The Framework for Technical Assistance in the IMF:

A Qualitative Assessment of Benefits of the Approach to Backstopping and Project Management

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## IMF Technical Assistance Framework - Highlights

- Providing technical assistance (TA) is a core function of the IMF in support of its surveillance and lending activities. Integration of TA and surveillance and lending is, therefore, a key IMF priority.
- TA is delivered only in core areas of expertise – macro-economic policy, tax policy and revenue administration, expenditure management, monetary policy, the exchange rate system, financial sector sustainability, and macroeconomic and financial statistics.
- TA projects are carried out with a mix of IMF and external financing—through bilateral arrangements or multilateral trust funds (such as for Regional Technical Assistance Centers or Topical Trust Funds). The external financing covers the incremental actual cost of these TA projects.
- Substantial value is added to IMF TA from an institutional framework that ensures focus and targeting, quality and consistency in delivery. The cost of developing and maintaining this institutional framework is borne by the IMF and not donors. Key components in the institutional framework for TA are:
  - The committee on capacity building (CCB)—a high level Fund management committee that organizes and strategically manages capacity building efforts.
  - The Area Departments – setting TA priorities based on regional strategy notes, participating in monitoring and peer review, and following up on implementation of TA recommendations.
  - The TA Departments – where a large group of leading specialists in various fields, drawn from leading administrations around the globe support the effective implementation of TA reforms. The TA departments: (i) have developed a body of policy knowledge, working papers, technical notes, and guidelines; (ii) monitor trends; (iii) conduct diagnostic missions; (iv) carry out research and TA design, and (v) maintain a roster of experts.
  - IMF systems and procedures – used to plan, manage, monitor and report on TA projects.
  - The IMF's evaluation program – which systematically reviews effectiveness of TA delivery.

- The incremental (volume driven) actual cost to the IMF of externally funded direct technical assistance comprises: direct TA delivered by headquarters staff, experts assigned to the project, time spent by headquarters staff in establishing the technical assistance activity and supervising the work of the expert (called backstopping in the IMF), and administration of the TA activity (referred to as project management):
  - Expert costs include the travel and remuneration for short term or long term experts.
  - Backstopping is the core work carried out by IMF staff economists in their direct support of the expert in the field. It is this distinctive feature to the IMF TA delivery approach that stands it apart from other TA providers who typically do not have an institutional framework to provide the systematic backstopping undertaken by the IMF. It is through backstopping that the comparative advantage of the IMF is realized allowing country recipients and donors to leverage the institutional support framework and maximize the TA outcomes.
  - Project management includes those activities concerned primarily with contract administration, security clearances and visas, etc.

- The benefits of the Fund model for the delivery of TA ultimately relate to a very straightforward premise; the IMF only carries out TA in areas of its core competency and the IMF applies a significant and unique framework to support its TA projects.
- Donors benefit particularly from:
  - Institutional support – increased effectiveness, prioritization of TA, equity, effective delivery, targeting, traction, flexibility, and improved risk management.
  - Backstopping – effective project identification, results-focused terms of reference, detailed work plans, selection of qualified experts, continuous technical oversight and monitoring, advice and direction in subject-matter specialty area, coordination, quick response, consistency, and quality assurance.
I. INTRODUCTION AND BACKGROUND

Purpose of study

1. The main purpose of this study is to discuss issues related to the quality of technical assistance (TA) carried out by the IMF, with a particular emphasis on the value added of backstopping and project management activities. To do this, the paper first situates TA in the context of the overall IMF framework and describes critical elements of that framework.

Methodology and approach

2. The study was carried out on behalf of the Office of Technical Assistance Management (OTM), and relied primarily on IMF reference documents and interviews with IMF staff. This study is a description and qualitative assessment of the TA approach used by the IMF.  

Previous studies and references

3. This report draws on a number of staff papers. In particular, these include: Enhancing the Impact of Fund Technical Assistance (April 2008); Establishment of a New Framework Administered Account for Selected Fund Activities, (March 2009); and recent evaluations and reviews. It also draws on informational notes and guidelines, including: How the IMF Works to Deliver Effective Technical Assistance (OTM), The Role of Backstoppers (FAD – Fiscal Affairs Department), Key Features of technical assistance (MCM- Monetary and Capital Markets Department), and the IMF Intranet and web site.

Background – A New Costing Model for Externally Financed TA

4. External financing has become a critical component of the Fund’s TA program and is expected to continue to grow in importance. The IMF Executive Board gave a strong mandate in May 2008 for a substantial expansion in capacity building services, through increased external funding. This external funding will be in addition to the internal resources already allocated in the IMF medium-term budget. As also endorsed by the Executive Board in May 2008 was for the IMF to bill donors for the incremental (volume driven) costs of TA using a new TA costing model that is more transparent and comprehensive in scope, which

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1 It is not intended to be a quantitative and comparative review of backstopping in the functional departments of the IMF, nor is it a detailed review of functional department work practices or a study of the time reporting system (TRS) issues and problems.

2 Representatives of the Inter-American Development Bank (IDB and World Bank (World Bank) were also interviewed.
will include the full actual costs of each project, not only for expert salary and travel, but also for Fund staff cost.”³

5. Until 2009, the Fund used a Framework Administered Account for Technical Assistance Activities (FAA). The FAA includes an “administrative fee” charged by the Fund (13 percent of costs for the provision of TA) intended to defray a portion of the Fund’s expenses for backstopping, project management and trust fund management. A new Framework Account for Selected Fund Activities (SFA) was formally approved by the IMF’s Executive Board in 2009.⁴ This arrangement replaces the 13 percent administrative fee with a 7 percent fee for trust fund management,⁵ and specifies the recovery of actual project costs for backstopping and project management. Notably, the new Board approved SFA also now provides for external financing of TA delivered by headquarters staff.

6. This paper describes these latter costs, and how they relate to the overall framework for technical assistance in the IMF.

II. FRAMEWORK FOR TECHNICAL ASSISTANCE IN THE IMF

7. This section provides a description of the overall framework for technical assistance in the IMF. It covers four distinct aspects: technical assistance as a core IMF function; institutional support for technical assistance; the delivery of technical assistance projects; and, the evaluation of the impacts of technical assistance. The general framework for technical assistance is depicted in Figure 1.

8. Much of the information in this report, particularly in this Section, comes from the IMF Board-approved Enhancing the Impact of Fund Technical Assistance (April 2008).

A. Technical assistance as a core IMF function

9. The core activities of the IMF are surveillance, lending and technical assistance (TA). The IMF provides TA only in its core areas of expertise – macro-economic policy, tax policy and revenue administration, public financial management, monetary policy, the exchange rate system, financial sector sustainability, and macroeconomic and financial statistics (illustrated in Part A of Figure 1). With the Fund’s focus on its core business, and with the framework in place for TA that is described below, this paper makes the case that the Fund has a comparative advantage for TA in these areas.

10. TA is delivered by specialized TA departments staffed by a large group of leading specialists in various fields, drawn from leading administrations from around

³ Enhancing the Impact of Fund Technical Assistance, OTM, April 2008,
⁴ Establishment of a New Framework Administered Account for Selected Fund Activities, (OTM, LEG and FIN), March 5, 2009
⁵ These are primarily fiduciary responsibilities such as accounting, auditing and reporting.
These specialists in the TA departments draw on their collective global experience to: (1) contribute to building and maintaining the IMF’s institutional knowledge in its areas of core expertise; (2) advise the IMF’s area departments on technical issues; (3) advise country authorities from headquarters and through a mission program on reform agendas; and (4) support implementation with direct advice and through the backstopping short- and long-term experts assigned to countries and Regional Technical Assistance Centers (RTACs).

11. **Achieving greater integration between TA and surveillance and lending is a key IMF priority.** TA contributes to good policy making, builds institutional capacity, and reinforces other core Fund functions. In turn, surveillance and lending activities help identify and prioritize TA.

12. **It is expected that, following the 2008 reforms, TA will become even further integrated with surveillance, lending and recipient country reform agendas.** TA is informed by experience and knowledge gained across diverse regions and countries at different levels of development. It is also informed by the IMF’s increasingly stronger partnerships with donors which help to generate synergies across TA providers and development partners. It is a benefit of IMF membership, with some 90 percent of IMF TA going to low and lower-middle income countries.

13. **The share of IMF TA that is externally financed is expected to increase over time.** This is due to increased demands from member countries for scaling up of TA in a number of areas. Current areas for example include anti-money laundering, tax policy and administration and the management of natural resource wealth. These areas are particularly important given the current global crisis. Externally financed TA is subjected to the same rigorous quality control processes as are applied to IMF funded TA.

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6 The experts in the TA departments are a mix of permanent and fixed term staff, and headquarters based consultants on fixed term contracts of up to four years. While the employment terms differ, all these TA staff are recruited to the same competency standards and are used interchangeably with regular Fund staff. This means that they lead and participate in missions, and backstop experts in the field. This interchangeability provides the necessary flexibility for departments to manage a higher workload than would otherwise be the case.
14. **One of the ways to increase external financing is for the IMF to expand TA delivery through its Regional Technical Assistance Centers** (RTACs). The RTACs are a collaborative effort between the IMF and bilateral and multilateral donors aimed at providing technical advice and training in core macroeconomic and financial management. While headquarters-led TA focuses on diagnosis, strategic level advice, reform planning, implementation of major components, and monitoring of overall delivery, the RTACs play a key role in the operational implementation. Being close to the country recipients they are immediately available and responsive to issues as they emerge. RTAC advisors are themselves backstopped by headquarters staff and the work programs of headquarters and the

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7 The IMF has seven RTACs, with up to three additional centers expected to start operations over the next year.
RTACs are closely integrated. Formal evaluations have concluded that the RTACs are both effective and efficient in the delivery of TA.\(^8\)

15. **The IMF is also expanding external financing by establishing a number of topical trust funds (TTFs).** These provide global geographic coverage, are thematic in scope, include a research component, are integrated with the IMF’s other activities, and provide a platform for coordination with donors and TA providers. The Anti-money Laundering/Combating the Financing of Terrorism (AML/CFT) topical trust fund has commenced operations and other topical trust funds are planned to commence in 2010.

### B. Institutional support for technical assistance

16. A key feature of IMF TA is the institutional support provided to ensure focus and targeting, quality and consistency in the delivery of assistance. This level of support is only possible because Fund TA is specialized across the relatively narrow band of its core competencies. Both the Area Departments and the functional (or TA) departments have a major role to play in the provision of the Fund’s institutional support. This feature is illustrated in Part B of Figure 1.

#### Committee on capacity building

17. **The committee on capacity building (CCB) is responsible for organizing and strategically managing capacity building efforts.** This top level committee consists of Fund management as well as senior staff from area and functional departments, with OTM as the secretariat. It meets regularly to: (1) discuss broad strategy for reports on standards and codes (ROSCs), TA and external training programs in advance of the preparation of these programs; (2) approve the proposed programs following approval of the budget; (3) review the programs mid-way through the budget year; and (4) discuss relevant policy issues as needed (e.g. on evaluation, systems, approaches to delivery, etc.).

#### Area Departments

18. The Area Departments have a major role in institutional support with a prime responsibility for determining and prioritizing TA. This role is exercised through:

- **Preparing Regional Strategy Notes (RSNs).** RSNs link regional (and country) TA priorities with broad macroeconomic objectives determined through the Fund’s surveillance and lending operations. These RSNs incorporate the views of the TA departments and of the countries themselves, and they are intended to facilitate coordination with other TA providers. The RSNs are region- and country-based, and are designed for prioritization by sector and for planning over the medium term.

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• **Monitoring and peer review.** In the conduct of Article IV missions and other program activities, the Area departments participate in the continuous monitoring of TA requirements, from identification and conceptualization through to delivery and evaluation, including follow-up on TA recommendations of the TA departments. Area Departments are also fully engaged in the peer review culture of the IMF, commenting on and reviewing terms of reference, briefing papers, and both draft and final reports.

**Technical Assistance Departments**

19. **The TA Departments and OTM also have a major role in institutional support for technical assistance.** They are responsible for many activities that support the eventual delivery of TA projects in the field, and serve to ensure TA is at the desired level of quality. These activities include the following:

• **Developing policy**- each TA Department develops policies (including benchmarks, standards, best practices and performance measures) in its area of specialty. For instance, the Monetary and Capital Markets Department (MCM) is deeply involved in the development of international norms and standards, as is the Statistics Department (STA). The Fiscal Affairs Department (FAD) has developed policies related to tax and tariff structure, tax and customs administration, and public financial management. TA Departments also develop other management information to assist in the monitoring and evaluating role. The legal department (LEG) is, inter alia, contributing to the development of standards and best practices in the areas of AML/CFT and other financial sector legislation.

• **Preparing technical notes**- each TA Department prepares technical notes and other guidance for its staff and experts. These documents cover a broad range of topics within the respective specialty areas and often result in formal publication.⁹

• **Conducting diagnostic missions and visits**- Certain headquarters-led missions and visits, in addition to providing TA directly, are intended to conduct a diagnosis of problems and challenges and to lay out a proposed reform program and technical assistance strategy for a recipient country. Such missions are sometimes carried out cooperatively with other donors.

• **Maintaining a roster of experts**- each TA Department maintains a roster of experts in its particular area. This is designed to ensure that skill levels of field experts are up-to-date and well matched to particular TA projects. Rosters are continuously updated with information related to performance.

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⁹ There are a great many examples, including: *Changing Customs: Challenges and Strategies for the Reform of Customs Administration*, Editor Michael Keen, 2003; and *The Modern VAT*, Ebrill, Keen, Bodin and Summers, 2001.
• **Conducting research** - All TA Departments carry out research, often resulting in the publication of IMF papers or other documents which are generally available on the IMF web site.

• **Designing TA programs** - the Fund organizes TA as projects\(^\text{10}\) which have a results-focused design. This requires the TA departments to prepare design strategies that can be used in a wide variety of circumstances and countries.

• **Applying systems to plan, manage, monitor and report on TA projects** - to further support its extensive involvement in TA, the Fund has developed critical systems to assist in the management, delivery and evaluation of projects (see box 1).

20. These combined responsibilities of the Committee on Capacity Building, the Area Departments, the TA Departments and OTM constitute an institutional support framework for TA project delivery in the field. All projects, whether internally or externally financed, whether delivered by HQ or by the RTACs, are supported equally by this framework. This institutional support infrastructure is a core competency of the IMF, with its cost largely independent of marginal changes in the number of individual TA projects undertaken.

C. Delivery of technical assistance projects

21. Technical assistance projects are carried out with a mix of IMF and external financing—through bi-lateral arrangements or multilateral trust funds. All projects financed by bi-lateral donors or through multi-donor trust funds can take advantage of the IMF institutional framework for TA. There are advantages with external financing (for both the IMF and for donors) – it leverages the internal resources available for TA, helps avoid duplication of advice by different donors, and strengthens collaboration with donors and other TA providers. Irrespective of the source of TA funding, the delivery of the specific TA project will be subject to the same institutional support framework. As noted earlier in this report, there is effectively no difference between externally-financed and internally financed TA projects from this perspective.

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\(^{10}\) Project is defined as a set of one or more related activities that, within a specified period, generates measurable outputs and outcomes and contributes to achieving a certain objective.
Box 1. Systems supporting externally funded TA

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<th>Description</th>
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<tr>
<td>TIMS (Travel Information Management System)</td>
<td>The travel information management system is the repository for the TA departmental resource allocation plans (RAP), and is used to plan and track TA mission and expert travel. TIMS records the names of the headquarters staff that are backstoppers for experts in the field. As individual missions are approved during the year, they are linked to TAIMS data. The RAP, together with the regional strategy notes, is disseminated to donors.</td>
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<tr>
<td>TAIMS (Technical Assistance Information Management System)</td>
<td>The TA information management system provides for the establishment and monitoring of TA projects that comprise headquarters missions, short- and long-term expert visits, and headquarters-based TA. The system is used to track project objectives and the tasks to be undertaken, TA inputs and outputs, and record project achievements. Project budgets are recorded in TAIMS for expert field delivery, travel, expert backstopping, project management and staff TA delivery.</td>
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<tr>
<td>TRS (Time Reporting System)</td>
<td>The time reporting system is used by headquarters staff to record the time they spend on project activities. For externally funded projects under the SFA, time spent on project management and backstopping of experts is recorded separately. Staff time charged against externally funded projects is approved by senior budget managers in each department before it is transferred into the financial system.</td>
</tr>
<tr>
<td>Financial system</td>
<td>The financial systems provide financial commitment controls, capture actual costs of TA delivery from the TRS system and expert travel claims and, after verification, transfers these costs to externally funded projects. These costs are then recovered from the contributions of donors held in the bank for international settlements (BIS) account.</td>
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<tr>
<td>EFRMS (External Finance Resource Management System)</td>
<td>The external financing resource management system is used to forecast and track donor agreements, contributions and expenditures and prepare monthly reports for donors. It is used to manage and schedule donor contributions, maintain donor Letters of Understanding/arrangements and related documentation, manage and schedule drawdown's for project activities, monitor project commitments, and provide management information.</td>
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<tr>
<td>Donor Gateway</td>
<td>This serves as a centralized source of valuable information for TA activities financed by donors, and for accessing information regarding the IMF’s wider TA program such as the RSNs. It provides donors secure access to periodic reports, financial statements and summaries, project documentation, and donor specific information, all drawn from other systems.</td>
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<tr>
<td>TAER (Technical Assistance Expert Roster)</td>
<td>The system used to manage the pool of experts used by the Fund for TA delivery. Potential experts are vetted by the TA departments to identify if they meet Fund standards before they are approved for inclusion on the IMF roster of experts.</td>
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<tr>
<td>Human resources system</td>
<td>Used to issue and manage expert contracts.</td>
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22. **The delivery of TA projects results in incremental costs for the IMF.** This situation is depicted in Part C of Figure 1. These costs are a function of the number and type of TA projects being delivered, in other words they are volume driven. They are the same for both internally financed and externally financed projects. There are three types of volume driven or incremental costs: direct technical assistance delivery; backstopping; and, project management:

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11 The only difference is the costs for trust fund management, which apply to externally financed projects. This issue is not being discussed in this paper.
• **Direct technical assistance delivery** - this refers to the travel and salary cost for short term or long term experts. These costs constitute the bulk of the TA delivery costs and are obviously directly related to the number of projects being delivered and hence the number of experts being hired.

• **Backstopping** - Backstopping is exclusively carried out by IMF staff economists in TA divisions (and sometimes those who manage backstoppers such as deputy division heads) in their direct support of the expert in the field. It is through these backstoppers that the comparative advantage of the IMF is realized. The backstopper is able to leverage the institutional support framework, and apply it to specific projects to maximize the quality of the TA being provided. Backstopping is not just the work of one person—it is a process that ensures the full force of the IMF institutional support framework is brought to bear on each project. All backstopping activities are normally content-related. A list of backstopping functions is set out in Appendix 1.

• **Project management** – these activities are concerned primarily with contract administration and other administrative issues such as security clearances and visas, etc. These activities are primarily carried out by support staff and by staff in the resource management units. A list of project management functions is set out in Appendix 2.

**D. Evaluation of technical assistance outcomes**

23. **The final step in the overall TA framework concerns the evaluation of the outcomes of TA projects.** This is depicted in Part D of Figure 1. The IMF is implementing results-focused project design that will make it possible to better measure success. Like many organizations, the Fund is moving from a focus on inputs to a more meaningful assessment of outcomes. Fund TA currently has the following evaluation features:

• Independent external evaluations for donor-financed TA are carried out. Reviews of RTACs are carried out at the end of each funding cycle. Bilateral programs are subject to periodic evaluations (e.g., a current external evaluation of JSA projects, and a review of TA in central Asian countries financed by SECO). The new topical trust funds have funding set aside for the evaluation of achievement. The office of internal audit (OIA) undertakes systemic reviews of critical IMF activities.

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12 This can include IMF staff.

13 While often collectively referred to as economists, the specialist backstopping staff in departments may be legal accounting or financial sector professionals.

14 A review of TA backstopping process by the IMF’s Office of Internal Audit is planned to commence in FY10.
• The Fund is also assessing the possibility of ex post evaluations of internally financed TA being done by units that do not provide the TA directly, and defining the role of Area Departments and the authorities themselves in the process.

24. **Results of evaluations are of critical interest to all stakeholders.** First and foremost, recipient countries themselves will want to know the relative success and impact of the TA activity in their country, and how it is contributing (or not) to their reform initiatives. Donors will want to know the impact and outcomes of their investments, to ensure their own development assistance objectives are being met. Finally, the IMF itself needs to be cognizant of all TA impacts – for the Area Departments, this means using the results of TA projects to inform surveillance and lending operations and strengthening the prioritization of TA; for the TA Departments, this means assessing and improving the design of future TA.

E. The TA framework of other providers

25. It is beyond the scope of this study to undertake a detailed comparison of the TA delivery approaches used by other TA providers. It is however reasonable to draw the conclusions that other TA providers are not geared to provide the same level of institutional support or provide the systematic backstopping undertaken by the IMF. Other providers of TA include: international organizations, such as the World Bank (WB), the Inter-American Development Bank (IDB), the Asian Development Bank (ADB), etc.; bi-lateral donors such as the Canadian International Development Agency (CIDA) and the UK’s department for International Development (DFID); and private companies. These providers carry out TA across a broad range of specialties, in many cases much broader than the range covered by the IMF. While all provide certain support for experts in the field, based on the author’s experience none appears to provide the institutional support framework described above for the IMF. The range of support for experts offered by these providers is illustrated in Box 2.

### Box 2. Range of institutional support for experts offered by other TA providers

The various providers of technical assistance (international organizations, development departments and agencies of specific countries, and private sector entities (from single individuals to large multi-national companies) all engage experts to provide technical assistance. The range of support offered to these experts by the provider can vary widely, and the range of support encompasses the following:

- **Basic contract administration only** – the expert must make all arrangements for visas, travel, accommodation, etc., No subject-matter support is available – the expert is on his or her own throughout the assignment.

- **Full administrative support** – experts receive full administrative support, including travel, etc., but still have very little (or none at all) subject-matter support available from the TA provider.

- **Full administrative and some technical support** – with these providers, the experts receive full administrative support and some level of technical support. The level of technical support often depends on how far the particular TA project is from the core competencies of the organization in question.
F. Overall cost efficiency

26. While the introduction section notes that this study is not intended to be a quantitative review of backstopping in the IMF, it is worth noting that there are some inherent benefits to be gained from the positioning of TA departments in the IMF. All IMF TA, whether internally or externally funded, leverages the Fund’s wider human resources, operational and governance framework to reduce the potential for inefficiency and waste.

27. There is close Executive Board oversight of these policies. Recruitment and remuneration of TA staff and headquarters-based experts are governed by Fund wide HR policies and procedures. Salary scales are regularly tested to ensure that they are competitive in ensuring top caliber recruitment while being in-line with the market sectors, including other TA providers. The IMF’s procurement policies apply fully in the delivery of TA, including in relation to international travel—a major expense item in TA. The IMF does not use separate project management units (PMU’s) in administering its TA.

III. VALUE ADDED FROM IMF APPROACH FOR EXTERNALLY FINANCED PROJECTS

A. Introduction

28. Section II describes the framework for technical assistance in the IMF. This section is a qualitative assessment of the value added as a result of this framework, particularly in respect of externally financed projects and the benefits that are available to donors by having TA delivered by the IMF.

29. The benefits of Fund-delivered TA are ultimately related to a very straightforward premise – the IMF only carries out TA in areas of its core competency and the IMF applies a significant and unique framework to support its TA projects. For donors, the implications are clear. If they want to provide technical assistance funding in areas of the Fund’s core competency, they will receive benefits available from the IMF framework, from prioritization to institutional support to direct TA and backstopping to project management and trust fund management and finally to evaluation. Donors are required to pay only for the volume-driven incremental costs related to these benefits, namely direct TA and backstopping, project management, and trust fund management. The rest of the benefits are available because the IMF is already in the business of delivering TA projects.

30. One of the main purposes of this paper is to assess the value added of backstopping, but it is not useful to look at this element in isolation. Backstopping has to be seen as the critical link between the Fund’s overall TA framework and a specific TA project. In the absence of a backstopping function, there is no means of taking advantage of the institutional support and quality control features of the Fund’s model.
B. Value added for countries and donors from institutional framework

31. Donors receive many benefits from the institutional support framework of the IMF:

- **Increased effectiveness of Fund operations** – donors are members of the IMF and have a direct interest in the increased effectiveness of the Fund’s operations. TA contributes to the effectiveness of IMF surveillance and lending programs, and is an important component to these core areas. Specialized TA helps build capacity for effective policy making, in support of surveillance and lending. Surveillance and lending results in policy that further informs and strengthens TA according to international best practice. More TA done through the IMF means better results for the global financial system and a more stable global economy.

- **Prioritization** – Fund TA is prioritized, once a year in a comprehensive manner, then updated regularly throughout the year, including mid year approval of revisions through the CCB. In this sense, Fund TA is evergreen, and can be delivered with maximum flexibility.

- **Equity** – part of the IMF strategy for TA is to ensure equity across its membership, on both a country and regional basis. Particularly where the IMF has programs, TA can be allocated to areas of greatest need, urgency, and risk.

- **Effective delivery approach** – Fund TA is delivered by HQ and, increasingly, by RTACs. RTACs can provide several benefits including: decentralized TA allowing greater flexibility in response to emerging needs; closer coordination with other TA providers; enhanced country ownership and accountability; more focused and subject-specific training for local officials.

- **Targeting** – Fund TA is precisely targeted. Mission teams, including country-based resident representatives in the Area departments develop the Regional Strategy Notes (RSNs) that guide TA selection and delivery. The RSN process, once fully mature, can result in a product that is both important and feasible.

- **Traction** – With the in-year continuous review through missions and other visits, Fund TA is provided only where the Area Department believes it is necessary and where the TA Department thinks it will have traction. This discipline can lead to more effective TA in the long run.

- **Comprehensive diagnostic assessments** – All TA Departments carry out diagnostic missions that result in a comprehensive assessment of TA needs and opportunities. These assessments develop a longer-term strategy for technical assistance in a particular area of Fund interest.

- **Fast response to changing circumstances** – the overall framework for TA in the IMF ensures constant monitoring in all areas of IMF interest. When circumstances change, the impacts on on-going or planned TA can be assessed quickly and adjustments can be made to technical assistance projects or programs.
- Better management of risk – The various features of Fund TA, described above, will result in better management of risk. In the provision of TA, the main risks relate to the inappropriate selection of TA projects in the first place, ineffective targeting, poor quality of experts and failure to provide proper support to them, inability to measure outputs and outcomes, and a lack of sustainability of the results. The IMF overall framework addresses all of these potential risks.

C. Value added for countries and donors from backstopping

32. The IMF approach to backstopping, as already noted, is the means by which the comparative advantage of IMF TA is leveraged. The specific advantages of backstopping include:

- **Timely and effective identification of TA projects** – in conjunction with the Area departments, the appropriate TA Department, and the country authorities, the backstopper often participates in the initial identification of a specific TA project. At this stage the backstopper is expected to already have a detailed and up-to-date knowledge of the country and the region in his or her specialty area.

- **Design of results-focused terms of reference** – one of the first tasks the backstopper must perform is the development of results-focused terms of reference (TORs) for the expert’s assignment. These TORs must be targeted with specific, and measurable outputs. The TORs also explain how the specific project fits in to the broader TA strategy for the country and the region.

- **Selection of qualified experts** – using the roster maintained by the TA Department, the backstopper often takes the lead in ensuring the appropriate expert is selected for the particular task at hand.

- **Development of detailed work plans** – the backstopper ensures detailed work plans are developed for the expert that respond to the requirements of the TORs and the views of the authorities.

- **Continuous oversight and monitoring of progress** – this is carried out throughout the duration of the project, with intensity dependent on the experience of the expert and actual developments in-country and changing circumstances.

- **Provision of advice and direction to experts** - this is one of the most important functions of the backstopper, and a feature of the IMF framework that supports TA. The backstopper has subject matter expertise and access to research and technical documentation and to other subject matter experts at headquarters, as well as reliable and up-to-date information and experiences in other countries and regions.

- **Coordination with RTACs** – the backstopper’s responsibilities extend to support for the RTAC regional advisors and, through them or sometimes directly, to the experts engaged by the RTACs.
• **Coordination with Area departments** – the backstopper has a direct window to the Area Department team for seeking and providing advice, guidance and reaction to specific issues.

• **Problem solving** – problems or issues of a subject matter nature will inevitably develop during many expert assignments. The backstopper is the first point of contact and will either solve the problem directly or bring to bear the considerable resources associated with the broader IMF TA support framework.

• **Quick response** – with a specific backstopper identified for each TA project (and a back-up to that backstopper also identified) the expert in the field can be assured of very quick response times for all issues brought forward to HQ.

• **Consistency** – one of the major features of backstopping is that it promotes and ensures consistency across IMF member countries. The backstopper represents the TA Department in ensuring that the same principles, rules and best practices are applied everywhere, and that they can be tailored where possible to take into account local circumstances and conditions.

• **Quality assurance** – this is a prime function of backstopping. All the expert’s advice, reports, etc. is monitored to ensure adherence to TA department norms, standards, and guidelines.

• **Assistance with report writing** – elements of this activity can be primarily editorial in nature but it is an important aspect of quality control for TA. Written documentation is important for many reasons, including evaluation and sustainability, and accurate and high quality reports are needed for translation into country languages.

33. **Project management** - administrative benefits are generally the same as would be provided by other providers of TA. However, as a major international organization and UN body, the IMF has particular advantages in the area of visas and security services. Project management includes:

• Project initiation and approval processes.
• Budget preparation and monitoring.
• Contract administration and making travel arrangements on a centralized basis.
• Securing visas for expert travel, and issuing security clearances for travel to countries with UN security status.
• Administration of project reporting to donors, and trust fund management.
Appendix 1

List of backstopping functions

1. Identification, vetting, hiring of experts

2. Conducting briefing sessions for experts

3. Preparing project documentation (e.g. letters to authorities, project summaries, briefing papers, back-to-office reports, project assessments, TAIMS data, etc.)

4. Preparation of terms of reference and detailed work plans for experts

5. Managing and supervising the work of experts:
   a. Maintaining regular contact with experts in the field (telephone, email)
   b. Monitoring progress
   c. Providing advice and responding to inquiries
   d. Evaluation of advisor/expert performance

6. Consulting with other HQ economists in functional departments and area departments

7. Reviewing and editing TA reports prepared by experts

8. Reviewing draft legislation and other materials

9. Providing back-up to primary backstoppers

10. Backstopping RTAC experts and resident advisors

11. Coordinating with other TA providers

12. Conducting inspection and installation visits

13. Incidental levels of administrative or non-technical support
Appendix 2

List of project management functions

1. Administrative support
   a. Finalizing notification letters and other documents
   b. Processing various pre- and post-mission documents
   c. Review of project related documents and materials (for completeness, etc.)
   d. Coordinating information for other TA departments

2. Human resources (resource management units)
   a. Manage and administer the recruitment and expert contracting process
   b. Liaise with HRD
   c. Prepare (and enter) necessary information (e.g. TIMS, PeopleSoft)
   d. Review experts’ salaries and establish rates, etc.
   e. Process experts’ claims for certification of duty days
   f. Handle all logistical coordination with experts and respond to administrative requests

3. Expense reports
   a. Process travel expense reports
   b. Review and discuss with divisions as appropriate
   c. Carry out accuracy checks, enter data into system
   d. Prepare all documents for approval

4. Travel and resource planning
   a. Arrange travel for experts, including visas, itinerary, etc.
   b. Arrange for security clearances
   c. Collect information on travel plans (forward looking)
   d. Organize information related to mission/expert planning and travel

5. TAIMS-related tasks
   a. Enter various information (e.g. project budgets, team rosters, backstopper assignments)
   b. Review project documents, including maintenance of and support for TAIMS reports
   c. Provide information on TAIMS-related issues
   d. Determine and attach correct budget to the project in TAIMS

6. Budget monitoring – producing projections, generating TA costing reports, reviewing budget information)