

Opening of AFRITAC South

On October 17, 2011, Mr. Min Zhu, Deputy Managing Director at the IMF, inaugurated the Africa Regional Technical Assistance Center South (AFRITAC South) in Port Louis, Mauritius. This article explains the significance of this important event for capacity building in Africa.

Africa capacity-building initiative

AFRITAC South's inauguration was a critical milestone in the IMF's *Africa Capacity-Building Initiative* launched in 2002. Responding to calls from African leaders, the initiative helps strengthen the capacity of African countries to design and implement poverty-reducing strategies, as well as to improve the coordination of capacity-building technical assistance. As part of the initiative, four centers have been established on the continent:

- East AFRITAC opened in Dar es Salaam, Tanzania, in 2002, and serves seven countries in East Africa.
- West AFRITAC opened in Bamako, Mali, in 2003, and serves nine countries in West Africa.
- Central AFRITAC opened in Libreville, Gabon, in 2007, and serves nine countries in Central Africa.
- AFRITAC South, opened on October 17, 2011 in Port Louis, Mauritius, and serves 13 countries in Southern Africa and the Indian Ocean, namely Angola, Botswana, Comoros, Lesotho, Madagascar, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Zambia, and Zimbabwe.

Work is in progress to open one last center in Ghana to cover the remainder of sub-Saharan Africa (AFRITAC West II; see map). The AFRITACs are part of the worldwide family of IMF technical assistance centers.

During the inauguration ceremony, Mr. Zhu said: "The IMF launched this initiative with a vision: give access to all countries in sub-Saharan Africa to an IMF regional technical assistance center. This vision was a response to African heads of state, who realized the continent needed centers of capacity-building excellence on the ground in the face of mounting challenges. Today, we have implemented four-fifths of this vision."

Accordingly, AFRITACs have become essential capacity-building instruments for the IMF in sub-Saharan Africa. At the end of FY 2011, the three existing AFRITACs had delivered 60 percent of total IMF technical assistance delivered to sub-Saharan Africa. With the opening of AFRITAC South, this share will rise in the steady state to some 80 percent.

Mandate

AFRITACs support the implementation of member countries' poverty-reducing strategies in the areas of the IMF's core expertise: macroeconomic policy, revenue policy and administration, public financial management, monetary policy and operations, financial sector supervision, macroeconomic and financial statistics, and macro-fiscal analysis.

Within this remit, AFRITAC South has experience and expertise to help its 13 member countries in:

- strengthening government institutions and central banks, which are critical to promoting sustainable economic growth;
- enhancing public financial management to make the use of public resources more efficient and transparent;
- deepening financial intermediation to support a strong private sector;
- strengthening statistical capacity for sound macroeconomic analysis, policy implementation, and better information to the public;
- strengthening macro-fiscal analysis and reporting to better plan and monitor resources available for pro-poor spending; and
- fostering regional integration through harmonization and peer review.

Governance

The governance of the Regional Technical Assistance Centers (RTACs) is designed to promote ownership of, and accountability for, capacity-building programs. Accordingly, each center is guided by a steering committee where beneficiary countries have the majority of the seats. The committee endorses the center's annual work plan and provides high-level guidance on strategic issues (such as emerging capacity-building needs in the region). The first meeting of AFRITAC South's steering committee also took place on October 17 and was attended by representatives of most member countries and donors. The committee endorsed the center's work plan for FY 2012 and its results-based management framework.

Each RTAC has a center coordinator, who is an IMF staff member, and a team of resident advisors. The coordinator is responsible for the overall management of the center, assembles the center's annual work plan, maintains close relationships with officials in member countries, and works closely with IMF headquarters to ensure effective coordination of technical assistance. The resident advisory team consists of specialists who provide advice and training in their areas of expertise. The composition of the team and the number of

advisors attached to each center are tailored to the needs of the participating countries, budget permitting. The advisors' work is closely supervised by the relevant IMF technical assistance departments to ensure quality and consistency with IMF policies. AFRITACs also promote African expertise by recruiting qualified resident advisors and short-term experts from the continent.

Proven track record

The governance of the centers is further enhanced by periodic independent evaluations of their activities. Independent external evaluations have consistently given AFRITACs high marks for the quality of their expertise, their rapid and flexible service delivery, and their responsiveness to member countries' needs. They found that AFRITACs were robust vehicles to support regional harmonization and integration and that their technical assistance contributed—in part—to improved transparency, accountability, and control. The evaluations stressed the success of the governance model, with involvement of recipient countries, donors, and IMF staff leading to 'ownership' of the recipient countries, as well as effective donor coordination in the spirit of the *Paris Declaration on Aid Effectiveness*.

International cooperation

AFRITAC South is a further example of effective cooperation between donors and the IMF in capacity building. AFRITACs provide technical assistance on a grant basis. They are financed by contributions from the beneficiary countries, bilateral and multilateral donors, and the IMF. For AFRITAC South, Mauritius is providing sizable financial and generous in-kind contributions to support the center. The center's donors include Australia, Brazil, Canada, the European Union, the United Kingdom, Switzerland, the African Development Bank, and the European Investment Bank.

Conclusion

Mr. Zhu said capacity-building assistance was critical for African countries to develop strong institutions, such as those which had helped many African countries through the 2008–09 international financial crisis. “Unlike during previous crises, Africa weathered that storm well and rebounded quickly. In hindsight, we believe that strong institutions, sound policies in the run up to the crisis, and the buildup of fiscal buffers all contributed to this remarkable result,” he said. “Strong institutions are the backbones of steadfast policies conducive to sustained development.”

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AFRITAC COVERAGE

