

Independent External Evaluation

October 2009



Middle East Regional Technical Assistance Center

METAC



EVALUATION OF MIDDLE EAST TECHNICAL ASSISTANCE CENTER (METAC)

Final Report

Stephen Jones, Marian Guest and Ashley Schofield



Oxford
Policy
Management

October 2009

Acknowledgements

This evaluation was carried out by a team from Oxford Policy Management comprising Stephen Jones (Team Leader), Marian Guest (Organisational and Management Specialist), and Ashley Schofield (Finance Specialist). The team would like to thank all those who provided information and assistance during the evaluation, including staff of METAC, at IMF Headquarters, and especially the Steering Committee members and beneficiary organisations.

All findings, interpretations, conclusions and recommendations reflect the views of the consultants, and should not be attributed to the IMF or any other organisation.

Executive summary

Evaluation assessment

The overall conclusion of the evaluation is that METAC has been delivering TA services that are generally effective and highly appreciated by the beneficiaries and that these have been delivered broadly in line with the level of support (and at a slightly lower unit cost to donors) that was envisaged in the Phase II Budget. METAC lacks a results framework and monitoring system that would allow a more rigorous judgement of its effectiveness and efficiency to be made. There has also been only limited progress in implementing recommendations from the 2007 MTE (in areas which have been largely out of the direct control of METAC's management).

METAC's TA model has both strengths and weaknesses. The strengths are a firm rooting in the IMF's well established procedures and quality control and management processes together with a strong regional base and a developing network of experts able to work effectively in the region including in Arabic. The weakness of the model is the limited ability to take a long-term perspective on capacity development and limitations on the ability to follow up on and provide complementary support. The model works well in countries with a strong capacity to use and manage TA but is more problematic in the more difficult environments that characterise several of METAC members.

The overall assessment is that the performance of METAC should be rated as **Good**. This is on the basis of the survey feedback from beneficiary organisations as backed up by country study findings and other interviews, the fact that the delivery of TA has been broadly in line with the budget and appears to have been delivered at a lower than budgeted unit cost to donors.

Findings on evaluation questions

Evaluation Questions	Findings
C. Relevance of METAC	
C1. Has METAC played a useful role in helping to define country TA priorities in line with best practice and the diagnostic assessments and policy advice provided by IMF headquarters?	METAC (through the RAs) has played a useful role in defining country TA priorities but only within the scope of IMF support which is often seen as narrow in relation to constraints on organisational effectiveness that are faced by beneficiary organisations. METAC has contributed to the development of agreed priorities as set out through the RSN.
C2. To what extent has METAC TA met the priority needs of member countries?	Respondents from beneficiary organisations considered that the work of METAC is demand-driven and responsive to the needs of countries.
C3. Has the Steering Committee (SC) proved to be effective in ensuring strong country ownership of METAC TA and strategies?	In most of the countries visited concern was expressed by organisations that were not directly represented in the SC that they lacked information about METAC and that their priorities were not fully reflected in METAC activities. However, beneficiary organisations generally rated the SC's performance strongly in this respect.
C4. Have METAC activities have been appropriately focused in terms of subject areas, taking into account the IMF's expertise and the priority needs of METAC member countries?	The Steering Committee's capacity to take a wider perspective at country level is limited by the fact that each SC member can only effectively represent the interests of their own organisation, but the focus was generally regarded as appropriate. The main area in which there may be a mismatch between the view of priorities expressed by countries and METAC's focus are the declining resources being devoted to Banking Supervision.
C5. Is METAC TA appropriately focused on delivering outputs that contribute to the achievement of member country reform priorities?	The lack of an articulated results framework that provides a clear and verifiable link between the activities undertaken, outputs produced and ultimate objectives makes it difficult to document firm conclusions about this. However, the survey findings and country studies generally supported the view that beneficiaries regarded the outputs of METAC TA as responsive to their reform objectives
D. Effectiveness of METAC	
D1. How good has been the quality and timeliness of METAC activities undertaken, and outputs produced, including TA-related documents?	Beneficiary organisations rated the quality of expertise and assistance provided highly, the timeliness of response somewhat less positively but more positively than for IMF HQ or other TA providers.
D2. How good has been the quality and timeliness of reporting and monitoring on the activities and outputs of METAC?	The Steering Committee is the main recipient of reporting on METAC's activities and has been satisfied.
D3. What are the reasons for divergence between work plans and actual implementation, and what are the implications for METAC performance?	The main reason for divergence between work plans and implementation is slow implementation of TA recommendations (and associated constraints at country level), leading in particular to delays in follow up missions. Discussions during country visits suggested that in some cases improvements in the follow up to the TA provided might assist with implementation.

Evaluation of METAC

Evaluation Questions	Findings
D4. Could the effectiveness of METAC TA be enhanced through stronger commitments of member countries to maintain reforms efforts?	Lack of commitment to reform (from the beneficiary organisations themselves) does not appear to have been a constraint on METAC effectiveness in the countries studied though this was identified as a cause of delays in some cases. Rather the constraints have related mostly to problems of coordination across government and capacity and financial constraints on the beneficiary organisations.
D5. How can METAC's impact be increased through regional responses to common issues?	There was a strong consensus from the countries studied that METAC's regional activities were very useful and that more focus should be placed on these.
D6. To what extent have METAC's activities been well coordinated and leveraged with those of other donors, TA providers and regional agencies (notably, World Bank, EC, France, and regional Arab institutions such as AMF)?	The coordination of TA was not identified as a severe constraint, in part because METAC TA was seen as focused on narrow and specialised areas so that coordination with other providers was not a major issue, although beneficiaries considered better coordination with other development partners as important for improving TA quality.
D7. To what extent have METAC activities have been well integrated with the TA, surveillance, and lending activities of IMF headquarters? Has METAC TA been effective as in complementing TA from IMF headquarters, and in supporting strategies and best practice determined by headquarters?	The participation of RAs in HQ missions and the reporting and backstopping relationship with functional departments has ensured a strong integration of METAC activities with IMF priorities as set out through the RSN. Respondents in beneficiary organisations generally regarded METAC activities as strongly complementary to other IMF activities.
D8. To what degree has METAC TA equipped countries with adequate institutional capacity to define their own policy alternatives, in particular in light of the ongoing financial crisis?	The focus of IMF support was seen as quite narrowly technical and focused on the development of systems (including statistical systems to inform policy) rather than directly contributing to strategy and policy choices.
D9. Is the mix of services provided by METAC appropriate?	The country studies suggested that, in the countries that provided a more challenging implementation environment, short visits by short-term experts were particularly likely to be unsuccessful (though their general performance was still highly rated). In such environments, sustained engagement was seen as important (whether provided by RAs or by short-term experts regularly visiting).
D10. Is METAC more effective in certain thematic areas than others?	The size of the data sample was not large enough to draw conclusions on this, although the gap between the work plan and the level of TA provided was substantially greater for FAD than for the other technical departments.
E. Efficiency of METAC	
E1. Has METAC TA proven to be cost-effective, especially 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?	Since the IMF's management systems do not allow measurement of the actual total cost of METAC's TA delivery it is not possible as to provide an assessment of the overall cost-effectiveness of TA delivery by METAC. However, the unit cost to donors of TA delivery was around 8% less than the Phase II budget had envisaged.

Evaluation Questions	Findings
E2. What have been the quality, timeliness, modalities, and cost of management and backstopping of METAC activities by IMF headquarters-based staff?	IMF systems cannot provide information on the cost of management and backstopping of METAC activities by IMF HQ. In general the quality of backstopping was regarded as high and the relationship was seen as working well.
F. Sustainability of METAC	
F1. To what extent has METAC TA led to tangible and lasting results in member countries?	There are significant and lasting results from TA that can be identified in most of the countries where METAC TA has been provided. Yemen is regarded as the country in which it has been most difficult to achieve results.
F2. Are there particular constraints faced by METAC member countries which have prevented them from taking full advantage of METAC TA to be self-sustaining, and how such constraints can be addressed?	It does not appear that once substantive progress has been made this is subsequently reversed (for instance because of problems of organizational weakness or inability to retain trained staff).
F3. How effective has METAC been in identifying, utilizing, and promoting growth of local expertise in their activities, including through the appropriate use of local and regional TA experts (taking into account the language barrier)?	METAC has made significant progress in developing a network of local and regional experts.
G. Role and Performance of the Steering Committee	
G1. How effective has the Steering Committee been?	The MTE recommended that the role and responsibility of SC members should be clarified and that SC members should play a more active role in sharing information, determining and communicating priorities, and developing ways to monitor performance. There does not appear, however, to have been any significant progress in this regard since 2007, and many of the problems identified during the MTE remain. In four of the five countries visited concerns were expressed about the ability of the SC member to represent adequately the needs and priorities of all beneficiary organisations. However, the survey ratings of SC performance were positive.
G2. What is the appropriate frequency of METAC SC meetings, and what are the options of alternate modalities for more frequent contact; including through the website?	Annual meetings are probably sufficient but need to be supplemented by other forms of information sharing.
H. Strategic Issues for METAC	
H1. What are the lessons from the experience of METAC's last cycle, including good practice, areas of improvement, and innovation?	While the basic METAC TA model appears to be generally effective, more attention to regional information sharing and to implementation follow up is likely to be required further to improve effectiveness and sustainability.

Evaluation Questions	Findings
H2. What is the appropriate size and mix of advisors for METAC, taking into consideration its, three-year planning horizon, Fund TA plans, demand for its services, the regional absorptive capacity, and long-term results?	The preparation of a Phase III for METAC should involve a comprehensive analysis of priorities and the setting of more explicit results-based objectives which can then be used as a basis for determining the optimal size and mix of activities, as well as the identification of performance indicators.
H3. What is METAC's position in the regional architecture of TA support and what are the implications of this for its future strategy?	METAC is a unique or principal supplier of TA in the region in many of its technical areas. Its regional presence and link to the quality control and supervision activities of the IMF provides it with a comparative advantage. There may be scope for widening METAC's country coverage but this would increase the challenges of implementation follow up and regional networking.
H4. What are the opportunities for increasing the value of METAC (through an analysis of niche areas where it is considered successful by donors and beneficiary countries)?	The main opportunity for increasing METAC's value appears to be through an expanded programme of regional activities and information sharing, including the development and strengthening of regional networks.
H5. Should METAC continue to provide technical assistance in the long term or should an exit strategy be prepared?	There is a continuing need and demand for METAC for at least a further funding cycle and provided funds can be raised and performance remains satisfactory it would be anticipated that METAC should continue beyond this.

Recommendations

It is important to note that these recommendations are addressed to the IMF, donors, the Steering Committee and beneficiary organisations and not principally to METAC's staff and management which has only a limited authority or capacity to bring about these changes.

1. The preparation of Phase II of METAC was not used as an opportunity to develop a results framework or to strengthen the monitoring of performance against objectives. This has made it more difficult than it could have been to assess and measure the results achieved by METAC, and the findings of the 2005 IMF TA evaluation also suggest that this might militate against the effectiveness and sustainability of TA provided. In the preparation of Phase III this opportunity should be taken so as to match best practices approaches for TA management and to build on approaches and lessons emerging from other RTAC experience. The Phase III proposal should include a clear statement of METAC's objectives with defined performance indicators and an articulation of the linkages between METAC's activities and these objectives, and the key assumptions that these require. A more results-focused reporting system should be developed as part of this process which should include an assessment of the role that TAIMS should play in monitoring and evaluation of performance.
2. The preparation of the Phase III project should also address issues about improving the performance of METAC TA through more focus on support to implementation and to regional networking and information sharing and communication, including making an assessment of the costs and organisational requirements involved in strengthening this role.
3. Financial reporting should cover the total cost of METAC's TA delivery and include explicit performance indicators, rather than being restricted to reporting on the use of

donor resources, as it is understood should be possible with the new SFA reporting system.

4. The increased focus on regional networking should be developed as part of the process of preparing and implementing information and training strategies, as should the more effective use of METAC's website for information sharing purposes. One route for increasing METAC's profile would be to hold events linked to Steering Committee meetings on issues of topical importance.
5. To support this increased focus on information and training (and under the assumption that its level of activities will increase), METAC should consider strengthening its capacity for training coordination and management. This could be done in one of the following ways: (a) Short-term hiring of a Training Coordination consultant to establish best practice training administration systems and processes and train the current Administrators on their use; (b) A new permanent Training Coordinator recruitment, probably on a part-time basis, the candidate possessing existing levels of required skills and experience, or (c) training and development of one or both Administrators in Training Coordination.
6. The initiative to develop an Office Procedures Manual should be built on by strengthening process management throughout METAC's operations to ensure consistency and provide a stronger basis for performance measurement. This should be driven by the development of a broader set of performance measures as part of the results framework.
7. The Steering Committee needs to play a more effective role in representing all beneficiary organisations. There are a number of ways this could be done that could be considered including the appointment of an alternate Steering Committee member representing other organisations, or the development of a set of subcommittees or networks of beneficiary organisations in each technical area to inform decision making. It is also desirable for proposed Work Plans and Minutes to be distributed to designated authority and counterparts in each beneficiary organisation ahead of and following SC meetings. It is probably feasible to continue having a single annual Steering Committee meeting but this will need to be supplemented by better communication through the website and where necessary other forms of communication such as telephone conferencing and ad hoc meetings if there are major decisions to be made.

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Abbreviations

AFE	East Africa Technical Assistance Center
AFRITAC	Africa Technical Assistance Centers
BOP	Balance of Payments
CARTAC	Caribbean Technical Assistance Center
CBS	Central Bank of Syria
CBY	Central Bank of Yemen
CSO	Central Statistics Organization
EC	European Commission
EIB	European Investment Bank
FAD	Fiscal Affairs Department
FDI	Foreign Direct Investment
GDDS	General Data Dissemination System
GFS	Government Finance Statistics
HQ	Headquarters
IAD	Internal Audit Department
IBAN	International Bank Account Number
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
MCD	Middle East and Central Asia Department
MCM	Monetary and Capital Markets Department
METAC	Middle East Regional Technical Assistance Center
MTE	Mid Term Evaluation
OPM	Oxford Policy Management
OTM	Office of Technical Assistance Management
PFM	Public Finance Management
PFTAC	Pacific Technical Assistance Center

PMA	Palestine Monetary Authority
RA	Resident Advisor
RAP	Resource Allocation Plan
RSN	Regional Strategy Note
RTAC	Regional Technical Assistance Center
SC	Steering Committee
SDDS	Special Data Dissemination Standard
SFA	Selected Funds Account
STA	Statistics Department
TA	Technical Assistance
TAIMS	Technical Assistance Information Management System
TIMS	Travel Information Management System
TSA	Treasury Single Account
USD	US Dollars
VAT	Value Added Tax
WBG	West Bank & Gaza

1 Introduction

1.1 Overview of the evaluation

The terms of reference (Annex A) define four key objectives for this evaluation:

- Evaluate the TA, training (workshops and seminars), and other activities including contribution to the region through participation in conferences and seminars provided by METAC for effectiveness, efficiency, relevance and sustainability;
- Assess if METAC has the right size to achieve its objectives, or alternatively, if the objectives needed to be adjusted; in this context, consider METAC's position in the regional TA architecture and whether there may be opportunities to further support METAC recipient countries' needs;
- Examine the effectiveness and frequency of METAC SC meetings, and explore alternate modalities for more frequent contact; including through the website, and
- Compile a set of lessons that may be used to strengthen METAC operations.

The evaluation covers the period since the start of Phase II of METAC (from November 2007). However, where feasible – particularly in relation to assessing the impact and sustainability of METAC's activities – a longer time frame has been adopted including the first phase of METAC from November 2004 to November 2007.

The evaluation has involved the following components and sources of information:

- Initial review of documentation.
- Interviews at IMF HQ (July 2009) with staff of OTM, MCD and the three functional departments who manage TA provision through METAC.
- Three online surveys of (i) METAC Steering Committee members, (ii) counterparts in organisations receiving METAC TA, and (iii) participants in METAC workshops, seminars and training courses.
- A visit to METAC in Beirut to interview the Center Coordinator, Resident Advisors, and other staff and to review METAC systems.
- Case study visits undertaken by members of the team to Jordan, Lebanon, Syria and West Bank & Gaza for interviews with Steering Committee members, staff in beneficiary organisations, and representatives of other donors.¹
- Preparation of a draft report on which comments were received both in relation to identifying factual inaccuracies and on the interpretation of the findings. These comments have been taken into account in preparing the final report.

1.2 Structure of the report

The remainder of this report is structured as follows. Section 2 provides an overview of METAC's governance, organisation and management, and presents a summary of METAC's activities and the regional context within which it operates. It also discusses the findings of

¹ It was originally intended also to undertake a visit to Libya but it was not possible to obtain a visa for a team member in the time available.

the Mid Term Evaluation (MTE) of METAC which was undertaken in 2007. Section 3 discusses METAC's underlying programme logic and provides more details on the evaluation approach. Section 4 presents the findings of the evaluation in terms of the principal evaluation criteria (relevance, effectiveness, efficiency and sustainability). Section 5 sets out the overall conclusions of the evaluation and addresses specific questions in the terms of reference in relation to METAC's future strategy and the role of the Steering Committee. Section 6 presents recommendations.

Additional material is presented in Annexes. Annex A contains the study terms of reference. Annex B reproduces the list of activities envisaged for Phase II of METAC. Annex C provides information on METAC's activities and work plans. Annex D provides financial information. Annex E contains the results of the survey of beneficiary organisations, Annex F the survey of workshop participants, and Annex G the survey of Steering Committee members. Annex H contains a summary of the conclusions and the recommendations of the MTE and a response from METAC setting out the action taken in response.

2 Background and Overview of METAC

2.1 Governance, organisation and management of METAC

METAC's organisation and management

The main features of METAC's structure and management are set out in the Phase II project document. The main objective of METAC is defined (paragraph 4) as:

“to help strengthen capacity for effective macroeconomic and financial management, and to support the region's integration in the world economy. METAC aims at facilitating institution building and economic reforms in the region by providing targeted technical assistance. A particular focus is helping post-conflict countries in the region (Afghanistan, Iraq, Lebanon, Sudan and West Bank and Gaza) to foster macroeconomic stability and develop basic institutions for effective policy-making. METAC's location is designed to enhance coordination among donors and to promote the effective implementation of economic initiatives in the Middle East region.”

METAC is designed to provide technical assistance (TA) activities and training in the IMF's core areas of expertise (including macroeconomic policy, central banking, tax and revenue administration, public financial management, macroeconomic statistics, and financial sector soundness). The model of TA provision is based on a team of resident advisors located within the region (in Beirut) supplemented by short-term experts. METAC's activities are an integral part of the IMF's overall technical assistance program for the countries and territories that it covers, closely coordinated with the support provided directly from the IMF functional departments. The countries/territories covered by METAC have remained unchanged since 2004 and are Afghanistan, Egypt, Iraq, Jordan, Lebanon, Libya, Sudan, Syria, West Bank and Gaza and Yemen.

The Center Coordinator is a senior staff member in the Middle East and Central Asia Department of the IMF (MCD). The Coordinator is the only IMF staff member at the Center. The team of Resident Advisors is responsible for the delivery of TA and training (including the supervision of short-term experts contracted to undertake particular assignments) which takes place under the direction of the respective functional departments (Fiscal Affairs – FAD, Statistics – STA, Monetary and Capital Markets - MCM). The functional departments are responsible for the selection of the Resident Advisors while Steering Committee members are involved in the choice of the RA's areas of expertise and are provided with an opportunity to object to the proposed candidate. Resident Advisors also participate regularly in IMF missions of their functional departments as part of METAC's work plan. An administrative team provides secretarial, accounting and logistical support.

METAC's programme of activities is (paragraph 11):

“guided by a detailed work plan prepared by the Center's staff in consultation with MCD and the IMF functional departments, and the authorities of the participating countries/territories, and endorsed by the METAC Steering Committee. The plan is implemented in a flexible way, and is updated every six months to reflect emerging needs or changing priorities. The METAC work plan is included in the functional department's annual Resource Allocation Plan (RAP), which helps to ensure coherence with overall IMF TA priorities.”

METAC's governance

The governance structure of METAC is described as designed to promote ownership of the participating countries/territories and accountability to these countries/territories, as well as to donors, and the IMF. METAC's Steering Committee composes representatives of the authorities of the countries/territories served by the Center, donors and the IMF. Regional institutions and potential donors participate as observers. The Steering Committee is chaired by the Minister of Finance of Lebanon (as the host country and the main financial contributor). The role of the Steering Committee is described as to act "as an advisory body that provides strategic guidance and contributes to setting METAC priorities." The Steering Committee met at six monthly intervals until May 2008. Since then it has moved to a single annual meeting. Quality control of METAC's activities is maintained through monitoring by MCD and the functional departments as well as through the IMF's general oversight and review by the Steering Committee. Provision for external evaluation within each funding cycle is also made.

METAC's objectives and performance monitoring

The Phase II Project Document defines METAC's scope and objectives as follows:

"The IMF's strategy for medium-term capacity building for the region aims to help countries formulate and implement appropriate macroeconomic policies and undertake the needed structural reforms. Projects under METAC will be aimed at implementing this strategy, with METAC focusing its activities in central banking, fiscal and statistical reforms."

The Project Document does not set out a results framework to articulate the relationship between METAC's activities and ultimate objectives, nor does it define any targets or monitorable indicators of METAC's performance. Instead it focuses on listing the main envisaged areas of activity in each participating country/territory. These are set out in Annex B. The discussion of monitoring and evaluation in the project document focuses on the quality of the activities undertaken, with the external evaluation intended to assess the Center's activities and make recommendations on future actions.

The Center Coordinator and Resident Advisors provide regular and very comprehensive narrative monthly or quarterly reports which are made available through the Steering Committee section of the METAC website. These provide a detailed account of activities undertaken and are summarised in the form of a Report on METAC's Activities to the Steering Committee presented by the Center Coordinator. This in some cases identifies specific achievements that may be attributed to METAC support.

While METAC does not operate within an explicit overall results framework, specific projects entered within the TAIMS system do have logical frameworks defined which set out "Overall Objectives" for the project, and identify outputs, verifiable indicators and assumptions. Project self-assessment reports include an assessment of performance against the objectives and outputs. In some cases, quantitative ratings of performance are made as part of the self-assessment. While the TAIMS system is now being used as an integral part of the project management system², and it is understood that each of the three functional

² It was noted that the use of TAIMS has not been uniform among RAs and area departments. The technical problems that METAC faced with the use of TAIMS (discussed in the MTE) have now largely been resolved. At METAC, TAIMS has been used consistently to manage projects by STA and MCM. The use of TAIMS by FAD started effectively in FY2009.

departments has instructed its RAs to document all activities as projects within TAIMS, it does not appear that TAIMS is used for reporting except in order to meet specific donor requirements for documentation (for instance from the Government of Japan and the European Investment Bank). It is not clear what management use is made of the rating and assessment information, and there does not appear to be any mechanism for reporting on project performance in an aggregated way using the TAIMS system. Instead, information can only be obtained on a project by project basis. It does not appear to be possible, for instance, to obtain summary information from TAIMS on all METAC projects or to identify in a straightforward way how many METAC projects were contained on the system.

The lack of a results framework or of a structured process of reporting on results reflects a weakness of IMF practice in TA management rather than an issue that is specific to METAC. For example, the Regional Strategy Note identifies TA priorities (and therefore the broader framework of IMF support within which METAC operates as one implementation instrument) but does not set out a structured framework of objectives. This weakness has been clearly identified in previous evaluations of IMF TA, most notably the 2005 Independent Evaluation Office report³ that noted (p. 13) that:

“[T]he present IMF documentation and reporting does not clearly unbundle and track the different stages of TA progress toward its final objectives. Specifically, this documentation is weak in:

- defining at the outset what are the indicators (benchmarks) that will be monitored to judge whether or not progress is occurring, and how explicitly these indicators have been discussed with the authorities, for example, are these mutually agreed indicators;
- differentiating between the outcomes of pointed policy advice type of TA (for example, how to restructure or close a specific state bank) and outcomes linked to longer-term capacity building in the same area (such as the ability of agencies to supervise the banking sector and improve their asset position); and
- unbundling between short- and medium-term indicators that capture different stages of the results chain, for example (a) indicators that track the improved technical abilities of agencies receiving TA; (b) indicators that show whether these agencies are actually enforcing that increased know-how, for example, whether they are performing their final responsibilities; and (c) indicators that track the economic outcomes of that enforcement.

The absence of a clear unbundling of these stages, and the factors influencing the lack of progress, limits the ability to use past track record in implementing TA in making decisions about future TA. This is critical because there may be good reasons why TA recommendations have not been implemented. An understanding of these constraints and what can or should be done to overcome them is crucial to setting future priorities.”

However, initiatives have been taken in some of the other RTACs to strengthen results-based management. For instance, CARTAC has commissioned a study on Results-based monitoring and reporting⁴ which has proposed (p. iv) ,as part of a process of systematic reporting on intermediate outcomes and progress towards longer-term outcomes, “a move

³ IMF Independent Evaluation Office, Evaluation of the Technical Assistance Provided by the International Monetary Fund, January 31st 2005

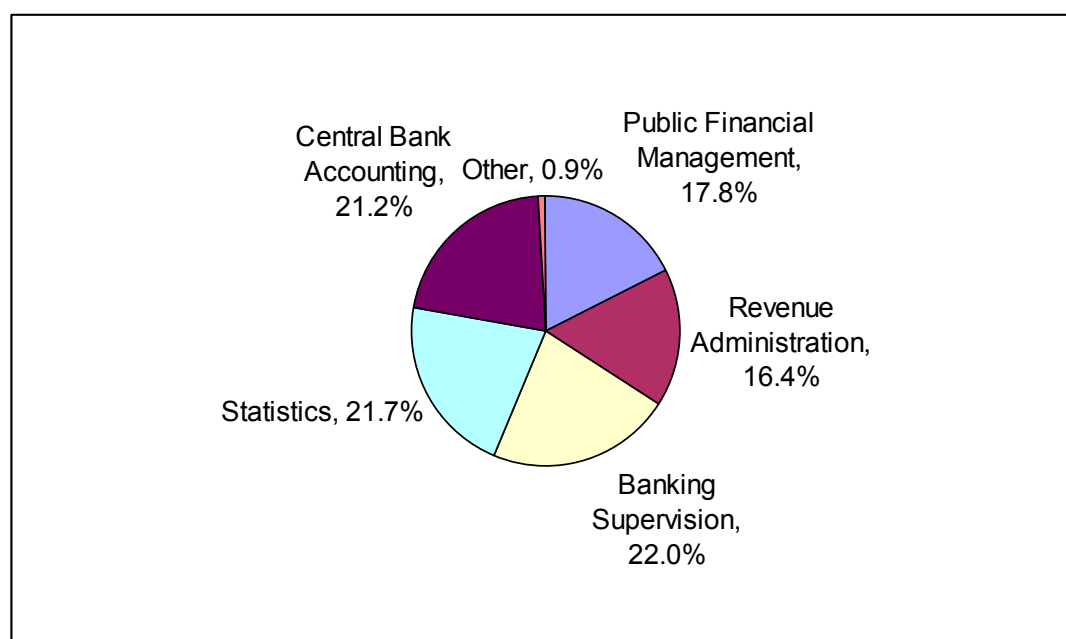
⁴ Jette Jensen, CARTAC – Results-Based Monitoring & Reporting, May 12th 2008

towards a project approach⁵ with identified ex ante medium- and long-term outcomes” complemented by case studies assessing the entire results-chain. The East Africa RTAC (AFE) has also recently developed a comprehensive framework for results-based management⁶ for its next funding cycle which will be complemented by short questionnaires which (p. 37) “will be designed to gauge whether the TA has been effective in facilitating outcomes and to understand potential obstacles to the implementation of the TA advice.”

2.2 Overview of METAC’s activities

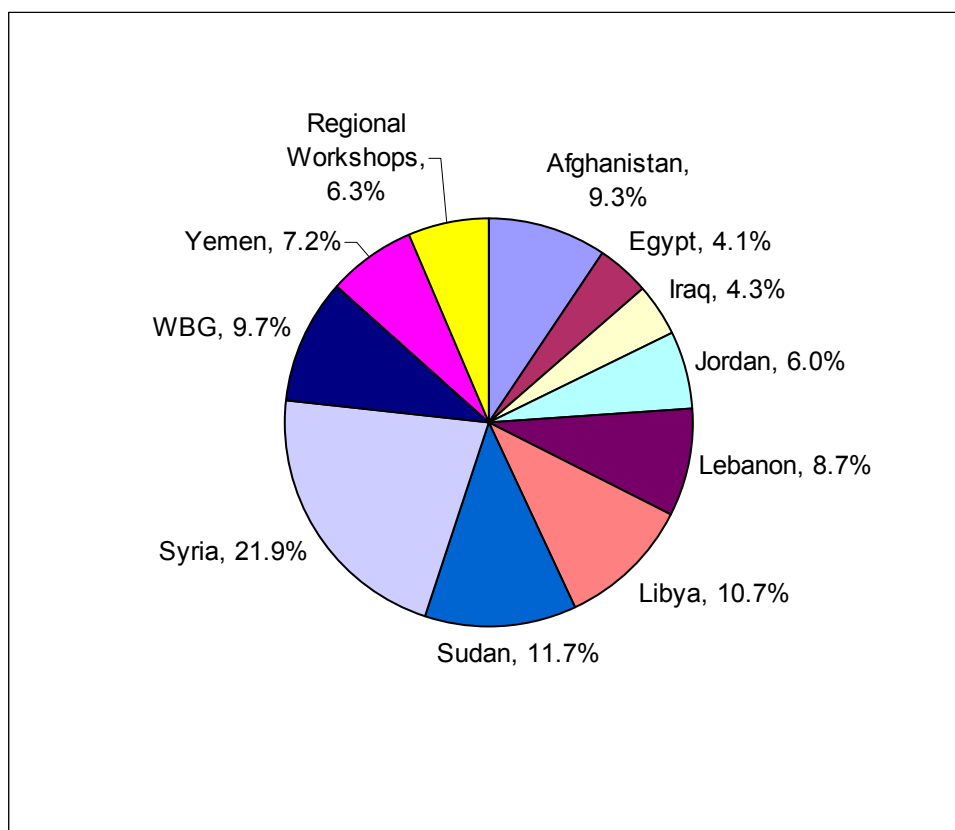
Figures 2.1 and 2.2 show the share of TA provided by technical area and country. Over 43% of TA has been in the technical areas covered by MCM, 34% in FAD areas, and 22% in statistics (STA). In terms of shares between countries, Syria has been by a considerable margin the largest recipient of METAC TA over the last two years receiving almost twice as much as the second largest recipient, Sudan.

Figure 2.1 Share of TA provided by technical area, FY2008 and FY2009



⁵ There does not appear at the moment to be any uniform definition of what counts as a “project” within TAIMS (and more generally within IMF practice) beyond what is treated as such by a particular donor for financing purposes, with IMF TA practice being focused on the concept of the “mission” which identifies actions agreed actions with the authorities (and hence has a relatively short-term focus and places responsibility for implementation on the authorities). Within TAIMS missions are clustered as “projects” for the purpose of the allocation of sources of funding rather than for management reasons.

⁶ IMF, East Africa Regional Technical Assistance Center: Program Document for the Third Funding Cycle, Draft March 2009

Figure 2.2 Share of TA provided by country, FY2008 and FY2009

Tables 2.1 and 2.2 present summaries of METAC's TA activities in terms of days of TA provided in comparison with work plans⁷, classified respectively by country and by technical area.

The main features emerging are the following:

- From a peak of 2215 person days of TA provided in FY2008, there was fall to 1598 person days in FY2009.
- The total number of person days of Banking Supervision TA halved between FY2008 and FY2009 (as a result of the reduction in the number of RAs in this area from two to one).
- Revenue Administration and Public Financial Management have been the technical areas (excluding the "Other" category) where the gap between Work Plans and actual TA delivery has been greatest over the last two years.
- The countries/territories with the lowest rate of work plan fulfilment over the last two years have been Egypt, Iraq, Yemen and Lebanon. TA delivery to Syria has substantially exceeded the work plan.

⁷ Work plan figures for FY2010 omit the planned work of the replacement for the Central Bank Accounting Adviser.

Table 2.1 Comparison of work plan and outturn by country

	FY2007		FY2008		FY2009		FY2010		
	Work Plan	Outturn	Work Plan	Outturn	Work Plan	Outturn	Work Plan		Outturn/ Work Plan 2008 and 2009
Regional Workshops	178.75	64	165	148	77.5	92	102.5		99.0%
Afghanistan	205	172	260	236	105	121	57.5		97.8%
Egypt	222.5	204	182.5	116	92.5	42	75		57.5%
Iraq	87.5	62	80	71	152.5	94	60		71.0%
Jordan	140	109	105	109	147.5	122	132.5		91.5%
Lebanon	245	203	162.5	169	262.5	162	245		77.9%
Libya	280	130	297.5	270	185	137	145		84.4%
Sudan	345	355	367.5	270	180	176	232.5		81.5%
Syria	402.5	362	302.5	490	330	346	360		132.2%
WBG	192.5	204	217.5	214	210	157	145		86.8%
Yemen	197.5	219	215	122	147.5	151	150		75.3%
Total	2496.25	2084	2355	2214	1890	1598	1705		89.8%
% Work Plan		83.5%		94.0%		84.6%			

Table 2.2 Comparison of work plan and outturn by technical area

	FY2007		FY2008		FY2009		FY2010		
	Work Plan	Outturn	Work Plan	Outturn	Work Plan	Outturn	Work Plan		Outturn/ Work Plan 2008 and 2009
Public Financial Management	445	378	580	401	405	277	345		68.8%
Revenue Administration	430	278	418	323	375	302	360		78.8%
Banking Supervision	653	513	438	573	357.5	265	370		105.3%
Statistics	959	699	585	467	315	359	350		91.8%
Central Bank Accounting	0	202	335	437	372.5	373	270		114.5%
Other ⁸	10	14	0	14	65	22	10		55.4%
Total	2496	2084	2355	2215	1890	1598	1705		89.8%
% Work Plan		83.5%		94.1%		84.6%			

⁸ Includes IMF Institute and Tax Policy.

Table 2.3 provides an analysis of the reasons for cancellation of FAD missions in FY2008 and FY2009. The main reason (accounting for 52.9% of cancellations) was lack of progress in implementation of reforms, a judgement of a lack of commitment by the authorities, or constraints on absorption capacity. Yemen and Egypt combined accounted for 46% of the missions cancelled for these reasons. Cancellation at the request of the authorities is the second most important reason (14.3%) with Lebanon accounting for the bulk of these cases. These requests clearly could also reflect lack of reform progress or absorption capacity. The relatively low rate of implementation of FAD missions therefore appears to reflect mainly lack of progress in reform implementation on the part of the authorities. There are several possible reasons why this might be the case, which in principle could include particular difficulties associated with reforms in these areas, insufficient complementary support to enable reforms to be implemented, or a more ambitious setting of the work plan in this area in relation to the prospects for progress. However, it is not possible to determine the relative importance of these causes without a much more detailed analysis. In addition, a delay in the process of getting the new public expenditure management advisor left the post vacant for three months which is likely to have contributed to a delay in work plan implementation (see Table D.4).

Table 2.3 Reasons for cancellation of FAD missions, FY 2008 and FY 2009

Country	Request of authorities	Lack of progress, commitment or absorption capacity	Expert not available	Security issues	Budget constraints	Linked to FAD mission that did not occur	Replaced by other mission/support	Other
Regional					2			
Afghanistan		1	1	1			1	1
Egypt		8	1				1	
Iraq				2		1		
Jordan		3					2	1
Lebanon	6	3					1	
Libya		5				2		
Sudan	2	2		2		1		
Syria	2	6						
West Bank & Gaza				2		1		
Yemen		9						
Total	10	37	2	7	2	5	5	2
%	14.3%	52.9%	2.9%	10.0%	2.9%	7.1%	7.1%	2.9%

Table 2.4 compares data on time use from METAC's reporting system with that from the Fund's travel system (TIMS) which includes administrative time as well as an adjustment for leave as well as all delivered missions. The difference between the two series provides some indication of efficiency since it represents an element of overhead costs involved in TA delivery.

Table 2.4 Comparison of TIMS and METAC outturn data by technical area

	FY2008		FY2009		
	TIMS	METAC	TIMS	METAC	TIMS/METAC 2008 and 2009
Public Financial Management	423	401	393	277	83.1%
Revenue Administration	355	323	344	302	89.4%
Banking Supervision	587	573	313	265	93.1%
Statistics	499	467	366	359	95.5%
Central Bank Accounting	526	437	460	373	82.2%
Other ⁹	14	14	22	22	100.0%
Total	2355	2215	1898	1598	89.7%

2.3 METAC's use of resources

The Phase II Project Document envisaged an estimated cost of USD 21.5 million to cover three and a half year's of METAC's activities from mid-2007 (Annex Table D.1). This budget envisaged the provision of 21 person years of Resident Advisors (six fulltime) and nine person years of short term experts. Of this total cost it was envisaged that the donor financed contribution would be USD 11,039,100 (plus a further administrative fee of 13% bringing the total donor contribution up to USD 12,474,183) while there would be an additional host government contribution from the Government of Lebanon through in kind support estimated at USD 3.5 million to cover office spaces, training facilities, security, cleaning services etc, as well as a cash contribution of up to USD 293,000 for METAC's support staff. The IMF contribution was estimated at USD 5,565,000 to cover the Center Coordinator, backstopping, professional and administrative support from IMF HQ and office support and communications.¹⁰

The Phase II Budget envisaged the provision of 252 months of Resident Advisor time and 105 months of Short-Term Experts. Given a total budget of USD 21.5 million, this implies a total budgeted monthly cost of USD 60,224 per month of TA time provided (assuming that all time from the RAs can be counted as TA delivery) of which donors were budgeted as contributing 57.9%, the IMF 25.8% and the Government of Lebanon as host 16.2%.

⁹ Includes IMF Institute and Tax Policy.

¹⁰ The administration fee on donor funds was described as helping to "defray the expenses incurred by the Fund in the recruitment and backstopping of long-term experts, and the administration of the donor-financed activity." However, this cost is treated in the budget as additional to the costs of this type listed by the IMF, rather than as a contribution to financing them.

There have been two subsequent budget revisions, each of which reduced the period covered by the Phase from the original 42 months (November 2007 to April 2011) to respectively October 2010 (Budget Revision A) and April 2010 (proposed Budget Revision B). This reflected a shortfall in the level of donor funding compared to the original plan. Budget Revision B envisaged a reduction from 252 person months of Resident Advisors and 105 of short-term experts over 42 months elapsed time to 143 months of Resident Advisors and 91 of short-term experts over 30 months elapsed time. The total donor cost of this was envisaged as USD 6,912,143 with an administrative overhead of USD 854,977 making a total donor cost of USD 7,767,120 (including USD 2 million from the Government of Lebanon). Total donor pledges received for Phase II are set out in Annex Table D.3 which shows a surplus of USD 452,346 over the requirement in Budget Revision B.

Table D.4 provides a comparison of donor-financed expenditure from November 2007 to August 2009 with the original Phase II budget. This shows that after 52% of the original funding cycle, METAC had used 43% of the originally projected donor funding but had delivered 47% of the originally projected TA time.¹¹ The amount of Short-term expert time was 62% of the original Phase II budget. This suggests that in terms of the level of TA delivery METAC has delivered broadly in line with what was originally envisaged in the Phase II budget and has done so at a unit cost in relation to the use of donor resources that is approximately 8% lower than the Phase II budget envisaged, although it is not possible to measure the total actual cost incurred since the IMF's current financial reporting systems do not measure the cost of backstopping time and project management time provided.¹² Consequently it is not in principle possible to measure the full cost of TA provision through It is understood that the introduction of the new SFA instrument¹³ will address this weakness in the financial reporting system.

¹¹ As noted in the discussion of Table 2.4 above, it is not possible to identify precisely the amount of TA delivery from RAs that was envisaged in the Phase II Plan (according to the METAC measure based on missions undertaken) since the Phase II Plan did not provide an estimate of the amount of RA time that should be treated as an "overhead" including administration and leave.

¹² Information provided by OTM.

¹³ IMF, Establishment of a New Framework Administered Account for Selected Fund Activities, March 4th 2009.

2.4 Mid-term evaluation of METAC

Table 2.5 Recommendations from the 2007 MTE

Summary of MTE Recommendations	Commentary from the Evaluation Team
1. Continued attention needs to be given to the simplification and streamlining of administrative procedures so as to enable the full potential benefits of METAC's activities to be realised.	METAC appears to operate effectively within the constraints of IMF procedures though these remain not ideally suited to allowing METAC to respond flexibly and quickly to country requirements. The scope for action by METAC alone to address these issues is limited although progress has been made.
2. The role and responsibility of Steering Committee members should be clarified and encouragement provided for the SC members from METAC member countries to play a more proactive role in both work planning and country level coordination of METAC activities.	Concerns about access to information or the extent to which their interests were represented in the SC were reported from beneficiary organisations in four of the five countries visited that SC so further action by the SC is required to address these concerns as noted in METAC's comments.
3. There is a need for an improved system for the monitoring of the outputs and results of the TA provided to move beyond the current reporting that focuses exclusively on inputs (days provided). This system should include as a minimum a standard evaluation form to be completed by the beneficiary organisation on completion of a METAC activity, and a regular process of follow up and reporting on the longer term results and benefits of the activity.	<p>The process of preparing Phase II of METAC was not used as an opportunity to prepare a more structured system of defining and measuring the results of METAC's activities. The process of reporting continues to be largely focused on activities and through (informal) feedback through the Center Coordinator's contacts with beneficiary organisations.</p> <p>Creating a more de-personalised performance assessment channel would enable beneficiaries to provide more objective feedback.</p> <p>TAIMS is now fully operational and being used by RAs for the documentation of project activities. However, it does not appear that this information is accessible for, or is used for, wider management purposes either by METAC or by OTM.</p>
4. As part of the process of providing a basis for improved reporting on results, there should be an institutional and organisational assessment for each beneficiary organization with which METAC works. Usually this will have been developed as part of a wider reform programme or strategy or through ongoing consultations such as those under Article IV. In general this is not an exercise that METAC should itself undertake, but an active attempt should be made to draw on existing documentation and processes to make a systematic assessment of organisational capacity and its implications for the design and implementation of support.	There does not appear to have been any changes in IMF practice in this regard (for instance as reflected in the Regional Strategy Notes)

Summary of MTE Recommendations	Commentary from the Evaluation Team
5. Terms of reference and other key information for METAC missions should be seen by and agreed with beneficiary organisation and beneficiary organisations should be encouraged to circulate and discuss these more widely as appropriate.	Interviewees in two countries reported that they had not seen terms of reference for some missions, so it appears that some further attention to communication of these either between METAC and beneficiary organisations or within beneficiary organisations is required.
6. METAC's website should be used much more actively as a way of sharing information and experience.	There has been little substantive change in the way that the website is being used in relation to the specific suggestions made about using it as a means to compare experience and lessons (for example sharing information on relevant experiences, reports and lessons from ongoing reform programmes). A new design of the website has been prepared but not yet implemented.
7. The selection of Resident Advisors (RAs) should take place against a job description, draft terms of reference, and role profile (not just a specification of the area of technical expertise) that should be agreed with the SC. There is scope for exploring whether a more transparent and competitive process for selection could be used, as is already happening in some of the other RTACs and whether there could be a performance review and evaluation role for the METAC Coordinator as a basis for learning about how RAs could be most effective.	Good practice would emphasise the importance of having a defined job description and terms of reference for all RAs.
8. METAC should develop (in close consultation with beneficiaries) a strategy to guide its activities in networking and experience sharing based on METAC's complementary role in relation to other regional organisations and networks.	METAC has fulfilled 99% of its planned regional activities (measured in terms of TA time provided to them) in the last two financial years. Initiatives taken in the area of regional meetings and engagement with networks and study tours have been well-received.
9. METAC should actively seek to assist HQ functional departments in developing a network of STEs with skills and experience that are especially relevant to the region.	Significant progress appears to have been made in this area although the pool of qualified Arabic speaking experts remains limited.
10. A full office procedures manual should be developed.	The procedures manual has been prepared but is being used at the moment mainly as a guide for temporary staff. This progress should be built on to strengthen process management in the context of developing a results framework and performance measures for METAC.

A Mid-term evaluation of METAC was carried out during Phase I with the report being completed in March 2007. A summary of the findings of the MTE is included in Annex H. The overall finding of the MTE was that "in general, beneficiaries are highly satisfied with the performance of METAC to date" but identified scope for improvement and noted that "the lack of any structured system for reporting on results or beneficiary views of the TA provided significantly limits the conclusions that can be drawn about what has been achieved." METAC's organizational effectiveness was assessed as generally good though hampered by

Evaluation of METAC

lack of standard and appropriate procedures while the contribution of the Steering Committee could be improved in several respects.

The full recommendations from the MTE are set out in Annex H along with a response and comments from METAC on the recommendations of the MTE. The response from METAC described some progress in response to each of the recommendations, though in some cases action by METAC alone was not sufficient to bring about change (for instance in response to recommendations 1, 2 and 7). A summary of the recommendations and the assessment by the consultants of the extent of implementation are set out in Table 2.3.

3 Evaluation Approach and Methodology

3.1 METAC's results framework

As discussed above, METAC does not have a results framework which sets out in an explicit and measurable way its objectives, the way in which the outputs it produces are expected to contribute to achieving these objectives, how the specific activities that it undertakes lead to the production of the outputs, and the conditions that are required to hold for the activities selected to lead to the achievement of METAC's objectives, that is METAC's "programme logic". The absence of such a framework (including a predefined and agreed set of performance indicators) limits the extent to which a satisfactory evaluation can be undertaken.

The lack of an explicit results framework or of any formalised process of reporting beyond the level of activities undertaken, is an important weakness particularly since these weaknesses in the IMF's TA practice had been identified in the 2005 IEO evaluation and is out of line with what would normally be seen as good aid practice or the Paris Declaration's focus on Managing for Results. A participatory process of developing such a framework with stakeholders can also be an important way of broadening ownership as well for making a realistic and informed judgement of what can be achieved and the internal and external conditions for success which can sharpen the identification of lessons from experience.

A sample view of short-term expert ToRs reinforces the view (expressed by some beneficiaries) that missions were sometimes overly focused on "review and recommendations", and not on resolving major constraints. In the cases reviewed the required "outcome" of the mission was only the submission of a Report. Using such a broad, internally-generated standard, outcomes of a mission will always be met, while the use of a more rigorous results framework throughout METAC's operations might require a more explicit focus on contributing to the achievement of defined objectives.

While it is beyond the scope of this evaluation to develop or propose a results framework it can be noted as discussed above that the East Africa RTAC Program Document (April 2009) sets out a proposed results framework and indicator set that might be used as a starting point for a results framework for METAC's next phase, while the report on results-based management commissioned for CARTAC discusses many of the issues involved in implementing such a system.

An important point to note from the wider literature is that while much IMF TA is focused on improving the skills and capacities of individuals within beneficiary organisations, this is only one element that contributes to overall organisational effectiveness, with clarity of mandate and role, quality of management, incentives and resources (elements of the organisational and institutional environment within which individual staff work) also being critical. Even where IMF TA is employed to develop new systems and procedures within organisations, wider features of the environment will influence how effectively this is used. An understanding of the relevant features of the environment and the assumptions about these that need to hold for TA interventions (particularly of the short-term nature on which METAC is focused) to be effective will be critical to achieving results.

Satisfactory evaluation also requires clearly defined counterfactuals against which observed performance can be assessed. In the case of METAC there are two main alternatives that can be considered as counterfactuals. The first is the management of all TA directly from IMF HQ. The second alternative would be the provision of donor support to be managed

directly by the recipient countries rather than being provided through the IMF and METAC's management.

3.2 Evaluation approach

The first step in the evaluation was the formulation of key evaluation questions. These are based on the terms of reference (though with some reformulation for clarity and completeness). These are set out in Annex I. The following main categories of question were identified:

- A. METAC's objectives
- B. METAC's activities
- C. Relevance of METAC
- D. Effectiveness of METAC
- E. Efficiency of METAC
- F. Sustainability of METAC
- G. Role and Performance of the Steering Committee
- H. Strategic Issues for METAC

The following information sources have been used to derive the findings of the evaluation:

- Initial review of documentation provided by the IMF and from other sources.
- Interviews at IMF HQ (July 2009) with staff of OTM, MCD and the three functional departments who manage TA provision through METAC.
- Three online surveys of (i) METAC Steering Committee members, (ii) counterparts in organisations receiving METAC TA, and (iii) participants in METAC workshops, seminars and training courses.
- A visit to METAC in Beirut to interview the Center Coordinator, Resident Advisors, and other staff and to review METAC systems.
- Case study visits undertaken by members of the team to Jordan, Lebanon, Syria and West Bank & Gaza for interviews with Steering Committee members, staff in beneficiary organisations, and representatives of other donors.

Surveys

Online surveys were administered using SurveyMonkey (www.SurveyMonkey.com). This had the advantage of enabling standard surveys to be administered in a relatively simple and quick way to potential respondents. The main drawback of this approach was that it was reliant on the availability of email lists that had to be prepared or supplied by METAC. The short period of time available for preparing and administering the surveys (less than a month in effect) limited the quality and breadth of respondents that could be reached, as well as time for follow up particularly as a significant amount of cleaning and correction of email addresses had to be undertaken. The representativeness of the survey approach was also

limited by the fact that not all contacts had email addresses (or functioning email addresses that could be identified) and the need for the survey to be administered primarily in English rather than Arabic (though the survey of training participants was translated and administered in Arabic). The consultants also had the impression that because METAC support was seen as valuable (and the main source of potential support in many technical areas) there was some reluctance to be openly critical of METAC's performance however it is not possible to judge whether this effect has had any significant impact on the results recorded.

Survey of beneficiary organisations

Table 3.1 Beneficiary organisation survey – overview of responses

Country/Technical Area	Survey Forms Sent	Survey Forms Returned	% Returned
Afghanistan	6	3	50.0%
Egypt	6	1	16.7%
Iraq	5	2	40.0%
Jordan	8	4	50.0%
Lebanon	12	8	75.0%
Libya	5	4	80.0%
Sudan	7	2	28.6%
Syria	10	2	20.0%
West Bank & Gaza	9	8	88.9%
Yemen	5	4	80.0%
STA	19	13	68.4%
MCM	26	15	57.7%
FAD	28	10	35.7%
Total	73	38	52.1%

An online survey was carried out based on an email contact list of the counterparts and authorities in the organisations in all ten of the countries/territories to which METAC provides TA. The findings of the survey are presented in Annex E. A total of 73 contacts were identified from METAC's mailing lists. 38 responses were received to the survey representing a 52.1% response rate. A profile of the responses by country and technical area is in Table 3.1 below. The main respect in which the survey responses are unrepresentative is the low level of responses from Syria, Sudan and Egypt, and from recipients of TA in the technical areas provided by FAD, and the high level of response from two countries/territories (Lebanon and West Bank/Gaza¹⁴). In the case of Syria, the country visit was able to cover this information gap through the interviews conducted. Issues accounting for the low response rate are likely to have included language (ideally the survey would have been

¹⁴ The average rating of METAC TA in each of these two countries (question 7) was slightly higher in both these countries than the average for the responses as a whole.

administered in Arabic or bilingually), and in some cases sensitivity about making an assessment of the performance of the organisation or of METAC TA (despite the survey being confidential). The short timeframe available for undertaking the evaluation prevented the development of a more comprehensive email list (beyond the contacts provided by METAC) which ideally would have been used as the basis for the survey, as was the case for the PFTAC and AFRITAC evaluations – in each of these cases however several months were devoted to the development of the mailing list.

The survey questions were in part based on those used in the recent PFTAC evaluation. Respondents were asked to assess the main constraints on their organisation's effectiveness, indicate what TA was provided by METAC and what other TA providers were used. They were then asked to rate the performance of the TA provided to their organisation, as well as to make an assessment of the performance of the Steering Committee.

While the sample size is too small to allow results to be presented or conclusions drawn at the level of individual countries or technical areas, and given that the issues covered in the survey were also probed during country visits, there do not appear to be any reasons to regard the results as presenting a seriously biased assessment of the views of METAC's main counterparts, though the opportunity to have obtained views from a wider range of stakeholders would have been desirable.

Survey of training participants

The online survey of participants in METAC workshops, seminars training courses used a simplified version of the section of the questionnaire on training that was used in the PFTAC evaluation.¹⁵ Lists of participants for all 25 events that took place during Fiscal Years 2008, 2009 and 2010 were used to construct the mailing list for this survey. Emailed survey invitations were sent to all of the 298 participants listed as having email addresses in the participant lists (249 in Arabic-speaking countries were sent the questionnaire in Arabic, 49 in Afghanistan were sent the survey form in English). 180 of the email addresses appeared to be valid and 44 responses were received (37 to the Arabic questionnaire, 7 to the English questionnaire) covering participants from 14 events. The survey results should be viewed with caution as representative of participants as a whole because the biases in the sample that responded are unknown. For instance since having an email address may be correlated with characteristics of participants – for example relatively few Iraqi participants had email addresses. The findings are presented in Annex F.

Survey of Steering Committee members

The survey of Steering Committee members was sent to twenty members of the Steering Committee.¹⁶ Twelve responses were received. SC members were asked to provide an overall assessment of METAC's performance as well as that of the Steering Committee, and were invited to identify priority actions to improve METAC's effectiveness. The findings are presented in Annex G.

Country case studies

Case study visits were undertaken by members of the team to Jordan, Lebanon, Syria, West Bank and Gaza, and Yemen. During the visits interviews were held with Steering Committee

¹⁵ A simplified version was used primarily in order to simplify the translation task so that the survey could be administered in Arabic.

¹⁶ In cases where there more than one contact as SC members from one organisation (except for the IMF itself) only one response was received.

members, staff of beneficiary organisations, and in some cases representatives of other donors. Where these had been completed in advance by those interviewed survey forms were used as the basis for interviews so that further elaboration and clarification could be sought.

4 Evaluation Findings

4.1 Relevance

Survey findings

The survey of beneficiary organisations found that 84% of respondents rated the consistency of METAC with government priorities as Excellent or Good (11% expressed no opinion, 5% rated this as Modest and none rated as Poor). 53% rated the relevance of METAC support to the needs of their organization as Excellent, 33% as Good, and 11% as Modest. In terms of addressing the requirements of the organisation in relation to those functions that were not being carried out effectively, 24% of respondents rated METAC support as Very Relevant, 50% as Relevant, 8% as Not Very Relevant and 18% as Not At All Relevant. Among the factors identified as the severest constraints on the effectiveness of organisations, 40% identified ability to attract and retain high quality staff, 29% availability of financial resources, 21% IT system availability and 16% for both management and internal organisational factors and for the technical skills of staff (the latter being the main focus of IMF TA and Training). However, combining the percentages identifying factors as severe or mild constraints, technical skills of staff was ranked the second most important (79% regarding it as a constraint) after the ability to attract and retain high quality staff (identified by 85%). 81% of those expressing an opinion considered that METAC has a better understanding of the countries in which it works than does IMF HQ, and 76% considered METAC had a better understanding than other TA providers. 78% rated the quality of formulation and engagement by METAC as Excellent or Good.

Among participants in METAC training courses, workshops and seminars, 34% strongly agreed that the topics covered in the events they attended were relevant to their day to day activities, and 59% agreed, while only 7% disagreed. However, 63% either agreed or strongly agreed that the topics discussed were too advanced for their organization.

Country study findings

The country studies supported the general conclusion that METAC's support was highly relevant to the needs of the organizations supported:

- In **Syria** METAC's TA was being delivered in the context of a comprehensive regulatory reform process. METAC TA was seen as based on a very good understanding of Syrian local conditions and constraints. The use of short term experts from other countries in the region that had recently successfully gone through a similar reform stage was seen as especially valuable. METAC's location in Beirut meant that there was much more regular contact than with other TA providers, and where RAs were able to operate in the Arabic language, this was a major advantage. METAC was seen as unique among the TA providers in providing experts who had sound field experience as well as good technical knowledge. Other TA providers were considered to have a tendency to be too theoretical. It also seemed to be a common practice for RAs and the Central Bank of Syria (CBS) to jointly select experts who would be most suitable for the task though this did not take place in a formal way. One note of concern expressed was that METAC's support may not be keeping up with CBS's view of the progress made in the reform agenda. However, METAC was playing a critical role as the only provider of certain types of TA (that depended on providing highly experienced staff to assist in the implementation of key reform processes).

- In the case of **Yemen**, METAC's assistance was considered relevant to the country's reform agenda and the specific support provided was the result of a highly consultative process giving rise to a strong sense of country ownership of activities. The IMF RSN targets matched the country's own reform route map. It was reported that Yemen has requested TA from METAC in PFM, Statistics and Banking Supervision two years ago, and they had received assistance and capacity building in these areas. It was estimated by the SC member that METAC was supplying approximately 60% of TA received in the CSO, Ministry of Finance and CBY, with the WB, IMF and USAID providing the remaining 40%. Where relevance was more questionable was in the specific course and seminars to which Yemeni were invited and the language of delivery. It had been observed that some countries sent non-English speaking delegates to workshops and courses where delivery was entirely in English, so they could not benefit (e.g. Workshop on Advanced Financial Tools was delivered in English but 2-3 delegates spoke no English). There was also a tendency for the same courses to appear on the schedule each year, whereas there was a clear case for moving on to different levels, or different topics. It was also suggested that at present regional training events addressed all METAC countries as a generic entity. Smaller and more targeted workshops organised just for groups of METAC countries facing similar issues (e.g. Sudan, Iraq, Yemen) were considered as probably more relevant to Yemen's needs.
- In the **West Bank and Gaza**, METAC support was seen as highly relevant but within a narrow scope compared to the needs of the overall reform process and the other constraints facing the beneficiary organisations, at least for support provided to organisations other than the PMA.
- In **Jordan** METAC has provided support that is regarded as valuable within a narrow range of expertise and there has recently been a significant increase in Jordan's engagement with METAC facilitated by the Center Coordinator's links and experience there. Support has included, for example, strengthening audit capacity and the creation of an effective tax administration headquarters following earlier support from IMF HQ to a major organisational restructuring of the Income and sales Tax Department. The Department of Statistics recognises that METAC can support that organisation, but within a narrow range of expertise. However, METAC was regarded as having a particular comparative advantage in the areas of banking supervision, the establishment of credit registries, developing cash flow management, and supporting the adopting of international statistical standards (SDDS, GDDS) that will assist the country (and the IMF) and the adoption of IFRS into central banks.
- In **Lebanon**, staff of the Banque du Liban Banking Control Commission expressed a strong view that METAC had a substantial comparative advantage in the area of Banking Supervision and that this was an issue of central importance for the region as well as from their particular perspective given the prominent role of Lebanese banks in the region. They felt there was considerable scope for expanding METAC's work in this area and that METAC's combination of regional presence and knowledge and perceived political neutrality gave it an unrivalled position for working effectively on these issues, particularly through strengthening regional networks and information exchange.

These findings support the conclusion that the relevance of METAC's activities to country needs has been high but with two potential reservations:

- The first is that there was a view from the beneficiary organisations of banking supervision and related activities as the technical area where METAC has the strongest comparative advantage in that there are no other TA providers able to provide its combination of technical strength and regional knowledge. However, as noted in Table 2.2, METAC's provision of TA in this area has fallen sharply since FY 2008 as the

number of Banking Supervision RAs was reduced from two to one. While the Central Bank Accounting role is also considered useful it does not appear to be regarded as of such central strategic importance.

- The second is that many of the organisations supported through METAC TA face other significant problems that are likely to impact adversely on their capacity to use TA effectively particularly in relation to their ability to attract and retain staff and the availability of financial resources.

Findings on evaluation questions

In terms of the specific evaluation questions on relevance (in Annex I), the findings are as follows.

C1. Has METAC played a useful role in helping to define country TA priorities in line with best practice and the diagnostic assessment and policy advice provided by IMF HQ?

METAC (through the RAs) has played a useful role in defining country TA priorities but only within the scope of IMF support which is often seen as narrow in relation to the types of constraint that face beneficiary organisations. METAC has contributed to the development of agreed priorities as set out through the RSN. 83% of respondents to the beneficiary organisation survey expressing an opinion either strongly agreed or agreed that METAC had played a useful role in defining country TA priorities, while 16% disagreed or strongly disagreed.

C2. To what extent has METAC TA met the priority needs of member countries?

97% of respondents from beneficiary organisations strongly agreed or agreed that the work of METAC is demand-driven and responsive to the needs of countries.

C3. Has the SC proved to be effective in ensuring strong country ownership of METAC TA and strategies?

In four of the five countries visited concern was expressed by organisations that were not directly represented in the Steering Committee that their priorities were not fully reflected (through the Steering Committee) in the determination of METAC's activities and priorities and that they lacked information about METAC's activities. However, 18% rated the performance of the Steering Committee as Excellent in promoting country ownership of METAC and 27% as Good, with only 12% rating as Modest and 3% as Poor while 41% did not express an opinion.

C4. Have METAC activities have been appropriately focused in terms of subject areas, taking into account the IMF's expertise and the priority needs of METAC member countries?

Decision making about the focus of METAC activities potentially militates against an overarching perspective on needs since programmes and priorities are largely determined within each functional department area. Once RA staffing decisions have been made there is a limited scope for adjusting priorities. Among Steering Committee members surveyed, 25% strongly agreed that METAC's activities are appropriately focused, and the remaining 75% agreed. However, the Steering Committee's capacity to take this wider perspective at country level is limited by the fact that each SC member can only effectively represent the interests of their own organisation. The main area in which there may be a mismatch between the view of priorities expressed by countries and METAC's focus are the declining

resources being devoted to Banking Supervision, given that this appears to be the area where METAC was seen as having the strongest comparative advantage.¹⁷

C5. Is METAC TA appropriately focused on delivering outputs that contribute to the achievement of member country reform priorities?

The main issue in answering this question (from the terms of reference) is the lack of an articulated results framework that provides a clear and verifiable link between the activities undertaken, outputs produced, and ultimate objectives. However, the survey findings and country studies generally supported the view that beneficiaries regarded the outputs of METAC TA as responsive to their reform objectives.

4.2 Effectiveness

Survey findings

The overall assessment from the beneficiary survey is that METAC's TA was regarded as effective. 19% rated the achievement of the objectives of the TA as Excellent and 67% as Good, while only 14% rated as Modest and none as Poor. The quality of formulation and engagement by METAC was rated as Excellent or Good by 78% of beneficiary respondents, with 80% providing this rating to the practicality of recommendations. The extent to which TA was effective in generating implemented recommendations was assessed as Excellent by 17% of respondents, Good by 56% (and Modest by 9%). 39% rated METAC as Excellent in building capacity and 42% as Good.

In terms of the form of engagement and the mode of TA delivery, 89% rated the quality of expertise and assistance provided and 72% the timeliness of TA as Excellent or Good. Among those expressing an opinion, 60% rated the effectiveness of Resident Advisors as Excellent, 20% as Good and 20% as Modest. The effectiveness of Short term experts was rated as Excellent by 49%, Good by 37%, Modest by 11% and Poor by 3% of respondents, while the ratings for regional and national workshops/training were respectively 30% and 24% Excellent, 55% and 56% Good, 12% Modest in both cases, and 3% and 8% Poor. 70% of those expressing an opinion considered that the quality of TA from METAC was at least as good as that provided from IMF HQ.

The survey of training participants also suggested that training was effective with over 90% of respondents rating topics covered, and quality of resource persons/presenters and presentations as excellent or good and 93% rating the topics as relevant to the participant's day to day work. The main reservations (ratings of modest or poor) related to insufficient time to interact with other participants (32%), post course follow up (32%) and length of the course (41%).

Country study findings

The country studies provide more detail and in particular identify a concern that in some cases Short Term Experts may be less effective than RAs if they lack regional knowledge or local experience and are restricted to mission lengths and forms of engagement that are seen as not providing sufficient in-country contact time. In-country constraints on the

¹⁷ However it is understood that the Central Bank Accounting role is temporary and will cease when the present incumbent leaves.

effectiveness of METAC support were identified as particularly significant in Yemen while the need for sustained follow up to ensure effectiveness was consistently identified.

- The effectiveness of METAC's TA in **Syria** was judged by beneficiaries almost wholly in terms of the degree to which the various RAs and Short Term Experts delivered against objectives and the delivery method used. In general, the RAs were spoken of highly as technical experts and responsive, especially when Arabic speakers. Short-term experts were rated as good, but were not as highly regarded as IMF and EC short-term experts. They were seen as very professional and knowledgeable in their own field, with clear ToRs, but as "very limited" in their approach. Specifically, they undertook defined assignments but were not functioning as consultants by asking questions about why a situation existed or exploring further constraints, e.g. in delivering assistance on survey methodology, they were not interested in the reasons for the poor quality of input data. This necessitates a strong RA presence in "joining up" activities, which was not reported as being done in all cases. This was considered to limit the effectiveness of the TA. A concern about the duration of missions was raised at every interview with longer and more sustained contact time being required for effectiveness. Both RAs and beneficiary organisations pointed to the same projects as examples of where METAC's TA had been highly effective: Self Accounting of the Branches of the Central Bank of Syria and METAC assistance to the Central Bank of Syria to establish the Internal Audit Department. The evidence from Syria suggests that METAC's assistance is both most effective and most sustainable when the target is tightly defined, the process sits within one department or division, and the component tasks can be accomplished relatively quickly.
- In **Yemen**, interviewees noted a range of constraints that were likely to impact on the effectiveness of METAC support and it has been difficult to achieve impact as a result. These included: (i) Systems/IT problems in almost all areas and weak management information systems; (ii) Lack of IT system connections between the Central bank and other banks; (iii) Problems in securing cooperation across departments; (iv) Political and legal constraints; (v) Problems in obtaining administrative approval; (vi) Lack of resources to follow up on mission recommendations.¹⁸ Examples of how this had impacted on effectiveness included the stalling of progress on upgrading Balance of Payments statistics (following what was described as "excellent METAC TA") as a result of lack of cooperation with other departments. Similarly, good TA had been provided by METAC to help the transition of Treasury systems from the Ministry of Finance to the Central Bank of Yemen, but the Ministry of Finance had been unable to obtain the legal and constitutional changes necessary for implementation. METAC support was regarded as responsive and practical and there were clear success stories where METAC's support had been essential, timely and matched the requirement, such as the introduction of the General Sales Tax. Some work was done on tax administration reorganization to improve effectiveness, particularly with respect to strengthened HQ functions, and on developing taxpayer segmentation concepts and strengthening concepts of self-assessment. This was a major reform that had required specialist advice and capacity building at key stages in order to progress. However the overall effectiveness of METAC TA was mixed. For instance support during 2007 to credit registry reform was not regarded as effective although it was acknowledged as having provided an important foundation through raising awareness of the issues, setting out a route map and recommendations, and providing the motivation to address the reform seriously. Several respondents stated that "the output of most missions is making more recommendations" but it was recognised

¹⁸ An example cited was the lack of resources to undertake a proposed survey of Foreign Direct Investment.

that improving effectiveness required more effective management of TA by the Yemeni counterparts including taking a more assertive and responsible position in specifying key success factors for TA Yemen, such as the need for Arabic-speaking experts. The general view was also that the model of the two week short-term expert mission was not generally effective in Yemen where the experts lacked familiarity with the country and the organization supported. It was considered that this model worked best when the objective was very narrow, technical and specific but that sustained engagement from RAs who could acquire deeper country knowledge was more effective for process support.

- METAC is a small provider of TA support to **Jordan** and is seen as focused on a very narrow range of areas of expertise. Those that have had occasion to benefit were satisfied whilst those that did not would like to access the TA but, to date, have not had the opportunity. Therefore, many interviewees could not comment on the effectiveness of METAC technical assistance. In general TA from RAs was regarded as more effective than that from Short Term Experts who were seen as having strong technical skills but in some cases lacking depth of knowledge of the Jordanian context. The primary concern was however lack of follow-up to technical assistance. The short term experts needed to be available to assist with implementation of key reforms.
- In **Lebanon**, METAC TA was regarded as highly effective by all organisations receiving support (with a particular focus on support in statistics) although it was felt that METAC could play a stronger role in promoting regional networking and information exchange.
- In the **West Bank and Gaza**, there was a generally high level of satisfaction with METAC TA which was regarded as effective. The main concerns raised were the need for further follow up to support and training (particularly through regional workshops and networking) and some examples where Short Term Experts were felt to lack sufficient knowledge of the context and whose skills and knowledge were too narrowly based on their own national experiences (outside the region). Resident Advisors were well-regarded but in some cases it was felt they needed more engagement with the wider range of stakeholders involved and in particular to ensure effective contact with the leaders of beneficiary organisations.

Financing issues and METAC's effectiveness

In general, financing arrangements have not proven to be a constraint on the effectiveness of METAC's activities but the failure to secure the level of donor funding envisaged in the Phase II Plan was the main cause of the reduction in the level of TA activity in FY 2009 and the subsequent shortening of the funding cycle. There have been problems associated with uncertainties about the timing of the receipt of pledged payments and with the accounting and reporting arrangements that result from the differing requirements of donors and specifically from the restrictions on the use of funds that some donors provide that require then to be earmarked to particular countries or sectors. This imposes administrative costs on METAC to manage the various restrictions on the use of funds. For example, the Fund had to return unused EC resources as it had not fully employed the funds within the timing constraints of the original funding. The agreement signed with the IMF expired in December 2007 and the EC undertook a separate monitoring mission to evaluate whether new funding would be provided to METAC. This has increased the complexity of reporting but has not in practice constrained METAC in its choice of activities. METAC has some flexibility to access funds from the multi-donor account and then charge to the specific donor's account if there are short term timing issues with donor funding.

Information received from financial contributors suggests that there is a high level of satisfaction with METAC's progress and achievements so far, with the objectives underlying

the financial contributions regarded as largely achieved and with the level of information and reporting to financial contributors regarded as generally excellent.

METAC's processes and effectiveness

Process-working as a mechanism is necessary to ensure that

- Tasks are carried out consistently by all the staff involved
- Cycle times are observed
- Tracking and recording takes place at key stages
- Decision makers are clearly identified for accountability
- Delays, bottlenecks or areas of confusion can be rapidly diagnosed and rectified.

Processes within METAC are required at three levels –

- Within METAC – through setting out clear and precise processes for its activities with clear responsibilities, outputs, timeframes, turnaround times, measurement indicators of quality and quantity
- Between METAC staff and the beneficiary organisations and member countries - through aligning priority needs, activities and their capabilities
- Between METAC and IMF HQ, donors and other TA providers.

As a result of the MTE, a comprehensive Procedures Manual has been collated that describes the various tasks involved in METAC's administrative functions. This is a valuable step which can now be used as a performance improvement tool. Its current value would appear to be primarily as a primer for new or temporary staff carrying out tasks and functions for the first time. What are in place are processes relating to approvals and referrals to IMF HQ, and in the activities of the Steering Committee. But these have not been mapped in any technical way. With a few exceptions METAC's processes are too general and informal to represent a "mechanism" capable of delivering the detailed task and performance information described above. There appeared, for instance, to be significant differences between RAs in the approaches taken in terms of extent of contact with beneficiaries and in analysing priorities and defining needs. There is therefore a lack of established processes that can be used to ensure consistency and measurement of performance. As a result it would be difficult to gather accurate and comparable productivity data for each RA. The fact that many programmes involve multi-year support and involve periods of progress and stalling accentuates the need for processes that provide useful measurement of achievement. This is clearly of importance in assessing the efficiency and performance trends in METAC, but it is also of major importance to beneficiary organisations who have expressed a need for exactly this type of feedback. The information entered on the TAIMS system does not at present provide the performance information that would be created by effective process working.

Staffing and human resource issues and METAC's effectiveness

METAC's staffing structure is unchanged since the MTE in 2007, and the same support staff is largely in place. The current METAC support structure generally seems to be well-aligned to its functions and powers. The size and composition of the team is both logical and appropriate to the duties and scope of its mandated activities. The focus is very much on client-facing resources with a small enabling team. Within the regional architecture of TA providers, the technical specialism and regional presence of METAC make it a unique

partner and the RA-based structure facilitates this in practical delivery terms. The current assignment of the two support staff to technical functions works reasonably well, but from the client side this did not translate into having a single point of contact and continuity of support.

There is one main respect in which METAC's support staff appears to be taking on roles for which more specialist skills may be desirable. Training and workshops at national and regional level are highly valued by beneficiaries and represent significant capacity building activity. The two support staff members currently carry out all the functions that would normally be expected of a technically qualified Training Coordinator – managing facilities, logistically supporting trainers, supplying course materials, issuing invitations and managing responses, as well as dealing with the practical logistical challenges of cross-border travel in the region. This currently is estimated to take up 35-40% of their joint time. The management of training is viewed with unanimous appreciation, but the existing structure has inherent constraints particularly in the event that there is a significant increase in the level of training and networking activity.

There also appears to be an unmet need for translation of METAC documents (which was compared unfavourably by a number of beneficiary organisations with the translation resources available for IMF HQ Missions).

The Center Coordinator is a staff position in MCD and the current post-holder has substantial experience in the IMF and in the region. The Center Coordinator's personal relationships with key stakeholders and his accessibility and responsiveness were key themes in the effectiveness of METAC as a supportive development partner.

METAC appears however to face some manpower constraints imposed by the particular terms and conditions applied to its staff. This applies to the RAs who had to consider the impact on their career path and the insecurity of a fixed term contract, as to the local support staff. This was clearly a factor in reducing the already small pool of qualified and experienced potential RA candidates. In particular it is important to be able to recruit RAs with strong knowledge of the IMF including IMF staff since the relationship with functional department staff responsible for backstopping is crucial for performing the RA role effectively. IMF staff members have to take leave of absence to take on an assignment as an RA in an RTAC. It has to be recognised that suitably qualified candidates, who ideally will have Arabic language skills, will have many other often more secure employment options. This recruitment issue has generated an informal process of grooming promising Short Term Experts into becoming potential RA candidates in the future. Any resource planning is to be welcomed, as long as this does not compromise an open and fair selection process for RAs.

Similarly, support staff lack job security and pension and insurance provisions. The 20% supplementary allowance was assimilated into take-home salary and if this was withdrawn, it would be seen as a major pay cut. It was reported that one member of staff had left because of concerns about job security. Also of concern to support staff was the lack of their own professional development while in post. The Office Manager had attended one course in Office Management in 2007, which was useful but limited. The other members of staff had only received informal training on IMF procedures, security clearance, and TAIMS (over a conference call) in five years with the organisation. The staff are very well qualified, have high personal standards and learn on the job. While there were isolated instances of RA training and development at IMF HQ, but at the moment learning and development plans do not form an integrated part of the performance appraisal process, a greater emphasis on structured staff development would be desirable.

Findings on evaluation questions

D1. How good has been the quality and timeliness of METAC activities undertaken, and outputs produced, including TA-related documents?

Beneficiary organisations rated the quality of expertise and assistance provided highly (49% Excellent, 40% Good, 9% Modest), the timeliness of response somewhat less positively (33% Excellent, 39% Good, 23% Modest). Among Steering Committee members, 42% rated the quality of TA provided as Excellent, 50% as Good, and 8% as Modest.

D2. How good has been the quality and timeliness of reporting and monitoring on the activities and outputs of METAC?

The Steering Committee is the main recipient of reporting on METAC's activities. 64% of SC respondents rated information on METAC's activities as Excellent, 27% as Good, and 9% as Poor. Reporting on the results of METAC's activities was reported as Excellent by 25%, Good by 58% and 8% each Modest and Poor.

D3. What are the reasons for divergence between work plans and actual implementation, and what are the implications for METAC performance?

The main reason for divergence between work plans and implementation is slow implementation of TA recommendations (and associated constraints at country level), leading in particular to delays in follow up missions. Discussions during country visits suggested that in some cases improvements in the follow up to the TA provided might assist with implementation.

D4. Could the effectiveness of METAC TA be enhanced through stronger commitments of member countries to maintain reform efforts?

Lack of commitment to reform (from the beneficiary organisations) does not appear to have been a major constraint on METAC effectiveness in the countries studied although this was identified as a cause of delays in some cases. Rather the constraints have related to problems of coordination across government and capacity and financial constraints with the beneficiary organisations which have made it difficult to implement recommended measures.

D5. How can METAC's impact be increased through regional responses to common issues?

There was a strong consensus from the countries studied that METAC's regional activities were very useful and that more focus should be placed on these. "More sharing of regional experience through METAC" was the area of action identified as of greatest importance for improving the quality of TA provision by beneficiary organisation counterparts, with 50% rating this as Very Important and 44% as Quite Important. The direct sharing of experience and the strengthening of regional networks were identified as particularly important in discussions.

D6. To what extent have METAC's activities been well coordinated and leveraged with those of other donors, TA providers and regional agencies (notably, World Bank, EC, France, and regional Arab institutions such as AMF)?

The coordination of TA was not identified by beneficiary organisations as a severe constraint on their effectiveness. Coordination of METAC TA with other TA providers was rated as Excellent by 22% of respondents, Good by 25%, Modest by 22% and Poor by 3%, while 28% did not express an opinion. Beneficiaries accepted that effective coordination of TA depended on their leadership. In most cases, METAC TA was seen as focused on narrow and specialised areas so that coordination with other providers was not a major issue,

although 80% considered better coordination with other development partners as important for improving TA quality.¹⁹

D7. To what extent have METAC activities been well integrated with the TA, surveillance, and lending activities of IMF headquarters? Has METAC TA been effective as in complementing TA from IMF headquarters, and in supporting strategies and best practice determined by headquarters?

The participation of RAs in HQ missions and the reporting and backstopping relationship with functional departments has ensured a strong integration of METAC activities with IMF priorities as set out through the RSN. Respondents in beneficiary organisations generally regarded METAC activities as complementary to other IMF activities as strong. Among those expressing an opinion, 18% strongly agreed and 79% agreed that METAC's work is closely linked to IMF surveillance and program activities. 33% strongly agreed and 63% agreed that METAC's capacity development work is complementary to other IMF activities while 41% strongly agreed and 55% agreed (of the 65% expressing an opinion) that METAC plays a key role in providing feedback from member countries to IMF HQ.

D8. To what degree has METAC TA equipped countries with adequate institutional capacity to define their own policy alternatives, in particular in light of the ongoing financial crisis?

The SC Survey found that 25% of respondents considered that METAC's performance in this regard was excellent, 25% good, 25% modest and 17% poor (8% expressed no opinion). In general, the focus of IMF support was seen as quite narrowly technical and focused on the development of systems (including statistical systems to inform policy) rather than directly contributing to strategy and policy choices. The financial crisis was regarded by many of those interviewed in beneficiary organisations as highlighting METAC's comparative advantage and its important role in strengthening bank supervision.

D9. Is the mix of services provided by METAC appropriate?

The country studies suggested that, in the countries that provided a more challenging implementation environment, short visits by short-term experts were particularly likely to be unsuccessful (though their general performance was still highly rated). In such environments, sustained engagement was seen as important (and RAs as more likely than short-term experts to be able to provide such engagement). 38% of respondents in beneficiary organisations considered that more follow up to help on implementation of recommendations was very important (and 35% rated this as quite important).

D10. Is METAC more effective in certain thematic areas than others?

The size of the data sample was not large enough to draw conclusions about the relative performance of different thematic areas from the survey of beneficiaries. The gap between the work plan and the level of TA provided has been substantially greater for FAD than for the other technical departments but it is not possible to assess whether this is related to the quality of TA provided or other causes.

¹⁹ The technical area in which coordination issues were of most significance was public finance management, where typically IMF support was being provided along with support from other donors (particularly the European Commission). Statistics and central banking support tended to be focused on specialist areas in which other TA providers were playing a lesser role.

4.3 Efficiency

Survey findings

The main information in the beneficiary organisation survey that bears on METAC's efficiency was the comparison of METAC's response time and flexibility with other TA providers. 83% of those expressing an opinion considered that METAC responded more quickly to requests than did IMF HQ, and 76% that METAC responded more quickly than other TA providers. There was also strong agreement that METAC was more flexible than IMF HQ, and respondents also agreed (less strongly) that METAC was more flexible than other TA providers.

Country study findings

The country studies found strong agreement that METAC's regional base and orientation made it a more responsive TA provider in comparison with IMF HQ and other TA providers, though flexibility and capacity to respond was largely dependent on the work plan and skills of the RA. The capacity generally to work in Arabic also increased the efficiency of delivery. Lack of effective aid harmonisation appeared to be a constraint on the efficiency of TA delivery in Yemen.

Findings on evaluation questions

E1. Has METAC TA proven to be cost-effective, especially 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?

Since the IMF's financial reporting system does not allow the accurate calculation of the total cost of METAC's TA delivery including project management and backstopping costs (as discussed in section 2.3 above) it is not possible to provide an assessment of the total cost-effectiveness of TA delivery by METAC. However, in terms of the use of donor funds, the cost of TA provision has been about 8% lower than budgeted.

One issue has related to restrictions on the use of funds provided by some donors (EIB and the European Commission). These funds have been earmarked for particular countries and forms of support, rather than being provided into the single multi-donor account, as well as having timing restrictions. Specifically, European Commission support provided under Phase I was earmarked for the cost of Short Term Experts only and restricted to use in Egypt, Jordan, Lebanon, Syria and West Bank and Gaza. By the time the three year funding arrangement expired in December 2007, over USD 1.1 million remained unspent out of a total commitment of USD 1.8 million.²⁰

While there have been some delays in the provision of finance by donors, the IMF has been able to provide bridging finance so these delays have not impacted adversely on METAC's performance.

²⁰ While similar problems with inability fully to utilise available funds because of restrictions have not occurred with EIB support there has remained a need for separate reporting systems for different donors to meet their specific requirements.

E2. What have been the quality, timeliness, modalities, and cost of management and backstopping of METAC activities by IMF headquarters-based staff?

Information cannot be provided by the IMF on the cost of management and backstopping of METAC activities by IMF HQ. In general the quality of backstopping was regarded as high and the relationship was seen as working well, and FAD noted that it was the first department to fully integrate RTAC work plans into the HQ work plan. Concerns were however expressed in discussions with MCM that the RTAC model posed challenges where RTACs were playing a more direct role in the definition of the work plan directly with countries, rather than this being determined from IMF HQ. It was felt that the diversity of technical areas covered by MCM presented challenges in providing backstopping necessary to deal responsively to requests for support from countries (for example in the area of Islamic Finance, which MCM has limited capacity to backstop effectively). There is a potential tension between a model of TA provision in which RTAC activities are fully integrated into IMF HQ plans, and a more responsive model where greater discretion is provided to the RTAC to respond to requests as they emerge. However, there was no evidence that management and backstopping have been a constraint on METAC's effectiveness during the current phase.

4.4 Sustainability

Survey findings

The assessment by respondents in beneficiary organisations of the sustainability of the results of METAC TA was strongly positive, with 24% rating this as Excellent, 60% as Good and only 5% as Modest (11% offered no opinion). The survey of training participants found that only 7% stated that they only seldom used knowledge gained from the course in their work, with 7% also no longer using the knowledge gained because they had changed jobs.

Country study findings

The main concern about sustainability arising from the country studies was whether there is sufficient follow up on METAC TA and training with this concern being raised in Jordan, Syria, West Bank & Gaza, and Yemen. In some cases this related to concerns about whether METAC would be able to supply further assistance particularly training at a more advanced level to build on what had already been done, in others to whether complementary resources would be available. Although the ability to attract and retain qualified staff was generally rated as the most severe constraint on organisational performance, this specific problem was not widely cited as a constraint on sustainability of TA activities that had occurred.

F1. To what extent has METAC TA led to tangible and lasting results in member countries?

As discussed above, METAC's reporting systems are not strongly focused on results being instead essentially providing reports on activities and a framework of longer term objectives (beyond that of individual missions) has not been articulated. The RSN sets out broad objectives but these are not defined as monitorable targets.

Table 4.1 presents an overview provided by MCD of what are seen as the main results achieved with METAC TA in each country (excluding Afghanistan). There are significant and lasting results from TA that can be identified in most of the countries where METAC TA has been provided, although these cannot all be fully attributed to METAC support because other

inputs have also been required. Yemen is regarded as the country in which it has been most difficult to achieve lasting results.

Table 4.1 Examples of sustained success for METAC TA

<p>Egypt: Egypt is the least involved with METAC, due mainly to the presence of other TA providers. However the authorities have been quite pleased with METAC TA, noting particularly FAD/METAC TA in the area of PFM. METAC has also done some very good work on improving tax administration and in the area of Statistics, where a survey-based program for compiling foreign direct investment (FDI) statistics was developed. METAC has also provided valuable TA on TSA and related accounting reform along with USAID.</p>
<p>Iraq: METAC enhanced the development of the Accounting and Internal Audit functions in the Central Bank of Iraq and the capacity building within the Accounting and Internal Audit Department. For Accounting, METAC assisted with the development of a new chart of accounts based on the reporting requirements for IFRS and Monetary Statistics. Also, the accounting entries based on the new chart of accounts and IFRS was finalized. Both these were implemented in 2009. Training course was held in Beirut for the CBI Accountants on the development of the Chart of Accounts and for 11 other Accountants and Accounting entries based on IFRS. Finally, METAC successfully assisted with the development of the organization and management structure of the Internal Audit Department and the functions and responsibilities of the Internal Audit in accordance with the Institute of Internal Auditors (IIA) professional standards.</p>
<p>Jordan: Only in the past year METAC became more engaged in Jordan, and therefore it is hard to single out any "particularly successful" TA case for Jordan but progress was made in several areas. Generally all missions have been well received by the authorities. In 2009, a METAC follow up mission on " Extending coverage of Treasury Single Account" proved to be very useful and was very much appreciated by our counterparts in the Ministry of Finance but it also triggered complains from the Ministry of Planning about "inaccuracies" that our Fiscal Affairs Department later proved unfounded. METAC also helped to develop a new inspection manual for the Central Bank and a Treasury Single Account (TSA). Lastly, assistance was provided in the areas of central bank planning and budgeting.</p>
<p>Lebanon: Assistance was provided to establish a cash management unit at the Ministry of Finance of Lebanon. Work was also done on strengthening the concepts of self-assessment and risk management, including supporting practical measures such as audit case selection techniques, and on improving VAT and small business regimes. METAC developed a concept paper which outlined and proposed an International Bank Account Number (IBAN) Format for Lebanon which meets country's current and future needs. Lebanon launched for the first time in 2008 a new All-Lebanon monthly official consumer price index (CPI). Lastly, survey-based programs for compiling foreign direct investment (FDI) statistics were developed.</p>
<p>Libya: METAC's has been effectively supporting the authorities' efforts to improve BOP and CPI statistics. A METAC expert is also assisting the authorities to establish a producer price index. With the help of METAC, the Central Bank of Libya has established a banking supervision framework in line with international best practices, and a new inspection manual was developed. Ongoing assistance is under way to formalize the Accounting Policy in accordance with International Financial Reporting Standards and developing the risk based Internal Audit.</p>
<p>Sudan: The authorities have valued METAC follow-up on taxation chamber restructuring and switching to GFSM 2001 classification. A new budget classification based on the Government Finance Statistics Manual 2001 (GFSM 2001) began to be implemented in Sudan. METAC also assisted in the development of a revised Chart of Accounts, and an Audit Charter. In addition, a Treasury Single Account (TSA) was established at the Bank of Sudan though more work needs to be done. Assistance was also provided on tax administration reorganization, particularly with respect to strengthened headquarters. Lastly, with the help of METAC, work was completed for an improved CPI for Sudan.</p>
<p>Syria: Technical assistance provided by METAC has been successful in the area of Balance of Payment statistics. While there are still problems with the compilation of the BOP and IIP data, we understand that the authorities have made progress in revising the BOP data and producing an IIP statement and Syria joined the IMF's General Data Dissemination System (GDDS). The central bank of Syria has established a banking supervision framework in line with international best practices. In addition, Syria has established a unified tax administration responsible for all tax functions, and has finalized drafts of the value added tax (VAT) law and the tax procedure code. Progress was also made in (i) strengthening headquarters functions for tax collection; (ii) developing and expanding taxpayer</p>

segmentation concepts; (iii) establishing a large taxpayer office; and (iv) strengthening the concepts of self-assessment and risk management. METAC also assisted in restructuring the accounting department and Internal Audit Department (IAD). Lastly, METAC is working with the authorities on budget integration but this will take years to complete.

West Bank & Gaza: METAC's contributions have been highly valued by the authorities, and well coordinated with MCD's strategic priorities. Credit registry in West Bank and Gaza was successfully implemented and is considered by the experts to be one of the best credit registries. The TA in public expenditure management has been especially helpful in enhancing dialogue with the authorities, in particular on budget implementation in 2008 and 2009. A cash management unit was established at the ministry of finance, and METAC provided crucial training, hands on and guidance on GFMIS and related financial regulations. Furthermore, METAC helped to establish a risk based Internal Audit function at the Palestine Monetary Authority and survey-based programs for compiling foreign direct investment (FDI) statistics.

Yemen: Lack of stories of success. This is not because of METAC, but more because of the authorities' poor record on implementation. Some work was done on tax administration reorganization to improve effectiveness, particularly with respect to strengthened headquarters functions, and on developing taxpayer segmentation concepts, and strengthening the concepts of self-assessment.

F2. Are there particular constraints faced by METAC member countries which have prevented them from taking full advantage of METAC TA to be self-sustaining, and how such constraints can be addressed?

The main constraints on making full use of TA for sustainable results have also been constraints on effectiveness, as described above. However, in general it does not appear that once substantive progress has been made that this has subsequently been reversed (for instance because of problems of organizational weakness or inability to retain trained staff). The issues of sustainability that have been raised relate more to the ability to maintain momentum for implementation and for follow up on reforms and on training provided.

F3. How effective has METAC been in identifying, utilizing, and promoting growth of local expertise in their activities, including through the appropriate use of local and regional TA experts (taking into account the language barrier)?

METAC has made significant progress in developing a network of local and regional experts. During FY2007-8, about twenty new short-term experts were added to the IMF panel based on METAC's recommendations and were used by METAC. Fifteen of these are from the Middle East. METAC maintains contacts through RAs and Steering Committee members to continue to identify and develop additional regional experts.

4.5 Role and performance of the Steering Committee

G1. How effective has the Steering Committee been?

The MTE recommended that the role and responsibility of SC members should be clarified and that SC members should play a more active role in sharing information, determining and communicating priorities, and developing ways to monitor performance. There does not appear, however, to have been any significant progress in this regard since 2007, and many of the problems identified during the MTE remain despite significant efforts from METAC's management.

While the number of respondents from beneficiary organisations who expressed reservations about the Steering Committee's performance was relatively small (9%, 15% and 15% ranked the performance of the Steering Committee as modest or poor in relation to, respectively,

provision of oversight and guidance, promotion of country ownership and facilitating donor coordination) around 40% of respondents had no opinion or knowledge of the Steering Committee. In four of the five countries visited (the exception being Yemen), concerns were expressed about the ability of the Steering Committee member to represent adequately the needs and priorities of all beneficiary organisations and about the communication of information on the Steering Committee's activities and on METAC more generally.

Steering Committee members ranked the SC's performance highly in the area of providing oversight and guidance, less so in relation to promoting country ownership and in facilitating donor coordination. The effectiveness of Steering Committee meetings was judged as Good by 92% of SC respondents, and Excellent by 8%.

Actions suggested by SC members to improve the effectiveness of the Steering Committee included:

- More senior and wider country participation.
- A greater influence for the SC over METAC's activities.
- Improved reporting on results achieved.
- More effective information exchange.

G2. What is the appropriate frequency of METAC SC meetings, and what are the options of alternate modalities for more frequent contact; including through the website?

58% of Steering Committee respondents thought that the current cycle of annual meetings was appropriate, while 42% considered that the SC should meet more frequently. The main supplementary modality of contact among SC members in addition to SC meetings that was suggested was greater sharing of information through the METAC website (identified by 67%). 25% considered that telephone conferences should be used, and 17% video conferences. 17% considered that no additional modalities of contact were required.

5 Conclusions, Assessment and Strategic Issues for METAC

5.1 Conclusions and assessment

The overall conclusion of the evaluation is that METAC has been delivering TA services that are generally effective and highly appreciated by the beneficiaries and that these have been delivered broadly in line with the level of support (and at a slightly lower unit cost to donors) that was envisaged in the Phase II Budget. METAC lacks a results framework and monitoring system that would allow a more rigorous judgement of its effectiveness and efficiency to be made. There has also been only limited progress in implementing recommendations from the 2007 MTE (in areas which have been largely out of the direct control of METAC's management).

METAC's TA model (based on the IMF's concept of a "mission") has both strengths and weaknesses. The strengths are a firm rooting in the IMF's well established procedures and quality control and management processes together with a strong regional base and a developing network of experts able to work effectively in the region including in Arabic. The weakness of the model is the limited ability to take a long-term perspective on capacity development (which can be especially problematic for missions undertaken by short-term experts with limited country knowledge) and limitations on the ability to follow up on and provide complementary support. The model works well in countries with a strong capacity to use and manage TA but is more problematic in the more difficult environments that characterise several of METAC members. There is a heavy dependence on each particular RA to provide continuity and relationship management which can be a source of strength or a weakness, as well as on the functional departments of the IMF to select appropriate RAs and to provide effective backstopping and support. The initiatives described above that have been taken in other RTACs to develop results frameworks may provide models for taking a more explicit longer term strategic view about engagement to deal with the constraints facing beneficiary organisations. It should be noted that there should not in principle be a tension between developing a more explicit results framework and maintaining flexibility in the use of resources.

In relation to the counterfactuals considered, the delivery of TA through METAC compared to delivery from IMF HQ has had significant advantages in terms of improved responsiveness and regional and national understanding although the potential benefits of regional networking have not been exploited as much as would have been desirable. It has not been possible on the basis of the information that is available from IMF systems to make a comparison of the cost effectiveness of the METAC model compared to the alternative of delivery from IMF HQ.

The provision of financial resources from donors to be directly managed by recipient countries might potentially have promoted greater ownership and required a more effective management and coordination process for TA but this would have been outweighed by the likely additional complexities of contracting and the difficulty of coordinating fragmented procurement with an agreed set of national priorities and the desire to operate within IMF procedures and to IMF standards. It would also have militated against strengthened regional networking.

The overall assessment²¹ is that the performance of METAC should be rated as **Good**. This is on the basis of the survey feedback from beneficiary organisations as backed up by country study findings and other interviews, the fact that the delivery of TA has been broadly in line with the budget and appears to have been delivered at a lower than budgeted unit cost to donors.

The lack of a clear results framework militates against having an objective basis for this judgement rooted in performance against predefined targets and performance indicators. In addition, only limited progress has been made in implementing recommendations from the MTE. In particular, there has been less progress than would be desirable in developing a results framework, information sharing including through the website, and addressing concerns about the operation of the Steering Committee in particular the ability of SC members fully to reflect the interests of beneficiary organisations and stakeholders in each country. It should be noted that this assessment does not relate to the performance of METAC's staff, since addressing issues identified in the MTE required action from others as well, including the Steering Committee and IMF HQ.

5.2 Strategic issues for METAC

H1. What are the lessons from the experience of METAC's last cycle, including good practice, areas of improvement, and innovation?

Respondents to the survey of beneficiary organisations identified more sharing of regional experience through METAC as the most important measure for improving the quality of TA provision. METAC has undertaken some regional activities that have been well-received and is engaged in initiatives to strengthen regional networking but this has not been a major area of activity in terms of the allocation of TA time, accounting for only around 6% of TA time in the last two fiscal years although it is envisaged that expenditure on seminars in general will increase in FY2010.

Identified as next most important was the provision of more follow up to help on the implementation of recommendations and more use of long-term in-country experts – these can be seen as both reflecting a concern with finding ways to improve the effectiveness of a mode of TA delivery that is focused on short-term missions. An increase in the frequency of RA visits to countries was also considered important by 70% of respondents. Concerns about implementation follow up were also prominent in the countries visited especially those that provide more challenging environments for capacity development.

While the basic METAC TA model appears to be generally effective, more attention to these issues is likely to be required further to improve effectiveness and sustainability. In addition, the ability of the Steering Committee to represent the views of all beneficiary organizations, and the sharing of information on lessons and experience, needs to be enhanced.

²¹ The rating scale used is: Excellent, Good, Moderate, Poor. While other RTAC evaluations have provided ratings based on a weighted average of different evaluation criteria, it is unclear what objective basis there would be for these weightings. .

H2. What is the appropriate size and mix of advisors for METAC, taking into consideration its three-year planning horizon, Fund TA plans, demand for its services, the regional absorptive capacity, and long-term results?

METAC's mode of operation (following well-established IMF TA practices) involves a significant degree of inflexibility once decisions about RA staffing have been taken. Each RA implements and manages a relatively narrowly defined programme of activities that is dependent on their own core areas of technical expertise (both in relation to their own delivery of TA and the short-term experts that they can backstop). This also means that there are unlikely to be very substantial economies of scale from an increase in size (except to the extent that overheads can be spread across a larger programme) through for example more collaborative working practices between RAs.

From having two RAs for each of the three functional departments (as envisaged in the Phase II Budget) there are now five in total covering Public Expenditure Management, Revenue Administration, Banking Supervision, Central Bank Accounting, and Balance of Payments Statistics, and it is anticipated that each area of technical support for which an RA is in post will provide a roughly similar level of total TA (i.e. as in the FY2010 Work Plan). All countries visited expressed a continued interest in receiving further TA and training through METAC and there was an unmet demand though this varied between countries (being greatest in Yemen among the countries visited). Decisions about RA recruitment appear to have been taken on a case by case basis as the contract of each RA has ended with responsibility for the decision resting with the IMF functional department. This evaluation has not had the time or resources to make a comprehensive assessment of comparative needs though the case was made that METAC should be relatively more strongly focused on Banking Supervision and related activities since its clearest comparative advantage is likely to lie in this area. It is not clear that the composition of the Steering Committee is appropriate to make informed assessments of comparative priorities across technical areas. METAC would also benefit from more specialist skills in training and information management (particularly in support of an enhanced regional information programme) and in translation in addition to the technical and administrative skills that it currently possesses.

The country visits identified a number of cases where it was felt that particular short-term experts had been less effective than was desired because of a lack of country knowledge or of sustained follow up. This does not mean that the METAC model should be shifted to involve less use of short-term experts, but rather that sustained engagement by experts with appropriate technical and advisory or training skills is likely to be required particularly in the more difficult environments in which METAC works.

The main conclusion is that the preparation of a Phase III for METAC should involve a comprehensive analysis of priorities²² and the setting of more explicit results-based objectives (and the establishment of a monitoring system that identifies key performance indicators) which can then be used as a basis for determining the optimal size and mix of activities.

H3. What is METAC's position in the regional architecture of TA support and what are the implications of this for its future strategy?

METAC is a unique or principal supplier of TA in the region in many of its technical areas (with this applying less in relation to public finance management than other areas). Its

²² It does not appear that such a review took place in the process of preparing Phase II of METAC.

regional presence and link to the quality control and supervision activities of the IMF provides it with a very particular comparative advantage. It is also largely perceived as a regionally based organisation with strong ownership by most of its members which provides it with a degree of enhanced legitimacy and trust.

Compared to most other RTACs, the country grouping of METAC has two main characteristics both of which pose some challenges for METAC's role and strategy. First, the countries covered are extremely diverse in terms of their levels of development and needs. Second, the grouping does not coincide with any other major regional cooperation organisation (most of the relevant ones of which operate at a pan-Arab level and so include countries in the Maghreb and Gulf, though not Afghanistan). One point that was raised in Yemen was that some activities that are designed to cover the whole region are of less relevance for some participants than those focused on a subset of countries at a more similar level of development and facing similar problems.

Consideration is under way of several options. One is expansion of METAC to include Morocco, Algeria and Tunisia. A second would involve inviting the participation of countries from the Gulf. Both of these options are being considered in part because they are considered likely to improve access to additional financing sources. While the evaluation cannot assess whether this expansion would be likely to attract additional finance, within the current model of operation it already appears that the amount of RA contact time with countries is less than countries would desire. Inclusion of the countries from the Maghreb would create an additional requirement for advisors who are francophone. METAC also appears to be less effective in promoting regional information sharing than members would wish at its current size. So any proposal for expansion would need to address these problems.

H4. What are the opportunities for increasing the value of METAC (through an analysis of niche areas where it is considered successful by donors and beneficiary countries)?

As has been discussed, the main opportunity for increasing METAC's value appears to be through an expanded programme of regional activities and information sharing, including the development and strengthening of regional networks.

H5. Should METAC continue to provide technical assistance in the long term or should an exit strategy be prepared?

METAC is providing TA that is effective and regarded as valuable by its beneficiary organisations. METAC is also regarded as having a particular comparative advantage that would make it hard to effectively replace through alternative mechanisms of TA delivery. There is an ongoing need for support to strengthen capacity and systems in public finance, statistics and banking and finance as is reflected in the IMF's RSN. The medium term need for such support remains, though it is likely that resources will need to be concentrated increasingly on those countries with the greatest need. An important issue is whether it is envisaged that users of IMF TA will be expected in the future to pay some proportion of the costs of TA provided, and if so how this would impact on METAC and on the demand for its services. However, in the current circumstances there is a continuing need and demand for METAC for at least a further funding cycle and provided funds can be raised and performance satisfactory it would be anticipated that METAC should continue beyond this.

6 Recommendations

Several of the recommendations proposed relate to issues that were identified in the 2007 MTE but on which only limited progress has been made. It is important to note that these recommendations are addressed to the IMF, donors, the Steering Committee and beneficiary organisations and not principally to METAC's staff and management which has only a limited authority or capacity to bring about these changes. Specifically, addressing recommendations one and three requires changes to the IMF's procedures and approaches for the management and reporting for RTACs which are in line with initiatives that are already being taken. Principal responsibility for implementation of these recommendations lies with OTM (insofar as it has authority to provide guidance for the formulation of results frameworks for RTACs) and with MCD as the department responsible for METAC.

1. The preparation of Phase II of METAC was not used as an opportunity to develop a results framework or to strengthen the monitoring of performance against objectives. This has made it more difficult than it could have been to assess and measure the results achieved by METAC, and the findings of the 2005 IMF TA evaluation also suggest that this might militate against the effectiveness and sustainability of TA provided. In the preparation of Phase III this opportunity should be taken so as to match best practices approaches for TA management and to build on approaches and lessons emerging from other RTAC experience. The Phase III proposal should include a clear statement of METAC's objectives with defined performance indicators and an articulation of the linkages between METAC's activities and these objectives, and the key assumptions that these require. A more results-focused reporting system should be developed as part of this process which should include an assessment of the role that TAIMS should play in monitoring and evaluation of performance.
2. The preparation of the Phase III project should also address issues about improving the performance of METAC TA through more focus on support to implementation and to regional networking and information sharing and communication, including making an assessment of the costs and organisational requirements involved in strengthening this role.
3. Financial reporting should cover the total cost of METAC's TA delivery and include explicit performance indicators, rather than being restricted to reporting on the use of donor resources, as it is understood should be possible with the new SFA reporting system.
4. The increased focus on regional networking should be developed as part of the process of preparing and implementing information and training strategies, as should the more effective use of METAC's website for information sharing purposes. One route for increasing METAC's profile would be to hold events linked to Steering Committee meetings on issues of topical importance.
5. To support this increased focus on information and training (and under the assumption that its level of activities will increase), METAC should consider strengthening its capacity for training coordination and management. This could be done in one of the following ways: (a) Short-term hiring of a Training Coordination consultant to establish best practice training administration systems and processes and train the current Administrators on their use; (b) A new permanent Training Coordinator recruitment, probably on a part-time basis, the candidate possessing existing levels of required skills and experience, or (c) training and development of one or both Administrators in Training Coordination.

6. The initiative to develop an Office Procedures Manual should be built on by strengthening process management throughout METAC's operations to ensure consistency and provide a stronger basis for performance measurement. This should be driven by the development of a broader set of performance measures as part of the results framework.
7. The Steering Committee needs to play a more effective role in representing all beneficiary organisations. There are a number of ways this could be done that could be considered including the appointment of an alternate Steering Committee member representing other organisations, or the development of a set of subcommittees or networks of beneficiary organisations in each technical area to inform decision making. It is also desirable for proposed Work Plans and Minutes to be distributed to designated authority and counterparts in each beneficiary organisation ahead of and following SC meetings. It is probably feasible to continue having a single annual Steering Committee meeting but this will need to be supplemented by better communication through the website and where necessary other forms of communication such as telephone conferencing and ad hoc meetings if there are major decisions to be made.

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List of People Met

Name	Position	Organisation
Mr Alfred Kammer	Director, OTM	IMF
Mr Barrie Williams	Budget Assistant, OTM	IMF
Ms Zulfia Karimova	Senior Officer, OTM	IMF
Mr Amor Tahari	Deputy Director, MCD	IMF
Mr Enrique Gelbard	Division Chief, MCD	IMF
Mr Dominique Guillaume	Deputy Division Chief, MCD	IMF
Mr Chris Towe	Deputy Director, MCM	IMF
Mr Christian Durand	Assistant Director, MCM	IMF
Mr Marc O'Brian	Division Chief, MCM	IMF
Mr Erik Lundback	Senior Economist, MCM	IMF
Mr Manik Shrestha	Deputy Division Chief, Resource Management, STA	IMF
Mr Mohammed El Qorchi	Division Chief, STA	IMF
Ms Nataliya Ivanik	Senior Economist, STA	IMF
Ms Adrienne Cheasty	Senior Advisor, FAD	IMF
Mr Juan Toro	Division Chief, FAD	IMF
Mr David Kloeden	Deputy Division Chief, FAD	IMF
Mr Marco Cangiano	Division Chief, FAD	IMF
Mr Richard Allen	Deputy Division Chief, FAD	IMF
Mr Dimitar Radev	Senior Economist, FAD	IMF
Mr Philip Gerson	Senior Advisor, FAD	IMF
Mr Peter Kohnert	Advisor, FAD	IMF
Mr Brian Christensen	RM Section Chief, FAD	IMF
Mr Christian Dimaandal	RM Unit, FAD	IMF
Mr Jon Hicklin	Independent Evaluation Office	IMF
Mr Hiromi Yamoka	Alternate Executive Director	IMF
Mr Sami Geadah	Alternate Executive Director	IMF
METAC		
Mr Saade Chami	Center Coordinator	METAC
Mr Pierre Messali	PFM Advisor	METAC
Mr Gilmore Hoefdraad	Multi Sector Statistics Advisor	METAC
Mr Silan Hadarajah	Central Bank Accounting Advisor	METAC
Mr Chaouki Hamad	Revenue Administration Advisor	METAC
Mr Mohamad Ali Hassan	Banking Supervision Advisor	METAC
Ms Rowaida Khalife	Office Manager	METAC
Ms Mona Demian	Administrative Assistant	METAC

Evaluation of METAC

Name	Position	Organisation
Ms Rita Faddoul	Administrative Assistant	METAC
Jordan		
Mr. Moussa Al Mawazreh	Director General Income and Sales Tax Department	Ministry of Finance, Jordan
Mr. Izzedine Kanakrieh	Secretary General	Ministry of Finance, Jordan
Dr. Manhal Shotar,	Acting Head of Studies and Economic Policies Directorate	Ministry of Finance, Jordan
Mr. Haidar Fraihat,	Director General	Department of Statistics, Jordan
Mr. Abdel Matouk	Director of Economic Surveys	Department of Statistics, Jordan
Mr. Arafat Al- Fayoumi	Executive Manager, Banking Supervision Department	Central Bank of Jordan
Mr. Omar Hdaib	Director of Accounting Department	Central Bank of Jordan
Dr. Omar Al- Zoubi	Executive Director	Central Bank of Jordan
Oussama Kanaan	IMF Resident Representative	IMF
Mark Ahern	World Bank Public Sector Specialist	World Bank
Lebanon		
H.E. Mohamad Chatah	Minister of Finance	Ministry of Finance
Mr Christian de Clerq	Project Director – UNDP Capacity Development	Ministry of Finance
Mr Alain Bifani	Director	Ministry of Finance
Mireille Rizk		Ministry of Finance
Dr Maral Tutelian	Director General	Presidency of the Council of Ministers Central Administration for Statistics
Mr Nader Keyrouz	Head, Department of Production Statistics	Presidency of the Council of Ministers Central Administration for Statistics
Dr Mohamad Baasiri	Deputy Governor	Banque du Liban
Mr Walid Alameddine	Chairman	Banking Control Commission, Banque du Liban
Dr Amine Awad	Member	Banking Control Commission, Banque du Liban
Ms Claude Saadeh	Deputy Director	Statistics and Economic Research Department, Banque du Liban
Ms Iman Fares	Balance of Payments Statistician	Statistics and Economic Research Department, Banque du Liban
Mr Walid Halik	Director of Payments System	Banque du Liban
Dr Yousef El Khalil	Senior Director	Financial Operations

Name	Position	Organisation
		Department, Banque du Liban
Syria		
Mr Adib Mayaleh,	Governor	Central Bank of Syria
Dr George Elouzone	Deputy Governor	CBS
Tayseer Erbini	Assistant Director Banking Supervision Dept	CBS
Abdel Aziz Taha	Assistant Director Research and Statistics	CBS
Butiana Al Jamal	Director Internal Audit Department	CBS
Mohamad Khoder	Deputy Min Tax and Fees	Syria Ministry of Finance
Mr Jamal Al Madlaji	General Director	Syrian Tax Commission
Mohammad Issa	Director International Cooperation	Ministry of Finance GoS
Simon Boisen-Moller,	Economic and Trade Attaché	EC delegation Syria
Jean-Marie Frentz	Programme Officer, Economic Cooperation Section	EC delegation Syria
Angel Gutierrez Hidalgo	Head of Economic Cooperation Section	EC delegation Syria
West Bank & Gaza		
Mr. Husam Khalifa	Director Foreign Trade Statistics	Palestinian Central Bureau of Statistics (PCBS)
Mr. Mahmoud Jaradat	Assistant to the President for Statistics	Palestinian Central Bureau of Statistics (PCBS)
Mr. Faed Rayyan	Compiler BoP	Palestinian Central Bureau of Statistics (PCBS)
Mr. Muhannad Tull,	Steering Committee Member	Palestine Monetary Authority
Ali Faroun	Deputy Director, Bank Supervision	Palestine Monetary Authority
Mr. Abu Shehadeh	Director, Bank Supervision	Palestine Monetary Authority
Mr. Mahmoud Hijleh	Deputy Director	Palestine Monetary Authority
Mr. Yousef Zamer	Accountant General	Ministry of Finance
Mr. Farad Ghannam	General Director	Ministry of Finance
Asma Khayyat	Training Director	Ministry of Finance
Rawan Khalil	Accountant, Budget Department	Ministry of Finance

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Name	Position	Organisation
Mr. Fadi Alsharif	Director, Internal Audit Office	Palestinian Monetary Authority
Yemen		
Faris Alneharg	National Accounts	CSO
Dr Amin Mohie Al Din	Chairman	CSO
Khaled Taha Al-Madani	General Director, Prices	CSO
Mohammed Saeed	Deputy Assistant Economic Sector	CSO
National Accounts	Chairman	CSO
Amin Alulfe	CPI	CSO
Hamdi Ali Al-Shargabi	General Manager National Accounts	CSO
Aarun Eara	Public Finance Expert	World Bank, Yemen country office
Tarek Alsharafi (Steering Committee member)	Director General Minister's Office	Yemen Ministry of Finance
Mr Ahmed Ghaleb (Former SC member)	Chairman	Yemen Tax Authority
Ibrahim Alnahari (ex-SC member)	Sub-Governor Foreign Banking Operations	Central Bank of Yemen
Nabil M Al-Montaser	Deputy Sub-Governor Banking Supervision Sector	Central Bank of Yemen
Hussein Al-Kahili	General Manager Research and Statistics Dept	Central Bank of Yemen
Ahmed Dameen	Sub Governor Accounting Sector and Computer	Central Bank of Yemen
Abdulkarim Ali Al-Magharem	Assistant Sub-Governor for Accounting and Computer Section	Central Bank of Yemen

Annex A Terms of reference

Middle East Regional Technical Assistance Center (METAC)

Statement of Work

Terms of Reference for an External and Independent Evaluation

I. Background

1. The Middle East Regional Technical Assistance Centre (METAC) was established in Beirut, Lebanon in October 2004 to provide capacity building assistance, facilitate the reform process in member countries,²³ and support the region's integration in the world economy. The Center is operated by the IMF in consultation with the recipient governments of the Middle East region and the donors²⁴ supporting it.

2. The region faces significant challenges in macroeconomic management due to lack of technical skills and institutional capacity. METAC's aim is to provide advice, and build the skills and the institutional capacity in member countries for effective economic and sustained financial management. Toward these objectives, and in line with the IMF's expertise, METAC's assistance is currently focused on building sound public financial management and efficient revenue administration, central bank accounting and banking supervision, strong and efficient financial systems, and high-quality macroeconomic statistics.

3. METAC's assistance takes a number of forms, including assistance with developing strategic approaches and action plans for medium-term reforms, high-level policy advice, implementation of IMF supported standards and codes, technical assistance, hands-on training, organization of seminars, and workshops. In addition, METAC helps other agencies in organizing workshops and missions as well as training courses in the region. The assistance ranges from ongoing, medium-term involvement to immediate firefighting-type support. METAC's advisors support member countries through missions, e-mail and telephone communications, and in many instances act as sounding boards for member countries' officials on day-to-day operations.

4. The overall strategic guidance of METAC is provided by the Steering Committee (SC) consisting of representatives of all participating countries, donors, and the IMF. Other technical assistance (TA) providers and relevant regional institutions are invited as observers. In addition to providing strategic guidance, the SC reviews work plans to ensure that they fully reflect the needs of member countries, are well integrated with the TA, surveillance, and

²³ METAC member countries are: Afghanistan, Egypt, Iraq, Jordan, Lebanon, Libya, Sudan, Syria, West Bank and Gaza, and Yemen.

²⁴ Donors include the European Commission, the European Investment Bank, France, Japan, and Oman; as well as contributing recipient countries: Egypt, Jordan, Lebanon, Libya, Sudan, Syria, and Yemen.

lending activities of IMF headquarters, and well coordinated with TA provided by other donors. A key feature of METAC is the strong ownership of policies and activities by member countries, donors, and cooperating organizations.

5. The IMF manages METAC operations, provides its Coordinator, and recruits and supervises its resident advisors and short-term experts through the IMF's Technical Assistance departments. METAC provides TA through four resident advisors and the Coordinator, supplemented by short-term experts, training and seminar activities, and professional attachments. The financing cycle ends in April 2010.

6. The most recent in-depth external mid-term evaluation of METAC was in March 2007. The evaluation highlighted the effectiveness of METAC and the positive role it played in the region. The evaluation noted, among other things, that METAC is appreciated by the member countries, regional bodies, donor agencies, and other stakeholders. It found METAC to be well integrated within the region and beneficiary countries are highly satisfied with the performance of METAC to date. It also concluded that METAC has provided important additional value added to IMF activities in relation to providing capacity building, follow up, and implementation support and ad hoc advice on specific issues.²⁵

II. Purpose of the Evaluation and Issues to be Addressed

7. The METAC Phase II Project Document (November 2007 - April 2011),²⁶ envisaged an independent evaluation of the Center. An evaluation is an integral part of the governance framework for the Fund's regional technical assistance centers, and serves as a valuable opportunity to receive external professional input on the effectiveness of the Centers.

8. The evaluation will have four key objectives:

- Evaluate the TA, training (workshops and seminars), and other activities including contribution to the region through participation in conferences and seminars provided by METAC for effectiveness, efficiency, relevance and sustainability;
- Assess if METAC has the right size to achieve its objectives, or alternatively, if the objectives needed to be adjusted; in this context, consider METAC's position in the regional TA architecture and whether there may be opportunities to further support METAC recipient countries' needs;
- Examine the effectiveness and frequency of METAC SC meetings, and explore alternate modalities for more frequent contact; including through the website, and

²⁵ The experience with the Fund's regional technical assistance centers (RTACs) , was also assessed by the IMF's Executive Board in 2005, and, as a result, a Guidance Note was endorsed by IMF management to strengthen further the operation of the RTACs in line with the Executive Board's discussions. [add reference to external website for board paper]

²⁶ Originally, the funding cycle of METAC II was planned to cover a period of three and a half years. Due to a shortfall in donor funding, the funding cycle was shortened.

- Compile a set of lessons that may be used to strengthen METAC operations.
9. The evaluation will cover the period of November 2007 – April 2009.
10. The budget for this evaluation was included in the FY 2007-11 METAC budget. At the May 6, 2009 meeting in Beirut, the SC endorsed the proposal to conduct an external evaluation of METAC.
11. With the stated objectives in mind, the evaluation report will focus on a detailed analysis and rating of METAC's TA program by sector, as well as an assessment of the strengths and weaknesses of the METAC model, and outlook for the future.
12. The main sectoral TA interventions of METAC, will be evaluated for:
- (a) Effectiveness
- Whether METAC TA is appropriately focused on delivering outputs that contribute to the achievement of member country reform priorities. The evaluation should also assess, to the extent possible, the outcomes and impact of the delivered activities at both a national and a regional level. Also whether the effectiveness of METAC TA could be enhanced through stronger commitments of member countries to maintain reforms efforts.
 - Consider options for increasing METAC's impact through regional responses to common issues.
 - The quality and timeliness of METAC activities undertaken, and outputs produced, including TA-related documents.
 - Assess the appropriateness of the mix of services provided by METAC.
 - The quality and timeliness of reporting and monitoring on the activities and outputs of METAC.
 - The extent to which METAC's activities have been well coordinated and leveraged with those of other donors, TA providers and regional agencies (notably, World Bank, EC, France, and regional Arab institutions such as AMF).
 - The extent to which METAC activities have been well integrated with the TA, surveillance, and lending activities of IMF headquarters. In particular, whether METAC TA has been effective as in complementing TA from IMF headquarters, and in supporting strategies and best practice determined by headquarters.
- (b) Efficiency
- Whether METAC TA has proven to be cost-effective, especially 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.

- The quality, timeliness, modalities, and cost of management and backstopping of METAC activities by IMF headquarters-based staff.

(c) Relevance

- Whether METAC played a useful role in helping to define country TA priorities in line with best practice and the diagnostic assessments and policy advice provided by IMF headquarters. Further, to what degree has METAC TA equipped countries with adequate institutional capacity to define their own policy alternatives, in particular in light of the ongoing financial crisis.
- The extent to which METAC TA met the priority needs of member countries. Has the SC proved to be effective in ensuring strong country ownership of METAC TA and strategies?
- Whether METAC activities have been appropriately focused in terms of subject areas, taking into account the IMF's expertise and the priority needs of METAC member countries. In particular, given the limited resources available, is METAC more effective in certain thematic areas than others?

(d) Sustainability

- The extent to which METAC TA has led to tangible and lasting results in member countries.
- Whether there are particular constraints faced by METAC member countries which have prevented them from taking full advantage of METAC TA to be self-sustaining, and how such constraints can be addressed.
- The effectiveness of METAC in identifying, utilizing, and promoting growth of local expertise in their activities, including through the appropriate use of local and regional TA experts (taking into account the language barrier).

13. The evaluation will provide guidance for the future of METAC, by addressing key areas for potential improvement or change:

- The appropriate size and mix of advisors for METAC, taking into consideration its, three-year planning horizon, Fund TA plans, demand for its services, the regional absorptive capacity, and long-term results;
- Consider opportunities for increasing the value of METAC through an analysis of niche areas where it is considered successful by donors and beneficiary countries;
- Assess if the SC is effective, and the appropriateness of the recent move to a 12 month cycle for meetings (instead of bi-annual). Consider alternative modalities for maintaining close contact among SC members;
- Review METAC's position in the regional architecture of TA support;

- Assess the reasons behind changes in work plan implementation, and their implications for METAC performance; and
- A compilation of lessons from the experience of the last cycle, including good practice, areas of improvement, and innovation.

14. The evaluation will look into long-term sustainability of METAC by:

- Assessing whether METAC should continue to provide technical assistance in the long term or whether an exit strategy should be prepared;
- In both cases, identifying options on the way forward.

III. Evaluation Deliverables and Methodology

15. The evaluation team will produce the following deliverables:

- (a) a detailed work plan, in consultation with the IMF. The work plan will provide: (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;
- (b) a draft evaluation report; and
- (c) a final evaluation report.

16. The draft and final reports will present the team's main findings and recommendations, accompanied by summaries of information gathered during key meetings.

17. Each of the deliverables above will be circulated to the Chair of the SC, the METAC Coordinator, the IMF's Office of Technical Assistance Management (OTM), and the IMF's Middle East and Central Asia Department (who will secure comments from the IMF's functional departments). Any comments received from these parties on the deliverables may be considered by the evaluation team at its discretion.

18. The evaluation team will develop the conceptual framework and methodology for the evaluation, in consultation with the IMF. The methodology will include the use of evaluation ratings, but will provide the evaluators with flexibility to, as appropriate, select and modify the evaluation criteria and weights for the ratings.

IV. The Evaluation Team

19. The evaluation will be carried out by a team of experienced professionals, comprising a team leader and two other evaluators. All three evaluators will have established backgrounds in economics, financial management, TA evaluation, capacity building or other related fields. The team leader shall be responsible for the consistency of evaluation ratings and the overall quality of the evaluation report.

20. The IMF will select the evaluators in consultation with the METAC coordinator and the SC.

V. Timeline of the Evaluation

21. It is anticipated that each evaluator will spend a minimum of 25 working days over the course of fourteen weeks from July 2009 to September 2009 to complete the evaluation. The following timeline is proposed:

- Week 1–2 (to start in early July): Evaluators to review relevant materials (provided by OTM), submission and approval of the work plan, and organization of travel.
- Week 3 (): Meetings at Fund HQ - focus Work Plan.
- Week 4-6 (): Field work in Lebanon and Middle East region with selected representatives of the member countries, donors, agencies, and METAC staff. Team will meet together in Lebanon, and then separately visit one or more other countries.
- Week 7-9 (): Preparation and submission of the draft evaluation report.
- Week 10 (): Internal IMF review of draft evaluation.
- Week 11 (): Incorporate comments in draft.
- Week 12-13 (): Draft out to Steering Committee for comments.
- Week 14 (): Finalize Report

Annex B Scope and Objectives of METAC Phase II

The focus on financial sector issues reflects, in part, the IMF's increased emphasis on these issues in its surveillance and the pressing needs in member countries to improve the efficiency of financial resource mobilization and allocation. Technical assistance in the public financial management area will aim at effective budget preparation and execution systems—especially in post-conflict countries—while assistance in revenue administration will focus on the modernization of tax and customs administration reforms. TA in the statistical area will emphasize improvements in real sector and external sector statistics. Demand for TA on national accounts and price statistics is expected to remain high.

With regards to **Afghanistan**, METAC will aim to provide assistance to build capacity and modernize Da Afghanistan Bank (DAB) and to strengthen the financial sector regulatory framework. TA in the fiscal area will be needed to assist with the integration of the ordinary and development budgets strengthen the Ministry of Finance's capacity in cash management, and to improve revenue administration in line with recent IMF recommendations. METAC will also continue to support IMF TA initiatives in the areas of national accounts and balance of payments statistics.

The focus of METAC activities in **Egypt** is expected to remain on public financial management and statistics. The central bank's needs are being addressed by assistance provided by European central banks. TA in the tax administration area is likely to be provided through METAC to complement the activities of IMF headquarters and other donors. METAC will continue to support a project to improve budget execution, which aims to reform the cash management system by aggregating cash resources at the central bank in a treasury single account. METAC is also involved in providing advice on a comprehensive revision of the Consumer Price Index (CPI), and in developing and implementing a work program for the FDI survey.

For **Iraq**, METAC's activities will be largely confined to supporting IMF TA initiatives—mainly through seminars and meetings outside Iraq, which will reduce the scope for TA delivery—until the ban on travel to Iraq is lifted. Assistance in the fiscal area will be needed to improve public financial management (encompassing fiscal federalism and oil sector management), budget classification, and the review of the corporate income tax. The focus of statistical capacity building will be to continue training core staff in international statistical methodologies, while seeking to improve the collection and dissemination of national accounts, prices, balance of payments, monetary, financial, and government finance statistics.

Jordan is expected to remain a relatively minor user of METAC, with the focus of activities in the statistics area given Jordan's forthcoming subscription to the IMF Special Data Dissemination Standard subscription (SDDS). There is also a need to provide dedicated METAC follow-up assistance to tax administration reforms and support the development of a macrofiscal unit.

TA activity in **Lebanon** will continue to focus on the fiscal and statistical areas. Follow-up assistance on public financial management and tax administration are key to implementation of the authorities' program. Statistical TA could also be potentially very effective, especially in the consumer price, national accounts, and balance of payments statistics.

METAC has provided a large amount of TA in fiscal, banking supervision, and statistics to **Libya**. TA provision will focus on the implementation of the recommendations of this TA.

Priorities include follow-up TA on tax administration, banking supervision, national accounts and external sector statistics, as well as the dissemination of metadata under the IMF's General Data Dissemination System (GDDS).

The TA strategy for **Sudan** will focus on continued support for reforms in banking supervision and regulation, establishment of a single treasury account, the implementation of the IMF Government Finance Statistics Manual 2001 (GFS2001), improvements on tax and customs administration, and improving statistics. METAC will conduct training programs in banking supervision, TA on national accounts and FDI statistics, and support the IMF headquarters in improving revenue administration.

TA activity in **Syria** is expected to remain intense. METAC will continue to support tax administration reforms, in particular further strengthening of the tax department to support preparations for the VAT, and public finance management reforms (in particular unification of the budget). It will also continue to support bank regulation and supervision and central bank accounting. In statistics, TA will remain focused on improving the quality of real sector statistics, including the national accounts and short-term indicators of economic activity, and price statistics; strengthening data sources for balance of payments statistics; and advancing Syria's participation in the GDDS.

In **West Bank and Gaza**, METAC is expected to provide assistance to the Palestine Monetary Authority in banking supervision. In the area of statistics, priority will be to continue with capacity building with particular focus on national accounts and balance of payment statistics. METAC will aim to also provide assistance in public financial management.

The TA strategy for **Yemen** will focus on strengthening its treasury function and related public financial management reforms, tax administration, and banking supervision reforms. Other areas include national accounts and prices statistics.

Source: METAC Phase II Project Document, pp 10-11 (IMF, 2007)

Annex C Allocation of TA by Country and Technical Area

Table C.1 TA allocation FY2007 (days)

Country	Public Financial Management	Revenue Administration	Banking Supervision	Statistics	IMF Institute	Central Bank Accounting	Tax Policy	Grand Total
Afghanistan	90	27	36	19	-	-	-	172
Egypt	49	22	-	133	-	-	-	204
Iraq	20	1	11	31	-	-	-	62
Jordan	5	39	-	66	-	-	-	109
Lebanon	71	41	16	61	14	-	-	203
Libya	3	14	71	44	-	-	-	130
Regional Workshops	-	21	-	43	-	-	-	64
Sudan	82	45	113	73	-	42	-	355
Syria	34	41	118	120	-	49	-	362
WBG	2	-	85	49	-	69	-	204
Yemen	24	27	66	61	-	42	-	219
	378	278	513	699	14	202	-	2,084

Table C.2 TA allocation FY2008 (days)

Country	Public Financial Management	Revenue Administration	Banking Supervision	Statistics	IMF Institute	Central Bank Accounting	Tax Policy	Grand Total
Afghanistan	54	-	85	8	-	89	-	236
Egypt	39	11	-	66	-	1	-	116
Iraq	7	7	-	-	14	43	-	71
Jordan	14	49	-	46	-	1	-	109
Lebanon	28	14	17	87	-	24	-	169
Libya	8	9	127	59	-	69	-	270
Regional Workshops	58	37	10	36	-	7	-	148
Sudan	61	39	122	30	-	19	-	270
Syria	42	144	73	72	-	160	-	490
WBG	48	-	75	64	-	27	-	214
Yemen	45	13	64	-	-	-	-	122
	401	323	573	467	14	437	-	2,214

Table C.3 TA Allocation FY 2009 (days)

Country	Public Financial Management	Revenue Administration	Banking Supervision	Statistics	IMF Institute	Central Bank Accounting	Tax Policy	Grand Total
Afghanistan	34	6	20	45	-	16	-	121
Egypt	27	-	-	15	-	-	-	42
Iraq	-	-	23	8	-	63	-	94
Jordan	47	26	18	17	-	14	-	122
Lebanon	49	15	35	19	-	37	8	162
Libya	-	26	30	58	-	23	-	137
Regional Workshops	17	15	8	28	14	10	-	92
Sudan	14	26	46	70	-	21	-	176
Syria	27	135	37	37	-	111	-	346
WBG	62	-	31	18	-	46	-	157
Yemen	1	54	19	44	-	34	-	151
	277	302	265	359	14	373	8	1,598

Annex D METAC Budget status

Table D.1 METAC Phase II Budget

Table. Indicative Budget for the Middle East Regional Technical Assistance Center
Phase II - (In U.S. dollars)

	Funding source	Budget					
		Staffing (in person-years)	Year 1	Year 2	Year 3	Year 4	Total
Center Coordinator 1/	IMF	3.5	240,000	480,000	480,000	480,000	1,680,000
Six long-term resident experts 2/	Donor	21	820,800	1,728,000	1,814,400	1,908,000	6,271,200
Short-term experts 3/	Donor	9	451,500	951,000	999,000	1,050,000	3,451,500
Backstopping, professional and administrative support by IMF HQ 4/	IMF	14	495,000	990,000	990,000	990,000	3,465,000
Travel costs 5/	Donor		76,800	158,400	163,200	168,000	566,400
Training & Miscellaneous	Donor		90,000	180,000	180,000	180,000	630,000
Evaluation	Donor		0	0	0	120,000	120,000
Office support, communications, etc.	IMF		60,000	120,000	120,000	120,000	420,000
Total		47.25	2,234,100	4,607,400	4,746,600	5,016,000	16,604,100
<i>Of which:</i>	IMF	30	795,000	1,590,000	1,590,000	1,590,000	5,565,000
	Donor	17.5	1,439,100	3,017,400	3,156,600	3,426,000	11,039,100
Host Government contribution 6/	Host		500,000	1,000,000	1,000,000	1,000,000	3,500,000
Memorandum items:							
Standard 13 percent administrative fee of donor financed activities 7/	Donor		187,083	392,262	410,358	445,380	1,435,083
Total donor contribution			1,626,183	3,409,662	3,566,958	3,871,380	12,474,183

Source: Office of Technical Assistance Management.

1/ The center coordinator's position is charged as a resident representative position, which covers salary, housing, allowances, etc.

2/ Standard cost of US\$24,886 per month or US\$298,629 per year.

3/ Standard cost of US\$32,871 per month, including travel costs.

4/ IMF TA departments' recruitment, backstopping, and supervision of experts, including in-country inspection visits.

5/ Travel costs of 6 resident experts.

6/ Estimated value of in-kind contribution of office space, training facilities, security, cleaning services, etc. It also includes a cash contribution of up to \$293,000 to cover the cost of the Center's support staff.

7/ A standard 13 percent administrative fee is charged to help defray the expenses incurred by the Fund in the recruitment and backstopping of long-term experts, and administration of the donor-financed activities.

Table D.2 Budget Status, April 2009

		Original Budget Phase II Nov 07 - Apr 11 42 months		Budget Revision "A" Phase II Nov 07 - Oct 10 36 months		PROPOSED Budget Revision "B" Nov 07 - Apr 10 30 months		Actual FY 2008 Nov 07 - Apr 08		Forecast FY 2009 May 08 - Apr 09		Revised Budget FY 2010 May 09 - Apr 10	
		w/m	\$	w/m	\$	w/m	\$	w/m	\$	w/m	\$	w/m	\$
1101	Public Expenditure Management Advisor	42	1,045,200	36	879,600	27	585,900	6	130,200	9	195,300	12	260,400
1102	Revenue Administration Advisor	42	1,045,200	36	879,600	30	651,000	6	130,200	12	260,400	12	260,400
1103	Banking Supervision Advisor	42	1,045,200	36	879,600	30	651,000	6	130,200	12	260,400	12	260,400
1104	Central Bank Accounting Advisor	42	1,045,200	36	879,600	28	607,600	6	130,200	10	217,000	12	260,400
1105	Real Sector Statistics Advisor	42	1,045,200	0	-	0	-						
1106	Balance of Payments Statistics Advisor	42	1,045,200	36	879,600	28	607,600	6	130,200	10	217,000	12	260,400
	Long-Term Experts Subtotal	252	6,271,200	180	4,398,000	143	3,103,100	30	651,000	53	1,150,100	60	1,302,000
1151	Fiscal Experts	35	1,150,500	34	1,094,100	34	1,001,650	8.5	254,150	10	299,000	15	448,500
1152	MFD Experts	35	1,150,500	38	1,207,200	38	1,114,750	13.0	382,200	9.5	284,050	15	448,500
1153	Statistics Experts	35	1,150,500	19	606,850	20	598,000	6.5	194,350	3.5	104,650	10	299,000
	Short-Term Experts Subtotal	105	3,451,500	91	2,908,150	91	2,714,400	28	830,700	23	687,700	40	1,196,000
1501	Regional Travel		566,400		463,093		310,990		51,740		109,250		150,000
3301	Seminars		490,000		477,973		585,495		127,973		207,522		250,000
1601	Evaluation Mission		120,000		120,000		160,000		-		-		160,000
4101	Miscellaneous		140,000		102,478		38,158		2,478		14,680		21,000
Subaccount Total		357	11,039,100	271	8,469,694	234	6,912,143	58	1,663,890	76	2,169,253	100	3,079,000
	<i>Overhead support cost</i>		<i>1,435,083</i>		<i>1,077,738</i>		<i>854,977</i>		<i>192,984</i>		<i>261,723</i>		<i>400,270</i>
	Grand Total	357	12,474,183	271	9,547,432	234	7,767,120	58	1,856,874	76	2,430,976	100	3,479,270

Table D.3 Financial contributions to METAC

Status of Financial Contributions

as of April 20, 2009

(Units as indicated)

	Pledge in US dollars	Status	Contribution Currency	Pledge in Contribution Currency	Contributions Received in US dollars 1/	Expected Balance in US dollars
Phase I Balances brought forward:						
METAC Subaccount	\$ 157,522	<i>signed during Phase I</i>	US\$	157,522	\$ 157,522	\$ -
EC	\$ 191,958	<i>signed during Phase I</i>	US\$	191,958	\$ 191,958	\$ -
EIB	\$ 440,306	<i>signed during Phase I</i>	US\$	440,306	\$ 440,306	\$ -
Phase II Contributions:						
Egypt	\$ 500,000	<i>signed 11/6/2007</i>	US\$	500,000	\$ 340,000	\$ 160,000
Libya	\$ 700,000	<i>signed 10/24/2007</i>	US\$	700,000	\$ 466,000	\$ 234,000
Yemen	\$ 250,000	<i>signed 1/7/2008</i>	US\$	300,000	\$ 85,000	\$ 165,000
Syria	\$ 400,000	<i>signed 1/11/2008</i>	US\$	400,000	\$ 200,000	\$ 200,000
Jordan	\$ 300,000	<i>signed 1/25/2008</i>	US\$	300,000	\$ 200,000	\$ 100,000
Oman	\$ 250,000	<i>signed 2/26/2008</i>	US\$	250,000	\$ 250,000	\$ -
France	\$ 1,370,817	<i>signed 4/3/2008</i>	Euro	1,000,000	\$ 531,869	\$ 838,948
Japan	\$ 792,469	<i>pledged Oct 07</i>	US\$	792,469	\$ 334,932	\$ 457,537
Lebanon	\$ 2,000,000	<i>signed 6/12/2008</i>	US\$	2,000,000	\$ 1,000,000	\$ 1,000,000
EIB	\$ 773,800	<i>signed 4/3/2008</i>	Euro	500,000	\$ 773,800	\$ -
Sudan	\$ 92,594	<i>signed 9/5/2008</i>	Euro	73,000	\$ 92,594	\$ -
	8,219,466				5,063,981	3,155,485

Externally Financed Portion of Center's Budget	7,767,120
Funding (Gap)/Surplus	452,346

Table D.4 Phase II Budget Implementation

	Original Budget Phase II November 2007 - April 2011 (42 months)		Expenses to August 2009 (22 months)		% of budgeted TA delivered/costs incurred (52% original funding cycle elapsed)	
	w/m	\$	w/m	\$	w/m	\$
Public Expenditure Management Advisor	42	1,045,200	19	412,300	45%	39%
Revenue Administration Advisor	42	1,045,200	22	477,400	52%	46%
Banking Supervision Advisor	42	1,045,200	22	477,400	52%	46%
Central Bank Accounting Advisor	42	1,045,200	20	434,000	48%	42%
Real Sector Statistics Advisor	42	1,045,200	0	-	0%	0%
Balance of Payments Statistics Advisor	42	1,045,200	20	434,000	48%	42%
Long-Term Experts Subtotal	252	6,271,200	103	2,235,100	41%	36%
Fiscal Experts	35	1,150,500	21.5	642,850	61%	56%
MFD Experts	35	1,150,500	31	920,400	89%	80%
Statistics Experts	35	1,150,500	12.5	373,750	36%	32%
Short-Term Experts Subtotal	105	3,451,500	65	1,937,000	62%	56%
Regional Travel		566,400		200,330		35%
Seminars		490,000		397,878		81%
Evaluation Mission		120,000		-		0%
Miscellaneous		140,000		21,086		15%
Subaccount Total	357	11,039,100	168	4,791,394	47%	43%
<i>Overhead support cost (13%)</i>		<i>1,435,083</i>		<i>612,117</i>		
Grand Total	357	12,474,183	168	5,403,511		

Annex E Survey of Beneficiary Organisations

1. Which of the following factors constrain the effectiveness of your organisation?

Answer Options	Severe constraint	Mild constraint	Not a constraint
Clarity of role and mandate	13%	21%	66%
Political interference	13%	29%	58%
Financial resources available	29%	37%	34%
IT systems available	21%	40%	40%
Management and internal organisational factors	16%	45%	40%
Ability to attract and retain high quality staff	40%	45%	16%
Technical skills of staff	16%	63%	21%
Access to technical assistance and training	13%	45%	42%
Technical assistance coordination	5%	50%	45%

3. To what extent has support from METAC been relevant to addressing the requirements of the organisation in relation to the functions of the organisation that are not carried out as effectively as required?

Answer Options	Response Percent	Response Count
Very Relevant	24%	9
Relevant	50%	19
Not Very Relevant	8%	3
Not At All Relevant	18%	7

7. Please rate the TA provided by METAC to your organisation					
Answer Options	Excellent	Good	Modest (Partly satisfactory)	Poor	No opinion/No knowledge
Consistency with government priorities	35%	49%	5%	0%	11%
Relevance to the needs of the organisation	53%	33%	11%	0%	3%
Achievement of the objectives of the TA	19%	67%	14%	0%	0%
Coordination of METAC with other TA providers	22%	25%	22%	3%	28%
Coordination of METAC with IMF HQ	27%	41%	15%	0%	18%
Use of the outputs of the TA	31%	50%	8%	0%	11%
Quality of formulation and engagement by METAC	39%	39%	14%	0%	8%
Practicality of recommendations	36%	44%	11%	0%	8%
Degree to which recommendations implemented	17%	56%	19%	0%	8%
Effectiveness in building capacity	39%	42%	8%	3%	8%
Quality of expertise and assistance provided	49%	40%	9%	0%	3%
Timely response to assistance requested	33%	39%	22%	0%	6%
Sharing of regional experience	29%	43%	20%	6%	3%
Sustainability of the results of the TA	24%	60%	5%	0%	11%

8. Please assess the effectiveness of the following ways that METAC delivered assistance (% of those offering opinion)					
Answer Options	Excellent	Good	Modest (Partly satisfactory)	Poor	No Opinion/No Knowledge
Resident advisors	60%	20%	20%	0%	32%
Short term experts	49%	37%	11%	3%	5%
Regional workshops/training	30%	55%	12%	3%	11%
National workshops/training	24%	56%	12%	8%	32%

9. Please indicate the degree to which you agree or disagree with the following statements about METAC compared to IMF headquarters (% of those offering opinion)

Answer Options	Strongly Agree	Agree	Disagree	Strongly Disagree	No Opinion/ No Knowledge
METAC responds more quickly to requests than IMF HQ	38%	45%	17%	0%	22%
METAC is more flexible than IMF HQ	27%	55%	15%	3%	11%
METAC has a better understanding of the countries than IMF HQ staff	46%	35%	15%	4%	30%
METAC supports the implementation of policies and strategies identified by IMF HQ	26%	63%	11%	0%	27%
IMF should reallocate staff and resources from HQ to METAC	42%	38%	19%	0%	30%
The quality of expertise provided by METAC is equivalent or better than that of IMF HQ	13%	57%	30%	0%	38%
The quality of expertise provided by METAC is significantly weaker than that provided by IMF HQ	0%	16%	60%	24%	32%

10. Please indicate the degree to which you agree or disagree with the following statements about METAC compared to other TA providers (% of those offering opinion)

Answer Options	Strongly Agree	Agree	Disagree	Strongly Disagree	No Opinion/ No Knowledge
METAC responds more quickly to requests than other TA providers	23%	53%	23%	0%	19%
METAC is more flexible than other TA providers	10%	50%	40%	0%	19%
METAC has a better understanding of the countries than other TA providers	17%	59%	24%	0%	22%
METAC supports the implementation of policies and strategies identified by other TA providers	20%	70%	10%	0%	46%
The quality of expertise provided by METAC is equivalent or better than that of other TA providers	15%	59%	26%	0%	27%
The quality of expertise provided by METAC is significantly weaker than that provided by other TA providers	0%	15%	54%	31%	30%

11. Please indicate the degree to which you agree or disagree with the following statements (% of those expressing opinion)

Answer Options	Strongly Agree	Agree	Disagree	Strongly Disagree	No Opinion / No Knowledge
The work of METAC is demand-driven and responsive to the needs of countries	37%	60%	3%	0%	12%
There is strong country ownership of the work of METAC	23%	58%	19%	0%	24%
The work of METAC is closely linked to the IMF's surveillance work and program activities	18%	79%	0%	4%	18%
METAC's capacity development work is complementary to the IMF's surveillance work and program activities	33%	63%	0%	4%	21%
METAC plays a key role in providing feedback from member countries to IMF HQ	41%	55%	5%	0%	35%
METAC has played a useful role in defining country TA priorities	30%	53%	13%	3%	12%

12. How important do you think action in each of these areas would be to improve the quality of TA provision by METAC to your organisation?

Answer Options	Very important	Quite important	Already satisfactory	Not relevant	No Opinion / No Knowledge
More frequent visits by METAC coordinator to countries	24%	44%	24%	3%	6%
More frequent visits by Resident Advisors to countries	32%	44%	6%	0%	18%
Increase number of staff at METAC	21%	35%	6%	3%	35%
More use of short-term experts	32%	35%	29%	0%	3%
More use of Arabic speaking experts	44%	29%	6%	18%	3%
Use of long term, in-country advisors	50%	32%	6%	3%	9%
More sharing of regional experience through METAC	50%	44%	6%	0%	0%
Better formulation and design of METAC activities	12%	44%	32%	0%	12%
More follow up to help on implementation of recommendations	38%	35%	18%	3%	6%
Better coordination with other development partners	21%	59%	6%	0%	15%
Better coordination with IMF HQ	9%	38%	35%	0%	18%
Better monitoring and evaluation of TA outcomes and impacts	29%	32%	29%	3%	6%
Progress in addressing other constraints faced by the organisation	18%	44%	12%	6%	21%

13. Please rate the performance of the METAC Steering Committee

Answer Options	Excellent	Good	Modest	Poor	No Opinion/No Knowledge
In providing oversight and guidance to METAC	24%	29%	3%	6%	38%
In promoting country ownership of METAC	18%	27%	12%	3%	41%
In facilitating donor coordination within METAC	24%	24%	9%	6%	38%

METAC is the only International organisation who tailors technical assistance based on the real needs of my country.

This appears in the success of the missions made by this organisation.

The steering committee process did not take account of our needs.

Need to better specify the role and functions of the Steering committee (make them explicit)

I have no knowledge about the performance of the METAC steering committee

Annex F Results of Survey of Training Participants

Please rate the quality of METAC training courses, workshops or seminars that you have attended					
Answer Options	Excellent	Good	Modest (Partly Satisfactory)	Poor	No Opinion/No Knowledge
Topics Covered	63%	33%	5%	0%	0%
Resource Persons/Presenters	48%	48%	2%	2%	0%
Quality of Presentations	28%	65%	5%	2%	0%
Time to Interact with Other Participants	16%	52%	23%	9%	0%
Quality of the Venue	70%	16%	9%	2%	2%
Balance between theory, practical suggestions and country studies	14%	64%	18%	5%	0%
Length of Course	8%	53%	33%	8%	0%
Post Course/Workshop Follow Up and Support	19%	44%	9%	23%	5%

Please indicate how strongly you agree or disagree with the following statements related to the training course(s)/workshop(s)/seminar(s) that you attended					
Answer Options	Strongly Agree	Agree	Disagree	Strongly Disagree	No Opinion/No Knowledge
The topics covered were relevant to my day to day activities	34%	59%	7%	0%	0%
I use the knowledge gained nearly every day on the job	14%	57%	30%	0%	0%
I use the knowledge gained occasionally on the job	20%	61%	16%	2%	0%
I seldom use the knowledge gained on the job	5%	2%	59%	32%	2%

Please indicate how strongly you agree or disagree with the following statements related to the training course(s)/workshop(s)/seminar(s) that you attended					
Answer Options	Strongly Agree	Agree	Disagree	Strongly Disagree	No Opinion/No Knowledge
The topics discussed were too advanced for my organization	20%	43%	36%	0%	0%
The topics were too theoretical	0%	0%	80%	18%	2%
Examples from countries in the METAC region were particularly useful	16%	81%	2%	0%	0%
I have changed jobs so I no longer use the knowledge gained	2%	5%	50%	43%	0%
My organization does not have access to the information technology, computer programmes or systems necessary to use the knowledge gained	2%	7%	61%	27%	2%

Annex G Results of Survey of Steering Committee Members

1. Please indicate the degree to which you agree or disagree with the following statements

Answer Options	Strongly Agree	Agree	Disagree	Strongly Disagree	No Opinion/No Knowledge
The work of METAC is demand-driven and responsive to the needs of countries	42%	58%	0%	0%	0%
There is strong country ownership of the work of METAC	33%	67%	0%	0%	0%
The work of METAC is closely linked to the IMF's surveillance work and program activities	33%	58%	8%	0%	0%
METAC's capacity development work is complementary to the IMF's surveillance work and program activities	25%	75%	0%	0%	0%
METAC plays a key role in providing feedback from member countries to IMF HQ	17%	75%	0%	0%	8%
METAC has played a useful role in defining country TA priorities	25%	58%	17%	0%	0%

2. Please rate METAC's performance in relation to the following criteria

Answer Options	Excellent	Good	Modest (Partly satisfactory)	Poor	No Opinion/No knowledge
Achievement of METAC's objectives	42%	50%	8%	0%	0%
Achievement of your agency's/country's objectives from involvement in METAC	25%	67%	0%	0%	8%
Effectiveness of work planning and prioritisation of METAC assistance	25%	67%	8%	0%	0%
Quality of technical assistance provided	42%	50%	8%	0%	0%
Promoting regional sharing of experience	33%	42%	8%	8%	8%
Promoting regional networks	17%	42%	17%	17%	8%
Equipping countries with capacity to define their own policy alternatives in the light of the ongoing financial crisis	25%	25%	25%	17%	8%

3. Do you agree that METAC's activities are appropriately focused in terms of subject areas taking into account the IMF's expertise and the priority needs of METAC member countries?

Answer Options	Response Percent
Strongly Agree	25%
Agree	75%
Disagree	0%
Strongly Disagree	0%
No Opinion/No Knowledge	0%

4. Is there an appropriate match between METAC's size and its objectives? Please select one answer

Answer Options	Response Percent
METAC has the right size to achieve its objectives	8%
METAC's activities need to be scaled up to achieve its objectives	75%
METAC's objectives need to be scaled back to match its resources	17%
No Opinion/No Knowledge	0%

Comments from Survey Respondents:

METAC is operating on a tight budget.

If METAC is to provide technical support at national level in a sustained manner and as well ensure regional networking/knowledge sharing and, furthermore, respond to emerging regional/global issues, then its capacity is left wanting. At present, there is inadequate ownership of METAC/IMF at the national level in the region.

The expectations for the METAC are far from to be achieved through its current size.

5. Please indicate in order of priority up to three actions that you think would improve METAC's effectiveness (by METAC, IMF, member countries, or donors)		
First Priority	Second Priority	Third Priority
<p>Deft solution</p> <p>Expand METAC to Algeria, Morocco and Tunisia</p> <p>Build stronger human capital in beneficiary countries</p> <p>Funding</p> <p>Securing long-term and stable financing for the center</p> <p>Financial resources</p> <p>Scale up in terms of size and areas of interest</p> <p>Extend research for donors to Arab Development Funds</p> <p>Promote and establish strong national ownership and leadership</p> <p>Providing more assistance in statistics and banking supervision areas</p> <p>Regional workshops</p>	<p>Currency control</p> <p>Scale up METAC's activities by adding more advisors</p> <p>Stronger country involvement in Steering Committee</p> <p>Better financial and organizational management and Center's governance structure</p> <p>Further promote regional cooperation</p> <p>Promoting sharing of experience</p> <p>(Pro-)Actively support donor coordination at the national level</p> <p>Providing more assistance in accounting and auditing</p> <p>In-country Training</p>	<p>Observation</p> <p>Organize more regional conferences</p> <p>Focused and demand driven TA delivery modalities</p> <p>Open eligibility of experts to non-IMF registered experts</p> <p>Increase emphasis on regional networking and knowledge sharing</p> <p>Providing more assistance in balance of payment</p> <p>Communications with countries</p>

6. Please rate the performance of the METAC Steering Committee

Answer Options	Excellent	Good	Modest	Poor	No Opinion/No Knowledge
In providing oversight and guidance to METAC	42%	58%	0%	0%	0%
In promoting country ownership of METAC	17%	67%	17%	0%	0%
In facilitating donor coordination within METAC	8%	50%	33%	8%	0%

7. Please rate the information and reporting provided to the Steering Committee

Answer Options	Excellent	Good	Modest (Partly satisfactory)	Poor	No Opinion/No Knowledge
On METAC's activities	64%	27%	0%	9%	0%
On the results of METAC's activities	25%	58%	8%	8%	0%
On other donor activities	8%	58%	17%	17%	0%
On the priorities and programmes of member countries	0%	75%	25%	0%	0%

8. Do you think that any of the following alternative modalities of contact among Steering Committee members are desirable in addition to Steering Committee meetings?

Answer Options	Response Percent
Telephone Conferences	25%
Video Conference	17%
Greater information sharing through the METAC website	67%
No other modalities of contact required	17%
Other (please specify)	17%

Quarterly reports since we are meeting once a year.

9. The Steering Committee has recently moved to a 12 month cycle for meetings. Do you feel this is appropriate?

Answer Options	Response Percent
SC should meet more frequently	42%
12 month cycle is appropriate	58%
SC should meet less frequently	0%
No Opinion/No Knowledge	0%

More frequently if selected issues are identified. Any urgent business could be dealt through video/telephone conference - or an extraordinary meeting.

10. Please rate the effectiveness of METAC Steering Committee meetings

Answer Options	Response Percent
Excellent	8%
Good	92%
Modest (Partly satisfactory)	0%
Poor	0%
No Opinion/No Knowledge	0%

Suggestions to improve effectiveness: Through active involvement of the SC members - in addition to the normal business, there should be topical sessions of direct interest to the SC and METAC/IMF.

11. Please list in order of priority up to three actions that would improve the effectiveness of the Steering Committee		
First Priority	Second Priority	Third Priority
<p>Participation of more senior representatives</p> <p>Stronger country ownership (contact point in beneficiary countries more clearly defined)</p> <p>higher level of SC members represented</p> <p>SC should take decisions on financial aspects</p> <p>Increase METAC's capacity to respond to steering committee's suggestions</p> <p>Detailed reporting on the programs implemented and on the results achieved</p> <p>The role of the Chairperson of the SC should be better and explicitly defined, including the (mutually reinforcing) relationship with the Coordinator. There should be regular meetings between the Coordinator and the Chairperson of the SC (quarterly). The members of the SC should have an alternate member from the central bank if the member is from the MoF (and vice versa). The Coordinator should make annual visits to the member countries and systematically meet with the SC member and alternate. Each country mission should also systematically meet with the SC member. Regular information sharing, e.g through one page brief (quarterly)</p> <p>The development of the METAC reporting system</p> <p>More information from METAC</p>	<p>Representatives from several key agencies (not just one)</p> <p>SC should take decisions on T.A. provided by METAC.</p> <p>Regular information sharing, including through information and communication outreach of METAC secretariat</p> <p>Setting a mechanism for sharing experience among the member countries</p> <p>Communications</p>	<p>More regular and frequent exchange of information between SC members</p> <p>Organize SC in different countries, and give the meetings prominence and use the occasion to show case key results with national and regional media</p> <p>Continuous assessment of TA programs</p> <p>More Meetings</p>

Annex H Findings and Recommendations from the Mid-term Evaluation

H.1 Summary of MTE findings

Operational effectiveness

The overall finding is that in general, beneficiaries are highly satisfied with the performance of METAC to date and all persons interviewed gave examples of positive experience. There is however, scope for improvement. The lack of any structured system for reporting on results or beneficiary views of the TA provided significantly limits the depth of the conclusions that can be drawn about what has been achieved. On specific issues:

- The process of identifying TA needs has worked reasonably effectively, but could be a more efficient. Strength of ownership depends principally on the beneficiary organisations and the extent to which they effectively manage, prioritise and communicate priorities to the IMF.
- Provision of TA has generally been effective, timely and valued by beneficiaries, despite occasional concerns about the quality of some STEs.
- METAC TA appears to complement effectively other IMF TA, but it is possibly less effectively complementary in relation to TA from other providers.
- METAC has provided important additional value added to IMF activities in relation to providing capacity building, follow up, and implementation support and ad hoc advice on specific issues.
- A strengthening of country ownership has not really happened at the overall programme level, but has been effective within specific technical areas and institutions.
- Cooperation among TA providers has been strengthened in some areas, but this tends to be confined to cooperation on specific technical issues.
- Knowledge and experience sharing between members has not been a significant feature so far, and most beneficiary representatives felt that METAC should, and could, play a more active (or at least a more effective facilitating) role in experience sharing.

Organizational effectiveness

The main findings of the evaluation in relation to METAC's organisational effectiveness can be summarised as follows:

- The quality of METAC's management and organization is generally good, with an effective structure and staffing in the Beirut office.
- Quality of technical resources available is generally good, with a few exceptions where the style and approach of RAs is different and where METAC has not been able to respond to some specific needs particularly because of problems in identifying (and in some cases securing approval for) appropriately skilled STEs.
- The composition of the METAC group of beneficiary countries/territories provides both challenges and opportunities for experience sharing and learning about different solutions to the same problems in different circumstances.
- The effectiveness of METAC processes and procedures is hampered by the lack of standard and documented procedures and the difficulties of applying some HQ

procedures (notably the use of the TAIMS system). While the burden of this falls mainly on administrative staff, it also engages a significant amount of advisor and coordinator time that, if freed for alternative uses, could increase METAC's overall effectiveness.

- Coordination between METAC and the Fund headquarters varies between technical areas and depending on whether there is a Resident Representative in the METAC member country.
- There are several ways in which the contribution of the Steering Committee might be made more effective.
- METAC's response to beneficiary needs is generally thought to be good despite the difficulties of working in the region and the complex set of stakeholder relationships and diversity of requirements to which METAC has to respond.

H.2 Recommendations from the MTE and METAC response

Recommendation from the MTE	METAC Response to Recommendation	Action (a. by METAC; b. by others in IMF; c. by other stakeholders) and Comments from METAC	Comments from Evaluation Team
1. Continued attention needs to be given to the simplification of streamlining of administrative procedures so as to enable the full potential benefits of METAC's activities to be realised. The continuing challenge is to balance the responsibilities of the functional departments for quality control with enabling METAC to provide the flexibility and to free time which is currently used for administrative tasks for other purposes.	The responsibility of issuing short-term expert (STE) contracts moved from HR to TA departments, which reduced the time required to hire a STE. However new procedures were added to the process of hiring STEs, such as approval of ticket and hotel costs, getting the Managing Director approval for missions to Phase III countries, etc. METAC, within its mandate, tries to simplify and streamline these procedures and responds quickly and effectively to the demands of country members.	a,b METAC is bound by IMF administrative procedures aimed at ensuring proper accounting and contracting procedures and ensuring quality control on the hiring of short term experts.	METAC appears to operate effectively within the constraints of IMF procedures though these remain not ideally suited to allowing METAC to respond flexibly and quickly to country requirements. The scope for action by METAC alone to address these issues is limited although progress has been made.
2. The role and responsibility of Steering Committee members should be clarified and encouragement provided for the SC members from METAC member countries to play a more active role in the sharing of information between beneficiary organisations, the determination and communication of priorities, and the development of effective ways to assess and monitor performance.	METAC has enhanced the role of the Steering Committee (SC) members, including by: sharing all relevant information with them; making them act as the contact person in their countries by liaising with other government agencies on all issues related to METAC; involving them in setting the workplan ahead of the SC meetings; keeping them informed of all METAC activities in their respective countries; engaging them in identifying qualified people from the region to act either as short-term experts or long-term advisors; and engaging them in the hiring process of resident experts.	a During the past two SC meetings, the coordinator emphasized the fact that the SC member should represent his country and not only the agency he comes from. One idea is to have one SC member from one agency (say ministry of finance) and an alternate from a different agency (say the central bank) and both could attend the SC meetings.	Concerns about access to information or the extent to which their interests were represented in the SC were reported from beneficiary organisations in four of the five countries visited that SC so further action by the SC is required to address these concerns as noted in METAC's comments.

Recommendation from the MTE	METAC Response to Recommendation	Action (a. by METAC; b. by others in IMF; c. by other stakeholders) and Comments from METAC	Comments from Evaluation Team
<p>3. There is a need for an improved system for the monitoring of the outputs and results of the TA provided to move beyond the current reporting that focuses exclusively on inputs (days provided). This system should include as a minimum a standard evaluation form to be completed by the beneficiary organisation on completion of a METAC activity, and a regular process of follow up and reporting on the longer term results of the activity. Some of this may already be done through existing processes like Article IV consultations, but the information needs to be collated and presented. The scope for Steering Committee members to take more active responsibility for coordinating reports at the national level on results achieved should be explored. At the same time, the monthly/quarterly reports prepared by RAs should pay more attention to reporting (in a more standardised framework) on the follow up on the outputs and results of earlier METAC activities, rather than reporting just on inputs provided over the period. In principle, TAIMS if working effectively and with an adequately fast communications connection may provide many elements of this system, though a full assessment of this was outside the scope of this evaluation.</p>	<p>METAC is not using standard evaluation forms to assess the effectiveness of its missions, since the Steering Committee members disagreed with this recommendation (evaluation form for each mission). However continuous efforts are being made to evaluate the outcome of the technical assistance provided by METAC. This is done through the visits of METAC Coordinator to countries and through regular contacts with country authorities where he solicits their views and feedback on the work done by METAC long-term advisors. From their side, the advisors discuss with the stakeholders and counterparts the work done by short-term experts following each mission and complete an evaluation form and send it to HQ to decide on the qualities of the STE, and whether coordination with him should continue or cease. As for the workshops, standard evaluation forms on the content and arrangements of the workshop are completed by the participants. Results are analyzed, reported in the BTO and taken into consideration for other workshops.</p> <p>TAIMS is fully operational in the Centre and is being used by all METAC long term advisors and this would help in this regard.</p>	<p>A</p> <p>Following the recent SC meeting, it was decided to get continuous feedback on the work done by METAC through regular contact between the coordinator and the relevant agency after each major project.</p>	<p>The process of preparing Phase II of METAC was not used as an opportunity to prepare a more structured system of defining and measuring the results of METAC's activities. The process of reporting continues to be largely focused on activities and through (informal) feedback through the Center Coordinator's contacts with beneficiary organisations. Creating a more de-personalised performance assessment channel would enable beneficiaries to provide more objective feedback. TAIMS is now fully operational and being used by RAs for the documentation of project activities. However, it does not appear that this information is accessible for, or is used for, wider management purposes either by METAC or by OTM.</p>

Recommendation from the MTE	METAC Response to Recommendation	Action (a. by METAC; b. by others in IMF; c. by other stakeholders) and Comments from METAC	Comments from Evaluation Team
<p>4. As part of the process of providing a basis for improved reporting on results, there should be an institutional and organisational assessment for each beneficiary organization with which METAC works. The implications of this should be assessed in the planning of activities and modes of engagement, particularly in relation to the issues such the capacity of the organisation to attract and retain appropriately qualified staff. This will, for example, include an assessment of the capacity of the organisation to attract and retain staff, and the quality of its skills base. Usually this will have been developed as part of a wider reform programme or strategy or through ongoing consultations such as those under Article IV. In general this is not an exercise that METAC should itself undertake, but an active attempt should be made to draw on existing documentation and processes to make a systematic assessment of organisational capacity and its implications for the design of support.</p>	<p>Although this recommendation is beyond the scope of METAC, the long term advisors and short term experts discuss with the authorities, and mention in their reports country needs in terms of human resources in specific areas and what could be done to attract and retain staff. The work of METAC in certain areas depend, to a large extent on the number and quality of staff available to undertake a new or a revised function like collecting and analyzing consumer and producer price indices for example. The experience revealed that, during the last few years, some staff was moved and trained and new units established based on METAC recommendations. METAC also coordinates with countries to train the staff through its workshops and seminars and send staff on study tours to benefit from experience sharing and follow the example of more developed countries.</p>	a	<p>There does not appear to have been any changes in IMF practice in this regard (for instance as reflected in the Regional Strategy Notes)</p>
<p>5. Terms of reference and other key information for Missions should be seen by and agreed with beneficiary organisation and beneficiary organisations should be encouraged to circulate and discuss these more widely as appropriate.</p>	<p>The terms of reference and the main tasks of the mission are shared with the beneficiary organizations and with the SC members. This is done either by correspondence (an email or as part of the letter sent to the authorities informing them about the upcoming mission) or directly during</p>	a	<p>Interviewees in two countries reported that they had not seen terms of reference for some missions, so it appears that some further attention to communication of these either between METAC</p>

Recommendation from the MTE	METAC Response to Recommendation	Action (a. by METAC; b. by others in IMF; c. by other stakeholders) and Comments from METAC	Comments from Evaluation Team
	the mission. Developing the terms of reference is done usually after consultation with the authorities. However, full briefing papers in the TAIMS format is not usually shared with the countries and this is true for other RTACs.		and beneficiary organisations or within beneficiary organisations is required.
6. METAC's website should be used much more actively as a way of sharing information and experience. Many issues on which beneficiaries felt they did not have sufficient information could be addressed through more proactive use of the website. This could include posting information on relevant experiences, and some system of sharing (by agreement with the IMF and beneficiary organizations) information on reports progress and lessons from ongoing reform programmes.	METAC website has been updated and is now part of the RTAC websites and can be accessed easily. Further improvements on the website are ongoing to include the Annual Report, work plan, outreach activities and others.	a	There has been little substantive change in the way that the website is being used in relation to the specific suggestions made about using it as a means to compare experience and lessons (for example sharing information on relevant experiences, reports and lessons from ongoing reform programmes). A new design of the website has been prepared but not yet implemented.
7. The selection of Resident Advisors should take place against a job description, draft terms of reference, and role profile (not just a specification of the area of technical expertise) that should be agreed with the SC. There is scope for exploring whether a more transparent and competitive process for selection could be used, as is already happening in some of the other RTACs. This would increase ownership and, it is	SC members are involved in the choice of METAC advisors' expertise. During FY2007-08, vacancies for the resident advisors positions in statistics and public financial management were advertised on the METAC and IMF websites, respectively; and SC members were informed of the vacancies and were encouraged to circulate the vacancy information. Before the final selection is	a	Good practice would emphasise the importance of having a defined job description and terms of reference for all RAs.

Recommendation from the MTE	METAC Response to Recommendation	Action (a. by METAC; b. by others in IMF; c. by other stakeholders) and Comments from METAC	Comments from Evaluation Team
hoped, help to ensure that a wider set of candidates are considered with a more rigorous assessment being made of their ability to perform the mix of activities called for from an RA.	made, the coordinator distributes the CV to the SC members asking if they have any objection.		
8. METAC should develop (in close consultation with beneficiaries) a strategy to guide its activities in networking and experience sharing. This should establish METAC's complementary role in relation to other regional organisations and networks and develop approaches for most effectively achieving networking and experience-sharing in each of the technical areas in which METAC works.	This is being done. METAC is encouraging experience sharing through hiring short-term experts from one member country to help other members. Also, organizing regional workshops on issues that are common to most countries and asking participants to make presentations is enhancing experience sharing. Recent initiatives include: (i) requesting each participant in workshop/ seminar from each country to map the gaps between their practices and best practices and propose a plan to move forward; (ii) asking participants to make a presentation or write a report on what they have learned from the workshop to their colleagues upon return to their countries; (iii) organizing regional meetings (not workshops) for heads of regional organizations (i.e. tax administration, banking supervisors, etc.); (iv) promoting the establishment of pan-METAC countries' regional associations (i.e. tax/revenue, banking supervision) to enhance knowledge sharing; and (v) organizing study tours to benefit from the experiences of other	A The recent initiatives arose out of the recent steering committee meeting where an action plan touching on several issues was prepared.	METAC has fulfilled 99% of its planned regional activities (measured in terms of TA time provided to them) in the last two financial years. Initiatives taken in the area of regional meetings and engagement with networks and study tours have been well-received.

Evaluation of METAC

Recommendation from the MTE	METAC Response to Recommendation	Action (a. by METAC; b. by others in IMF; c. by other stakeholders) and Comments from METAC	Comments from Evaluation Team
	countries.		
9. METAC should actively seek to assist HQ functional departments in developing a network of STEs with skills and experience that are especially relevant to the region. This could involve advertising (through media and the METAC website) for experts with appropriate profiles.	During FY2007-08, about twenty new short-term experts were added to the IMF panel of experts based on METAC's recommendations, and were deployed for METAC training and technical assistance missions. Fifteen of these experts are from the Middle East. Advisors will make more efforts to identify Arabic-speaking experts through their contact with different stakeholders in METAC member countries and in the region at large in full collaboration with HQ; and the coordinator is in constant touch with the SC members to help identify local STEs.	a-b	Significant progress appears to have been made in this area although the pool of qualified Arabic speaking experts remains limited.
10. A full office procedures manual should be developed to include procedures related to staff/ HR terms and conditions, health and safety requirements, all general office procedures and operations, and travel arrangements (for instance guidance on travel costs) and METAC's internet communication should be upgraded.	This is done to the extent possible. Procedures related to staff/HR terms and conditions, and health and safety requirements are usually governed by the IMF rules and procedures, and there is no need for separate procedures. METAC produced an administrative procedures manual containing all the procedures related to the day-to-day work of the office. METAC's internet communication has been upgraded.	a-c	The procedures manual has been prepared but is being used at the moment mainly as a guide for temporary staff. This progress should be built on to strengthen process management in the context of developing a results framework and performance measures for METAC.

Annex I Evaluation Questions

Evaluation Questions
A. METAC's objectives
A1. What are METAC's objectives?
A2. Are METAC's objectives clearly defined and measurable?
A3. What has been METAC's performance in achieving these objectives?
B. METAC's activities
B1. What activities has METAC carried out to fulfil its objectives?
B2. What resources has METAC used to carry out these activities?
C. Relevance of METAC
C1. Has METAC played a useful role in helping to define country TA priorities in line with best practice and the diagnostic assessments and policy advice provided by IMF headquarters?
C2. To what extent has METAC TA met the priority needs of member countries?
C3. Has the SC proved to be effective in ensuring strong country ownership of METAC TA and strategies?
C4. Have METAC activities have been appropriately focused in terms of subject areas, taking into account the IMF's expertise and the priority needs of METAC member countries?
C5. Is METAC TA appropriately focused on delivering outputs that contribute to the achievement of member country reform priorities?
D. Effectiveness of METAC
D1. How good has been the quality and timeliness of METAC activities undertaken, and outputs produced, including TA-related documents?
D2. How good has been the quality and timeliness of reporting and monitoring on the activities and outputs of METAC?
D3. What are the reasons for divergence between work plans and actual implementation, and what are the implications for METAC performance?
D4. Could the effectiveness of METAC TA be enhanced through stronger commitments of member countries to maintain reforms efforts?
D5. How can METAC's impact be increased through regional responses to common issues?
D6. To what extent have METAC's activities been well coordinated and leveraged with those of other donors, TA providers and regional agencies (notably, World Bank, EC, France, and regional Arab institutions such as AMF)?
D7. To what extent have METAC activities have been well integrated with the TA, surveillance, and lending activities of IMF headquarters? Has METAC TA been effective as in complementing TA from IMF headquarters, and in supporting strategies and best practice determined by headquarters?
D8. To what degree has METAC TA equipped countries with adequate institutional capacity to define their own policy alternatives, in particular in light of the ongoing financial crisis?
D9. Is the mix of services provided by METAC appropriate?
D10. Is METAC more effective in certain thematic areas than others?
E. Efficiency of METAC
E1. Has METAC TA proven to be cost-effective, especially 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?

Evaluation Questions
E2. What have been the quality, timeliness, modalities, and cost of management and backstopping of METAC activities by IMF headquarters-based staff?
F. Sustainability of METAC
F1. To what extent has METAC TA led to tangible and lasting results in member countries?
F2. Are there particular constraints faced by METAC member countries which have prevented them from taking full advantage of METAC TA to be self-sustaining, and how such constraints can be addressed?
F3. How effective has METAC been in identifying, utilizing, and promoting growth of local expertise in their activities, including through the appropriate use of local and regional TA experts (taking into account the language barrier)?
G. Role and Performance of the Steering Committee
G1. How effective has the Steering Committee been?
G2. What is the appropriate frequency of METAC SC meetings, and what are the options of alternate modalities for more frequent contact; including through the website?
H. Strategic Issues for METAC
H1. What are the lessons from the experience of METAC's last cycle, including good practice, areas of improvement, and innovation?
H2. What is the appropriate size and mix of advisors for METAC, taking into consideration its, three-year planning horizon, Fund TA plans, demand for its services, the regional absorptive capacity, and long-term results?
H3. What is METAC's position in the regional architecture of TA support and what are the implications of this for its future strategy?
H4. What are the opportunities for increasing the value of METAC (through an analysis of niche areas where it is considered successful by donors and beneficiary countries)?
H5. Should METAC continue to provide technical assistance in the long term or should an exit strategy be prepared?

Office of Technical Assistance Management

700 19th Street NW
Washington, DC 20431
USA

Tel.: 1-202-623-7646

Fax: 1-202-623-7106

Email: GlobalPartnerships@imf.org