

INTERNATIONAL MONETARY FUND

Enhancing the Impact of Fund Technical Assistance

Prepared by the Office of Technical Assistance Management
(In consultation with other Departments)

Approved by Alfred Kammer

April 3, 2008

Contents	Page
Executive Summary	5
I. Introduction	6
II. Fund TA—An Overview.....	8
III. Prioritizing TA by Strategic Objective	12
A. Aligning TA with Fund and Country Policies	12
B. Next Steps	16
IV. Measuring TA Performance	17
A. A Framework for TA Performance Measurement	18
B. The Quantitative Aspect.....	21
C. The Qualitative Aspect.....	21
D. The Cost Aspect.....	23
E. The Implementation Aspect	24
F. Next Steps.....	24
V. Financing of TA.....	26
A. Charging*	27
B. External Financing	30
C. Internal Financing	33
D. Next Steps	33
VI. Conclusion and Issues for Discussion	34
Boxes	
1. Selected Recommendations on TA-Related Issue	7
2. TA Quality Assurance.....	13
3. Example: Results-Focused Project Management.....	19
4. How STA Evaluates TA	22
5. Charging Policies of Other TA Provider	29
6. Action Plan and Resource Implication	37

Appendices

I. TA Delivery, FY200738
II. Final and intermediate Output for Fund TA.....42

Abbreviations and Acronyms

AsDB	Asian Development Bank
CAFRITAC	Central Africa Regional Technical Assistance Center
CARTAC	Caribbean Regional Technical Assistance Center
CCB	Committee on Capacity Building
CIO	Chief Information Officer
EBRD	European Bank for Reconstruction and Development
FACTS	Financial Administrative Control and Tracking System
FAD	Fiscal Affairs Department
FIN	Finance Department
FSAP	Financial Sector Assessment Program
FY	Financial Year
HIPCs	Heavily Indebted Poor Countries
HQ	Headquarters
IBRD	International Bank for Reconstruction and Development
IDB	Inter-American Development Bank
IEG	Independent Evaluation Group
IEO	Independent Evaluation Office
IFC	International Finance Corporation
IFIs	International Financial Institutions
INS	IMF Institute
JMAP	Joint Management Action Plan
JSA	Japan Administered Account for Selected IMF Activities
KOA	Key Output Area
LEG	Legal Department
LICs	Low-Income Countries
MCM	Monetary and Capital Markets Department
METAC	Middle Eastern Technical Assistance Center
MFD	Monetary and Financial Systems Department
MTB	Medium-term Budget
MTS	Medium-term Strategy
OBP	Office of Budget and Planning
OED	Offices of Executive Directors
OIA	Office of Internal Audit
OMD	Office of the Managing Director
OTM	Office of Technical Assistance Management
PER	Project Evaluation Review
RAP	Resource Allocation Plan
ROSC	Report on the Observance of Standards and Codes
RSN	Regional Strategy Note
RTAC	Regional Technical Assistance Center
SEC	Secretary's Department
STA	Statistics Department
TA	Technical Assistance
TACSNs	Technical Assistance Country Strategy Notes

TAIMS	Technical Assistance Information Management System
TGS	Technology and General Services Department
TIMS	Travel Information Management System
TRS	Time Reporting System
WB	World Bank

EXECUTIVE SUMMARY

This paper outlines reforms to increase the impact of the Fund's Technical Assistance (TA). The MTS and recommendations by the Independent Evaluation Office (IEO) have set in motion substantial changes to make Fund TA more effective, ensure that TA resources are allocated efficiently, and TA is better coordinated with recipient countries, other providers, and development partners. The Managing Director's refocusing exercise underscored the need for reform and gave an impetus to accelerate and deepen these efforts.

Reforms aim to enhance the integration of TA with surveillance and Fund lending operations. TA contributes to good policymaking, builds institutional capacity, and reinforces other core Fund functions. In turn, surveillance and Fund lending help identify and prioritize TA to meet a country's economic objectives.

Regional Strategy Notes (RSNs) aim to enhance prioritization by better aligning TA with strategic objectives of the recipient country and the Fund. In RSNs, area departments and TA departments in consultation with country authorities set out a medium-term TA agenda. Prioritization would further be strengthened by a charging regime.

TA is being better integrated into the Fund's medium-term budget, which makes priority-setting easier. RSNs are mapped into the Resource Allocation Plan of TA departments, which are being aligned with the budget process. TA allocations are also becoming more responsive to changes in priorities.

The Fund-wide introduction of performance indicators will make TA more transparent and accountable. TA will be primarily organized as projects, with each project having clear objectives and deliverables against which progress will be measured and which will distinguish between areas within Fund control and those that require action by the authorities. Fund evaluation of TA is expected to become more systematic in monitoring and assessing results and to better disseminate lessons learned.

Better costing of TA projects will help ensure efficient allocation of resources, better inform management decisions and enhance accountability. Costing will make TA stakeholders aware of both the absolute cost of TA and the relative cost of TA services compared with other TA providers. It will also provide a basis for charging and billing of donors.

Through fundraising, the Fund will strengthen its partnerships with donors. External financing for TA will be facilitated by bundling TA in product lines, which better highlight links to donor development strategies. Partnerships will be developed on a broader, longer-term, and more strategic basis, focused on topical trust funds and on expanding TA delivery through Regional Technical Assistance Centers (RTACs).

I. INTRODUCTION

1. **Against the backdrop of the refocusing exercise,¹ this paper outlines reforms to enhance the impact of Fund Technical Assistance (TA).**² It reviews the status of the Fund's Medium-Term Strategy (MTS) for TA³ and discusses TA-related policy issues raised by the Independent Evaluation Office (IEO),⁴ the External Review Committee on Bank-Fund Collaboration (the Malan Committee), the Fund Review of Regional TA Centers (RTACs),⁵ and the Committee to Study Sustainable Long-Term Financing of the IMF (the Crockett Committee) and the Managing Director's refocusing of strategic directions (Box 1). Emphasis is on making TA more effective and efficient while building on its strengths. The paper will not discuss the reprioritization of TA resources in light of the current budgetary environment; this is an ongoing process, which will be reflected in the Regional Strategy Notes (RSNs) for FY2009. Papers on a streamlined and strengthened framework for the dissemination of TA information and on the Fund's TA evaluation program are also being circulated.⁶

2. **In generally endorsing the MTS and IEO recommendations for TA, Executive Directors noted that⁷**

- Area departments should be central to the design of a holistic medium-term TA framework that is better aligned with member needs and flexible enough to respond to shifts in priorities.
- TA evaluation should become more systematic in assessing results. Lessons learned from self-assessment and evaluation should be incorporated in TA work more

¹ "Strategic Directions in the Medium-term Budget" (<http://www.imf.org/external/pp/longres.aspx?id=4243>).

² In this paper, TA includes external training directly related to TA provision but not external training by the IMF Institute (INS) and TA departments. The INS is preparing a separate Board paper on external training. In line with the Fund's budget structure, the paper also excludes Reports on the Observance of Standards and Codes (ROSCs) and Financial Sector Assessment Programs (FSAPs), which are classified as surveillance. Different from the budget structure, FSAPs, ROSCs, and external training constitute TA under the Articles of Agreement.

³ "The Managing Director's Report on Implementing the Fund's Medium-Term Strategy" (<http://www.imf.org/external/pp/longres.aspx?id=548>).

⁴ "IEO Evaluation of TA Provided by the Fund" (http://ieo-imf.org/eval/complete/eval_01312005.html).

⁵ "Review of the Fund's Regional TA Centers" (<http://www.imf.org/external/pp/longres.aspx?id=424>).

⁶ "Dissemination of Technical Assistance Information" and "Technical Assistance Evaluation Program—Findings of Evaluations" (www.imf.org)

⁷ "Implementing the Fund's Medium-Term Strategy" (<http://www.imf.org/external/np/pp/eng/2006/040506.pdf>) and "Conclusions of the Task Force on IMF Technical Assistance" (<http://www.imf.org/external/np/sec/pn/2005/pn05114.htm>).

systematically. Directors also emphasized the importance of generating information on the costs of individual TA activities to inform budget decisions.

- Staff should explore the possibility of increasing external financing and charging for TA while subsidizing low-income countries (LICs).

Box 1. Selected Recommendations on TA-Related Issues

Refocusing: Strategic Directions in the Medium-term Budget (2008)

- Implement charges graduated according to income.
- Improve TA prioritization in the context of a constrained budget and make it more demand driven.
- Step up fundraising.

Crockett Committee (2007)

- Consider charging for direct services to members to help rationalize demand and enhance efficiency, even if donors help to defray costs for countries unable to afford the charges.
- Identify the full cost of bilateral services to benchmark against other providers and enhance transparency.

Malan Report (2007)

- Better coordinate TA delivery with the Bank.
- Provide TA based on the relative expertise of the Bank and the Fund, not differences in TA costs.

MTS (2006)

- Better align TA and external training with other core Fund activities.
- Promote increased country ownership of TA.
- Increase focus on areas of comparative advantage.
- Strengthen TA monitoring and evaluation.
- Explore scope for mobilizing outside resources for TA and external training, in particular scope to combine full charging for direct cost of TA with creation of a trust fund to subsidize TA to LICs.

IEO Evaluation of Fund TA (2005)

- Establish medium-term country policy framework for setting TA priorities, linked to more systematic assessment of factors affecting past performance.
- Design a more systematic way to track progress and identify reasons for shortfalls.
- To signal ownership, involve authorities and counterparts more in the design of TA and follow-up.
- Ask experts to do more to identify options and discuss alternatives.
- Widen ex post evaluation and adopt systematic procedures for disseminating lessons.
- In prioritizing TA, make explicit all strategic decisions and tradeoffs.

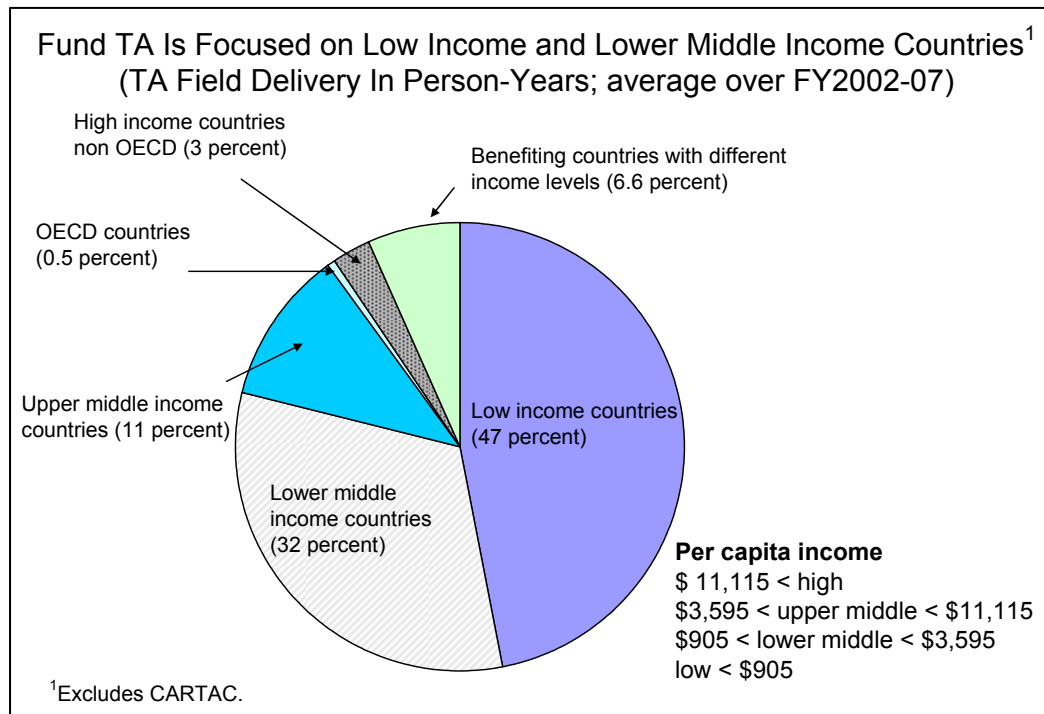
Fund Review of RTACs (2005)

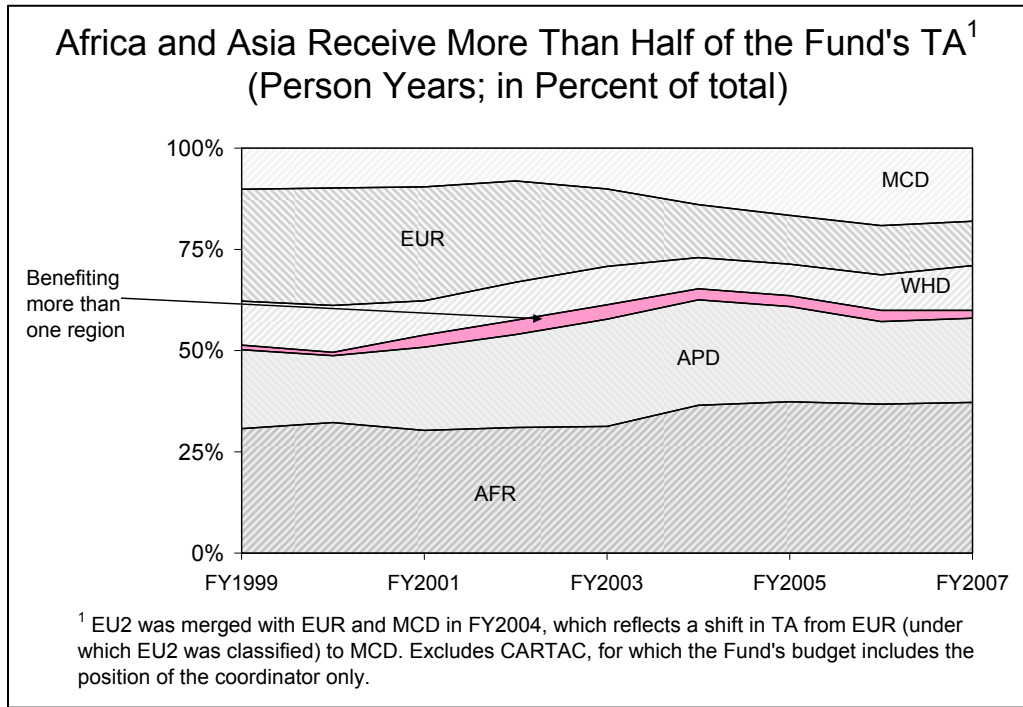
- Align RTAC strategies with Fund strategic priorities.
- Strengthen RTAC operations by focusing more on reporting results.
- Identify the costs of backstopping, management and mobilizing resources for RTACs and budget for them.
- Foster coordination among TA providers.

3. Section II gives an overview of Fund TA, Section III discusses aligning TA prioritization with Fund strategic objectives, Section IV examines performance measurement, and Section V analyzes financing. Section VI presents conclusions and identifies issues for discussion.

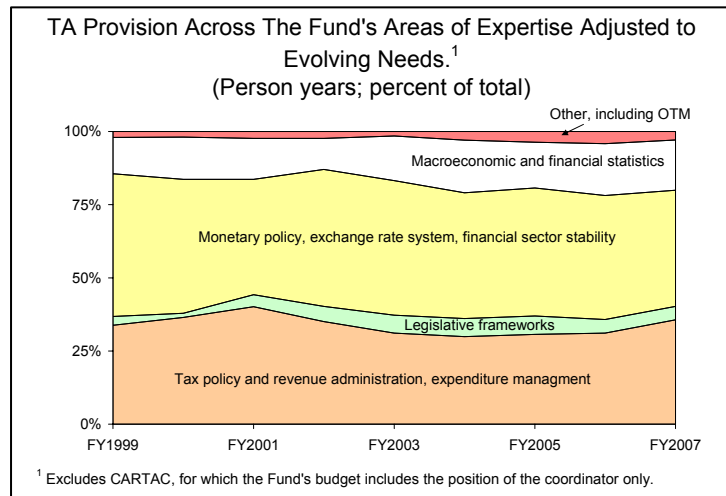
II. FUND TA—AN OVERVIEW

4. **TA is a core activity of the Fund.** In most cases, it is currently provided without charge to any requesting member country. About 80 percent of Fund TA goes to low- and lower-middle-income countries, particularly in sub-Saharan Africa and Asia. In addition to the immediate benefit to recipient countries, by helping countries design and implement better policies thus reducing their vulnerabilities, TA contributes to a more robust and stable global economy. TA takes different forms according to needs (such as long-term hands-on capacity building or short-notice policy support in a financial crisis).





5. The Fund provides TA in areas of its core expertise: macroeconomic policy, tax policy and revenue administration, expenditure management, monetary policy, the exchange rate system, financial sector stability, legislative frameworks, and macroeconomic and financial statistics (see Appendix I with detailed data for FY2007). TA has been directed in recent years to building capacity to design and implement poverty-reducing and growth programs, helping heavily indebted poor countries (HIPC)s better manage expenditures and debt-reduction programs.

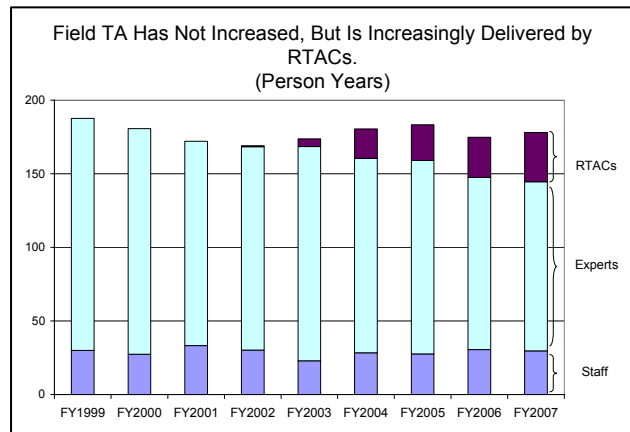


6. The Fund has gradually expanded TA delivery through its regional centers. Depending on the assignment, support is often provided through staff missions sent from headquarters (HQ) or experts or resident advisors placed for periods ranging from a few

weeks to several years. Because RTACs were found to be effective and efficient, the Fund is increasingly using its six RTACs—in the Pacific; the Caribbean⁸; East, West and Central Africa; and the Middle East—to provide TA in the form of technical and diagnostic studies, training, seminars, workshops, and online.

7. The Fund is small niche provider of TA. As reported by the Development Assistance Committee of the Organization for Economic

Cooperation and Development, aggregate technical cooperation in areas related to Fund expertise amounted to about US\$3.5 billion in 2003, which compares with the Fund's allocation to TA of less than US\$0.2 billion a year. Only a small share of TA field delivery is provided by Fund staff. This is because staff missions are short and focus on strategic reforms (such as diagnostic assessments and sequencing). Mission preparation and report finalization are done at HQ. HQ work further includes desk-based TA (for instance, review of legal documents), backstopping and managing experts, who provide hands-on TA in the field, and TA policy development, research, evaluation, and outreach.



⁸ The Caribbean Regional Technical Assistance Center (CARTAC) is administered by the United Nation Development Program but executed by the Fund. Only its coordinator is included in the Fund's budget.

TA Cost Allocation, FY2007-FY2008¹
(Millions of US\$)

	FY2007 Outturn	FY2008 Budget
Direct cost of TA	110.2	107.3
Externally financed TA ²	28.2	34.2
Internally financed	81.9	73.2
Direct (i.e., country-related) TA, incl. field time and HQ work	30.1	...
Backstopping and management of experts	14.7	...
Policy and evaluation	10.2	...
Long-term and short-term experts	23.5	...
Other ³	3.5	5.9
INS ⁴	7.2	0.0
Total TA	117.4	107.3
Governance and support ⁵	79.0	59.6
Grand total	196.4	167.0

Source: FY2009-FY2011 Medium-Term Administrative, Restructuring and Capital Budgets (<http://www.imf.org/external/pp/longres.aspx?id=4245>); Office of Budget and Planning and Office of Technical

¹ The methodology for assigning cost to the Fund's output groups changed substantially between FY2007 and FY2008, which limits comparability between the FY2007 outturn and the FY2008 budget.

² For FY2007, based on external funding outturn. Actual use of donor funds allocates \$34.7 million to TA.

³ For FY2007, includes vendors, resident representative activities, including RTACs, ACBF and INS internal training, which are allocated pro rata. For FY2008, includes cost of vendors, RR office costs allocated according to time reported by vendors; RR staff; RTAC office and ACBF costs allocated directly to TA; and INS internal training allocated pro rata.

⁴ For FY2007, misclassified under TA; excluded from FY2008 onward and included under external training.

⁵ For governance: activities of the Secretary's Department, SEC and the Offices of Executive Directors, (OEDs) are allocated using the number of TA Board papers as a proxy; activities of the Office of the Managing Director, OMD and IEO are allocated pro rata. For Fund-wide costs for facilities and staff support: general management and administration, administrative support, staff management and development, budgeting and accounting, and training are allocated pro rata by the amount of staff and expert costs. For FY2007, governance and support cost include US\$5.5 million for INS.

III. PRIORITIZING TA BY STRATEGIC OBJECTIVE

8. **To ensure high impact, Fund TA is being better integrated with surveillance, lending,⁹ and recipient country reform agendas.** Coordinated surveillance-lending-TA brings synergies to the Fund’s work. *Basic capacity-building TA* helps to lay institutional foundations and builds human capacity for effective policymaking. *Highly specialized TA* uses relevant cross-country experience to enhance the surveillance dialogue and strengthens country policy formulation and analysis, focusing on how to implement specific Fund policy advice. Surveillance and lending operations help to identify and prioritize TA in line both with the country’s strategic objectives (for LICs often set out in their poverty reduction strategy) and with the Fund’s policy advice.

9. **Area departments are becoming the linchpin for preparing TA strategies.** As the primary link between the Fund and its members, area departments integrate the reform agenda of countries with the Fund’s own policy and surveillance perspectives, drawing on the technical expertise of TA departments. In coordination with country authorities, they identify topics for TA and set priorities across TA departments and balance short- and medium-term considerations, while relying on TA department technical expertise and country knowledge for TA prioritization, sequencing, and delivery mode.¹⁰

10. **TA is also being further embedded in a medium-term framework** to balance short-term policy needs with medium-term capacity-building requirements, so that short-term considerations do not crowd out longer-term goals. Longer planning horizons also help the Fund enhance cooperation with other TA providers and facilitate fundraising. The longer planning horizons complement the Joint Management Action Plan (JMAP),¹¹ which aims to ensure, among other, that TA work is allocated within the Fund and the World Bank respective areas of expertise.

A. Aligning TA with Fund and Country Policies

11. **Country agendas must be prioritized within a Fund-wide TA strategy.** In a 2006 pilot, staff fleshed out 10 country-specific TA strategies. The Technical Assistance Country Strategy Notes (TACSNs) identified TA needs for a particular country, formulated in consultation with area and TA departments and country authorities. Because TACSNs were country-specific, they were not helpful in prioritizing among countries and regions. There was a need also for better prioritization by sectors and integration with the Fund’s Medium-

⁹ The term “lending” refers to the use of Fund resources.

¹⁰ The RTAC model already reflects this strategy with area departments having overall management responsibilities for each Center, and TA departments being responsible for the technical aspects of TA delivery.

¹¹ “Enhancing Collaboration—Joint Management Action Plan,” (<http://www.imf.org/external/pp/longres.aspx?id=4214>).

Term Budget (MTB). Staff has therefore been revamping the TA prioritization process (see below).¹²

A Regional Basis for Prioritization

12. **Area departments started preparing RSNs in FY2008.** RSNs, which superseded TACSNs, outline medium-term TA priorities for an entire area department so that TA can be integrated with its surveillance and lending operations.

13. **RSNs aim to incorporate the views of country authorities and TA departments.** Through a consultative and iterative process, the country-specific strategies in RSNs should reflect a joint agenda that countries and all concerned departments subscribe to. Discussions with country authorities in the context of the Fund’s regular surveillance or policy dialogue help identify TA needs and gauge ownership.¹³ TA departments provide the technical underpinning for needs assessments and analyses, and TA quality control helps further integrate TA with the Fund’s other core mandates (Box 2).

Box 2. TA Quality Control

Quality control from HQ is a hallmark of Fund TA. Close supervision of TA specialists (known as “backstopping”) and peer review distinguish Fund TA from that of other providers that completely outsource projects to independent contractors.

- **Area department TA monitoring.** Article IV consultation and program missions are avenues to monitor TA delivery and implementation against policy objectives and help the authorities conceptualize TA needs.
- **Close supervision and peer review.** TA managers plan and track progress through pre-mission terms of reference and post-mission back-to-office reports. This practice is particularly valuable for short-term external experts who may not be familiar with the institutional policies and positions that guide the advice they deliver. It is complemented by the peer review culture of Fund staff, so that advice from TA and area departments is taken into account at all stages: before a mission, when TA reports are being drafted, and again as the reports are finalized.
- **Selection of external experts.** The Fund maintains a roster of experts. Certification procedures include, among other, strong performance records and proven familiarity with international best practice. The choice of an expert for a particular project is reviewed by supervisors in TA departments to ensure an appropriate skills match.

14. **RSNs have a common format:**

¹² Developed by the Working Group on Resource Planning.

¹³ All Fund TA is voluntary in that it is provided only upon request.

- A regional overview of the department's surveillance agenda, potential program involvement, and TA priorities for countries or groups of countries;
- Individual notes for intensive TA users,¹⁴ linking their TA priorities with broad macroeconomic objectives; and
- A consolidated note to address the TA needs of user countries not covered by individual notes.

RSNs may also discuss TA strategies for subgroups of countries within a same region (e.g., Francophone or Anglophone African budget systems, post conflict needs).

15. **RSNs are designed to cover TA priorities over the medium term.** Because specialized Fund staff and HQ-based experts cannot be shifted between TA departments in the short term due to their different expertise,¹⁵ RSNs should flag any foreseen medium-term demand shifts in TA priorities to factor them into department business plans. RSNs are updated every year and revised mid-year.

16. **RSNs facilitate coordination of Fund TA with other providers and support fundraising.** By setting out the Fund's medium-term TA strategy for both countries and regions, RSNs can help avoid overlap and build cooperation with other TA providers¹⁶ and donors who finance Fund TA. Priorities identified in the RSNs also guide the Fund's fundraising strategy.

17. **Coordination will be further reinforced by widening the dissemination of Fund TA findings.** In response to donors and other TA providers asking the Fund for more information on TA, including TA reports and recommendations, Fund disclosure policies will be broadened.¹⁷ Disclosure policies, which have largely evolved in a piecemeal fashion, will be streamlined to facilitate more systematic and effective dissemination of information, while safeguarding confidential information.

¹⁴ For these, TA departments in consultation with area departments will consider preparing more detailed strategies replacing TA departments' country strategy notes.

¹⁵ There is some short-term flexibility. Resources for externally financed experts and Fund-financed short-term experts can be shifted between TA departments.

¹⁶ This is a key objective of the MTS, which is in line with the Paris Declaration on Aid Effectiveness (http://www.oecd.org/document/18/0,2340,en_2649_3236398_35401554_1_1_1_1,00.html) to which the Fund adheres. It also reflects the proposals made in the JMAP.

¹⁷ More detailed information is in the dissemination paper.

Integration into the MTB

18. **To integrate TA into the Fund's MTB, two separate exercises must be coordinated:**

- The *top-down* exercise, which determines the Fund's total budget and allocations for departments, is conducted by management and the Office of Budget and Planning (OBP) as part of the MTB framework. It sets a ceiling for department budgets, of which for TA departments one element are the resources (both internal and external) available for TA.
- The *bottom-up* exercise, in which departments allocate resources to TA. Through the RSNs, allocation by country and topic is area department-led. TA and area departments decide on how to allocate resources by activity (e.g., number of missions) based on such factors as the availability of experts and the most appropriate delivery mode, and specify these activities in the Resource Allocation Plan (RAP), which includes RTAC and other externally financed TA delivery. RAPs are then aggregated to show the distribution of TA across area and TA departments. TA departments then add pro-rated backstopping and management costs for TA and the costs of TA policy development, evaluation and research.¹⁸

19. **For a final reconciliation, both exercises must go through an iterative process.** In this way, bottom-up assessment of TA needs and priorities is synchronized with top-down constraints.

Shifts in TA Resource Allocations

20. **Until FY2008 it was difficult to shift RAP resources mid-year.** Though area departments could reallocate resources by country,¹⁹ allocations for TA departments were fixed. A shift of resources between TA departments would have required management decisions. However, information was not collected or analyzed systematically to prepare such decisions.

21. **Area departments are becoming more involved in shifting resources between TA departments.**

- **Some internal TA resources are now being set aside for allocation in mid-year.** For FY2008, a moderate reserve of internal funds was set aside (5 percent of internal financing for short-term experts and travel or US\$1.2 million), which was used to

¹⁸ A summary of the RAP for FY2007 is in Appendix I.

¹⁹ Area departments typically review TA departments' mission schedule on a monthly basis.

meet unanticipated TA needs and shifts in short-term priorities. After mid-year revisions to the RSNs, area departments bid for the reserve and management, in consultation with the Committee on Capacity Building (CCB), decided how to allocate it. There will be a similar process in FY2009.

- **For FY2009, staff started experimenting in devolving some external funds to area departments.** About one third of external funds will be allocated in early April through a prioritization process through the RSN/RAP exercise that, based on area departments' preferences, may shift funds between TA departments with the CCB maintaining an oversight (variant of the purchaser-provider approach). Based on this experiment, staff will consider whether this model could be extended.

B. Next Steps

22. **Though potentially a powerful tool for prioritizing, the RSNs are not yet fully operational.** Based on the experience with the first RSNs, area and TA departments are exploring how to enhance their dialogue, including prioritization across countries with different levels of economic development. There is also a need to strengthen coordination with country authorities and regional institutions. It is planned that starting with FY2010, the CCB will decide the annual allocations to TA areas. To fully integrating the RAP with the MTB, work is ongoing to

- Fine-tune the mapping of RSNs into RAPs to better link priorities and resources. Area departments can now review each planned mission/expert assignment (through the number of staff days spent in the field), but further standardization is needed to make RSNs and RAPs fully consistent and allow meaningful aggregation. Staff will also explore whether the RAP can be expanded into a medium-term TA planning tool.
- Present the RAP both in dollar and person-years. Broad cost information is made available to area departments to highlight trade-offs, but refinements to the methodology are needed, which are likely to require more standardized RAP management by TA departments.
- Enhance systems and work practices to manage the bottom-up planning process.
- Better align the RAP with the MTB formulation, including by better incorporating the potential for new external financing into RAPs and the MTB. Regional medium-term priorities will inform fundraising, which would reduce planning uncertainties related to external financing.

IV. MEASURING TA PERFORMANCE

23. Fund TA has the following evaluation instruments:

- **Fund-wide evaluations.** Staff regularly review Fund TA.²⁰ In July 2002 the Executive Board established the TA Evaluation Program, in which three to four evaluations a year are presented to the Board,²¹ and TA departments explain how they apply lessons learned from these evaluations. In 2005 the IEO also evaluated TA, paying special attention to its the relevance and effectiveness and how to enhance ownership.²²
- **Evaluations by TA departments.** TA departments generally self-assess completed externally financed projects for donors, and there are also independent evaluations of TA delivery, though departmental policies vary. The Statistics (STA) and Legal Departments (LEG) have regular evaluations; the Monetary and Capital Markets Department (MCM) conducts regular assessment visits to countries with intensive TA programs and asks external consultants to evaluate significant multiyear programs. The Fiscal Affairs Department (FAD) undertakes regular inspection missions to intense TA users and distills policy lessons from topical evaluations, some conducted with external participation.²³ These lessons feed into TA through FAD guidance notes, internal seminars, and workshops. Fund TA is also evaluated as part of general policy reviews.
- **Evaluation of RTACs.** Evaluations are conducted by external evaluators usually midway through each Center’s three-year cycle.²⁴

²⁰ The last review was conducted in 2004, “Review of Technical Assistance” (<http://www.imf.org/external/np/ta/2004/eng/021704.htm>).

²¹ The paper “Technical Assistance Evaluation Program” reports on the most recent evaluations. The previous report issued in July 2006 (<http://www.imf.org/external/pp/longres.aspx?id=3861>) featured five TA project evaluations: (1) Legal Department (LEG) TA to Indonesia; and (2) Monetary and Financial Systems Department (MFD) on four financial sector projects to Sierra Leone, the Democratic Republic of the Congo, Bosnia and Herzegovina, and Kosovo.

²² IEO Report (http://ieo-imf.org/eval/complete/eval_01312005.html).

²³ Examples of past evaluations and studies include a review of TA on Large Taxpayer Units (2002), an evaluation of public expenditure management TA to Anglophone African countries (2004) (reported in <http://www.imf.org/external/np/ta/2004/eng/030104.htm>), and a study of the integration of tax and social security contributions (2004).

²⁴ Examples of such evaluations were last presented to the Executive Board in the 2005 Review of the Fund’s RTACs (<http://www.imf.org/external/pp/longres.aspx?id=424>). More recent evaluations of CARTAC and the Middle Eastern Technical Assistance Center (METAC) are included in the paper “Technical Assistance Evaluation Program.”

24. **But TA must be more systematically tracked to help ensure results in member countries.** In particular, the IEO noted²⁵:

- At the outset of major TA activities, the Fund and country authorities should agree on how progress and success of this activity will be measured.
- The Fund should clearly unbundle different stages through which TA may achieve results, and then monitor them.
- Ex post evaluations should be broadened and more systematic procedures adopted for disseminating lessons.

25. **The Fund's TA is not sufficiently standardized to facilitate effective monitoring and evaluation.** There is no common understanding of the parameters for performance measurement. For instance, some managers organize TA at a task or mission level; others see it as a continuum tied to the Fund's relationship with countries and having no fixed start or end dates. Thus, there are no common benchmarks for success (e.g., should success be assessed at the mission level, yearly, or in relation to surveillance/lending programs?). These differences inhibit systematic measurement of TA.

A. A Framework for TA Performance Measurement

26. **TA performance measurement is being reinforced as part of the Fund-wide introduction of performance indicators.** In recent years the Fund has implemented budget reforms directed to output-based budgeting, including dollar budgeting over the medium term and three-year rolling departmental business plans. Since FY2008 the Fund measures performance in the delivery of TA and other Fund outputs within an integrated framework. OBP is monitoring these outputs, which are used for making budget decisions and are reported to the Board (Appendix II for TA outputs).

27. **TA will be primarily organized as projects.**²⁶ In line with international best practice as increasingly applied by international financial institutions (IFIs), the Fund is already managing externally and internally financed TA by STA as separate projects. To unify all Fund TA field delivery, an interdepartmental working group harmonized terminology and set out minimum information requirements in a guidance note completed in September 2007. The note defines a project as a set of one or more related activities that within a specified period generates measurable outputs and contributes to achieving a certain objective.

²⁵ IEO report (http://ieo-imf.org/eval/complete/eval_01312005.html).

²⁶ See section E.

- Every project has outputs to be delivered by staff.²⁷ It also has expected outcomes, which are under the control of the recipient country (Box 3).
- For each element of a project, TA managers will specify how its attainment would be verified through objectively observable criteria.
- The concept is dynamic and projects can be amended as a result of mission findings, response of the authorities, and Fund prioritization of follow-up assistance.
- To ensure country ownership, the authorities are consulted in the design of the main project deliverables.

Box 3. Example: Results-Focused Project Management

Objective: What the project seeks to accomplish

→ Example: Increase in tax revenue, to be verified through an increase in the revenue-to-GDP ratio or a real growth in tax revenue.

Assumptions: Conditions that are critical to or may negatively affect achievement of the objective

→ Example: Amendments to the tax code enacted

Project: One or more activities that support the same objective

→ Example: FAD sends a tax policy mission to advise on changes to the tax regime, then a diagnostic tax administration mission, and finally a long-term resident advisor on tax administration. Each mission and the advisor are activities.

Output: A measurable product, largely under the project manager's control, resulting from activities

→ Example: TA report outlining reforms in tax policy and administration; a workshop on the operation of a large taxpayer unit.

Outcome: Actions taken by the country authorities in response to TA outputs

→ Example: Large taxpayer unit established.

28. **Results-focused project design will make it possible to measure success.** The project concept incorporates principles pertaining to performance measurement in general and takes into account the nature of Fund TA. In particular, the concept:

²⁷ This paper uses “output” in the context of both the narrow concept of output of a specific project and the broad concept of outputs for the Fund as an institution; in the context of the latter, TA is one of the Fund’s institutional outputs of the Key Output Area (KOA) on capacity building.

- Captures information relevant for all levels of Fund management. Detailed project information informs departmental operations; aggregation yields information needed by the Board and management for monitoring TA performance at a strategic level.
- Provides some standardization for comparability while also allowing TA departments, which are directly responsible for achieving the indicators, to tailor them to a specific project. For instance, a series of related TA activities might be combined as one project or treated as separate projects. Though more standardization might be warranted once experience has been gained with the new concept, autonomy for TA departments at the outset is critical in building consensus and fostering ownership of performance measurement standards.
- May overcome difficulties in identifying how Fund TA has contributed to a country's progress by distinguishing which areas are within Fund control and which require action by the authorities. Fund TA often applies to only a small piece of a country's reform agenda and sometimes deals with issues of significant political sensitivity, which may make it harder for the authorities to implement TA advice.

29. **Measuring performance in a meaningful way will take time.** Moving to results-focused management of projects requires a shift from assessing the quality of project inputs (were the experts appropriately skilled?) to assessing tangible results (did a project deliver what it was supposed to? are results sustainable?). This process has proved time-consuming for the international organizations and governments that have adopted similar frameworks. Thus, while it is important to move ahead, it must be recognized that identifying good indicators is an evolutionary process and that the first indicators chosen may not be entirely satisfactory.

30. **It is useful to characterize Fund TA activities as producing two distinct institutional final outputs** (Appendix II, which lays out the Fund's institutional outputs in Fund TA):

- TA activities that can be directly attributed to specific projects, whether field or HQ-delivered, backstopping, management, and direct administrative support (Appendix II presents final outputs 1-4 as per the Fund's output structure introduced for FY2008).
- TA activities that cannot be attributed to specific projects, which are classified under research and outreach as per the Fund's output structure (final outputs 5 and 6 in Appendix II).

31. **Distinguishing between the two types of institutional output, the sections below discuss performance measurement from**

- the *quantitative aspect*: volume or amount of TA delivered

- the *qualitative aspect*: the extent to which TA achieved the intended objectives
- the *cost aspect*: achieving the most efficient resource allocation
- the *implementation aspect*: information systems requirements.

B. The Quantitative Aspect

32. **For TA projects, quantitative indicators measure the intensity of engagement with a country.** Policy advice is abstract; it does not lend itself to quantitative measurement. Also, single-activity projects (a one-off mission) must be differentiated from projects that incorporate a series of activities (as in Box 3). The Fund has therefore introduced for FY2008 a three-tier ranking of TA projects:

- Tier 1—multi-event, multi-topic²⁸
- Tier 2—multi-event, single topic
- Tier 3—single event, single topic.

This approach allows us to analyze the relative complexity or resource intensity of different projects and thus the intensity of Fund engagement with a given country; it is now being integrated into results-focused project management. Final outputs for the Fund are the number of different projects, the number of countries receiving tier 1 and tier 2 TA, and the number of reports (see Appendix II for quantity indicators for final outputs 1-4).

33. **There are also quantitative indicators to measure Fund TA-related research and outreach.** Besides measuring indicators for final outputs (e.g., number of working papers published or fundraising events), the Fund's performance system monitors intermediate outputs, defined as TA support processes, resource mobilization, monitoring and planning, TA coordination, policy development and evaluation, and comments from non originating departments (intermediate indicators 1-5 in Appendix II).

C. The Qualitative Aspect

34. **The quality of TA projects can now be more systematically evaluated.** Results-focused management makes it possible to judge the quality of the entire project by measuring success against verifiable indicators. Results-focused management also fosters a culture of

²⁸ Events would be one or more of the following: missions, expert assignments, reports written, collaboration with other TA providers, seminars, conferences, workshops and other training delivered in support of a TA program, backstopping, and evaluation. TA would be scored as tier 1 for cross-departmental and cross-divisional TA in TA departments where divisions are organized narrowly by function.

accountability at every level where TA is managed in the Fund, which will be reinforced by self-assessments for all projects. Evaluation and review can be more systematic because the project concept makes it possible to compare projects and assess the Fund's TA overall as an institutional output. It will, for example, allow evaluators to review whether, to achieve a specific objective, some delivery modes are more successful than others (e.g., how effective are workshops complementing missions?) or to analyze how sequencing project activities affects the success of a project. It will also facilitate topical evaluation across TA departments.²⁹ STA is already using results-focused project management to evaluate its work (Box 4).

Box 4. How STA Evaluates TA

STA uses a three-stage procedure to evaluate TA:

1. Each TA mission is evaluated in an End-of-Mission Assessment Report that accompanies the back-to-office report. These reports compare results against objectives.
2. Within a year of completion of a TA project, the recipient country prepares a project evaluation report (PER) based on a standard template that compares actual outputs with project plans. Country authorities are also asked to assess, on a scale of 1 to 4, the achievements and sustainability of the outputs. Comments of STA and area department staff may be added to the PER.¹
3. A program evaluation is conducted after TA has been provided in several topical areas for three to five years (what STA refers to as "comprehensive delivery of TA that is the set of all TA projects undertaken by STA in the country"). The evaluation covers the outputs of a program's constituent projects and the outcomes of the entire program to assess effectiveness and provide lessons for future TA. Program evaluations review all relevant PERs and survey country authorities for their views on the TA program; the STA evaluator (a senior staff member) and other staff also make country visits. STA plans to conduct a TA program evaluation in two regions every year, with coverage of regions to be staggered.

¹ For projects that last longer, interim PERs are done during the project if deemed useful.

35. **Measuring the quality of research and outreach is more difficult.** Recognizing these difficulties, there are no quality indicators for final institutional outputs or research and outreach, but for intermediate outputs (Appendix II).

²⁹ For example, see Board seminar of February 14, 2005 on rebuilding institutions in postconflict countries (<http://www.imf.org/external/np/sec/pn/2005/pn0545.htm>).

D. The Cost Aspect

36. **Currently costs are not fully allocated at the project level.**³⁰ Field delivery costs for externally financed projects (travel expenses and salaries of experts) and costs related to seminars and workshops are available. But the cost of HQ staff time spent on TA delivery, backstopping, management, and administrative support, while recorded, is generally not attributed to specific projects. An exception is the new Central Africa Regional Technical Assistance Center (CAFRITAC), where staff time spent on these activities is allocated to CAFRITAC through the Time Reporting System (TRS). Departments charge time against CAFRITAC and the Fund bills the multi-donor subaccount every quarter. The Fund also has data on the field costs of internally financed projects but does not manage them consistently by project.

37. **More accurate project costing would enhance transparency and efficiency, and make it possible to analyze cost effectiveness.** It would

- **Strengthen cost control** by informing decisions in TA departments, especially with regard to planning and resource prioritization. Costing raises awareness of not only the absolute cost of providing TA but also the relative costs of different Fund TA projects and of Fund TA relative to that of other providers. Cost information helps allocate resources more efficiently.
- **Supports fundraising and charges for TA** (see Section V). More accurate cost data would align the Fund's external finance practices with those of other TA providers. More transparent costing is also needed to assure donors and countries charged for TA that they get "value-for-money."

38. **Staff will start collecting all cost information directly related to a project.**³¹ This will require to measure staff time spent on a specific project and can be done by enhancing Fund reporting systems (see sections E and F). In the longer term, staff will explore options to attribute cost to project outputs to anchor costing more in the results-focused management.

39. **Staff will also raise awareness about actual costs to allocate resources more efficiently.** The Fund currently bills donors on the basis of a standard cost concept that lumps together travel and personnel costs, whether or not the expert is local or travels long distances and irrespective of the expert's qualifications. Standard cost has been an efficient way of budgeting for Fund-wide outputs: the Fund in the past three years recovered 98 percent of the field delivery costs of donor-funded TA. Though a draft OIA report notes that financial

³⁰ The Fund costs out TA expenditure (see table on page 11), but not by project.

³¹ Although support and governance costs (see table on page 11) should ultimately be attributable to projects, this will take more time and is less critical to increasing the accountability and control of project managers.

controls over TA expert recruitment and remuneration are generally adequate,³² there is no built-in incentive for project managers to minimize costs or use local experts.³³ The Fund will thus change its billing to more appropriately reflect actual costs.

E. The Implementation Aspect

40. **The Fund's Technical Assistance Information Management System (TAIMS) in principle has the capacity to organize all aspects of project performance.** TAIMS was introduced in 2004 as the central repository for information on TA projects to give a consistent, accessible, and integrated view of TA activities across departments.

41. **TAIMS has had serious problems.** TAIMS has not been meeting its objectives because there was a lack of agreement among departments on the conceptual model and how to use it.³⁴ Usability issues also raised significant barriers to effective usage. Consequently, departmental use of TAIMS is still inconsistent and incomplete.³⁵

42. **TAIMS must be made more reliable and effective.** Revisions to TAIMS to conform with results-focused project management and also to simplify its user interface are expected to be completed by April 2008. From FY2009 onward, TA departments will report in TAIMS both internally and externally financed projects.

F. Next Steps

43. **Fund TA evaluation policies and practices must become more systematic.** The unified TA management approach is expected to lay the foundation for greater applicability of lessons learned across departments and making operational a more systematic evaluation framework.³⁶ All evaluations will routinely be published.

³² The draft also notes that recruitment procedures are not uniform across TA departments. When the report has been finalized, staff will explore options for strengthening procedures. The Technology and General Services Department (TGS) is also undertaking an evaluation, which aims at making TA expert recruitment more efficient.

³³ This incentive is already in place for internally financed experts, for whom TA department budgets are billed at actual costs for salaries, with a mark-up factor for benefits.

³⁴ A review by the Fund's Chief Information Officer (CIO) in June 2007 noted that TAIMS implementation fell short also because its considerable resource implications had not been considered.

³⁵ For instance, only 15 percent of all TA missions in FY2007 were linked to TAIMS projects. Although all externally financed projects should be registered in TAIMS, two-thirds lacked an end-of-project assessment; one-fifth did not have project outputs; and more than one tenth did not have project objectives.

³⁶ This is an outstanding IEO recommendation (<http://www.imf.org/external/np/pp/2007/eng/120307.pdf>).

- Evaluations for donor-financed TA will continue to be done externally.³⁷ A review of the RTACs is scheduled for FY2010, which will report on external evaluations for individual RTACs undertaken since FY2005.
- A conceptual framework for evaluating Fund TA projects must be developed, drawing on international best practice. Self-assessment will be done for the majority of projects, complemented by external evaluations. The framework should involve TA recipients and could include evaluation ratings (such as used in the Iraq subaccount evaluation), but would provide evaluators with flexibility to select and modify evaluation criteria, as appropriate.
- To give a fresh perspective on evaluation, staff will also (1) explore the possibility of ex post evaluations of internally financed TA being done by units that do not provide TA directly and (2) define the role of area departments and the authorities in the process.³⁸ The CCB, which has members from all departments involved in TA policy development and delivery, would be a suitable forum to supervise such ex-post evaluations. Because evaluation is expensive,³⁹ a stronger evaluation framework might require a shift of resources from assessing input to assessing results.
- To provide meaningful underlying project data for evaluations, staff training on TAIMS as well as quality control of TAIMS entries are critical. Staff will thus undertake a review of TAIMS entries and performance in October 2008. Based on the experience of other IFIs (for instance, the International Finance Corporation, IFC) that use standardized project outputs to permit aggregation and thus a broader view, it might also be useful to explore how far it might be possible to standardize individual TA department definitions of project outputs.

44. Collecting all project-related cost information is a priority.

- Ongoing changes to the building blocks of Fund information systems will capture the cost data if projects recorded in TAIMS are linked to systems that house data on staff time (e.g., TRS) and travel cost (e.g., the Travel Information Management System, TIMS, and the Financial Administrative Control and Tracking System, (FACTS). The changes should be completed by mid-FY2009.

³⁷ The most recent evaluation, which was done for the Iraq subaccount, is included in the paper “Technical Assistance Evaluation Program.”

³⁸ IEO report (http://ieo-imf.org/eval/complete/eval_01312005.html).

³⁹ For instance, STA spends 5 percent of its budget on evaluation. The World Bank (WB) has an Independent Evaluation Group (IEG) that oversees all independent evaluation work.

- Meaningful use of systems will also require major changes in work and reporting practices. In particular, staff will start reporting time spent by project, including on backstopping and management. There is also a need to look at reporting systems to define data needs for specific target groups and assign responsibilities for reporting standards and analysis. This must be complemented by staff training.

45. **Staff will refine its billing procedures to include all project-related costs (including staff time).** It will adopt these procedures for new donors arrangements and for charging of TA and over time roll them out to all current donors. This will require substantial change in the Finance Department (FIN), the Office of Technical Assistance Management (OTM), and TA department practices. Most importantly, TA accounting and financial record-keeping practices will have to adjust to stand the test of external audits and formal closeout procedures be established.

V. FINANCING OF TA

46. **Given pressures on Fund finances, the possibility of harnessing new external financial resources for TA must be explored.** Because of the Fund's restructuring, internally financed TA will decline by about 20 percent in real terms over the medium term. For FY2009, existing commitments from donors are expected to largely offset these cuts. Looking beyond FY2009, however, it would not be meaningful to seek financing to simply offset these cuts without a better idea about demand for Fund TA (accordingly, the medium-term budget paper presented ranges for externally financed TA). Thus, financing options proposed below are designed to better gauge demand.

TA Cost Allocation, FY2008-FY2011

	FY2008	FY2009	FY2010	FY2011
		Budget		
(Millions of US\$)				
Direct cost of TA	107.3	110.7	110.6-119.6	112.6-125.6
Externally financed TA	34.2	46.5	45.9-54.9	47.8-60.8
Internally financed	73.2	64.2	64.7	64.8
(Millions of 2008 US\$)				
Direct cost of TA	107.3	106.4	102.2-110.6	100.1-111.6
Externally financed TA	34.2	44.7	42.4-50.7	42.5-54.0
Internally financed	73.2	61.7	59.8	57.6

Source: "The FY2009-FY2011 Medium-Term Administrative, Restructuring, and Capital Budgets," OBP.

47. **Financing options must consider the nature of the Fund's TA:**

- **TA contains elements of a public good.** Fund TA is partly an international public good, which should be financed by all members because, as the Crockett report recognized, all members are ultimately beneficiaries. TA-related research falls into this category. TA advice tailored to a specific country may also provide benefits to other countries. Though the public-good content of such TA would be difficult to measure, it could be large for program countries, where balance-of payments needs could indicate potentially large negative spill overs for neighboring countries.
- **The Fund's comparative advantage lies in integrating TA with its other core activities.** This unique feature allows the Fund to serve as a linchpin for making its own financial resources and aid flows more effective. The Fund will provide TA only if the request is in line with the priorities established in the RSN/RAP process and not because it would raise revenue.

The following sections discuss specific financing options: charges, external financing, and internal financing.

A. Charging*

48. **The Fund will introduce charging for TA⁴⁰ primarily to make TA pass a market test.⁴¹** Charging will complement other reforms to ensure that TA is provided efficiently and cost-effectively. A free service is subject to excess demand. Free provision may reduce incentives for recipients to use TA efficiently and for suppliers to tailor TA to recipient needs. Unless consumers signal their willingness to pay, suppliers cannot ascertain consumer preferences. Lack of price signals can cause mission creep and under- or over-delivery. Willingness to pay also provides a signal of ownership,⁴² because recipients would pay only if TA is aligned with their priorities and likely will entail more involvement of the authorities in setting the modalities of TA, which could result in a better fit. The Fund has already been going into this direction with recipients increasingly paying for TA. In many RTACs, recipients contribute to the budget with such contribution, going as high as 70 percent for

* These issues are still under discussion in the Fund.

⁴⁰ The Fund currently has a charging regime limited to resident advisors: countries must provide office space and supplies, telecommunication facilities, and administrative support; and upper middle-income and high-income countries are also required to provide cash contributions.

⁴¹ Charging policy is within the purview of the Managing Director, which authority is exercised in consultation with the Executive Board.

⁴² The IEO though was skeptical that charges would strengthen ownership (http://ieo-imf.org/eval/complete/eval_01312005.html).

Central AFRITAC. There are also reimbursement arrangements where countries pay the Fund for providing long-term advisors.⁴³

49. **Charging will take into account country income and program status.**⁴⁴ It would be undesirable to fully charge lower income countries because it would unduly ration TA for those that need it most.⁴⁵ Moreover, it would be more difficult for these countries to justify paying expert salaries, which may well be substantially outside the public pay scale and it could also be perceived as inequitable that wealthier countries receive

Proposed Charging Regime for Nonprogram Countries (Percent of cost base)	
Income Group ¹	
Low income	20
Lower middle income	40
Upper middle income	60
High income	100

¹The groups are based on GNI per capita and defined as follows: low income: \$905 or less; lower middle income: \$906–3,595; upper middle income: \$3,596–11,115; and high income: \$11,116 or more. Adjusted annually.

subsidized TA. Charging would also be undesirable for program countries,⁴⁶ where stepped-up TA is critical to program success through rebuilding or strengthening institutions. The provision of TA in these cases may help to implement conditionality and to safeguard the Fund's financial resources. Staff thus propose a charging regime differentiated by per capita country income (text table)⁴⁷ and exempting program countries, which account for about 40 percent of Fund internally financed TA. Exempted would also be externally financed TA, including that provided through RTACs, for which the market test would come through third-party payment. The cost base for charging will be all project-related actual costs as discussed in Section IV (that is, staff and expert salaries and benefits, and travel costs) and thus be aligned with the billing model for donor financed TA. With systems and work practice changes for costing expected to become operational in the course of FY2009, charging will be implemented with FY2010.

⁴³ Charging could also reduce the perception of distortions in the choice of Fund or other TA providers. Where other suppliers are charging for the same type of services, the fact that the Fund does not charge could make LICs dependent on the Fund and discourage use of lower-cost providers.

⁴⁴ Rather than revenue generation, the Crockett report (<http://www.imf.org/external/np/oth/2007/013107.pdf>) saw the objective of charging to be enhancing efficiency.

⁴⁵ Charging for TA on the basis of country income is in line with the historical practice of the Fund and other international institutions.

⁴⁶ Defined as countries that have an arrangement, which allows them to draw on Fund resources.

⁴⁷ The differentiation by income implies a subsidy of about 60 percent.

50. **Charging revenue will offset some of the cuts in the Fund's TA.** Potential net revenue, assuming no reduction in demand (which could be affected substantially), is estimated to amount to about US\$9 million per year.⁴⁸ Staff is exploring options for upfront payment to prevent arrears or that procurement procedures lead to delays in TA provision. Administrative procedures will be designed to limit cost to members and the Fund.⁴⁹

51. **Charging must be integrated with the Fund's prioritization process.** The authorities' indication of willingness to pay (or not) will provide a clear signal of their demand as well as value they attach to the Fund's TA. This signal will thus become an important input in the RSN/RAP process and ultimately result in a more cost-effective allocation. The RSN/RAP process remains also critical because it will allocate the implicit subsidy, which is provided through the differentiated charging regime.

Box 5. Charging Policies of Other TA Providers

There is not uniform practice of **multilateral TA providers** on charging for TA.¹ For TA related to a loan, multilaterals typically require in-kind contributions and incorporate the cost of TA in their loan. Other TA is generally provided free of charge. Exceptions:

- The IFC in 2007 introduced a policy that prices TA inversely related to its benefits to the public. The policy applies to both public and private clients. For instance, a subsidy would be justified when the TA supports reforms to improve the general business climate or has effects that provide benefits beyond those captured by the recipient firm.
- The IBRD charges for TA when it goes beyond its normal work practice; charges are levied at the discretion of regional managers. The IBRD also provides some TA on a full fee-for-service basis to upper middle-income countries (about US\$15 million per year), but is thinking about reinforcing its approach to prevent mission creep.

Few **bilateral providers** impose cash charges.² Of 10 donor countries reviewed, only two imposed charges and then only occasionally.

¹ Based mostly on a 2005 survey of the Asian Development Bank (AsDB), the Inter-American Development Bank (IDB), the European Bank for Reconstruction and Development (EBRD), and the International Bank for Reconstruction and Development (IBRD).

² Staff survey of 2003.

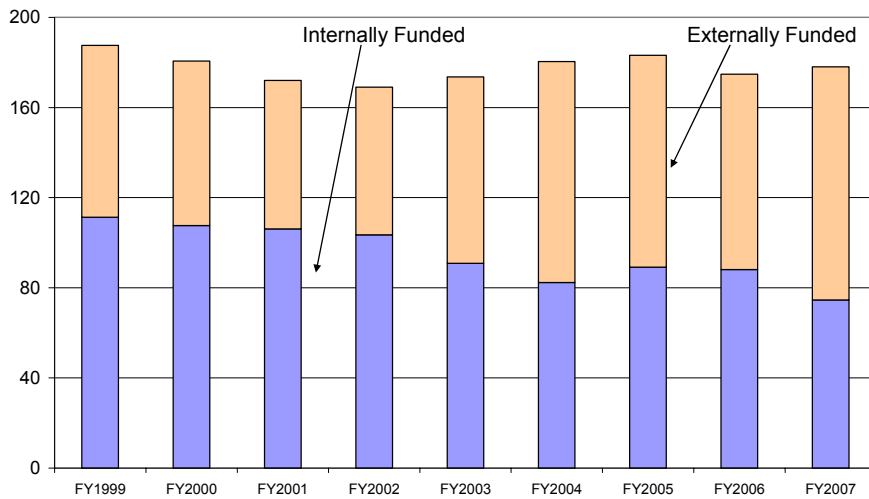
⁴⁸ Based on FY2007 detailed TA delivery data, using average personnel and travel costs. Estimate assumes a reduction in TA by 20 percent compared with FY2007 and administrative cost of 10 percent of revenue.

⁴⁹ Charging policy before 2001 required a contribution of \$5,000 from all TA recipients for long-term experts. It was discontinued when countries went into arrears. The Executive Board was reluctant to allow future TA delivery to be jeopardized by nonpayment.

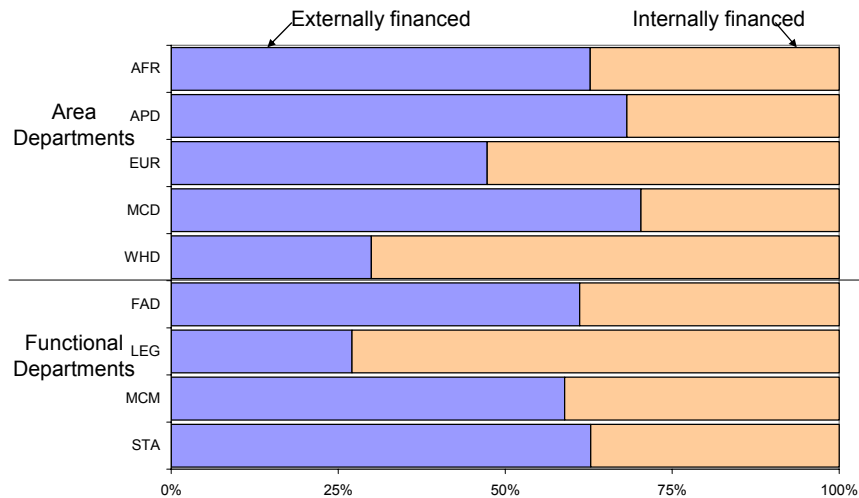
B. External Financing

52. **Partnering with donors is instrumental for the Fund.** External financing has helped meet Fund TA demands, particularly as membership was expanding. Since the late 1990s partnership with donors has grown steadily. Partnership has also intensified collaboration, which is increasing the effectiveness of TA for other providers as well as the Fund. It also integrates Fund TA in a more inclusive dialogue within a coherent development framework. And donor requests to strengthen TA governance help the Fund improve its product. For these reasons, the Fund will expand and deepen its relationship with donors.

External Funds Have Increasingly Financed TA Field Delivery ...
(Person-Years)



...And Are Broadly in Line with the Fund's Priorities¹
(Person Years in FY2007; Percent of total)



¹ Excludes CARTAC, which contributes about 10 person years of TA delivery.

53. **Donors in turn are willing to support Fund TA because of its strengths:**

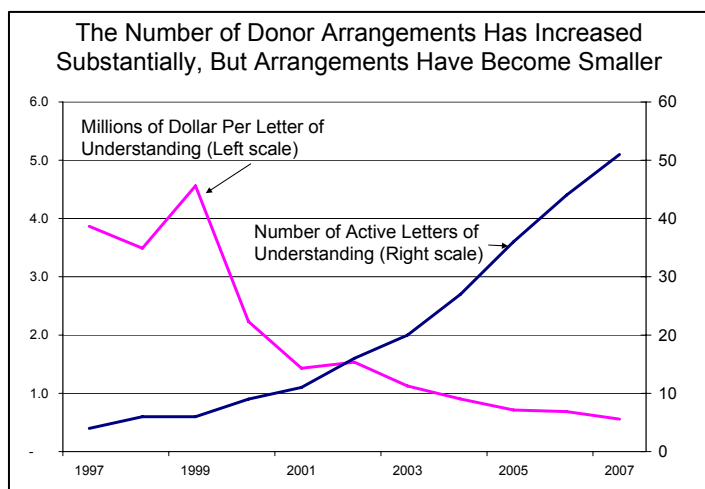
- **Integration with surveillance and lending operations.** The Fund's other core functions reinforce TA benefits by providing a regional and global perspective and follow-up by area departments, Fund management, and the Executive Board. Donors thus feel that Fund TA has greater traction through the Fund's relationship with recipients.
- **RTACs.** RTACs are considered highly successful partly because their governance structure (recipient countries, donors, and Fund staff together prioritize TA), which builds stakeholder ownership of work programs. Also RTACs being physically near the countries they serve, respond promptly to urgent or frequent TA requests and are less costly.
- **Supervision and quality control.** Donors appreciate that Fund TA is backstopped by specialist at HQ. With its near universal membership, the Fund is also seen as disseminating international best practices.
- **Complementarity to donor policies.** Donors regard Fund TA as an efficient way to complement their development policies.

54. **In line with the Managing Director's strategic refocusing, changes to TA management will leverage Fund TA strengths to make it more attractive to donors:**

- Facilitating partnerships through OTM's one-stop window for donors. OTM coordinates and manages donor partnerships and assists area and TA departments in the design and monitoring of their externally financed projects. Staff recently established a donor gateway, which provides TA-related information both with respect to the donor-specific subaccount (letters of understanding, financial summaries, and project descriptions and reports) and general Fund TA delivery.
- Making the results of Fund TA more tangible through results-focused project management. Increasingly, donors are dissatisfied with the traditional approach of tracking only inputs (e.g., number of TA missions). They want more accountability, detailed monitoring of progress, and an evaluation of achievements.
- Strengthening transparency of TA costing. Just as the Fund advocates to its members transparency in fiscal management, donors are increasingly asking the Fund to account for TA project costs more transparently.
- Improved transparency by sharing the Fund's regional strategies with donors and widening dissemination of TA-related information.

55. **Coordinated by OTM, the Fund is better highlighting the link of its TA to donor development strategies.** A general administered account for TA would be ideal, but donor interest seems limited. Though staff will explore whether donors are interested in defraying the charges for LICs, many donor overseas development assistance policies are earmarked for specific countries, regions, or topics, which would complicate the operation of a general trust fund.⁵⁰ Alternatively, if a trust fund were modeled to provide for proportional burden-sharing among Fund members, that would be equivalent to financing through endowment. Thus, within a medium-term approach to make external financing more predictable, staff is tailoring Fund TA along the following product lines:

- Bundling TA through a **menu of topical trust funds**.⁵¹ This menu will focus on trust funds that fit well into donors' development strategies and reflect the Fund's institutional priorities. Such umbrella arrangements covering broad TA categories or regions will



minimize administrative costs, which have increased in recent years because the Fund is engaged now with more donors and more arrangements.⁵² They would also be modeled after the successful governance structure used in multidonor subaccounts. For instance, trust funds on TA in fragile states⁵³ and AML/CFT are currently under consideration.

- Expanding delivery through **RTACs**, which ensures better traction in recipient countries and lower cost. Because RTACs have a more hands-on approach focused on capacity building, this is complementary to topical trust funds, which could support more specialized TA on specific issues. RTACs are also expected to improve

⁵⁰ For instance, the multidonor subaccount on macroeconomic and financial policy established in 2004 failed to attract donors other than Norway, despite intensive staff efforts.

⁵¹ It is envisaged that these trust funds would have a legal structure along the lines of multidonor subaccounts under the Framework Administered Account for Technical Assistance Activities.

⁵² The World Bank is considering the possibility of not accepting trust funds below US\$1 million and charging US\$35,000 as a fee for opening a trust fund.

⁵³ This trust fund would complement increased TA envisaged in the Fund's strategy for engagement in fragile states and post-conflict countries (<http://www.imf.org/external/pp/longres.aspx?id=4236>).

coordination with other TA providers, who work in the field. Discussions are already underway on new RTACs in Central America and Southern Africa and there is demand for opening further RTACs.

- The **existing subaccounts** will remain important in particular for those donors that have delegated their budgets for TA to field offices.

In parallel, staff will explore options to enhance coordination through broader partnerships. These could involve staff exchanges or the provision of experts for Fund TA, reciprocal attendance of training or joint technical workshops on issues of particular interest. Cooperation could also be strengthened through joint research, enhanced information sharing and outreach.

C. Internal Financing

56. **Internal financing will continue to be crucial.** Charging will offset some of the cuts in internally funded TA, but some internal funding is needed to pay the subsidized charging regime and for TA policy development and research. It is also not desirable to fully replace internal financing with external financing since it is necessary to maintain flexibility in reallocating resources as priorities change.

D. Next Steps

57. **A note will lay out details of the charging regime.** This will include payment modalities, the role of in kind contributions, the distribution of the charging revenue, the administration of charging as well as an outreach program to explain the policy change to members. The note will be circulated to the Board.

58. **A fundraising drive will make the case of more external financing.** Should there be strong demand for our new product lines, TA output would be allowed to increase in real terms from the pre-downsizing baseline; this would require installing additional backstopping capacity in the long run. Priorities will continue to be set by the Fund through an internal process, within a strategy endorsed by the Board, i.e., availability of external financing will not drive the Fund's TA output; and the Board, by deciding annually the budget's gross financing limit, will place a cap on external financing. The new product lines will be presented to donors as part of OTM's regular contacts and, leveraged through outreach by resident representatives and missions.

59. **Further changes to TA management include:**

- Offering more visibility to donors by linking their contribution to tangible outcomes or recipients.

- Using the RSNs as a vehicle to convey its priorities, the Fund can indicate whether there is a match with donor interests and development aid priorities, cooperating with donors as the Paris Declaration recommends.
- As soon as feasible, reducing the Fund’s administrative fee, which is considered expensive, because it is not related to specific project expenses.⁵⁴ When all costs related to a specific TA project can be identified, the Fund will follow the example of other international organizations, which have gradually reduced their fees,⁵⁵ and bill donors separately for project field delivery, backstopping, and management costs.⁵⁶ A mechanism along the lines of current CAFRITAC modalities (paragraph 36) would reimburse TA departments for backstopping and management costs incurred for specific projects, and the administrative fee would be for trust fund management only.

VI. CONCLUSION AND ISSUES FOR DISCUSSION

60. **This paper reviews TA reforms underway and being considered.** The Managing Director’s Strategic Direction, the MTS and recommendations by the IEO, the Crockett and Malan Committees, and the Fund Review of RTACs have set in motion substantial reforms to make the Fund more effective in prioritizing, monitoring, evaluating, and costing TA.

61. **These reforms will further integrate TA with Fund core functions and country reform agendas by:**

- **Strategically aligning Fund and recipient priorities and coordinating with other TA providers.** As the primary link between the Fund and member countries, area departments are increasingly driving medium-term TA priorities. Country strategies are aligned with Fund priorities and the expertise of TA departments, agreed with country authorities. Prioritization would be further strengthened by a charging regime, through which countries signal their demand.
- **Making the TA more responsive to changes in priorities.** Integration of country priorities into regional strategies, which began this fiscal year, involve area departments in the decision on resource allocations and inform management decisions on allocating both internal and external TA resources.

⁵⁴ The administrative fee recoups about half of the Fund’s backstopping and project management cost. ...

⁵⁵ The Fund’s normal administrative fee of 13 percent was introduced in the early 1990s based on the standard fee then charged by most United Nations organizations. Other organizations charge 5–7 percent for trust fund management and bill separately for backstopping and project management, a model toward which the Fund intends to move in the future.

⁵⁶ Existing arrangements with donors might have to be renegotiated.

- **Clearly linking TA to the MTB.** Translating country and regional strategies into US\$ amounts and aligning the TA planning cycle with the MTB preparation cycle will increase internal competition for resources. RSNs are therefore being integrated into department resource allocation processes, which are in turn being aligned with the Fund budget process.

62. **TA management will become more accountable and TA more cost-effective by:**

- **Moving to results-focused management of TA projects.** Benchmarks on project outputs and outcomes make it possible to assess their success, thus fostering a culture of accountability and results orientation at every level of TA management. Performance measurement will be unified across departments for project evaluation and make it possible to distil lessons learned for continuous improvement.
- **Making TA evaluation policies and practices more systematic.** This affects particularly internally financed TA, where there is a need to develop a unified conceptual framework for evaluating projects.
- **Refining the costing and billing of TA projects.** Costing by project will ensure efficient allocation of resources. Costing will also raise awareness among TA stakeholders of the absolute and relative costs of providing TA.

63. **A more proactive external financing strategy and charging could enhance Fund resources for TA.** The Fund can make its TA more attractive to donors by offering product lines, which better highlight the links with donor development strategies. Underpinned by changes in TA management and leveraged through broad coordinated outreach, the Fund could partner with donors on a broader, longer-term, and more strategic basis.

64. **The TA reforms proposed here are ambitious in that they imply resource costs and profound changes to the Fund's business model** (text table and Box 6). Some costs are already included in the MTB. The ones which are not included are expected to be resource neutral or raise revenue. The exception is the opening new RTACs, which, while based mostly on external financing, will require additional resources from the Fund.

65. **Executive Directors may wish to consider the following questions:**

- Do Directors agree that the proposed action plan (Box 6) is appropriate and leverages the comparative advantages of Fund TA? How much emphasis should the Fund give to expanding its evaluation framework?
- Do Directors agree that, combined with a fundraising drive, charging will not unduly ration TA for those that need it most and could contribute to a more efficient allocation of resources?

- Do Directors believe that bundling TA into topical trust funds and increasing delivery through RTACs will enhance partnerships with donors?

Resource Implications for the Fund of TA Reforms

	Included in MTB		Not included in MTB
	One off	Permanent per year	
(Millions of \$)			
Strengthen RSN/RAP/MTB coordination	0.3	0.3	
Implement results-focused project management	0.7		
Collecting and billing for all project-related costs	0.8	0.2	
Implement charging regime			Net revenue of \$9 million, assuming no reduction in demand.
Take a more aggressive approach to fund-raising			
Topical trust funds		Neutral for internal funds	
Opening new RTACs			\$0.7 (one-off) plus \$0.6 (permanent per year) per RTAC
Develop a Fund-wide evaluation policy			Could require shift of resources, mostly within TA departments, from TA delivery to assessing results
Of which:			
(FTEs)			
Strengthen RSN/RAP/MTB coordination	1.3	1.0	
Implement results-focused project management	1.5		
Collecting and billing for all project-related costs		0.8	
Implement charging regime			...
Take a more aggressive approach to fund-raising			
Topical trust funds		1 per additional \$5 million, externally financed	
Opening new RTACs			1/2 (one-off) plus 1 (permanent per year) per RTAC
Develop a Fund-wide evaluation policy			0

Box 6. Action Plan and Resource Implications

- **Strengthen RSN/RAP/MTB coordination.**

In FY2008, area departments are expected to spend about one additional staff year to prepare the RSNs. Fully integrating the RAP with the MTB is estimated to cost 1.25 of an additional staff year.

- **Implement results-focused project management.**

- Revamping TAIMS is expected to incur capital costs of US\$0.5 million for FY2008/09. There will be start-up costs for TAIMS usage in FY2009, including staff training of about one staff year. In the medium term, these are expected to be offset by savings from the improved interface and TAIMS replacing other systems to manage TA delivery.

- Depending on how comprehensive the new Fund-wide evaluation framework will be, it might require a shift of resources from TA delivery to assessing results.

- **Collecting and billing for all project-related costs.**

- To identify project backstopping and management cost, there will be start-up costs of about US\$0.6 million to change the systems and train staff.

- To allow for more accurate billing, start-up costs to change systems are estimated at US\$0.2 million.

- There will also be compliance costs associated with maintaining the various systems and with opening and closing projects, vetting data, and maintaining information systems, estimated at about ¾ staff year.

- **Implement charging regime.**

Cost of administering the system are tentatively estimated at 10 percent of the revenue raised (or \$1 million annually with net revenue of \$9 million, assuming no reduction in demand (see paragraph 50)).

- **Take a more proactive approach to fund-raising.**

- Administering funding for topical trust funds. Each additional \$5 million is expected to cost about one staff year, depending on the nature and volume of funds, but this would be recouped through a trust fund management fee.

- Opening a new RTAC will require one-off start up cost of about \$0.7 million; and, on a permanent basis, one staff as a coordinator.

Appendix I. TA Delivery, FY2007

TA Delivery By Region and Topic, FY2007
(Person Years)

	AFR	APD	EUR	MCD	WHD	Benefiting more than one Region	Total
Fiscal issues	26.8	12.0	7.2	9.0	7.3	1.2	63.4
Revenue administration	13.6	6.0	2.8	4.0	4.9	0.7	31.9
PFM	12.1	5.1	3.1	3.8	1.4	0.1	25.5
Tax policy	1.1	0.6	0.7	1.0	0.4	0.1	3.9
Expenditure policy	0.0	0.0	0.5	0.0	0.0	0.0	0.6
Other (including macro fiscal)	0.1	0.4	0.0	0.3	0.6	0.2	1.5
Legislation	1.5	2.2	0.6	0.8	2.3	0.7	8.2
AML/CFT	0.2	0.7	0.3	0.5	1.4	0.1	3.0
Banking	0.2	0.2	0.3	0.3	0.2	0.4	1.7
Financial sector	1.1	1.1	0.0	0.1	0.7	0.2	3.1
Other	0.0	0.1	0.0	0.0	0.1	0.0	0.3
Financial sector and central banking	24.2	18.5	8.8	13.4	5.4	0.4	70.7
Regulation/supervision	8.5	8.0	3.5	4.2	3.3	0.2	27.7
Central banking (including monetary and exchange rate regimes)	8.8	7.0	4.0	6.4	0.5	0.1	26.8
Sovereign asset/liability management, capital markets	1.3	0.7	0.0	1.0	0.0	0.0	3.0
Systemic issues/crisis resolution	0.7	1.1	0.6	0.2	0.7	0.0	3.4
Other	4.8	1.7	0.7	1.6	0.8	0.2	9.9
Statistics	11.4	3.8	2.5	8.3	3.4	1.1	30.5
National accounts	3.3	0.3	0.5	3.0	0.3	0.1	7.5
BOP and external sector	1.3	0.3	0.1	1.9	0.6	0.4	4.5
Monetary	0.8	0.4	0.2	0.4	1.5	0.3	3.6
GFS	1.3	0.2	0.4	0.5	0.3	0.3	3.0
Price	0.9	0.0	0.4	1.0	0.2	0.0	2.4
Data dissemination	1.4	0.0	0.0	0.2	0.0	0.0	1.7
Other (incl management, evaluation, multitopic)	2.5	2.5	0.9	1.3	0.5	0.0	7.9
Other departments	2.2	0.6	0.4	0.6	1.2	0.1	5.2
Other TA	2.2	0.6	0.4	0.6	1.2	0.1	5.2
Total	66.2	37.0	19.4	32.2	19.6	3.5	178.0

Source: OTM.

**TA Delivery By Region and Topic, FY2007
(Percent)**

	AFR	APD	EUR	MCD	WHD	Benefiting more than one Region	Total
Fiscal issues	15.1	6.7	4.0	5.1	4.1	0.7	35.6
Revenue administration	7.6	3.3	1.6	2.2	2.8	0.4	17.9
PFM	6.8	2.9	1.7	2.1	0.8	0.0	14.3
Tax policy	0.6	0.3	0.4	0.5	0.2	0.1	2.2
Expenditure policy	0.0	0.0	0.3	0.0	0.0	0.0	0.4
Other (including macro fiscal)	0.0	0.2	0.0	0.2	0.3	0.1	0.9
Legislation	0.9	1.2	0.3	0.5	1.3	0.4	4.6
AML/CFT	0.1	0.4	0.1	0.3	0.8	0.0	1.7
Banking	0.1	0.1	0.2	0.2	0.1	0.2	1.0
Financial sector	0.6	0.6	0.0	0.0	0.4	0.1	1.7
Other	0.0	0.1	0.0	0.0	0.1	0.0	0.2
Financial sector and central banking	13.6	10.4	5.0	7.5	3.0	0.2	39.7
Regulation/supervision	4.8	4.5	2.0	2.3	1.9	0.1	15.6
Central banking (including monetary and exchange rate regimes)	5.0	3.9	2.2	3.6	0.3	0.0	15.1
Sovereign asset/liability management, capital markets	0.7	0.4	0.0	0.5	0.0	0.0	1.7
Systemic issues/crisis resolution	0.4	0.6	0.4	0.1	0.4	0.0	1.9
Other	2.7	1.0	0.4	0.9	0.5	0.1	5.6
Statistics	6.4	2.1	1.4	4.7	1.9	0.6	17.2
National accounts	1.8	0.2	0.3	1.7	0.2	0.0	4.2
BOP and external sector	0.7	0.2	0.1	1.0	0.3	0.2	2.5
Monetary	0.5	0.2	0.1	0.2	0.9	0.2	2.0
GFS	0.7	0.1	0.2	0.3	0.2	0.2	1.7
Price	0.5	0.0	0.2	0.5	0.1	0.0	1.4
Data dissemination	0.8	0.0	0.0	0.1	0.0	0.0	0.9
Other (incl management, evaluation, multitopic)	1.4	1.4	0.5	0.8	0.3	0.0	4.4
Other departments	1.3	0.3	0.2	0.4	0.7	0.1	2.9
Other TA	1.3	0.3	0.2	0.4	0.7	0.1	2.9
Total	37.2	20.8	10.9	18.1	11.0	2.0	100.0

Source: OTM.

**TA Delivery By Income Group and Topic, FY2007
(Person Years)**

	Income				Benefiting more than one country with different incomes	Total
	Low	Lower middle	Upper middle	High		
Fiscal issues	31.5	20.2	6.1	3.2	2.4	63.4
Revenue administration	15.7	12.0	2.3	0.5	1.5	31.9
PFM	14.0	7.2	2.1	1.9	0.3	25.5
Tax policy	1.8	0.5	0.4	0.8	0.4	3.9
Expenditure policy	0.0	0.0	0.5	0.0	0.0	0.6
Other (including macro fiscal)	0.1	0.4	0.8	0.0	0.2	1.5
Legislation	2.3	2.1	1.2	0.4	2.2	8.2
AML/CFT	0.3	0.9	0.6	0.1	1.2	3.0
Banking	0.3	0.4	0.2	0.2	0.6	1.7
Fiscal Law and Policy	1.6	0.7	0.5	0.0	0.4	3.1
Other	0.1	0.1	0.0	0.1	0.0	0.3
Financial sector and central banking	31.2	27.6	6.9	2.4	2.6	70.7
Regulation/supervision	8.9	12.3	3.6	1.3	1.6	27.7
Central banking (including monetary and exchange rate regimes)	14.3	9.1	2.2	0.7	0.6	26.8
Sovereign asset/liability management, capital markets	1.4	1.3	0.0	0.3	0.0	3.0
Systemic issues/crisis resolution	1.8	0.8	0.7	0.0	0.0	3.4
Other	4.8	4.1	0.5	0.1	0.4	9.9
Statistics	14.2	8.3	3.2	0.8	4.0	30.5
National accounts	3.8	1.8	1.7	0.0	0.2	7.5
BOP and external sector	1.2	2.3	0.2	0.1	0.7	4.5
Monetary	1.5	0.7	0.3	0.1	1.1	3.6
GFS	1.4	0.6	0.2	0.2	0.7	3.0
Price	1.0	0.7	0.4	0.3	0.1	2.4
Data dissemination	1.4	0.2	0.0	0.0	0.0	1.7
Other (incl management, evaluation, multitopic)	4.1	2.0	0.5	0.1	1.1	7.9
Other departments	1.5	1.0	1.4	0.4	0.9	5.2
Other TA	1.5	1.0	1.4	0.4	0.9	5.2
Total	80.7	59.2	18.9	7.1	12.1	178.0

Source: OTM.

TA Delivery By Income Group and Topic, FY2007
(Percent)

	Income				Benefiting more than one country with different incomes	Total
	Low	Lower middle	Upper middle	High		
Fiscal issues	17.7	11.3	3.4	1.8	1.4	35.6
Revenue administration	8.8	6.7	1.3	0.3	0.8	17.9
PFM	7.9	4.0	1.2	1.1	0.1	14.3
Tax policy	1.0	0.3	0.2	0.4	0.2	2.2
Expenditure policy	0.0	0.0	0.3	0.0	0.0	0.4
Other (including macro fiscal)	0.0	0.2	0.4	0.0	0.1	0.9
Legislation	1.3	1.2	0.7	0.2	1.3	4.6
AML/CFT	0.2	0.5	0.3	0.0	0.7	1.7
Banking	0.2	0.2	0.1	0.1	0.3	1.0
Financial sector	0.9	0.4	0.3	0.0	0.2	1.7
Other	0.1	0.1	0.0	0.0	0.0	0.2
Financial sector and central banking	17.5	15.5	3.9	1.4	1.5	39.7
Regulation/supervision	5.0	6.9	2.0	0.7	0.9	15.6
Central banking (including monetary and exchange rate regimes)	8.0	5.1	1.2	0.4	0.3	15.1
Sovereign asset/liability management, capital markets	0.8	0.7	0.0	0.2	0.0	1.7
Systemic issues/crisis resolution	1.0	0.5	0.4	0.0	0.0	1.9
Other	2.7	2.3	0.3	0.1	0.2	5.6
Statistics	8.0	4.7	1.8	0.4	2.2	17.2
National accounts	2.1	1.0	1.0	0.0	0.1	4.2
BOP and external sector	0.7	1.3	0.1	0.1	0.4	2.5
Monetary	0.8	0.4	0.2	0.0	0.6	2.0
GFS	0.8	0.3	0.1	0.1	0.4	1.7
Price	0.6	0.4	0.2	0.1	0.1	1.4
Data dissemination	0.8	0.1	0.0	0.0	0.0	0.9
Other (incl management, evaluation, multitopic)	2.3	1.1	0.3	0.1	0.6	4.4
Other departments	0.8	0.6	0.8	0.2	0.5	2.9
Other TA	0.8	0.6	0.8	0.2	0.5	2.9
Total	45.4	33.2	10.6	4.0	6.8	100.0

Source: OTM.

Appendix II. Final and intermediate Output for Fund TA

K. Output: Technical Assistance

Intermediate Outcomes of Interest	Associated Indicators
<p>All member countries have the capacity to formulate and implement sound macroeconomic and structural policies.</p>	<p>While the intermediate outcome is defined in terms of capacity, the associated indicators aim to measure the effective use of that capacity. Moreover, although the intermediate outcome is common to all output components, the indicators (which would require further elaboration) are output-specific.</p> <p>Fiscal TA: Well functioning tax system, modern tax and customs administration, a cost effective level and composition of public spending, and efficient public financial management. Measurable indicators include the composition of revenue, revenue productivity, expenditure efficiency measures (under development), and performance against internationally agreed PFM standards (limited coverage).</p> <p>Financial sector TA: Effective monetary and exchange rate policy, well-functioning private and public financial institutions, and an efficient financial sector. Measurable indicators include the extent of independence of central bank and financial sector regulator(s), financial soundness indicators, observance of financial sector standards and codes, and measures of financial sector deepening.</p> <p>Statistics TA: Good quality statistics. Measurable indicators are: number of SDDS subscribers and GDDS participants; other indicators as per Output: Cross-country Statistical Information and Methodologies.</p> <p>Legal TA: Strong and effective legal framework. Measurable indicators include the existence of and adherence to relevant standards.</p>

Output components – Indicators Final	Indicators			
	Quantity ⁵⁷	Quality	Timeliness	
1. Fiscal TA	<ul style="list-style-type: none"> • Number of Tier 1 (i.e., multi-event, multi-topic) projects • Number of Tier 2 (i.e., multi-event, single-topic) projects • Number of Tier 3 (i.e., single-event, single-topic) projects • Number of countries receiving TA⁵⁸ • Number of TA reports 	Quality is to be judged by reference to project milestones specified in TAIMS. This will require some development. In particular, milestones are to be provided for TA events (i.e., the delivery of TA advice) and key policy and structural reforms (i.e., the implementation of TA advice).	Delays in programmed TA events, measured in weeks, to be implemented in FY2008	
2. Financial sector TA				
3. Statistics TA				
4. Legal TA				
5. Outreach specifically related to this output				Number of events
6. Research produced as part of this output (e.g., Working Papers; PDPs; OPs; Staff Papers, publications in external journals)				Number of papers published

⁵⁷ TA output takes the form of advice on policy reform and institution building, but advice is an abstract concept that does not lend itself to measurement easily. The aim therefore is to proxy the amount of advice provided to a country by reference to the intensity of TA engagement with that country. The proposed indicator is a three-tier ranking of TA projects by the intensity of engagement, where engagement takes the form of one or more of the following events: missions, short- and long-term expert assignments, reports written, collaboration with other providers, seminars, conferences, workshops, and other training delivered in support of a technical assistance program, backstopping, and evaluation.

⁵⁸ This and the next bullet were added during the implementation process.

Output components - Indicators Intermediate	Quantity	Quality	Timeliness
1. TA support process	Number of TACSNs ⁵⁹	To be subjected to periodic review of the TACSN process	Not recommended
2. Resource mobilization	<ul style="list-style-type: none"> • Number of donor agreements • Dollars committed in a signed donor agreement (in constant dollars) 	Raising external financing consistent with targets (to be monitored by OTM)	
3. Coordination	<ul style="list-style-type: none"> • Number of meetings with other TA providers (excluding those related to specific projects) • Number of active coordination agreements • Number of RTAC Steering Committee meetings 	Feedback from those whose actions are being sought to be coordinated with the Fund	
4. Policy development and evaluation on technical assistance (papers and guidelines)	Number of Papers/guidelines prepared	Quality assessments in this area should be based on periodic ex-post reviews performed by staff and/or the IEO.	
5. Comments prepared by non-originating departments on final and intermediate output components of this output	Number of papers reviewed		

⁵⁹ And/or Regional Strategy Notes (RSNs).