a short-term expert) – as well as monthly reports to back stoppers; (iv) discussions with MCM and West AFRITAC staff and supporting materials prepared for those meetings; and (v) feedback received at meetings with relevant key country officials in Côte d'Ivoire, Guinea and Mali (including AFRITAC

⁹⁷ See the methodology in Annex B.

workshop and seminar participants) as well as other TA providers. Due cognizance was also taken of the results of the AFRITAC evaluation survey (see Annex C and Appendix E).

B. Relevance of Debt Management and Microfinance Supervision TAs

1. Consistency with Government Objectives.

18. There is strong and meaningful country ownership of the West AFRITAC TA programs in debt management/ market development and supervision of microfinance. Government officials interviewed by the evaluation team in the three countries visited stressed the unique character of AFRITAC which facilitated, through the strategic direction setting and work program and budget approval mechanisms of the Steering Committee: (i) an annual assessment of TA needs for each country; (ii) joint agreement on a program to be delivered; and (iii) the mid year and end year review of such programs.

19. Capacity building TA in these two areas is clearly linked to key objectives of countries in the region, including Millennium Development Goals, poverty reduction and growth strategies and HIPC and multilateral debt relief initiatives as is documented in countries' PRSPs and IMF surveillance and country program reports. While this linkage may be more visible in TAs dealing with public finance management and revenue administration, at a practical level, debt management and market development TA has played its part by helping many countries in the region to: (i) achieve completion stage⁹⁸ on debt reduction plans that, in turn, free up resources for expenditures directly linked to poverty reduction; (ii) put in place capacities to formulate debt sustainability frameworks for the medium term, including effective data bases, that help to avoid falling into debt/poverty trap again⁹⁹; and (iii) promote the development of domestic and sub regional money and government debt markets that enhance cash management/budget financing and development investment and the deepening of financial markets.

20. TA to supervise microfinance has been designed so that it: (i) develops along sound and prudent lines to extend financial services to the less advantaged people not reached by conventional banking; and (ii) helps to promote enterprise and job creation in the informal sector. Micro finance institutions have developed rapidly in many countries in the region.¹⁰⁰ Supervisory authorities, both the BCEAO and the microfinance agencies in ministries of finance, acknowledge the important contribution that microfinance is making to deepening financial intermediation and recognize the crucial importance of orderly development and depositor protection in this area.

21. Looking forward, and particularly as a core mass of countries move into the post HIPC phase, the emphasis of debt management TA is moving more in the direction of financial market development together with a stronger linkage between debt management and treasury cash management at the ministries of finance, to ensure better functioning of domestic and sub regional money and debt markets. This trend will ensure the ongoing relevancy of some debt management TA, particularly in enhancing debt sustainability analysis capacities in some

⁹⁸ Of the 10 countries in the region eligible for HIPC Initiative assistance, 6 countries (Benin, Burkina Faso, Mali, Mauritania, Niger, and Senegal) are at the post-completion-point, 2 (Guinea and Guinea Bissau) are between decision and completion point and 2 (Côte d'Ivoire and Togo) have not yet reached agreement/decision point.

⁹⁹ Local country officials have been trained and coached in the techniques and preparation of debt sustainability reports in most countries in the region.

¹⁰⁰ Rough estimates provided by officials in Côte d'Ivoire and Mali suggest that microfinance has penetrated about one in three families though resources in these institutions comprise only about 6 to 7 per cent of total balance sheet footings of depository institutions.

countries but will require the placing of greater emphasis on market development. While there is still a need for TA in microfinance, particularly in strengthening the implementation of on and off-site supervision, West AFRITAC capacity to provide assistance in banking supervision may need to be strengthened to at least be responsive to the needs of non-WAEMU countries. These are issues to be addressed in the development of West AFRITAC's work program for Phase III, which will commence in May 2009.

2. Coordination with Development Partners

22. The promotion of good coordination with development partners and other donors is a fundamental tenet of the IMF's Africa Capacity Building Initiative. The AFRITACs were designed "to strengthen coordination among technical assistance providers and recipients as rapidly as possible, and in concert with the implementation of PRSP". The Steering Committee is an integral part of this process and coordination is facilitated by the attendance of donors, the IMF and regional organization observers, as well as representatives from member countries. Prima facie, a comprehensive and transparent framework is in place to facilitate coordination with development partners.

23. In discussions with West AFRITAC staff and officials in countries visited, the Evaluation Team came across some good examples of coordination in the debt management area between West AFRITAC and other institutions involved in debt management, including the regional Pole Dette organization, the UK based Debt Resolution Initiative (DRI) and the BCEAO. These related to regional seminars and in country workshops. Increasingly cognizant of the need for such assistance in the areas of debt reduction and sustainability as well as development of money and public debt markets for WAEMU countries, BCEAO seems supportive of the value added that AFRITAC TA brings to the table.¹⁰¹ The aforementioned examples were largely in the training area: (i) organizing regional seminars, on which positive feedback was obtained from participants; and (ii) in-country workshops focused on key debt management and sustainability related topics and the practical aspects of putting in place the legal and operational framework for government debt issuance in a number of countries¹⁰².

24. In microfinance supervision, there was also some donor participation in seminars and workshops. Canada has provided technology, including software, to microfinance umbrella organizations in a number of countries in the region which has helped them to strengthen in-house accounting and management systems and improve reporting to national microfinance supervision units in the ministries of finance.¹⁰³ Feedback from the World Bank office in Mali referred to instances of good collaboration with West AFRITAC advisors on debt management (a debt sustainability issue) and microfinance (the World Bank was able to help with donor

¹⁰¹ The Evaluation Team met only with officials in the national offices of the BCEAO in Mali and Côte d'Ivoire who clearly could not speak for the Head Office in Dakar but nevertheless spoke positively about AFRITAC activities in debt management and microfinance in their respective countries. The Evaluation Team also met with groups of BCEAO officials from both countries who participated in AFRITAC workshops and their feedback was positive.

¹⁰² Official debt markets are operational in some countries and others have made good progress in meeting targets set by BCEAO for reduction in access to automatic budgetary central bank financing (Avance Statutaire). The West AFRITAC advisor in debt management was successful in leveraging some TA in the technology area of debt management from Côte d'Ivoire to support development of a debt management data base in Guinea—a good example of south-south cooperation.

¹⁰³ This assistance also helped to facilitate the transfer of the role of promoting the microfinance sector away from supervision units in ministries of finance (in this location it represented a serious conflict of interest to supervision) to MFI umbrella organizations (where it more appropriately belongs). The West AFRITAC Advisor played a helpful role in helping to mobilize such external donor support in a number of countries including Guinea (via FIRST Initiative) and Mauritania (in discussions with AFDB).

financing of equipment and software) and stressed that donors want to work together for effectiveness. BCEAO regional offices have also been increasingly supportive of West AFRITAC's TA work on strengthening supervision of MFIs. This is not surprising given that BCEAO has an overall role in the regulation of MFIs and, more crucially, in maintaining financial system stability. Collaboration between BCEAO and West AFRITAC needs to be strengthened, inter alia, to ensure standardization of the inspection manual for microfinance supervision (at present it appears there are competing guidelines).

25. AFDB and ACBF have also coordinated in relation to delivery of seminars. One area where donors or perhaps country authorities could do more is in providing additional funds to support capacity for implementation of agreed recommendations flowing from AFRITAC TAs. For example, needed computer network and software can make the difference (e. g., for microfinance in Mali). Notwithstanding the positive comments above on donor coordination, efforts to meet with donor groups in the countries visited to obtain feedback on West AFRITAC's work were largely unsuccessful as these meetings were poorly attended. As a result, little feedback was obtained from donors and many of TA representatives with whom the mission met were often not familiar with the role and work of West AFRITAC.¹⁰⁴ Clearly, and notwithstanding that good TA are being delivered, greater outreach efforts are needed at the Steering Committee and West AFRITAC level to explain its role and to get better coordination. Some suggestion on how to improve coordination includes through development of a joint web site for the AFRITACs as set out in Chapter III of the main body of this report.

3. Consistency with IMF Activities

26. An examination of recent IMF staff reports (surveillance , program related and FSAPs) for the three countries visited by the Evaluation Team provides evidence of the consistency—stronger in some countries than in others -- between measures and objectives of financial sector reform and West AFRITAC's TA in debt management/market development and microfinance supervision. For example, key elements in the 2008 PRGF for Côte d'Ivoire include implementing a national microfinance strategy and strengthening supervision and anti-money laundering efforts. One of the structural indicators in the program requires limitation of the use of treasury advances for budget financing (the latter is consistent with West AFRITAC's work on debt management). On the other hand, TAs to support monetary and financial system reforms in the Guinea PRGF are largely provided by MCM, though the central Bank of Guinea would like to have a broader range of TAs in the monetary and other central banking-type operations from West AFRITAC¹⁰⁵. In addition, the FSAP for the sub-region completed in 2002, as well as a subsequent country-specific FSAP for Mali (and Senegal), highlight the need to strengthen debt management and sustainability functions, develop domestic and sub-regional government bond markets, promote broader money and securities market development, and strengthen financial sector oversight.

27. The IMF's African (AFR) Department produces a set of regional strategy notes that, in addition to outlining the thrust of current macroeconomic policy direction in each country, list priorities for TA. The latter are developed and updated periodically in coordination with the TA departments (FAD, MCM and STA) and reflect AFR mission chiefs' ongoing dialogue with the

¹⁰⁴ Feedback from World Bank and African Development Bank offices in Mali was supportive and positive on the work of West AFRITAC in debt management and microfinance supervision areas, while recognizing that, despite encouraging preparations, debt sustainability resilience had yet to be put to the test

¹⁰⁵ The usefulness of West AFRITAC's TAs on microfinance (not as significant in Guinea's financial intermediation system as it is in WAEMU countries) and debt-management was, however, acknowledged by Central Bank and Ministry of Finance officials.

respective country authorities. There is generally a measurable degree of consistency with TA priorities and programs of West AFRITAC in debt management and/or microfinance supervision. This is particularly the case in Côte d'Ivoire, Guinea and Mali, where emphasis is placed in the strategy notes on bond market development and strengthening of financial sector oversight. However, there is no specific reference to West AFRITAC as a provider of TAs.¹⁰⁶

4. Rating the Relevance of West AFRITAC Debt Management and Microfinance Supervision TAs

28. The relevance ratings of the debt management/market development and microfinance supervision are given in Table E.2. Based on the foregoing analysis of the criteria, both the debt management and microfinance supervision TA clusters were rated as **Relevant nearly Excellent**, both at the time they were approved and at the time of evaluation.

Table E.2: Relevance of West AFRITAC Debt Management and Microfinance Supervision TAs

Criteria	Weight ² (%)	Rating ¹		
		Public Debt Management	Microfinance Supervision	Total
		55	45	100
1. Consistency With Government Priorities	60	4.0	4.0	4.0
2. Coordination With Development Partners	20	2.0	2.0	2.0
3. Consistency with IMF Activities	20	3.0	3.0	3.0
Overall Relevance Rating/Score	100	3.4	3.4	3.4
¹ Rating: 4 = Excellent; 3 = Good; 2 = Modest; 1 = Poor ² Weight by % of East AFRITAC's Budget Allocated to the Activity/TA Group Highly Relevant (Excellent) ≥ 3.5; 3.5 < Relevant (Good) ≥ 2.5; 2.5 < Partly Relevant (Modest) ≥ 1.5; Not Relevant (Poor) < 1.5				

29. Tables E.3 and E.4 below show the results of the AFRITAC evaluation survey. On the relevance of the two TA clusters, the survey responses are broadly consistent with the ratings in Table E.2. The number of responses is somewhat low, however, ranging between 13 and 16, depending on the question. The debt management TAs were rated Good on relevance for all of the sub-criteria of: (i) helping to build capacity; (ii) consistency with government priorities; (iii) coordination with other TA providers; and (iv) coordination with IMF Headquarters. The highest ratings for relevancy were in helping to build capacity and coordination with IMF Headquarters' activities. The lowest was for coordination with other donors and this is consistent with the Evaluation Team's assessment. For Financial Sector Supervision TAs, the majority of the ratings are Good with the highest for consistency with government priorities (69% of

¹⁰⁶ In general, staff at the AFRITACs were unaware of AFR country notes. It is desirable that these be better disseminated both to the AFRITACs and the Steering Committees who should be given more opportunity to discuss and be seen to have involvement and ownership with the strategy. More specifically related to monetary and financial system TAs, to the extent that the strategy relates to the regional FSAP follow-up, both the BCEAO and West AFRITAC advisors should be involved with upstream assistance from MCM as needed. Indeed a meaningful effort to develop a comprehensive regional FSAP follow-up strategy would provide opportunities for a more focused role for West AFRITAC advisors in an area crucial to promoting more effective regional integration

respondents) and coordination with other TA donors again at the lowest rating but in the border between Good and Modest.

Table E.3: Relevance of West AFRITAC Public Debt Management TAs

	Percent Answering				Weighted Rating ¹	Response Count	Response Rate ²
	Excellent	Good	Modest	Poor			
Relevance of TAs in helping to build capacity	14%	50%	36%	0%	2.8	14	100%
Consistency with Government priorities	23%	46%	31%	0%	2.9	13	93%
Coordination with other TA providers	0%	54%	46%	0%	2.5	13	93%
Coordination with IMF Headquarters	15%	69%	15%	0%	3.0	13	93%
Average for All Criteria	13%	55%	32%	0%	2.8	13	95%

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

² Ratio of the response count to the 14 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table E.4: Relevance of West AFRITAC Financial Sector Supervision TAs

	Percent Answering				Weighted Rating ¹	Response Count	Response Rate ²
	Excellent	Good	Modest	Poor			
Relevance of TAs in helping to build capacity	38%	44%	19%	0%	3.2	16	100%
Consistency with Government priorities	19%	69%	13%	0%	3.1	16	100%
Coordination with other TA providers	27%	33%	33%	7%	2.8	15	94%
Coordination with IMF Headquarters	23%	38%	38%	0%	2.8	13	81%
Average for All Criteria	26%	46%	26%	2%	3.0	15	94%

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

² Ratio of the response count to the 16 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

C. Effectiveness of Debt Management and Microfinance Supervision TAs

1. Use of AFRITAC Outputs

30. The major TA outputs arise from missions and workshops in individual countries and from regional seminars. They are all designed to build human skills, institutions and procedures to raise the absorptive capacity of the economies in the region. Through this process, the goal is to remove key bottlenecks that impede economic reforms and growth and undercut poverty reduction efforts.

31. From an examination of West AFRITAC reports and discussions with Advisors in Debt Management and Microfinance there is evidence that outputs are well used and the diligence and dedication of Advisors and short term experts to the task at hand is commendable. It is always difficult, however, to assess the actual results of training, including intensive coaching through in-country workshops, missions that set work plans and return to review and update them. However, the Evaluation Team has come to a view that there has been measurable progress, more successful in some countries than in others. Better stock taking of what is done and what remains to be done would help as the oversight system of the Steering Committee seems to be process driven, monitoring more what has been delivered and not delivered rather than the outputs and impacts achieved. Additionally, a good stock taking of what remains to be done is required. This issue should be a prime area of focus in putting together the Work Plan for Phase III.

32. More specifically, West AFRITAC's outputs in public debt management can be closely linked to the important work of getting countries through the various stages of completing the debt reduction process from the point of decision (with support from World Bank and IMF) to the point of completion (with support from West AFRITAC and others such as Pole Dette and the DRI) and then the end stage of putting in place a well functioning debt sustainability analysis capacity. This requires achieving the goals of having a comprehensive and effective data base to monitor and service the debt, the skills and software to do the projections and analysis and the diligence to use the process to guide debt management including the raising of new funds on sub regional markets. An effective example of following through on debt sustainability came from feedback in Mali where an annual report on debt sustainability will be appended to the Finance Law (authorizing the budget) each year.¹⁰⁷

33. The success of all these outputs varies considerably.¹⁰⁸ However, there is no doubt that whether it be working to complete the development of legal and regulatory frameworks (e.g. for debt management in Mali and microfinance in Guinea and Mauritania), coaching a targeted cadre of staff to improve the quality of offsite and onsite inspections (microfinance supervision in Côte d'Ivoire, Guinea and Mali) there is a process at West AFRITAC that works. The challenge is to make it work even better and more effectively disseminate this progress. Success is not only dependant on capacity to manage the process. This is clear in the case of Côte d'Ivoire

¹⁰⁷ To assess impact of implementation, the Debt Management Advisor checks country data bases against creditor data and has found good consistency in a number of countries. On the other hand there is poor implementation of recommendations in a few countries and a lack of understanding that debt management and cash management functions are both integral parts of management of the public finances.

¹⁰⁸ Countries like Benin, Côte d'Ivoire, Mali, Senegal and Togo use TA outputs effectively; some others less so. There is a need to strengthen the monitoring of progress in the debt management area by seeking to better benchmark the level of progress in nine countries receiving assistance and direct more of the assistance for the future into the area of market development. Some suggestions are made in Chapter III of the main body of the report on this matter.

which appears to be the best managed in the region but because of past conflicts and political problems is delayed in progressing through the HIPC process.

34. The well-focused outputs in microfinance supervision to build institutional and human capacities and transfer knowledge and expertise have helped the orderly development of an intermediation activity that is vital to poorer sections of the community. Discussions with microfinance units and debt management sections at the ministries of finance in Côte d'Ivoire and Mali provided convincing evidence of this.

2. Planned versus Actual Achievements

35. This issue can be looked at from two perspectives: (i) the extent to which West AFRITAC plans for delivering its TA program for a given year were achieved; and (ii) the extent to which targets or outcomes specified in the Work Plan for Phase II are achieved. Additionally there may be objectives or measures specified in IMF programs or recommendations in FSAPs, regional or country specific, the attainment of which or at least measurable progress in the right direction, can provide tangible evidence of achievement.

36. An examination of the reports presented to the West AFRITAC Steering Committee since 2006 indicate a reasonable degree of success in TA delivered versus planned. Where this did not happen the reasons were generally beyond the control of the Center such as absorption problems more often than not to do with post conflict or fragile states. This was particularly the case in Côte d'Ivoire from 2002 to 2006.

37. There is significant consistency between the TA provided in public debt management and microfinance supervision and the measures and priorities identified in many IMF staff reports (surveillance and program-related and FSAPs (regional and country specific) and regional strategy notes prepared by AFR. These linkages have already been noted in the Relevance assessment above. While this consistency is not evidence of effectiveness until the measures and objectives are substantially achieved, it is indicative of progress in the right direction

3. Significance of West AFRITAC's Contributions

38. The real significance of the West AFRITAC's contributions in responding to the TA needs of countries in the region inevitably depends on the extent to which it can be demonstrated that the TA as delivered has resulted in progress toward building capacity in terms of a critical mass of human skills, quality institutions and best practice procedures that enhance countries' capacity to formulate and implement sound macroeconomic policies¹⁰⁹. There is solid evidence that microfinance TA strengthened and deepened financial intermediation in most countries by strengthening the regulatory base for supervision and improving onsite and off-site supervision through an intensive coaching methodology developed by the West AFRITAC Microfinance Resident Advisor and short-term experts¹¹⁰. The latter approach, because it is seen as the essence of effective capacity building, was much commended by ministry of finance and BCEAO officials met by the Evaluation Team.

¹⁰⁹ The backstopping from IMF is designed to ensure that procedures applied in West AFRITAC conform to codified best international practices in debt management and microfinance as established by World Bank and IMF.

¹¹⁰ Annex IV of the activity program report to the April 2008 meeting of the Steering Committee illustrates the intensiveness of this coaching approach over a period of three years, focusing on the development of competencies and aptitudes rather than acquisition of knowledge per se, and capturing the essence of effective capacity building.

39. Similarly, debt management TA played a vital support role in helping countries through the difficult substantive and procedural hurdles associated with achieving debt reduction and establishing structures and analytical frameworks for debt sustainability in the context of HIPC Initiative, that, in turn, ensure more effective debt management going forward and free up resources crucial for the pursuit of poverty reduction and toward the attainment of millennium goals.

4. Rating the Effectiveness of West AFRITAC Debt Management and Microfinance Supervision TAs

40. The effectiveness rating for the monetary and financial systems TAs is given in Table E.5. The effectiveness of the debt management TAs was rated **Good** while the effectiveness of the microfinance supervision TAs was rated as **Good, bordering on Excellent**.

Table E.5: Effectiveness of West AFRITAC Debt Management and Microfinance Supervision TAs

Criteria	Weight (%)	Rating ¹		
		Public Debt Management	Microfinance Supervision	Score ²
		55	45	100
1. Use of AFRITAC Outcomes	40	3.0	4.0	3.5
2. Planned vs. Actual Achievements	30	3.0	3.0	3.0
3. Significance of Contribution to Developing Core Economic Functions and Institution Building	30	3.0	3.0	3.0
Overall Effectiveness Rating/Score	100	3.0	3.4	3.2
¹ Rating: 4 = Excellent; 3 = Good; 3 = Modest; 1 = Poor ² Weight by % of the East AFRITAC's budget allocated to the cluster of AFRITAC activities/TAs Highly Effective (Excellent) ≥ 3.5; 3.5 < Effective (Good) ≥ 2.5; 2.5 < Partly Effective (Modest) ≥ 1.5; Not Effective (Poor) < 1.5				

41. The results of the AFRITAC Evaluation Survey shown in Tables E.6, E.7 and E.8 are largely consistent if somewhat less positive than the outcome in Table E.5. The survey ratings for the two clusters for the three effectiveness sub-criteria were generally Good but below the midpoint in the range. However, the survey scores reflect only 14 respondents, far less than the number of people interviewed by the Evaluation Team. For the reasons outlined in the foregoing analysis, the Evaluation Team rated the debt management and financial sector supervision TAs higher than the ratings of the survey respondents.

Table E.6: Effectiveness of West AFRITAC's Public Debt Management TAs

	Percent Answering				Weighted Rating ¹	Response Count	Response Rate ²
	Excellent	Good	Modest	Poor			
Use of the outputs	14%	50%	36%	0%	2.8	14	100%
Effectiveness in achieving tangible results	14%	36%	50%	0%	2.6	14	100%
Significance of contributions to developing core economic functions	14%	43%	43%	0%	2.7	14	100%
Expertise and assistance	21%	29%	50%	0%	2.7	14	100%
Sustainability of the benefits of AFRITAC TAs	15%	31%	54%	0%	2.6	13	93%
Average for All Criteria	16%	38%	46%	0%	2.7	14	99%

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

² Ratio of the response count to the 14 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table E.7: Effectiveness of West AFRITAC's Financial Sector Supervision TAs

	Percent Answering				Weighted Rating ¹	Response Count	Response Rate ²
	Excellent	Good	Modest	Poor			
Use of the outputs	50%	29%	14%	7%	3.2	14	88%
Effectiveness in achieving tangible results	29%	43%	21%	7%	2.9	14	88%
Significance of contributions to developing core economic functions	14%	79%	7%	0%	3.1	14	88%
Expertise and assistance	47%	33%	20%	0%	3.3	15	94%
Sustainability of the benefits of AFRITAC TAs	23%	46%	23%	8%	2.8	13	81%
Average for All Criteria	33%	46%	17%	4%	3.1	14	88%

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

² Ratio of the response count to the 16 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table E.8: West AFRITAC's Progress in Achieving Monetary/Financial Sector Objectives

	Percent Answering				Response Count	Response Rate ¹
	Objective Fully Achieved	Despite Substantial Progress, Objective not yet Achieved	Only Modest Progress Made to Achieve Objective	No Significant Progress Made		
To improve monetary operations, debt management and payment systems	3%	63%	28%	6%	90	52%
To improve the legal and regulatory framework for financial sector supervision	12%	50%	32%	6%	94	54%

¹ Ratio of the response count to the 174 respondents who rated the West AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

D. Efficiency of Debt Management and Microfinance Supervision TAs

1. Process/Implementation Efficiency

42. One of the findings of the April 2005 Evaluation was that the AFRITAC's organization of its people, processes, activities and work flows was highly professional. Extensive meetings with all the West AFRITAC staff in Bamako confirm that this is still the case.¹¹¹ This view was corroborated by feedback from meetings with country officials in Côte d'Ivoire, Mali and Guinea, both those who were counterparts to missions on debt management and microfinance supervision and participants in regional and in-country seminars and workshops. There appears to be effective and commendable coordination between the West AFRITAC Resident Advisors and IMF Resident Representatives when the former visit countries in the region.

43. The Evaluation Team was impressed by the volume of work in terms of missions, seminars and workshops leveraged by the two Advisors as well as their availability through E-mail and phone for follow up with counterparts in countries receiving TA and to respond to technical questions and requests for information. These factors attest to the superior advantage of locating West AFRITAC Advisors in the region compared to at Headquarters where different time zones make regular communication expensive and limited.

44. During the evaluation period delay in filling advisor vacancies were not a factor in impeding West AFRITAC's ability to deliver TA. However, there will likely be a turnover of the Center Coordinator and several Resident Advisors in the next 12 months. This will provide a challenge for the ability of the TA and African departments to successfully and efficiently manage the succession planning of West AFRITAC staff. It would be desirable to maintain the good

¹¹¹ Even in the area of travel arrangements in the region, the logistics of which can pose considerable challenges, AFRITAC West's procedures are smooth and efficient, given the circumstances. The Evaluation Team had firsthand experience of this and problems with booking made at IMF Headquarters were quickly resolved by West AFRITAC's administration manager (the Evaluation Team had a similar experience at Central AFRITAC).

record of not allowing staff vacancies to disrupt West AFRITAC's ability to effectively deliver TA during Phase III.

2. Efficient Use of Resources

45. There is a reasonable balance between the time advisors spend in Bamako and in the field. It is difficult to be judgmental on where the best balance lies given that there seems to be unmet demands due to budgetary constraints. However, if increased budgetary resources are made available in Phase III, one way to increase efficiency of resource utilization would be to use more short-term regional experts backstopped by the Resident Advisors. This could also be a way to broaden the range of expertise available to meet the needs of non-WAEMU member countries like Guinea and Mauritania whose central banks have demands for assistance in monetary operations and banking supervision that cannot be directly met from existing advisors but whose needs are not sufficient to justify permanent advisors in these topics at West AFRITAC. Another option to explore would be to share a Monetary Operations Advisor shared among AFRITACs who could provide the services required by central banks and supervise the short term consultants.

46. Because of the delay in implementing the enhanced version of the TAIMS system until 2008 and the paucity of costing data it is difficult to make value for money judgments. Monitoring and effective benchmarking of progress (what needed to be done, what has been done, and what remains to be done) has shortcomings.

3. Monitoring and Evaluation

47. In the plenary session that the Evaluation Team had with the Center Coordinator and all Resident Advisors at the outset of the visit to Bamako, it was evident that MCM backstopping of substantive issues was less intensive than FAD and STA. In part this was attributed to perceptions that: (i) MCM did not have significant in-house specialized expertise dedicated to backstopping of debt management or microfinance supervision; and (ii) a number of successive restructurings of MCM over the past five or six years, accompanied by staff reductions because of the recent IMF-wide retrenchment, further diluted MCM's capacity for this activity and the incentive for staff to give it high priority.¹¹²

48. In individual discussions, the debt management and microfinance supervision Resident Advisors both acknowledged the benefits of monitoring and backstopping from MCM noting that they had the same back stopper in the MCM regional division for African countries who dealt with the process issues in a normative way, in accordance with prescribed procedures. Both also noted that their work was carried out in accordance with best international practices in their respective areas as documented in World Bank and IMF literature and manuals. The Microfinance Supervision Advisor welcomed the limited nature of MCM's backstopping, as it left him with more time to pursue his work in the field and less time on administrative and drafting work. The Debt Management Advisor noted that the excellent work that had been done on the analytical framework for debt sustainability in the Fund, largely in the context of AFR work in member countries. This was of great help to him in his work. He observed that from time to time he got comments directly from AFR divisions but that he would welcome more substantive and better coordinated comments from Headquarters. Both Advisors were unaware of AFR's country

¹¹² This was also the sense that the Evaluation Team took from discussions with MCM staff, i.e. that backstopping was carried out but was limited due to resource constraints and the relatively low priority attached by MCM management to this activity.

strategy notes or indeed the possibility of linkages in their work with the regional or country specific FSAPs.

49. A reading of monthly reports of the Advisors and of sample reports for two missions in each of the advisors' areas did not identify any substantial areas of concern other than to confirm that backstopping is minimal. One area where backstopping could play a more substantive role is in both commenting on Advisors' periodic reports and mission reports, especially the latter. More emphasis needs to be given to noting what progress has been achieved in a rolling work program, updated at the end of each mission that would more effectively benchmark progress in each mission report and, in turn, enhance the quality of bi-annual reports to the Steering Committee and facilitate production of better outreach and dissemination materials for West AFRITAC¹¹³. Such benchmarking of progress should be done at a country level in the context of a two to three year rolling program for each country.¹¹⁴ In the interest of strengthening regional integration, monitoring of progress could also take place on financial sector issues in the context of preparing and implementing a regional FSAP follow-up strategy in cooperation with BCEAO. Where FSAPs have been done for individual countries in the region (e.g. Mali and Senegal), follow-up strategies should also provide direction for West AFRITAC TA¹¹⁵. West AFRITAC monitoring seems overly process driven and, while it is clearly doing good work, the quality of reporting and benchmarking of progress could be strengthened on the lines suggested above as well as through more efforts being made to disseminate appropriate materials through an annual report (as East AFRITAC does) and more effective use of West AFRITAC's web site (this has not been updated for two years).

50. Resident Advisors are now inputting all TA activities into the TAIMS system. Over time the TAIMS can play a more significant role in the monitoring of efficiency of TA and facilitating evaluation. As English is the working language of the IMF, consideration will have to be given at some stage to the extent that Advisors periodic reports and mission reports are made available in English to facilitate more effective monitoring and backstopping of TA, as well as independent evaluation.

4. Rating the Efficiency of West AFRITAC Debt Management and Microfinance Supervision TAs

51. The efficiency ratings of the TA in debt management/market development and microfinance supervision clusters are summarized in Table E.9. Both TAs are rated Efficient, but below the midpoint of the range because of weaknesses in monitoring and reporting. The overall assessment of the Monetary and Financial Sector TAs delivered by West AFRITAC is rated as Efficient suggesting that in challenging circumstances resources were used in a reasonably efficient manner.

¹¹³ The Evaluation Team did observe a commendable effort in benchmarking progress in coaching missions to six countries in the region for inspectorates of microfinance institutions. See Annex IV of the Report to the Steering Committee on activity program during FY 2008.

¹¹⁴ This would include preparing a plan for what should be done in each of the TA clusters and periodic monitoring and reporting on what has been accomplished.

¹¹⁵ FSAP follow-up strategies are upstream TA activities and MCM would need to be involved.

Table E.9: Efficiency of West AFRITAC Debt Management and Microfinance Supervision TAs

Criteria	Weight (%)	Rating ¹		
		Public Debt Management	Microfinance Supervision	Score ²
		55	45	100
1. Process/Implementation Efficiency	40	3.0	3.0	3.0
2. Efficient Use of Resources	40	3.0	3.0	3.0
3. Monitoring and Reporting	20	2.0	2.0	2.0
Overall Efficiency Rating/Score	100	2.8	2.8	2.8
¹ Rating: 4 = Excellent; 3 = Good; 3 = Modest; 1 = Poor ² Weight by % of East AFRITAC's budget allocated to Activity/TA Group Highly Efficient (Excellent) ≥ 3.5; 3.5 < Efficient (Good) ≥ 2.5; 2.5 < Partly Efficient (Modest) ≥ 1.5; Not Efficient (Poor) < 1.5				

E. Sustainability of Debt Management and Microfinance Supervision TAs

1. Political Economy issues

52. Of the ten countries covered by West AFRITAC, three are rated as Poor in terms of institutional absorptive capacity ratings calculated by the Evaluation Team¹¹⁶, three are rated Modest and four are rated Good. These country characteristics are beyond the control of the West AFRITAC and the IMF. It is clear that West AFRITAC is operating in a challenging environment that poses risks for the achievement of desired outcomes. Côte d'Ivoire, rated Poor in terms of institutional absorptive capacity is a case in point. Although at the top of the class in client countries for debt management and microfinance supervision, the difficult social and political problems since 2002 have delayed the country from moving to HIPC achievement for six years and the financial system, including microfinance institutions, has difficult problems to address. On the other hand in countries like Benin and Mali, with good ratings for institutional absorptive capacity, prospects for sustainability are more positive on this criterion.

53. The proportion of West AFRITAC's Debt Management and Microfinance Supervision TA delivered to each client country is shown in Table B.3. In terms of countries, the data indicates that most of the TA was delivered to Mali (47%) and Guinea (33%). The only other country accounting for more than 5% of the TA was Côte d'Ivoire. The overall weighted rating for institutional absorptive capacity was Modest.

2. Executing Agency Ownership and Use of TA Outputs

54. Feedback from country officials in debt management and microfinance units at the ministries of finance and central bank in the case of Guinea, in the three countries visited by the Evaluation Team evidenced strong country ownership of the TAs. At meetings with participants

¹¹⁶ See Table I.1 in Chapter 1 and Annex A.

in West AFRITAC's regional workshops on debt management and microfinance supervision, first hand feedback indicated that participants were making use of knowledge gained in their day to day work and lessons learned were being disseminated to others. Participant selection was also appropriate and TA outputs generally seemed to be well embedded in internal procedures of executing agencies.

3. Promoting the Use of African Experts

55. For the microfinance supervision TAs little use has been made of African experts, either as Resident Advisors or short-term experts. The short-term experts were from Canada and their work was highly regarded by executing agency officials in countries visited. The expertise of some microfinance officials in the region is growing and there may be possibilities to use them in the future. There are also good experts in microfinance supervision in some East African countries like Rwanda who also have French language skills. West AFRITAC and MCM should explore opportunities for their use in Phase III. In the debt management area the AFRITAC Central Resident Advisor is from the WAEMU region and has collaborated with her counterpart in West AFRITAC in the organization of a successful inter-regional seminar on topical debt management issues during 2008.

4. Financial Sustainability

56. Ongoing financing during Phase III for debt management and microfinance supervision of **at least at the same level as during Phase II**, will be needed to ensure continuation and sustainability of TA delivery to: (i) maintain the momentum in supporting the strengthening of capacity for debt management reforms; and (ii) ensure the attainment of a critical mass sufficient to move most countries into the post HIPC zone that, in turn, can contribute to creating the fiscal space needed for poverty reduction. Likewise, the well-targeted TA outputs in microfinance supervision to build institutional and human capacities and transfer knowledge and expertise have supported the orderly development of an intermediation activity that helps the poorer sections of the community. Thus some financial support for ongoing work in strengthening microfinance supervision will be needed in Phase III.

57. Going forward into Phase III, a test of West AFRITAC's sustainability will be its ability to respond flexibly to the changing needs of countries in the region. Addressing legitimate demands of non-WAEMU countries (Guinea and Mauritania) for more traditional TA in monetary operations and banking supervision will present additional financing needs. At a suitable time, it may be desirable that the microfinance advisor be replaced by a full-fledged banking supervisor. In that scenario, short-term microfinance experts could continue to provide periodic assistance under the oversight of a new banking supervision advisor. The role of the debt management advisor in Phase III will need to focus more on institutional aspects of debt issue and market development and cash management/liquidity forecasting and monetary operations¹¹⁷. Thus it may be useful to add an additional advisor to cover these areas or at least to plan for more intensive use of short-term experts to fill the expertise void on broader monetary policy implementation issues, including money and debt market development. West AFRITAC advised that for TA in the areas of cash management, liquidity forecasting, and monetary operations, prior discussions should be conducted with the BCEAO to assess whether these needs correspond to actual demand from the regional Central Bank, unless the additional advisor and

¹¹⁷ On debt issue and market development, West AFRITAC's work program for FY 2010 aims to increase TA missions and workshops in this area, in close collaboration with the BCEAO and other stakeholders such as the regional stock market.

the more intensive use of short-term experts are aimed for Guinea, Mauritania, and some Central AFRITAC member countries. West AFRITAC also advised that the focus of the Resident Advisor in debt management and financial markets development could be related to the need to develop synergy and better collaboration with the PFM, Debt and Statistics Advisors.

58. In the present international and regional economic climate, maintaining the required level of financing for West AFRITAC during Phase III poses a considerable challenge to regional and external donors alike.

5. Rating the Sustainability of West AFRITAC Debt Management and Microfinance Supervision TAs

59. The sustainability ratings for the debt management and microfinance supervision TA are shown in Table E.10. Ratings for individual TAs are sustainable as is the overall rating for West AFRITAC's portfolio of Monetary/Financial Sector Supervision TAs. Executing agency ownership and use of the TA outputs was rated as **Excellent** while the other three sustainability sub-criteria were rated as **Modest**. There are clear sustainability challenges for the TAs, particularly in areas that are outside the control of West AFRITAC.

Table E.10: Sustainability of West AFRITAC Debt Management and Microfinance Supervision

Criteria	Weight (%)	Rating ¹		
		Public Debt Management	Microfinance Supervision	Score ²
		55	45	100
1. Political Economy Issues	25	2.0	2.0	2.0
2. Executing Agency Ownership and Use of Outputs	40	4.0	4.0	4.0
3. Promoting Use of African Expertise	15	2.0	2.0	2.0
4. Financial Sustainability	20	2.0	2.0	2.0
Overall Sustainability Rating/Score	100	2.8	2.8	2.8
¹ Rating: 4 = Excellent; 3 = Good; 2 = Modest; 1 = Poor Weight by % of East AFRITAC's budget allocated to Cluster of activities/TAs ² Highly Sustainable (Excellent) ≥ 3.5; 3.5 < Sustainable (Good) ≥ 2.5; 2.5 < Partly Sustainable ≥ 1.5 (Modest); Not Sustainable (Poor) < 1.5				

60. Survey results in Table E.11 show that the respondents believe that the monetary and financial sector supervision objectives in West AFRITAC remain important, a finding that will support the sustainability of the TAs and is consistent with the Excellent score assigned to executing agency ownership and use of the TA outputs. Nearly 40% of the 135 or so respondents giving feedback on the West AFRITAC TAs in the monetary and financial sector supervision felt that those objectives were of highest importance and slightly over half rated them as being important. Very few of the respondents rated the objectives in these areas as either modestly important or not important. The two objectives, improving monetary operations, debt management and payment systems and improving the legal and regulatory framework for financial sector supervision, were rated almost identically. The sustainability ratings of the

Table E.11: The Importance West AFRITAC Should Assign to Monetary and Financial Sector Objectives

	Percent Answering				Response Count	Response Rate ¹
	Highest Importance	Important	Modestly Important	Not Important		
To improve monetary operations, debt management and payment systems	37%	54%	8%	1%	134	85%
To improve the legal and regulatory framework for financial sector supervision	39%	51%	10%	1%	136	87%

¹ Ratio of the response count to the 157 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

F. Overall Rating of West AFRITAC Debt Management and Microfinance Supervision TAs

61. The overall rating for West AFRITAC Public Debt Management and Microfinance Supervision TAs is given in Table E.12. It was generated by combining the ratings in the tables for relevance, effectiveness, efficiency and sustainability. The overall rating of **Good, slightly above the midpoint in the range**, indicates a solid performance, with higher ratings in relevance and effectiveness tempered somewhat by relatively lower ratings for efficiency and sustainability. The latter largely reflect: (i) the need for strengthening procedures for the benchmarking and monitoring of TAs (efficiency); and (ii) concerns about absorptive capacity of a number of countries in the region and the challenge to financing replenishment posed by the need to better meet existing and future needs in the monetary and financial system TAs and adjusting the skills mix of technical expertise accordingly (sustainability).

Table E.12: Overall Assessment of West AFRITAC Debt Management and Microfinance Supervision

Norm of Evaluation	Weight (%)	Rating By Monetary/ Financial System TA Cluster ¹		
		Public Debt Management	Microfinance Supervision	Score ²
		55	45	100
1. Relevance	32	3.4	3.4	3.4
2. Effectiveness	28	3.0	3.4	3.2
3. Efficiency	22	2.8	2.8	2.8
4. Sustainability	18	2.8	2.8	2.8
Overall Rating/Score	100	3.0	3.2	3.1
¹ Rating: 4 = Excellent; 3 = Good; 2 = Modest; 1 = Poor ² Weight by % of East AFRITAC's budget allocated to the Activity/TA Cluster Highly Successful (Excellent) ≥ 3.5; 3.5 < Successful (Good) ≥ 2.5; 2.5 < Partly Successful ≥ 1.5 (Modest); Not Successful (Poor) < 1.5				

G. The Way Forward for West AFRITAC Debt Management and Microfinance Supervision TAs

62. Looking forward, while there are still some countries in need of continuing help in the transition to post achievement status on debt reduction and some debt management assistance is still necessary in this area. For Phase III the thrust of TA in this area needs to consolidate the emphasis on debt sustainability and the active promotion of sub-regional and local government debt markets, coupled with improvements to cash management at ministry of finance treasuries and better coordination with the debt management function. On microfinance supervision, on-going support will be needed to ensure the continuing advancement of this type of effective financial intermediation, though perhaps not on a full time basis for a Resident Advisor. Resources will be needed to support monetary operations and banking supervision related TAs, especially in non WAEWU countries (Guinea and Mauritania), to ensure that these countries have reasonable access to TAs that meet their needs. In the broad thrust of its work on monetary and financial system TAs, West AFRITAC needs to develop a closer rapport with BCEAO on supporting financial sector reforms identified in regional and country specific FSAPs to help make existing monetary and financial regional integration work more effectively.

III. Evaluation of West AFRITAC Fiscal TAs

A. Introduction to Fiscal TAs

63. All West AFRITAC client countries are francophone countries except Guinea Bissau. With the exception of Guinea and Mauritania, all other countries are members of the West African Economic and Monetary Union (WAEMU). Both the WAEMU membership and francophone background have influenced the culture of accounting, PFM and institutional arrangements in revenue administration. It has helped in adopting a harmonized approach due to the background of the "Code approach" and is advantageous when adopting good practices extracted from France. But this regional and language background poses a challenge in

adopting any other good practices outside France and francophone background. On language related issues, Guinea Bissau poses a challenge for West AFRITAC as French is the mother tongue of the Resident Advisors. Mauritania and Guinea are also a challenge when it comes to initiatives taken by WAEMU to deepen integration in revenue administration and PFM. There are no independent revenue administration agencies in any of the client countries. Tax administrations and customs administrations are departments in the ministries of finance. PFM TA goes to different departments of the ministries of finance.

64. TA to revenue administrations was delivered by two Resident Advisors (one for taxation and another for customs), short-term experts and often reinforced by experts from FAD in IMF Headquarters. PFM TA was delivered by two Resident Advisors and sometimes also benefited from FAD expertise and/or outsourced short-term experts.

B. Relevance of Fiscal TAs

1. Consistency of West AFRITAC TAs with Government Priorities

65. West AFRITAC has worked with revenue administrations in a number of areas. In customs administration, the TAs covered:

- (i) computerization of customs administrations;
- (ii) reforms of legal and regulatory framework for customs operations;
- (iii) helping to address World Trade Organization (WTO) challenges and implementing WTO customs valuation;
- (iv) using risk analysis and selectivity in customs management; and,
- (v) reducing opportunities for corruption by supporting anti-smuggling and fraud prevention techniques, strengthening internal audit, promoting professional ethics and increasing transparency.

66. In tax administration, the TAs covered:

- (i) identification and registration of taxpayers (e.g., strengthening large and medium taxpayer units and procedures);
- (ii) research aimed at broadening the tax base, particularly covering the informal sector, small and medium sized taxpayers and micro taxpayers, taxation capacity and management of exemptions;
- (iii) strengthening taxation operations (registration, collection, enforcement, audits and accounting);
- (iv) strengthening managerial capacity and internal control systems;
- (v) strengthening computer and management information systems in ministries of finance and tax departments; and,
- (vi) support anti-corruption efforts by strengthening fraud investigations, improving the quality of services to taxpayers, increasing transparency, and supporting professional ethics.

67. The member countries have been able to identify their priorities and engage in discussions to agree on the areas where West AFRITAC would assist in imparting the necessary skills. However, this is a challenge because revenue administrations do not have adequate autonomy to make such decisions without getting approval from high levels in the ministry of finance hierarchies. In addition, contacts with certain countries such as Senegal are yet to result in requests for TA. In the countries visited by the evaluators (Mali, Côte d'Ivoire and Guinea), the authorities were satisfied with their degree of collaboration with West AFRITAC

and IMF more generally in the fiscal area. However, there were some areas in which TA was requested but was not provided (e.g., taxation of minerals in Guinea and Mali; taxation of petroleum in Mali). This suggests that going forward there may be more sophisticated demands for TA.

68. There is considerable interest in public finance management within the member countries due to:

- (i) use of direct budget support to scale up the level of donor assistance;
- (ii) the realization that well functioning public finance management systems have made positive contributions towards developing and implementing fiscal policy; and,
- (iii) the importance of rationalizing, managing and monitoring public expenditures, and ensure timely budget execution.

69. After consultation with the countries, in the PFM area West AFRITAC chose to concentrate on compatibility with a view to strengthening the capacity of country officials in the production of reliable and accurate government accounts. All ten countries received TA on budget classification, identification of poverty-reducing expenditures using the functional classification, and linkages between the Poverty Reduction Strategy Paper (PRSP), the Medium-Term Expenditure Framework (MTEF) and the annual budget. The five broad areas covered by West AFRITAC PFM TAs include:

- (i) assisting in developing appropriate legislative and regulatory framework for PFM -- assistance was provided to draft PFM related bills in Guinea Bissau;
- (ii) helping governments to link budget preparation, PRSPs and MTEF and improve budget preparation and management to ensure better alignment of resource allocations to national priorities. WEST AFRITAC and FAD have assisted member countries, except Senegal, in several ways. Activities have ranged from diagnostic studies in Côte d'Ivoire to improving budget classifications in Burkina Faso and Mali;
- (iii) promoting treasury reforms aimed at improving management and accountability of funds in Mali, Mauritania and Togo;
- (iv) promoting regional harmonization for the WEAMU countries and the use of international standards;
- (v) strengthening capacities in management of inter-governmental fiscal relations as per the topics delivered in regional workshops; and,
- (vi) encouraging and assisting governments to design and implement PFM reform agendas including planned implementation of computerized and integrated information systems. (e.g., Guinea; Burkina Faso and Benin). Only two countries (Togo and Guinea Bissau) do not have a PFM reform plans.

70. Delivering TA in these areas has been re-enforced by organizing regional workshops on PFM topical issues such as integrated public finance management systems and government and local government accounting. PFM diagnostic studies in all member countries except Senegal have been completed or are in-progress. West AFRITAC has helped the majority of the member countries to design their respective PFM strategies. For example, in Burkina Faso, assistance was provided to help ensure the quality of the PFM strategy and the resulting action plans. Guinea was pleased with West AFRITAC's input into its PFM action plan which is viewed as a framework for future action. Countries also received assistance in budgeting and treasury management. Officials in Mali, Côte d'Ivoire Côte d'Ivoire and Guinea all advised the Evaluation Team that they were appreciative of the services received from West AFRITAC and that the TAs were consistent with their priorities.

71. West AFRITAC TA took into account and met the priority needs of member countries¹¹⁸. One of the most important needs is domestic resource mobilization. All countries in the region are working to increase their revenue to GDP ratio. As is seen from Table E.13 below, the ratios are now generally higher than they were for the 1997 to 2002 period. There has been a general increase of revenue to GDP ratios in client countries since 2003. Except for Togo and Mauritania, in the other countries revenue to GDP ratios increased by at least 1.3%. Togo increased only by 0.1%. The ratio for Mauritania has declined from a high level in 2003. Guinea and Guinea Bissau had the most significant increase in revenue to GDP ratios of 6.2% and 5.4% respectively. Many actions must be taken to increase the revenue to GDP ratio which indicates that West AFRITAC's revenue administration TAs have been focused in an important area and are consistent with government priorities.

Table E.13: West Africa: Revenue Excluding Grants as a Per Cent of GDP

	1997-2002	2003	2004	2005	2006	2007	2008
Benin	15.2	17.0	16.4	16.5	16.8	19.0	18.5
Burkina Faso	12.1	12.1	12.8	12.3	12.3	13.3	13.4
Côte d'Ivoire	17.7	16.8	17.5	17.1	18.5	19.2	18.9
Guinea	11.9	11.0	11.5	14.5	14.4	14.3	17.2
Guinea-Bissau	15.0	15.2	17.2	17.6	19.6	16.1	20.6
Mali	13.9	16.4	17.4	17.9	17.7	17.9	18.6
Mauritania	22.3	30.7	29.7	25.4	29.4	25.1	26.0
Niger	9.7	10.2	11.4	10.8	13.2	15.5	12.8
Senegal	16.5	18.1	18.3	19.3	20.1	20.3	20.3
Togo	13.6	17.0	16.8	15.7	16.9	17.0	17.2

Source: IMF

72. Although the West AFRITAC Steering Committee also promote country ownership of the fiscal TAs and strategies, regional coordination in both the PFM and revenue administration areas needs to be further strengthened.

2. West AFRITAC Coordination with Development Partners in the Fiscal Area

73. Although donor coordination has improved in West AFRITAC member countries since the last evaluation report, donor coordination remains a challenge. While it is good in some countries, it is more problematic in fragile states. Based on the feedback the Evaluation Team received in Côte d'Ivoire, Mali and Guinea, donor coordination is generally not a problem in revenue administration since there are few other donors involved other than France, Canada and occasionally the World Customs Organization. Donors know each other and there is synergy in what is being done. Both the donors and authorities in revenue administrations

¹¹⁸ Because of proximity, the cooperation between West AFRITAC and the ministry of finance in Mali is particularly good.

recognize the IMF/West AFRITAC expertise and IMF's ability to assure quality, both in policy formulation and implementation.

74. Donor coordination in the PFM field is more challenging. There is a multiplicity of donors. Some have substantial amounts of funds, considerably more than West AFRITAC's TA budget. Nevertheless, the country authorities and donors interviewed by the Evaluation Team re-affirmed that West AFRITAC has an important role to play in the PFM area, especially when it comes to quality assurance. There was some evidence of coordination in the selection of West AFRITAC's areas of PFM intervention. For example, the World Bank was assisting several countries in the region with the implementation of MTEFs, West AFRITAC avoided duplication in this area. More particularly, the World Bank reported that, partly because of proximity, there was excellent coordination with West AFRITAC in the preparation of the Mali PFM action plan and that the World Bank used the West AFRITAC network to identify African consultants¹¹⁹. To increase the relevancy rating in the future, West AFRITAC will need to find niche areas in PFM where it can add value and complement the work of other donors involved in PFM.

75. In the PFM area West AFRITAC keeps donors informed of its activities, both upstream and downstream. Programs are sent to donors at the beginning of each financial year and they also receive copies of terms of reference. At the end of their missions, Resident Advisors usually invite interested donors to meetings, either at the Ministry of Finance or at the office of the IMF Resident Representative, to explain their activities and the content of the TA program in the country. While some donors consistently attend (e.g., the European Union; France), others (e.g., the World Bank; AFDB) often do not.

76. West AFRITAC should do more outreach to both authorities and donors involved in revenue administration and PFM. West AFRITAC and IMF more generally continue to leverage IMF's program conditionalities and surveillance missions. However, this will change as countries graduate into other programs. Eventually, successful delivery of TA will depend more and more on how effectively West AFRITAC is able to coordinate with other stakeholders.

77. The general feedback to the Evaluation Team by other TA providers was that West AFRITAC needed to find a way to participate more actively in the local donor coordination mechanisms. In some countries there is a general donor coordination meetings and a series of thematic working groups. Some of these, particularly in the PFM area, are directly related to the work of West AFRITAC. Some donors also complained to the lack of access to the reports prepared by the Resident Advisors, particularly in the PFM area.

3. Consistency of West AFRITAC TAs With IMF Headquarters Activities

78. West AFRITAC activities are well integrated with TA, surveillance, and lending activities of IMF Headquarters. There is uncontested consistency between WEST AFRITAC activities and IMF's areas of expertise and operations in the concerned countries as evidenced by analyzing the substance and conditionalities in the Stand By Arrangements, issues identified in monitoring reports and interviews with the staff of the African Department, IMF Resident Representatives and the Fiscal Affairs Department (FAD). In most cases, the Fiscal Resident Advisors have been invited to participate in missions. The Advisors, FAD staff and the authorities agree that this arrangement has been helpful because West AFRITAC is able to follow-up and mobilize the TA to support the implementation of actions necessary to meet IMF conditionalities.

¹¹⁹ The World Bank Mali country director attends West AFRITAC Steering Committee meetings as an observer.

79. An examination of the documentation from Guinea illustrates the close linkage between West AFRITAC's fiscal TAs and IMF Headquarters activities. The complementarity of PFM TA is clear from an examination of the Structural Performance Criteria and Benchmarks in the Guinea PRGF¹²⁰. For example, a benchmark that was met by 31 December 2007 was to "Issue a ministerial decree stating which expenditures are eligible for simplified procedures and do not require prior authorization." A prior action for the completion of the first review of Guinea PRGF was to "Adopt in the Council of Ministers the multiyear strategic plan for public finance management." Another example of the linkage of PFM TA and IMF's operations was that a continuous performance criterion under the Guinea PRGF that has been met is that "Extra budgetary expenditure is prohibited." A benchmark established in June 2008 required the government to adopt a budget classification based on GFSM 2001, particularly the economic and financial classification, and define poverty reducing expenditures based on the functional classification. The Guinea PRGF report stated that "The focus on public finance management is also commendable. The multiyear action plan for PFM is a blueprint to achieve measurable progress in budget preparation, execution, and monitoring. Better budget oversight, especially through tracking of poverty reduction expenditures, will also make it easier to mobilize budget support and debt relief." The relevance of TAs to improve PFM is clear since some donors want to begin providing General Budget Support. There was a similar example of complementarity in Burkina Faso where West AFRITAC TA helped the country to fulfill the benchmarks under its IMF program.

80. In Guinea there is some relationship between revenue administration and the PRGF. A continuous performance criterion under the Guinea PRGF that has been met is that "Ad hoc tax and customs exemptions are prohibited."

81. The quality and timeliness of management and backstopping of AFRITAC activities by FAD is appreciated by both the Fiscal Advisors and the executing agencies and provides effective quality assurance for both PFM and revenue administration TAs. FAD provides strategic direction to the Resident Advisors through the backstopping mechanism. The back stopper is normally someone who has been on the ground and has some considerable expertise in a given field. Backstopping is seen as advantageous because it:

- (i) gives an independent verification and second expert opinion;
- (ii) provides the Resident Advisor with the missing expertise as it is not always possible to get a Resident Advisor who knows everything in a given field.
- (iii) helps the benefiting countries to benefit from international expertise and experiences.

82. While the backstopping practice should be maintained, it would be desirable for back stoppers to spend time in the AFRITACs and Resident Advisors in Headquarters to allow cross-fertilization of skills. Further, backstopping should be better recognized as an important service within the IMF system.

83. FAD and West AFRITAC should continuously reinforce a culture that backstopping is not a superior-subordinate relationship. Rather, it is a coach or mentoring relationship in which expert advice is given to a colleague expert. There is a risk that when the role is misunderstood, the back stopper can misuse the perceived power by making decisions that are not harmonized with the West AFRITAC work plan. Such actions could be seen as undermining the decisions of

¹²⁰ The Guinea PRGF request was discussed at the Board in December 2007 (Country Report No. 08/33) and the first review of the PRGF was discussed in July 2008 (Country Report No. 08/275).

the Steering Committee which approves the work plan and monitors its delivery. Overly heavy backstopping may erode the autonomy, responsiveness and innovation required and expected from West AFRITAC by member countries. A few examples of instances were provided to the Evaluation Team by West AFRITAC Fiscal Advisors in which they felt that the backstopping strayed into micro management and disrupted mission planning rather than adding professional value.

84. PFM and revenue administrations do not see any difference between West AFRITAC and Headquarter TA activities. As far as they are concerned, it is all IMF activities. Therefore, it is important, from a client relations perspective, to ensure seamless services are provided to client countries.

85. For the West AFRITAC fiscal area, some aspects of the preparation of AFR's Regional Assistance Plan (RAP) need to be strengthened. The Advisors only receive copies of the RAPs after they are prepared. Also, the timing and linkages between the preparation and approval of the RAP and the approval of West AFRITAC's work plan by the Steering Committee need to be better integrated and harmonized. On the positive side, the Evaluation Team was informed of many examples of the West AFRITAC PFM and Revenue Administration Advisors participating in FAD missions, to the benefit of all parties, i. e., the clients, FAD and West AFRITAC.

4. Relevancy Assessment for the West AFRITAC Fiscal TAs

86. Tables E.14 and E.15 provide a summary of responses from the AFRITAC Evaluation Survey regarding the relevance of West AFRITAC fiscal TAs. The number of responses ranges between 20 and 26, depending on the question. For the PFM Cluster, the relevance of TAs in helping to build capacity was rated as Excellent by 35% of the respondents, Good by 46%, Modest by 15% and Poor by only 4%. The weighted average of relevance was Good. Similarly positive findings were reported for consistency with Government priorities and coordination with IMF Headquarters. The ratings for the latter were the most positive for all of the relevance sub-criteria with the rating bordering on Excellent. By far the lowest rating was for coordination with other TA providers. The weighted score was 2.5, on the border between Good and Modest. Unlike the other relevancy sub-criteria, a large portion of the respondents rated West AFRITAC's work coordinating with other donors in the PFM area as Modest (29%) or Poor (17%) (see Table E.14). These survey results are consistent with the findings of the Evaluation Team in the countries visited that West AFRITAC needs to work to improve its coordination with, and information dissemination to, other donors active in the PFM area.

Table E.14: Relevance of West AFRITAC's Public Financial Management TAs

	Percent Answering				Weighted Rating ¹	Response Count	Response Rate ²
	Excellent	Good	Modest	Poor			
Relevance of TAs in helping to build capacity	35%	46%	15%	4%	3.1	26	90%
Consistency with Government priorities	36%	44%	16%	4%	3.1	25	86%
Coordination with other TA providers	13%	42%	29%	17%	2.5	24	83%
Coordination with IMF Headquarters	45%	41%	14%	0%	3.3	22	76%
Average for All Criteria	32%	43%	19%	6%	3.0	24	84%

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

² Ratio of the response count to the 29 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

87. The pattern for the rating of the relevance sub-criteria was broadly similar for the Revenue Administration TA cluster, except the ratings were slightly more positive. For the Revenue Administration TAs, the weighted rating of the relevance of TAs in helping to build capacity was 3.3, at the high end of the Good range. It was rated as Excellent by 43% of the respondents, Good by 48%, and same rating of 4% for Modest and Poor. Similarly positive ratings were reported for coordination with IMF Headquarters which was also rated as Good bordering on Excellent. Consistency with Government priorities also received a Good rating and was rated as Excellent by 32% of the respondents, Good by 50%, Modest by 14% and Poor by only 5%. As in the case of the PFM TA cluster, the lowest rating for Revenue Administration TAs was for coordination with other TA providers. Although it was rated as Good, the weighted score was below the midpoint in the good range and there were a substantial number of Modest (30%) or Poor (10%) ratings (see Table E.15). These survey results are consistent with the findings of the Evaluation Team in the West AFRITAC client countries visited that while there is a need for further improvement, coordination among donors is better in the Revenue Administration than PFM area.

Table E.15: Relevance of West AFRITAC's Revenue Administration TAs

	Percent Answering				Weighted Rating ¹	Response Count	Response Rate ²
	Excellent	Good	Modest	Poor			
Relevance of TAs in helping to build capacity	43%	48%	4%	4%	3.3	23	96%
Consistency with Government priorities	32%	50%	14%	5%	3.1	22	92%
Coordination with other TA providers	15%	45%	30%	10%	2.7	20	83%
Coordination with IMF Headquarters	41%	45%	14%	0%	3.3	22	92%
Average for All Criteria	33%	47%	15%	5%	3.1	22	91%

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

² Ratio of the response count to the 24 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

88. Drawing on all sources of information available to the Evaluation Team, the relevancy of West AFRITAC fiscal TA activities was rated as shown in Table E.16. Overall, the relevance of West AFRITAC's TAs was rated as Good, with an Excellent score for coordination with IMF Headquarters activities. The rating for consistency with government priorities was in the middle of the Good range. Although coordination with other TA providers was rated as Good, it was the lowest of the three relevancy sub-criteria. The relevancy of the PFM cluster was below the midpoint of the Good range and the relevancy of the Revenue Administration TAs was above the midpoint. The potential relevance of West AFRITAC's PFM work is illustrated by the fact that DfID made an additional contribution to support PFM work in 2008 and 2009.

Table E.16: Relevance of the West AFRITAC Fiscal TAs

Criteria	Weight (%)	Rating ¹		
		Public Financial Management	Revenue Administration	Score ²
		45	55	100
1. Consistency With Government Priorities	60	3.0	3.0	3.0
2. AFRITAC Coordination with Development Partners	20	2.0	3.0	2.6
3. Consistency with IMF Activities	20	3.0	4.0	3.6
Overall Relevance Rating/Score	100	2.8	3.2	3.0
¹ Rating: 4 = Excellent; 3 = Good; 3 = Modest; 1 = Poor ² Weight by % of AFRITAC Center Budget Allocated to the Activity/TA Group Highly Relevant (Excellent) ≥ 3.5; 3.5 < Relevant (Good) ≥ 2.5; 2.5 < Partly Relevant (Modest) ≥ 1.5; Not Relevant (Poor) < 1.5				

89. There is sufficient evidence to conclude that West AFRITAC played a useful role in helping to define country TA priorities in the fiscal areas. The fiscal TAs are beginning to help to equip countries with adequate institutional capacity to define their own policy alternatives, including in the context of poverty reduction strategy papers.

C. Effectiveness of Fiscal TAs

1. Use of TA Outputs

90. This was examined mainly by talking to the management of the executing agencies and their participating staff in Côte d'Ivoire, Guinea and Mali. For both the revenue administration and public finance management TA clusters, interviews were conducted with the staff that attended workshops and received hands-on training in the countries visited by the Evaluation Team. There were no professional attachments identified during the period being evaluated. The results of these interviews were enriched and cross checked by analyzing the responses of the AFRITAC Evaluation Survey for the fiscal sector in West AFRITAC and information collected during interviews with the West AFRITAC Fiscal Advisors and an examination of the implementation status of the work plan for each PFM and revenue administration unit.

91. In revenue administration, there was broad satisfaction expressed by both the staff and management of the benefiting government authorities about the effectiveness of West AFRITAC's TAs and conformation of the use of the TA outputs. However, future expectations are high. The outputs of the TAs were being put to use and the desired outcomes were being attained. However, the degree of success is hampered by limited autonomy of revenue administration and weak institutional framework.

92. West AFRITAC's TAs to support the Guinea Customs Administration have resulted in three tangible outputs that are being used: (i) the development of a database of transaction values, which was essential as the Customs has moved to a system of basing customs taxes for all products except for petroleum on value; (ii) the implementation of UNCTAD's SYDONIA++,

a new system that is a corner piece of the customs modernization program as it provides information on cargo from the time that it is loaded onto ships until it is off-loaded. West AFRITAC helped to set up the schedule for that project, design and implement the project and address technical issues. West AFRITAC helped to organize missions to neighboring countries and financed a short term expert from Senegal whose knowledge of the technical issues and of local practices was very helpful. The system was installed and began operations in January 2008. The UNCTAD software was free but the Customs Administration had to buy the hardware. UNCTAD helped install the software. AFDB and the EU helped finance some training, both in-country and overseas. There was good cooperation between West AFRITAC, UNCTAD, EU and AFDB. (iii) For the first time in Guinea, a performance contract was signed between the Customs Administration and the Minister of Finance in December 2007 which includes performance targets covering the collection of customs revenue, customs clearance standards, timelines for customs clearance, criteria for delay control, management of duty exemptions, post clearance controls and seizure of prohibited goods. The West AFRITAC Customs Advisor reviewed the contract and gave some advice to improve it based on best international practice. The Customs Administration appreciated the input of West AFRITAC to help fine tune the initial performance criteria and noted that the specification of performance indicators in such contracts is quite a technical area which requires detailed knowledge of customs operations. Although there is evidence of West AFRITAC revenue administration TA outputs being used, much of this took place relatively recently after a new minister was appointed.

93. However, a number of challenges remain. The recent political instability in Mauritania has temporarily halted contact and assistance from West AFRITAC, and indeed from the entire IMF system. Côte d'Ivoire also had similar problems at the beginning of the period under evaluation. It is not clear how the recent coup in Guinea will affect the fiscal TAs. It takes time for countries experiencing political upheaval to restore operational efficiency.

94. In Guinea, a 2004 FAD diagnostic assessment identified a strategy to increase domestic revenue. West AFRITAC supported the implementation of this plan in three areas:

- (i) Organization Reform: West AFRITACs advice contributed to the decisions to establish a Medium and Small Tax Payer Unit.
- (ii) Management of the Revenue Administration Authority: The performance targets in the contract between the ministry of finance and the revenue administration were modified, a new nomenclature for taxpayers was implemented and performance indicators were developed for taxpayers,
- (iii) Workshops: Opportunities to share experience with other countries in areas like international conventions, tax evasion, behavior in dealing with taxpayers and processing revenue were highly appreciated, although the duration of the courses was thought to be too short,

95. While the Guinea Revenue Administration appreciated the assistance provided by West AFRITAC, it felt that the assistance must go beyond making recommendations. In particular some of the recommendations cannot be implemented because there is a lack of budget for software and hardware. West AFRITAC's TAs to the Guinea revenue administration would be more effective if funds were available to finance the facilities that are needed to implement the recommendations.

96. **As regards PFM, there are more mixed results.** The TA related with the treasury in cash management as well as those related to budgeting are generally successful. Practices like the use of single treasury account are yet to be implemented. Institutional arrangements related to oversight are beginning to gain traction and will need more effort for them be more effective.

A challenge is that the benefiting departments in PFM have very limited or no autonomy which hampers their ability to make quick decisions on the TAs. Even when skills are attained, those that require making some changes in the way departments operate may not succeed easily. The lack of autonomy constrains the benefiting departments' ability to coordinate regionally. Consequently, there are cases when the West AFRITAC provided high quality advice and assistance but the TA outputs are not being used and thus the desired outputs will not be achieved. This assertion was echoed during the meetings of former workshops participants and middle level managers in the departments of treasury in Mali and Côte d'Ivoire. The reasons ranged from lack of computer equipment to limited support from their superiors.

97. The Evaluation Team was advised by senior officials in the Guinea ministry of finance that the PFM Action Plan is a blueprint for a fundamental reform of PFM that covers all areas (e. g., legal framework; local finances; budget preparation, execution and control; accounting and auditing; budget nomenclature and classification; information systems). The aim is to increase transparency and efficiency and promote good governance. The PFM was designed by the Government with the support of the IMF (both FAD and West AFRITAC), World Bank, France and the EU. West AFRITAC's important contributions to the PFM Action Plan were acknowledged by both the government and an AFR mission. The preparation of the PFM master plan was a good example of FAD and West AFRITAC working together to produce an output that is being used. The results of this work were reflected in the design, priorities and conditionalities in the PRGF. The PFM action plan will require funds to implement (e. g., Guinea needs new software, systems and hardware to enhance budget management but it is not yet clear where the funds will come from to finance it). The PFM Action plan provides a good mechanism for donor coordination. A video conference was held to mobilize donor funding with mixed success. The government asked the World Bank to take the lead in financing the implementation of the Guinea PFM action plan as it has more TA resources than does IMF. Positive feedback was also received in Mali on West AFRITAC's PFM work.

98. Some West AFRITAC PFM activities supported regional integration. Significant work has been done in this area since 2004. Activities have mainly taken the form of support to the WAEMU Commission in the context of rewriting WAEMU directives establishing the legal framework for government finance and providing advice to ECOWAS on initiating government finance harmonization. A WAEMU led initiative to develop GFSM 2001 compliant budget guidelines was not progressing well. West AFRITAC support in 2006 energized the process and resulted in substantial progress. West AFRITAC is playing a leading role in the WAEMU region in introducing the changes needed to be GFSM 2001 compliant.

99. Other positive TA outcomes included West AFRITAC's help in evaluating information technology options for the treasury department in Mali. West AFRITAC's advice helped to prevent the ministry of finance from making the wrong technology choice. The new system will cover about 80% of public expenditures made by 12 key ministries, strengthen the relationship between revenue and expenditure, improve payments, strengthen control procedures, allow the accountants to monitor from submission to payment, improve liquidity management and improve transparency and governance. The tender documents for this new system have been prepared but the bidding has not taken place. The system will be financed by the World Bank.

100. While there are positive examples of the use of TA outputs, the Evaluation Team also identified some instances where problems were encountered in the implementation of TA recommendations, and thus a lack of use of TA outputs. Typically the reasons included: (i) a lack of resources to implement the recommendations; and (ii) lack of a focal point to follow up on implementation in some executing agencies.

101. **The Evaluation Team found sufficient evidence that most West AFRITAC TAs resulted in outputs that are being used or are likely to be used. West AFRITAC revenue administration and PFM TAs delivered outputs that contributed to the achievement of member country reform priorities and to capacity building and the implementation of those reforms and policies.** West AFRITAC has organized regional workshops on government accounting, budgeting etc and has in some cases followed-up on the implementation of the recommendations. The feedback that the Evaluation Team received during meetings held with workshop participants was that they generally used the knowledge and skills learned on the job and that it was particularly useful to learn from the country presentations how counterparts were trying to address similar issues in the PFM and revenue administration areas. Despite efforts made, results of PFM TA in Guinea Bissau are yet to materialize and those achieved in Togo are seen as fragile by the Resident Advisor.

2. Desired vs. Actual Outputs

102. The actual outputs for the period being evaluated were compared to the desired outputs implied from goals and objectives stated in the West AFRITAC work program and other documentation. The analysis showed mixed results. In the area of revenue administration, the actual outputs compare sufficiently well with the desired outputs. In some cases, the actual outputs exceeded expectations. However, in the area of PFM, sufficient results only began to emerge in the last year and half. Sometimes, there were delays in fielding West AFRITAC missions due to timing of the FAD missions and the views of the back stoppers. During its discussion with the Evaluation Team, West AFRITAC expressed some concerns about balancing the need for backstopping and quality control versus the danger of FAD micromanaging the work of the Fiscal Advisors. This concern should be looked into, given the good quality and experience of the Fiscal Advisors -- more flexibility and autonomy should be considered.

3. Significance of West AFRITAC's Contribution to Developing Core Economic Functions/Institution Building in the Fiscal Area

103. Member countries are aware of the importance of their internal resources mobilization, expenditure rationalization and the necessity to entrench good governance practices and transparency. The Evaluation Team identified some examples where West AFRITAC TAs made a significant contribution to building core macroeconomic management skills and capacity building in these areas. These examples include: (i) strengthening the treasury, budget, customs and taxation departments in many countries (e. g., Benin, Burkina Faso and Mali); and (ii) supporting Mali's efforts to computerize its treasury functions by helping in systems specification which contributed to cost savings. As PFM systems get better, donors become more confident and willing to provide aid in the form of direct budget support. West AFRITAC has championed adoption of good practices in PFM and revenue administration. There were several areas in which West AFRITAC contributed to developments that had a significant, positive development on the capacity of the executing agency (e.g., PFM action plans in Guinea and Mali; supporting customs reforms in Guinea; developing the specifications for a new expenditure management system in Mali). With the notable exception of Guinea Bissau, considerable progress was made in most countries in computerizing customs administrations and automating customs clearance procedures, in particular in Côte d'Ivoire, Senegal, Mali, Burkina Faso, Guinea and Benin. More modest results were achieved in Niger and Togo. Overall, customs clearance periods were substantially reduced. Release warrants are now

produced in less than 24 hours.¹²¹ However, these positive outcomes cannot be attributed solely to the work of West AFRITAC. In some cases others (e. g., World Bank; UNCTAD) made an equal or larger contribution. All that can be said is that West AFRITAC contributed in a positive and significant way to the achievement of these good outcomes.

104. The 2005 AFRITAC evaluation recommended that: (i) comprehensive capacity-building programs should be adopted as part of PRSPs; and (ii) agencies benefiting from the AFRITACs should prepare plans for developing staff resources and institutional capacity that would describe the current status of the area, outline steps to be taken to meet international standards and provide for regular monitoring of capacity, using agency performance indicators established according to international standards. **There is no evidence that this recommendation was systematically implemented in the fiscal areas by West AFRITAC.** Member countries, West AFRITAC and other stakeholders are still largely pre-occupied with short-term TAs. This concern was also highlighted by representatives from one of the major donors to West AFRITAC, AFDB. It was suggested that capacity building efforts of mid-term and long-term nature should involve partnerships with universities and other in-country specialized capacity building institutions. The need for West AFRITAC to build stronger linkages with local universities was also echoed by senior officials in the Guinea and Mali ministries of finance. There were, however, a few exceptions to this general finding. For example, the comprehensive PFM action plan in Guinea covers all areas, provides a framework for donor coordination and, under the lead of the World Bank, funding is being mobilized for its implementation.

4. Effectiveness of West AFRITAC Fiscal TAs

105. Tables E.17, E.18 and E.19 provide a summary of responses from the AFRITAC Evaluation Survey that provides some evidence to support the rating of the effectiveness of the portfolio of West AFRITAC's fiscal TAs. Tables E.17 and E.18 show the results of the AFRITAC Evaluation Survey for the effectiveness sub-criteria for West AFRITAC's clusters of PFM and Revenue Administration TAs. The number of responses ranged between 21 and 24, depending on the area. For the PFM TAs, the weighted rating was **Good**, but **below the midpoint on the range** for each of the three effectiveness sub-criteria (use of outputs; achieving tangible results; significance of contributions). The proportion of respondents giving Excellent or Good ratings ranged between 57% and 79%, with the lowest proportion of Excellent responses for the significance of contributions (13%). A substantial proportion of respondents, ranging from 21% to 44% depending on the sub-criteria, rated the effectiveness of West AFRITAC's PFM TAs as **Modest** or **Poor**, although the proportion of Poor ratings did not exceed 9% (see Table E.17). The survey results for the Revenue Administration TA cluster were virtually identical to the PFM cluster. The weighted rating for the use of outputs, achieving tangible results and significance of contributions were all below the midpoint of the **Good** with the significance of contributions bordering on **Modest**. About 40% of the respondents rated the effectiveness sub-criteria of the Revenue Administration TA cluster as **Modest** or **Poor**, the proportion of **Poor** ratings never exceeded 14% (see Table E.18). The survey findings suggest that steps could be taken to improve the effectiveness of both cluster of the fiscal TAs.

¹²¹ See the Briefing Note prepared by the Center Coordinator and Resident Advisors for the Evaluation Team's visit in September 2008.

Table E.17: Effectiveness of West AFRITAC's Public Financial Management TAs

	Percent Answering				Weighted Rating ¹	Response Count	Response Rate ²
	Excellent	Good	Modest	Poor			
Use of the outputs	22%	35%	35%	9%	2.7	23	79%
Effectiveness in achieving tangible results	26%	39%	26%	9%	2.8	23	79%
Significance of contributions to developing core economic functions	13%	54%	29%	4%	2.8	24	83%
Expertise and assistance	29%	50%	21%	0%	3.1	24	83%
Sustainability of the benefits of AFRITAC TAs	27%	45%	23%	5%	3.0	22	76%
Average for All Criteria	23%	45%	27%	5%	2.9	23	80%

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

² Ratio of the response count to the 29 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table E.18: Effectiveness of West AFRITAC's Revenue Administration TAs

	Percent Answering				Weighted Rating ¹	Response Count	Response Rate ²
	Excellent	Good	Modest	Poor			
Use of the outputs	23%	36%	32%	9%	2.7	22	92%
Effectiveness in achieving tangible results	23%	36%	27%	14%	2.7	22	92%
Significance of contributions to developing core economic functions	10%	52%	29%	10%	2.6	21	88%
Expertise and assistance	22%	48%	26%	4%	2.9	23	96%
Sustainability of the benefits of AFRITAC TAs	18%	45%	27%	9%	2.7	22	92%
Average for All Criteria	19%	44%	28%	9%	2.7	22	92%

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

² Ratio of the response count to the 24 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

106. The four fiscal objectives defined in the West AFRITAC program document were to: (i) improve capacity for macroeconomic analysis, policy formulation, and forecasting; (ii) make the checks and balances in public financial management more effective, taking account of codes of good practices promoted by the IMF and other institutions; (iii) make systems and procedures for budgeting, treasury operations, and expenditure planning and control, more efficient with appropriate safeguards in terms of oversight and auditing; and (iv) make the reporting of government financial operations more reliable and timely. A broad indicator of the effectiveness of the fiscal TA portfolio is the degree to which people believe that the objectives are being achieved. There were 120 to 130 people who gave an opinion for each of the four objectives. In terms of achieving West AFRITAC's objectives, the responses to the AFRITAC Evaluation Survey indicate that: (i) 9% to 14% felt that the fiscal objectives had been achieved; (ii) 56% to 66% reported that significant progress had been made but that the objective had not been achieved; (iii) 21% to 31% felt that modest progress had been made; and (iv) a small portion of the respondents (2% to 6%) stated that no progress had been made in terms of achieving the objectives (see Table E.19). The broad picture suggested by these results is that while progress is being made, considerably more progress will be needed before the West AFRITAC fiscal objectives have been fully achieved.

Table E.19: West AFRITAC's Progress in Achieving Fiscal Objectives

	Percent Answering				Response Count	Response Rate ¹
	Objective Fully Achieved	Despite Substantial Progress, Objective not yet Achieved	Only Modest Progress Made to Achieve Objective	No Significant Progress Made		
To improve capacity for macroeconomic analysis, policy formulation, and forecasting	9%	66%	21%	4%	131	75%
To make the checks and balances in public financial management more effective, taking account of codes of good practices promoted by the IMF and other institutions	10%	60%	25%	6%	126	72%
To make systems and procedures for budgeting, treasury operations, and expenditure planning and control, more efficient with appropriate safe guards in terms of oversight and auditing	10%	56%	31%	3%	124	71%
To make the reporting of government financial operations more reliable and timely	14%	60%	24%	2%	121	70%

¹ Ratio of the response count to the 174 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

107. Table E.20 summarizes the Evaluation Team's findings as regards the effectiveness of West AFRITAC's portfolio of fiscal TAs. **The findings of the Evaluation Team confirm that West AFRITAC's fiscal TAs are appropriately focused on delivering outputs that are generally effective and contribute to the achievement of member country reform priorities. As seen from Table E.20, West AFRITAC's portfolio of fiscal TAs is rated as Effective, bordering on Modestly Effective. The Revenue Administration cluster was rated as Good, but somewhat below the midpoint of the range. The PFM TAs were rated as Modestly Effective, on the margin of being Effective.**

Table E.20: Effectiveness of West AFRITAC Fiscal TAs

Criteria	Weight (%)	Rating ¹		
		Public Financial Management	Revenue Administration	Score ²
		45	55	100
1. Use of AFRITAC Outcomes	40	3.0	3.0	3.0
2. Planned vs. Actual Achievements	30	2.0	3.0	2.6
3. Significance of Contribution to Developing Core Economic Functions and Institution Building	30	2.0	2.0	2.0
Overall Effectiveness Rating/Score	100	2.4	2.7	2.6
¹ Rating: 4 = Excellent; 3 = Good; 3 = Modest; 1 = Poor ² Weight by % of the Center budget allocated to the cluster of AFRITAC activities/TAs Highly Effective (Excellent) ≥ 3.5 ; $3.5 < \text{Effective (Good)} \geq 2.5$; $2.5 < \text{Partly Effective (Modest)} \geq 1.5$; Not Effective (Poor) < 1.5				

D. Efficiency of Fiscal TAs

1. Process and Implementation Efficiency

108. Assessing process and implementation efficiency covers such factors as IMF's internal management of AFRITAC activities, appropriate counterpart/workshop participant selection and the quality and timeliness of management and backstopping of West AFRITAC's fiscal activities by FAD staff. The Evaluation Team examined whether West AFRITAC was consistently engaged in the PFM and revenue administration areas and the turnover of Resident Advisors and the staff of executing agencies. Also considered was the efficiency in recruitment of consultants, the efficiency of planning and executing the TA delivery and the timeliness of TA execution. Generally, West AFRITAC's process and implementation efficiency met acceptable norms.

109. FAD controls the backstopping, recruitment of both Resident Advisors and short term experts in the fiscal areas, and TA missions programming. This is seen as necessary to maintain the quality of TA delivery and safeguard the reputation of IMF. FAD tries, with considerable success, to integrate West AFRITAC's fiscal TAs into the broad framework identified in its diagnostic studies and FAD TAs. The division of work with FAD undertaking the

upstream work and West AFRITAC undertaking the downstream work related to implementation and follow-up is generally working well. Duplication, overlap and confusion in roles were avoided. According to the Fiscal Advisors, the timing and responses from the back stoppers was generally good. However, sometimes there were delays and the delivery of West AFRITAC's missions were changed and/or postponed at the instruction of FAD for reasons that did not result in professional value added to the TAs.

110. Decisions that might result in delaying the delivery of West AFRITAC's work program for procedural reasons need to be carefully considered, and ideally avoided, because such actions impact on the implementation of the work program that has been approved by the Steering Committee. The RAP should be viewed as a tactical document and minor changes accommodated. The RAP should not be a procedural reason to overrule Steering Committee decisions. There is less coordination between the RAP prepared at Headquarter and the West AFRITAC work plan in the fiscal areas than is desirable. Better mechanisms should be developed to coordinate the preparation of the two documents and its subsequent implementation. For example, FAD could organize a video conference every month on certain themes, a common practice in a number of other organizations.

111. Selection of counterpart/workshop participants was quite good as evidenced by the caliber of participants. The Evaluation Team identified relatively few cases of mis-selection. However, two issues were highlighted that may enhance the efficiency and effectiveness of the workshops: (i) more inclusion of participants at the management level to increase the chances of implementing recommendations; and (ii) West AFRITAC and member countries should strengthen the mechanisms for follow-up and implementation of workshop recommendations.

112. Vacancies among the PFM and Revenue Administration Advisors were not a major problem during the period under review, 2006 to 2008. However the terms of several Resident Advisors will come to an end during the current fiscal year. By this time next year, more evidence will be available on how efficiently FAD identifies and recruits the candidates to replace the departing Advisors.

113. Regional integration and harmonization are important areas in the region served by West AFRITAC. In the fiscal areas this involves many technical issues related to harmonizing accounting, customs, taxation and investment regimes. Traditionally, IMF has focused less on regional integration and more on country-specific issues. The efficiency and effectiveness of West AFRITAC might be improved if regional integration and harmonization became a unifying theme of its work program.

2. Efficient Use of Adequate Levels of AFRITAC Resources

114. In the fiscal area, West AFRITAC provided a total of 177 person months during FY 2006 to FY 2008, or an average of 59 person months per year. This is substantially more than the 38 and 50.5 person months delivered in the fiscal area by West AFRITAC in FY 2004 and FY 2005. In both FY 2007 and FY 2008, over 60 person months of TA were provided in these areas. The numbers clearly demonstrate that more TA will be delivered in Phase II than in Phase I. This reflects the creation of an additional PFM Advisor position to compliment the other PFM Advisor and the Revenue Policy and Administration Advisor and the Customs Administration Advisor. There is no evidence of undue delays in filling the Fiscal Advisor positions in West AFRITAC. About one quarter of the TA in the fiscal area by West AFRITAC was provided by short term

experts¹²². It cost nearly \$4 million to deliver this TA, equivalent to a cost of about \$22,600 per person month of input. This is equal to the average cost per person month of TA for West AFRITAC and comparable to the cost per person month of TA delivered in the fiscal area by East (\$23,300) and Central (\$23,800) AFRITAC. These cost comparisons indicated that in terms of cost efficiency, there is no substantial difference between the three AFRITACs in the fiscal area.

115. Although it may appear cost efficient for Fiscal Advisors to cover multiple countries. The Evaluation Team received feedback from some government officials and other TA providers that this may undermine effectiveness. It was felt that some of the Fiscal Advisors were working very hard but were spread too thinly to make major strategic impacts. The Evaluation Team would concur with this observation, particularly given the limited institutional absorptive capacity in some countries,¹²³ the logistical challenges of travelling in West Africa and the fact that some client countries are not part of WAEMU. From the input point of view, comparable TAs in the PFM and revenue administration areas are more bilateral in nature, often involving the use of long term, in-country advisors. Relative to other TA providers, having PFM and Revenue Administration Advisors covering many countries in this region is somewhat unique to West AFRITAC.

3. Monitoring and Reporting

116. The quality and timeliness of reporting and monitoring of the activities by outputs rather than inputs has improved since the 2005 evaluation. One of the recommendations of the 2005 AFRITAC evaluation was that performance indicators and a Logical Framework Analysis should be developed to evaluate AFRITAC outputs not less than annually. The importance of monitoring was also highlighted in another recommendation of the 2005 evaluation “The IMF should work with member countries and donors to ensure that necessary TA is provided to help AFRITAC beneficiary agencies develop and monitor the capacity-building plans” The 2005 evaluation also recommended that “The Centers should develop a reporting format to the SC that allows tracking of benchmarks and indicators of AFRITAC output and performance. The formats of monthly reports and activity status reports should facilitate folding their content into SC reports, thereby meeting donors’ legitimate request for more substantive information on countries’ follow-up to AFRITAC recommendations.” **Some progress has been made in addressing this recommendation and reports to the Steering Committee are now better focused on outputs than inputs.** There was some evidence that West AFRITAC uses self evaluation (i.e. monitoring) and reporting to try to improve the efficiency and effectiveness of their activities and enhance the potential synergies between their activities and those of Headquarters and other donors. **However, an examination of the monthly reports of the Resident Advisors indicates that more progress is needed in the area of reporting that is consistent with managing for development results.** For most of the evaluated period West AFRITAC was handicapped in this area by not having access to TAIMS. Access is still sometimes problematic and it is too early to conclude whether the enhanced version of TAIMS will deliver the intended benefits.

117. The ability of donors to monitor the results achieved by West AFRITAC in the fiscal area, other than through material submitted to the Steering Committee, is constrained by three factors: (i) West AFRITAC’s web page did not prove to be sustainable and the information on it is out of

¹²² The information available to the Evaluation Team did not break the inputs of the short term consultants down into the PFM and revenue administration areas.

¹²³ See Table I.1 in Chapter I.

date; (ii) other donors do not have access to reports prepared by Resident Advisors; and (iii) West AFRITAC does not documents its accomplishments in a publicly available annual report or one that is disseminated to its strategic partners. **There is need to improve on the way information is disseminated and shared among the strategic partners.**

4. Efficiency Assessment for the West AFRITAC Fiscal TAs

118. Table E.21 summarizes the Evaluation Team's assessment of the efficiency of West AFRITAC's portfolio of fiscal TAs. Overall, the fiscal portfolio **has proven to be cost-effective. The efficiency of both the PFM and Revenue Administration TA clusters were both rated as Good, although somewhat below the midpoint in the range.** The **Modest** rating for monitoring and reporting offset the **Good** ratings for process/implementation efficiency and efficient use of resources. The quality of expertise and assistance is a broad indicator of whether West AFRITAC was able to efficiently mobilize the correct mix of resources. The AFRITAC Evaluation Survey results¹²⁴ generally support the rating in Table E.21 and rated West AFRITAC as **Good** in this area for both clusters of TAs. The majority of the ratings were **Good** with the **Excellent** rating offsetting the **Modest** ratings. There were very few **Poor** responses in this area.

Table E.21: Efficiency of West AFRITAC Fiscal TAs

Criteria	Weight ¹ (%)	Rating ²		
		Public Financial Management	Revenue Administration	Score
		45	55	100
1. Process/Implementation Efficiency	40	3.0	3.0	3.0
2. Efficient Use of Resources	40	3.0	3.0	3.0
3. Monitoring and Reporting	20	2.0	2.0	2.0
Overall Efficiency Rating/Score	100	2.8	2.8	2.8
¹ Weight by % of AFRITAC budget allocated to Activity/TA Group ² Rating: 4 = Excellent; 3 = Good; 3 = Modest; 1 = Poor Highly Efficient (Excellent) ≥ 3.5; 3.5 < Efficient (Good) ≥ 2.5; 2.5 < Partly Efficient (Modest) ≥ 1.5; Not Efficient (Poor) < 1.5				

E. Sustainability of Fiscal TAs

1. Political Economy Issues

119. Political stability, a sound macroeconomic context, policy continuity and sound institutions help to create conditions that increase the likelihood of donor support in general and West AFRITAC support in particular, will result in sustainable benefits. If some or all of these conditions are absent, the likelihood of achieving sustainable benefits diminishes. During the evaluation period political factors disrupted the ability of West AFRITAC to deliver TA to some

¹²⁴ See Tables E.17 and E.18.

countries. Tensions and the security situation in Côte d'Ivoire disrupted the delivery of West AFRITAC TA for much of the evaluation period, although these problems have eased and a political solution to the issues is being sought. A coup d'état in Mauritania led IMF to suspend all its operations in the country. At the time of finalization of this report a coup d'état took place in Guinea but it was not clear to the Evaluation Team how that will affect the sustainability of West AFRITAC's TAs. There were some political challenges in Côte d'Ivoire, Guinea Bissau and Togo.

120. The Evaluation Team ranked the institutional absorptive capacity as Good in four West AFRITAC client countries, Benin, Burkina Faso, Mali and Senegal – little fiscal TA was requested by the latter. Institutional absorptive capacity was assessed as being moderate in three countries (Mauritania; Niger; Togo) and Poor in three countries (Côte d'Ivoire; Guinea; Guinea Bissau). The proportion of West AFRITAC's Fiscal TA delivered to each client country is shown in Table B.3. The overall weighted institutional absorptive capacity score was Good, but only slightly above the cut off point for Modest. However, this rating is dominated by the 55% of the time that the Fiscal Advisors were reported to have spent in Mali, a country with a Good institutional rating. Much this time likely reflects the time spent in West AFRITAC's office rather than working on delivering TA to Mali. Because of this, overall, a **Modest** institutional absorptive capacity rating for the region, a proxy for political economy factors, was used for the Fiscal TAs. It reflects the challenging institutional environments that the Fiscal Advisors face in many countries. Political instability and poor absorptive capacity in four West AFRITAC countries (Guinea, Guinea-Bissau, Côte d'Ivoire, and Mauritania) reduced the efficiency, effectiveness and sustainability of some West AFRITACs TAs. For example, limited TA could be delivered to Côte d'Ivoire and because of personnel moves in Guinea, Guinea-Bissau and Mauritania there were repeats of TA missions.

2. Executing Agency Ownership and Use of TA Outputs

121. One of the most important means of measuring the extent of executing agency ownership and use of the outputs delivered from the centre was to ask the counterparts, workshop participants and/or trainees whether they used the knowledge gained on the job. This assessment was based on interviews with government officials, Resident Advisors and FAD staff as well the responses to the questionnaire. In each of the countries visited, the Evaluation Team held focus group discussions with workshop participants and met with senior leaders in the ministries of finance and departmental heads.

122. The following are the Evaluation Team's observations on the workshops:

- (i) regional seminars and workshops were an effective means of sharing regional experience;
- (ii) documentation received during workshops and seminars was helpful and was often used as reference at work;
- (iii) workshops provided opportunities for networking and developing relationships among practitioners;
- (iv) more follow-up on workshop recommendations is required facilitate implementation;
- (v) there should be a mix between technicians and management participants in the workshops. The management participants will be in a better position than technicians to facilitate the policy decisions and changes in procedures that are sometimes necessary to use the skills gained and recommendations derived from the workshops.

123. In some cases, while the technical training was good, the regulations, procedures and legal frameworks did not allow workshop participants to apply the knowledge gained on the job (e.g., participants from Mali in workshop on internal controls, taxation and debt management). This undermines the sustainability of the benefits of the workshops and raises an issue of sequencing to create a job environment where the skills gained at the workshops can be applied. However, during the focal groups in Côte d'Ivoire, Guinea and Mali most workshop participants reported that they used the skills on the job and, based on those discussions, participant selection did not seem to be a major problem. The 2005 evaluation stressed the importance of good participant selection. There was evidence that this was being done as the Evaluation Team did not come across many examples of problems in participant selection.

124. The participants felt that:

- (i) the duration for these workshops was too short, with most lasting for five or fewer days.
- (ii) there is lack of follow-up on the recommendations made and lessons learned from the workshops -- this task is left to the participants who may not be senior enough to initiate such changes in their respective institutions.

125. The outputs of some West AFRITAC TAs are embedded in the routine businesses practices of the executing agencies, something that augers well for sustainability. For example, West AFRITAC has provided TA in risk analysis and selectivity to customs administration in Benin, Mauritania, Mali, and Senegal either in establishing risk analysis or further developing the methods used. The administrations, except in the case of Côte d'Ivoire and Senegal, are using the Automated System for Customs Data (ASYCUDA++), which provides a selectivity module which, if used to optimal effect, requires fraud profiles to be defined. The introduction of selectivity has been a powerful factor in speeding up customs clearance procedures. Côte d'Ivoire states, for example, that 60% of declarations go through the green channel with an automatic release warrant. Selectivity and risk analysis are also being used in Côte d'Ivoire and in Senegal for on-site audits of enterprises.

126. There were also examples where the TAs will not be fully sustainable because the recommendations are not or are not likely to be fully implemented. Examples include some revenue TAs in Guinea that require investment in information technology systems and in Guinea Bissau due to limited staff capacity.

127. To enhance the effectiveness and sustainability of TAs, the 2005 evaluation recommended that national AFRITAC focal points be appointed. Most countries have appointed national focal points in the ministries of finance. Some are members of the Steering Committee. Feedback from the Center Coordinator indicates that the experience has been mixed. Some national focal points have been very active and have strongly supported the work of West AFRITAC. In other countries they have been less active and supportive. One national focal point in a ministry of finance in an important West AFRITAC client country advised the Evaluation Team that the work of the focal point is in addition to his regular activities and is not sufficiently recognized and rewarded by either the Steering Committee or his supervisor.

128. Loss of trained staff in key reforms areas such as cash management, computerization of financial management systems, budget policy analysis and reporting, and revenue administration is a threat to sustainability in some countries (e.g., Côte d'Ivoire; Togo). To mitigate the loss of technical expertise and knowledge, authorities should be encouraged to undertake effective documentation of policies and procedures in key reform areas. Succession

planning and knowledge and skills transfer need to be done by member countries to ensure the sustainability of West AFRITAC TA.

129. There are a number of challenges and constraints faced by West AFRITAC member countries which have prevented them from taking full advantage of the fiscal TAs and raise risks for sustainability. The main challenges include:

- (i) Absence (in some countries) of a comprehensive legislative framework to underpin PFM reforms;
- (ii) Slow progress in implementation of recommended measures and actions, including problems related to low level of computerization;
- (iii) Inadequate understanding and support from spending agencies which undermines ministry of finance-led reforms;
- (iv) Inadequate collaboration and role clarity among development partners which hampers effective delivery of TA;
- (v) The social political environment in some countries erodes the political will to undertake reforms.
- (vi) The evolving nature of the fiscal TAs necessitates West AFRITAC to consistently shift to the new realities, which sometimes requires new and additional expertise.

3. Promoting the Use of African Expertise

130. One of the West AFRITAC objectives that should contribute to sustainability in the longer term is the promotion of the use of African expertise. The 2005 evaluation recommended that “The AFRITACs should continue to promote African expertise through recruitment of resident experts from the continent and use of African short-term experts. At the same time, permanent quality control should be exercised.” Currently, all the four of West AFRITAC’s Resident Advisors in fiscal area are experts from the African region – two for PFM, one for taxation and one for customs. The authorities in countries served by West AFRITAC and FAD staff are happy with their performance and the quantity and quality of their output. West AFRITAC continues to use a good mix of both experts from Africa and outside Africa successfully. This success is attributable to deliberate efforts by FAD to identify potential advisors/experts and test them over the years before engaging them as Advisors. The Evaluation Team received positive feedback on the work of African short term experts in Côte d’Ivoire, Guinea and Mali.

131. The strategy to promote the use of African expertise requires sustained and deliberate efforts to avoid undermining the progress already achieved. One of the major challenges is the strategy used for recruitment. Due to limited number of PFM and revenue administration experts in the region, these experts are usually employed, are not necessarily job-hunting and are not always interested in resigning from their jobs to take up a one year assignment. A pro-active approach is needed to identify and recruit well qualified Resident Advisors and short term consultants in the fiscal areas. There is a need to have a strategy that works to identify talent, utilize and promote growth of African expertise in these areas. West AFRITAC’s good efforts to nurture and use regional experts should continue.

4. Financial Sustainability

132. Much of West AFRITAC’s Ta could be termed a work in process. More TA and support will be needed until the outcomes are achieved and firmly embedded in the routine procedures of the executing agencies. Also, its clients have a growing demand for an increasing array of more sophisticated services from West AFRITAC. The feedback to the Evaluation was that the Fiscal Advisors are over stretched and are trying to cover too many countries. More financial

resources will be needed to ensure that West AFRITAC's portfolio of fiscal TAs result in sustainable benefits. However, at the time of the evaluation, neither IMF nor the donors have committed to funding Phase III.

5. Assessment of the Sustainability of West AFRITAC's Fiscal TAs

133. **The sustainability of the fiscal TAs depends, in part, on how important the stakeholders believe the fiscal objectives are that West AFRITAC is trying to address.** As shown in Table E.22, 90% of the 140 or so of the respondents of the AFRITAC Evaluation Survey rated the continuing importance of the fiscal objectives specified in the West AFRITAC Program Document as either **Important** or of **Highest Importance**. Respondents were only allowed to rate a maximum of two of the objectives in the highest importance category. The more important fiscal objectives were: (i) improving capacity for macroeconomic analysis, policy formulation, and forecasting; and (ii) making systems and procedures for budgeting, treasury operations, and expenditure planning and control, more transparent and efficient with appropriate safeguards in terms of oversight and auditing. The fact that very few people (under 10%) rated all four of the sub-criteria of the fiscal objectives as either **Modestly Important** or **Not Important**, suggests that West AFRITAC's fiscal TAs continue to be important. This is a positive finding for the sustainability of the fiscal TAs.

134. Table E.23 summarizes the assessment of the Evaluation Team of the sustainability of West AFRITAC's portfolio of fiscal TAs. The sustainability of both the PFM and Revenue Administration TA clusters are rated as **Good but below the midpoint in the range**. Concerns of the Evaluation Team about sustainability relate to political economy factors, which reflect the challenging environment in which West AFRITAC is operating, and financial sustainability. These concerns were somewhat offset by the **Excellent** rating for the use of African expertise and a **Good** rating for the ownership and use of TA outputs. These sustainability ratings are consistent with the weighted rating of the 22 AFRITAC Evaluation Survey respondents who rated the sustainability of the two clusters. Both were rated as Sustainable. For the PFM cluster 27% rated the prospects of sustainability as **Excellent**, 45% as **Good**, 23% as **Moderate** and only 5% as **Poor** (see Table E.17). There were similar but slightly lower sustainability ratings for the Revenue Administration cluster -- **Excellent**, 18%; **Good**, 45%; **Moderate**, 27%; and **Poor**, 9% (see Table E.18). Nearly one third of the survey respondents had some concerns about the sustainability of the portfolio of West AFRITAC's fiscal TAs.

Table E.22: The Importance West AFRITAC Should Assign to Fiscal Objectives

	Percent Answering				Response Count	Response Rate ¹
	Highest Importance	Important	Modestly Important	Not Important		
To improve capacity for macroeconomic analysis, policy formulation, and forecasting	58%	33%	7%	3%	146	93%
To make the functioning of checks and balances in public financial management more effective, taking account of codes of good practices promoted by the IMF and other institutions	36%	57%	6%	1%	142	90%
To make systems and procedures for budgeting, treasury operations, and expenditure planning and control, more transparent and efficient with appropriate safeguards in terms of oversight and auditing	62%	35%	3%	0%	144	92%
To make the reporting of government financial operations more reliable and timely	38%	53%	8%	1%	141	90%

¹ Ratio of the response count to the 157 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table E.23: Sustainability of West AFRITAC Fiscal Assistance

Criteria	Weight (%)	Rating ¹		
		Public Financial Management	Revenue Administration	Score ²
		45	55	100
1. Political Economy Issues	25	2.0	2.0	2.0
2. Executing Agency Ownership and Use of Outputs	40	3.0	3.0	3.0
3. Promoting Use of African Expertise	15	4.0	4.0	4.0
4. Financial Sustainability	20	2.0	2.0	2.0
Overall Sustainability Rating/Score	100	2.7	2.7	2.7
¹ Rating: 4 = Excellent; 3 = Good; 2 = Modest; 1 = Poor ² Weight by % of East AFRITAC's budget allocated to Cluster of activities/TAs Highly Sustainable (Excellent) ≥ 3.5; 3.5 < Sustainable (Good) ≥ 2.5; 2.5 < Partly Sustainable ≥ 1.5 (Modest); Not Sustainable (Poor) < 1.5				

F. Overall Rating of West AFRITAC Fiscal TAs

135. The overall assessment of the performance of West AFRITAC's fiscal TAs is shown in Table E.24. The performance of the portfolio was rated as **Good**, although somewhat below the midpoint on the range for Good. The highest scores were for Relevance, followed by Efficiency, Sustainability and Effectiveness. All of the latter three were rated below the midpoint in the Good range with Effectiveness **bordering on Modest**. The ratings of both the PFM and the Revenue Administration clusters were similar, **both below the midpoint in the Good range**. The only dimension of evaluation that was ranked as **Modest** was Effectiveness for the PFM cluster. The results of the AFRITAC Evaluation Survey for West AFRITAC's fiscal TAs are broadly consistent with these ratings.

Table E.24: Overall Assessment of West AFRITAC Fiscal Assistance				
Criteria	Weight (%)	Rating ¹		
		Public Financial Management	Revenue Administration	Score ²
		45	55	100
1. Relevance	32	2.8	3.2	3.0
2. Effectiveness	28	2.4	2.7	2.6
3. Efficiency	22	2.8	2.8	2.8
4. Sustainability	18	2.7	2.7	2.7
Overall Rating/Score	100	2.7	2.9	2.8
¹ Rating: 4 = Excellent; 3 = Good; 2 = Modest; 1 = Poor				
² Weight by % of AFRITAC inputs allocated to the Cluster of TAs				
Excellent ≥ 3.5; 3.5 < Good ≥ 2.5; 2.5 < Modest ≥ 1.5; Poor < 1.5				

G. The Way Forward for West AFRITAC Fiscal TAs

136. **While demand driven TA needs will continue to guide the design and delivery of PFM TAs, in the future West AFRITAC should:**

- (i) promote the adoption of best practices in key areas, namely, medium-term planning and budgeting (MTEF), cash management and banking arrangements, migration to GFS 2001 classification, improved fiscal reporting, and strengthening the legal and regulatory framework.
- (ii) mitigate the loss of technical expertise and knowledge, authorities should be encouraged to undertake effective documentation of policies and procedures in key reform areas. Succession planning and knowledge and skills transfer need to be done by member countries to ensure the sustainability of West AFRITAC TA.
- (iii) to promote effective implementation of TA recommendations, authorities should be encouraged to establish the necessary policy and institutional framework for initiating reform projects, including cabinet approved policy decisions, establishment of project teams, formulation of realistic work plans and assignment of medium/long term experts.
- (iv) strengthen dialogue and cooperation with Development Partners to promote opportunities for the funding of medium/long term project managers/technical advisors to implement West AFRITAC work plans.
- (v) continue to engage all member countries through regional capacity building initiatives such as workshops, to keep them abreast of the best practices and PFM reforms in the region as well as maintain their awareness of the availability of TA from West AFRITAC.

137. **West AFRITAC revenue administration TAs, with support from FAD, have been effective in enhancing local capacity and promoting awareness and implementation of international best practices.** While countries in the region have made a start to reform and initial results are encouraging, more effort is needed to achieve the revenue modernization objectives. **The thrust of future TA should be to consolidate the gains made and to deepen the reforms by providing advice and building capacity in:**

- (i) taxpayer services;
- (ii) taxpayer segmentation and management;
- (iii) taxation of small enterprises;
- (iv) the increased use of risk-based compliance management approaches in both tax and customs;
- (v) taxation of petroleum products, minerals and other natural resources;
- (vi) business process review and design; and
- (vii) the use of robust information technology platforms for routine activities and decision support.
- (viii) strengthening cooperation between tax and customs departments.
- (ix) full application of WTO customs valuation and post clearance audits.
- (x) strengthening managerial capacity and internal audit within the administrations;
- (xi) strengthening fraud prevention, anti-smuggling effort and steps taken to address counterfeiting.

138. West AFRITAC should prioritize and direct its resources to those areas that add value time promoting local ownership. Further, the Revenue Advisor should encourage the revenue administrations to periodically carry out self-diagnoses using internationally recognized key performance indicators.

IV. Evaluation of West AFRITAC Statistics TAs

A. Introduction to Statistics TAs

139. West AFRITAC Statistics TAs were to cover: (i) central bank statistics to improve balance of payments in a manner consistent with the international standards in BPM5 and monetary/financial statistics using the MFSM 2000 Manual; (ii) macroeconomic statistics to improve the quality of national accounts consistent with SNA 1993, real sector data and price statistics (CPI and PPI) and strengthening the methodology and techniques for compiling annual and quarterly accounts and price statistics, improving basic source data collection, processing and statistical techniques, introducing international standards, improving data timeliness and accessibility, addressing institutional and organization issues and addressing issues related to inadequate funding, inadequate staff, delays in the enactment of the new statistical laws and poor statistical inter-agency coordination; supporting donor coordination in the statistical area and addressing GDDS participation and metadata preparation issues and building of better linkages between GDDS and country Poverty Reduction Strategy papers; and (iii) government finance statistics, including the improving statistics in the ministries of finance necessary for sound fiscal management, introducing international standards and improving the institutional coverage, quality, and the timeliness of the table presenting financial operations of the state consistent with GFS Manual 2001.

140. During the period under evaluation, West AFRITAC's statistics TAs were delivered by two Statistics Advisors, one an expert in national accounts and one in government financial statistics. In practice, most of TAs were related to these two areas. West AFRITAC Statistics TAs have so far covered the following areas:

- (i) Central Bank Statistics: A small amount of TA was provided to improve balance of payments (BOP) estimates. Central banks are responsible for preparing BOP estimates. The National Institutes of Statistics /Departments of Statistics and National Accounts are not involved in the BOP estimation process -- they just provide some supporting data and receive the final estimates which are used for

economic analysis. The Central Bank for West Africa (BCEAO), which benefits from substantial TA from bilateral and financial partners¹²⁵ but not from West AFRITAC, covers most of the client countries of West AFRITAC. Non-WAEMU member countries (i. e., Guinea; Mauritania) have their own central banks. In Guinea, although West AFRITAC's needs assessment covered the statistical needs of the central bank, TA for monetary and BOP statistics was largely provided by STA from Headquarters.

- (ii) Real sector statistics: TAs designed to improve real sector statistics covered: (a) the production of national accounts statistics consistent with SNA 1993; (b) implementing improvement work plans consistent with GDDS metadata; and (c) improving timeliness.
- (iii) Government Financial Statistics: The GFS TAs supported: (a) data collection and the production of government financial statistics; (b) the introduction of concepts and methodologies consistent with the international standard elaborated in GFSM2001; (c) data compilation and computerisation; (d) dissemination of GFS data; and (e) migration from GFS 1986 to GFS 2001.

B. Relevance of Statistics TAs

141. At a conceptual level the importance of accurate, reliable and timely statistics in the areas where most of West AFRITAC's statistics TAs were focused, national accounts and GFS, is clear. Senior government officials need accurate, reliable and timely national accounts data to manage the economy and IMF needs such data for monitoring, surveillance and program purposes. Improving fiscal management is a priority for both governments and IMF. Sound Government Financial Statistics are needed for efficient and transparent fiscal management. Many donors also use data in these areas.

142. The information in the World Bank's Country Statistical Information Database, which is described in Annex B, was used to help judge the relevance of West AFRITAC statistics TAs (see Table E.25). On a scale of 0 to 100, the average ranking for the 140 plus countries in the database for national statistics systems was 65 and the average score for statistical practice, which covers many issues that are of direct relevance to the statistics TAs, was 56. The data in Table E.25 shows that the statistical systems in most West AFRITAC client countries are weak and, consequently TA to improve statistics would be relevant. Among the West AFRITAC client countries, only Senegal score above the average worldwide ranking for national statistical systems and statistical practice¹²⁶. The rank of Guinea-Bissau was by far the lowest for West AFRITAC members for the national statistics systems – most of the other countries scored in the range of 50 to 55. The scores were generally lower for the statistical practice category with scores of 30 or less for Benin, Guinea, Guinea-Bissau, Mali and Niger.

¹²⁵ There are particularly close relations with the Banque de France or Bank of France.

¹²⁶ Côte d'Ivoire, with a score of 63, was close to the average for national statistics systems.

Table E.25: Relative Strength of National Statistics System in West Africa

	Total Rank ¹	Statistical Practice Rank ¹	National Accounts Base <10 Years Old	Use BPM5	External Debt Reported	CPI Base <10 Years Old	Central Government Accounts Consolidated	Subscribe to SDDS
Benin	54	30	No	Yes	Yes	No	No	No
Burkina Faso	58	40	Yes	No	Yes	No	No	No
Côte d'Ivoire	63	40	No	Yes	Yes	No	Yes	No
Guinea	51	30	No	Yes	Yes	No	No	No
Guinea-Bissau	35	10	No	Yes	No	No	No	No
Mali	51	20	No	No	Yes	No	No	No
Mauritania	54	40	No	No	Yes	Yes	No	No
Niger	53	30	No	Yes	Yes	No	No	No
Senegal	71	60	Yes	Yes	Yes	No	No	No
Togo	52	40	No	Yes	Yes	No	No	No
Average or Number of Yes	54	34	2 of 10	7 of 10	9 of 10	1 of 10	1 of 10	0 of 10

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

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

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

143. The more detailed material in Table E.25 illustrate the depth of the challenges facing West AFRITAC client countries in the statistical area: (i) in only two countries (Senegal; Burkina Faso) was the base for the national accounts less than 10 years old; (ii) although the data base indicates that three countries (e.g., Burkina Faso; Mali; Mauritania) use BPM4 rather than BPM5. West AFRITAC advised that like other WAEMU countries Burkina Faso and Mali use BPM5 and only Mauritania does not use BPM5. In any case the use of the most up to date IMF manual to compile balance of payments statistics is one of the strongest statistical areas among West AFRITAC client countries; (iii) external debt reporting is good – only Guinea-Bissau does not report it; (iv) the base for the CPI is less than 10 years old only in Mauritania; and (v) government accounts are consolidated only in Côte d'Ivoire. Although many West African countries subscribe to GDDS, the metadata is often out of date. None of West AFRITACs clients subscribe to SDDS. However, with assistance from West AFRITAC and the French statistical agency, Senegal has undertaken to expand its production of statistics (e.g., quarterly national accounts; production price index) with a view to subscribing to SDDS. While the data in Table E.25 suggest that TAs for national accounts, prices and GFS would be relevant, the information also raises a question as to why West AFRITAC was not more involved in supporting the work necessary to rebase the national accounts and CPI. Some government officials advised the Evaluation Team that they wanted such assistance because of increasing concerns about inflation. In practice a regional approach may be necessary since a harmonized CPI (base 1996) has been adopted by all WAEMU members.

144. The World Bank database was reviewed to identify which countries had adopted national statistics law and the status of the national statistics development plan. All of the West AFRITAC client countries have adopted a national statistics law. Of the 10 client countries, seven¹²⁷ had completed their national statistics development plans and it was under preparation in the remaining three countries¹²⁸. While these are positive findings, IMF documents indicate that the production of such outputs does not always result in the desired outcome. In some cases, long standing problems relating to budget, staffing and the lack of timely surveys over ride these accomplishments such that the desired outcome – more timely and accurate statistics – is not achieved. West AFRITAC, STA, AFR, and MCD have consistently urged National Institute of Statistics and country authorities to increase resources allocated to statistics, including national accounts, CPIs and GFS. Since 2005, six countries (Burkina Faso, Guinea, Mali, Mauritania, Niger, and Senegal) increased budgets and staffing in national accounts units. Despite this progress, these problems persist.

145. The weaknesses in statistics in Sub-Saharan AFRITAC, including in West AFRITAC client countries, are well known. The general weakness of statistics is stated on the AFRISTAT home page. The feedback from the AFRITAC Evaluation Survey on the three sub-criteria used to assess the relevancy of West AFRITAC statistics TAs is summarized in Table E.26. A reasonable number of responses were received, ranging between 30 and 39 depending on the question. As is shown in the following sections, the survey responses were used to test and confirm the Evaluation Team's assessment of relevancy based on interviews and document review.

Table E.26: Relevance of West AFRITAC's Statistics TAs

	Percent Answering				Weighted Rating ¹	Response Count	Response Rate ²
	Excellent	Good	Modest	Poor			
Relevance of TAs in helping to build capacity	54%	41%	5%	0%	3.5	39	98%
Consistency with Government priorities	32%	63%	5%	0%	3.3	38	95%
Coordination with other TA providers	26%	46%	29%	0%	3.0	35	88%
Coordination with IMF Headquarters	40%	60%	0%	0%	3.4	30	75%
Average for All Criteria	38%	52%	10%	0%	3.3	36	89%

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

² Ratio of the response count to the 40 respondents who rated the AFRITAC Centers for this issue.
Source: 2008 AFRITAC Evaluation Survey

1. Consistency with Government Objectives

146. During interviews that took place with senior officials and staff of the executing agencies in Côte d'Ivoire, Guinea and Mali, the Evaluation Team was advised that the West AFRITAC statistics TAs were country demand-driven and reflected country priorities. The Evaluation

¹²⁷ Benin; Burkina Faso; Côte d'Ivoire; Mali; Mauritania; Niger; Senegal.

¹²⁸ Guinea ; Guinea-Bissau ; Togo

Team validated this feedback by reviewing the material submitted to, and minutes of, the West AFRITAC Steering Committee meetings. Opening the 11th session of the West AFRITAC Steering Committee in April 2008 the Secretary General of the Ministry of Finance of Mali stated that: "**AFRITAC was able to address beneficiary countries needs and provide best practices within its expertise area**". To illustrate this statement, he reminded the meeting that since its opening five years ago, West AFRITAC had conducted more than 700 TA missions, more than 40 regional seminars and 4 national workshops. This general statement applies to the statistics TAs. When the Evaluation Team met with the staff of the Mali National Department of Statistics and Computer Science in Bamako, they were satisfied and were working closely with the National Accounts Advisor: This follow-up supported the implementation of the SNA 1993. However, there were some complaints about the lack of TA related to the CPI and the elaboration of regional indexes¹²⁹. While some client countries stated that West AFRITAC should have some expertise in the area of social sectors, the Evaluation Team notes that this is beyond the IMF's normal areas of statistical expertise.

147. The relevance of having sound statistics for fiscal management is clear from the discussion on PFM in the previous section in this Annex. PFM TA was the largest of West AFRITAC's TA clusters. Introducing the concepts in the GFSM 2001 manual is very consistent and relevant with the efforts that most West AFRITAC client countries were making to improve their fiscal management. Officials in Côte d'Ivoire and Guinea advised the Evaluation Team that they were particularly appreciative of the support that they had received to improve GFS and that it supported their PFM action plans. West AFRITAC is the only AFRITAC with two Statistics Advisors and hence had the resources and expertise to increase the relevance of its statistics TAs by developing synergies with West AFRITAC's work in the fiscal area.

148. The respondents to the AFRITAC Evaluation Survey, which were mostly government officials who felt that they had enough experience with West AFRITAC to rate its statistics TAs, rated the TAs as **Good** in terms of consistency with Government priorities. Of the 38 respondents, 32% rated the consistency of the TAs with government priorities as **Excellent**, 63% as **Good**, 5% as **Modest** and none as **Poor**.

2. Coordination with Development Partners

149. Two important TA providers in the statistics area attend West AFRITAC Steering Committee meetings as observers – AFRISTAT and the World Bank. A senior AFRISTAT official attends West AFRITAC Steering Committee meetings and the Real Sector Statistics Advisor has close personal relations with AFRITAC and French statistics experts. These factors should enhance coordination with other TA providers in the statistics area. The fact that France, Germany and Canada are represented in the Steering Committee should also enhance coordination and sharing of information in the statistics area but there have been issues about gaps in attendance at Steering Committee meetings by some donors.

150. There are a growing number of organizations that are supporting the development of statistics in Sub-Saharan Africa. After a few years of limited activity, the United Nations Economic Commission for Africa organised the first session of Statistical Commission for Africa (StaCom-Africa) in Addis Ababa, Ethiopia from 20 to 24 January 2008. Other relevant regional organizations include AFRISTAT, AfDB and Paris 21. The World Bank and some bilateral

¹²⁹ West AFRITAC advised that the complaints about the lack of TA related to CPI had to do with a request for financial assistance, which was beyond West AFRITAC's mandate and that AFRISTAT has completed the WAEMU regional CPI TA project which included Mali.

donors are also supporting improvements in the statistics systems in some West AFRITAC client countries.

151. During the visits to Côte d'Ivoire, Guinea and Mali some concerns were expressed to the Evaluation Team about the strength of West AFRITAC's coordination with other development partners in the statistics area. The level of coordination with other development partners seemed modest in some countries. However, there were exceptions. In Mali, for example, a coordinating committee was created in 2007 for statistics, with Sweden as chair and European Union Delegation as the vice-chair. The objective of this initiative was to support statistics development and discuss financing among development partners. West AFRITAC is a member the coordinating committee. GFS and Real Sector Resident Advisors participate in meetings when they are present in Bamako. So far, these meetings have mainly covered the upcoming general population census, an area that is outside of West AFRITAC's mandate. Replicating the Malian statistics coordinating committee in other countries could strengthen donor coordination.

152. The mission of AFRISTAT, an international organization which began operations in 1996, is to build capacity to strengthen the development of economic, social and environmental statistics. AFRISTAT has 19 members,¹³⁰ including all West AFRITAC clients, and is located in Bamako. The work of AFRITAC is guided by a Direction Committee which is composed of senior officials in the national statistics offices, central banks and economic and monetary union organizations. AFRISTAT supports the activities of national statistical offices in West AFRITAC client countries and has statutory power in the area of harmonization of concepts, international standards and statistical methods to promote consistency and better comparability of statistical data. AFRISTAT is headed by a General Director and deputy General Director, and has 21 experts¹³¹ and 14 local supporting staff. Given the location of both AFRISTAT and West AFRITAC in Bamako and overlapping areas of expertise, except in the GFS area, the Evaluation Team expected to see evidence of particularly strong coordination between AFRISTAT and the work of the Statistics Advisors. As is shown in the following paragraph, evidence of such coordination was found.

153. There has been collaboration between West AFRITAC and AFRISTAT in the area of real sector statistics and consumer price indices. This collaboration is formally institutionalized as AFRISTAT participates as an observer to West AFRITAC's Steering Committee and West AFRITAC is a member of the Scientific Committee of AFRISTAT. In addition, West AFRITAC and AFRISTAT have the same work program for each of the ten member countries, sharing missions on the basis of country needs/demand and each institution's available resources. In the real sector statistics, West AFRITAC undertook some activities in partnership with AFRISTAT, particularly under their GDDS project for West Africa. The two institutions meet as needed to harmonize their actions in member countries. Some of the meetings are also attended by the French Statistics Agency another provider of TA in national accounts and CPI in the region. The real sector and CPI work program for the WAEMU countries (eight of the 10 West AFRITAC countries) is agreed with the WAEMU Commission and AfDB. AfDB finances the WAEMU Commission to ensure implementation of the work program and the WAEMU Commission uses AFRISTAT as the executing agency.

¹³⁰ Benin, Burundi, Burkina Faso, Cameroon, Cape Verde, Central African Republic, the Comoros, Congo, Côte d'Ivoire, Gabon, Guinea, Guinea-Bissau, Equatorial Guinea, Mali, Mauritania, Niger, Senegal, Chad and Togo.

¹³¹ With expertise in national accountancy, macro-economy, social statistics, prices statistics, surveys, poverty analysis, agricultural statistics, new technologies, institutional organization of national statistical systems and project management, enterprises statistics, informal sector and demography.

154. The area of price statistics is a good example West AFRITAC and AFRISTAT applying the shared work program concept. West AFRITAC has not conducted any TA missions in WAEMU countries in the area of price statistics because the TA needs to modernize and rebase the CPI in these countries are being met by AFRISTAT with funding from the WAEMU Commission and AfDB. Household surveys have been completed in all eight WAEMU member countries, the new base year has been set, and the new CPI data (base 2008) is expected to be available by mid 2009. In this area, West AFRITAC has been involved only in discussions in Bamako on methodological aspects of the CPI computation.

155. World Bank and AfDB also contribute to enhancing the quality of statistics in West AFRITAC member countries. Building on the progress made to date, greater efforts to coordinate the work of West AFRITAC, AFRISTAT, the World Bank, AfDB and the European Union should develop synergies that will improve the effectiveness and efficiency of strengthening statistics in West AFRITAC client countries. Such active coordination is necessary to find ways to address chronic strategic issues related to staffing and budget and to mobilize funding for the surveys that are necessary to improve the underlying quality of the data. Coordination must go beyond sharing information and TA details to find a coordinated approach that solves strategic problems.

156. Although the weighted relevancy rating was **Good**, the respondents to the AFRITAC Evaluation Survey rated coordination with other development partners the lowest among the three relevancy sub-criteria. This sub-criteria was the only one which received a substantial portion of **Modest** ratings. This data from the survey is consistent with the feedback received by the Evaluation Team that while Donor Coordination was rated as **Good**, there is a potential for West AFRITAC to improve its coordination with other development partners.

3. Consistency with IMF Activities

157. The relevance of West AFRITAC's work in the statistics area can be judged by examining IMF's staff reports on Article IV consultations and PRGF reviews. The results are summarized below for the three countries visited:

1. **Côte d'Ivoire**¹³²: While statistics were judged to be adequate and sufficiently timely for surveillance purposes, weaknesses were identified in the areas of national accounts, balance of payments, and public finance, and in conciliation of fiscal and monetary data. While Côte d'Ivoire has participated in the GDDS since May 2000, the metadata has not been updated since June 2001. Examples where improvements were needed in areas in which West AFRITAC was working included: (a) *Real Sector Statistics*: While a new set of national accounts is available covering the period 1996–2006 that is aligned with the 1993 System of National Accounts, the base year, 1996, is more than 10 years old. (b) *Public Finance Statistics*: While data up to 2006 is published in the Government Finance Statistics Yearbook, monthly or quarterly fiscal data is not reported to IMF for publication.¹³³ Documentation on the coverage of general government units and public enterprises is lacking fiscal and monetary data need to be reconciled. Support to address weaknesses in monetary and financial statistics and balance of payments statistics, which are prepared by the national agency of BCEAO, was provided by STA.

¹³² Source: Côte d'Ivoire. Use of Fund Resources. Request for Emergency Post- Conflict Assistance. Informational Annex. 21 March 2008. Pages 14 to 15.

¹³³ The Ministry of Finance makes detailed monthly government finance data available to the AFR.

2. **Guinea**¹³⁴: The quality of Guinea's economic and financial data was judged to be adequate for program monitoring and surveillance, but required improvement. Specific examples where improvements are needed in areas covered by West AFRITAC include: (a) *Real Sector Statistics*: Other than the CPI, real sector statistics are weak, incomplete, and published with insufficient timeliness to support economic policy making. A March 2000 mission presented detailed recommendations to improve real sector statistics and identified the lack of resources for compiling current statistics and insufficient training as the main causes of weakness in the statistical system. Although an action plan was prepared to address these weaknesses, financial resources for many of the measures have yet to be identified. (b) *Government Finance Statistics*: The relevance of West AFRITAC's GFS TAs is clear from the following objective in the Guinea PRGF which is to "Adopt a budget classification based on the IMF Government Finance Statistics Manual 2001 (particularly the economic and functional classifications) and define poverty-reducing expenditure based on the functional classification." However, budgetary data are often not internally consistent and while the budget includes most government operations, a number of "satellite" accounts and funds are excluded. There are also significant differences between the national definition of general government and GFSM 2001. The latest data published in the *GFS Yearbook* are for 1999 and Guinea does not report fiscal data for publication in IFS. Problems were also identified related to balance of payments and monetary accounts statistics which are areas being covered by STA.

3. **Mali**¹³⁵: While the data provided by Mali was deemed adequate for surveillance purposes, considerable scope for improving coverage, timeliness, and availability of economic and financial data was noted. Specific examples where improvements were needed in areas supported by West AFRITAC include: (a) *Real Sector Data*: While Mali has been participating in the GDDS since 2001, the GDDS requires updating as it last certified in 2003; there are weaknesses in the accuracy, coverage, and timeliness of national accounts data; and, the weights and possible extension of coverage of the CPI to cities beyond Bamako need to be considered; and (b) *Government financial Statistics*: Although Mali has made progress in bringing its fiscal data in line with the common framework (the harmonized table of government financial operations – TOFE), timeliness needs to be improved and coverage expanded to include public agencies and local governments. Other areas that also need to be looked into although are: (a) *Public Debt Statistics*: improving the coverage of debt relief (multilateral and bilateral), the presentation of passive debt and regularly updating exchange rate projections. (b) *Monetary Data*: preparing the form for Other Depository Corporations (2SR). (c) *Balance of Payments Data*: The quarterly balance of payments statements are not sufficiently robust for publication and the foreign assets of the private non banking sector are not well covered in the financial accounts and annual balance of payments statistics.

158. The West AFRITAC TAs are relevant to, and consistent with, the priorities identified in the IMF documents prepared by Headquarters staff. There is also evidence that West AFRITAC was not able to address all of the statistics needs identified in the IMF documents. Some gaps were filled by TA processed and administered by STA. The issue to consider is whether it is more effective and efficient to have such TA provided by STA from Washington or by West AFRITAC from Mali. The respondents to the AFRITAC Evaluation Survey rated the coordination of West AFRITAC TAs and Headquarters activities as **Good, bordering on Excellent**. Of the 28 respondents, 40% rated this relevancy sub-criteria as **Excellent** and 60% as **Good** (see

¹³⁴ Source: Staff Report for the 2007 Article IV Consultation and Requests for Three-Year Arrangement Under the Poverty Reduction and Growth Facility and for Additional Interim Assistance Under the Enhanced Heavily Indebted Poor Countries Initiative. 6 December 2007. Pages 90 to 92.

¹³⁵ Source: Mali Staff Report for the 2008 Article IV Consultation and Request for a Three-Year Arrangement Under the Poverty Reduction and Growth Facility. Informational Annex. 8 May 2008. Pages 12 to 14.

Table E.26). None of the respondents rated it as Modest or Poor. This was the highest rating of the three relevancy sub-criteria.

4. Relevance of the West AFRITAC Statistics TAs

159. The Evaluation Team's overall rating of the relevance of West AFRITAC's statistics TAs was **Good** (see Table E.27). It was rated as **Excellent** in terms of consistency with IMF activities, partly because of the synergies between the work to improve GFS and the work of IMF in general, and the PFM Advisor, in the fiscal area. The consistency with government priorities would have been rated higher if West AFRITAC devoted more effort to strategic interventions needed to address long standing, fundamental issues related to budget and staffing of statistical agencies in many countries.

160. The average score for all four questions on the AFRITAC Evaluation survey related to the relevancy of West AFRITAC statistics TAs was **Good**, above the midpoint in the range. This was broadly consistent with the Evaluation Team's rating, although the results from the survey were slightly more positive than the conclusions of the Evaluation Team, particularly in the area of donor coordination (see Table E.26). Like all other Advisors, the West AFRITAC Statistics Advisors were handicapped in efforts to share information because IMF's corporate policies did not allow them to disseminate their reports.

Table E.27: Relevance of West AFRITAC Statistics TAs

Criteria	Weight ¹ (%)	Rating ²
1. Consistency With Government Priorities	60	3.0
2. Coordination with Development Partners	20	3.0
3. Consistency with IMF Activities	20	4.0
Overall Relevance Rating/Score	100	3.2
¹ Weight by % of West AFRITAC's Budget Allocated to Statistics Assistance ² Rating: 4 = Excellent; 2 = Good; 2 = Modest; 1 = Poor Highly Relevant (Excellent) ≥ 3.5; 3.5 < Relevant (Good) ≥ 2.5; 2.5 < Partly Relevant (Modest) ≥ 1.5; Not Relevant (Poor) < 1.5		

C. Effectiveness of Statistics TAs

1. Use of TA Outcomes

161. In macroeconomic statistics, West AFRITAC TAs contributed to achieving the following: (i) improving the institutional coverage, quality and timeliness; (ii) assessing the coverage, quality and reliability of balance of payments data, and improving the statistical system (e.g. in Guinea Bissau) and (iii) assisting in the area of GDDS, focusing on the revision of the metadata,

and updates of the plans for improvements. With the support of West AFRITAC, the 10 beneficiary countries posted their metadata on the IMF website but only three countries (Guinea, Mauritania and Togo) have updated the metadata.

162. In the area of real sector statistics, the main results achieved were: (i) disseminating best practices related to SNA 1993 in the West AFRITAC member countries – although in some countries (e.g., Guinea) after a qualified team of national accountants was set up, it was weakened by staff turn-over and low salaries; (ii) introducing and implementing best practice procedures and techniques for the estimation of national accounts; and (iii) improving the timeliness for the data dissemination. The main challenges related to the real sector statistics relate to efforts to increase the number of staff on the national accounts teams in particular and of building the capacity of national institutes of statistics in general and improving the links between anticipatory, temporary and final accounts. Addressing these strategic issues was not a core element of West AFRITAC's work in the statistics area.

163. In the GFS area, the main achievements were: (i) consolidating previous achievements related to the classification procedure and the Table of Financial Operations of the State (Tableau des Operations Financières de l'Etat, TOFE); (ii) disseminating the methodology among the stakeholders of data base production; (iii) the improvement of data collection and basic data quality and coordination among the offices involved; (iv) implementation of the GDDS system improvement consistent with the GFS. The main challenges remaining are related to the best organisation of statistical services, best coverage of the areas for data collecting, capacity-building in terms of 2001 GFS and follow-up of GDDS.

164. In the Côte d'Ivoire the Evaluation Team received positive feedback on the contributions of both West AFRITAC and STA in the areas of BOP, National Accounts and GFS from officials at BCEAO, the Ministry of Finance and Economy and the National Statistics Institute. They attributed the significant progress made in elaborating TOFE and gaining a better understanding of methodological issues and data gaps to West AFRITAC missions and a West AFRITAC short term expert. They felt that particularly significant progress had been made on GFS 2001 and welcomed West AFRITAC's practical hands on assistance. The Ministry of Finance has reported data up to 2006 for publication in the Government Finance Statistics Yearbook.

165. Significant progress was also reported in the GFS area by the Guinea Ministry of Finance. Fiscal data for Guinea is not published in the IFS. However, joint STA/West AFRITAC GFS TA is underway and the 2010 budget should be classified according to GFS 2001. New software may be needed and this would be an area in which West AFRITAC could play a useful role. Because of the progress that has been made, one of the benchmarks adopted in the Guinea PRGF is to "Adopt a budget classification based on the IMF Government Finance Statistics Manual 2001 (particularly the economic and functional classifications) and define poverty-reducing expenditure based on the functional classification." In Guinea, West AFRITAC helped prepare provisional national accounts estimates for the new base year (2003) and prepare provisional national accounts estimates for 2003 to 2005.

166. Most workshop participants and senior officials that the Evaluation Team met recognised that West AFRITAC contributed to their capacity building and that most were using the knowledge they acquired from West AFRITAC TA to improve their performance. But due to staff turn-over and less motivating working conditions, West AFRITAC TA outcomes are not used at full capacity.

2. Planned Versus Actual Achievements

167. Comparing the West AFRITAC work plan and achievements confirms that most of the planned activities were executed as planned and that momentum is building in the GFS area in some countries.

3. Significance of Contribution to Developing Core Economic Functions

168. Stringent criteria must be satisfied before a country's statistics are published in IFS. A review of the September 2005 edition of the IFS indicated that there are gaps in some of the data published for some countries or the data is not very timely. One indicator of the significance of West AFRITAC's contribution in the statistics area would be whether there is evidence of more timely data or fewer gaps in wider reporting for client countries in the October 2008 edition of the IFS compared to September 2005. The data available for West AFRITAC client countries in the October 2008 edition of the IFS is summarized in Table E.28 which showed that there has been some improvement in the timeliness of national accounts data. In 2005 IFS, the most recent GDP estimate was for 2003 for more countries. In 2008, GDP estimates were more recent with data available for 2007. The one exception was Mauritania for which no GDP estimate for any year was published in 2007. In the 2005 IFS, only the 1998 GDP estimates were available for Mauritania. For Guinea, a positive development was publishing its 2007 GDP estimates and some historical figures compared to non availability of data in 2005. Given that many of West AFRITAC TAs focused on national accounts, it is reasonable to conclude that those TAs contributed to the production of more timely GDP estimates. However, as shown by the data in Table E.25, there continues to be a problem with the use of base years that are a decade or more old. Similarly, while CPIs were published for all countries in both 2005 and 2008, the base year needs to be updated in all countries. Although AFRISTAT has provided assistance in rebasing, the results of this work are not yet reflected in the data reported on this World Bank site¹³⁶.

¹³⁶ West AFRITAC advised that the evaluation sometimes draws on information in certain statistical databases. The absence of data from these databases sometimes reflects problems with data dissemination rather than data production. West AFRITAC felt that while this does not cast any serious doubt on the analyses presented, it is nonetheless worth noting.

Table E.28: Publication of Data in the October 2008 IFS for West AFRITAC Client Countries

	Monetary Survey	Banking Survey	CPI	BOP	GFS	National Accounts
Benin	Yes		Yes	Yes (2005)	Yes (2006)	Yes
Burkina Faso	Yes		Yes	Yes (2001)	Yes ¹ 2005	Yes
Côte d'Ivoire	Yes		Yes	Yes	Yes ¹	Yes
Guinea	Yes			Yes (2004)		Yes
Guinea-Bissau	Yes		Yes	Yes (2004)		Yes
Mali	Yes		Yes	Yes (2006)	Yes ¹ (2003)	Yes
Mauritania	Yes			Yes		
Niger	Yes		Yes	Yes (2006)	Yes²	Yes
Senegal	Yes		Yes	Yes (2006)		Yes
Togo	Yes		Yes	Yes (2006)	Yes²	Yes
WAEMU	Yes		Yes (2006)			Yes ¹ (2006)

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

Date inserted if most recent data is prior to 2007

¹ means significant missing data

² Although not shown in the October 2008 IFS edition, West AFRITAC advised that GFS data is now available for Niger (2006 and 2007) and Togo (2004 to 2007). ³ Bold means the data was not published in 2005

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

169. There is less evidence of progress in the other statistical areas. In the central banking area, where West AFRITAC has generally not been involved, monetary surveys were available in all countries 2008 but no banking surveys data were published in any of the West AFRITAC member countries in either 2005 or 2008. In 2008 all countries published BOP estimates. However, timeliness remains a problem. The most recent BOP estimates were for 2006 for Mali, Niger, Senegal and Togo.

170. Although some progress has been made and West AFRITAC has provided some effective TA in the GFS area, government financial data reported in the 2008 IFS remained sparse, as was the case in 2005. While some data was available for Benin, Burkina Faso, Côte d'Ivoire and Mali, no data was published for the other countries. The data published in 2008 for Mali had not been updated from the data published in 2005. West AFRITAC advised that Niger and Togo have now posted their GFS data through 2007. Feedback received by the Evaluation Team in Côte d'Ivoire and Guinea indicates that the quality and timeliness of GFS reported in the IFS should improve in the near future as a result of West AFRITAC's work.

171. In summary, West AFRITAC approach of combining good technical content in workshops and providing relevant TA has contributed to improving data timeliness and quality for national accounts and it is reasonable to conclude that in the near future better quality GFS will be published for some countries. Although some institutional reforms (e. g., creation of National Institute of Statistics) have taken place, most countries have statistics laws and most

have or are formulating national statistics development strategies, the pace of reforms and the quality of data are still behind expectations. Staffing weaknesses and budget constraints are limiting the ability of some countries to implement the necessary reforms. The institutional weaknesses have also contributed to some of the difficulties experienced related to the implementation of TA recommendations. The significance of West AFRITAC's contributions was limited by its inability to provide financing to support the implementation of TA recommendations. For example, in Guinea, the staff at the National Department of Statistics advised the Evaluation Team that while they recognized the importance of TA provided by West AFRITAC, they were experiencing difficulties in the implementation of the recommendations for national accounts. The national accountants were more involved in AfDB's International Comparison Program for Africa than in the elaboration of national accounts consistent with SNA 1993 because AfDB provided funding to support its program.

4. Rating the Effectiveness of West AFRITAC Statistics TAs

172. The respondent's for the West AFRITAC Evaluation Survey were asked to rate the achievement of the three effectiveness sub-criteria. Between 34 and 39 people rated the effectiveness sub-criteria. The average rating for all sub-criteria was **Good** (see Table E.29). The rating of the use of outputs and significance of contributions were close – about one quarter rated them as **Excellent**, two thirds as **Good** and 10% as **Modest**. The ratings of achieving tangible results were broadly similar, although 21% of the respondents rated West AFRITAC's statistics TAs as Modest for this effectiveness sub-criteria. No respondents rated the effectiveness of West AFRITAC's TAs as poor on any of the effectiveness sub-criteria.

Table E.29: Effectiveness of West AFRITAC's Statistics TAs

	Percent Answering				Weighted Rating ¹	Response Count	Response Rate ²
	Excellent	Good	Modest	Poor			
Use of the outputs	29%	62%	9%	0%	3.2	34	85%
Effectiveness in achieving tangible results	23%	56%	21%	0%	3.0	39	98%
Significance of contributions to developing core economic functions	24%	65%	11%	0%	3.1	37	93%
Expertise and assistance	46%	36%	18%	0%	3.3	39	98%
Sustainability of the benefits of AFRITAC TAs	13%	74%	13%	0%	3.0	38	95%
Average for All Criteria	27%	59%	14%	0%	3.1	37	94%

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

² Ratio of the response count to the 40 respondents who rated the AFRITAC Centers for this issue.
Source: 2008 AFRITAC Evaluation Survey

173. Another element to consider when assessing the effectiveness of TAs is the progress that is being made in achieving their objectives. The objectives specified in the West AFRITAC Program Document for statistics TAs are to: (i) upgrade the methodologies for compilation of economic and financial statistics to international standards; and (ii) improve the dissemination of macroeconomic data. Only a small proportion of the over 100 respondents to the AFRITAC Evaluation Survey, slightly over 10%, felt that West AFRITAC had achieved these objectives. The large majority, 60% or so, felt that while significant progress had been made, the objectives have not been achieved. A significant proportion felt that only modest progress has been made in achieving the objective but only very small numbers (about 5%) felt that no progress was being made (see Table E.30).

Table E.30: West AFRITAC's Progress in Achieving Statistical Objectives

	Percent Answering				Response Count	Response Rate ¹
	Objective Fully Achieved	Despite Substantial Progress, Objective not yet Achieved	Only Modest Progress Made to Achieve Objective	No Significant Progress Made		
To upgrade the methodologies for compilation of economic and financial statistics to international standards	11%	65%	19%	5%	119	68%
To improve the dissemination of macroeconomic data	11%	60%	26%	4%	112	64%

¹ Ratio of the response count to the 174 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

174. The Evaluation Team's rating of West AFRITAC's statistics TAs is summarized in Table E.31. The overall effectiveness rating is **Good**, a rating that is consistent with the responses to the AFRITAC Evaluation Survey. There is evidence that most TA outputs in the national accounts and GFS areas are being used and that actual achievements are broadly comparable to planned achievements, after allowing for unforeseen factors that resulted in changes in the work plan. The only effectiveness sub-criteria that the Evaluation Team rated as **Modest** was the significance of West AFRITAC's contribution to institution building. Many of the statistical weaknesses in West AFRITAC client countries persist and reflect issues related to budget, staffing and the underlying quality of the data. Addressing these core problems was not a major feature of West AFRITAC's statistics TAs.

Table E.31: Effectiveness of West AFRITAC Statistics TAs

Criteria	Weight ¹ (%)	Rating ²
1. Use of AFRITAC Outcomes	40	3.0
2. Planned vs. Actual Achievements	30	3.0
3. Significance of Contribution to Developing Core Economic Functions and Institution Building	30	2.0
Overall Effectiveness Rating/Score	100	2.8
¹ Weight by % of the West AFRITAC's budget allocated to Statistics Assistance ² Rating: 4 = Excellent; 3 = Good; 2 = Modest; 1 = Poor Highly Effective (Excellent) ≥ 3.5; 3.5 < Effective (Good) ≥ 2.5; 2.5 < Partly Effective (Modest) ≥ 1.5; Not Effective (Poor) < 1.5		

D. Efficiency of Statistics TAs

1. Process and Implementation Efficiency

175. West AFRITAC Statistics TAs involve various stakeholders including West AFRITAC Statistics Advisors and short term consultants, STA back stoppers, senior officials in executing agencies and workshop participants and Steering Committee members. Close collaboration between these stakeholders contributes to the smooth implementation of the Steering Committee approved work programs. The Evaluation Team believes that Steering Committee members and the West AFRITAC national focal points could play stronger roles in helping West AFRITAC to improve its implementation efficiency by providing more active in-country support so that the executing agencies are better prepared to accept missions.

176. During the Evaluation Team's discussions with the West AFRITAC Statistics Advisor and STA officers in Headquarters, no major problems were identified with STA's backstopping model. There appeared to be a dynamic collaboration between Statistics Advisor and STA. STA's back stoppers generally reacted promptly to the Statistics Advisor's request for information and assistance. Comments on technical matters by STA generally added value.

2. Use of Resources

177. In the statistics area, West AFRITAC provided a total of 49 person months during FY 2006 to FY 2008. There has been a constant increase in the number of person months of statistics TA provided by West AFRITAC from 10 in FY 2004 to 18.5 in FY 2008. Slightly over one quarter the statistics TA was provided by short term experts. It cost slightly over than \$1.1 million to deliver this TA, equivalent to a cost of about \$22,700 per person month of input. This is virtually identical to the average cost per person month of TA for West AFRITAC and comparable to the cost per person month of TA delivered in the statistics area by East (\$24,300) and Central (\$23,900) AFRITAC. These cost comparisons indicate that in terms of cost efficiency, there is no substantial difference between the three AFRITACs in the statistics area.

178. The survey results suggest that West AFRITAC and STA's role in selecting Statistics Advisors and short term statistics experts is using the available financial resources to mobilize good quality human resources. Of the 40 people who provided a rating for West AFRITAC statistics TAs, 46% rated the quality of the expertise and assistance as **Excellent**, 36% as **Good**, 18% as **Modest** and none as **Poor** (see Table E.29). This is equivalent to a weighted **Good** rating, well above the midpoint and bordering on the cut off point for **Excellent**.

3. Monitoring and Reporting

179. Although progress has been made, a review of the monthly reports and material submitted to the Steering Committee during the evaluation period indicates more effort was needed to monitor and report in a manner that is consistent with managing for development results. More attention needs to be given to identifying outcomes over a two to three year period and showing how the outputs being achieved are likely to contribute to the strategic outcomes. As is the case for all functional areas and all AFRITACs, during most of the evaluation period the Statistics Advisors were hampered by an inability to access TAIMS. Although TAIMS is now accessible from West AFRITAC, the system is slow when being used from a remote location and connections are sometimes less than optimal.

4. Rating the Efficiency of West AFRITAC Statistics TAs

180. Overall, the Evaluation Team rated the efficiency of West AFRITAC's statistics TAs as **Good**. Reporting in a way that is consistent with managing for development results is an area where improvements should be made.

Table E.32: Efficiency of West AFRITAC Statistics TAs

Criteria	Weight ¹ (%)	Rating ²
1. Process/Implementation Efficiency	40	3.0
2. Efficient Use of Resources	40	3.0
3. Monitoring and Reporting	20	2.0
Overall Efficiency Rating/Score	100	2.8
¹ Weight by % of West AFRITAC's budget allocated to Statistics Assistance		
² Rating: 4 = Excellent; 3 = Good; 2 = Modest; 1 = Poor		
Highly Efficient (Excellent) ≥ 3.5; 3.5 < Efficient (Good) ≥ 2.5; 2.5 < Partly Efficient (Modest) ≥ 1.5; Not Efficient (Poor) < 1.5		

E. Sustainability Statistics TAs

1. Political Economy Issues

181. On the institutional organisation side, most WEST AFRITAC member countries have made the positive decision to shift from a department of statistics and national accounts within

the ministry in charge of the economy and finance to a more independent national institute of statistics. The consequences of such a shift usually include a greater level of decision making and authority and a greater ability to improve human resources, equipment and financing. This broad shift in the region has positive implications for institutional sustainability. Similarly, the adoption of a statistics laws and the preparation of national statistics development plans should contribute to the sustainability of statistics TAs. However, such institutional changes, improvements in the legal framework and preparation of plans do not always have the desired impact. As is stated in the Staff Report for the Guinea 2007 Article IV Consultation, a March 2000 mission presented detailed recommendations to improve real sector statistics. The mission identified the lack of resources for compiling current statistics and insufficient training as the main causes of weakness in the statistical system. Guinea has drafted an action plan to address these weaknesses, but financial resources for many of the measures have yet to be identified. A review of the documentation and interviews that the Evaluation Team had in Côte d'Ivoire, Guinea and Mali and information available in the World Bank's data base on country statistical systems indicate that there are many weaknesses in the statistics area. The problems of institutional weakness are illustrated by the following quote from the June 2008 review of the Guinea PRGF: "The authorities are working with staff to improve the quality of statistics for program monitoring. Substantial shortcomings in the assessment of trade flows, private transfers, income payments, and foreign direct investments (FDI) make balance of payments projections highly unreliable. The authorities should draft plans and mobilize human resources to implement the recommendations of the recent Fund technical assistance in this regard. Progress should continue in the area of national accounts."

182. The Evaluation Team ranked the institutional absorptive capacity as **Good** in four¹³⁷ West AFRITAC client countries, **Moderate** in three¹³⁸ and **Poor** in three countries¹³⁹ (see Table I.1). The proportion of West AFRITAC's Statistics TA delivered to each client country is shown in Table B.3. The overall weighted institutional absorptive capacity score was Good, but only slightly above the cut off point for Modest. However, this rating is dominated by the 59% of the time that the Statistics Advisors were reported to have spent in Mali, a country with a Good institutional rating. Much this time likely reflects the time spent in West AFRITAC's office rather than working on delivering statistics or GFS TA to Mali. Because of this, overall, a **Modest** institutional absorptive capacity rating for the region, a proxy for political economy factors, was used for the Statistics TAs. The weaknesses of the statistics agencies in West AFRITAC's client countries are clear from the data in Table E.26. In most countries national statistics agencies are weaker than the central banks and the ministries of finance and have serious staffing and budget constraints. As a result there are usually inadequate funds for surveys to strengthen the reliability and timeliness of data which is further compounded by the inadequacy of computer hardware and software. These factors generally apply in the countries visited by the Evaluation Team and have the potential to undermine the sustainability of TA benefits is a reflection of the challenging countries in which West AFRITAC works and is not a reflection of the quality of the statistics TAs.

183. Sociopolitical instability factors in Côte d'Ivoire, Guinea, Guinea Bissau, and Mauritania adversely affected the effective and efficient delivery of statistics TAs and their sustainability because of staff turnover and the need to repeat missions. In some cases West AFRITAC and AFRISTAT agreed not to provide any significant assistance in national accounts until the staff responsible for compiling the national accounts were considered capable of handling the volume

¹³⁷ Benin, Burkina Faso, Mali and Senegal

¹³⁸ Mauritania; Niger; Togo

¹³⁹ Côte d'Ivoire; Guinea; Guinea Bissau

of work required. The STA concurred with this approach. AFR supported the need to strengthen national statistics agencies (e. g., Mauritania; Guinea). During the period under review, a number of countries (e. g., Burkina Faso, Guinea, Mali, Mauritania, Niger, Senegal), have increased staff numbers and allocated additional material and financial resources to their national accounts units. Despite this progress, institutional weaknesses remain in the national statistics agencies which limit absorptive capacity.

2. Executing Agency Ownership and Use of TA Outputs

184. Generally executing agencies own and use the output of West AFRITAC's statistics TAs according to most of the officials met by the Evaluation Team and the feedback received during the focus groups with workshop participants. However, this was not always the case. The reasons for the instances of less than satisfactory outcome can be grouped under two headings: (i) executing agencies face problems related to a lack of financial and human resources and/or staff turnover which slow the pace of implementing TA recommendations; and (ii) in a few cases there were one-off TA interventions or there was a lack of follow up from West AFRITAC (e. g., a workshop on economic accounts in Guinea was designed to familiarize participants with macro economic analysis and build their capacity which was rated by participants as excellent in terms of technical content – however there was no follow up from West AFRITAC to help change Guinea's system so that the skills learned could be applied). The results of the AFRITAC Evaluation Survey provide further evidence that the outputs of West AFRITAC's statistics TAs are generally used by executing agencies. Over 90% of the respondents stated the use of TA outputs as either **Excellent** (29%) or **Good** (62%) (see Table E.29). The AFRITAC Evaluation Survey also provides some feedback that the objectives being addressed by the West AFRITAC statistics TAs remain important, something that should contribute positively to the continued use of the TA outputs. About 90% of the 157 respondents rated both statistics objectives as being either of **Highest Importance** or **Important** (see Table E.33).

Table E.33: The Importance West AFRITAC Should Assign to Statistics Objectives

	Percent Answering				Response Count	Response Rate ¹
	Highest Importance	Important	Modestly Important	Not Important		
To upgrade the methodologies for compilation of economic and financial statistics to the latest international standards	49%	45%	6%	0%	140	89%
To improve the dissemination of macroeconomic data and metadata	36%	56%	8%	1%	142	90%

¹ Ratio of the response count to the 157 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

3. Promoting the Use of African Expertise

185. West AFRITAC has promoted the use of African expertise in the statistics area. One of the two Statistics Advisors is African. Also, a reasonable portion of the short term experts used were from Africa.

4. Financial Sustainability

186. The small number of respondents who felt that West AFRITAC has fully achieved its statistical objectives, the information available in the World Bank data base and the feedback received by the Evaluation Team during its field visits, indicate that West AFRITAC's work in the statistics area represents an unfinished agenda. More TA and support will be needed until the outcomes are achieved and firmly embedded in the routine procedures of the executing agencies. Also, its clients have a growing demand for support in the statistics area. The feedback to the Evaluation Team was that the Statistics Advisors are over stretched and are trying to cover too many countries. More financial resources will be needed to ensure that West AFRITAC's portfolio of statistics TAs result in sustainable benefits. However, at the time of the evaluation, neither IMF nor the donors have committed to funding Phase III.

5. Rating the Sustainability of West AFRITAC's Statistics TAs

187. The rating of the sustainability of West AFRITAC's statistics TAs is given in Table E.34. Sustainability is rated as **Sustainable but borderline Partly Sustainable**. Area of concern to the Evaluation Team relate to political economy issues and financial sustainability. This rating of sustainability is slightly lower than the survey responses suggest. Of the 38 respondents, 13% rated the sustainability of the West AFRITAC TAs as **Excellent**, 74% as **Good** and 13% as **Modest**, equivalent to a **Good** rating at the midpoint of the range (see Table E.29).

Table E.34: Sustainability of the West AFRITAC Statistics Assistance

Criteria	Weight ¹ (%)	Rating ²
1. Political Economy Issues	25	2.0
2. Executing Agency Ownership and Use of Outputs	40	3.0
3. Promoting Use of African Expertise	15	3.0
4. Financial Sustainability	20	2.0
Overall Sustainability Rating/Score	100	2.6
¹ Weight by % of West AFRITAC's budget allocated to Statistics Assistance		
² Rating: 4 = Excellent; 3 = Good; 2 = Modest; 1 = Poor		
Highly Sustainable (Excellent) ≥ 3.5; 3.5 < Sustainable (Good) ≥ 2.5; 2.5 < Partly Sustainable ≥ 1.5 (Modest); Not Sustainable (Poor) < 1.5		

F. Overall Rating of West AFRITAC Statistics TAs

188. Drawing on the foregoing, the rating of West AFRITAC's portfolio of statistics TAs is given in Table E.35. The overall rating is **Good but slightly below the midpoint of the range**. The highest rating was for relevance and the lowest was for sustainability. Compared to international standards, the statistics produced by West AFRITAC member countries are weak in terms of quality and timeliness, although there is a growing awareness among the countries of the need to improve statistics so that they are more useful as a tool for economic management. Improving the results delivered by West AFRITAC statistics TAs will require progress on a broad range of areas -- implementing institutional reforms to address staffing and budgetary issues, finding ways to more actively support the implementation of TA recommendations in country contexts with severe budget and staffing limitations and more support from, and better coordination among, the donor community.

Table E.35: Overall Assessment of West AFRITAC Statistics TAs

Norm of Evaluation	Weight ¹ (%)	Total Rating ²
1. Relevance	32	3.2
2. Effectiveness	28	2.8
3. Efficiency	22	2.8
4. Sustainability	18	2.6
Overall Rating/Score	100	2.9
¹ Weight by % of West AFRITAC's Budget Allocated to the Activity/TA Cluster ² Rating: 4 = Excellent; 3 = Good; 2 = Modest; 1 = Poor Highly Successful (Excellent) ≥ 3.5; 3.5 < Successful (Good) ≥ 2.5; 2.5 < Partly Successful ≥ 1.5 (Modest); Not Successful (Poor) < 1.5		

V. Overall Rating of West AFRITAC TAs

189. **Overall, the West AFRITAC's performance is rated as Good, slightly below the midpoint of the range** (see Table E.36). The highest ratings were for relevance which indicates that the TAs were well chosen, were owned by the governments and were well aligned with IMF operations in the countries. **Consistently for all TA clusters, the donor coordination received the lowest ratings among the relevance sub-criteria, both from the AFRITAC Evaluation Survey and based on the feedback that the Evaluation Team received during its fieldwork.** The lowest ratings were for sustainability which reflects political economy issues, institutional absorptive capacity issues, a need for more follow up and finding ways to implement TA recommendations in countries facing budget constraints and excessive country coverage responsibilities of the Statistics Advisors.

190. **Although all clusters were rated as Good, there were some differences in performance across the TA clusters.** The Microfinance Supervision TAs were rated above the midpoint in the Good range and the Debt Management TAs were rated on the midpoint. West

AFRITAC's PFM, Revenue Administration and Statistics clusters were all rated as Good, but below the midpoint on the range.

Table E.36: Overall Assessment of West AFRITAC

Norm of Evaluation	Weight ¹ (%)	Rating By Activity/TA Cluster ²			
		Monetary/ Finance	Fiscal	Statistics	Total Score
		24	49	27	100
1. Relevance	32	3.4	3.0	3.2	3.2
2. Effectiveness	28	3.2	2.6	2.8	2.8
3. Efficiency	22	2.8	2.8	2.8	2.8
4. Sustainability	18	2.8	2.7	2.6	2.7
Overall Rating/Score	100	3.1	2.8	2.9	2.9
¹ Weight by % of East AFRITAC's Budget Allocated to the Activity/TA Cluster ² Rating: 4 = Excellent; 3 = Good; 2 = Modest; 1 = Poor Highly Successful (Excellent) ≥ 3.5; 3.5 < Successful (Good) ≥ 2.5; 2.5 < Partly Successful ≥ 1.5 (Modest); Not Successful (Poor) < 1.5					

West AFRITAC Survey Results

Table EX.1: West AFRITAC Respondents by Employer

	% of Total Responses	Response Count
Government Ministry/Agency	48%	85
TA Provider	13%	23
IMF and Short-term Experts	32%	57
Other	6%	11
Total	100%	176

Source: 2008 AFRITAC Evaluation Survey

**Table EX.2: West AFRITAC Government Officials
By Type of Organization**

	% of Total Responses	Response Count
Ministry of Finance	48%	41
Central Bank	12%	10
National Statistical Agency	20%	17
Revenue Administration	13%	11
Other	7%	6
Total	100%	85

Source: 2008 AFRITAC Evaluation Survey

Table EX.3 : West AFRITAC IMF Staff and Short-term Experts By Department

	% of Total Responses	Response Count
African Department	17%	10
Fiscal Affairs Department	16%	9
Monetary and Capital Markets Department	3%	2
Statistics Department	3%	2
Resident Representative Office	21%	12
AFRITAC	24%	14
Other	16%	8
Total	100%	57

Source: 2008 AFRITAC Evaluation Survey

Table EX.4: West AFRITAC Role in Helping Countries Define TA Priorities

	% of Total Responses	Response Count
Important and Leading Role	36%	58
Played a Role But Not a Leader	57%	93
Minor Inputs	7%	11
Did Not Play Any Role	0%	0
Total	100%	162
No Response/No Opinion	7%	14
Grand Total		176

Source: 2008 AFRITAC Evaluation Survey

Table EX.5: Relevance of West AFRITAC TAs

	Percent Answering				Response Count	Response Rate ¹
	Strongly Agree	Agree	Disagree	Strongly Disagree		
Work is demand-driven and responsive to the needs of countries.	40%	51%	9%	1%	141	90%
Strong country ownership	18%	55%	25%	2%	139	89%
Closely linked to IMF's surveillance work and program activities	30%	60%	8%	2%	136	87%
Closely coordinated with IMF Headquarters TAs	33%	60%	7%	0%	134	85%
AFRITAC provides feedback from countries to IMF Headquarters	27%	46%	22%	5%	106	68%
Closely linked to the poverty-reducing strategies of its member countries	22%	51%	24%	3%	124	79%

¹ Ratio of the response count to the 157 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table EX.6: Effectiveness of the Steering Committees in Providing Oversight and Guidance to West AFRITAC

	% of Total Responses	Response Count
Excellent	17%	18
Good	68%	74
Modest	13%	14
Poor	3%	3
Total	100%	109
Weighted Rating ¹	3.0	
Total Responses	69%	109
No Response/No Opinion	31%	48
Grand Total	100%	157

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

Source: 2008 AFRITAC Evaluation Survey

Table EX.7: Effectiveness of West AFRITAC in Enhancing the Quality of TA Delivery

	% of Total Responses	Response Count
Excellent	22%	37
Good	62%	102
Modest	15%	24
Poor	1%	2
Total	100%	165
Weighted Rating ¹	3.1	
Total Responses	95%	165
No Response	5%	11
Grand Total	100%	176

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

Source: 2008 AFRITAC Evaluation Survey

Table EX.8: Effectiveness of West AFRITAC TA Delivery Modalities

	Percent Answering				Weighted Rating ¹	Response Count	Response Rate ²
	Excellent	Good	Modest	Poor			
Resident Advisors	28%	57%	14%	1%	3.1	111	64%
Short Term Experts	21%	61%	17%	1%	3.0	144	83%
Regional Workshops/ Training Courses	36%	50%	12%	2%	3.2	135	78%
National Workshops/ Training Courses	24%	57%	12%	6%	3.0	108	62%
Professional Attachments in African Organizations	20%	50%	28%	2%	2.9	60	34%
Average for All Criteria	26%	55%	17%	3%	3.0	112	64%

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

² Ratio of the response count to the 174 respondents who rated the AFRITAC Centers for this issue.
Source: 2008 AFRITAC Evaluation Survey

Table EX.9: Quality of West AFRITAC Training Courses/Workshops/Seminars

	Percent Answering				Weighted Rating ¹	Response Count	Response Rate ²
	Excellent	Good	Modest	Poor			
Topics Covered	59%	40%	1%	0%	3.6	81	98%
Resource Persons/Presenters	31%	66%	3%	0%	3.3	80	96%
Quality of Presentations	32%	64%	4%	0%	3.3	81	98%
Time to Interact with Other Participants	39%	57%	4%	0%	3.3	72	99%
Quality of the Venue	30%	64%	5%	1%	3.2	80	96%
Length of course	11%	47%	33%	9%	2.6	81	98%
Post Course/ Workshop Follow up and Support	5%	37%	37%	20%	2.3	75	90%
Average for All Criteria	23%	54%	17%	6%	2.9	78	96%

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

² Ratio of the response count to the 83 respondents who rated the AFRITAC Centers for this issue.
Source: 2008 AFRITAC Evaluation Survey

Table EX.10: Use of the Knowledge Gained in West AFRITAC Workshops

	Percent Answering				Response Count	Response Rate ¹
	Strongly Agree	Agree	Disagree	Strongly Disagree		
The topics covered were relevant to my day to day activities	64%	34%	3%	0%	74	89%
Used knowledge nearly every day on the job	34%	37%	30%	0%	71	86%
Used knowledge occasionally (once a week) on the job	10%	32%	35%	23%	69	83%
Seldom used knowledge on the job	0%	6%	53%	41%	68	82%
Topics too advanced	6%	10%	41%	44%	71	86%
Changed jobs and do not use knowledge	3%	6%	42%	48%	66	80%
Organization does not have the information technology or computer systems needed to use the knowledge gained	3%	6%	40%	51%	68	82%

¹ Ratio of the response count to the 83 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table EX.11: West AFRITAC TAs Compared to IMF Headquarters TAs

	Percent Answering				Response Count	Response Rate ¹
	Strongly Agree	Agree	Disagree	Strongly Disagree		
Responds more quickly than Headquarters	36%	45%	16%	3%	106	68%
More flexible than Headquarters	32%	53%	13%	2%	114	73%
Better understands countries than Headquarters based staff	31%	48%	16%	5%	124	79%
More responsive to country needs than Headquarters	26%	51%	21%	2%	115	73%
More effectively promotes regional integration and harmonization than Headquarters	33%	50%	13%	3%	115	73%
Supports the implementation of policies and strategies identified by Headquarters	31%	63%	5%	1%	125	80%
IMF should re-allocate staff and resources from Headquarters to the AFRITACs	30%	51%	11%	8%	128	82%
Expertise equivalent or better than that provided by Headquarters	23%	48%	22%	8%	133	85%
Expertise and advice significantly weaker than that provided by the IMF Headquarters	5%	10%	56%	29%	129	82%

¹ Ratio of the response count to the 157 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table EX.12: West AFRITAC TAs Compared to Other TA Providers

	Percent Answering				Response Count	Response Rate ¹
	Strongly Agree	Agree	Disagree	Strongly Disagree		
Responds more quickly to requests than other TA providers	23%	48%	26%	3%	100	64%
More flexible than other TA providers	20%	45%	30%	5%	98	62%
Better understands of the countries than other TA providers	24%	38%	35%	3%	97	62%
More responsive to country needs than other TA providers	21%	44%	32%	3%	100	64%
More effectively promotes regional integration and harmonization than other TA providers	21%	52%	26%	1%	101	64%

¹ Ratio of the response count to the 157 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table EX.13: Comparative Cost-effectiveness of West AFRITAC TAs

	Percent Answering			Response Count	Response Rate ¹
	Comparable	More Efficient	Not as Efficient		
Long-term in-country Advisors funded by IMF	42%	39%	19%	85	54%
Short-term TA Missions from IMF Headquarters	43%	38%	18%	104	66%
Training put on by the IMF Training Institute	33%	46%	22%	79	50%
Long-term in-country advisors from other TA providers	33%	41%	26%	73	46%
Short-term TA Missions from other TA providers	37%	47%	16%	79	50%
Training/assistance provided by regional institutions	42%	53%	5%	78	50%

¹ Ratio of the response count to the 157 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table EX.14: West AFRITAC's Promotion of African Expertise

	Percent of Responses	Response Count
Excellent	27%	36
Good	51%	68
Modest	21%	28
Poor	1%	2
Total	100%	134
Weighted Rating ¹	3.0	
Total Responses	85%	134
No Response/No Opinion	15%	23
Grand Total	100%	157

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

Source: 2008 AFRITAC Evaluation Survey

Table EX.15: West AFRITAC Use of African Expertise

	Percent Answering				Response Count	Response Rate ¹
	Strongly Agree	Agree	Disagree	Strongly Disagree		
Makes better use of African expertise than does Headquarters.	41%	52%	7%	0%	115	73%
Makes better use of African expertise than other TA providers.	30%	45%	18%	8%	91	58%

¹ Ratio of the response count to the 157 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Annex F: Central AFRITAC

Key Messages

- Since Central AFRITAC had been operational for only 18 months, the assessment is based largely on a judgment of potential for relevance, effectiveness, efficiency and sustainability rather than the actual performance of TAs.
- Capacity building is a medium to long term endeavor. Since most of TAs are at an early stage, it is not reasonable to expect that tangible results will be evident at the time of the evaluation for most TAs.
- Central AFRITAC's performance is rated as Good, below the midpoint of the range. This is a good level of performance because: (i) Central AFRITAC is newly established; and (ii) institutional absorptive capacity is the lowest in Central AFRITAC's client countries among the three regions.
- The Good rating for Relevance demonstrates that the TAs were well chosen, were government owned and were aligned with IMF's country operations.
- Donor coordination consistently received the lowest ratings among the relevance sub-criteria, both from the AFRITAC Evaluation Survey and based on the feedback that the Evaluation Team received during its fieldwork.
- The Efficiency rating for Central AFRITAC was the Good compared to the other two AFRITACs.
- The lowest ratings were for sustainability which reflects political economy issues, institutional absorptive capacity issues, a need for more follow up, finding ways to implement TA recommendations in countries facing budget constraints and excessive country coverage of Resident Advisors.
- Although all clusters were rated as Good, there were some differences in performance across the TA clusters. The performance of the Debt Management cluster stands out as achieving particularly good results and was rated above the midpoint on the Good range. Central AFRITAC's other TA clusters were rated as Good but below the midpoint on the range.
- Central AFRITAC has made a good beginning in delivering relevant and effective TA in the debt management and financial supervision areas in an efficient way and early indications suggest that the potential benefits are likely to be sustainable.
- Challenges faced by Central AFRITAC member countries that have prevented them from taking full advantage of fiscal TAs include: (i) loss of trained staff in key reform areas; (ii) lack of a comprehensive legislative framework to underpin PFM, taxation and customs reforms; (iii) slow progress in implementing recommended measures and actions including low levels of computerization; (iv) inadequate understanding and support from spending agencies which undermines the ministry of finance-led reforms; (v) management of the reforms by governments.
- The strengths of the Statistics TAs included: (i) their relevance to the needs of member countries and complementary nature with IMF surveillance and monitoring activities; (ii) achieving tangible results in some countries in national accounts and CPI; and (iii) promotion of African expertise.

I. Introduction

1. Annex F presents the detailed evaluation of Central AFRITAC. The Monetary and Banking TAs were grouped into two clusters: (i) Debt Management and (ii) Financial Sector Supervision. The fiscal TAs were also grouped into two clusters: (i) Public Financial Management; and (ii) Revenue Administration. All statistics TAs were analyzed as one group covering primarily national accounts and government financial statistics.

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

3. The conclusions of the Evaluation Team reflect: (i) the feedback received from government officials and workshop participants, Central AFRITAC staff, Resident Representatives and representatives of other TA providers during interviews in Cameroon and Gabon; (ii) the feedback received from the AFRITAC Evaluation Survey regarding Central AFRITAC; (iii) documentation review; and (iv) interviews undertaken in Headquarters.

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

5. The Evaluation Team has considerably more information about Central AFRITAC's TAs in the countries that it visited (i. e., Cameroon; Gabon) than the other Central AFRITAC client countries. The selection of countries to be visited in Central Africa may have inadvertently introduced an upward bias in the ratings of the Evaluation Team. According to the analysis presented in Chapter I and Annex A, the institutional absorptive capacity in those two countries is stronger than in the other Central AFRITAC client countries. To try to guard against such a bias, the Evaluation Team used multiple sources of data to validate key conclusions. In general there was a close correlation between the Evaluation Team's conclusions and the views expressed in the AFRITAC Evaluation Survey for Central AFRITAC.

6. Central AFRITAC is the neophyte among the RTACs. Since Central AFRITAC had only been operational for about 18 months at the time of the Evaluation Team's visit, it is difficult to assess progress on a quantified rating basis using the four dimensions of evaluation over such a short time period. At this stage the best that can be done is to base the assessment of Central AFRITAC on the Evaluation Team's judgment of potential for relevance, effectiveness, efficiency and sustainability rather than the actual performance of TAs. Capacity building is a medium to long term endeavor that requires sustained input over several years to make an impact. Since most of Central AFRITAC TAs are just beginning and are at an early stage, for most TAs it is not reasonable to expect that tangible results to be evident at the time of the evaluation.

Table F.1: Central AFRITAC Expenditures and Person Months of Inputs

	Fiscal year 2007 ¹		Fiscal year 2008	
	Expenditures		Expenditures	
	Work Months	US\$	Work Months	US\$
Resident Advisors	15	337,500	71	1,597,500
Budget and Decentralization Advisor	3	67,500	12	270,000
Treasury operations and Accounting Advisor	3	67,500	12	270,000
Revenue Advisor	3	67,500	12	270,000
Debt Management Advisor	3	67,500	12	270,000
Bank Supervision Advisor	3	67,500	12	270,000
National Accounts and Statistics Advisor	-	-	11	247,500
Short-term experts	1	29,000	20	580,000
Fiscal	1	29000	11.5	333,500
Monetary	-	-	4.5	130,500
Statistics	-	-	4	116,000
Other	-	-	-	-
Total (Fiscal)	7	164,000	47	1,121,000
Total (Monetary)	6	135,000	29	670,500
Total (Statistics)	3	67,500	16	386,000
Other		-		413,407
Regional travel (Center Coordinator/Advisors)		-		151,202
Regional Travel (Advisors)		-		-
Regional Travel (Center Coordinator) (AFR)		-		-
Attachments		-		-
Evaluations		-		-
Training/Seminars		-		-
Miscellaneous/Office Communications		-		262,205
Operations (AFR)		-		-
Miscellaneous/ Office Communications		-		-
Sub-total	16	366,500	91	2,590,907
13% Administrative fee		47,645		336,818
Total		414,145		2,927,725
Total Backstopping/Project Management		-		311,364
Total	16	414,145	91	3,239,089
Memorandum items:				
Gabon as a Host Country		29,963		346,061
Office Space (from 1/9/07)		23,844		-
Local Staff		-		-
Center Coordinator Accommodation		6,119		-
Local Staff from AFR backstopping)		-		-
International Monetary Fund		-		291,300
Start-up Costs		-		-
Start-up Costs for Office space before 1/9/07		-		-
Center Coordinator Costs		-		291,300
Grand Total		444,108		3,876,450

Source: IMF, Office of Technical Assistance Management.

1 Fiscal year runs from May 1 to April 30

2 Training expenditures of \$262,928 from FY2008 will be reflected in FY2009.

7. Based on the data in Table B.4, Central AFRITAC delivered a third of its TA to countries rated as having Modest institutional absorptive capacity – Cameroon (5%) and Gabon (28%). Much of the latter time may reflect time spent in the Central AFRITAC office by the Resident Advisors. The remainder of Central AFRITAC's TA was delivered to countries rated as having a Poor institutional capacity – Burundi; Central Africa Republic; Chad; Republic of Congo; Democratic Republic of Congo; Equatorial Guinea. Weighting the institutional absorptive capacity score by the proportion TA delivered to the country resulted in a Poor rating, a 1.3 weighted institutional capacity score. This reflects the institutional challenges in Central AFRITAC's client countries.

II. Evaluation of Central AFRITAC Monetary and Financial System TAs

A. Introduction to Debt Management and Banking Supervision TAs

8. The area served by Central AFRITAC is francophone. There is common currency, a regional central bank (BEAC) and a regional bank supervision agency, COBAC, covering the six member countries belonging to the CEMAC. The other two members, Burundi and DRC, are outliers with their own central banks that oversee monetary policy for independent currencies and supervision of banks, including microfinance. The structure of the financial sector in Central Africa influenced the nature of the TAs provided by Central AFRITAC and the skill set of the Resident Advisors. Many of the countries in Central Africa are among the poorest in Sub-Saharan Africa and qualify for Highly Indebted Poor Country (HIPC) treatment; six of the countries are post conflict and have limited institutional absorptive capacities (see Table I.1 in Chapter I).

9. Prima facie, and though the challenges posed by the high incidence of post conflict countries are more formidable, the TA needs, in terms of inputs and outputs, of Central AFRITAC client countries have much in common and follow closely those of West AFRITAC. That said, most Central AFRITAC countries are some years behind West Africa in their development. Central AFRITAC has much to gain from examining the experience of West AFRITAC in delivering TAs and the lessons learned, particularly in debt management and also in microfinance supervision. Not surprisingly, the priorities for Central AFRITAC's monetary and financial TAs as articulated in the October 2006 Phase I work plan reflect these shared priorities for public debt management and financial sector supervision. Likewise, the modalities of TA delivery that have evolved have much in common with West AFRITAC in terms of the work to be addressed and its sequencing. This is especially true in the public debt management area where TAs encompass: (i) providing advice and training through missions and workshops in building a reliable data base; (ii) helping countries in a practical way to get from the HIPC decision point to achievement stage¹⁴⁰; (iii) developing analytical capacity for debt sustainability; (iv) putting in place the legal and institutional framework to sustain this framework going forward;

¹⁴⁰ The HIPC Initiative aims to ensure that no poor country pursuing IMF/ World Bank supported adjustment and reform programs faces a debt burden that it cannot manage. To accelerate progress toward the UN Millennium Development Goals (MDGs), the HIPC Initiative was supplemented in 2005 by the Multilateral Debt Relief Initiative (MDRI), which also included debt relief from the African Development Fund (AfDF) when a country completes the HIPC process. There are preconditions for access, including developing a Poverty Reduction Strategy Paper (PRSP) and establishing a track record of reform and sound policies. Tracking and monitoring stages in the process toward completion, linked to progress with reforms and PRSP implementation, include: (i) decision point, when interim debt relief starts; and (ii) completion point, when lenders provide full and irrevocable debt relief, as committed at decision point. Capacity building TAs in all aspects of debt management has a crucial role to play in helping countries through this multiyear process and most importantly to support debt sustainability going forward (see www.imf.org/np/hipc/index.asp).

and (v) building country capacities for issuing government securities on domestic and sub-regional markets.

10. In the area of financial supervision, the primary emphasis of Central AFRITAC's activities was on banking supervision TAs designed to support three counterparts, COBAC, the Bank of the Republic of Burundi (BRB) and the Central Bank of the Congo. The latter two are the central banks of Burundi and the Democratic Republic of Congo (DRC) respectively.¹⁴¹ These TAs were based on needs assessments done in early 2007 and focus on: (i) the review and upgrading of prudential regulations to international standards; (ii) introduction of risk-based supervision; and (iii) strengthening on and off-site supervision. Among the topics identified for workshops were supervision of microfinance, for countries where this is needed, and the use of the international financing reporting standards (IFRS) in bank reporting and supervision.

11. Central AFRITAC has two Resident Advisors for monetary and financial system TAs, one with a similar brief as the debt management advisor in West AFRITAC and the other, an advisor on banking supervision, who mainly deals with bank supervision through missions and in country workshops but — reflecting the growing importance of microfinance in many countries -- also covers microfinance supervision through regional and in country workshops.¹⁴²

12. Work of the Debt Management Advisor initially concentrated on: (i) recording of data and debt profiling and more generally providing assistance in building institutional and organizational capacity to produce centralized and reliable data bases; (ii) sensitizing counterparts on the linkage between budget cash management and public debt management; (iii) training counterparts in practical procedures for implementing HIPC initiatives and the implications in relation to foreign debt reduction; and (iv) establishing procedures for clearing domestic arrears, with a view to laying a credible foundation for countries to use regional markets to provide financing for development. More recently, the Advisor's work expanded to: (i) support the ongoing work of the IMF and World Bank to spread the methodology for writing up country medium-term debt sustainability strategies; and (ii) building institutional capacity and procedures to help countries borrow on regional market to support policy and operational decisions taken by BEAC to reduce dependency on statutory advances from the central bank. Since the inception of the program the Advisor has undertaken fifteen missions to client countries and has collaborated with BEAC, ACBF, Polle Dette, AfDB and the DRI. Two regional seminars were organized: (i) on institutional framework and development of the public securities market, with a focus on legal, institutional and operational aspects, in the context of establishing local and sub-regional markets for public debt of member countries; and (ii) debt management using the *Système de Gestion et d'Analyse de la Dette* (SYGADE) system developed by UNCTAD and the production of data to reinforce capacity of debt management, the integrity of the data bases and the quality of debt sustainability analytical reports.

¹⁴¹ COBAC is located at present in the headquarters of the BEAC in Yaoundé, Cameroon and with subsidiary country supervisory units housed in the ministries of finance of CEMAC members. It is responsible for regulation of banks and micro finance institutions (MFIs). There are plans to locate the COBAC head office in Libreville, Gabon. COBAC's counterpart organization in WAEMU is the Banking Commission, which is closely linked to the BCEAO in the oversight of banks but responsible only for the regulatory framework for microfinance supervision and, unlike COBAC, leaves the supervision of Micro Finance Institutions to dedicated national microfinance units under the jurisdiction of the ministries of finance.

¹⁴² In anticipation of the opening of the Central AFRITAC, in early September 2006, IMF staff met with representatives from all of the beneficiary countries to assess their capacity-building needs in the core areas of the IMF's expertise. Based on the needs articulated by beneficiary countries, for monetary and financial system TAs, there was a consensus on the need for two advisors and the work program described above.

13. The work program of the Bank Supervision Advisor for his three clients focused on strengthening institutional and human capacities through training and coaching of groups of staff with the objective of: (i) bringing banking supervision prudential regulations and capacity to implement them gradually into conformity with international standards and good work practices; and (ii) strengthening supervisory capacities in the microfinance area. Later the Bank Supervision Advisor became involved in reviewing and following up on action plans for problem banks in one member country and broadened the range and depth of assistance activities to COBAC. The latter includes: (i) tasks in the areas of organization and operations structures and procedures (including a reorganization of the microfinance supervision sector); (ii) reviewing and strengthening the Basle 2 implementation framework; (iii) reviewing and redrafting several bank regulations (including corporate governance and dealing with bank liquidations); and (iv) upgrading the rating system for banks. The Bank Supervision Advisor has participated in MCM missions to Burundi and DRC and arranged for a short-term expert to visit Burundi. The Advisor's activities in micro finance supervision have included ongoing work in Burundi¹⁴³ and organization of a regional seminar on the supervision of microfinance, with participation of the Microfinance Resident Advisor from WEST AFRITAC. This was a good example of one AFRITAC building on and leveraging the experience and expertise of another. A regional workshop on IFRS is planned February 2009. The Advisor has undertaken 16 missions, an average of about one per month. Half of the missions were to COBAC in Yaoundé and the remainder was split between Burundi and DRC.

14. Statements and judgments made in the assessment of the sub-criteria for each of the four dimensions and the ratings in the corresponding tables are based on a composite information gained from: (i) Central AFRITAC's Phase I Program Document; (ii) reports prepared for Steering Committee meetings and the minutes of the meetings; (iii) an examination of all reports prepared by the two advisors, including an in-depth look at two randomly selected mission reports (one of which in the case of both Advisor included a short-term expert); (iv) the monthly reports to back stoppers; (v) discussions with Central AFRITAC staff in Libreville and support materials prepared for these meetings; (vi) feedback received at meetings with relevant key country officials in Gabon and Cameroon ,including AFRITAC workshop and seminar participants and other TA providers; and (vii) the responses to the AFRITAC evaluation survey (see Annex C).

B. Relevance of the Debt Management and Banking Supervision TAs

1. Consistency with Government Objectives

15. The needs of Central African countries in the area of debt management and financial sector supervision were reflected in documents and reports prepared both before and immediately after Central AFRITAC became operational in the early part of 2007. These documents, the Work Program,¹⁴⁴ the monthly backstopping reports and the minutes of the Steering Committee, which record the presentation, discussion and agreement of work plans, provide strong evidence of consistency with objectives of governments in the region. This process has continued into the second year of operations. The Steering Committee reviewed FY 2008 activities to assess performance and recalibrate the Work Program for FY2009.

¹⁴³ The Bank Supervision Advisor's work in Burundi supported the work of other donors. He has had no involvement in microfinance supervision in DRC, as a comprehensive well-funded program is already provided by a group of donors.

¹⁴⁴ IMF: Central AFRITAC Program Document. October 2006.

Minutes of the latest Steering Committee meeting indicate that a sound process is up and running, notwithstanding difficulties in delivering TA to some countries.

16. Discussions the Evaluation Team had with officials in Gabon and Cameroon confirmed the ownership of the TA program, the satisfaction of the authorities with having quick access to quality TA in the region to meet their needs, the importance of debt management TA to establish sustainable macroeconomic policies and of financial sector supervision TA to help ensure orderly and much needed development of financial intermediation. It was clear to the Evaluation Team that there are high expectations for the future contributions of Central AFRITAC in these two areas over the coming years. Beneficiary countries are providing the bulk of the financing for Central AFRITAC, which provides a very strong signal of ownership and buy-in to the direction of activities in both debt management and financial sector TA.

17. The Millennium Development Goals, poverty reduction and growth strategies and HIPC and multilateral debt relief initiatives, as documented in the countries' PRSPs and IMF surveillance and country program reports, are key objectives of countries in the region. Capacity building in the debt management and financial sector supervision areas is intrinsically linked to support for achievement of these plans. Debt management and market development TAs support poverty reduction by helping many countries in the region to: (i) transition through the various HIPC milestones towards achievement of debt reduction plans that will permit, in turn, the freeing-up of resources for expenditures directly linked to poverty reduction; (ii) putting in place capacities to formulate debt sustainability frameworks for the medium term, including effective data bases, that help to avoid falling into the debt/poverty trap again¹⁴⁵; and (iii) promote the development of domestic and sub regional money and government debt markets that enhance cash management /budget financing and development investment and the deepening of financial markets. Likewise, TA on banking supervision is designed to promote effective prudential regulation and best practice off and on-site supervision of banks to support the orderly broadening of financial intermediation and extension of financial services, including micro finance, to the less advantaged people and to promote enterprise and job creation in the informal sector. Micro finance institutions have developed rapidly in many countries in the region. Supervisory authorities, both the BEAC and COBAC, acknowledge the growing contribution that microfinance is making to deepening financial intermediation and recognize the importance of orderly development and safeguarding of depositors funds.¹⁴⁶

2. Coordination with Development Partners

18. AFRITACs were designed "to strengthen coordination among technical assistance providers and recipients as rapidly as possible, and in concert with the implementation of PRSP". The Steering Committee is an integral part of this process and coordination is facilitated by the attendance of donors, the IMF and regional organization observers, as well as representatives from member countries. The strategic guidance and monitoring role of the Steering Committee, in relation to annual work programs, contributes to the comprehensive and transparent framework that is in place to facilitate good coordination with development partners.

¹⁴⁵ Local officials are being trained and coached in the techniques and preparation of debt sustainability reports in a number of countries. This will gradually be extended to cover all countries that move through the HIPC achievement stage.

¹⁴⁶ A relatively small part of the time of the Banking Supervision Advisor is spent on microfinance supervision but other donors are also active in a number of countries. Thus close coordination is vital to ensure that supervision of Micro Finance Institutions, which are likely to grow rapidly as has happened in the WAEMU region, receives adequate TA.

19. In discussions with Central AFRITAC staff and officials in Cameroon and Gabon, the evaluation team came across some good examples of coordination in the debt management area between the Resident Advisor and other institutions involved in debt management including the regional Pole Dette organization, the UK based Debt Resolution Initiative (DRI), UNCTAD and the World Bank.¹⁴⁷ The BEAC recognizes the need for assistance in the areas of debt reduction and sustainability as well as development of money and public debt markets for CEMAC countries, to improve cash management and financing in the context of the budget. Accordingly it supports Central AFRITAC's work in these areas and has set down a time frame for the gradual elimination of the access of CEMAC countries to automatic overdrafts (advance statutaire) for budgetary financing, thereby putting pressure on countries to both improve cash management and issue treasury bills and bonds on local and sub-regional markets¹⁴⁸. BEAC values and supports the TAs in debt management to CEMAC countries. The aforementioned examples of coordination were in both the training area through organizing regional seminars and in-country workshops focused on key debt management and sustainability related topics, as well as the aspects of putting in place the legal and operational framework for government debt issuance in a number of countries. Overall the coordination with other donors on debt management was excellent. While most countries in the region are far from the stage of being in a position to issue debt, a few have made good progress in that direction.¹⁴⁹

20. AfDB and ACBF also coordinated well with the Central AFRITAC in delivering seminars. One area where donors could help further, or perhaps CEMAC countries through their contributions to the financing of Central AFRITAC, is in designating specific funds (perhaps a Topical Trust Fund to be administered by the IMF) to support the intensive type of capacity building that is needed in many of the post-conflict countries in the region.¹⁵⁰ Notwithstanding these positive comments on donor coordination, the Evaluation Team also came across some donors and key country officials who did not have a clear understanding of the role and modus operandi of the Central AFRITAC.¹⁵¹ Greater outreach efforts are needed at the Steering Committee and Central AFRITAC levels to explain the role of the Center, disseminate reports and materials on its operations and seek to obtain even better coordination, especially in the financial supervision area. Some suggestions on how to improve outreach and coordination

¹⁴⁷ The Evaluation Team met with officials of BEAC at its Head office in Yaoundé and in the national office in Gabon who spoke positively about Central AFRITAC activities in debt management and welcomed the assistance in financial sector supervision from Central AFRITAC and MCM. A peripatetic banking supervision expert, assigned by MCM, has been providing assistance in recent years with on-site supervision. The Evaluation Team also met with groups of BEAC officials in both countries who supported and participated in Central AFRITAC workshops. Their feedback was similarly positive. UNCTAD staff were most cooperative with the regional debt management workshop. AfDB has financed hardware (Sygarde) and training for debt management data bases in a number of countries (e.g., Burundi and DRC). The Debt Management Advisor also cooperated with World Bank missions on capacity building for debt sustainability analysis in a number of countries.

¹⁴⁸ The Evaluation Team was told that the rationalization of CEMAC country treasuries' financing from BEAC, and thus the commencement of recourse to markets for residual or cash flow budgetary requirements, is to commence in January 2009. But it seems likely that the deadline will have to be relaxed as most countries are not ready, apart from Cameroon, which is already fully compliant, and Gabon, which is making strong efforts and may still be on track.

¹⁴⁹ Six of the eight West African countries are eligible for HIPC — four are in the process of reaching or at (Burundi and Chad) decision point and one (Cameroon) is in the post completion phase. Official debt markets are operational in Cameroon and Gabon.

¹⁵⁰ A prerequisite to operationalizing such a program would be a thorough assessment of needs and preparation of a country specific multiyear strategy and action plan. Most likely this would require "upstream" support from MCM in relation to monetary and financial system TAs. IMF's plans to establish a Topical Trust Fund to finance intensive capacity building in post- conflict countries is described in Chapter III.

¹⁵¹ Feedback from the AfDB office in Libreville was quite supportive and positive on the work of Central AFRITAC in the debt management and financial sector supervision areas, while noting that despite encouraging preparations debt sustainability resilience had yet to be put to the test.

including through development of a joint web site for the AFRITACs are set out in Chapter III of the main body of the report.

21. For the remainder of the first phase of Central AFRITAC it is likely that the present balance of activities between debt management (building reliable debt management data bases, putting in place an adequate legal framework for debt management and operations, creating the capacity to produce good quality debt sustainability analysis) and market development (helping to create the capacity for issuing public debt on local and regional markets and improving coordination between cash management and debt management) will remain relevant and valid. This view is validated by the difficult institutional absorptive conditions in many Central African countries and observing how long it has taken to move a core mass of countries in West AFRITAC, which has been operating for almost six years, through the post HIPC phase. Some countries (e.g., Gabon; Cameroon) have progressed into the market development phase and may require more sophisticated assistance in expanding the scale and maturity pattern of debt issuance programs to facilitate the emergence of an interest rate curve that can in turn stimulate and benchmark private issuances of bonds and thus help the broader development of financial markets. In the financial supervision area, some concerns were expressed by officials in the countries visited that microfinance supervision needed more attention because of the growth taking place in some countries. Central AFRITAC's expertise in this area could be supplemented by using short-term micro finance supervision experts if BEAC were to look for additional assistance.

3. Consistency With IMF Activities

22. There is evidence of consistency between financial sector reforms objectives/ measures in IMF staff reports (both surveillance and program related) and Central AFRITAC TAs in debt management and banking supervision based on an examination of such reports for countries in the region. For example, the most recent IMF staff review of the PRGF arrangement lists the development of government securities and limitation of recourse to BEAC financing of the budget and prudent sustainable debt management policy, as well as strengthening credit markets and upgrading microfinance supervision as key measures to be implemented by the authorities. The authorities plan to implement a follow up FSAP strategy covering many of these issues as well as diversification of financial instruments. The recent report on Article IV discussions in Gabon highlight the development of regional and sub regional government debt markets and strengthening the legal and institutional framework for debt sustainability, and promoting microfinance institutions. The FSAP for the sub-region completed by IMF and the World Bank in 2006 highlights the need to strengthen debt management and sustainability functions, develop domestic and sub-regional government bond markets and promote broader money and securities market development.

23. The IMF's African Department (AFR) also produces annually a set of country strategy notes that, in addition to outlining the thrust of current macroeconomic policy direction, list priorities for TA. The latter are developed in coordination with TA departments (FAD, MCM and STA) and reflect AFR mission chiefs' ongoing dialogue with the respective country authorities. There is a measurable degree of consistency in the strategy notes with TA priorities and programs of Central AFRITAC in the financial sector. For example, in Cameroon AFR notes highlight the strengthening of financial intermediation, the development of a market for treasury bills and the strengthening of banking supervision. In Burundi, the notes mention strengthening of financial sector supervision. On the other hand, the strategy notes for the DRC stress the improvement in capacity to implement monetary policy, but Central AFRITAC has no

involvement as it is not staffed to provide TAs in this area¹⁵². Non-CEMAC countries (Burundi and DRC) are covered by “upstream” TAs.

4. Relevancy Rating of Central AFRITAC Debt Management and Financial Supervision TAs

24. The relevance ratings of the debt management and banking supervision TAs are given in Table F.2. Based on the foregoing analysis of the sub-criteria, and bearing in mind the relatively short period that Central AFRITAC has been in operation, TAs in debt management are rated as potentially highly relevant and TAs in banking supervision are rated as potentially relevant. The TAs were assessed as relevant, both at the time they were approved and at the time of evaluation.

Table F.2: Relevance of Central AFRITAC Debt Management and Financial Supervision TAs

Criteria	Weight (%)	Rating ¹		
		Debt Management	Financial Sector Supervision	Score ²
		50	50	100
1. Consistency With Government Priorities	60	4.0	3.0	3.5
2. Coordination With Development Partners	20	4.0	2.0	3.0
3. Consistency with IMF Activities	20	3.0	3.0	3.0
Overall Relevance Rating/Score	100	3.8	2.8	3.3
¹ Rating: 4 = Excellent; 3 = Good; 3 = Modest; 1 = Poor ² Weight by % of East AFRITAC's Budget Allocated to the Activity/TA Group Highly Relevant (Excellent) ≥ 3.5; 3.5 < Relevant (Good) ≥ 2.5; 2.5 < Partly Relevant (Modest) ≥ 1.5; Not Relevant (Poor) < 1.5				

25. The Tables F.3 and F.4 show relevant results of the AFRITAC evaluation survey. The survey responses on the relevance of the two TA clusters are broadly consistent with the ratings in Table F.2. However, the number of responses is somewhat low, ranging between 7 and 15, depending on the question. Thus, there is some error of estimate associated with this data. **For the Debt TAs**, the large majority of the respondents rated their relevance as Good on all of the sub-criteria of helping to build country capacity, consistency with government priorities, coordination with other TA providers and coordination with IMF Headquarters. The highest ratings for the relevancy of the TA were in consistency with Headquarters operations. The lowest rating was for coordination with other TA providers. However, this reflects only seven replies, far lower than the number of people interviewed by the Evaluation Team. For the reasons outlined above, the Evaluation Team rated the Debt TA higher on this sub-criteria. For the **Banking Supervision TAs**, the relevancy ratings in Table F.4 are positive, particularly for the relevancy of TA consistency with Headquarters operations. The lowest ratings were for coordination with other TA providers. None of the 15 people responding rated Central AFRITAC

¹⁵² This is an example of a case where the TA role of MCM (upstream/strategy) and Central AFRITAC (downstream/implementation) seems to lack consistency with the standard IMF model.

as Excellent in this area while 40% rated it as Good and 60% as Modest. This is consistent with the Evaluation Team's rating of Modest for this sub criteria

Table F.3: Relevance of Central AFRITAC Debt Management TAs

	Percent Answering				Weighted Rating ¹	Response Count	Response Rate ²
	Excellent	Good	Modest	Poor			
Relevance of TAs in helping to build capacity	40%	60%	0%	0%	3.4	10	91%
Consistency with Government priorities	27%	45%	9%	18%	2.8	11	100%
Coordination with other TA providers	0%	71%	14%	14%	2.6	7	64%
Coordination with IMF Headquarters	30%	70%	0%	0%	3.3	10	91%
Average for All Criteria	24%	62%	6%	8%	3.0	10	86%

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

² Ratio of the response count to the 11 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table F.4: Relevance of Central AFRITAC Financial Sector Supervision TAs

	Percent Answering				Weighted Rating ¹	Response Count	Response Rate ²
	Excellent	Good	Modest	Poor			
Relevance of TAs in helping to build capacity	33%	67%	0%	0%	3.3	15	100%
Consistency with Government priorities	13%	67%	13%	7%	2.9	15	100%
Coordination with other TA providers	0%	40%	60%	0%	2.4	10	67%
Coordination with IMF Headquarters	46%	38%	8%	8%	3.2	13	87%
Average for All Criteria	23%	53%	20%	4%	3.0	13	88%

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

² Ratio of the response count to the 15 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

C. Effectiveness of Debt Management and Banking Supervision TAs

1. Use of AFRITAC Outputs

26. Capacity building is geared to building human skills, institutions and procedures to raise the level of macroeconomic management in the economies in the region. The challenge is to use the main outputs arising from TA missions and workshops in individual countries and from regional seminars to achieve this objective. The ultimate goal is to remove bottlenecks that impede economic reforms and growth and undercut poverty reduction efforts.

27. From an examination of documents and reports the Evaluation Team has come to a view that there is measurable and encouraging progress in the use of TA outputs, more evident in the case of countries visited than in the others. Perhaps this should not be surprising since the institutional absorptive capacities in Cameroon and Gabon was rated as being stronger than the other Central African countries (see Table I.1 in Chapter I). Discussions with advisors on debt management and banking supervision, together with feedback from country officials in Cameroon and Gabon provide evidence that outputs, in terms of mission reports and knowledge transferred through workshops, are of a good standard and are used well by officials in beneficiary countries. It is always difficult, however, to assess the actual results of training actions, including intensive coaching through in-country workshops, missions that set work plans and return to review progress achieved and update them, especially in the Central AFRITAC situation where capacity building operations have been underway for only 18 months. Based on the experience of evaluating the performance of the other longer established AFRITACs, one lesson for Central AFRITAC in the effective use of outputs is to start a process of measuring or benchmarking of progress at an early stage (two years after start-up seems like a good time). This can initially be as simple as noting in mission reports, periodic reports to back stoppers and reports to the Steering Committee, the measures that have been accomplished in relation to the original program established for each country and what remains to be done. Establishing a culture of benchmarking progress at this juncture will serve the Central AFRITAC, its staff and the beneficiary countries well. It would also enhance the effectiveness of the use of TA outputs going forward and facilitate the effective monitoring and oversight role for the Steering Committee and avoid a situation where monitoring merely covers a process-driven oversight of inputs and outputs rather than an assessment of the impact of what has been achieved and an indication of what remains to be done. This will be easier to achieve in the debt management area where there is a clear structure for the work program than in banking supervision, where there is a need to better ground a work program, at least for CEMAC countries, in the regional FSAP recommendations.

28. Central AFRITAC's outputs in debt management can be closely linked to the important work of getting countries through the various stages of completing the debt reduction process from the point of decision (with support from World bank and IMF staff) to the point of completion (with support from AFRITAC and others such as Polle Dette and the DRI) and then the end stage of putting in place a well functioning debt sustainability analysis capacity. The latter requires achieving the goals of having a comprehensive and effective data base to monitor and service the debt, the skills and software to do the projections and analysis, and the diligence to use the process to guide debt management including the raising of new funds on sub regional markets. Cameroon is a good example of a country that has progressed through the HIPC process to achievement point and development of a reliable data base and framework for debt sustainability analysis and issuance of debt on the local market. Gabon, not HIPC eligible, has nevertheless also made good progress in debt reduction and consolidation and in

preparing the legal framework for debt management and issuance on the local and sub-regional market planned for the near future

29. Central AFRITAC has gotten off to a good start in the use of TA outputs and has the capacity to manage the use of outputs better going forward. But success is not only dependant on capacity to manage the process; challenging conditions in post conflict countries call for exceptional and more intensive engagement to achieve success in this crucial area of helping poor countries through to the post HIPC stage process.

30. In the banking supervision area, most of the TA was delivered to COBAC headquarters. While it is difficult to see how the outputs feed through to national offices of COBAC in the ministries of finance, the feedback from discussions with BEAC officials is that they are used effectively to build institutional and human capacities and transfer knowledge and expertise. BEAC also benefits from the assignment, under MCM TA budget, of a peripatetic expert to support more effective on site inspection procedures. It does not appear, however, from reports or discussions with the Banking Supervision Advisor that there is any coordination between his activities and those of the peripatetic expert. Also, it seems that some of the tasks the Advisor is asked to address are more executive than advisory, reflecting staffing shortages or manpower allocation inefficiencies in BEAC. This links with findings and recommendations of the 2006 FSAP for the region that included: (i) financial intermediation was among the lowest in Africa; (ii) efficiency of supervision suffers from limited institutional independence of COBAC; (iii) some divergence of prudential norms from international standards and poor enforcement of regulations; (iv) concentration of lending in banking system; (v) inadequate resources allocated to COBAC; (vi) distortions in deposit and lending rates; and (vii) weak payment systems. In the case of the other two clients — Burundi and DRC — the outputs of the Resident Advisor, based on the reports read and discussions with him, seem well focused. He has been involved with MCM missions to both countries. The Advisor puts most of his energies into work in the field but more effective benchmarking of progress, and linking his work to MCM activities, including the work of the on-site peripatetic supervision advisor and mutual exchanging of reports of both Advisors seem warranted to ensure good coordination and reaping of synergies in this area.

2. Planned versus Actual Achievements

31. An examination of the reports presented to the Steering Committee indicates a reasonable degree of success in TA delivered versus planned. Where this did not happen the reasons were generally outside of the control of Central AFRITAC and reflected, on occasion, teething problems during initial operations, security and travel constraints to some countries, or other absorption problems more often than not to do with post conflict or fragile state symptoms (e, g., needs assessment mission to DRC in March 2007 and occasions where an airline ceased operations at short notice).

32. Fund program documents reveal significant consistency between the TA provided in debt management (including debt market development) and banking supervision and some measures and objectives in the programs and indeed the recommendations in the FSAP for the CEMAC region and the 2008 country strategy notes prepared by AFR¹⁵³. While this consistency of itself is not evidence of effectiveness until the objectives of the TAs are substantially achieved, it is indicative of progress in the right direction Overall, there is some tangible evidence of achievement of plans being implemented as expected during the relatively

¹⁵³ See references to Cameroon and Gabon in the IMF staff papers referred to in the relevance section of this Annex dealing with coordination with IMF objectives.

short existence of Central AFRITAC, although much remains to be accomplished. Both Cameroon and Gabon have made good progress in debt management /debt sustainability especially in issuing government debt instruments on the sub regional and regional debt markets, and taking steps to initiate secondary trading.

3. Significance of Contributions

33. The extent to which it can be demonstrate that TAs delivered have resulted in progress toward building capacity in terms of a critical mass of human skills, quality institutions and best practice procedures that can meaningfully enhance a country's capacity to formulate and implement sound macroeconomic policies is a test for assessing the significance of the TA contributions in responding to country needs. There are encouraging outcomes on debt management and debt market development in Cameroon and Gabon, as well as good progress in establishing the legal and analytical framework for debt sustainability and debt management in these two countries. There is also some progress in other countries. Financial sector supervision has gotten off to a good start and is linked well to the findings of the regional FSAP, though more meaningful benchmarking of progress in the context of a clearer overall work plan that shows the complementarity of the TAs to those of MCM in the region would help. Going forward, development of a post FSAP strategy for the region, setting out "upstream" (MCM) and "downstream" (Central AFRITAC) roles would provide a good framework for delivery and benchmarking of progress in these vital areas as well as in addressing other monetary management issues raised in FSAP findings.

34. It is probably too soon to be expecting more progress than was has been described above after only 18 months of operations. Experience has shown that in WAEMU countries, where West AFRITAC has been active in debt management TA for over five years, it takes more than a few years to have measurable impact. Indeed, for post-conflict/fragile state countries, it can take much longer. Likewise with banking supervision TAs, significant outputs have been delivered to COBAC, Burundi and DRC, complementing TA from MCM but much more needs to be done including in better focusing TA plans. What is clear at this stage is the potential of the Central AFRITAC's work on debt management and financial supervision to have a meaningful impact over time.

4. Effectiveness Rating of Central AFRITAC Debt Management and Financial Supervision TAs

35. The effectiveness rating for the Monetary and Financial Systems TAs is given in Table F.5. All TAs were rated as potentially effective, a good achievement given Central AFRITAC's relatively short period in operation. The results of the AFRITAC Evaluation Survey in Tables F.6, F.7 and F.8 are largely consistent with the ratings in Table F.5.

Table F.5: Effectiveness of Central AFRITAC Debt Management and Financial Supervision TAs

Criteria	Weight ² (%)	Rating ¹		
		Debt Management	Financial Supervision	Score
		50	50	100
1. Use of AFRITAC Outcomes	40	3.0	3.0	3.0
2. Planned vs. Actual Achievements	30	3.0	3.0	3.0
3. Significance of Contribution to Developing Core Economic Functions and Institution Building	30	4.0	3.0	3.5
Overall Effectiveness Rating/Score	100	3.3	3.0	3.2
¹ Rating: 4 = Excellent; 3 = Good; 3 = Modest; 1 = Poor ² Weight by % of the East AFRITAC's budget allocated to the cluster of AFRITAC activities/TAs ² Highly Effective (Excellent) ≥ 3.5; 3.5 < Effective (Good) ≥ 2.5; 2.5 < Partly Effective (Modest) ≥ 1.5; Not Effective (Poor) < 1.5				

36. For the Debt Management TAs, for each sub-criteria, (i.e., use of TA outputs; effectiveness in achieving results; significance of contributions) the majority of respondents assigned a Good rating and the weighted average score was Good (see Table F.6). The weighted average score of use of TA outputs and effectiveness of achieving tangible results, while rated as Good, was close to the cut off point for a modest rating. This pattern of responses is consistent with the short period of time that Central AFRITAC has been operational. There was general agreement that Central AFRITAC was making significant contributions to developing core economic functions. Similarly the majority of respondents rated effectiveness of the Bank Supervision TAs effective on the three sub-criteria (see Table F.7). Respondents rated the use of outputs and achieving tangible results for the banking supervision TAs somewhat more positively than the Debt Management TAs, although the effectiveness of both TA clusters was rated as Good. However, the number of responses is low. Based on its detailed field work, the Evaluation Team rated the effectiveness of the Debt Management TAs as marginally higher than the Bank Supervision TAs but, like the respondents to the survey, rated the effectiveness of both clusters as Good.

Table F.6: Effectiveness of Central AFRITAC Debt Management TAs

	Percent Answering				Weighted Rating ¹	Response Count	Response Rate ²
	Excellent	Good	Modest	Poor			
Use of the outputs	11%	56%	33%	0%	2.8	9	82%
Effectiveness in achieving tangible results	10%	60%	30%	0%	2.8	10	91%
Significance of contributions to developing core economic functions	44%	44%	11%	0%	3.3	9	82%
Expertise and assistance	40%	60%	0%	0%	3.4	10	91%
Sustainability of the benefits of AFRITAC TAs	22%	78%	0%	0%	3.2	9	82%
Average for All Criteria	26%	60%	15%	0%	3.1	9	85%

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

² Ratio of the response count to the 11 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table F.7: Effectiveness of Central AFRITAC Financial Sector Supervision TAs

	Percent Answering				Weighted Rating ¹	Response Count	Response Rate ²
	Excellent	Good	Modest	Poor			
Use of the outputs	13%	80%	7%	0%	3.1	15	100%
Effectiveness in achieving tangible results	20%	67%	13%	0%	3.1	15	100%
Significance of contributions to developing core economic functions	23%	69%	8%	0%	3.2	13	87%
Expertise and assistance	27%	67%	7%	0%	3.2	15	100%
Sustainability of the benefits of AFRITAC TAs	13%	73%	13%	0%	3.0	15	100%
Average for All Criteria	19%	71%	10%	0%	3.1	15	97%

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

² Ratio of the response count to the 15 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

37. The survey respondents also confirm the view of the Evaluation Team that the Central AFRITAC is only beginning to address the issues in Central Africa and there is very much an unfinished agenda. Only an insignificant 5% to 8% of the 60 or so respondents felt that the objectives of improving debt management and financial sector supervision were fully achieved. The majority reported that while there had been substantial progress, these objectives had not been achieved. A significant portion of the respondents, slightly under 30%, felt that only modest progress had been achieved while a small minority (5%) said that no significant progress had been made toward achieving these objectives (see Table F.8). These survey results suggest that Central AFRITAC has done well in its first year and one half of operations.

Table F.8: Central AFRITAC Progress in Achieving Monetary/Financial Sector Objectives

	Percent Answering				Response Count	Response Rate ¹
	Objective Fully Achieved	Despite Substantial Progress, Objective not yet Achieved	Only Modest Progress Made to Achieve Objective	No Significant Progress Made		
To improve monetary operations, debt management and payment systems	5%	63%	27%	5%	59	51%
To improve the legal and regulatory framework for financial sector supervision	8%	63%	25%	5%	65	57%

¹ Ratio of the response count to the 115 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

D. Efficiency of Debt Management and Banking Supervision TAs

1. Process/Implementation Efficiency

38. In general AFRITACs organize effectively and professionally their people, processes, activities and work flow and Central AFRITAC is no exception. Extensive meetings with all the staff at the Center in Libreville confirm that this is the case¹⁵⁴. This view was corroborated by feedback from meetings with country officials in Cameroon and Gabon, both those who were counterparts to missions on debt management and microfinance supervision and participants in regional and in-country seminars and workshops.

39. At the time of the Evaluation Team's visit, Central AFRITAC had established a comprehensive and effective organizational structure and, for debt management and financial sector supervision TAs, it had delivered an impressive number of missions and workshops, both in-country and regional. In its strategic direction setting and work program and budget

¹⁵⁴ Even in the area of travel arrangements in the region, the logistics of which can pose considerable challenges, Central AFRITAC's procedures are smooth and efficient. The Center Coordinator noted that travel arrangements had been made more cost effective over the past year.

approval mechanisms the Center and its Steering Committee obtain agreement on: (i) an annual assessment of TA needs for each country; (ii) the annual TA program to be delivered; and (iii) a mid-year and end year review of the actual delivery of programs. This arrangement adds greatly to process efficiency but does not ensure implementation efficiency. The second mid-year Steering Committee review meeting should perhaps look more specifically at strategic issues such as impact and outcomes of TA from the perspective initially of finding a better way to monitor substantive progress, what has been done and what remains to be done. Such considerations might be useful to improve implementation efficiency.

40. Relative to the other AFRITACs there has been much less recourse to short-term experts but this may change as recommendations and reforms gain traction. The Debt and Bank Supervision Advisors have developed good contacts through visits that are supplemented by email and phone with counterparts in client countries and are available to respond to technical questions and requests for information. As in the other AFRITACs, This close contact with client countries attests to the advantage of having Advisors in the region compared to at Headquarters. Since no Advisers have turned over yet, delays in filling Resident Advisor vacancies has not been a factor in impeding Central AFRITAC's TA delivery. There appears to be effective and commendable coordination between the Advisors and IMF resident representatives when the former visit countries in the region.

2. Efficient Use of Resources

41. In the MCM area, Central AFRITAC provided a total of 35 person months of input during FY2007 and FY 2008, of which 29 person months were provided in FY 2008, the first full year of operations. Of this, about 85% was provided by the two Resident Advisors and 15% by short term experts¹⁵⁵. The cost of providing this TA totaled \$805,500 for the two fiscal years, equivalent to a cost of about \$23,000 per person month of input. This is close to the average cost per person month of TA for Central AFRITAC (\$23,500) and comparable to the cost per person month of TA delivered in the MCM area by East (\$24,400) and West (\$22,600) AFRITAC. These cost comparisons indicated that in terms of cost efficiency, there is no substantial difference between the three AFRITACs in the MCM area.

42. As is the case for West AFRITAC, Central AFRITAC has two non-CEMAC members (Burundi and DRC) whose central banks are responsible for monetary policy and banking/microfinance supervision. These two countries have benefited from TA from MCM during the period of this evaluation and the Bank Supervision Advisor has participated in the MCM missions. If Central AFRITAC is to provide a full range of monetary management /central banking-type TAs for these two countries, one way to increase efficiency of resource utilization would be to use more short-term experts backstopped by Central AFRITAC's Resident Advisors. That said, to date there has not been much utilization of short term experts and there appears to be a reasonable balance between the time advisors spend in their home office and in the field.

43. With the delay in implementing an enhanced version of the TAIMS system until recently, the continuing difficulties of using TAIMS from a remote location and the paucity of costing data it is difficult to make value for money judgments and monitoring and effective benchmarking of progress (what needed to be done; what has been done; what remains to be done) has shortcomings. However, from a reading of reports and discussions with country officials the Evaluation Team is of the view that resources are used efficiently.

¹⁵⁵ The two Advisors each provided an input of 15 person months each. The information available to the Evaluation Team did not break the inputs of the short term consultants down into debt management and bank supervision.

3. Monitoring and Evaluation

44. In the plenary session with the Coordinator and all advisors at the outset of the team's visit to Libreville, it was evident that MCM backstopping of substantive issues was less intensive than that provided by FAD and STA. This was more the case with debt management than with banking supervision. As in West AFRITAC, this was partly attributed to perceptions that: (i) MCM did not have significant in house specialized expertise dedicated to backstopping of debt management or microfinance supervision; and (ii) a number of successive restructurings of MCM over the past five or six years, accompanied by staff reductions as part of the recent Fund-wide retrenchment, diluted the capacity for this activity and the incentive for MCM staff to give it high priority.

45. In individual discussions both the Debt Management and Bank Supervision Advisors noted that their work was carried out in accordance with best international practices in their respective areas as documented in World Bank, IMF and Basle Committee on Banking Supervision literature and manuals. Both acknowledged the benefits of monitoring and backstopping from MCM staff, noting that they had the same back stopper in the MCM regional division for African countries who dealt with the process issues in a normative way, in accordance with prescribed procedures. Sometimes delays occurred in clearing reports. The Banking Supervision Advisor was comfortable with the level of backstopping and also had participated in MCM missions to Burundi and DRC that provided helpful strategy and work plan background for his subsequent visits to the two countries. The Debt Management Advisor noted that: (i) she received helpful comments from time to time on reports; and, (ii) work done on the analytical framework for debt sustainability in the Fund and World Bank had been of great help in her missions and workshops on this topic. Both Advisors were unaware of AFR's country strategy notes but the Bank Supervision Advisor was aware of findings and recommendations in the regional FSAP.

46. A reading of monthly reports of the Advisors and sample reports for two missions in each of the areas did not find any substantial areas of concern that were raised during the MCM backstopping process. One area where backstopping could play a more substantive role is in both commenting on the periodic reports and mission reports of the Advisors, especially the latter. More emphasis needs to be given to noting what progress has been achieved in a rolling work program, updated at the end of each mission that would more effectively benchmark progress in each mission report and, in turn, enhance the quality of bi-annual reports to the Steering Committee and facilitate production of better outreach and dissemination materials. Such benchmarking of progress should be done at a country level - in the context of a two to three year rolling program for each country - incorporating a plan for **what should be done** in each of the TA clusters and periodic monitoring and reporting to the Steering Committee on **what has been accomplished** and **what remains to be done**. In the interests of regional integration (a role in which the AFRITACs are expected to play a part) monitoring of progress could also take place on financial sector issues in the context of implementing a regional FSAP strategy in cooperation with BEAC. The bottom line is that the reporting and benchmarking of progress could be strengthened and more effort is needed to disseminate appropriate materials.

47. Resident Advisors are now inputting all TA activities into the TAIMS system and over time the TAIMS can play a more significant role in the monitoring of efficiency of TA and facilitating evaluation. As English is the working language of the IMF, consideration will have to be given at some stage to the extent that advisors periodic reports and mission reports are

made available in English to facilitate more effective monitoring and backstopping of TAs as well as independent evaluation.

4. Efficiency Rating of Central AFRITAC Debt Management and Financial Supervision TAs

48. The efficiency ratings of the TA in debt management/market development and financial supervision clusters are summarized in Table F.9. Both TAs are rated potentially efficient. The overall assessment of the monetary and financial system TAs delivered by Central AFRITAC is efficient suggesting that in challenging circumstances resources were used in a reasonably efficient manner.

Table F.9: Efficiency of Central AFRITAC Debt Management and Financial Supervision TAs

Criteria	Weight ^b (%)	Rating ¹		
		Debt Management	Financial Sector Supervision	Score ²
		50	50	100
1. Process/Implementation Efficiency	40	3.0	3.0	3.0
2. Efficient Use of Resources	40	3.0	3.0	3.0
3. Monitoring and Reporting	20	3.0	2.0	2.5
Overall Efficiency Rating/Score	100	3.0	2.8	2.9
¹ Rating: 4 = Excellent; 3 = Good; 3 = Modest; 1 = Poor ² Weight by % of East AFRITAC's budget allocated to Activity/TA Group Highly Efficient (Excellent) ≥ 3.5; 3.5 < Efficient (Good) ≥ 2.5; 2.5 < Partly Efficient (Modest) ≥ 1.5; Not Efficient (Poor) < 1.5				

E. Sustainability of Debt Management and Banking Supervision TAs

1. Political Economy issues

49. Of the eight countries covered by Central AFRITAC, in terms of institutional absorptive capacity ratings calculated by the Evaluation Team¹⁵⁶, six were rated as poor, and two, Gabon and Cameroon, were rated modest. The ongoing conflict and humanitarian crises in the Democratic Republic of the Congo illustrates how challenging political economy factors can be in Central AFRITAC client countries. The six counties with weak institutional absorptive capacity are essentially post conflict countries. These country characteristics are beyond the control of Central AFRITAC and IMF. These conditions are indicative of the challenging environment in which the Debt Management and Bank Supervision Advisers are working and the serious risks that are present for the achievement of desired outcomes. Weighting the institutional absorptive capacity scores in each country by the proportion of TA delivered by Central AFRITAC to each country in the debt management and financial sector supervision areas results in an institutional score of 1.3 or Poor (see Table B.4). Offsetting these general country considerations to some extent is the fact that the two regional institutions that the Advisers work with, BEAC and

¹⁵⁶ See Table I.1 in Chapter I and Annex A.

COBAC, and perhaps the central banks in Burundi and the Democratic Republic of Congo. These are perhaps among the stronger institutions in the region and would be rated as Modest in terms of institutional capacity.

2. Executing Agency Ownership and Use of TA outputs

50. In the countries visited feedback from country officials dealing with debt management and financial sector supervision at the ministries of economy and finance and BEAC/COBAC indicated solid ownership of, and support for, the TAs. These officials, particularly in Gabon, were not always conversant with the detailed work programs or the manner in which the Central AFRITAC organized its work under the strategic guidance of the Steering Committee. There is a need for more outreach by Central AFRITAC in this area. The Steering Committee members who represent countries' interests need to be more active in shaping and reviewing work programs and building support for it in their country than is evident from the minutes of their meetings, and be more demanding in requiring better benchmarking of progress. Developing a culture of effective benchmarking of progress of TA in the proceedings of the Steering Committee meetings is a vital ingredient for sustainable progress of Central AFRITAC's work going forward.

51. At meetings with participants in Central AFRITAC's regional workshops on debt management and bank supervision topics, feedback indicated that those who attended were making use of knowledge gained in their day to day work and lessons learned were being disseminated to others. This feedback is indicative of executing agency ownership and use of TA outputs. Some workshop participants stressed the need for the workshops to cover more practical experience of how other countries had successfully tackled similar challenges and suggested extending the period of the workshop to accommodate this. The feedback on suitability of participant selection was positive though it was not clear that TA outputs were adequately embedded in internal procedures of executing agencies in Gabon.

3. Promoting the Use of African Expertise

52. The Debt Management Advisor comes from Senegal and brings to her work in Central AFRITAC rich and relevant experience of debt management issues in the WAEMU region as well as good contacts, including with key donors. She is a demonstrable example of how African expertise and experience can be used to good effect in country mission work and in organizing regional as well as in country workshops. During the past year, she has collaborated with a number of donors in delivering a seminar/workshop on topical debt management issues. Feedback received by the Evaluation Team directly from country officials and results of the AFRITAC Evaluation Survey, confirm that this was a well focused workshop and relevant to the needs of participants.

53. The Banking Supervision Advisor has organized a regional workshop on microfinance issues drawing on the extensive expertise of the West AFRITAC Microfinance Supervision Advisor as well as using effectively an expert on microfinance from Rwanda as a resource person in the workshop presentations. This workshop was well received and, from feedback received by the Evaluation Team, very useful in sensitizing senior country officials to the risks posed to financial stability by micro finance institutions that are growing rapidly and not adequately supervised. Otherwise, the use of African expertise and short-term experts in the debt management and banking supervision areas has not been significant, as short term experts in these areas have been very limited, totaling only 4.5 person months in FY 2007 and FY 2008 combined.

54. In the view of the Evaluation Team, the use of good African experts is effective and contributes to sustainability. The expertise of banking supervision and debt management officials in the West and East Africa regions has developed in recent years and MCM and Central AFRITAC should actively explore opportunities for their use in future TA work.

4. Financial Sustainability

55. Financing during the remainder of Phase I for debt management and banking supervision TAs at the present delivery levels is secure to: (i) maintain the momentum in supporting the strengthening of capacity for debt management reforms and to ensure the attainment of a critical mass sufficient to move most countries into the post HIPC zone that, in turn, can contribute to creating the fiscal space for poverty reduction; and (ii) support well targeted TA outputs in banking supervision to build institutional and human capacities and transfer knowledge and expertise will help to strengthen financial intermediation that is vital for sound economic development. However, capacity building in these areas is a medium to long term agenda. Work in these areas will not be complete by 2010 and a continuation of financial support after the end of Phase I will be needed. However, no discussions have yet taken place with the participating financiers to secure the necessary funding. The sustainability of the very generous financial contribution of CEMAC to Central AFRITAC may be sensitive to the future price of oil. Thus there are some questions about the financial sustainability of Central AFRITAC in the medium to long term.

56. In the period up to the completion of Phase I in April 2010, the challenge for Central AFRITAC is to deliver debt management and financial sector supervision TAs that establish a solid track record in delivering TAs that are having positive, tangible impacts on meaningful capacity building. A further test of the Center's sustainability will be its ability to respond flexibly to the changing needs of its client countries. Addressing legitimate demands of non-CEMAC countries (Burundi and DRC) for more traditional TA in monetary operations and banking supervision will likely present additional demands that can perhaps be met through the use of more short-term experts. It is clear from Steering Committee minutes that some countries in the CEMAC also have unmet needs for restructuring their financial systems.¹⁵⁷ The envisaged move away from automatic access to BEAC statutory advances to borrowing on the market for budget cash management will raise demands for better cash management, improved liquidity management, better payments systems and other measures that facilitate greater market determination of interest rates and the gradual emergence of a yield curve. With six of the eight client countries being classified as post conflict, it may be necessary, following the well documented lessons learned by the Fund of MCM's self evaluation of TA experience of providing TA in such situations, to consider more intensive multi-year programs involving the placing of long term experts to meaningfully address capacity building in some of these countries. Additional donor finance may be required, perhaps in the form of a Topical Trust Fund to cover both MCM TAs and AFRITAC TAs in these areas.

¹⁵⁷ The Republic of the Congo made such a request to Central AFRITAC at a Steering Committee meeting and was informed that all TA in banking supervision had to be delivered to COBAC. MCM has provided TA to Burundi and DRC but it is not clear if such assistance will be sustained on an ongoing basis or if Central AFRITAC is to provide the TA necessary to help implement the recommendations of the MCM TAs. There is a need for a coherent plan to better clarify the role of MCM (upstream) TA and Central AFRITAC (downstream) TA in meeting country needs. A coherent post regional FSAP strategy could be a useful platform in addressing the needs of CEMAC although a different mechanism would be needed for Burundi and DRC.

5. Sustainability Rating of Central AFRITAC Debt Management and Bank Supervision TAs

57. Given the early stage of Central AFRITAC's operations, any assessment of sustainability is subject to considerable uncertainty. The potential sustainability ratings for Central AFRITAC's debt management and banking supervision TAs are shown in Table F.10. Taken together the TAs, as a group, are rated as potentially sustainable but bordering on Partly Sustainable. The rating for both the debt management and banking supervision clusters were rated as Sustainable, but close to the cut off point for Partly Sustainable.

Table F.10: Sustainability of Central AFRITAC Debt Management and Financial Supervision TAs

Criteria	Weight (%)	Rating ¹		
		Debt Management	Financial Sector Supervision	Score ²
		50	50	100
1. Political Economy Issues	25	2.0	2.0	2.0
2. Executing Agency Ownership and Use of Outputs	40	3.0	3.0	3.0
3. Promoting Use of African Expertise	15	4.0	3.0	3.5
4. Financial Sustainability	20	2.0	2.0	2.0
Overall Sustainability Rating/Score	100	2.7	2.6	2.7
¹ Rating: 4 = Excellent; 3 = Good; 2 = Modest; 1 = Poor ² Weight by % of East AFRITAC's budget allocated to Cluster of activities/TAs Highly Sustainable (Excellent) ≥ 3.5; 3.5 < Sustainable (Good) ≥ 2.5; 2.5 < Partly Sustainable ≥ 1.5 (Modest); Not Sustainable (Poor) < 1.5				

58. The AFRITAC Evaluation Survey results give some encouraging feedback on the possibility of Central AFRITAC's TAs resulting in sustainable benefits, although the number of respondents is low (9). Of those responding, 22% felt that there were Excellent prospects that the Debt Management TAs would result in sustainable benefits, 78% said that there were Good prospects and no one replied that there were Modest prospects (see penultimate line in Table F.6). Fifteen people gave their views in the AFRITAC Evaluation Survey about the sustainability of Central AFRITAC Financial Sector Supervision TAs (see Table F.7). Of these, 13% rated the prospects of sustainability as Excellent, 73% as Good and 13% as Modest.

59. A larger number (90) of respondents gave their views on the continued importance of Central AFRITAC's objectives of improving: (i) monetary operations, debt management and payment systems; and (ii) the legal/regulatory framework for financial sector supervision. About 60% of the respondents rated these objectives as being Highest Importance, 30% to 40% as being Important (see Table F.11). Very few felt that these objectives were Modestly Important or Not Important. These survey results auger well for the sustainability of TAs in these areas since a broad cross section of those surveyed agreed that TAs in debt management and bank supervision are addressing important areas.

Table F.11: The Importance Central AFRITAC Should Assign to Monetary and Financial Sector Objectives

	Percent Answering				Response Count	Response Rate ¹
	Highest Importance	Important	Modestly Important	Not Important		
To improve monetary operations, debt management and payment systems	61%	33%	4%	1%	90	89%
To improve the legal and regulatory framework for financial sector supervision	55%	42%	3%	0%	91	90%

¹ Ratio of the response count to the 101 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

F. Overall Rating of Central AFRITAC Debt Management and Banking Supervision TAs

60. The overall rating for Central AFRITAC in Table F.12 was generated by combining the rating tables for relevance, effectiveness, efficiency and sustainability and weighting the results as is described in Annex B. The evaluation results indicate a solid potentially Successful rating with higher ratings in relevance and effectiveness tempered somewhat by lower ratings for efficiency and sustainability. The latter largely reflect: (i) the need for strengthening procedures for the benchmarking and monitoring of progress (efficiency); and (ii) concerns about absorptive capacity of the large number of post conflict countries in the region. The Debt Management TA was rated as Good, but substantially above the midpoint in the range. The Bank Supervision cluster was also rated as Successful but below the midpoint in the range. These results demonstrate that Central AFRITAC has made a good beginning in delivering relevant and effective TA in the debt management and financial supervision areas in an efficient way and early indications suggest that the potential benefits are likely to be sustainable.

Table F.12: Rating of Central AFRITAC Debt Management and Financial Supervision TAs

Norm of Evaluation	Weight ² (%)	Rating By Monetary/ Financial Sector TA Cluster ¹		
		Debt Management	Financial Sector Supervision	Total Score
		50	50	100
1. Relevance	32	3.8	2.8	3.3
2. Effectiveness	28	3.3	3.0	3.2
3. Efficiency	22	3.0	2.8	2.9
4. Sustainability	18	2.7	2.6	2.7
Overall Rating/Score	100	3.3	2.8	3.1
¹ Rating: 4 = Excellent; 3 = Good; 2 = Modest; 1 = Poor ² Weight by % of East AFRITAC's Budget Allocated to the Activity/TA Cluster Highly Successful (Excellent) ≥ 3.5; 3.5 < Successful (Good) ≥ 2.5; 2.5 < Partly Successful ≥ 1.5 (Modest); Not Successful (Poor) < 1.5				

G. The Way Forward for Central AFRITAC Debt Management and Banking Supervision TAs

61. **Going forward**, Central AFRITAC needs to draw on the experience of West AFRITAC, use the lessons learned, and establish an effective system at an early stage to benchmark progress. Given the preponderance of post conflict countries among its client countries, **sustainability** of Central AFRITAC's TA programs will be at risk unless sufficient resources are mobilized for the type of in-depth multi-year comprehensive capacity building programs that, experience has shown, are needed to make meaningful progress in such countries in restoring macroeconomic stability and the prospects for sustainable growth¹⁵⁸. To its credit, the center is making good use of African experience in delivering TA in debt management and, in contrast to West AFRITAC, is already providing TA to the regional banking supervision agency (COBAC). Like West AFRITAC, Central AFRITAC is not geared to provide TAs in the broader range of monetary operations to meet the needs of the two client countries (Burundi and DRC) that are not part of CEMAC.

¹⁵⁸ Additional resources, perhaps through a dedicated Topical Trust Fund, and "upstream" assistance from MCM on diagnostic and strategy work, are needed to underpin and supplement the Central AFRITAC's efforts for such cases. In the case of monetary and financial system TAs, given the existence of a regional central bank and banking supervision authority, including a stable common currency, the post conflict needs for countries in the CEMAC region are not as acute as for the two outliers (Burundi and the Democratic Republic of the Congo). The findings of the regional FSAP provide a good basis for MCM to develop a follow-up strategy for CEMAC countries, in close cooperation with the BEAC, the implementation of which could be supported by Central AFRITAC. MCM has provided direct TA to Burundi and the Democratic Republic of the Congo through missions but more intensive hands on TA efforts are likely to be needed.

III. Evaluation of Central AFRITAC Fiscal TAs

A. Introduction to Central AFRITAC Fiscal TAs

62. With the exception of Burundi and the Democratic Republic of Congo, all Central AFRITAC client countries are members of the Economic and Monetary Community for Central Africa (CEMAC). Also, all of the client countries are Francophone countries except Equatorial Guinea. Both the CEMAC membership and francophone background have influenced the culture of accounting, PFM and institutional arrangements in revenue administration in the region. It has helped in adopting a harmonized approach due to the background of the “Code approach”. These factors are also advantageous when adopting good practices extracted from the French system. However, the same factors pose challenges in adopting good practices from outside France and the francophone systems. There are also challenges implementing CEMAC initiatives to deepen integration in the revenue administration and PFM in Burundi and the Democratic Republic of Congo. There are no independent revenue administration agencies in any of the Central AFRITAC member countries. Tax administrations and customs administrations are separate entities but are departments in the ministries of finance. All PFM TA was executed by different departments in the ministries of finance. On language related issues, Equatorial Guinea poses a challenge for Central AFRITAC.

63. Revenue administration TAs were delivered by a Resident Advisor, short-term experts and was often re-enforced by experts from FAD. PFM TAs were delivered by two Resident Advisors who worked closely FAD staff and were supported by short-term experts.

B. Relevance of Fiscal TAs

1. Consistency of TAs with Government Priorities

64. Following Central AFRITAC's inauguration on 9 January 2007, the first Steering Committee meeting took place on 10 January 2007 and the Fiscal Advisors arrived in January and February. **Their first major assignment was to undertake needs assessment missions to all countries in February and March 2007.** The resulting first annual work plan was approved by the Steering Committee in May 2007.

65. **Central AFRITAC has worked with revenue administrations in the client countries to fine-tune their strategies and action plans.** For customs, the TAs have supported:

- (i) computerization of customs administration;
- (ii) reforms of legal and regulatory framework for customs operations;
- (iii) implementation of WTO customs valuation;
- (iv) using risk analysis and selectivity in customs management;
- (v) anti-smuggling and fraud prevention techniques;
- (vi) transit management;
- (vii) internal audit; and,
- (viii) professional ethics.

66. In tax administration, TAs have supported:

- (i) identification and registration of taxpayers;
- (ii) exploring means of broadening the tax base including taxation of the informal sector and management of tax exemptions;

- (iii) strengthening taxation operations (registration, collection, enforcement, audits and fraud prevention, accounting and computerization);
- (iv) strengthening managerial capacity and internal control systems; and
- (v) revenue forecasting.

67. **One of the major challenges is the diversity within countries and across sectors as regards priorities and capacities.** In general, Cameroon and Burundi are implementing second generation revenue administration reforms. However, the progress in Burundi has been adversely affected by the civil war and political instability. Other countries are trying to implement first generation reforms. Cameroon and Gabon are generally stable countries and TA delivery is increasingly becoming effective. **Those countries have been able to identify their priorities and engage in discussions with Central AFRITAC to agree on the priority areas for assistance.** The Resident Advisor liaises with the appropriate revenue administration officials. However, a major challenge is that the revenue administrations do not have enough autonomy to make decisions without obtaining approvals via the hierarchies of the ministries of finance. Countries like Burundi, Chad and the Central Africa Republic are just emerging out of conflicts and their fiscal systems were badly damaged. There is an ongoing armed conflict in the Democratic Republic of the Congo at the time of preparing this report. In the countries visited by the evaluators (Gabon and Cameroon) the authorities were satisfied with the degree of collaboration with both Central AFRITAC and IMF more generally in the revenue administration area and felt that the TAs were addressing some of their priority needs.

68. **There is considerable interest in PFM both in the client countries and among donors due to:**

- (i) a desire to scale up donor support using the budget support modality to support poverty reduction strategies;
- (ii) the realization that well functioning public finance management systems make positive contributions to developing and implementing fiscal policy; and
- (iii) the need to rationalize, manage and monitor public expenditure, and ensure timely budget execution.

69. The PFM TA delivered by Central AFRITAC covered:

- (i) supporting the development of the legislative and regulatory framework for PFM (e.g., support for drafting PFM related bills in the Democratic Republic of Congo);
- (ii) helping governments to link budget preparation, PRSPs and MTEF and improving budget preparation and management to ensure better alignment of resource allocations to national priorities -- Central AFRITAC and FAD worked together to assist countries in activities ranging from diagnostic studies done during the first quarter of 2007 to improve budget classifications;
- (iii) promoting treasury reforms aimed at improving the management and accountability of funds;
- (iv) strengthening capacities in the management of inter-governmental fiscal relations; and,
- (v) assisting governments to design and implement PFM reform agendas including planned implementation of computerized and integrated information systems (e.g., Burundi).

70. Delivering TA in the above areas was re-enforced by organizing regional workshops on PFM topics such as integrated public finance management systems and government and local government accounting.

71. **Central AFRITAC TA is taking into account and endeavoring to meet the priority needs of its client countries. One of the most important needs is domestic resource mobilization.** The trends in the revenue to GDP ratio in the region are shown in Table F.13. Since 2003 there has been an upward trend in the ratio in all Central AFRITAC client countries except Burundi and Gabon. The trends are affected by both the post conflict/fragile state status of some countries and the rapid increase in petroleum prices during this period. Given that Central AFRITAC only began operations in 2007, it would not be appropriate to conclude that its TAs had a significant impact on these ratios. The data does indicate that PFM TAs would be relevant to help manage efficiently and effectively sharp increases in revenues in some countries and that revenue TAs would be relevant to increase fiscal revenues in other countries.

Table F.13: Central Africa: Revenue Excluding Grants as a Per Cent of GDP

	1997-2002	2003	2004	2005	2006	2007	2008
Burundi	17.7	21.1	20.1	20.0	18.9	17.7	18.5
Cameroon	14.6	16.1	15.2	17.6	19.3	18.9	19.5
Central African Republic	9.2	8.1	8.3	8.2	9.5	10.2	10.6
Chad	7.8	7.8	8.5	9.4	16.9	22.3	20.2
Republic of the Congo	26.9	29.7	30.0	38.6	44.3	42.7	44.2
Democratic Republic of the Congo	5.8	7.7	9.5	11.4	13.0	14.5	18.8
Equatorial Guinea	22.5	27.3	31.9	37.9	45.7	46.0	39.5
Gabon	32.5	30.1	30.8	31.3	31.7	30.2	30.1

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

72. Regional coordination among revenue administrations and PFM departments requires strengthening in Central AFRITAC's region. The Central AFRITAC Steering Committee helps to ensure country ownership of AFRITAC TAs and strategies. However, country ownership needs to be continuously preserved, supported and facilitated by FAD and Africa Department missions as well as Central AFRITAC. A review of the minutes of the Steering Committee indicates that there has been relatively little discussion on the work plan. For example, when countries were invited to make comments on the annual work plan for 2008/9, only one country responded.

73. Coordination within member countries remains a challenge. Central AFRITAC mainly works with individuals who may or may not have a general interest in the TA needs of all potential Central AFRITAC client executing agencies in their country. Even if there is an interest, he/she may not have the means and/or mandate necessary to effectively coordinate and prioritize TA requests on behalf of the government. Strong national AFRITAC focal points and the active involvement of senior government officials represented on the Steering Committees would help to address this situation. However, the performance across countries in these areas is mixed.

2. Coordination with Development Partners

74. For the most part donor coordination remains a challenge in the fiscal area. However, in some countries, such as Cameroon and the Congo Republic, donor coordination has improved. There are fewer donor coordination problems in revenue administration area than in the PFM area since there are few other TA providers active in the area of revenue administration -- notably France, Canada and occasionally the World Customs Organization. This small group of donors know each other well and there is synergy in what is being done. Both the donors and the revenue administration authorities recognize the expertise of Central AFRITAC and FAD and their abilities in quality assurance, both in policy formulation and implementation.

75. Donor coordination in the PFM field is challenging. There is a multiplicity of donors, some of which have substantial amounts of funds. The country authorities and donors interviewed by the Evaluation Team re-affirmed that Central AFRITAC and FAD have important roles to play in the PFM area, especially when it comes to quality assurance.

76. **Central AFRITAC should put more effort in outreach to both authorities and donors involved in the fiscal areas. To-date, there is no evidence that Central AFRITAC is taking a lead to facilitate coordination in either revenue administration or PFM.** Central AFRITAC continues to get mileage from their role in supporting program conditionalities and surveillance missions. However, this will change if countries graduate into other IMF programs. Eventually, successful delivery of Central AFRITAC TA will increasingly depend on how well Central AFRITAC is able to coordinate with other stakeholders.

3. Consistency of TAs with IMF Headquarters Activities

77. **Central AFRITAC activities are well integrated with TA, surveillance, and lending activities of IMF Headquarters.** There is consistency between Central AFRITAC activities and IMF's areas of expertise and operations in the concerned countries as is clear from a review of the conditionalities in the Stand By Arrangements, issues identified in monitoring reports and interviews with the staff of the Africa Department, IMF Resident Representatives and FAD staff. The TAs provided by FAD are complimentary to Central AFRITAC TAs. FAD TAs largely do the upstream policy and diagnostic work and Central AFRITAC TAs focus on the downstream implementation work. In many cases, the Fiscal Advisors have been invited to participate in FAD missions. The Fiscal Advisors, IMF staff from Headquarters and the authorities agree that these joint missions have been very helpful because Central AFRITAC is able to provide follow-up actions and TAs to support the implementation of actions necessary to meet IMF conditionalities.

78. **The quality and timeliness of management and backstopping of Central AFRITAC activities by FAD is appreciated by both the Fiscal Advisors and the authorities of the benefiting countries since it is recognized as enhancing quality for both PFM and revenue administration TAs.** The FAD back stopper is normally someone who has been on the ground and has considerable expertise in a given field. Backstopping is seen as advantageous because it:

- (i) gives an independent verification and second expert opinion;
- (ii) often provides the Fiscal Advisor with supplementary expertise as it is not possible for a Fiscal Advisor to know everything in every field; and
- (iii) helps the member countries to continuously benefit from international expertise and experience.

79. **This backstopping practice should be maintained.** IMF should facilitate back stoppers spending time in the AFRITACs and Fiscal Advisors spending time at Headquarter to allow for a cross-fertilization of ideas. Also, it is important for back stoppers to receive recognition for this work within the IMF system. **However, backstopping should not be viewed as a superior-subordinate relationship.** It should be viewed as a coaching or mentoring relationship akin to providing expert advice to a colleague who has considerable expertise in his/her own right. There is a risk that when this is misunderstood, the back stopper may use their perceived power to make decisions that conflict with the AFRITAC work plan. This could be seen as undermining decisions of Steering Committee as it approves the work program. Only a reasonable level of backstopping is desirable. Overly heavy backstopping focusing on administrative issues may erode the autonomy, responsiveness, flexibility and innovation, all of which are required and expected by Central AFRITAC member countries.

80. **The beneficiaries of PFM and revenue administration TAs do not see any difference between Central AFRITAC and IMF Headquarter TA activities.** As far as they are concerned, it is all IMF activities. Therefore, it is important to ensure that seamless services are provided to the member countries in a way that does not draw sharp distinctions in their minds about AFRITAC and Headquarters activities or possible conflicts or different agendas.

4. Rating the Relevance of Central AFRITAC Fiscal TAs

81. **Central AFRITAC is beginning to play a useful role in helping to define country TA priorities in the revenue administration and PFM areas.** Central AFRITAC is beginning to help equip countries with the institutional capacity to define their own policy alternatives, including in the context of poverty reduction strategy papers. This will help to increasingly improve the relevance and country ownership of the TAs. **The fact that the member countries fund most of the costs of Central AFRITAC is a tangible indicator of their views on the relevance of Central AFRITAC's work. Taking into account the IMF's expertise and the priority needs of member countries, Central AFRITAC activities have been appropriately focused in terms of subject areas.**

82. Tables F.14 and F.15 provide a summary of responses from the AFRITAC Evaluation Survey regarding the relevance of Central AFRITAC fiscal TAs. The number of responses was modest, ranging between 13 and 18, depending on the question. The pattern of rating for the relevance sub-criteria for the PFM and Revenue Administration TAs was broadly similar. Based on the average rating for all of the sub-criteria both the PFM and Revenue Administration TA clusters were rated as Good, near the midpoint of the range. In terms of relevance of the TAs in helping to build capacity, over 40% of the respondents rated both clusters as **Excellent**, a third as **Good** and about a quarter as **Modest**. No one rated the fiscal TAs as **Poor** for this sub-criteria. These responses are equivalent to a weighted score **above the midpoint on the Good range**. The pattern of responses was also similar for the two clusters regarding consistency with government priorities. Between 67% and 77% of the respondents rated consistency with government priorities as Good or Excellent and 30% or so as Modest or Poor. The lowest scores for the relevance sub-criteria were for coordination with other donors. The PFM cluster was rated as Good but on the border of Modest and the Revenue Administration TAs were rated as Modest in terms of coordination with other donors, the only relevancy sub-criteria in the fiscal area for which a Modest rating was given. No respondents gave an Excellent rating for the Revenue Administration TAs for donor coordination and the majority, 61%, gave Modest or Poor ratings. The respondents to the AFRITAC Evaluation Survey had a positive view of the coordination between Central AFRITAC and Headquarters in the fiscal area. For the Revenue Administration TAs, coordination with Headquarters was rated as Modest by 15%, Good by 31%

and Excellent by 54% of the respondents. This is equivalent to a weighted rating of **Good but bordering on Excellent, the highest rating for the relevancy sub-criteria for fiscal TAs. The PFM TAs were also rated highly on this sub-criteria with a weighted score above the midpoint on the Good range.** These survey results are consistent with the findings of the Evaluation Team in the Central AFRITAC client countries visited. Clear opinions were expressed that there is a need for Central AFRITAC to improve its coordination efforts with other TA providers in both the Revenue Administration and PFM areas.

Table F.14: Relevance of Central AFRITAC's Public Financial Management TAs

	Percent Answering				Weighted Rating ¹	Response Count	Response Rate ²
	Excellent	Good	Modest	Poor			
Relevance of TAs in helping to build capacity	44%	33%	22%	0%	3.2	18	100%
Consistency with Government priorities	28%	39%	22%	11%	2.8	18	100%
Coordination with other TA providers	14%	50%	21%	14%	2.6	14	78%
Coordination with IMF Headquarters	29%	64%	7%	0%	3.2	14	78%
Average for All Criteria	29%	47%	18%	6%	3.0	16	89%

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

² Ratio of the response count to the 18 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table F.15: Relevance of Central AFRITAC Revenue Administration TAs

	Percent Answering				Weighted Rating ¹	Response Count	Response Rate ²
	Excellent	Good	Modest	Poor			
Relevance of TAs in helping to build capacity	41%	35%	24%	0%	3.2	17	94%
Consistency with Government priorities	29%	41%	18%	12%	2.9	17	94%
Coordination with other TA providers	0%	38%	38%	23%	2.2	13	72%
Coordination with IMF Headquarters	54%	31%	15%	0%	3.4	13	72%
Average for All Criteria	31%	36%	24%	9%	2.9	15	83%

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

² Ratio of the response count to the 18 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

83. Based on the information in the preceding sections, the Evaluation Team assigned ratings for the relevance of Central AFRITAC's PFM and Revenue Administration clusters (see Table F.16). Both clusters were rated as Good, with the Revenue Administrations on the midpoint on the Good range and the PFM TAs below the midpoint. The highest ratings were assigned to coordination between Central AFRITAC and IMF Headquarters and the lowest rating were related to donor coordination. The Evaluation Teams' ratings are broadly consistent with the feedback received through the AFRITAC Evaluation Survey.

Table F.16: Relevance of Central AFRITAC Fiscal TAs

Criteria	Weight (%)	Rating ¹		
		Public Financial Management	Revenue Administration	Score ²
		67	33	100
1. Consistency With Government Priorities	60	3.0	3.0	3.0
2. AFRITAC Coordination with Development Partners	20	2.0	2.0	2.0
3. Consistency with IMF Activities	20	3.0	4.0	3.3
Overall Relevance Rating/Score	100	2.8	3.0	2.9
¹ Rating: 4 = Excellent; 3 = Good; 3 = Modest; 1 = Poor ² Weight by % of AFRITAC Center Budget Allocated to the Activity/TA Group Highly Relevant (Excellent) ≥ 3.5; 3.5 < Relevant (Good) ≥ 2.5; 2.5 < Partly Relevant (Modest) ≥ 1.5; Not Relevant (Poor) < 1.5				

C. Effectiveness of Fiscal TAs

1. Use of AFRITAC Center Outputs

84. The assessment of the use of Central AFRITAC fiscal TAs was largely based on feedback received during discussions with the management of the benefiting government departments and their staff in the countries visited by the Evaluation Team. In both the Revenue Administration and PFM areas, focus groups were organized with the staff that attended workshops and received hands-on training. There were no professional attachments in the fiscal areas of officials from Central AFRITAC client countries during the period being evaluated. The results of these interviews were enriched by examining the responses to the AFRITAC Evaluation Survey, interviews with IMF Resident Representatives and examining the implementation status of the PFM and Revenue Administration work plans.

85. The Evaluation Team's conclusions on the effectiveness of the workshops are as follows:
- (i) The regional workshops were an effective way of sharing regional experience.
 - (ii) The documentation received during the workshops was helpful and often used as reference at work.
 - (iii) Workshops provided opportunities for networking and developing relationships among practitioners.

- (iv) Better follow-up on workshop recommendations is needed to facilitate implementation.
- (v) There should be a mix between technicians and management participants in workshops. The participation of management level representatives is useful to facilitate the policy and procedural changes necessary for staff to use the skills gained and implement workshop recommendations.

86. The participants identified two areas where changes could be made to improve the effectiveness of the workshops:

- (i) The duration for the workshops/seminars was felt to be too short for optimal learning and comprehensive sharing of information across countries. Most workshops lasted for five days or less.
- (ii) Often there is lack of follow-up on the recommendations made and lessons learnt from the workshops. This task is largely left to the participants who may not be senior enough to initiate such changes in their respective institutions.

87. The 2005 evaluation stressed the importance of good participant selection and recommended that “Countries should exercise great care in the selection of AFRITAC workshop participants. Participants should be required to share the acquired knowledge with colleagues from their and related agencies, through in-house seminars and other means.” **There was evidence that this was being done and instances of mis-selection identified by the Evaluation Team were rare.** Stakeholders are generally happy with the caliber of participants who attended the seminars/workshops.

88. **For Revenue Administration, both the staff and management of the benefiting departments expressed satisfaction that the TA outputs were being put to use and the desired outcomes were being attained. However, future expectations were high.** All client countries have large taxpayer units and efforts are underway to implement a Value Added Tax with a harmonized code. However, success in achieving the desired TA outcomes in terms of tangible changes as reflected by embedding the TA outcomes in the procedures of executing agencies is hampered by limited autonomy of revenue administration units and weak institutional frameworks.

89. **For PFM, the results are more mixed.** TAs to strengthen treasuries in cash management and those related to budgeting were generally effective in achieving results. However, good practices like the use of single treasury accounts are yet to be implemented in most countries. Initial TAs to improve institutional arrangements related to strengthening oversight functions are beginning to gain traction but more effort and sustained engagement over a period of years will be needed for TAs in these areas to be judged effective in achieving results. A major challenge is that the PFM departments have limited autonomy which constrains their ability to make decisions to implement the TA recommendations. Even when their staff acquire the necessary skills, some changes are often required in the way the departments operate for the knowledge and skills to be applied. Implementing such changes often proves difficult and takes a considerable length of time. At the time of the evaluation it was often not clear when, or if, the necessary institutional and procedural changes would be made that are necessary to some TAs to have the desired outcome and impact. PFM departments have a limited ability to coordinate regionally. Regional professional networks, as the experience of the East AFRITAC revenue administrations has demonstrated, can accelerate reform and the adoption of best practice. Sharing experience with colleagues from other countries that are dealing with similar issues and peer reviews are potentially powerful mechanisms to accelerate reforms.

90. **The Evaluation Team found sufficient evidence to attest that the Central AFRITAC activities in revenue administration and public finance management have the potential to deliver effective outputs, assuming that the Fiscal Advisors stay engaged for the medium term.** The fiscal TAs have the potential to contribute effectively to capacity building and implementing policy reforms. However, most of the fiscal TAs are not yet sufficiently mature for the Evaluation Team to be able to make firm judgments on TA effectiveness based on clear evidence that the outputs are being used and are embedded in the procedures of the executing agencies.

2. Desired vs. Actual Outputs

91. **The actual outputs for the period being evaluated were compared to the desired outputs implied from goals and objectives stated in the work plan for the Central AFRITAC and other documentation. The results are mixed.** In revenue administration, the actual outputs compare sufficiently well with the desired outputs. In some cases, the actual outputs exceeded the Evaluation Team's expectations given the short period of engagement. For example, the Central AFRITAC successfully conducted five missions in taxation and two in customs in the Republic of Congo. The Revenue Advisor is encouraged by the progress made in implementing both FAD and Central AFRITAC recommendations in both the customs and tax administration areas. The Evaluation Team also saw positive signs in Gabon where three missions in tax administration and one in customs were conducted over the period under review. In general, though, it is too early to assess the impact of TA provided by the Central AFRITAC. Cameroon, the Republic of Congo and Gabon have made progress on reforming their tax and customs administrations with help from Central AFRITAC. PFM TAs are also beginning to show some positive signs in the same countries. Central AFRITAC has organized regional workshops on government accounting, budgeting etc. which were generally judged to be effective by the workshop participants during the focal group discussions organized by the Evaluation Team. While there was some follow-up on the implementation of the recommendations, more needs to be done in this area to achieve the desired results. Some results are encouraging and there is evidence that Central AFRITAC Revenue Administration and PFM TAs have the potential to achieve the desired outputs in the future with continued sustained engagement.

3. Significance of Central AFRITAC's Contribution to Developing Core Economic Functions/Institution Building

92. Central AFRITAC is helping to strengthen the treasury, budget, customs and taxation departments in almost all the member countries. Member countries are aware of the importance of resource mobilization, expenditure rationalization and the need to entrench good governance practices and improve transparency, accountability and oversight. For example, Burundi is now engaged in the process of computerizing their treasury functions. As PFM systems get better, donors may become more confident and willing to use the direct budget support modality to scale up their level of assistance. While both clusters of fiscal TAs have the potential to make significant contributions to strengthening core economic functions and building institutional capacity. However, at this stage it is not reasonable to expect that Central AFRITAC TAs would score highly on this effectiveness sub-criteria.

93. Six of the eight member countries belong to the CEMAC and are making most progress towards economic integration. There is likely to be increasing convergence for revenue administration and PFM practices in the region. These efforts by CEMAC countries may require

IMF to adjust its approach accordingly and redefine the balance between what to support on a country-specific basis and what to support regionally.

4. Rating the Effectiveness of Central AFRITAC TAs

94. **Central AFRITAC is championing adoption of good practices in PFM and revenue administration.** The TAs have the potential to be judged effective, assuming that these good practices are adopted and embedded in procedures of revenue administrations and PFM departments. However, it will take more time and additional TA and support before clear evidence of the effectiveness of Central AFRITAC's TAs is available.

95. The responses to the AFRITAC Evaluation Survey provide some additional evidence to consider when rating the effectiveness of Central AFRITAC's fiscal TAs. Tables F.17 and F.18 show the survey results for the effectiveness sub-criteria for Central AFRITAC's clusters of PFM and Revenue Administration TAs. The number of responses ranged between 14 and 18, depending on the sub-criteria. For the PFM TAs, the rating was **Modest** for use of outputs and achieving tangible results (see Table F.17). For both of these sub-criteria, there were very few **Excellent** ratings. The ratings were nearly equally distributed between **Good** and **Modest/Poor**. The rating of significance of contributions to developing core economic functions were better with a **Good rating but below the midpoint in the range**. However, there were a sizable number of respondents that rated the PFM TAs as Modest or Poor on this sub-criteria (28%).

96. The respondents to the AFRITAC Evaluation Survey **rated the three effectiveness sub-criteria as Good but below the midpoint for the Revenue Administration TAs** (see Table F.18). The lowest rating was for the use of outputs which was rated as Good but on the margin of Modest. For the use of the Revenue Administration outputs, respondents were nearly evenly split between Good/Excellent ratings and Modest/Poor ratings. For the achieving tangible results and the significance of Central AFRITAC's contributions in the revenue administration area, about three quarters of the respondents assigned Good or Excellent ratings and one quarter Modest or Poor ratings. In contrast to the PFM area, the proportion of Poor ratings never exceeded 7% for any effectiveness sub-criteria for the Revenue Administration cluster. The survey findings shown in Tables F.17 and F.18 suggest that at this early stage, there is limited evidence to say that the fiscal TAs are effective. However, the perception is that some progress is being made to achieve effective results.

Table F.17: Effectiveness of Central AFRITAC Public Financial Management TAs

	Percent Answering				Weighted Rating ¹	Response Count	Response Rate ²
	Excellent	Good	Modest	Poor			
Use of the outputs	6%	50%	25%	19%	2.4	16	89%
Effectiveness in achieving tangible results	0%	56%	28%	17%	2.4	18	100%
Significance of contributions to developing core economic functions	21%	50%	7%	21%	2.7	14	78%
Expertise and assistance	33%	44%	11%	11%	3.0	18	100%
Sustainability of the benefits of AFRITAC TAs	0%	75%	19%	6%	2.7	16	89%
Average for All Criteria	12%	55%	18%	15%	2.6	16	91%

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

² Ratio of the response count to the 18 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table F.18: Effectiveness of Central AFRITAC Revenue Administration TAs

	Percent Answering				Weighted Rating ¹	Response Count	Response Rate ²
	Excellent	Good	Modest	Poor			
Use of the outputs	6%	53%	35%	6%	2.6	17	94%
Effectiveness in achieving tangible results	24%	53%	18%	6%	2.9	17	94%
Significance of contributions to developing core economic functions	13%	67%	13%	7%	2.9	15	83%
Expertise and assistance	53%	41%	6%	0%	3.5	17	94%
Sustainability of the benefits of AFRITAC TAs	24%	47%	29%	0%	2.9	17	94%
Average for All Criteria	24%	52%	20%	4%	3.0	17	92%

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

² Ratio of the response count to the 18 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

97. The four fiscal objectives defined in the Central AFRITAC program document were to: (i) improve capacity for macroeconomic analysis, policy formulation, and forecasting; (ii) make the checks and balances in public financial management more effective, taking account of codes of good practices promoted by the IMF and other institutions; (iii) make systems and procedures for budgeting, treasury operations, and expenditure planning and control, more efficient with

appropriate safeguards in terms of oversight and auditing; and (iv) make the reporting of government financial operations more reliable and timely. A broad indicator of the effectiveness of the fiscal TA portfolio is the degree to which people believe that progress is being made to achieve the objectives. The number of people giving an opinion ranged from 73 to 79 depending on the objective. In terms of achieving Central AFRITAC's fiscal objectives, the responses to the AFRITAC Evaluation Survey indicate that: (i) only 3% to 7% felt that the fiscal objectives had been achieved; (ii) 55% to 62% reported that significant progress had been made but that the objective had not been achieved; (iii) 27% to 32% felt that modest progress had been made; and (iv) 6% to 11% of the respondents stated that no progress had been made in terms of achieving the objectives (see Table F.19). The broad picture suggested by Table F.19 is that while progress is being made, considerably more progress will be needed before the Central AFRITAC's fiscal objectives could be achieved.

Table F.19: Central AFRITAC Progress in Achieving Fiscal Objectives

	Percent Answering				Response Count	Response Rate ¹
	Objective Fully Achieved	Despite Substantial Progress, Objective not yet Achieved	Only Modest Progress Made to Achieve Objective	No Significant Progress Made		
To improve capacity for macroeconomic analysis, policy formulation, and forecasting	7%	55%	27%	11%	73	63%
To make the checks and balances in public financial management more effective, taking account of codes of good practices promoted by the IMF and other institutions	5%	56%	32%	6%	78	68%
To make systems and procedures for budgeting, treasury operations, and expenditure planning and control, more efficient with appropriate safeguards in terms of oversight and auditing	3%	62%	25%	10%	79	69%
To make the reporting of government financial operations more reliable and timely	3%	57%	32%	8%	75	65%

¹ Ratio of the response count to the 115 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

98. The Evaluation Team's effectiveness ratings for Central AFRITAC's portfolio of fiscal TAs is given in Table F.20. **The effectiveness of the PFM cluster was rated as Modest while the effectiveness of the Revenue Administration TAs was rated as Good, albeit below the midpoint of the Good range.** Because almost twice as many resources were used to deliver

PFM TAs as were used to deliver Revenue Administration TAs, a larger weight was assigned to the PFM ratings when the rating of the total portfolio of TAs was derived. **The effectiveness of the fiscal portfolio was rated as Modest, bordering on Good.** The ratings of the Evaluation Team were broadly confirmed by the results of the AFRITAC Evaluation Team. Generally the survey results rated the effectiveness of the Revenue Administration TAs slightly higher than the PFM TAs. The findings of the Evaluation Team confirmed that Central AFRITAC's fiscal TAs are appropriately focused on delivering outputs and that there is some evidence that they are beginning to deliver effective results. A general indicator of whether TAs are likely to be effective in the medium term is the quality of expertise and assistance provided by Central AFRITAC. Survey respondents rated this indicator as Excellent for Revenue TAs (see Table F.18) and Good for PFM TAs (see Table F.17). **Since capacity building is a medium to long term task and Central AFRITAC is only half way through its second fiscal year of operations, it is too early to expect that clear evidence has emerged about the effectiveness of the TAs.** However the feedback received by the Evaluation Team, both during its field work and through the survey, indicates that the fiscal TAs have the potential to be effective and to achieve tangible results. This is a positive finding given the difficult institutional environment in which Central AFRITAC operates.

Table F.20: Effectiveness of Central AFRITAC Fiscal TAs

Criteria	Weight (%)	Rating ¹		
		Public Financial Management	Revenue Administration	Score ²
		67	33	100
1. Use of AFRITAC Outcomes	40	2.0	3.0	2.3
2. Planned vs. Actual Achievements	30	3.0	3.0	3.0
3. Significance of Contribution to Developing Core Economic Functions and Institution Building	30	2.0	2.0	2.0
Overall Effectiveness Rating/Score	100	2.3	2.7	2.4
¹ Rating: 4 = Excellent; 3 = Good; 3 = Modest; 1 = Poor ² Weight by % of the Center budget allocated to the cluster of AFRITAC activities/TAs Highly Effective (Excellent) ≥ 3.5; 3.5 < Effective (Good) ≥ 2.5; 2.5 < Partly Effective (Modest) ≥ 1.5; Not Effective (Poor) < 1.5				

D. Efficiency of Fiscal TAs

1. Process and Implementation Efficiency:

99. Assessing process and implementation efficiency covers such factors as IMF's internal management of Central AFRITAC activities, appropriate counterpart/workshop participant selection and the quality and timeliness of management and backstopping of the Fiscal Advisors by FAD. The Evaluation Team also examined the consistency of engagement at the institutional and individual level for both Central AFRITAC and the executing agencies. It was examined by looking at whether the Central AFRITAC consistently engaged in the PFM and revenue administration areas and the turnover of Central AFRITAC Fiscal Advisors and the staff of

executing agencies. Another factor considered was the efficiency of the recruitment of consultants, making appropriate PFM and Revenue Administration Advisors available, the efficiency of planning and executing the TA delivery and the timeliness of TA execution. To help improve process efficiency and effectiveness, the 2005 evaluation recommended that “Where this is not yet the case, Resident Representatives’ Terms of Reference should include assisting the AFRITAC intervention in their assigned country.” That recommendation has not been implemented.

100. In general short term experts were recruited in a timely manner. Also the Fiscal Advisors were recruited in a timely manner and were in place when Central AFRITAC began operations. Since none of the Fiscal Advisors have yet completed their terms, issues have not yet arisen about succession planning and the efficiency of filling vacancies.

101. **FAD is very much in control when it comes to backstopping, recruitment of the Fiscal Advisors and short term experts, and the programming of Central AFRITAC fiscal TA missions.** This is designed to maintain good quality of TA delivery and protect the reputation of IMF. FAD did a good job of integrating its activities with those of Central AFRITAC – regular participation of the Central AFRITAC Fiscal Advisors in FAD missions helped to improve process and implementation efficiency as Central AFRITAC was better positioned to support the implementation of recommendations resulting from FAD’s upstream policy and diagnostics work. According to the Fiscal Advisors, the timing and responses from the back stoppers were generally good. However, some concerns were expressed that missions were sometimes changed and/or postponed by FAD. This issue needs to be better managed because such actions impact adversely on the on the delivery of Central AFRITAC’s work plan. The work plan is approved by the Steering Committee. **The FAD should not lightly overrule the work program approved by the Steering Committee.** In the fiscal area coordination between Regional Assistance Program (RAP) and Central AFRITAC’s work plans could be improved. A better mechanism is needed to keep all Fiscal Advisors involved and informed. For example, FAD could organize a monthly video conference on certain themes, a common practice in a number of other organizations.

102. **Regional integration is posing some challenges for process and implementation efficiency.** Traditionally, IMF involvement in Africa has not focused on regional integration and harmonization issues. Rather, IMF’s relationships with countries are largely bilateral in nature. However, regional integration is a major issue in the countries covered by Central AFRITAC. **Central AFRITAC should develop a closer relationship with, and work more closely with, CEMAC to improve the efficiency of its efforts to support deeper regional integration and harmonization.**

2. Efficient Use of Adequate Levels of AFRITAC Resources

103. Developing cost comparisons of the delivery of FAD TA with fiscal TA delivered by Central AFRITAC was constrained by a lack of data availability. However, it was possible to compare the cost of delivering Central AFRITAC’s fiscal TAs with the cost of delivering TA in the other functional areas and with the cost of delivering fiscal TAs across AFRITACs. In the fiscal area, Central AFRITAC provided a total of 54 person months of input during FY2007 and FY 2008, of which 47 person months were provided in FY 2008, the first full year of operations. Of this, about 23% was provided by short term experts¹⁵⁹. The remainder was provided by two

¹⁵⁹ The information available to the Evaluation Team did not break the inputs of the short term experts down into the PFM and revenue administration areas.

PFM Advisors (Budget and Decentralization Advisor; Treasury Operations and Accounting Advisor) and a Revenue Administration Advisor. There were no vacancies for the FAD advisor positions. The cost of providing this TA totaled \$1.3 million for the two fiscal years, equivalent to a cost of about \$23,800 per person month of input. This is close to the average cost per person month of TA for Central AFRITAC (\$23,600) and comparable to the cost per person month of TA delivered in the fiscal area by East (\$23,300) and West AFRITAC (\$22,600). These cost comparisons indicated that in terms of cost efficiency, there is no substantial difference between the three AFRITACs in the fiscal area and among functional areas in the West AFRITAC.

104. The Fiscal Advisors have consistently engaged with the concerned authorities in the member countries. Member countries have ongoing access to the Advisors. **However, logistical constraints and political economy issues in some client countries pose a challenge to optimize the use of Central AFRITAC TA human and financial resources.** Telecommunications are problematic and travel in the region is difficult. Some airlines do not meet IMF's safety guidelines, scheduled flights are not always available on the desired day and sometimes travel within the region requires transiting through Europe.

3. Monitoring and Reporting

105. **The quality and timeliness of reporting on and monitoring the activities and outputs of Central AFRITAC has been influenced by the practices in the other two AFRITACs.** One of the recommendations of the 2005 AFRITAC evaluation was that performance indicators and a Logical Framework Analysis should be developed to evaluate AFRITAC outputs not less than annually. The importance of monitoring was also highlighted in another recommendation of the 2005 evaluation "The IMF should work with member countries and donors to ensure that necessary TA is provided to help AFRITAC beneficiary agencies develop and monitor the capacity-building plans" The 2005 evaluation also recommended that "The Centers should develop a reporting format to the Steering Committee that allows tracking of benchmarks and indicators of AFRITAC outputs and performance. The formats of monthly reports and activity status reports should facilitate folding their content into SC reports, thereby meeting donors' legitimate request for more substantive information on countries' follow-up to AFRITAC recommendations." These recommendations have not been fully implemented.

106. Central AFRITAC uses self evaluation (i.e. monitoring) and reporting to provide inputs to improve the efficiency and effectiveness of its activities and to enhance the synergies between its activities and those of FAD. Central AFRITAC has also learned some lessons for the other AFRITACs in terms on reporting on results to the Steering Committee rather than excessively focusing on the use of inputs. During the first year of its operations Central AFRITAC was hampered by not being able to access TAIMS. Although Central AFRITAC was able to access the enhanced version of TAIMS in mid-2008, connections are sometimes problematic. When the Evaluation Team visited Gabon it was too early to conclude whether the enhanced version of TAIMS will improve the monitoring and tracking of outcomes and impacts. Some strategic partners stated that Central AFRITAC needs to do a better job disseminating information to them. In the fiscal area, Central AFRITAC needs to continue to improve managing and reporting on results and disseminating information on its activities. These are largely institutional issues and apply across AFRITACs and across functional areas.

4. Rating the Efficiency of Central AFRITAC's Fiscal TAs

107. Table F.21 summarizes the Evaluation Team's assessment of the efficiency of Central AFRITAC's portfolio of fiscal TAs. **The efficiency of both the PFM and Revenue Administration TA clusters was rated as Good and there were no obvious problems identified** -- all three efficiency sub-criteria were scored as a 3. The quality of expertise and assistance is a broad indicator of whether Central AFRITAC was able to efficiently mobilize the correct mix of resources and whether those delivering TA were well qualified. The results in Tables F.17 and F.18 indicate that the quality of Central AFRITAC's fiscal expertise was Good to Excellent. Few survey respondents rated the quality of expertise as Modest or Poor.

Table F.21: Efficiency of Central AFRITAC Fiscal TAs

Criteria	Weight (%)	Rating ¹		
		Public Financial Management	Revenue/Taxation	Score ²
		67	33	100
1. Process/Implementation Efficiency	40	3.0	3.0	3.0
2. Efficient Use of Resources	40	3.0	3.0	3.0
3. Monitoring and Reporting	20	3.0	3.0	3.0
Overall Efficiency Rating/Score	100	3.0	3.0	3.0
¹ Rating: 4 = Excellent; 3 = Good; 3 = Modest; 1 = Poor ² Weight by % of AFRITAC budget allocated to Activity/TA Group Highly Efficient (Excellent) ≥ 3.5; 3.5 < Efficient (Good) ≥ 2.5; 2.5 < Partly Efficient (Modest) ≥ 1.5; Not Efficient (Poor) < 1.5				

E. Sustainability of Fiscal TAs

108. Sustainability relates to the extent to which Central AFRITAC TAs have led to tangible and lasting results in member countries. Sustainability depends on whether the institutional, policy and legal framework and human and financial resources are sufficient to sustain the TA benefits. Because Central AFRITAC has only been operating for a short period of time, there was little objective evidence available on which the Evaluation Team could base its assessment of the sustainability of fiscal TAs. Thus the following discussion is more indicative of potential sustainability.

1. Political/Economic Context

109. Political stability, a sound macroeconomic context, policy continuity and sound institutions help to create conditions that increase the likelihood of the Central AFRITAC support will result in sustainable benefits. If some or all of these conditions are absent, the likelihood of achieving sustainable benefits diminishes. Five of the eight members are post conflict countries. In those five countries, systems have been destroyed by strife and war. Governance and transparency enhancing institutions and practices have also been eroded. Low salaries, high staff turnover and de-motivation are daily realities in many government agencies, including

those related to PFM and revenue administration. The Evaluation rated institutional absorptive capacity as Modest in Cameroon and Gabon and Poor in all other Central AFRITAC client countries (see Table I.1). Weighting the country institutional scores by the amount of fiscal TA delivered to each country results in a Poor rating for institutional capacity (see Table B.4). Although ministries of finance tend to be among the strongest ministries, it is clear that the Central AFRITAC Fiscal Advisors are working in a very challenging institutional environment.

110. **When working in post conflict states, coherent plans are needed spanning policy, legal and institutional framework and staff capacity building with a mid-term to long-term outlook.** This helps to coordinate donor support, to set priorities and sequencing of interventions and to provide a framework for short term interventions. Currently, there seems to be no coordinated effort to address capacity problems systematically. The Evaluation Team received confirmation of this issue in feedback from two major funders of fiscal TA in the Central AFRITAC region.

2. Executing Agency Ownership and Use of TA Outputs

111. Government/executing agency ownership was assessed based on feedback received during interviews with senior officials in the ministries of finance and revenue administration agencies in Gabon and Cameroon, donors, IMF Headquarters Staff and the Fiscal Advisors. This feedback was supplemented by examining documents and reviewing websites for evidence that appropriate policies, procedures, institutional changes and/or legal frameworks were in place to ensure continued use of the Central AFRITAC outputs. **If Central AFRITAC were to support the development of regional networks in each area of its expertise** (e.g., tax and customs administrators forums), it might help to create a regional climate that encourage the adoption of strategic reforms that would enhance the prospects for sustainability. CEMAC might an appropriate organization with which Central AFRITAC could partner for such an initiative. To-date, there have been no such formal efforts in the fiscal areas.

112. **Central AFRITAC is helping agencies and departments to ensure that TA outputs are embedded in the business practices of the benefiting entities or executing agencies.** However, in some cases, constraints faced by Central AFRITAC member countries have prevented them from taking full advantage of the TAs and implementing the recommendations. Unless the recommendations are implemented, TAs will not result in sustainable benefits. Problems contributing to such results included difficulties caused by political economy factors, difficulties experienced in organizational change management, sometimes because of limited autonomy of the PFM departments and revenue administrations, lack of buy in from senior level ministerial officials, staffing and staff turnover issues and lack of information technology and financial resources to implement the recommendations. For example, a mission to Equatorial Guinea was postponed several times by the authorities. In the Central African Republic, there has been some progress in tax administration in reinforcing their operations. However, there is very little progress in customs, mainly attributed to lack of commitment from the leadership of customs and excessive instability and redeployment of staff. In some cases workshops were unlikely to lead to sustainable results because the policy and business systems changes were not implemented to allow the participants to apply the knowledge gained on the job. The participants said that involving their superiors is strategically important when it comes to implementation.

3. Promoting the Use of African Expertise:

113. One of Central AFRITAC's objectives that should contribute to sustainability in the longer term is the promotion and use of African expertise. The 2005 evaluation recommended that "The AFRITACs should continue to promote African expertise through recruitment of resident experts from the continent and use of African short-term experts. At the same time, permanent quality control should be exercised." The two PFM Advisors are experts from the African region. The Revenue Administration Advisor is from outside the African region. The authorities in countries served by Central AFRITAC were happy with the performance of the African experts, feedback that was consistent with the views of the survey respondents on the quality of Central AFRITAC's fiscal expertise (see Table F.16 and F.17). Central AFRITAC uses a good mix of experts from Africa and outside Africa as short term experts. This success in using African experts reflects deliberate efforts by FAD to identify potential advisors/experts and test them over the years before engaging them as advisors.

114. **The strategy to promote the use of African expertise requires sustained, deliberate efforts.** One of the major challenges is the strategy used for recruitment. Due to limited numbers of African experts in the PFM and revenue administration areas, well qualified and experienced experts are usually employed in senior positions in their countries and are not necessarily job-hunting or searching newspapers for job advertisements. They may not be interested in taking up jobs on one year contracts. However, they can be approached for an opportunity to serve during a leave without pay from their current jobs and their employers may be willing to let them go for a short time. A strategy is needed that works to identify talent and utilize and promote the growth of African expertise.

4. Financial Sustainability

115. Much of Central AFRITAC's TAs have just commenced and could be termed a work in process. More TA and support will be needed over the medium to longer term until the desired outcomes are achieved and are firmly embedded in the policies and procedures of the executing agencies. Also, its clients have a growing demand for an increasing array of more sophisticated fiscal services from Central AFRITAC. The feedback to the Evaluation Team was that the Fiscal Advisors are over stretched and are trying to cover too many countries. More financial resources will be needed to ensure that Central AFRITAC's portfolio of fiscal TAs result in sustainable benefits. However, at the time of the evaluation, the funding for Central AFRITAC was not committed beyond the current three year phase.

5. Sustainability of Fiscal TAs

116. **In addition to the need to deliver good quality services, the long term success and sustainability of Central AFRITAC depends, in part, on the importance that the stakeholders assign to its objectives.** As shown in Table F.22, over 90% of the 90 to 96 respondents of the AFRITAC Evaluation Survey who rated the continuing importance of the fiscal objectives specified in the Central AFRITAC Program Document indicated that they were either **Important** or of **Highest Importance**. Respondents were only allowed to rate a maximum of two of the objectives in the highest importance category. The more important fiscal objectives were: (i) making systems and procedures for budgeting, treasury operations, and expenditure planning and control, more transparent and efficient with appropriate safeguards in terms of oversight and auditing; and (ii) making the reporting of government financial operations more reliable and timely. The fact that very few people rated the fiscal objectives as **Modestly Important** or **Not Important**, 8% or under for all four objectives, suggests that Central

AFRITAC's fiscal TAs continue to be important. This is a positive finding for the sustainability of the fiscal TA benefits.

Table F.22: The Importance Central AFRITAC Should Assign to Fiscal Objectives

	Percent Answering				Response Count	Response Rate ¹
	Highest Importance	Important	Modestly Important	Not Important		
To improve capacity for macroeconomic analysis, policy formulation, and forecasting	50%	41%	4%	4%	94	93%
To make the functioning of checks and balances in public financial management more effective, taking account of codes of good practices promoted by the IMF and other institutions	47%	47%	4%	2%	90	89%
To make systems and procedures for budgeting, treasury operations, and expenditure planning and control, more transparent and efficient with appropriate safeguards in terms of oversight and auditing	70%	30%	0%	0%	96	95%
To make the reporting of government financial operations more reliable and timely	40%	55%	4%	0%	94	93%

¹ Ratio of the response count to the 101 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

117. Table F.23 summarizes the assessment of the Evaluation Team of the sustainability of Central AFRITAC's portfolio of fiscal TAs. **Both the PFM and Revenue Administration TA clusters were rated as Modestly Sustainable.** It should not be surprising that after only 18 months of operation there was limited evidence that the TAs had resulted in changes being embedded in the policies and procedures of executing agencies. The highest ratings for the sustainability sub-criteria were for the use of African expertise.

118. There are a number of major challenges and constraints faced by AFRITAC member countries which have prevented them from taking full advantage of Central AFRITAC TA and reflect risks for sustainability. The main challenges include:

- (i) Retention of trained staff in key reforms areas such as cash management, computerization of financial management systems and budget policy analysis and reporting, and revenue administration.
- (ii) Most countries lack comprehensive legislative framework to underpin PFM, taxation and customs reforms.
- (iii) Slow progress in implementation of recommended measures and actions including low level of computerization.
- (iv) Inadequate understanding and support from spending agencies which undermines the ministry of finance-led reforms;
- (v) Inadequate collaboration and role clarity among development partners which hampers effective delivery of TA.
- (vi) The social political environment in some countries erodes the political will to undertake necessary reforms and therefore request for such assistance.
- (vii) Free trade agreements with European Union and other countries;
- (viii) Management of the reforms by governments.
- (ix) Strategies and means to ensure constant and effective engagement of the Steering Committee and national AFRITAC focal points.
- (x) The evolving nature of TA required necessitates Central AFRITAC and IMF Headquarters must consistently shift to the new realities.

119. The sustainability ratings resulting from the AFRITAC Evaluation Survey are given in Tables F.17 and F.18, based on about 18 responses, for the PFM and Revenue Administration clusters respectively. Both clusters were rated as Sustainable but below the midpoint. For the PFM cluster no respondents rated the prospects for sustainability as **Excellent**. Three quarters rated the likelihood of sustainability as **Good**, 19% as **Moderate** and 6% as **Poor** (see Table F.17). Sustainability ratings for the Revenue Administration cluster were 24% as **Excellent**, 47% as **Good**, 29% as **Moderate** and none as **Poor** (see Table F.18). The Evaluation Team's rating of sustainability is more guarded than the survey respondents. However, nearly one third of the respondents had some concerns about the sustainability of the portfolio of Central AFRITAC's fiscal TAs. The evaluation findings suggest that **more efforts need to be made, which will involve consistent engagement and follow up over the medium term, to ensure the recommendations are implemented and are embedded in the business practices of the PFM departments and revenue administrations. If this does not happen, the benefits of the fiscal TAs will not be sustainable and the desired outcomes and impacts will not be achieved.**

Table F.23: Sustainability of Central AFRITAC Fiscal TAs

Criteria	Weight (%)	Rating ¹		
		Public Financial Management	Revenue Administration	Score ²
		67	33	100
1. Political Economy Issues	25	1.0	1.0	1.0
2. Executing Agency Ownership and Use of Outputs	40	2.0	2.0	2.0
3. Promoting Use of African Expertise	15	4.0	3.0	3.7
4. Financial Sustainability	20	2.0	2.0	2.0
Overall Sustainability Rating/Score	100	2.1	1.9	2.0
¹ Rating: 4 = Excellent; 3 = Good; 2 = Modest; 1 = Poor ² Weight by % of East AFRITAC's budget allocated to Cluster of activities/TAs Highly Sustainable (Excellent) ≥ 3.5; 3.5 < Sustainable (Good) ≥ 2.5; 2.5 < Partly Sustainable ≥ 1.5 (Modest); Not Sustainable (Poor) < 1.5				

F. Overall Assessment of Central AFRITAC Fiscal TAs

120. The overall assessment of the performance of Central AFRITAC's fiscal TAs is shown in Table F.24. The performance of the fiscal portfolio of TAs was rated as **Good**, although below the midpoint on the range for Good. The highest scores were for Relevance and Efficiency followed by Effectiveness and Sustainability, which were rated as **Good**, the former was rated as slightly below the midpoint in the Good range. Effectiveness and Sustainability were both rated as **Modest**. The pattern of the ratings for both the PFM and the Revenue Administration clusters were similar. Both were rated as **Good but bordering on a Modest rating**. The results of the AFRITAC Evaluation Survey for Central AFRITAC's fiscal TAs are broadly consistent with the Evaluation Team's ratings.

Table F.24: Overall Assessment of Central AFRITAC Fiscal TAs

Criteria	Weight (%)	Rating ¹		
		Public Financial Management	Revenue/Taxation	Score ²
		67	33	100
1. Relevance	32	2.8	3.0	2.9
2. Effectiveness	28	2.3	2.7	2.4
3. Efficiency	22	3.0	3.0	3.0
4. Sustainability	18	2.1	1.9	2.0
Overall Rating/Score	100	2.6	2.7	2.6
¹ Rating: 4 = Excellent; 3 = Good; 2 = Modest; 1 = Poor ² Weight by % of AFRITAC budget allocated to Cluster of activities/TAs Highly Sustainable (Excellent) ≥ 3.5; 3.5 < Sustainable (Good) ≥ 2.5; 2.5 < Partly Sustainable ≥ 1.5 (Modest); Not Sustainable (Poor) < 1.5				

G. The Way Forward for Central AFRITAC Fiscal TAs

121. While demand driven TA needs to continue to be guiding principle for the design and delivery of fiscal TAs, issues to consider for the way forward for PFM TAs include:

- (i) Promoting the adoption of best practices in key areas such as medium-term planning and budgeting frameworks (MTEF), cash management and banking arrangements, migration to the GFSM 2001 budget classification, improved fiscal reporting, and implementation of legal and regulatory framework.
- (ii) Mitigating the loss of technical expertise and knowledge by encouraging the authorities to undertake effective documentation of policies and procedures in key reform areas -- succession planning and knowledge and skills transfer need to be done by client countries to ensure a lasting impact of Central AFRITAC assistance.
- (iii) Promoting effective implementation of TA recommendations by encouraging the authorities to establish the necessary policy and institutional framework for initiating reform projects, including cabinet approved policy decisions, establishment of project teams, and formulation of realistic work plans and assignment of medium/long term experts.
- (iv) Strengthening the dialogue and cooperation with other TA providers to promote opportunities for the funding of medium/long term project managers and technical advisors to compliment Central AFRITAC's capacity building initiatives.
- (v) Continuing to engage all member countries through regional capacity building initiatives and workshops to keep them abreast of the best practices and PFM reforms in the region and maintain the awareness of the availability of TA from Central AFRITAC.

122. Central AFRITAC revenue administration TAs, with the support from FAD, have helped to enhance local capacity, promote awareness and have begun to support the implementation of international best practices. Countries in the region started the reform process but more effort and support are needed to achieve the modernization objectives. The way forward for Central AFRITAC revenue administration TAs should be to consolidate the gains made and to deepen reforms by providing advice and building capacity related to:

- (i) taxpayer services;
- (ii) taxpayer segmentation and management;
- (iii) taxation of small enterprises;
- (iv) the increased use of risk-based compliance management approaches in both tax and customs;
- (v) taxation of petroleum products, minerals and other natural resources;
- (vi) business process review and design;
- (vii) the use of robust information technology platforms for routine activities and decision support.
- (viii) strengthening cooperation between tax and customs departments;
- (ix) full application of World Trade Organization (WTO) customs valuation and post clearance audits;
- (x) strengthening managerial capacity and internal audit within the administrations;
- (xi) improving transparency, accountability and control to reduce opportunities for corruption;
- (xii) strengthening fraud prevention, including supporting anti-smuggling efforts and efforts to detect counterfeit goods; and,
- (xiii) encouraging revenue administrations to periodically carry out self-diagnoses using internationally recognized key performance indicators.

IV. Evaluation of Central AFRITAC Statistics TAs

A. Introduction to Central AFRITAC Statistics TAs

123. It is clear from the Central AFRITAC Program Document¹⁶⁰ that statistics TA would be provided in a narrower range of areas than is the case for East and West AFRITAC. **During the needs assessment, discussions with beneficiary countries identified needs related to real sector statistics, particularly in the areas of national accounts and prices.** Thus statistics TAs were to focus on two areas:

- (i) **National Accounts:** For national accounts there was a need to improve the methodology and techniques for compiling yearly and, as feasible, development of quarterly national accounts. The needs specified included improving source data, data collection and processing procedures and the associated statistical techniques. The national accounts TAs were to be designed to strengthen institutional capacities in these areas. It was recognized that the basic data in client countries was often incomplete and did not cover all necessary fields. Thus the source data needed to be updated. The need for close coordination with donors was noted since others normally provide support for source data development to underpin the methodological work of IMF. One task of the Statistics Advisor was to coordinate with donors to help mobilize the financial and technical assistance to improve the source data.
- (ii) **Price Statistics:** For price statistics, there was a need to improve underlying methodologies, data processing procedures, and techniques to enhance the reliability and availability of information. A need to extend the geographical coverage of data collection was recognized, something that would require surveys. It was noted that new surveys might be beyond the capacity of many beneficiary countries. The Statistics Advisor was to help mobilize financing from other donors for such surveys.

124. The Central AFRITAC Program document also states that regional workshops were expected to foster experience sharing, peer group review, and networking among country officials. The document recognizes that **since most client countries are undertaking regional economic integration through CEMAC, such integration will provide a logical basis for using a regional approach for TA delivery.**

125. Consistent with the Program Document, Central AFRITAC's statistics TAs have been provided to national institutes of statistics or similar bodies, focusing on real sector statistics. Both national accounts and CPI have been covered.

126. **The Statistics Advisor started work in July 2007.** According to the Terms of Reference, his duties consist of "(i) ensuring and conducting technical assistance relating to capacity building in national accounts and price statistics; (ii) facilitating the execution of activities by the statistics institutions in the development of macroeconomic statistics and technical assistance activities; and (iii) coordinating technical assistance activities with appropriate Departments of IMF and, eventually, with other international institutions as well as bilateral agencies providing TA for Central AFRITAC member countries".

¹⁶⁰ IMF, Central AFRITAC Program Document, October 2006. Pages 11 to 12.

127. There was only one Statistics Advisor, who had been holding office for about a year when the Evaluation Team visited Gabon. He was spread quite thinly and was working in six of the eight Central AFRITAC member countries.¹⁶¹

B. Relevance of Statistics TAs

128. **The weaknesses in statistics in Sub-Saharan Africa, including in Central AFRITAC client countries, are well known.** The general weakness of statistics is stated on the AFRISTAT home page. The feedback from the AFRITAC Evaluation Survey on the three sub-criteria used to assess the relevancy of Central AFRITAC statistics TAs is summarized in Table F.25. There were small numbers of responses ranging between 11 and 13 depending on relevancy sub-criteria. The survey responses were used to test and confirm the Evaluation Team's assessment of the relevancy of the statistics TAs based on the interviews conducted and the document review. Overall, **the relevancy of Central AFRITAC's statistics TAs in terms of helping to build capacity was rated as Good, above the midpoint in the range.** The highest proportion of **Excellent** ratings for this criteria was 54% followed by **Good** at 23%. The rating for **Modest** was 15% and for **Poor** was 8%, but these both represent the views of only one or two persons.

Table F.25: Relevance of Central AFRITAC Statistics TAs

	Percent Answering				Weighted Rating ¹	Response Count	Response Rate ²
	Excellent	Good	Modest	Poor			
Relevance of TAs in helping to build capacity	54%	23%	15%	8%	3.2	13	100%
Consistency with Government priorities	33%	33%	17%	17%	2.8	12	92%
Coordination with other TA providers	18%	55%	9%	18%	2.7	11	85%
Coordination with IMF Headquarters	33%	33%	25%	8%	2.9	12	92%
Average for All Criteria	35%	36%	17%	13%	2.9	12	92%

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

² Ratio of the response count to the 13 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

1. Consistency with Government Priorities

129. Formulation of the first statistics work program was preceded by a needs assessment of the client countries that was undertaken by STA and regional experts. During the field visits to Gabon and Cameroon and through discussions with the Central AFRITAC Statistics Advisor and other stakeholders, it was clear that in the national accounts area: (i) implementation of the SNA 1993 has just started in three Central AFRITAC client countries (Chad, Burundi and Central African Republic) and ongoing work is largely related to the rebasing; (ii) in Gabon the process started a few years ago is now producing some results (e. g., national accounts for the base year and the two more current years) but there is a four year period to catch up and the strategy needs to be implemented more efficiently; (iii) Cameroon has a statistical system which

¹⁶¹ The Republic of the Congo and the Democratic Republic of Congo received TA from STA.

produces quite up to date accounts consistent with SNA 1993; and (iv) in Equatorial Guinea, the pre-requisite conditions for starting the process to implement SNA 1993 are not yet in place.

130. There is a CEMAC designed framework for a Harmonized Consumer Price Index. While implementation has not yet started at the CEMAC level, most¹⁶² CEMAC member countries have committed themselves to implement this project. However, the data necessary to determine appropriate weights are missing in many these countries.

131. The information in the World Bank's, Country Statistical Information Database, which is described in Annex B, was used to help judge the relevance of Central AFRITAC statistics TAs (see Table F.26). This data base provides a ranking on a scale of 0 to 100 for 140 plus countries for national statistics systems and statistical practice, which covers many issues that are of direct relevance to the statistics TAs. **The weakness of statistics in Central AFRITAC client countries is clear** from Table F.26. The average ranking for the national statistics systems for the Central AFRITAC client counties was 42, well below the world average of 65. Only Cameroon's statistical system ranks near the world average and clearly stands out in the region as the strongest statistical system. The national statistical systems of four countries¹⁶³ received score in the 40s and the rankings of two countries, the Democratic Republic of Congo and Equatorial Guinea were particularly low. The rankings were lower for statistical practice. The average for the region was 29, compared to a worldwide average of 56. Again, only Cameroon was ranked near to the world average. Two countries¹⁶⁴ received a rank in the 40s for statistical practice and the score for the rest was below 40 with very low scores received by the Central African Republic, Gabon and Equatorial Guinea. The more detailed data in Table F.26 illustrates the depth of the challenges: (i) in only two countries, Cameroon and the Central African Republic, was the base year of national accounts less than 10 years old; (ii) in no country was the CPI base year less than 10 years old; (iii) none of the countries subscribe to SDDS; (iv) only Burundi and Cameroon report external debt; and (v) four of the eight countries report consolidated government accounts. While six of the eight countries use BPM5, there are problems with the quality of the underlying data and accuracy of the BOP estimates.

¹⁶² Cameroon, Gabon, Equatorial Guinea, Chad, the Central African Republic, and the Republic of the Congo

¹⁶³ Republic of the Congo; Burundi; Chad; Central African Republic.

¹⁶⁴ Republic of Congo; Burundi.

Table F.26: Strength of National Statistics System in Central AFRITAC Client Countries

	Total Rank ¹	Statistical Practice Rank ¹	National Accounts Base <10 Years Old	Use BPM5	External Debt Reported	CPI Base <10 Years Old	Central Government Accounts Consolidated	Subscribe to SDDS
Burundi	45	40	No	Yes	Yes	No	Yes	No
Cameroon	67	60	Yes	Yes	Yes	No	No	No
Central African Republic	41	20	Yes	No	No	No	No	No
Chad	43	30	No	Yes	No	No	Yes	No
Republic of the Congo	49	40	No	Yes	No	No	Yes	No
Democratic Republic of the Congo	36	30	No	Yes	No	No	Yes	No
Equatorial Guinea	26	0	No	No	No	No	No	No
Gabon	32	10	No	Yes	No	No	No	No
Average or Number of Yes	42	29	2 of 8	6 of 8	2 of 8	0 of 8	4 of 8	0 of 8

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

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

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

132. **The focus on rebasing the national accounts and CPI is relevant**, given the information in Table F.26. However, rebasing requires household expenditure surveys to be undertaken possibly at a regional level, something that is not financed by IMF. Table F.26 indicates that **the scale of assistance needed goes far beyond what one Statistical Advisor could reasonably be expected to accomplish**. Help is needed in the areas of debt statistics and for GFS but these were not identified as priority areas in the Central AFRITAC Program document. What is required are well formulated and costed national statistics development strategies that provide a framework in which donors can coordinate their assistance for statistics¹⁶⁵. Such documents have been prepared for the Republic of the Congo and Equatorial Guinea. They are under preparation in five countries and the process has been initiated in Gabon. Going forward Central AFRITAC could play a more active role in this area, perhaps monitoring the process, providing comments on quality control and playing an active role in helping to mobilize the necessary funding to implement the plan. Given the depth of the problems in the statistical systems in the client countries, Central AFRITAC and STA will need to play a more strategic role to compliment IMF's traditional strengths in the area of methodology and computation methods to receive an Excellent rating in terms of meeting the needs of the client countries.

133. **The rating for the consistency of Central AFRITAC's statistics TAs with government priorities was rated as Good by the respondents to the AFRITAC Evaluation**

¹⁶⁵ Statistics laws exist in all Central AFRITAC client countries except Burundi.

Survey, but slightly below the midpoint in the range. About two thirds of the respondents rated the statistics TAs as **Good or Excellent** on this relevance sub-criteria and about one third rated the TAs as **Modest or Poor** (see Table F.25).

2. Coordination with Development Partners

134. **Central AFRITAC is working in most member countries alongside of many other development partners** providing TA and funding to build national accounts and produce better CPIs. Other TA providers include AFRISTAT, AfDB¹⁶⁶, the European Union, the World Bank and French Cooperation. AFRISTAT is helping countries to update national accounts by using a computer tool known as ERETES.

135. **The importance of the Statistics Advisor undertaking coordination activities was stressed in the Central AFRITAC program document. In particular, the Statistics Advisor was to play an active role in mobilizing resources from other donors to improve the quality and coverage of the source data.**

136. Development assistance in the area of statistics is generally organized during bilateral discussions between the countries and the development partners. There is usually not a meeting between a national coordination committee and the development partners engaged in the area as a group. The Statistics Advisor is aware of the contributions of other partners and does not feel that there is an overlap. **Stronger institutional mechanisms are needed at the country level to ensure better coordination and to develop greater synergies between the capacity building activities of donors, including that provided by Central AFRITAC. Most development partners complained to the Evaluation Team during visits to Gabon and Cameroon about a lack of communication and dissemination of information by Central AFRITAC to other TA providers. Central AFRITAC's coordination with other donors in the statistics area needs to be reinforced** and must go beyond contacting other TA representatives and their consultants during country missions to share information informally. The Steering Committee and national AFRITAC focal points should support increased efforts in the part of the Center Coordinator by playing more active roles in their countries in this area to contribute to better coordination and dissemination of information. **More pro-active coordination on the part of Central AFRITAC is needed to mobilize the funds necessary to undertake the surveys necessary to rebase the national accounts and CPI and to more generally strengthen the underlying statistics as was envisioned in the Program Document.**

137. The rating for the coordination of Central AFRITAC's statistics TAs with other donors was rated slightly more positively **by the respondents to the AFRITAC Evaluation Survey** than the feedback given to the Evaluation Team. **The respondents rated this relevancy sub-criteria as Good.** About 18% of the respondents rated the statistics TAs as **Excellent** regarding coordination with other donors and nearly two thirds as **Good**. Thirteen percent of the respondents, two persons, rated this relevancy sub-criteria as **Poor** (see Table F.25).

¹⁶⁶ AfDB is providing considerable assistance, which dwarfs Central AFRITAC's TA, through the proposal for award of an ADF GRANT of \$4.5 million to the second phase of the regional technical assistance Centres Program (AFRITAC), 14 November 2006.

3. Consistency with IMF activities

138. Documents related to Article IV consultations and PRGFs in the countries visited were reviewed to assess the relevance of statistics TAs with IMF surveillance, monitoring and programming activities. The results are summarized below:

- (i) **Cameroon: The importance of good statistics is clear from the fifth review of the Cameroon PRGF**¹⁶⁷. The staff report analyzes the key macroeconomic indicators including GDP, CPI, oil and non-oil output, external trade, nominal effective exchange rate, money and credit, monetary survey, balance of payments, central government operations, fiscal balance, current account balance of official reserves, external debt, including HIPC indicators. The importance of monitoring prices and addressing inflation in Cameroon was clear from the PRGF review which noted that to address the rising living costs that triggered the social unrest, in March 2008 the authorities exempted some necessities from custom duties, froze fuel prices, and raised civil service salaries. Although there are no benchmarks or performance criteria in the Cameroon PRGF that are directly related to statistics, the importance of good quality, timely statistics for monitoring purposes is clear from the document. An extensive set of detailed indicators and their frequency that Cameroonian authorities agreed to send IMF is specified in the fifth PRGF review. The statistics required are far more comprehensive than the topics that are being addressed by the statistics TAs.
- (ii) **Gabon:** The 2008 Article IV consultations with Gabon¹⁶⁸ concluded that: (i) Gabon has subscribed to GDDS; (ii) **while data are adequate for surveillance purposes, IMF staff analysis was adversely affected by the timeliness and coverage of fiscal data, poor quality balance of payments data, and limited information on labor costs and productivity;** and (iii) publication of the statistical annex was discontinued because, with IMF TA, Gabon has posted most data on the Internet (www.stat-gabon.ga/Home/Index1.htm). The importance of good quality, timely data for monitoring and surveillance work is reflected by the extensive data included in the many tables in the report on the Article IV consultations with Gabon¹⁶⁹. These tables are typical of the data that is normally included in IMF Article IV consultation reports. While IMF requires an extensive array of macroeconomic data, the work of the Central AFRITAC Statistics Advisor has been concentrated on a relatively narrow subset of this data.

139. **IMF needs accurate and timely macro economic data for surveillance, monitoring and operational purposes. In this context. The statistics TAs are consistent with, and support the work of IMF Headquarters. However, the data required by IMF is more extensive than the areas covered by Central AFRITAC's statistics TAs. Central bank data and GFS are also important but weaknesses in these areas have yet to be addressed by Central AFRITAC.**

¹⁶⁷ IMF. Cameroon—Fifth Review Under the Three-Year Arrangement Under the Poverty Reduction and Growth Facility, Financing Assurances Review, and Requests for Waiver of Performance Criterion, Modification of Performance Criteria and Extension of Arrangement. 6 June 2008.

¹⁶⁸ IMF. Gabon. Staff Report for the 2008 Article IV Consultation. 8 July 2008.

¹⁶⁹ (i) Selected Economic Indicators, 2006–13; (ii) Summary of Real Sector Developments, 2006–13; (iii) Central Government Accounts, Billions CFA Francs, 2006–13; (iv) Central Government Accounts, Percent of non-oil GDP, 2006–13; (v) Balance of Payments, 2006–13; (vi) Monetary Survey, 2004–08; (vii) Central Bank and Commercial Banks, 2004–08; (viii) Financial Soundness Indicators for the Banking Sector, 2002–07; (ix) External Debt, 2006–13; (x) Indicators of External Vulnerability, 2002–07; and (xi) Progress Toward Millennium Development Goals.

140. The rating for the coordination of Central AFRITAC's statistics TAs with IMF Headquarters activities was rated as Good by the respondents to the AFRITAC Evaluation Survey, but slightly below the midpoint in the range. The same proportion of the respondents (33%) rated the statistics TAs as Excellent and as Good regarding this relevancy sub-criteria, about one quarter as Modest and 8% as Poor (see Table F.25).

4. Rating the Relevance of Central AFRITAC Statistics TAs

141. The overall Relevance of Central AFRITAC's Statistics TAs is shown in Table F.27. The Evaluation Team rated relevance as Good but slightly below the midpoint because of the Modest rating for donor coordination. The feedback received from the respondents to the AFRITAC Evaluation Survey largely validates the Evaluation Team's ratings, although the number of responses was not large.

142. The relevance of accurate, timely statistics to target interventions and monitor results in the fight against poverty was well described in DFID's booklet Evaluating Poverty Reduction: the Role of Statistics in the World Development that was presented in January 2008 at the First Session of Statistical Commission for Africa (StatCom-Africa). The DFID booklet drew attention on the following: 'statistics are useful to development progress; they don't serve only to monitor the achievements but they also contribute to the realization of the results they help to evaluate. More remains to be done for a best use of best statistics in order to create an environment conducive to development'. While much of DfID's work in the statistics area was directly related to measuring and monitoring poverty, DfID also recognizes the importance of and supports the development of macroeconomic statistics and GFS and other statistics that are related to the budget support modality.

Table F.27: Relevance of Central AFRITAC Statistics TAs

Criteria	Weight ¹ (%)	Rating/ Score ²
1. Consistency With Government Priorities	60	3.0
2. Coordination with Development Partners	20	2.0
3. Consistency with IMF Activities	20	3.0
Overall Relevance Rating/Score	100	2.8
¹ Weight by % of East AFRITAC's Budget Allocated to Statistics Assistance		
² Rating: 4 = Excellent; 3 = Good; 3 = Modest; 1 = Poor		
Highly Relevant (Excellent) ≥ 3.5; 3.5 < Relevant (Good) ≥ 2.5; 2.5 < Partly Relevant (Modest) ≥ 1.5; Not Relevant (Poor) < 1.5		

C. Effectiveness of Statistics TAs

1. Use of AFRITAC Outcomes

143. **There is some evidence that the outcomes of some Central AFRITAC statistics TAs have been used effectively in Cameroon and Gabon.** These countries, with assistance from Central AFRITAC, succeeded in benchmarking their national accounts estimates and changing the base year. During the discussions with the National Institute of Statistics in Cameroon, the Evaluation Team was informed that three Central AFRITAC national accounts and price statistics missions had visited and provided support on the implementation and methodology for: (i) estimating a financial account – the main data sources were identified and visited including the National Agency for Debt Management and the BEAC; (ii) updating files and designing an appropriate framework including the mechanism for transforming source data into national account data; (iii) calculation and distribution of financial intermediary indirectly measured service between institutional sectors using this category of service; and (iv) measuring/evaluating Fixed Capital Consumption in the national accounts. These missions were important because they provided advice on consistency with SNA 1993 and the best use of data collected from BEAC and the Table of State Financial Operations (TOFE) and those for financial expenditure of enterprises. The TAs were appreciated because they improved the efficiency in the implementation of SNA1993 and effectiveness and accuracy of published data. Cameroon's National Institute of Statistics judged the TAs to be effective since the missions directly addressed real concerns and provided timely, practical advice that is being used.

144. As is shown in Table F.26 the statistics system in Cameroon is the strongest among the Central AFRITAC client countries. **There is less evidence that the TAs have been as effective in other countries in achieving tangible results that are being used. Contributing factors to this outcome includes: (i) capacity building is a medium to long term task that requires consistent engagement over a period of years – the first Statistics Advisor has only been employed for about one year; (ii) staff turn-over and poorly qualified staff in some executing agencies; (iii) lack of regular communication between the Statistics Advisor and some executing agencies; and (iv) because the Statistics Advisor was over stretched trying to cover six countries, some of which have very weak statistical systems, he cannot devote the time for follow up that is needed to make progress in such environments.**

145. The views of the 13 respondents to the AFRITAC Evaluation Survey on the effectiveness of the statistics TAs are summarized in Table F.28. The use of outputs was rated exactly on cut-off point between Good and Modest. While 31% gave an Excellent rating on this sub-criteria, more than half (54%) gave a Modest or Poor rating (see Table F.28).

146. The respondents to the AFRITAC Evaluation Survey were asked to rate the effectiveness of Central AFRITAC's statistics TAs in terms of achieving tangible results. Thirteen people provided an opinion on this topic. The weighted average reply was Good but on the cut-off point for Modest (see Table F.28). **Most of the people gave a Good rating on this effectiveness sub-criteria.** There were 15% who rated the TAs as Excellent and 23% rated this sub-criteria as Poor.

147. The feedback that the Evaluation Team received during focus groups with workshop participants was similar to the responses on effectiveness in the AFRITAC Evaluation Survey. **The workshop material was appreciated and was useful as reference material and the**

resource people were well qualified. Generally the participants felt that the knowledge and skills that they learned were useful and could be used on the job. Suggestions to improve the effectiveness of future workshops included: (i) a better balance between theoretical and practical aspects; (ii) extending the duration of the workshops; and (iii) consistent post workshop follow up and support.

Table F.28: Effectiveness of Central AFRITAC Statistics TAs

	Percent Answering				Weighted Rating ¹	Response Count	Response Rate ²
	Excellent	Good	Modest	Poor			
Use of the outputs	31%	15%	31%	23%	2.5	13	100%
Effectiveness in achieving tangible results	15%	54%	8%	23%	2.6	13	100%
Significance of contributions to developing core economic functions	36%	27%	19%	18%	2.8	11	85%
Expertise and assistance	31%	38%	23%	8%	2.9	13	100%
Sustainability of the benefits of AFRITAC TAs	23%	46%	15%	15%	2.8	13	100%
Average for All Criteria	27%	36%	19%	17%	2.7	13	97%

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

² Ratio of the response count to the 13 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

2. Planned versus Actual Achievements

148. **Relative to Central AFRITAC's work plan, many of the planned activities were executed, after making reasonable allowance for some delays due to transport/communication constraints and because of political economy factors or issues within the executing agencies.** Such factors must be expected to occur for in Central AFRITAC client countries. Since many Central AFRITAC client countries are post-conflict and fragile countries, it should not be surprising that in some cases achievements were less than planned. While comparisons to the work plan give a reasonable picture of planned versus actual achievements, relative to the need for Statistics TAs in the Central AFRITAC client countries, actual achievements fell short of the needs. This reflects, in part, the fact the evaluation is being undertaken so soon after the Statistics Advisor began working and the fact the one person could not be reasonably expected to deliver such a wide ranging agenda in so many challenging countries.

3. Significance of Central AFRITAC's Contribution

149. **Given the short period that has elapsed between the first statistics TA and the evaluation it is not reasonable to expect clear evidence of significant strategic contributions at the institutional level.** However, there were some positive signs. With assistance from Central AFRITAC, some member countries have made technical improvements

in compilation of statistics in a manner that is more consistent with SNA 1993 and the calculation of the CPI. The evidence is clear in Cameroon and Gabon.

150. The eleven respondents who replied gave Central AFRITAC's statistics TAs for the effectiveness sub-criteria of making significant contributions to developing core economic functions a Good but below the midpoint on the Good range – 36% gave an Excellent rating, 27% a Good rating and 36% either Modest or Poor (see Table F.28). This is a somewhat more positive assessment than that of the Evaluation Team. To assign a Good or Excellent rating to this effectiveness sub-criteria, the Evaluation Team would expect to see evidence that Central AFRITAC made clear contributions at the institutional level to help address strategic issues to help resolve enduring problems (e.g. staffing; budget; quality of the underlying data) in addition to improving computational methodology. Given the resources and time that the Central AFRITAC Statistics Advisor has been operational, it is too early to expect to see such evidence.

151. It is important of have some objective sources of data to benchmark and monitor progress for assessments of the effectiveness of statistics TAs. The data published in the IFS for Central AFRITAC countries can be used for that purpose (see Table F.29). While there are monetary surveys published for most countries, except Burundi, and CPIs, except for Equatorial Guinea, there were clear gaps for banking surveys, BOP and GFS. To date, Central AFRITAC has not been involved in these areas, despite the clear problems regarding data availability. Table F.29 also shows that while national accounts data is published in the IFS for all countries, there are problems with timeliness. The question raised is **whether Central AFRITAC would be making more significant contributions if it were engaged in areas like the banking survey, BOP estimates and GFS, areas where few donors are active and there are clear data gaps, rather than in national accounts and the CPI, areas in which other donors are involved and data exists, although there are problems with quality, coverage and timeliness.**

Table F.29: Publication of Data for Central AFRITAC Client Countries in IFS

	Monetary Survey	Banking Survey	CPI	BOP	GFS	National Accounts
Burundi		Yes	Yes	Yes	Yes ¹	Yes
Cameroon	Yes		Yes	Yes (2004)		Yes (2006)
Central African Republic	Yes		Yes			Yes (2005)
Chad	Yes		Yes			Yes ¹ (2006)
Republic of the Congo	Yes		Yes	Yes (2005)		Yes (2005)
Democratic Republic of the Congo	Yes		Yes		Yes ¹ (2002)	Yes (2004)
Equatorial Guinea	Yes					Yes ¹ (2004)
Gabon	Yes		Yes	Yes (2004)		Yes (2005)
CEMAC	Yes					

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

Date inserted if most recent data is prior to 2007

¹ means significant missing data

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

4. Rating the Effectiveness of Central AFRITAC Statistics TAs

152. Central AFRITAC Program Document defines two objectives for statistics TAs: (i) upgrading the methodologies for compiling economic and financial statistics to international standards; and (ii) improving the dissemination of macroeconomic data. A significant number of survey respondents, over 60, gave their views on whether or not Central AFRITAC had achieved these objectives (see Table F.30). Slightly more progress was reported regarding upgrading the methodologies for compiling economic and financial statistics to international standards than improving the dissemination. Most of Central AFRITAC's statistics TAs were focused on improving computations methodology, an area for which IMF has recognized world class expertise. For the first objective, 70% said that although substantial progress had been made, the objective had not been achieved. Only a very small number, 2%, felt that the objective had been achieved and a third reported Modest or No progress. For the second objective, 60% felt that progress was being made but the objective had not been achieved. Again, very few people felt that the objective had been achieved but a sizable portion, over one third, reported only Modest or No progress in achieving the objective of improving the dissemination of macroeconomic statistics. Given the short time that the Statistics Advisor has been employed it would be surprising if a substantial number of respondents felt that Central AFRITAC had fully achieved either of these objectives.

Table F.30: Central AFRITAC's Progress in Achieving Statistics Objectives

	Percent Answering				Response Count	Response Rate ¹
	Objective Fully Achieved	Despite Substantial Progress, Objective not yet Achieved	Only Modest Progress Made to Achieve Objective	No Significant Progress Made		
To upgrade the methodologies for compilation of economic and financial statistics to international standards	2%	70%	24%	5%	66	57%
To improve the dissemination of macroeconomic data	5%	60%	27%	8%	63	55%

¹ Ratio of the response count to the 115 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

153. The Evaluation Team's ratings of the effectiveness of Central AFRITAC's statistics TAs is given in Table F.31. **Overall the statistics TA portfolio was rated as Modestly Effective.** The use of actual outputs was rated as Good, while the other two effectiveness sub-criteria were rated Modestly Effective. Given the fact that the Statistics Advisor was in place for only about a year when the Evaluation Team visited Gabon and Cameroon, and the expectations raised in the Central AFRITAC Program Document, it should not be surprising that the ratings for planned versus actual achievements and making significant contributions were not higher. It

would normally take several years of sustained engagement to generate the evidence necessary to the Evaluation Team to be able to conclude that Good rating should be assigned to such sub-criteria.

Table F.31: Effectiveness of Central AFRITAC Statistics TAs

Criteria	Weight ¹ (%)	Rating ²
1. Use of TA Outputs	40	3.0
2. Planned vs. Actual Achievements	30	2.0
3. Significance of Contribution to Developing Core Economic Functions and Institution Building	30	2.0
Overall Effectiveness Rating/Score	100	2.4
¹ Weight by % of the Centre AFRITAC's budget allocated to Statistics Assistance ² Rating: 4 = Excellent; 3 = Good; 2 = Modest; 1 = Poor Highly Effective (Excellent) ≥ 3.5; 3.5 < Effective (Good) ≥ 2.5; 2.5 < Partly Effective (Modest) ≥ 1.5; Not Effective (Poor) < 1.5		

D. Efficiency of Statistics TAs

1. Process Implementation

154. The implementation process efficiency in Central AFRITAC client countries is sometimes constrained by factors beyond Central AFRITAC's control. Given the communications challenges, transport difficulties and the fact that most of the client countries are fragile states, it is not reasonable to expect that one Statistics Advisor can fully meet the needs of all member countries in an effective way, regardless of how efficiently he uses his time and resources. Given the challenges associated with working in Central African countries, **the Evaluation Team did not identify any obvious inefficiency in the delivery of the statistics TAs.**

155. Central AFRITAC TAs are provided according to the work plan approved by the Steering Committee. **There is scope to improve the linkages between the TAs in Central AFRITACs work program and the TA program included in the Regional Strategy Notes.** STA provides back stopping for the Statistics Advisor. **The Statistics Advisor was satisfied with backstopping activities – the back stoppers reacted quickly to requests, their comments added value and the back stoppers brought knowledge of international best practice to support Central AFRITAC's work.**

2. Efficient Use of Resources

156. **The first set of Resident Advisors was recruited in an efficient and timely manner. Five of the six were in place in time in early 2007 when Central AFRITAC began operations** and undertook the needs assessment in member countries during February-March 2007. **The Statistics Advisor joined Central AFRITAC in mid-2007. This delay in his arrival does not indicate that the recruitment process was inefficient.** The initial candidate offered

the position unexpectedly withdrew at the last moment. The current Statistics Advisor, an African expert, was identified and recruited in an efficient manner. To bridge the gap, he was recruited as a short term consultant during the period that he was arranging for an orderly transfer of responsibilities in his previous employer and making arrangements to relocate to Libreville. In the interim STA prepared a draft of the statistics work program for FY2008 work plan with the assistance of headquarter staff and regional experts. It was finalized and introduced to the Steering Committee by the current Statistics Advisor.

157. In the statistics area, Central AFRITAC provided a total of 19 person months of input during FY2007 and FY 2008, of which 16 person months were provided in FY 2008, the first full year of operations. Of this, 21% was provided by short term experts. The cost of providing the statistics TA totaled \$435,500 for the two fiscal years, equivalent to a cost of about \$23,900 per person month of input. This is close to the average cost per person month of TA for Central AFRITAC (\$23,600) and comparable to the cost per person month of TA delivered in the statistics area by East (\$24,300) and West (\$22,700) AFRITAC. **These cost comparisons indicated that in terms of cost efficiency, there is no substantial difference between the three AFRITACs in the statistics area.**

3. Monitoring and Reporting

158. **During the first year, most of the reporting of the Statistics Advisor focused on inputs and the immediate outputs achieved by missions.** There was little reporting on the longer term, say two to three years, outputs and impacts that clusters of TAs were expected to achieve and how the outputs achieved by particular missions contribute to achieving the desired outcomes and impacts. A longer term perspective would provide a framework in which to monitor the results being achieved and to determine whether things are on or off track. The Statistics Advisor was hampered during his first year in terms of monitoring and reporting in a manner that is consistent with managing for development results by not being able to access TAIMS. During the first year this nature of the reporting was understandable. However, moving forward, more emphasis will need to be given to monitoring and reporting within a framework that clearly shows the outcomes and results that are to be achieved. It remains to be seen whether access to the enhanced version of TAIMS from Central AFRITAC will help to achieve this desirable objective.

4. Rating the Efficiency of Central AFRITAC Statistics TAs

159. The overall efficiency rating of Central AFRITAC's statistics portfolio is shown in Table F.32. **The efficiency in the first year of operations was rated as Good.**

Table F. 32: Efficiency of Central AFRITAC Statistical Assistance

Criteria	Weight ¹ (%)	Rating ²
1. Process/Implementation Efficiency	40	3.0
2. Efficient Use of Resources	40	3.0
3. Monitoring and Reporting	20	2.0
Overall Efficiency Rating/Score	100	2.8
¹ Weight by % of Central AFRITAC's budget allocated to Statistics Assistance ² Rating: 4 = Excellent; 3 = Good; 2 = Modest; 1 = Poor Highly Efficient (Excellent) ≥ 3.5; 3.5 < Efficient (Good) ≥ 2.5; 2.5 < Partly Efficient (Modest) ≥ 1.5; Not Efficient (Poor) < 1.5		

E. Sustainability of Statistic TAs

160. Sustainability relates to the extent to which Central AFRITAC TAs have led to tangible and lasting results in member countries. Because Central AFRITAC's statistics portfolio is only one year old, there was little objective evidence available on which the Evaluation Team could assess the sustainability of statistics TAs. Like the other functional areas in Central AFRITAC, the following assessment of sustainability is more indicative of potential sustainability than a rating that is based on objective evidence.

1. Political Economy Factors

161. **The sustainability of Central AFRITAC's statistics TAs is related to political economy factors – factors that are beyond Central AFRITAC's influence and control but which nonetheless has a direct bearing on whether the TA benefits will be sustainable in the longer term.** Examples of such factors include political stability, a sound macroeconomic context, policy continuity and sound institutions. As is shown by the detailed analysis in Annex A and Table I.1 in Chapter I, political economy context in the Central AFRITAC client countries is challenging. Five of the eight members are post conflict countries and the Evaluation Team rated institutional absorptive capacity as Modest in Cameroon and Gabon and Poor in all other countries in the region. In his reports, the Statistics Advisor has indicated that political and military conflicts and instability have adversely affected the statistical services in some countries (e. g., Burundi; Chad; Central African Republic). Weighting the country institutional scores by the amount of statistics TA delivered to each country results in a Poor rating for institutional capacity (see Table B.4). This rating is consistent with the observations of the Statistics Advisor. It is clear that the Central AFRITAC Statistics Advisor is working in a very challenging institutional environment.

162. **The FAD and MCM self evaluations of their experience in post conflict countries found that coherent plans are needed spanning policy, legal and institutional framework, and institutional and staff capacity building with a mid-term to long-term outlook. A similar conclusion would apply to the statistics area.** Such plans help to coordinate donor support, to set priorities and sequencing of interventions and to provide a framework for short term interventions. Only two countries in the region have completed national statistics

development plans – the Republic of the Congo and Equatorial Guinea. In most other countries such plans are under preparation. To be effective, however, such plans must be funded and implemented. The statistics system in Equatorial Guinea, where the national accounting service is led by a single national accountant, was rated as the weakest among Central AFRITAC client countries -- national accounts have not been estimated since 1992. The weaknesses of the regional statistics systems evident from the data in Table F.26 raise concerns about the sustainability of the benefits of statistics TAs delivered in all countries except Cameroon, regardless of how well they are designed and delivered. **Central AFRITAC is not involved in broad based, coordinated efforts to address capacity problems systematically, thus creating an environment in which the TA benefits are more likely to be sustainable. Sustainability is a concern to the Evaluation Team in all countries except Cameroon.**

2. Executing Ownership and Use of TA Outputs

163. **The Evaluation found clear evidence that TAs were owned and the outputs were being used to rebase national accounts in Gabon and to improve national account estimates in Cameroon. However, there are some challenges as documented in a report prepared by the Statistics Advisor that raise concerns about the long term sustainable use of the TA outputs in many countries.** Some of these issues included:

- (i) National accounting services often have limited human resources and budgets (e. g., the national accounting service in Equatorial Guinea was led by one national accountant; there were two national accountants in the Central African Republic; national accounts services were being directed by young accountants with limited experience in Chad and Burundi);
- (ii) Because of a shortage of staff, national accountants are sometimes used for other activities to the detriment of the regular preparatory work needed to maintain national accounts (e. g., in Gabon the national accountants were occupied with the poverty census from March to August, 2008);
- (iii) The statistics agencies having inadequate computer equipment;
- (iv) There is little budget to finance data collection – as a result many databases are old or nonexistent (e.g., in most countries the informal sector is not adequately covered)¹⁷⁰;
- (v) The basic data needed for rebasing the CPI is often not available (e.g., Central African Republic);
- (vi) Staff need training in the general methodology of price indexing and use of the CHAPO computer application (e. g., in Gabon only one officer has mastered CHAPO); and,
- (vii) The Industrial Production Index not available in certain countries.

164. Normally, effective capacity building requires sustained engagement over a period of years to achieve sustainable results. **In the context of capacity building, the Central AFRITAC statistics portfolio is a young portfolio. Thus there is limited evidence of the sustainable use of TA outputs. Given the serious institutional challenges described above, the Evaluation Team's assessment of this sustainability sub-criteria is guarded, despite some positive evidence Cameroon.**

¹⁷⁰ This is a problem for taxation departments since there is a need to broaden the tax base to better cover the informal sector.

3. Promoting the Use of African Expertise

165. **The Statistics Advisor is from the region.** He is competent and is performing well. The feedback that the Evaluation Team received in received in Cameroon and Gabon was that he could provide practical advice, in part because he understood the local culture and had considerable experience in dealing with similar problems in a country that was experiencing similar development challenges. The results of the AFRITAC Evaluation Survey indicated that sufficient attention has been given to the quality of human resources when Central AFRITAC uses African expertise to deliver statistics TAs. Thirteen respondents rated the quality of Central AFRITAC's expertise and assistance. A third or 31% rated it as Excellent, 38% as Good, 23% as Modest and 8% (one person) rated it as Poor (see Table F.28).

4. Financial Sustainability

166. Central AFRITAC's portfolio of statistics TAs has not yet reached maturity. For the benefits to be sustainable more TA and support will be needed for a period of years until the desired outcomes are achieved and are firmly embedded in the policies and procedures of the statistical agencies. This will require continuing financial support and a broader range of support that helps to address some of the fundamental institutional issues outlined above. More financial resources will be needed to ensure that Central AFRITAC's portfolio of statistics TAs result in sustainable benefits. However, **at the time of the evaluation, the funding for Central AFRITAC was not committed beyond the current three year phase.**

5. Rating the Sustainability of Central AFRITAC TAs

167. One indicator of whether or not Central AFRITAC's TAs are likely to be sustainable is whether or not people believe that the objectives in the statistics area that Central AFRITAC is trying to achieve are important. The higher the importance people attach to the objectives, the more likely the TAs to be sustainable. The respondents to the AFRITAC Evaluation Survey were asked to rate the importance of the statistics objectives. The results are in Table F.33. For the objective of upgrading the methodologies for compilation of economic and financial statistics to the latest international standards, 43% of the 94 respondents rated it as being of Highest Importance and 51% rated it as Important. Very few people (6%) rated that objective as Modestly Important and no one felt that it was Not Important. Similarly positive feedback was received regarding the objective of improving the dissemination of macroeconomic data and metadata. About one third of the respondent rated that objective as being of Highest Importance and slightly over half rated it as Important. A small proportion of respondents rated it as of Modest Importance (11%) and 1% felt that it was Not Important. **These survey results indicate Central AFRITAC TAs are focused in important areas which, other things being equal, should increase the likelihood that the TAs will result in sustainable benefits.**

Table F.33: The Importance Central AFRITAC Should Assign to Statistics Objectives

	Percent Answering				Response Count	Response Rate ¹
	Highest Importance	Important	Modestly Important	Not Important		
To upgrade the methodologies for compilation of economic and financial statistics to the latest international standards	43%	51%	6%	0%	94	93%
To improve the dissemination of macroeconomic data and metadata	33%	55%	11%	1%	92	91%

¹ Ratio of the response count to the 101 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

168. The Evaluation Team's sustainability rating for Central AFRITAC's TAs is shown in Table F.34. **The TAs are assessed as being Modestly Sustainable.** Although the use of African expertise was rated as Excellent, all other sustainability sub-criteria were rated as Modest (use of outputs; financial sustainability) or Poor (political economy), largely because of: (i) the challenging countries in which the Statistics Advisor is working and the weak institutional capacity of many statistical agencies; (ii) the fact that most TAs have not yet reached a mature stage where there is clear evidence of sustainability; and (iii) the multiple country responsibility of the Statistics Advisor has a risk of insufficient follow up in some countries.

169. Thirteen respondents to the AFRITAC Evaluation Survey rated the sustainability of the Central AFRITAC TAs – 23% rated the prospects of sustainability as Excellent, 46% as Good, and the same proportion of 15% as Modest and as Poor. These ratings are more positive than the Evaluation Team's assessment of sustainability (see Table F.28).

Table F.34: Sustainability of the Central AFRITAC Statistics TAs

Criteria	Weight ¹ (%)	Rating ²
1. Political Economy Issues	25	1.0
2. Executing Agency Ownership and Use of Outputs	40	2.0
3. Promoting Use of African Expertise	15	4.0
4. Financial Sustainability	20	2.0
Overall Sustainability Rating/Score	100	2.1
¹ Weight by % of East AFRITAC's budget allocated to Statistics Assistance		
² Rating: 4 = Excellent; 3 = Good; 2 = Modest; 1 = Poor		
Highly Sustainable (Excellent) ≥ 3.5; 3.5 < Sustainable (Good) ≥ 2.5; 2.5 < Partly Sustainable ≥ 1.5 (Modest); Not Sustainable (Poor) < 1.5		

F. Overall Rating of Central AFRITAC Statistics TAs

170. Based on its evaluation of Relevance, Effectiveness, Efficiency and Sustainability, the Evaluation Team's overall assessment of Central AFRITAC's Statistics TAs is that they were Successful but on the margin of being Modestly Successful (see Table F.35). The strengths of Central AFRITAC Statistics TAs included: (i) their relevance to needs of member countries and complementary nature with IMF surveillance and monitoring activities; (ii) achievements of some tangible results in some countries in areas related to national accounts and CPI; and (iii) promotion of African expertise. Areas of concern include: (i) some TAs will not achieve sustainable results because institutional weaknesses, limited budgets and computer equipment and a lack of qualified staff in some national statistics agencies; (ii) the Statistics Advisor was over-stretched; (iii) an balance between theory and practice in some workshops/seminars; (v) high staff turnover in some countries; and (vi) need to improve efforts related to donor coordination to mobilize the funds necessary to improve the source data.

Table F.35: Overall Assessment of Central AFRITAC Statistics TAs

Norm of Evaluation	Weight ¹ (%)	Rating ²
1. Relevance	32	2.8
2. Effectiveness	28	2.4
3. Efficiency	22	2.8
4. Sustainability	18	2.1
Overall Rating/Score	100	2.6
¹ Weight by % of Center AFRITAC's Budget Allocated to the Activity/TA Cluster		
² Rating: 4 = Excellent; 3 = Good; 2 = Modest; 1 = Poor		
Highly Successful (Excellent) ≥ 3.5; 3.5 < Successful (Good) ≥ 2.5; 2.5 < Partly Successful ≥ 1.5 (Modest); Not Successful (Poor) < 1.5		

V. Overall Rating of Central AFRITAC TAs

171. Overall, the Central AFRITAC's performance is rated as Good, below the midpoint of the range (see Table F.36). Two factors suggest that this is a good level of performance: (i) Central AFRITAC is newly established and was only midway through its second fiscal year when the Evaluation Team visited Gabon; and (ii) the Evaluation Team's analysis indicates that the institutional absorptive capacity is the lowest in Central AFRITAC's client countries among the three regions. The highest ratings were for relevance and efficiency, both of which were on or slightly below the midpoint of the Good range. The Good rating for Relevance demonstrates that the TAs were well chosen, were owned by the governments and were well aligned with IMF operations in the countries. **For all TA clusters, the donor coordination received the lowest ratings among the relevance sub-criteria, both from the AFRITAC Evaluation Survey and based on the feedback that the Evaluation Team received during its fieldwork.** The

Efficiency rating for Central AFRITAC was the good compared to the other the AFRITACs, although the difference with East and West scores was marginal. The lowest ratings were for sustainability which reflect political economy issues, institutional absorptive capacity issues, a need for more follow up and finding ways to implement TA recommendations in countries facing budget constraints and excessive country coverage responsibilities of Resident Advisors.

172. Although all clusters were rated as Good, there were some differences in performance across the TA clusters. The performance of the Debt Management cluster stands out as achieving particularly good results and was rated above the midpoint on the Good range. Central AFRITAC's other TA clusters were rated as Good but below the midpoint on the range.

Table F.36: Overall Assessment of Central AFRITAC

Norm of Evaluation	Weight (%)	Rating By Activity/TA Cluster ¹			
		Fiscal	Monetary/Finance	Statistics	Total Score ²
		53	34	13	100
1. Relevance	32	2.9	3.3	2.8	3.0
2. Effectiveness	28	2.4	3.2	2.4	2.7
3. Efficiency	22	3.0	2.9	2.8	2.9
4. Sustainability	18	2.0	2.6	2.1	2.2
Overall Rating/Score	100	2.6	3.1	2.6	2.8
¹ Rating: 4 = Excellent; 3 = Good; 2 = Modest; 1 = Poor ² Weight by % of East AFRITAC's Budget Allocated to the Activity/TA Cluster Highly Successful (Excellent) ≥ 3.5; 3.5 < Successful (Good) ≥ 2.5; 2.5 < Partly Successful ≥ 1.5 (Modest); Not Successful (Poor) < 1.5					

Central AFRITAC Survey Results

Table FX.1: Central AFRITAC Respondents by Employer

	% of Total Responses	Response Count
Government Ministry/Agency	56%	65
TA Provider	7%	8
IMF and Short-term Experts	31%	36
Other	6%	6
Total	100%	115

Source: 2008 AFRITAC Evaluation Survey

**Table FX.2: Central AFRITAC Government Officials
By Type of Organization**

	% of Total Responses	Response Count
Ministry of Finance	45%	29
Central Bank	15%	10
National Statistical Agency	9%	6
Revenue Administration	26%	17
Other	5%	3
Total	100%	65

Source: 2008 AFRITAC Evaluation Survey

Table FX.3 : Central AFRITAC IMF Staff and Short-term Experts By Department

	% of Total Responses	Response Count
African Department	19%	7
Fiscal Affairs Department	6%	2
Monetary and Capital Markets Department	11%	4
Statistics Department	3%	1
Resident Representative Office	17%	6
AFRITAC	25%	9
Other	19%	7
Total	100%	36

Source: 2008 AFRITAC Evaluation Survey

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

	% of Total Responses	Response Count
Important and Leading Role	41%	42
Played a Role But Not a Leader	50%	51
Minor Inputs	8%	8
Did Not Play Any Role	1%	1
Total	100%	102
No Response/No Opinion	12%	13
Grand Total		115

Source: 2008 AFRITAC Evaluation Survey

Table FX.5: Relevance of Central AFRITAC TAs

	Percent Answering				Response Count	Response Rate ¹
	Strongly Agree	Agree	Disagree	Strongly Disagree		
Work is demand-driven and responsive to the needs of countries.	42%	51%	5%	2%	96	95%
Strong country ownership	11%	68%	16%	5%	87	86%
Closely linked to IMF's surveillance work and program activities	29%	62%	8%	1%	87	86%
Closely coordinated with IMF Headquarters TAs	35%	60%	5%	1%	84	83%
AFRITAC provides feedback from countries to IMF Headquarters	26%	51%	18%	5%	73	72%
Closely linked to the poverty-reducing strategies of its member countries	23%	58%	12%	6%	81	80%

¹ Ratio of the response count to the 101 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table FX.6: Effectiveness of the Steering Committees in Providing Oversight and Guidance to Central AFRITAC

	% of Total Responses	Response Count
Excellent	13%	9
Good	75%	54
Modest	10%	7
Poor	3%	2
Total	100%	72
Weighted Rating ¹	3.0	
Total Responses	72%	72
No Response/No Opinion	28%	29
Grand Total		101

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

Source: 2008 AFRITAC Evaluation Survey

Table FX.7: Effectiveness of Central AFRITAC in Enhancing the Quality of TA Delivery

	% of Total Responses	Response Count
Excellent	19%	20
Good	72%	76
Modest	9%	9
Poor	0%	0
Total	100%	105
Weighted Rating ¹	3.1	
Total Responses	91%	105
No Response	9%	10
Grand Total	100%	115

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

Source: 2008 AFRITAC Evaluation Survey

Table FX.8: Effectiveness of Central AFRITAC TA Delivery Modalities

	Percent Answering				Weighted Rating ¹	Response Count	Response Rate ²
	Excellent	Good	Modest	Poor			
Resident Advisors	33%	56%	10%	1%	3.2	88	77%
Short Term Experts	27%	54%	19%	1%	3.1	97	84%
Regional Workshops/ Training Courses	32%	48%	19%	1%	3.1	84	73%
National Workshops/ Training Courses	18%	54%	19%	8%	2.8	72	63%
Professional Attachments in African Organizations	12%	51%	33%	5%	2.7	43	37%
Average for All Criteria	24%	52%	20%	3%	3.0	77	67%

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

² Ratio of the response count to the 115 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table FX.9: Quality of Central AFRITAC Training Courses/Workshops/Seminars

	Percent Answering				Weighted Rating ¹	Response Count	Response Rate ²
	Excellent	Good	Modest	Poor			
Topics Covered	65%	33%	2%	0%	3.6	57	97%
Resource Persons/Presenters	42%	53%	5%	0%	3.4	57	97%
Quality of Presentations	39%	58%	4%	0%	3.4	57	97%
Time to Interact with Other Participants	41%	52%	7%	0%	3.3	56	95%
Quality of the Venue	19%	60%	19%	2%	3.0	57	97%
Length of course	4%	63%	30%	4%	2.7	57	97%
Post Course/ Workshop Follow up and Support	6%	23%	46%	25%	2.1	52	88%
Average for All Criteria	22%	51%	21%	6%	2.9	56	95%

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

² Ratio of the response count to the 59 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table FX.10: Use of the Knowledge Gained in Central AFRITAC Workshops

	Percent Answering				Response Count	Response Rate ¹
	Strongly Agree	Agree	Disagree	Strongly Disagree		
The topics covered were relevant to my day to day activities	67%	29%	2%	2%	51	86%
Used knowledge nearly every day on the job	43%	43%	9%	4%	46	78%
Used knowledge occasionally (once a week) on the job	2%	27%	40%	31%	45	76%
Seldom used knowledge on the job	2%	9%	44%	44%	45	76%
Topics too advanced	0%	6%	43%	51%	49	83%
Changed jobs and do not use knowledge	2%	0%	40%	57%	42	71%
Organization does not have the information technology or computer systems needed to use the knowledge gained	12%	7%	35%	47%	43	73%

¹ Ratio of the response count to the 59 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table FX.11: Central AFRITAC TAs Compared to IMF Headquarters TAs

	Percent Answering				Response Count	Response Rate ¹
	Strongly Agree	Agree	Disagree	Strongly Disagree		
Responds more quickly than Headquarters	30%	52%	15%	3%	60	59%
More flexible than Headquarters	28%	64%	6%	2%	64	63%
Better understands countries than Headquarters based staff	28%	55%	16%	1%	75	74%
More responsive to country needs than Headquarters	24%	57%	19%	0%	68	67%
More effectively promotes regional integration and harmonization than Headquarters	22%	64%	14%	0%	69	68%
Supports the implementation of policies and strategies identified by Headquarters	32%	62%	5%	0%	77	76%
IMF should re-allocate staff and resources from Headquarters to the AFRITACs	34%	50%	12%	4%	76	75%
Expertise equivalent or better than that provided by Headquarters	28%	42%	26%	4%	72	71%
Expertise and advice significantly weaker than that provided by the IMF Headquarters	3%	13%	58%	26%	72	71%

¹ Ratio of the response count to the 101 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table FX.12: Central AFRITAC TAs Compared to Other TA Providers

	Percent Answering				Response Count	Response Rate ¹
	Strongly Agree	Agree	Disagree	Strongly Disagree		
Responds more quickly to requests than other TA providers	17%	62%	19%	2%	58	57%
More flexible than other TA providers	19%	59%	20%	2%	54	53%
Better understands of the countries than other TA providers	18%	56%	23%	3%	61	60%
More responsive to country needs than other TA providers	12%	61%	22%	5%	59	58%
More effectively promotes regional integration and harmonization than other TA providers	21%	55%	21%	4%	53	52%

¹ Ratio of the response count to the 101 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table FX.13: Comparative Cost-effectiveness of Central AFRITAC TAs

	Percent Answering			Response Count	Response Rate ¹
	Comparable	More Efficient	Not as Efficient		
Long-term in-country Advisors funded by IMF	35%	45%	20%	60	59%
Short-term TA Missions from IMF Headquarters	38%	43%	18%	65	64%
Training put on by the IMF Training Institute	38%	42%	19%	52	51%
Long-term in-country advisors from other TA providers	33%	48%	20%	46	46%
Short-term TA Missions from other TA providers	42%	48%	10%	48	48%
Training/assistance provided by regional institutions	43%	48%	9%	46	46%

¹ Ratio of the response count to the 101 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Table FX.14: Central AFRITAC's Promotion of African Expertise

	Percent of Responses	Response Count
Excellent	24%	21
Good	56%	49
Modest	17%	15
Poor	3%	3
Total	100%	88
Weighted Rating ^{1/}	3.0	
Total Responses	87%	88
No Response/No Opinion	13%	13
Grand Total	100%	101

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

Source: 2008 AFRITAC Evaluation Survey

Table FX.15: Central AFRITAC's Use of African Expertise

	Percent Answering				Response Count	Response Rate ¹
	Strongly Agree	Agree	Disagree	Strongly Disagree		
Makes better use of African expertise than does Headquarters.	39%	46%	14%	1%	72	71%
Makes better use of African expertise than other TA providers.	27%	49%	17%	6%	63	62%

¹ Ratio of the response count to the 101 respondents who rated the AFRITAC Centers for this issue.

Source: 2008 AFRITAC Evaluation Survey

Annex G: Implementation Status of Recommendations in the 2005 Evaluation

Table G.1: Implementation Status of the 2005 Evaluation Recommendations Addressed to Beneficiary Countries

Recommendation	Implementation Status
The beneficiary countries should adopt comprehensive capacity building programs as part of their PRSPs.	Poor (1) Comprehensive capacity building programs that would provide a framework for the AFRITACs and other TA providers were not developed systematically as part of the PRSP process in most client countries.
Agencies should prepare plans for developing staff resources and institutional capacity describing the current status of the area (statistics, public finance, etc.) and the planned steps to meet international standards. An inventory of reforms under way with donor support should be included.	Modest (2) Some agencies developed comprehensive action plans that covered policy changes and institutional strengthening but there was less evidence of specific plans for developing staff resources. There were examples of comprehensive capacity building plans in the areas of PFM, revenue administration and statistics. There was less evidence of a comprehensive approach to institutional development in the central banking areas, with the notable exception in bank supervision in East African countries. Given that other TA providers can mobilize considerably more TA than IMF and the AFRITACs to support such initiatives, it should not be surprising that in many cases these initiatives were led by others and not the AFRITACs.
To ensure effective participation, countries should reexamine the level of their SC representation. To further enhance the effectiveness of countries' TA management, AFRITAC focal points should be formally appointed.	Good (3) Senior government officials attend the Steering Committee meetings and most countries have appointed AFRITAC focal points. The evaluation evidence indicates that the Steering Committees were effective. Most countries have appointed AFRITAC focal points. However, there is room for improvement: (i) there have been issues of attendance meetings for some countries and donors in West and East Africa; (ii) a more comprehensive and forceful articulation of TA priorities; (iii) a stronger role for the AFRITAC focal points; (iv) Steering Committee members should be more proactive in AFRITAC outreach in their governments and with the local donor community, encouraging implementation of recommendations and encouraging participants attending regional workshops to share the knowledge gained with their colleagues in their home agencies .
Countries should exercise greater care in the selection of workshop participants, who should be required to share the acquired knowledge with colleagues through in-house seminars and other means.	Modest (2) The Evaluation Team did not identify major problems of poor participant selection. However, most participants attending regional workshops did not share, as a matter of routine, the acquired knowledge with colleagues through in-house seminars and other means. There is scope for improvement in this area.
A number of countries need to take more responsibility for coordinating TA. AFRITACs can serve as facilitators in this process.	Modest (2) Country led coordination has improved since 2005 but coordination is not always led by beneficiary countries. Although there were some cases of positive synergies of the AFRITACs and other donors working together within the framework of a well thought out master plan, this not always the case. The AFRITACs, while contacting and sharing knowledge with other donors, were not playing a leading role in donor coordination. Although there were examples of donors pooling their resources, AFRITAC's resources were not included in the pools. IMF's corporate decision not to share the reports was viewed as a hindrance to effective donor coordination by some important development partners. Work is underway to address this problem and by January 2009, IMF is expected to adopt the guidelines to support its more liberal disclosure policy that will allow copies of the reports prepared by Resident Advisers to be shared with all members of the Steering Committees after the AFRITAC receives a no objection concurrence from the concerned government.

Table G.2: Implementation Status of the 2005 Evaluation Recommendations Addressed to IMF

Recommendation	Implementation Status
The Executive Board and management should respond to the Technical Departments' and OTM's needs for additional staff resources to respectively coordinate and backstop the existing Regional Technical Assistance Centers and any additional ones that are established in future.	Poor (1) In 2007 the IMF budget was cut by 15% but the reduction for TA was about 20%. All three TA departments feel that the current backstopping model is not sustainable given the cuts in resources and growing demands for back stopping. Resource wise, OTM is under stress. Rather than being cut, OTM received one additional staff for a period of 24 months. However, OTM was also tasked with many TA reforms (e. g., establishing and running the new charging regime; establishing four new RTACs; designing and rolling out 7 new trust funds). While implementation is rated as Poor: (i) IMF Management has stated that the gross amount of TA delivered will be increased by mobilizing more funds from donors; (ii) topical trust funds are being established; and (iii) charging donors will generate additional financial resources to pay for backstopping and OTM staff. If this happens, the rating could be upgraded in the future.
The IMF should work with member countries and donors to ensure that necessary TA is provided to help AFRITAC beneficiary agencies develop and monitor the capacity-building plans recommended above.	Poor (1) There is little evidence the AFRITACs played a leading role in mobilizing TA resources to support broad capacity building strategies or monitoring their implementation.
The IMF should engage a short-term expert to assist the Steering Committees and AFRITACs in the elaboration of performance indicators and a Logical Framework Analysis with which to evaluate AFRITAC outputs not less than annually. Performance indicators should include cost-effectiveness indicators.	Modest (2) Donor representatives on the Steering Committees have consistently stressed the importance of focusing on outcomes rather than inputs and developing indicators to measure progress in achieving results. All AFRITACs have put effort into this area. OTM employed a consultant to try to develop this concept but the resulting recommendations were not considered to be implementable. Like many in the development community, the AFRITACs are struggling to address this recommendation. Although some progress has been made through the use of TAIMS, more progress is needed before this issue will be fully addressed.
As recommended by the Technical Assistance Committee, some Article IV/ Poverty Reduction and Growth Facility missions should prepare, on a pilot basis, an assessment of AFRITAC and other TA in relevant fields as an annex to their report.	Poor (1) This was not done on a regular basis since there is no formal requirement for the Article IV/ PRGF missions to do so.
Where this is not yet the case, Resident Representatives' Terms of Reference should include assisting the AFRITAC interventions in their assigned country.	Poor (1) The terms of reference of Resident Representatives were not formally modified as recommended. In practice, this was not a serious problem as there were generally good relationships between Resident Representatives and the AFRITACs. Center Coordinators meet with the Resident Representatives when they visit the countries, Resident Representatives organize local donor coordination meetings for the Center Coordinators and Resident Advisers meet with the Resident. That being said, it would be desirable to formally reflect the AFRITACs in the scope of work of the Resident Representatives.

Table G.3: Implementation Status of the 2005 Evaluation Recommendations Addressed to Donors

Recommendation	Implementation Status
As most already do, donors should recognize capacity building as a long-term process.	Not rated. While most donors view capacity building as a long term process, this does not reflect the influence of either the AFRITACs or the 2005 Evaluation.
Donors should consider provision of TA to help beneficiary agencies develop and monitor human resource plans.	Poor (1) No evidence that this was done systematically because of the recommendation in the 2005 Evaluation.
Donors should continue to (i) encourage benefiting authorities to take the lead in coordinating TA in relevant fields; and (ii) cooperate with the AFRITACs in facilitating the coordination.	Not rated. Insufficient data gathered by the Evaluation Team to permit rating.
Donors should provide the Steering Committees with detailed information on their TA delivery to the AFRITAC countries in the areas of relevance.	Poor (1) No evidence that donors are systematically sharing the relevant portions of their TA programs with the Steering Committees.

Table G.4: Implementation Status of the 2005 Evaluation Recommendations Addressed to the AFRITACs

Recommendation	Implementation Status
The AFRITACs should continue to promote African expertise through recruitment of resident experts from the continent and use of African short-term experts. At the same time, permanent quality control should be exercised.	Good (3) The survey results and feedback received by the Evaluation Team indicates that the AFRITACs are doing a good job of using African Expertise. The positive feedback on the performance of African experts suggests that good quality control is being exercised. AFRITACs use African experts better than Headquarters and other TA providers.
Regional workshop curricula should be designed to and prepare individuals to serve as trainers in their countries or regionally.	Poor (1) Little evidence is available to suggest that participants acted as trainers when they returned to their countries after attending regional workshops.
AFRITACs should facilitate the processes, referred to above, of capacity building planning and monitoring.	Poor (1) Little evidence that this is taking place on a systematic basis.
AFRITACs should develop a reporting format that allows tracking of benchmarks and indicators of outputs and performance. The formats of monthly reports and activity status reports should link to Steering Committee reports, thereby meeting donors' legitimate request for more information on country follow-up on AFRITAC recommendations.	Modest (2) AFRITACs have made some progress in moving from reporting on inputs to reporting on the achievement of outcomes. The Steering Committees continue to stress the importance of developing performance. Despite this progress, more progress is needed to fully achieve this objective.
The Centers should increase their communication efforts (e.g., country visits by the Center Coordinators; press releases; publicity for AFRITAC websites, etc) to raise local and regional awareness of AFRITAC contributions.	Modest (2) Although East AFRITAC has developed a dissemination strategy and a professionally produced annual report, West and Central AFRITAC have not progressed as far in this area. East and West AFRITACs websites were not sustainable and they fell into disuse. AFRITAC TAs are of good quality but the AFRITAC communications efforts remain underdeveloped. More should be done to raise the AFRITAC profiles. Good communications needs to be properly resourced.
AFRITACs should intensify their cooperation with regional capacity-building Institutions.	Modest (2) Some good examples of cooperation with regional capacity building efforts institutions exist. However, the Evaluation Team received feedback that the AFRITACs should do more in this area.

