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November 28, 2000

To:            Members of the Executive Board

From:        The Secretary

Subject:      **Implementation of the Recommendations of the Resident Representatives  
Review**

Attached for the information of the Executive Directors is a report on the status of implementation of the recommendations made by the Office of Internal Audit and Inspection in the 1997 review of the resident representative program (EBS/97/137, 7/25/97).

Questions may be referred to Mr. L. Alexander (ext. 37121).

Att: (1)

Other Distribution:  
Department Heads

## INTERNATIONAL MONETARY FUND

**Implementation of the Recommendations of the Resident Representatives Review**

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Approved by Rafael Muñoz

November 27, 2000

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## **EXECUTIVE SUMMARY**

In January 1998 the Executive Board discussed the Review of the Resident Representatives Program conducted in 1997 by the Office of Internal Audit and Inspection (EBS/97/137, 7/25/97). The present paper has been prepared in response to Executive Directors' request at that time that there should be a review after about two years that would focus on whether the modifications to the program as recommended by the 1997 Review and endorsed by the Board had been implemented and if any problems had been experienced.

### **A. Overview**

Good progress has been made in implementing the recommendations of the 1997 OIA Review. That Review made 34 recommendations of which, 26 were endorsed by the Executive Board; the 26 recommendations were identified from an examination of the Concluding Remarks by the Acting Chairman at the Board discussion (BUFF/98/9, 2/2/98) and the minutes of the meeting (EBM/98/7). They are numbered and the status of their implementation is summarized in Table 1.<sup>1</sup> The eight recommendations that were not endorsed by the Executive Board are listed in Appendix I. Of the 26 endorsed recommendations, all of 15 and part of one other have been fully or substantially implemented. The implementation of three recommendations is no longer warranted.<sup>2</sup> Further action is needed on seven recommendations and part of another; these include some recommendations which are important for the overall effectiveness of the program.

### **B. Recommendations in Active Status**

The recommendations of the 1997 Review were grouped according to the four main aspects of the resident representatives program. The status of their implementation is summarized by group in succeeding paragraphs.

#### **1. Role of Resident Representatives**

Five recommendations were made, of which, two have been substantially implemented and three partially implemented. The major accomplishments have been the increased involvement of resident representatives in providing policy advice to the authorities, their substantial participation in the policy formulation process, and the overall good consultation

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<sup>1</sup> A number of recommendations propose that more than one action be taken, and in some of these cases, one action has been implemented while others have not.

<sup>2</sup> For these recommendations there are compelling reasons why a change from present practice would not improve the effectiveness of the resident representatives program or would adversely impact other Fund procedures. In these cases, OIA has suggested that the recommendation has been disposed of adequately and has classified their implementation status as "closed – not implemented" (see Table 1).

Table 1. Implementation of Recommendations Endorsed by the Executive Board

Recommendation	Implementation Status	Comments
<b>A. Role of Resident Representatives</b>		
1. Departments should identify in the terms-of-reference of RRs the highest priority outputs to be achieved during the period of the appointment; it is expected that these outputs would focus on (i) policy advice / program support, and (ii) institution-building / transparency. The highest-priority country-specific outputs to be achieved by the RR should be identified.	Partially implemented	Many terms of reference are generic. Key country-specific institution-building goals are identified in the terms of reference of only a small number of posts.
2. Posts should normally employ a local professional economist for routine tasks such as information gathering to relieve the RR from unproductive and low value-added activities.	Partially implemented	Budgetary and other constraints exist for thirty percent of active posts.
3. RRs should receive <i>ad referendum</i> authority to provide policy advice; this authority should be clearly identified within the bounds of existing agreed policy positions set out in briefing papers and MEFPs. The extent of this delegation should depend on the RR's experience and skills; where these are narrowly based, the extent of the delegation should be limited, with authority to operate <i>ad-referendum</i> outside agreed positions constrained to take place in close consultation with headquarters.	Substantially implemented	
4. (a) RRs should be consulted on the timing of missions/staff visits. (b) RRs should participate in the policy formulation process, <i>inter alia</i> , by commenting on draft briefing papers, staff reports, and country notes to management. Management should be informed when the RR has contributed to these documents.	Substantially implemented	(a) Closer consultation with RRs on the timing of TA missions is needed.
5. Area departments should take steps to remedy weak economic "back-stopping" services provided to resident representatives. The administrative burden placed on resident representatives in their professional role as staff heading resident offices, and in their personal situation as Fund staff located at a distance from headquarters, should be minimized.	Partially implemented	Constraints mainly related to competing demands on area department resources and difficulties in accessing the Fund's network and Intranet from the field.
<b>B. Personnel Targeting and Program Administration</b>		
6. Posts should be left vacant or closed if high quality staff cannot be found to fill the position.	Fully implemented	
7. All RR positions should be formally advertised. The selection process should match the country's particular needs with the prior experience and background of a candidate.	Fully implemented	
8. The Review Committee should formally endorse the area department's recommendation of a candidate to fill a RR position.	Fully implemented	
9. (a) RR positions should be unified within area departments' A11 and above staff ceilings, and RRs should become part of that department's staff. (b) The "home department rule" should be abolished, but voluntary agreements on alternative return arrangements could be made.	(a) Fully implemented (b) Closed – not implemented	(b) Retention of "home department rule" is advantageous for smooth functioning of staff rotation between field and headquarters positions.

Recommendation	Implementation Status	Comments
10. There should be greater convergence over time in the proportion of "1" ratings awarded to headquarters- and field-based staff in the annual performance review process. Progress should be monitored by HRD.	Partially implemented	Some convergence in "1" ratings in 1998 followed by divergence in 1999-2000. But full convergence in rates of promotion of RRs and HQ staff.
11. The Review Committee should attach a higher weight to successful field performance in considering placing candidates on the list of eligible B-level staff.	Substantially implemented	
12. (a) RR appointments should be for no longer than three years; the four year option should be abolished. (b) RRs should be required to return to headquarters at least once per year for consultations with their colleagues. (c) The authorities should not have to formally request an extension of an assignment for the second year, but should do so for a third year.	(a) Closed – not implemented (b) Partially implemented (c) Pending – no action	(a) Retaining flexibility of extension to a fourth year is in the interest of the Fund and individual RRs. (b) Travel budgets should be augmented. (c) Implementation should proceed.
13. The field benefits package should be reviewed on a regular cycle, e.g., four yearly.	Fully implemented	
14. (a) A full-time B-level staff member should be dedicated to the overall administration of the RR program for up to two years. This person should be involved, <i>inter alia</i> , in: (b) revamping HRD's administrative support arrangements for the program; (c) conducting the first field benefits review; and (d) providing necessary training for RRs and their support staff	Fully implemented	

### C. Partnership Arrangements

15. An explicit partnership arrangement with the national authorities should be a basic requirement for all RR posts.	Pending – no action	Arrangements are specified in post terms of reference rather than a separate document.
16. Departments should consult periodically with the authorities on the post's objectives and agree on specific areas where macroeconomic institution building is needed.	Partially implemented	Key country-specific outputs are identified in terms of reference for only a small number of posts.
17. There should be formal written understandings regarding the authorities' willingness to work closely with the RR office, the assignment of national staff to capacity-building projects, and the establishment of a high-level program implementation committee in which the RR would participate as an advisor.	Pending – no action	Specification of detailed understandings may not be acceptable to some country authorities.
18. (a) The written understandings should include the resource contribution to the post by the national authorities. (b) The provision of office space should be expected; posts should be relocated to these sites unless there are strong country-specific reasons for not doing so.	(a) Fully implemented (b) Closed – not implemented	(b) There are country-specific reasons why the Fund should not expect the authorities to provide office space or want them to do so.

Recommendation	Implementation Status	Comments
<b>D. Targeting the Program to Countries</b>		
19. The placement of RR posts should not be limited to countries with or expected to have a financial arrangement with the Fund.	Fully implemented	
20. A post should be opened only if it will be operationally effective, not because another international institution has established a post in that country.	Fully implemented	
21. The cost of the RR program Fund-wide should continue to be budgeted in a centralized dollar pool, and the annual ceiling for this pool should provide for a flexibility margin equivalent to meeting the costs of at least 10 percent of the RR positions utilized in the previous year.	Fully implemented	
22. To enhance flexibility and efficiency in the operation of the program, post opening and closing decisions should be made by area departments, subject to the departmental ceilings on personnel and the centralized budgetary ceiling on dollar costs of the RR program.	Closed – partially implemented	The ability of area departments to open posts is still constrained by the ceiling on the central dollar pool so that in practice, the decision to open a new post remains with management.
23. Departments should leave posts vacant or close posts in situations where the country environment has deteriorated in a way that reduces the RRs potential to add value.	Fully implemented	
24. The terms of reference for a post should be related to the post and not to the individual. If terms of reference relating to the individual are needed this document should remain internal to the Fund.	Fully implemented	
25. There should be further experimentation with regional coverage (of not more than two posts per resident representative) where conditions—ease of travel, and absence of political tension between countries—are appropriate, and a strong performer is available.	Fully implemented	
26. The appropriate field strategy for the Fund should continue to be through individual RRs and not through the general decentralization of operations as has taken place in the World Bank.	Fully implemented	

that takes place between headquarters and resident representatives on the timing of missions. On the other hand, action is needed in the following areas. Efforts should be made to better identify in the terms of reference for each post the specific objectives that are expected for the resident representative. Due in part to budgetary constraints, about 30 percent of posts still do not employ a local professional economist or research assistant to relieve the representative from performing of routine tasks. The response of area departments to representatives' requests for information (economic backstopping) could be improved. In this regard, the ability of representatives to obtain information without relying on area departments is constrained by slow and often unreliable electronic communications. Improved access to the Fund's databases and network is expected by end-2000 using local Internet providers. The administrative burden placed on resident representatives by area and other departments is generally manageable, but representatives have had to spend considerable time in evaluating candidates for INS courses. In recognition of this burden, participant selection procedures have recently been streamlined.

## **2. Personnel targeting and program administration**

Nine recommendations were made, of which seven have been fully or substantially implemented. With respect to personnel targeting, all resident representative vacancies are now advertised, thereby enlarging the pool of potential candidates for field appointments. The selection of high quality representatives is now assured by the Review Committee's formal clearance of candidates proposed for field positions. Field appointments have been made more attractive to staff as the Review Committee now attaches higher weight to successful field performance in its consideration of A15 candidates eligible for promotion to the B-level. However, it is not clear that the record of performance assessment and promotion of resident representatives relative to headquarters staff in area departments provide added incentives to staff to apply for field positions. Although the rate of promotion of resident representatives in 1999 and 2000 exceeds that for headquarters staff, the proportion of "1" ratings awarded to resident representatives was significantly lower than that awarded to headquarters staff in the 1998 and 1999 performance assessments (effective May 1, 1999 and 2000, respectively). HRD should further investigate the reasons for the divergence in these two indicators, and area departments should monitor more closely their award of "1" ratings between headquarters- and field-based staff.

The administration of the resident representatives program has been improved by the unification of resident representative positions within the area departments' staff ceilings. Also, a full-time B-level staff member was appointed for a fixed term to assist in the upgrading of headquarters support arrangements, the provision of training for resident representatives and support staff, and to conduct a review of the field benefits package. These tasks have been completed, and proposals arising from the field benefits review were approved by management in September 2000. However, the recommendation that resident representatives should return to headquarters at least once per year for country consultations and career development purposes has not been observed by all area departments. To emphasize the importance of such travel, the requisite funding should be identified separately within area department travel budgets. Also, the recommendation that the authorities should



not have to formally request an extension of an assignment for the second year has not been implemented; proposals to this effect should be prepared for management consideration.

### **3. Partnership arrangements**

Only one of the four recommendations in this area has been implemented, in that the resource contribution of the country authorities toward the cost of operation of the post are normally included in the post terms of reference. Partnership arrangements—formal written understandings specifying the areas that would be the focus of the resident representative's activities and indicating the actions the authorities would take to help achieve these goals—have not been established. Some area departments strongly support the need for partnership arrangements to make the post more effective, including especially the establishment of a high-level implementation committee in program countries which would be advised by the resident representative. Other area departments recognize that a partnership arrangement may be regarded by the country authorities as an undue intrusion on their economic management. Consequently, area departments should draw up formal partnership arrangements for countries where such understandings would be beneficial.

### **4. Targeting the program to countries**

Seven of the eight recommendations intended to improve the effectiveness of the program through better targeting have been fully implemented. The most important measure has been increased funding to provide area departments with more flexibility in deciding to open posts. Sufficient funds to meet the needs of at least 10 percent of the resident representative positions utilized in the previous year have been provided in the central budgetary pool that finances the establishment of new posts. Decisions on post openings, however, have not been devolved completely to area departments. A budgetary constraint, albeit less stringent, still remains so that in practice the decision to open a new post remains with management. Moreover, the flexibility originally envisaged in the 1997 review has not eventuated as no posts have been closed. In accordance with other recommendations, posts have been left vacant where the country authorities are not committed to a relationship with the Fund; new regional posts (where one representative covers two posts) have been opened where circumstances have permitted; and posts have also been opened or retained even if a country does not have, or is not expected to have, a financial arrangement with the Fund.

## **C. Recommendations in Inactive Status**

In addition to the recommendations discussed above, three recommendations have not been implemented because, upon further review, management and staff believe that, on balance, the resident representatives program may be more effective under the present arrangements. The 1997 Review proposed that:

- (i) The "home department rule" for return of representatives to their originating department at headquarters at the end of an assignment should be abolished. However, management and staff believe that the rule should be retained because a receiving department

has less information than the originating department about the suitability of an individual to perform well in a headquarters assignment and may not want to have to make a place for a poor performer at the end of the assignment. Also, good performers are not disadvantaged by the rule as they can arrange to remain in the receiving department if they perceive it to be in their career interest.

(ii) The term of a resident representative assignment should be for no longer than three years. However, management has continued to approve requests for extension of assignments beyond three years if the case can be made by the area department with the support of the authorities. It is believed that, upon further review of specific cases, the flexibility inherent in the current policy is in the best interest of the Fund where the maintenance of a continuing relationship with the authorities is essential for the success of a program, and/or in the best interest of a resident representative who may be at the end of his career and would find it difficult to return to a headquarters position for a short period.

(iii) The authorities should provide office space for resident representative posts and posts should generally be relocated to such sites. However, staff has pointed out that many countries cannot afford to provide office space of requisite size, security, and quality, and it may be preferable for the effectiveness of a program vis-à-vis local society for the Fund to provide its own office space.

#### **D. Conclusions**

Management will continue to monitor progress in the areas that are still in the process of implementation or where further action is needed, and will issue specific instructions to departments as appropriate.

## I. INTRODUCTION

1. In the Executive Board discussion of the Review of the Resident Representatives Program (EBS/97/137, 7/25/97) in early 1998 (EBM/98/7, 1/23/98), Directors agreed that there should be a review after about two years that would focus narrowly on assessing whether the agreed modifications to the program had been implemented and if any problems had been experienced. This review fulfils that mandate.
2. The 1997 review made 34 recommendations for the improvement of the resident representatives program, grouped into four categories: the role of resident representatives; personnel targeting and program administration; partnership arrangements with countries; and the targeting of the program to countries.<sup>3</sup> Of these recommendations, 26 were endorsed by the Executive Board. This paper examines whether and how these 26 recommendations were implemented.<sup>4</sup> It does not examine the impact, effectiveness, efficiency, or sustainability of these changes on the resident representatives program. These assessments will be made in the next full evaluation of the program which, as the Board has indicated, should be conducted some five years after the 1997 review in 2002-03.
3. The scope of the present review was expanded in January 2000 to meet also requests made by Fund management and area department directors. OIA was asked to give special attention in conducting the present review to assessing the progress made in implementing the recommendations of the 1997 review relating to the role of resident representatives in policy formulation and advice, and to focus on five other issues considered by department heads to have a major impact on the effectiveness of the program, namely, ensuring equality of treatment for field-based staff in performance ratings; allowing flexibility in the length of field assignments; making effective use of local staff in field offices; assessing the need for more frequent travel by resident representatives to headquarters; and reviewing the quality of support services provided to representatives by the headquarters support team.

## II. METHODOLOGY

4. A combination of methods was used to obtain the information necessary to formulate an assessment. The methodology was designed to seek the primary information from the most relevant sources while allowing for cross checking to enhance reliability.

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<sup>3</sup> The 1997 review also identified nine recommendations for the budgetary framework of the resident representative program. However, as they are derived from the main program recommendations, their implementation is not examined separately in this paper.

<sup>4</sup> The seven complete recommendations and that part of another recommendation which were not endorsed by the Board are listed in Appendix I.

## 1. Surveys

5. A questionnaire (see Annex I) was developed to ascertain the representatives' assessment of their own involvement in the policy formulation process and the provision of policy advice; the need for more frequent travel to headquarters; their experience with hiring local professional staff; the extent of 'backstopping' by area departments; the ease of electronic communication with the Fund; the administrative burdens placed on representatives by headquarters-based staff; and the quality of support services provided by HRD and other departments. After review by area departments and HRD, the questionnaire was sent to 72 of the 75 representatives in the field as at December 31, 1999.<sup>5</sup> Responses were received from 67 resident representatives—a very high response rate of 93 percent. The responses are summarized in Appendix II.

6. A separate questionnaire (Annex II) was developed for the mission heads to the countries whose resident representatives had been surveyed. It sought the mission heads' assessment of the extent of the resident representative's involvement in policy development and the provision of policy advice, and the need for representatives to travel to headquarters more frequently. Responses were received from 69 of the 71 mission heads who were surveyed—a very high response rate of 97 percent. The responses are summarized in Appendix III.

## 2. Desk review and interviews

7. A desk review of the terms of reference for a selection of resident representative posts was undertaken in order to determine if there was an explicit statement of the outputs to be achieved by the representative(s) during the period of appointment. The review was limited to an examination of the terms of reference for the 50 posts for which new appointments were made after Board consideration of the 1997 review, i.e., in FY 1999 and FY 2000 up to December 31, 1999.

8. Interviews were held with the Senior Personnel Manager (SPM) and other senior staff of each area department. The topics discussed were the factors affecting the decision to open, maintain, or close resident representative posts; the need for country contributions toward the cost of operating the post; the desirability of expanding regional coverage (one representative covering more than one country); the preferred length of an assignment and the length of the initial appointment; and the possibility of resident representatives leading missions.

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<sup>5</sup> In addition to the vacant posts (Nigeria, Senegal/Guinea Bissau, and Turkmenistan), questionnaires were not sent to three field staff: the representative in Mexico (newly appointed), the special financial advisor in Indonesia (also newly appointed), and the coordinator of the Pacific Financial Technical Assistance Center in Fiji whose responsibilities do not involve policy formulation or policy advice.

9. HRD staff also provided numerical data and other information on selection procedures for resident representatives, performance ratings and promotions of resident representatives in relation to headquarters-based staff, and the support arrangements for the program.

### III. IMPLEMENTATION OF RECOMMENDATIONS

10. This section lists and discusses the implementation of the recommendations that were endorsed by the Board at EBM/98/7.

#### 1. Role of resident representatives

Recommendation 1: *"The role of resident representatives should be tightly focused on the areas in which representatives have a comparative advantage over missions: timely on-site policy advice/ program support and promoting the strengthening of macroeconomic institutions/transparency. In each of these two areas of principal comparative advantage, departments should identify the highest-priority country-specific outputs to be achieved during the period an individual representative will be in the field."*

11. This recommendation has been only partially implemented. The desk review of the terms of reference (TOR) of resident representatives appointed in FY 1999 and FY 2000 found that almost all TORs include a requirement for the resident representative to provide program support, for example: "as appropriate and in consultation with headquarters, advise the authorities on possible actions to achieve the intended consequences", or "advise the authorities of actions needed to keep the program on track." All TORs include the provision of policy advice. For many posts this role is stated implicitly, for example, nine EU2 posts have the generic requirement to "establish close working contacts and an ongoing policy dialogue with principal policy makers." Other posts have a more explicit statement, for example, Brazil: "The resident representative's principal task is to carry out on-site policy review work and provide policy advice to the authorities."

12. Most TORs do include a general statement on macroeconomic institution building. Of the posts to which appointments were made in FY 1999 or FY 2000 up to December 31, 1999, the number of posts for which the TOR included macroeconomic institution building were: AFR – 9 of 15, APD – 3 of 12, EU1 – 4 of 4, EU2 – 8 of 9, MED – 2 of 2, WHD – 5 of 8.<sup>6</sup> However, very few TORs (across all departments) specify the priority areas where institution building is to be achieved.<sup>7</sup> In recognition of this situation, HRD—in reviewing

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<sup>6</sup> A clear statement is provided in the Ukraine TOR: "Promulgate implementation in one or two key areas in partnership with the authorities and through technical assistance provided by the Fund or other creditors/donors."

<sup>7</sup> One good example of specificity is Haiti: "Promote macroeconomic institution building. Maintain contacts with middle level officials in the Ministry of Finance and the BRH in order to support the statistical and analytical capability within the government. In particular, (continued...)"

draft TORs—has brought to the attention of area departments the desirability of including this role and specifying priority areas for improvement. Since this advice was not reflected in the final TOR in many cases, with effect from May 1, 1999, HRD has indicated to management whether or not the TOR prepared by the area departments contain a commitment to macroeconomic institution building and specify the area(s) being targeted for strengthening. Also to enhance consistency across departments while allowing for country-specific objectives, a “model” terms of reference is being developed by HRD which is designed to clearly identify priority areas in which the resident representative will assist the authorities in building capacity.<sup>8</sup>

*Recommendation 2: “A serious need exists to scale back the use of representative staff for unproductive and low value-added tasks. For routine information gathering and other tasks, posts should normally employ a local professional economist in a research assistant capacity.”*

13. This recommendation has been partially implemented. At end-December 1999, 46 of the 68 active resident representative posts (68 percent) had a local economist or research officer/assistant employed under contract or seconded from the central bank or Ministry of Finance to assist in routine information gathering and data processing (Table 2). In responding to survey question 27 asking why a local economist/research assistant had not been hired, resident representatives indicated that this form of assistance was not needed (4 posts); it was difficult to find a qualified person (4 posts); the authorities had withheld their approval for a non-government employee to be hired where posts were located in government offices (3 posts); and there were budgetary or office space constraints (6 posts). With regard to budgetary constraints, some representatives indicated that they could not compete with the private sector in attracting high quality local staff, since private sector salaries exceeded the Fund’s “UNDP scale plus 20 percent” salary ceiling. However, current guidelines permit salaries in excess of this ceiling to be paid in exceptional cases as required by market conditions. Resident representatives should therefore include sufficient funding in their annual post budget requests to permit the hiring of high quality local professional staff.

14. With regard to the shortage of quality local professional staff in some countries, resident representatives—in responding to survey question 28—suggested a number of measures to improve the performance of those staff who are hired. They include the attendance of local staff at regional training courses conducted by INS; extension to

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assist in the areas of monetary policy analysis, banking supervision issues, and on the compilation and analysis of fiscal data.”

<sup>8</sup> The model TOR, which has not been formally released to area departments, is available as an IMF macro in the Fund-standard version of Microsoft Word.

Table 2. Resident Representative Posts with Support Staff as at December 31, 1999

	Staff hired by the Fund				Staff provided by the authorities			
	Economist	Research Assistant	Interpreter/Translator	Office/Admin. Assistant	Economist	Research Assistant	Interpreter/Translator	Office/Admin. Assistant
(Number of posts)								
AFR	2	7	0	11	1	1	0	4
APD	4	2	0	10	2	1	0	4
EU1	3	3	1	6	0	1	0	2
EU2	8	5	8	13	0	1	0	0
MED	1	0	0	1	0	1	0	3
WHD	1	0	0	3	2	0	0	8
Total	19	17	9	44	5	5	0	21
(Number of staff)								
AFR	2	7	0	13	1	1	0	4
APD	5	2	0	16	2	1	0	4
EU1	3	3	2	6	0	1	0	2
EU2	10	10	12	24	0	2	0	0
MED	1	0	0	1	0	1	0	3
WHD	1	0	0	3	2	0	0	9
Total	22	22	14	63	5	6	0	22

Source: Human Resources Department.

professional staff of the program providing on-site training in Fund-standard computer applications to support staff (see paragraph 42), and requesting research assistants from headquarters who go on mission to provide training to local staff in computer applications and accessing Fund databases.

*Recommendation 3: "Ad referendum authority should be delegated from mission chiefs to resident representatives within the boundaries of existing agreed policy positions set out in briefing papers and memoranda of economic policies. Where the representative is suitably qualified and experienced, the breadth of ad referendum delegation should be wide; in cases where the representative's experience or skills are more narrowly based, the extent of delegation should be similarly limited, with his/her authority to operate ad referendum outside these areas constrained to take place in close consultation with headquarters."*

15. This recommendation has been substantially implemented. Although only a few TORs specifically mention the delegation of *ad referendum* authority to provide policy advice, most TORs do attempt to tailor the responsibilities of the post to the capabilities of the individual resident representative. At one extreme is the TOR for Togo where the role of the resident representative is tightly constrained: "he will ... maintain a dialogue ... on all matters of economic policy. In so doing, he will reflect the position taken by the Fund mission ...." By contrast, the TOR for Romania call for the representative to "make proposals on specific economic issues and generally offer advice on policies and issues, ... usually ... after conferring with the mission chief ..., but also independently when time and circumstances dictate." Also, for India (a senior resident representative post): "The authorities may wish to discuss in an informal manner alternative policy approaches to economic developments. The resident representative will use his or her best judgement in these discussions."

16. Substantial implementation of the recommendation is also indicated by the survey responses. Question 18 asked resident representatives about their role in providing policy advice within the agreed policy framework for the country; 63 percent of respondents indicated that they were authorized to provide policy advice in accordance with their own judgement, and 33 percent were first required to consult with the mission chief. Only one representative indicated that he was not authorized to provide any policy advice. These responses were confirmed in the mission heads survey (65 and 35 percent, respectively) (question 16).

17. Resident representatives' responses to question 19 also indicate that there is wide latitude for representatives to discuss with the authorities alternative policy approaches outside the agreed policy framework. Some 61 percent of representatives indicated they were authorized to do so after consultation with the mission chief, and 27 percent felt they could do so according to their own judgement. Only 10 percent of representatives believed they could not discuss alternative policies. Equivalent responses from the mission heads were 70 percent, 22 percent, and 8 percent, respectively. A further breakdown of resident representatives' responses by seniority indicated that 40 percent of senior resident



representatives believed they did not need to consult first with the mission head, compared with 24 percent of A-level resident representatives.

18. Resident representatives indicated a high degree of satisfaction with their overall role in providing policy advice (question 20). Some 91 percent regarded the extent of their authorization to be about right, while only 9 percent regarded it as being too restrictive. Moreover, 100 percent of mission heads felt the authorization of their resident representatives to provide policy advice as being about right (question 18 of the mission heads' survey).

*Recommendation 4: "Resident representatives should be consulted on the appropriateness of the proposed timing of missions/staff visits and on the authorities' state of preparedness for the work of the staff team, and should be provided with an explicit window within which to comment on draft briefing papers, staff reports, and country notes to management. Where concerns exist about security of information transmission to the post, signal encryption technology should be installed by the Fund. When consequential country documents are transmitted to management, the cover note should confirm that they have benefited from the representative's comments. In the case of staff reports for annual arrangements, resident representatives should provide input to the discussion of the mechanisms put in place by the authorities to implement the program, the effectiveness of those mechanisms, and the areas in which Fund-provided or other technical assistance would be helpful to overcome weaknesses in implementation capacity. In the case of staff reports for Article IV consultations with countries in which a post is maintained, representatives should provide input to the discussion of measures taken by the authorities that have a bearing on the transparency (or otherwise) of national macroeconomic policies, processes, and outcomes, and of areas in which transparency remains weak."*

19. This recommendation covers two areas: the need for consultation with resident representatives on the timing of missions and their participation in the policy formulation process. With respect to consultation on mission scheduling, the survey of resident representatives indicated that for area department missions, 78 percent of representatives were always consulted or were consulted frequently on their timing (question 24). About 18 percent were consulted occasionally, and 3 percent were never consulted. For technical assistance missions, however, resident representatives were consulted about their timing much less often (question 25). Less than half the respondents (44 percent) indicated they were consulted frequently or always, 37 percent were consulted occasionally, and 18 percent were never consulted. This suggests a need for greater coordination between area departments and representatives on the timing of technical assistance missions as part of the monthly approval of functional departments' mission schedules.

20. With respect to the participation of resident representatives in policy formulation, the desk review of the post TORs where appointments were made in FY 1999 or FY 2000 indicates that a substantial majority of posts have only a general reference to policy formulation—the representative will: "assist as needed in the preparation of Board papers, in commenting on drafts, and in analysis of special issues," and "participate, with

(departmental) approval, in program negotiations with the authorities conducted at headquarters." A more specific statement would seem to be desirable, following the example of five AFR posts: "the resident representative will assist staff at headquarters in formulating relevant policies and programs for (the country)." Another good example is provided by the TOR for Hungary/Czech Republic: "the resident representative will attend the Executive Board discussions of the Article IV consultation; with the concurrence of the Director of EU1, join the mission chief at the Board table; and discuss progress, problems, and proposals for future work with EU1." Again, for Honduras, the resident representative will "closely and regularly participate in the preparation and monitor the implementation of the economic program ... His contribution ... is an important complement to the analysis undertaken by the staff at headquarters and a valuable input to the design of the adjustment program."

21. Both surveys indicated that while most representatives have an appropriate role in policy formulation for their country, there may be scope for the greater involvement of a few resident representatives. In the resident representatives survey (question 1), 54 percent of respondents believed that they had extensive involvement and 33 percent indicated some involvement. However, 13 percent (9 staff) reported minimal or no involvement. These results are confirmed by the representatives' overall assessment of their involvement (question 13), whereby 84 percent regarded it as being "about right," but 16 percent (11 staff) believed it to be insufficient. The mission heads' survey also suggested that a few representatives could be more involved in policy formulation. The mission heads' rating for "extensive involvement" was about the same as in the representatives' survey (52 percent) but their rating for "some involvement" was higher (43 percent); nonetheless, they indicated that three representatives (4 percent) had only "minimal involvement" in policy formulation (question 2). Moreover, mission heads indicated that the overall extent of five representatives' involvement in policy formulation was "insufficient" (question 11).

22. In accordance with recommendation 4, the resident representatives survey indicated that the means by which they are involved in policy formulation includes (i) telephone or e-mail communication with the mission head—about 75 percent of representatives are in very frequent contact (daily or several times a week) (question 11); (ii) contributions to staff papers—75 percent of respondents say they write the first drafts of staff papers at least occasionally (question 2); and (iii) comments on briefing and other staff papers (question 4)—82 percent comment frequently or always on these documents. These comments are almost always made at the stage of the first draft, and their involvement drops off sharply during the review process (question 6).<sup>9</sup> However, a significant proportion of representatives (22 percent) believe that their comments have little or no influence on the final product (question 7). This is significantly higher than for mission heads, of whom only 4 percent believe that representatives have little or no influence on policy formulation

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<sup>9</sup> Only 40 percent of representatives are asked to comment on the draft to be reviewed by the front office, 20 percent on the draft to be circulated to departments, and 5 percent on the draft to be sent to management.

(question 2). This may reflect in part the assessment by about 15 percent of mission heads that the quality of their resident representatives' comments is less than satisfactory (question 9).

*Recommendation 5. "Area departments should take steps to remedy weak economic "back-stopping" services provided to resident representatives by headquarters-based staff. The administrative burden placed on resident representatives in their professional role as staff heading resident offices, and in their personal situation as Fund staff located at a distance from headquarters, should be minimized."*

23. This recommendation has been partially implemented. There appears to be significant room for the improvement of area department back-stopping services as over 40 percent of resident representatives regard the provision of information by area departments on developments at headquarters and the area department's response to their requests for economic data as either inadequate or very inadequate (question 29).<sup>10</sup> The main deficiencies (question 30) are the provision of information on Fund-wide policies and new initiatives, for example, supporting arguments for the Fund's stance on globalization and trade liberalization (31 respondents); on administrative and other developments within the area department (7); on regional issues and political and economic developments in neighboring countries (12); on research work on-going in the Fund (2); and a slow response to requests for economic data (7).

24. Part of the difficulty in obtaining information from area departments and headquarters more generally stems from poor electronic communication. As they cannot obtain information directly, representatives must ask for the assistance of headquarters staff who have competing demands on their time. About 45 percent of representatives regarded computer access to data and other information at headquarters to be either inadequate or very inadequate (question 31). The main difficulty appears to be the slow speed of transmission when using SITA to connect to the Fund's network which makes it very time-consuming to download large files (37 respondents). Some representatives noted that this constraint would be alleviated if locally hired staff could connect to the network, thereby releasing the representative for other duties. However, this has not been possible due to security considerations. The difficulty is further exacerbated in some cases by an even slower connection over local telephone lines between the representative's office/home and the local SITA node. In other cases, the speed of access to Fund's external web site through a local internet service provider is adequate, but this avenue cannot be used to access the internal web site. In their survey responses, some representatives suggested that the Fund arrange for the use of the World Bank's satellite communications network. However, TGS has

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<sup>10</sup> Copies of all material distributed desk-to-desk within the Fund is sent by the Documents Distribution and Publications Services to the Pouch Service for delivery to all resident representatives. Area departments are responsible for sending all other material to resident representatives.

determined that this is not a cost-effective solution (the Bank charges \$5,000 per month for a connection), and it is limited to posts where the two offices are located at the same site. TGS is therefore in the process of implementing internet access to the Fund's network with strong security protection. A phase II pilot exercise (including two resident representative posts) has been completed, and access will be provided to all resident representatives by end-2000.

25. With respect to the administrative burden on resident representatives, 77 percent of representatives regarded the requests from the area department as being manageable or easily manageable (question 32(i)).<sup>11</sup> However, this rating dropped to 58 percent with respect to the demands of HRD (question 32(ii)). The main deficiencies in HRD administrative support noted by representatives are discussed in paragraph 44. About 70 percent of representatives regarded the administrative requests by other departments (TRE, technical assistance departments, and INS) to be manageable or easily manageable (question 32 (iii)). But 10 representatives pointed to the excessive amount of time required to identify and interview candidates for IMF Institute courses. Discussions with INS staff confirmed that a number of representatives had also informed them that this activity imposed considerable demands on their time. In response, the Fund-wide Admissions Committee for INS courses agreed in August 2000 to take the following measures: (i) INS would continue to send evaluation requests to resident representatives, but area departments and resident representatives would closely coordinate these evaluations to ensure that at least one evaluation of each candidate was provided either by headquarters-based staff or the resident representative; (ii) resident representatives would be encouraged to evaluate applicants, as their input was at least as important as that of headquarters-based staff; (iii) resident representatives would have discretion to decide whether or not to interview candidates in order to arrive at an evaluation; and (iv) sponsoring agencies would be reminded of the existing INS policy of nominating no more than three applicants per course, per agency.

## **2. Personnel targeting and program administration**

*Recommendation 6. "The Fund should assign only high quality staff members with the appropriate skills and judgement to resident representative positions. Where sufficient economist resources of the appropriate quality are not available, posts should be left vacant or be closed by departments."*

26. This recommendation has generally been implemented. Although some area departments indicated that, in a few cases, considerations of expediency may have been given greater weight than suitability of qualifications, the requirement of Review Committee clearance of candidates helps to ensure quality control. While no posts were closed during the period of this review (FY 1999 and FY 2000 to end-December 1999), the search for

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<sup>11</sup> Some representatives who believe the requests by area departments to be excessive note the requirements of mission facilitation: arranging airport pickup, security clearance, hotel reservations, meeting schedules, and side trips.

suitably qualified candidates resulted in an average time taken to fill a resident representative vacancy of 89 days. A considerably longer time was needed to find suitable candidates for some senior resident representative (SRR) posts where special analytical/diplomatic skills are required; for hardship posts with difficult living/security conditions; and for posts requiring specific language skills. Of the 12 post vacancies which took more than 100 days to fill during this period, Nigeria, Philippines, Vietnam, Indonesia, and Hungary/Czech Republic were SRR posts, and Senegal, Mongolia, Albania, Tajikistan, and Nicaragua were hardship posts. The second position at the Ukraine post also took more than 100 days to fill because potential candidates generally preferred to have sole responsibility for a post. Finding a suitable Portuguese speaker delayed the filling of the Angola post. By contrast, although the Turkmenistan post has been vacant since October 1999, this does not reflect difficulty in finding a suitable candidate, but the authorities' lack of commitment to a relationship with the Fund.

*Recommendation 7. "All resident representative positions should be formally advertised. Selection should be targeted at policy/technical competence, communication skills/interpersonal effectiveness, self-confidence, a capable/take-initiative style, and at matching an individual country's particular needs over the coming one to three year period with the prior experience and background of a candidate."*

*Recommendation 8. "Responsibility for endorsing the recommendation of a candidate should formally be vested in the (Senior) Review Committee which may wish to delegate the task to a sub-group. Area departments should continue to select from among the applicants their preferred choice for the position, a process in which mission chiefs should be closely involved. A department's preferred choice, together with the full list of applicants, should be forwarded to the Committee or its sub-group which would be charged with endorsing (or otherwise) the department's selection and recommending those selections that they can endorse to Fund management."*

27. Both these recommendations have been implemented. All forthcoming resident representative vacancies were advertised with effect from May 1, 1998. The Review Committee began the process of endorsing candidates proposed by area departments to resident representative posts for all posts advertised on or after August 1, 1998. The Committee's procedure is that one member is assigned the responsibility for investigating the suitability of a candidate, and other members are invited to provide relevant input. The assigned member reports his/her findings to the rest of the Committee recommending either clearance on a lapse-of-time basis or discussion by the full Committee. During the period of this review, all clearances were on a lapse-of-time basis without need for discussion.<sup>12</sup> The

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<sup>12</sup> Twenty-five appointments were cleared by the Review Committee between August 1, 1998 and December 31, 1999. In addition, appointments were made of four candidates whose posts had been advertised before August 1, 1998; six candidates who had previously completed resident representative assignments successfully; and two others. These were a direct appointment by management of an outside candidate to a SRR post, and the

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clearance process typically delays the submission of a candidate's name for management approval by 2-3 weeks. There is evidence that the clearance process makes area departments more selective in their choice of candidates, as on two occasions, departments withdrew candidates on the advice of HRD that they probably would not be cleared.

*Recommendation 9. "Resident representative positions should be unified within area departments' A11 and above staff ceilings and should become indistinguishable from departments' regular economist positions. The ceilings on departments' A15 positions should automatically rise by the appropriate extra number of A15 positions when resident representative positions are transferred to departments. Representatives should become regular area department staff members and taking up a resident assignment should become no different to joining the regular staff of an area department in any other position (or to relocating from one position to another within the same area department). The "home department rule" should be abolished, but nothing would prevent departments and individuals voluntarily agreeing on return arrangements."*

28. Beginning in FY 1999, all resident representative positions were included within the area departments' authorized staff ceilings. Area departments may move staff from a headquarters position to a new field post, subject to an overall constraint on the cost of the resident representative program (see Recommendation 21, below).

29. With respect to the home department rule, the recommendation that it be abolished has not been implemented and no further action is expected.<sup>13</sup> Area departments hold the unanimous view that requiring a representative to return to the originating department rather than to remain in the receiving department has clear advantages:

(i) it helps to fill field posts because the receiving department generally has less information than the home department on an individual's suitability for headquarters work, and may not be willing to recommend the field appointment if a position at headquarters has to be provided at the end of the appointment.

(ii) it helps to recruit field staff from other departments because a field posting satisfies the mobility requirement for promotion in the home department.

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appointment of a B-level staff member whose work was well known by members of the Review Committee.

<sup>13</sup> The "home department rule" is stated in paragraph 5c. of Staff Bulletin 94/7 (4/27/94): "In the absence of a specific mobility request by the resident representative and acceptance of an alternative department, a resident representative will return to the department in which he or she worked prior to taking up the overseas assignment. ... On return to headquarters, the resident representative may spend one to two months in the area department responsible for the country in which he or she just served prior to taking up his or her next assignment."

(iii) it provides the receiving department with more flexibility in its personnel management as the department has the option (but not the obligation) to offer a strong performer a position at headquarters at the end of the appointment. Due to this possibility the rule does not impair the ability of good performers to maximize their career prospects.

(iv) it shares the burden of finding positions for resident representatives who are ending their assignments between area and non-area departments. If the rule were to become a "receiving department rule," this would favor non-area departments who would have more job vacancies than area departments and would be able to fill them with the best candidates.

*Recommendation 10. "Much greater convergence should be expected over time between the proportions of "1" ratings awarded for field-based and headquarters-based work by departments in the annual performance evaluation process, and this issue should be monitored by Administration Department."*

30. This recommendation has been partially implemented. After making some progress in raising the share of "1" ratings for resident representatives toward that of headquarters economists in the first performance appraisal exercise conducted after Executive Board consideration of the Resident Representatives Review in January 1998—the awards taking effect on May 1, 1998—there was some slippage in 1999 and a further divergence in 2000.<sup>14</sup> Over recent years, about 15 percent of area department economists at headquarters have been awarded a "1" rating (Table 3). In 1998, ten resident representatives received a "1" rating (two more than 1997) so that the share of "1" ratings rose to 15 percent. In 1999, however, the number of representatives receiving a "1" rating declined to eight and their share fell to 12 percent. In 2000, only six representatives received a "1" rating and their share fell to 8 percent. An analysis of ratings by broad salary grade indicates that the overall slippage in 2000 reflects fewer senior staff receiving a "1" rating. Although the number of resident representatives in grades A15-B3 increased significantly during the last three years—from 32 to 40—the number of "1" ratings for this group declined from three in 1999 to one in 2000. This may reflect, in part, the filling of posts by experienced staff who are already plateaued and are nearing retirement. By contrast, the number of "1" ratings at the A12-A14 salary levels remained unchanged between 1999 and 2000. An analysis of performance ratings by area department indicates that EU1 and EU2 have consistently awarded a "1" rating to at least one resident representative in each of the past six years (Table 4). The small number or absence of "1" ratings for resident representatives in AFR, APD, and WHD for the 1999 performance assessment exercise (effective May 1, 2000) is notable.<sup>15</sup>

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<sup>14</sup> It should be noted that there is large statistical impact on the proportion of "1" ratings for resident representatives caused by a small change in the absolute number of representatives receiving such an award.

<sup>15</sup> As MED has only four resident representative posts, the department cannot be expected to award a "1" rating to a resident representative each year.

Table 3. Resident Representatives and HQ Economists  
with a "1" Rating, 1995-2000 1/

As of May 1	Resident Representatives			Area Department Headquarters Economists		
	With "1" rating	Number of staff	In percent	With "1" rating	Number of staff	In percent
<b>A12-A14 Salary Grades</b>						
1995	6	40	15.0	29	246	11.8
1996	4	41	9.8	38	270	14.1
1997	6	42	14.3	38	267	14.2
1998	8	36	22.2	34	268	12.7
1999	5	33	15.2	41	263	15.6
2000	5	32	15.6	40	263	15.2
<b>A15-B3 Salary Grades</b>						
1995	4	24	16.7	25	123	20.3
1996	1	25	4.0	25	138	18.1
1997	2	27	7.4	23	143	16.1
1998	2	32	6.3	27	137	19.7
1999	3	36	8.3	19	132	14.4
2000	1	40	2.5	25	132	18.9
<b>All Salary Grades 1/</b>						
1995	10	64	15.6	54	369	14.6
1996	5	66	7.6	63	408	15.4
1997	8	69	11.6	61	410	14.9
1998	10	68	14.7	61	405	15.1
1999	8	69	11.6	60	395	15.2
2000	6	72	8.3	65	396	16.4

Source: Human Resources Department.

1/ Excluding resident representatives at the B4 salary grade.



Table 4. Resident Representatives and HQ Economists with a "1" Rating  
by Area Department, 1995-2000 1/

As of May 1	Resident Representatives			Area Department HQ Economists		
	With "1" rating	Number of staff	In percent	With "1" rating	Number of staff	In percent
<b>AFR</b>						
1995	0	15	0.0	16	96	16.7
1996	0	15	0.0	17	96	17.7
1997	0	17	0.0	18	97	18.6
1998	1	17	5.9	16	101	15.8
1999	2	18	11.1	15	95	15.8
2000	1	19	5.3	15	88	17.0
<b>APD</b>						
1995	3	14	21.4	8	54	14.8
1996	0	13	0.0	11	65	16.9
1997	2	13	15.4	9	64	14.1
1998	2	14	14.3	9	63	14.3
1999	2	16	12.5	9	66	13.6
2000	0	17	0.0	11	66	16.7
<b>EU1</b>						
1995	1	8	12.5	7	56	12.5
1996	1	7	14.3	9	65	13.8
1997	1	9	11.1	9	70	12.9
1998	1	8	12.5	12	73	16.4
1999	1	8	12.5	11	67	16.4
2000	1	7	14.3	12	71	16.9
<b>EU2</b>						
1995	3	16	18.8	7	54	13.0
1996	2	19	10.5	9	59	15.3
1997	4	18	22.2	6	57	10.5
1998	4	17	23.5	6	48	12.5
1999	3	14	21.4	6	46	13.0
2000	4	15	26.7	6	48	12.5
<b>MED</b>						
1995	1	2	50.0	5	37	13.5
1996	1	3	33.3	5	41	12.2
1997	1	3	33.3	6	41	14.6
1998	1	3	33.3	6	41	14.6
1999	0	4	0.0	7	41	17.1
2000	0	4	0.0	7	43	16.3
<b>WHD</b>						
1995	2	9	22.2	11	72	15.3
1996	1	9	11.1	12	82	14.6
1997	0	9	0.0	13	81	16.0
1998	1	9	11.1	12	79	15.2
1999	0	9	0.0	12	80	15.0
2000	0	10	0.0	14	80	17.5

Source: Human Resources Department.

1/ Excluding resident representatives at the B4 salary grade.

31. Notwithstanding the slippage in the relative share of "1" ratings for resident representatives in FY 1999-2000, there has been more than a full convergence between the rates of promotion of resident representatives and headquarters economists in area departments. Using calendar year data, the number of resident representatives who were promoted increased from four (6 percent) in 1996 to 15 (21 percent) in 1999, so that the difference between the proportion of resident representatives and headquarters economists who were promoted moved from a shortfall of 18½ percentage points to an excess of two percentage points over the same period (Table 5). There was a further widening of the excess in favor of resident representatives in the first seven months of calendar year 2000 to four percentage points—the promotion ratio was 18½ percent for resident representatives compared with 14½ percent for headquarters economists.

32. One explanation for the different development in recent years of the "1" rating awards and the promotion rates of resident representatives is that some resident representatives were being promoted without receiving a "1" rating. However, since promotion is normally associated with the receipt of a "1" rating in the current or recent period, it is also possible that the improvement in the promotion rate for resident representatives in 1999-2000 reflects the larger number of "1" ratings awarded on May 1, 1998. In this case, the lower number of "1" ratings awarded in 1999-2000 may signify a decline in promotions in the near future. If this is true, it will become all the more important that area departments give more attention to the relative award of "1" ratings between resident representatives and headquarters staff during each annual performance exercise. Another possible explanation is that, in view of the different dates at which the two sets of data are recorded, some resident representatives newly appointed between May 1 and December 31 each year may be promoted during this period on the basis of their performance at headquarters before taking up their assignment. HRD should examine further the reasons for the difference between the two sets of data by looking at the performance awards of individual resident representatives before, during, and after field assignment as compared with the dates of their promotion.

Recommendation 11. "Ideally, staff advancing to B-level in work on operational cases should have undertaken a resident representative assignment at some stage during their Fund careers, but this should not be a formal requirement for progression. It would be helpful for management to state that it wishes the Review Committee to attach higher weight than hitherto to successful field performance in considering placing candidates on the list of eligible B-level candidates."

33. This recommendation has been substantially implemented. Field experience has not been made a formal requirement for promotion to B-level, and Review Committee

Table 5. Resident Representatives and HQ Economists: Promotions by Grade, 1995-2000 1/

Grade	1995		1996		1997		1998		1999		2000	
	Res. Rep.	HQ Econ.	Res. Rep.	HQ Econ.	Res. Rep.	HQ Econ.	Res. Rep.	HQ Econ.	Res. Rep.	HQ Econ.	Res. Rep.	HQ Econ.
A12	0	31	0	28	0	18	0	13	0	14	0	5
A13	2	28	1	28	3	33	2	26	1	25	1	13
A14	4	22	2	16	3	18	1	21	6	21	1	20
A15	1	9	1	17	0	9	3	16	1	10	2	12
B1	0	7	0	7	0	7	1	9	0	12	3	12
B2	1	7	0	8	0	4	1	4	2	8	0	7
B3	1	7	0	9	0	7	1	8	1	6	0	3
B4	0	3	0	3	0	2	0	3	1	4	1	0
Total Promoted	9	114	4	116	6	98	9	100	12	100	8	72
Total Staff	66	476	70	478	66	480	68	478	72	468	70	486
Percent Promoted	13.6	3.9	5.7	24.3	9.1	20.4	13.2	20.9	16.7	21.4	11.4	14.8

Source: Human Resources Department.

1/ Headquarters economists in area departments only. Data are as of December 31 each year except for 2000 which is as of July 26, 2000.

procedures have been strengthened significantly, allowing for a systematic assessment of candidates' experiences and competencies across the board, including their resident representative experience. Successful field performance is given weight in two of the five areas rated by the Committee (analytical/research work, and lead missions and project teams). However, it is not in itself a substitute for the key requirement for placement on the Review Committee List, which is that a candidate must have demonstrated competent managerial skills through either team leadership in a defined project at headquarters or mission leadership. There has been only one exception to this policy in that a resident representative was cleared for promotion to the B-level while in the field without having led a mission on the basis of his key role in persuading the authorities to undertake an adjustment program.

34. It should be recognized that A15 staff in field positions are at a disadvantage relative to A15 staff at headquarters in being placed on the Review Committee List because opportunities for resident representatives to lead missions are limited. Area departments are generally unwilling to permit representatives to lead missions to the country to which they are assigned because (i) ultimate responsibility for the economic program should remain with the mission head, and (ii) the relationship of trust that has been built up between the representative and the authorities could be destroyed if the representative is placed in an adversarial position vis-à-vis the authorities. Some area departments do permit resident representatives to lead missions to other countries in the department. This mainly applies to senior resident representatives already at the B-level. In several cases, however, where A15 resident representatives have not had adequate testing of their managerial skills, area departments have arranged, at the suggestion of the Review Committee, for the resident representative to lead a mission to another country.<sup>16</sup> But in general, A15 resident representatives will need to have demonstrated team or mission leadership performance prior to taking up the field assignment in order to be promoted while in the field.

Recommendation 12. *"The current one, two, three years formula for the length of individual resident representative assignments should be retained, but the four year option should be removed. Resident representative staff should be required to return to headquarters annually for consultations with their colleagues. Consideration should be given to discontinuing the practice of requiring national authorities to request formally in writing the renewal of an incumbent resident representative's term between the first and second year of an assignment, with the effect that the requirement would only apply in cases of renewal for a third (and final) year. If any one of the three parties (the area department, the resident representative, or the authorities) wishes to truncate a particular assignment during the first nine months, then this should be done."*

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<sup>16</sup> One area department found that arranging for cross-country mission leadership experience for a resident representative disrupted the mission schedule of both countries, and is unlikely to repeat the exercise.

35. It is not expected that the recommendation on length of field assignment will be implemented. There has been no change in the policy that management may approve requests by area departments to extend a term of appointment from the normal maximum of three years to four years, and in the period covered by this review, nine resident representative appointments were extended to four or more years.<sup>17</sup> Area departments acknowledged that, in principle, it would be desirable to limit the maximum term of an assignment to three years. This would minimize the risk of the representative adopting too closely the authorities' policy viewpoint rather than that of the Fund, and it was generally in an individual's career interest to return to headquarters after two years.<sup>18</sup> This consideration also argued against back-to-back resident representative assignments. However, there was a need to retain the flexibility of a fourth year in special cases. The extension may be in the best interest of the Fund in circumstances that require the maintenance of a continuing relationship with the authorities. Such cases might be in order to assist in a case of political transition (West Bank and Gaza Strip, and Argentina); in times of economic difficulty (Zimbabwe); or when a new program is being started after many years of negotiation (Mexico). Also, continuation may be in the best interest of the representative who is at the end of his career and would find it difficult to return to a headquarters position for a short period.

36. In March 1999, HRD sent a memorandum to heads of area departments on strengthening the resident representatives program which suggested, inter alia, that departments should explicitly factor an annual visit to headquarters by resident representatives into their travel schedules. However, the survey of resident representatives indicates that only limited action has taken place. Over one-half the respondents stated that they did not travel to headquarters at least annually at their department's expense (question 9); twenty-two respondents (33 percent) never traveled to headquarters, and thirteen (20 percent) traveled less than once per year. A departmental breakdown of these responses indicates that APD and EU1 did not bring representatives back to headquarters during the period covered by this review; 14 of 15 APD representatives and 5 of 7 EU1 representatives stated that they had never returned to headquarters during their assignment or did so less than once per year.<sup>19</sup> By contrast, most representatives in other departments did return to headquarters at least once per year: AFR – 9 of 15; EU2 – 12 of 16; MED – 2 of 4;

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<sup>17</sup> The postings so extended were Mexico, West Bank-Gaza Strip, Zimbabwe, Fiji, Nepal, Argentina, Romania, Nicaragua, and Russia.

<sup>18</sup> One department advises resident representatives at the A14 level that their career will not be helped by staying in the field for a third year; they should not expect promotion in the field and must compete at headquarters for A15 positions.

<sup>19</sup> With the easing of the Asian crisis which required representatives to remain in the field, APD has instituted a policy of an annual trip to headquarters for each representative with effect from the start of 2000.

and WHD – 7 of 10.<sup>20</sup> About two-thirds of the representatives indicated that they would like to travel to headquarters more frequently to enhance their involvement in country policy formulation (question 14) and for other reasons (question 16), including keeping abreast of broad policy issues so that they might effectively explain the Fund's position to the authorities; undergoing computer, managerial, and economics training; networking to improve their career opportunities, and managing medical, family, and personal financial matters.

37. The recommendation that the authorities should not have to formally request the renewal of an appointment after the first year has not been implemented. Discussions with SPMs of area departments indicated that all departments agreed with the recommendation; they supported an initial appointment of two years subject to the informal agreement of the authorities and the area department in order to simplify the administration of the program. Management would not need to become involved as at present. However, departments felt that the existing provision for the termination of the appointment by any one of the three parties involved during the first nine months should be retained.

*Recommendation 13. "The Fund should take care to ensure that its approach to field benefits is closely targeted to the particular nature of the Fund's field assignments. The field benefits package should be reviewed in depth on a regular cycle (e.g., four yearly). The first such review should consider, inter alia, the current housing package, the level of hardship allowances relative to across-the-board allowances, and the issue of measures aimed at (partial) replacement of spouse income. In view of the prospective modifications in the Bank's arrangements, there would be merit in the first such review awaiting the results of the Bank's review (expected to become available in 1998)."*

*Recommendation 14. "A full-time B-level staff member should be dedicated to overall administration of the resident representative program, initially for a period of up to two years with an evaluation of the position's continued need at the end of that time. This person should be charged with: (1) revamping the program's administrative support arrangements; (2) assisting departments in the implementation of any modifications to the program that may be made following the conclusion of this review; (3) establishing a mechanism for periodic reassessment of the Fund's field benefits package and conducting the first such review; (4) reviewing, proposing and implementing solutions in the areas of spouse employment and family income; (5) revamping the Fund's approach to providing necessary training for resident representatives and their support staff; and (6) designing a set of simplified standard guidelines to facilitate departments making short-term field assignments related to specific one-off projects."*

38. Recommendation 13 has been fully implemented. The Review of Benefits and Incentives for the resident representatives program was completed in February 2000 and a

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<sup>20</sup> The EU2 travel budget allows one trip each financial year for each representative; if a trip is not taken it reflects the personal decision of the representative.

change in benefits was approved by management in September 2000. With effect from February 15, 2001, the general overseas assignment allowance will be reduced from 30 percent to 20 percent of salary, and the hardship allowance provided to resident representatives in more difficult locations will be increased.

39. Recommendation 14 has been fully implemented. In July 1998, a B-level staff member was appointed to HRD to improve the administration of the resident representatives program. He was assigned to conduct the review of field benefits called for in recommendations 13 and 14 and to assist HRD in implementing the other proposals enumerated in recommendation 14 that were endorsed by the Executive Board, namely, (1) revising the administrative support provided to the program, and (5) improving the training for resident representatives and their field staff.<sup>21</sup> This assignment was completed six months early at end-December 1999.

40. With regard to improving the administrative support for the program, HRD introduced a streamlined budget reporting procedure on May 1, 1999. The new reporting requirements involve only six expenditure categories (compared with 22 categories previously) in a simplified Excel worksheet. Also, to reduce delays in responding to resident representatives' requests for support services, HRD introduced a web-based "single point of contact" work order system (SPOC) on January 19, 2000. This system is designed to list, monitor, and facilitate requests, and to provide representatives with automatic feedback on their status. The operation of the system is outlined in Box 1. At the time of the survey, most representatives indicated that they did not have sufficient experience with the SPOC system to comment on its effectiveness.

41. With regard to training of resident representatives, during August-December 1999 HRD and EXR conducted a number of 3-day pilot workshops for newly appointed representatives. The course covered media relations, and post administration and post budget management. Feedback from participants indicated that staff could not normally be released from their regular work for a continuous 3-day training period, and that more intensive hands-on training in media relations was needed for both resident representatives and mission heads so that the Fund's policies could be conveyed to the press and civil society in a convincing manner. As a result, HRD and TGS now provide individual or group briefings to new representatives in post administration and budget management on an ad-hoc basis, and a formal workshop for resident representatives and mission chiefs in media relations was established in January 2000. The latter is a 2½ day course which is offered four times a year and is mandatory for all staff taking up field assignments and for all mission chiefs who have not previously taken training in media relations. It is conducted by a communications firm specializing in international development and economic issues, in collaboration with HRD and EXR.

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<sup>21</sup> Proposals (4) and (6) of recommendation 14 were not endorsed by the Executive Board.

### **Box 1. The Single Point of Contact (SPOC) Work Order System**

The personnel supporting the resident representatives program comprise a 6-person team in the HRD, Staff Benefits Division, Technical Assistance Unit and about 25 specialists in other departments—TGS, LEG, TRE, OBP, and the Health Services Unit (see Appendix IV). The SPOC consists of a unified database with multiple entry points which allows each member of the support team to track and update the status of a representative's request. A resident representative may make a request using a common telephone number (623-6965), facsimile number (623-7060), or e-mail address (RRHELP). Alternatively, the representative may contact a member of the Technical Assistance Unit or one of the other specialists directly. In this case, the person contacted will enter the request into the database unless it can be immediately addressed and resolved. Multiple requests, transmitted via a single message, will be entered separately since the length of time to respond to a given request may vary.

Once a request is entered and each time the status of a request is updated, an e-mail message will be sent to the resident representative indicating the action taken. Resident representatives may also query the status of a request through the Fund's intranet at <http://www-intapps.imf.org/spoc> using a work request identification number assigned to the request.

42. With regard to training of local support staff, in order to address the low quality and effectiveness of some local administrative staff, HRD instituted a training program to provide hands-on training in Fund procedures and computer applications. Two experienced Fund assistants traveled to 16 countries over a 6-month period beginning in August 1999.

43. In response to the request made by Department Directors to review the quality of support services provided by headquarters staff, resident representatives were asked to evaluate these services during the period of their current assignment (question 36).<sup>22</sup> Using a 6-point scale, 17 of 62 respondents (27 percent) rated headquarters support as inadequate, i.e., in the lower half of the scale. This represented a small improvement over the 1997 survey when 22 of 70 respondents (31 percent) rated the administrative support provided by headquarters staff as inadequate (Table 6).

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<sup>22</sup> Resident representatives were asked to rate HRD support services, but it appears that they evaluated the entire headquarters support team comprising staff in HRD, LEG, TGS, TRE, and the Health Services Department (see Appendix IV).



Table 6. Quality of Support Services Provided by Headquarters Staff:  
1997 and 2000

	1997 Survey	2000 Survey
Number of representatives surveyed	73	67
Number of representatives responding	70	62
Rating	(in percent of responses)	
1 Very inadequate	11	5
2	4	16
3	16	6
4	24	29
5	27	36
6 Highly satisfactory	18	8

44. The main deficiencies in the headquarters support services reported by resident representatives relate to post budget management. A number of respondents noted an initial resistance by the support team to requests for approval of expenditures, leading to long delays in the approval process. In addition, some representatives felt the present system of sharing the burden of housing expenditure was excessively cumbersome. This requires a determination by support staff of whether expenditures are recurring (for which the resident representative is responsible up to \$2,400 per year) or non-recurring (paid from the centralized budgetary pool), and for a record to be kept of each item of expenditure, no matter how small. Representatives suggested that simplified procedures to implement burden sharing be developed. In response, HRD is preparing a recommendation to change the policy and methodology employed for the burden sharing of housing expenditures.

### 3. Partnership arrangements

Recommendation 15. *"The framework governing the resident representative program should embody a basic requirement for posts to be accompanied by explicit partnership arrangements with national authorities."*

Recommendation 16. *"Departments should consult national authorities at the time the objectives for posts are being established and over time as post objectives are reviewed. The early involvement of national authorities should be sought in identifying and agreeing the priority area in which the resident representative will assist the authorities to strengthen local macroeconomic capacity. Following consultation with the authorities on a post's objectives, a copy of the final terms of reference for the post should be formally provided to the authorities."*

Recommendation 17. *"Formal written understandings should normally be reached by departments with national authorities regarding: the authorities' willingness to work closely with the resident office; the assignment of staff resources on the authorities' part to joint capacity building projects; and—in program cases—the establishment of a high-level program implementation committee which meets regularly and in which the resident representative participates as advisor."*

Recommendation 18. *"The formal understandings between the Fund and national authorities should in all cases specify the nature of the resource contribution that the authorities have agreed to make. The provision of office space within the central bank or ministry of finance should be a standard expectation, and ongoing efforts should be made to relocate all posts to these sites unless there strong country-specific policy-related reasons for not doing so."*

45. Recommendations 15 and 17 have not been implemented. Some area departments strongly support the concept of a formal partnership arrangement, especially the inclusion of that part of recommendation 17 which calls for the establishment of a high-level implementation committee in program countries in which the resident representative participates as an advisor. Other area departments, while generally supportive of partnership arrangements, believe that they should not be mandatory in that the authorities may regard them as excessive interference in economic management or as a means to limit the resident representative's scope of work. Area departments should take the initiative on these recommendations on a country-by-country basis. Recommendation 16 has been partially implemented in that priority areas for macroeconomic capacity building have been specified in the terms of reference for only a small number of posts (see paragraph 12).

46. At present, the country contributions toward the cost of operating the post—for example, the provision of office space, secretarial, and research assistance—are specified in the resident representative's terms of reference and in a letter from the authorities to management requesting the appointment or extension of a representative's assignment. Generally, the authorities' letter to management also specifies that the country will provide duty free customs entry for the representative's belongings and supplies and that the representative will be accorded the privileges and immunities as set forth in Article IX of the Articles of Agreement.<sup>23</sup> Consequently, the first part of recommendation 18 has been implemented, in that the country contributions have been formally specified.

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<sup>23</sup> For the Russian Federation there is an establishment agreement which sets out in detail the terms and conditions for the operation of the post. But it does not refer to the authorities' role in capacity building or the participation of the resident representative in a high-level implementation committee, as proposed in recommendation 17.

47. The second part of recommendation 18 has not been implemented and future action is unlikely. Although most countries do provide office space for the resident representative post,<sup>24</sup> area departments agree that this should not be a standard expectation in a partnership arrangement and that posts should not be relocated to countries which do provide office space. In many countries, sufficient space to house an office is not available in government buildings, especially if the post has more than one resident representative. Many countries cannot afford to provide cash or other compensation (drivers and secretarial assistance) in lieu of office space. In some countries, government buildings are substandard and/or their security is inadequate. Other countries do not want to be seen to have as close a relationship with the Fund as would be implied by locating the office in a government building.

#### **4. Targeting the program to countries**

*Recommendation 19. "No "single model" such as, for example, limiting the use of resident posts to program countries, should be imposed. Because an "optimal" size for the program cannot be independently determined and is anyway likely to vary over time, flexibility should be the critical characteristic of the framework for post opening and closure decisions. Both the size of the program and the location of posts should vary over time if efficiency of staff and dollar resource use is to be maximized."*

*Recommendation 20. "The philosophy that should drive the Fund's approach is that high quality staff will be sent to countries in cases where this is an operationally effective allocation of resources, even if this philosophy results in the Fund not maintaining posts in some countries in which other international organizations operate resident offices."*

48. Both recommendations have been fully implemented. In conformity with recommendation 19, resident representative posts are opened or retained for reasons other than the existence or the anticipation of a Fund program. As of end-December 1999, there were 24 posts where the country did not have a financial arrangement with the Fund.<sup>25</sup> Area departments were asked to indicate the four most important roles for the resident representative in determining whether to keep these posts open. While the formulation of

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<sup>24</sup> As of end-December 1999, office space was **not** provided by the host government for the following posts: AFR – Ethiopia, Guinea-Bissau, Kenya, Malawi, Nigeria, Sao-Tome/Principe, Zambia, Zimbabwe; APD – China, India, Vietnam (government contributes to lease expenses); EU1 – Poland; EU2 – Russia, Ukraine; MED – West Bank/Gaza; WHD – Brazil.

<sup>25</sup> These posts were: AFR (6) – Angola, Ethiopia, Gabon/Sao Tome, Kenya, Malawi, Nigeria; APD (7) – Bangladesh, China, India, Laos, Nepal, Sri Lanka, Viet Nam; EU1 (2) – Czech Republic/Hungary, Poland; EU2 (4) – Armenia, Georgia, Lithuania/Belarus, Turkmenistan; MED (2) – Egypt, West/Bank Gaza; WHD (3) – Ecuador, Haiti, Venezuela. West-Bank/Gaza cannot have a financial arrangement with the Fund because it is not a member state.

country policy strategy in anticipation of a new financial arrangement was an important consideration (18 posts), other reasons for continuing with the post were gathering economic information and data (18 posts); macroeconomic capacity-building activities (13 posts), assessment of the political and social context of the country (11 posts); and providing on-site policy advice (10 posts). In addition, the formulation of country policy strategy even without the expectation of a new financial arrangement with the Fund was an important consideration in retaining 6 posts. With regard to that part of recommendation 19 whereby the number and location of posts should vary over time, there were no post closures in the period covered by this review, and 11 new posts were approved.

*Recommendation 21. "In view of the critical role that the ability of the number of posts to increase and decrease plays in relation to the efficiency of resource use in the program, a flexibility margin equivalent to meeting the costs of at least 10 percent of the resident representative positions utilized in the previous year should be built into the budgetary framework for the program."*

49. This recommendation has been fully implemented. Beginning in FY 1999, OBP has formulated the resident representatives budget as the dollar amount which would permit a 10 percent increase in the number of resident representatives in the field, compared with the number of positions actually in use at the end of the previous financial year. The method of calculating this dollar amount is outlined in Box 2.

*Recommendation 22. "Within two constraints -- the departmental ceilings on personnel and the budgetary ceiling on dollar costs in the program -- post opening/closure decisions should essentially be devolved to departments. Area departments should each be responsible for making these decisions on a case-by-case basis taking into account what the department judges to be operationally most effective in the context of the totality of priorities and resource pressures facing the department."*

50. This recommendation has been partially implemented in that decision-making has been devolved to area departments within the two constraints. However, most area departments believe that there has been little practical difference in the ease of opening new posts under the new budgetary arrangements during the period covered by this review. Because of the overall budget constraint, the final decision to open a post still rests with management. One area department noted that it had been prepared to give up a headquarters position for a new post, but that no money was available in the central dollar pool. This was because the pool operates largely on a "first come, first served" basis, so that requests for posts made later in the financial year tend to be crowded out, notwithstanding the urgency of the request. However, area departments now have more flexibility to open new posts if they are prepared to close existing posts (see recommendation 23).

## **Box 2. Preparation of the Resident Representatives Budget**

Formulation of the annual resident representative budget is based on the following two separate processes: (i) a bottom-up approach that reflects the requests of resident representatives in the field and of those departments that support the program, and (ii) a top-down approach based on macro variables that establishes a dollar ceiling for the program. The first process generally leads to high budget requests and a period of arbitrage is needed to bring demands into line with what can be justified within the dollar ceiling. The dollar ceiling is established by multiplying *the estimated number of staff years* for the budget year by *the average cost of a staff year* in the previous year (the base year) and increasing the result in line with the estimated *price increase* for the resident representative program.

The *estimated number of staff years* for the budget year is determined by taking the expected number of staff positions in the field at the end of the base year, increasing it by the margin of flexibility (10 percent) and making an allowance for vacancies. For example, in preparing the FY2000 budget, the number of positions estimated as at the end of FY 1999 was 72 and consequently the margin of flexibility allowed for an increase of 7 additional positions in FY 2000. This calculation included resident representative posts that were temporarily vacant, but excluded posts that were vacant for some time and seemed unlikely to be filled in the near future, e.g., Cambodia was vacant from October 1997 to October 1999.

In establishing a vacancy rate for the program, it is assumed that the rate for the base positions (i.e., those that existed at the end of the previous year) would be in line with overall staff vacancies, about 3 to 4 percent. For the FY 1999 budget, it was assumed that new posts would be filled at a constant rate throughout the year (an implicit vacancy rate of 50 percent), but in the event, the posts were filled more quickly. For the FY 2000 budget, discussions with area departments indicated that all of the new posts would be filled during the first half of the year (an implicit vacancy rate of 25 percent), and for the FY 2001 budget, it was estimated that all new posts would be filled early in the year so that a vacancy rate of 20 percent was used.

The *average cost of a staff year* is calculated by dividing the estimated cost of the program during the base year by the estimated number of staff-years utilized during the year. The cost figures are taken from the account data in the Millennium system and the staff-years are taken from an OBP database. The estimated *price increase* for the resident representative program is based upon recent experience of price increases for the program. For example, over the period FY 1998 to FY 2000, the price factor ranged between 6 and 8 percent and a factor of 6 percent was used in establishing the budget for FY 2001.

For the FY 2001 budget, the 10 percent margin of flexibility suggested an increase of between 7 and 8 staff positions since 77 positions were expected to be in use at the end of FY 2000. However, due to the requirements of the PRGF for additional field staff, the number of new positions proposed in the FY 2001 budget was increased to 10.

Recommendation 23. *"The introduction of generalized "norms" regarding the optimal duration of posts and/or timing of closures, would neither be useful nor appropriate. Departments should leave posts vacant or close posts in situations where the country environment has deteriorated in a way that reduces a resident representative's potential to add value."*<sup>26</sup>

51. This recommendation is being fully implemented as evidenced by the case of Turkmenistan where the post has been left vacant for over two years because of the authorities' lack of commitment to a relationship with the Fund. EU2 is giving consideration to closing this post.

Recommendation 24. *"Terms of reference" should shift from being related to an incumbent resident representative to being related to the post more generally. If departments feel that staff members assigned to resident representative positions should have a specific individual "terms of reference" document, a draft should be provided to the Review Committee at the time a candidate is nominated. Like briefing papers, such individual terms of reference should remain internal Fund documents."*

52. This recommendation is being fully implemented as the terms of reference for all resident representatives newly appointed during the period of this review (FY 1999–2000) all refer to the purpose and objectives of the post rather than the individual. Consequently, no individual TORs have been submitted to the Review Committee. Also, as indicated in paragraph 12, HRD is developing "model" terms of reference which refer to the post rather than the individual.

Recommendation 25. *"Regional coverage arrangements present an attractive option for further experimentation by area departments, and may be a particularly relevant option where it is desirable to maintain coverage of large or systemically important developing countries (surveillance or post-program cases) that remain vulnerable. Regional arrangements probably require (i) ease and speed of travel between the locations being covered; (ii) the absence of political tensions or other difficulties that adversely affect relations between the countries in question; (iii) the limitation of regional coverage arrangements to no more than two countries per resident representative; and (iv) the availability of resident representative candidates who are especially strong performers."*

53. This recommendation has been fully implemented. Two of the eight regional posts were established during the period of this review—Chad/Central African Republic, and Gabon/Sao Tome.<sup>27</sup> The former post was established despite the absence of air

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<sup>26</sup> The second part of this recommendation—proposing the gradual phase out of the Fund's presence in a country—was not endorsed by the Executive Board (see item 8 in Appendix 1).

<sup>27</sup> The other six regional posts are Argentina/Uruguay, Belarus/Lithuania, Benin/Togo, Czech Republic/Hungary, Estonia/Latvia, and Guinea-Bissau/Senegal.,

communication between the countries so that the representative is required to travel long distances by car. To remove this burden, a separate post will be opened in Central African Republic later in 2000. Area departments also proposed additional regional posts during the review period but these proposals did not receive the agreement of the authorities: Yemen with Djibouti, Slovak Republic with Hungary/Czech Republic, and Uzbekistan or Azerbaijan with Turkmenistan. Adverse security considerations also prevented the establishment of a regional post in Algeria with Mauritania and in the Balkans. Regional posts have not been established in APD countries because those countries which could qualify because of their close proximity are program countries requiring the full attention of one representative. The difficulty of supporting more than one program country also was the reason why WHD discontinued the regional post in El Salvador with Costa Rica and Honduras in July 1999.

Recommendation 26. "The Fund's field philosophy should continue to be centered on the individual representative approach, which is working effectively, while increasing the emphasis on staff quality and explicit delegated authority. While the Bank's decentralization strategy is likely to make even closer collaboration between Fund and Bank field staffs desirable, there is little rationale for the Fund to follow the World Bank down a broad-based decentralization path."

54. This recommendation has been fully implemented. Management and area departments believe the resident representative program is an effective means of establishing the Fund's presence in the field and agree that the decentralized approach of the World Bank should not be followed by the Fund.

#### IV. CONCLUSION

55. Of the 26 recommendations endorsed by the Executive Board in the 1997 Review of the Resident Representatives Program, all of 15 and part of another have been fully or substantially implemented, and three should not be implemented because experience has shown that they would not enhance the effectiveness of the program. Of those which have been implemented, the most important achievements concern the increased involvement of representatives in their key roles of providing policy advice and formulating the policy strategy for their country; the selection of high quality staff through the Review Committee's clearance of proposed candidates for resident representative posts; and the attraction of a larger pool of potential field staff consequent upon (i) advertising all vacant posts, (ii) the Review Committee's attachment of a higher weight to successful field performance in the placement of candidates on the list of eligible B1 staff. There have also been important administrative improvements including an upgraded support system at headquarters, and the provision of training for representatives and their local staff. A field benefits review has also been completed. Finally, area departments now have more flexibility in targeting the program to countries due to new budgetary arrangements determining the amount available each year to open new posts.

56. Three recommendations of the 1997 Review should not be implemented since they would not enhance the effectiveness of the program. In the light of experience, the rule that the representative should return to the home department at the end of the assignment (unless bilateral arrangements with another department are made) should be retained; the maximum length of a field assignment should not be set at three years but should be able to be extended if it is in the interest of the Fund, the authorities, and the staff member; and the authorities should not be expected to provide office space for representatives in all cases, nor should posts be relocated to countries where office space is provided.

57. Further action is needed on some key recommendations of the 1997 Review:

(i) When there is a change in a resident representative assignment, area departments should more closely tailor the terms of reference to the role of the resident representative in meeting the specific needs of the country. The template being developed by HRD should be of assistance in this initiative;

(ii) All resident representatives should include in their annual post budget requests sufficient funds to hire and retain high quality local professional staff in order to permit the representative to concentrate on high value-added tasks. In conformity with existing guidelines, funding in excess of the salary and benefit ceilings should be requested if necessitated by local market conditions;

(iii) There are conflicting signals on the career development prospects of resident representatives being given by the relative award of "1" ratings and rates of promotion for resident representatives vis-à-vis headquarters staff in area departments. HRD should examine the reasons for the differences between these indicators, and area departments should pay more attention to the relative award of "1" ratings during each annual performance exercise; and

(iv) Area departments should take the initiative in negotiating formal partnership arrangements for resident representative posts in countries where the authorities agree that such an arrangement would be beneficial for the operation of the post. HRD could assist in this initiative by working with area departments to develop a template that would specify the relationship between the resident representative post and the national authorities, which could be tailored to each country's needs.

58. There are other areas where administrative follow up is needed as listed in Appendix V.



## **Recommendations of the 1997 Review Not Endorsed by the Executive Board**

### ***Role of resident representatives***

1. Resident representatives should function as the trusted “alter ego” of the mission chief vis-à-vis the authorities, and should wherever possible work with mission chiefs on staff teams prior to taking up resident assignments.
2. Virtually all substantive staff contacts of a non-technical nature with the authorities should involve the participation of the resident representative.
3. Suitably qualified resident representative staff should be given the opportunity to lead non-sensitive missions or staff visits to the country during the course of the assignment.
4. The resident representative should normally attend the Executive Board discussion of the principal annual Executive Board meeting in order to assist the mission chief and, as called upon, to respond to questions of Directors.

### ***Personnel targeting and program administration***

6. The Fund should attempt to minimize the obstacle to recruiting suitable resident representatives that is presented by difficulties of spouses in obtaining employment in the field location, by considering the partial replacement of family income and pursuing “cross hiring” initiatives with other international organizations.<sup>28</sup>

### ***Partnership arrangements***

7. Executive Directors and the national authorities should be provided with an opportunity to meet the candidate for the resident representative position, the latter normally in the course of a regular staff mission to the country.

### ***Targeting the program to countries***

8. To the extent possible, decisions on closures of resident representative posts should be communicated to the authorities well in advance, and in many cases, it may be helpful for the Fund’s presence to be phased out gradually rather than being abruptly withdrawn.<sup>29</sup>

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<sup>28</sup> The Board agreed that further consideration might be given to this initiative in the context of a review of field benefits.

<sup>29</sup> This is part of recommendation 23; the other part calling for departments to leave posts vacant or close posts in situations where the country environment has deteriorated in a way that reduces a resident representative’s potential to add value was endorsed by the Board (see paragraph 51).

**Survey Responses of Resident Representatives**  
(In percent unless otherwise indicated)

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<b>1.</b>	<b>To what extent are you involved in determining the policy strategy for your country</b>	
	No involvement	1
	Minimal involvement	12
	Some involvement	33
	Extensive involvement	54
	(Number of respondents)	67
<b>2.</b>	<b>To what extent are you asked to contribute first drafts of sections of briefing papers, staff reports, MEFPs, and other Board papers?</b>	
	Never	24
	Occasionally	45
	Frequently	24
	Always	7
	(Number of respondents)	67
<b>3.</b>	<b>To which papers are you asked to contribute?</b>	<b>Number of responses</b>
	Briefing paper	17
	Staff report	24
	Memorandum of economic and financial policies	16
	Letter of intent	3
	Recent economic developments	19
	Selected issues papers	3
	PRGF papers	1
	Other	12
	(Number of respondents)	67
<b>4.</b>	<b>To what extent are you asked to comment on the completed drafts of briefing papers, staff reports, MEFPs, other Board papers, and consequential country documents to management?</b>	
	Never	9
	Occasionally	9
	Frequently	36
	Always	46
	(Number of respondents)	67
<b>5.</b>	<b>On which papers are you asked to comment?</b>	<b>Number of responses</b>
	Briefing paper	51
	Staff report	54
	Memorandum of economic and financial policies	33
	Letter of intent	3
	Recent economic developments	23
	Selected issues papers	5
	PRGF papers	0
	Other	23
	(Number of respondents)	67
<b>6.</b>	<b>At what stage(s) of the review process are you generally asked to provide comments? (check as many stages as apply)</b>	<b>Number of responses</b>
	Mission team	59
	Front Office	27
	Departments	13
	Management	3
	(Number of respondents)	67

<b>7.</b>	<b>If you are asked to comment on completed drafts of Board papers and other country documents, to what extent are your comments taken into account in the final version of the papers?</b>	
	1 No influence	2
	2	20
	3	61
	4 Great influence	18
	(Number of respondents)	61
<b>8.</b>	<b>If you are asked to comment on completed drafts of Board papers and other country documents, please indicate the time allowed for your comments, and whether this period is sufficient to do a thorough job.</b>	
	Sufficient	59
	Not sufficient	25
	Not stated	15
	(Number of respondents)	59
<b>9.</b>	<b>How often do you travel to headquarters at your department's expense?</b>	
	Never	33
	Less than once per year	20
	About once per year	39
	More than once per year	8
	(Number of respondents)	66
<b>10.</b>	<b>If you travel to headquarters on official travel at least once per year, do you discuss the policy strategy for your country while at headquarters?</b>	
	No	3
	Yes	97
	(Number of respondents)	36
<b>11.</b>	<b>While you are in the field and the head of mission is at headquarters, how often are you in contact (via telephone or e-mail) with the mission head to discuss policy strategy?</b>	
	Never	0
	Occasionally (once a month or less)	6
	Frequently (several times a month)	21
	Very frequently (several times a week)	43
	Daily	30
	(Number of respondents)	67
<b>12.</b>	<b>How do you generally regard the attitude of the mission head toward the policy comments and suggestions made by you?</b>	
	1 Closed	0
	2	3
	3	40
	4 Listening/open	57
	(Number of respondents)	65
<b>13.</b>	<b>In your view, is the extent of your involvement in formulating the policy strategy for your country:</b>	
	Insufficient?	16
	About right?	84
	Excessive?	0
	(Number of respondents)	67
<b>14.</b>	<b>Would you recommend more frequent travel to headquarters to enhance your involvement in policy formulation, taking into account the impact of your absence on your ability to fulfil your other responsibilities.</b>	
	No	30
	Yes	70
	(Number of respondents)	66

16.	<b>Would you recommend more frequent travel to headquarters for reasons other than to enhance your involvement in policy formulation, taking into account the impact of your absence on your ability to fulfill your other responsibilities.</b>	
	No	34
	Yes	66
	(Number of respondents)	65
17.	<b>If you checked "Yes" in the previous question, please explain the reason(s):</b>	Number of responses 1/
	Familiarization with Fund-wide program and policy issues	16
	Networking to improve career opportunities	8
	Consultation with mission team and other departments on country matters	14
	Training	12
	Medical, family, financial management	8
	Participating in policy discussions with authorities	7
	Networking with other resident representatives at Annual Meetings	1
	(Number of respondents)	43
18.	<b>To what extent are you authorized to provide on-site policy advice to the authorities (including early warning of slippages) within the policy framework for your country as defined by the Fund-supported program, or, for a surveillance-only country, as defined by the staff appraisal and Chairman's summing up for the most recent Article IV consultation?</b>	
	I am not so authorized	3
	Only after consultation with the mission chief	33
	According to my own judgement	63
	Role not defined; unable to answer question	1
	(Number of respondents)	67
19.	<b>To what extent are you authorized to discuss alternative policy approaches—outside the framework as defined in the previous question—to achieving the economic objectives of the country to which you are posted?</b>	
	I am not so authorized	10
	Only after consultation with the mission chief	61
	According to my own judgement	27
	Role not defined; unable to answer question	1
	(Number of respondents)	67
20.	<b>In your view, is the extent to which you are authorized to provide on-site policy advice:</b>	
	Too restricted?	9
	About right?	91
	Too extensive?	0
	(Number of respondents)	67
21.	<b>Do you have access to sufficiently senior officials to ensure that your on-site policy advice is heard?</b>	
	No	5
	Yes	95
	(Number of respondents)	66
24.	<b>How often are you consulted on the appropriateness of the proposed timing of missions and staff visits from your area department and on the authorities' state of preparedness to receive the mission?</b>	
	Never	3
	Occasionally	20
	Frequently	26
	Always	52
	(Number of respondents)	66

25.	<b>How often are you consulted on the appropriateness of the proposed timing of technical assistance missions and staff visits and on the authorities' state of preparedness to receive the mission?</b>	
	Never	18
	Occasionally	37
	Frequently	25
	Always	19
	(Number of respondents)	67
26.	<b>Do you have a local professional economist or research officer to assist you in carrying out your responsibilities?</b>	
	No	31
	Yes	69
	(Number of respondents)	67
27.	<b>If you do not have a local professional economist or research officer, please explain why.</b>	Number of responses 1/
	Not needed; prefer to do the work myself	4
	Not approved by the authorities	4
	Shortage of qualified staff	4
	Insufficient office space to house additional staff	2
	Constraint on allowable salary/benefits	4
	(Number of respondents)	18
29.	<b>In your experience, how do you regard the provision by your area department of substantive information on area department and Fund-wide developments (including new policy and other initiatives), and your area department's response to your requests for economic data?</b>	
	1 Very inadequate	14
	2	29
	3	45
	4 Highly satisfactory	12
	(Number of respondents)	66
30.	<b>Please indicate the main areas or issues for which the information provided by the area department is insufficient.</b>	Number of responses 1/
	Information on Fund-wide policies and initiatives	31
	Information on developments within the area department	7
	Information on regional issues and developments in neighboring countries	12
	Slow response to requests for economic data	7
	Information on Fund-wide research work	2
	Other	4
	(Number of respondents)	45
31(i)	<b>In your experience, how do you regard the accessibility of your post to data and other information at headquarters using the computer.</b>	
	1 Very inadequate	22
	2	24
	3	36
	4 Highly satisfactory	18
	(Number of respondents)	67
32.	<b>In your experience, how do you regard the administrative burden placed on resident representatives in responding to requests from:</b>	
(i)	<b>your area department?</b>	
	1 Excessive	2
	2	21
	3	44
	4 Easily manageable	33
	(Number of respondents)	66

<b>(ii) the Human Resources Department?</b>		
1 Excessive		14
2		29
3		35
4 Easily manageable		23
(Number of respondents)		66
<b>(iii) other departments, institutes, or offices?</b>		
1 Excessive		14
2		16
3		52
4 Easily manageable		18
(Number of respondents)		56
<b>34. Are you aware of the recent introduction of the "single point of contact" (SPOC)</b>		
No		15
Yes		85
(Number of respondents)		65
<b>35(ii). If you feel you have had sufficient experience with the SPOC system, please compare the quality of the support services under the SPOC system with that provided before the introduction of the new system. The quality of the present support services has:</b>		
Deteriorated		20
Not changed		70
Improved somewhat		10
Improved significantly		0
(Number of respondents)		10
<b>36. Please rate the overall quality of the support services provided by the Human Resources Department during the period of your current assignment.</b>		
1. Very inadequate		5
2		16
3		6
4		29
5		36
6 Highly satisfactory		8
(Number of respondents)		62

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1/ Similar responses are grouped together.

**Survey Responses of Mission Heads**

(In percent unless otherwise indicated)

<b>1. Of the following activities of a resident representative, which ones have proven to be the most significant contributions of the resident representative for your country. Please rank the four most significant (1 being the highest).</b>		<b>Number of responses</b>
Formulation of country policy strategy		20
On-site policy advice to member countries, including early warning of impending program slippages		58
Monitoring Fund-supported programs		43
Gathering economic information and data		50
Assessment of political and social context		36
Coordination of IMF technical assistance		7
Macroeconomic capacity-building activities including promoting transparency		26
Fostering local coordination among donors and other agencies		13
Local public relations and information about IMF		17
Substantive economic analysis and research		5
Drafting of IMF reports and consequential country documents for management		0
Other (please specify)		0
(Number of respondents)		69
<b>2. To what extent is the resident representative involved in determining the policy strategy for your country?</b>		
No involvement		0
Minimal involvement		4
Some involvement		43
Substantial involvement		52
(Number of respondents)		69
<b>3. To what extent does the resident representative contribute first drafts of sections of briefing papers, staff reports, MEFPs, and other Board papers?</b>		
Never		25
Occasionally		53
Frequently		18
Always		4
(Number of respondents)		68
<b>4. To which papers is the resident representative asked to contribute?</b>		<b>Number of responses</b>
Briefing paper		21
Staff report		28
Memorandum of economic and financial policies		20
Letter of intent		4
Recent economic developments		18
Selected issues papers		5
Other		24
(Number of respondents)		57
<b>5. If the resident representative does contribute draft sections of papers, please rate the overall quality of these contributions.</b>		
1 Poor		0
2		4
3		41
4 Very Good		55
(Number of respondents)		49

<b>6. How often is the resident representative asked to comment on the completed drafts of briefing papers, staff reports, MEFPs, other Board papers, and consequential country documents to management?</b>	
Never	1
Occasionally	9
Frequently	16
Always	74
(Number of respondents)	69
<b>7. On which papers is the resident representative asked to provide comments?</b>	
	Number of responses
Briefing paper	55
Staff report	56
Memorandum of economic and financial policies	35
Letter of intent	8
Recent economic developments	25
Selected issues papers	3
PGRF papers	1
Other	31
(Number of respondents)	65
<b>8. At what stage(s) of the review process is the resident representative generally asked to provide comments? (Check as many stages as apply)</b>	
	Number of responses
Mission team	94
Front Office	46
Departments	25
Management	7
(Number of respondents)	69
<b>9. If the resident representative is asked to comment on drafts of Board papers and other country documents, please rate the overall quality of his comments.</b>	
1 Poor	0
2	9
3	34
4 Very Good	57
(Number of respondents)	65
<b>10. If the resident representative is asked to comment on drafts of Board papers and other country documents, to what extent are his comments taken into account in the final version of the papers?</b>	
1 No influence	0
2	3
3	46
4 Great influence	51
(Number of respondents)	65
<b>11. In your view, is the extent of the resident representative's involvement in formulating the policy strategy for your country:</b>	
Insufficient?	7
About right?	93
Excessive?	0
(Number of respondents)	68
<b>12. Would you recommend that the resident representative(s) travel more frequently to headquarters to enhance his involvement in policy formulation, taking into account the impact of his absence from the field post on his ability to fulfil his other responsibilities?</b>	
No	78
Yes	22
(Number of respondents)	69

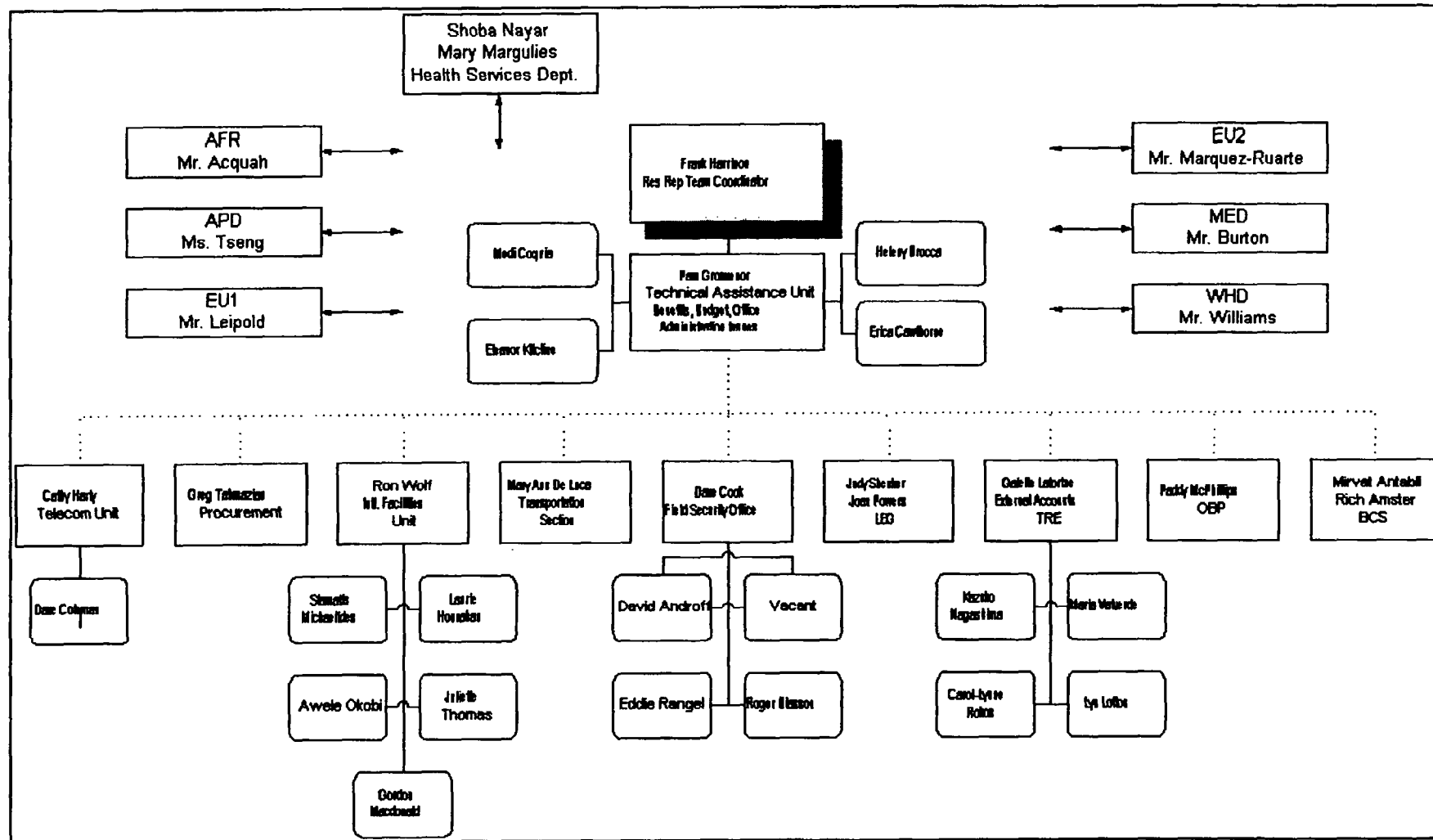


<b>14. Would you recommend that the resident representative(s) travel more frequently to headquarters for reasons other than to enhance his involvement in policy formulation, taking into account the impact of his absence from the field post on his ability to fulfill his other responsibilities?</b>	
No	86
Yes	14
(Number of respondents)	69
<b>15. If you checked "Yes" in the previous question, please explain the reason(s):</b>	Number of responses 1/
Information on Fund-wide policies and initiatives	5
Networking to improve career opportunities	2
Training and professional development	3
Consultation with mission team and other departments on country matters	1
(Number of respondents)	11
<b>16. To what extent is the resident representative authorized to provide on-site policy advice to the authorities (including early warning of slippages) within the policy framework for the country as defined by the Fund-supported program, or, for a surveillance-only country, as defined by the staff appraisal and Chairman's summing up for the most recent Article IV consultation?</b>	
He is not so authorized	0
Only after consulting with the mission chief	35
According to his own judgement	65
(Number of respondents)	69
<b>17. To what extent is the resident representative authorized to discuss alternative policy approaches—outside the framework as defined in the previous question—to achieving the economic objectives of the country?</b>	
He is not so authorized	9
Only after consulting with the mission chief	70
According to his own judgement	22
(Number of respondents)	69
<b>18. In your view, is the extent to which the resident representative is authorized to provide on-site policy advice:</b>	
Too restricted?	0
About right?	100
Too extensive?	0
(Number of respondents)	69
<b>19. How often is the resident representative consulted on the appropriateness of the proposed timing of missions and staff visits from the area department and on the authorities' state of preparedness to receive the mission?</b>	
Never	0
Occasionally	1
Frequently	13
Always	86
(Number of respondents)	69

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1/ Similar responses are grouped together.

# Resident Representative Support Team, FY 2001



### **Other Internal Follow-up Recommendations**

Administrative follow-up is needed in the following areas:

1. INS, in coordination with HRD and area departments, should consider whether locally hired economists and research assistants in resident representative offices could attend regional IMF Institute training courses. HRD and area departments should also consider providing on-site training for local professional staff.
2. Area departments should consult more closely with resident representatives on the timing of technical assistance missions as part of their monthly approval of mission schedules for the three main technical assistance departments.
3. Area departments should examine whether they are providing on a timely basis all material requested by resident representatives and all internal documents relating to the country.
4. HRD and TGS should monitor the speed and reliability of resident representatives' access to the Fund's network and internal web site after the introduction of secure internet connections expected by the end of 2000.
5. INS should review, after six-months' experience, the effectiveness of the measures taken in August 2000 to alleviate the administrative burden on resident representatives of interviewing candidates for INS courses.
6. Area departments should identify separately in their annual travel budget request sufficient funding to permit each resident representative to travel to headquarters once per year for consultations on country matters and career development purposes. In setting the travel budgets for area departments, OBP should take into account the needs for resident representative travel to headquarters.
7. HRD and other departments should prepare a proposal for management consideration that would eliminate the formal requirement for a resident representative assignment to be extended for a second year.
8. Resident representatives' satisfaction with administrative support from headquarters under the new "single point of contact" work order system should be reviewed after one year's experience, i.e., in early 2001.

February 25, 2000

Dear Resident Representative:

In January 1998, the Executive Board discussed the report on the review of the resident representatives program conducted by the Office of Internal Audit and Inspection (OIA). The Board endorsed most of the recommendations of that report. One of the recommendations was that a review should be held in two years' time that would focus narrowly on whether the agreed modifications to the program had been implemented and whether any problems associated with their implementation had been experienced. OIA is now conducting this review, and its results will be reported to the Executive Board. In general, this review does not examine the effectiveness, efficiency, or sustainability of these changes on the resident representatives program; these assessments will be made in the next full evaluation of the program which is tentatively scheduled for 2002-03.

The enclosed questionnaire covers only the recommendations for which the input of resident representatives is most relevant. Questionnaires covering the same and other recommendations are also being sent to area departments, and additional information is being provided by HRD and OBP. The enclosed questionnaire should take about 30 minutes to complete. I urge you to participate in the review and return the completed questionnaire in the enclosed envelope by through the pouch service by March 10, 2000.

Your completed questionnaire, which has been assigned a code number to track the return of individual questionnaires, will be kept confidential within OIA. Once the transfer process has been completed, the returned questionnaires will be destroyed. The survey data will be tabulated and reported in aggregate format in a way that will not allow the views of any individual respondent to be identified.

To respond to the questions, please enter an "X" or a check mark in the box next to your selected answer option, or draw a circle around the number assigned to that option. Please mark only one option unless otherwise instructed. Some questions require you to write answers in the space provided; if additional space is needed, please use the blank area at the end of the questionnaire.

If you have any questions about this survey please contact Mr. Leigh Alexander at [laalexander@imf.org](mailto:laalexander@imf.org) extension 37121, or facsimile 36221.

Thank you for your participation.

Rafael Muñoz  
Director  
Office of Internal Audit and Inspection

Enclosures

**QUESTIONNAIRE FOR RESIDENT REPRESENTATIVES**

- I. As indicated by Mr. Sugisaki in his letter to you of January 24, 2000, one of the issues with which management is concerned is the **involvement of resident representatives in the development of policies** for their countries.

Please answer the questions below in the light of the following recommendation from the 1997 evaluation:

- *Resident representatives should be consulted on the appropriateness of the proposed timing of missions/staff visits and on the authorities' state of preparedness for the work of the staff team, and should be provided with an explicit window within which to comment on draft briefing papers, staff reports, and country notes to management. .... In the case of staff reports for annual arrangements, resident representatives should provide input to the discussion of the mechanisms put in place by the authorities to implement the program, the effectiveness of those mechanisms, and the areas in which Fund-provided or other technical assistance would be helpful to overcome weaknesses in implementation capacity. In the case of staff reports for Article IV consultations with countries in which a post is maintained, representatives should provide input to the discussion of measures taken by the authorities that have a bearing on the transparency (or otherwise) of national macroeconomic policies, processes, and outcomes, and of areas in which transparency remains weak.*

1. To what extent are you involved in determining the policy strategy for your country?

- ☐ No involvement
- ☐ Minimal involvement
- ☐ Some involvement
- ☐ Extensive involvement.

2. To what extent are you asked to contribute first drafts of sections of briefing papers, staff reports, MEFPs, and other Board papers?

- ☐ Never
- ☐ Occasionally
- ☐ Frequently
- ☐ Always

3. To which papers are you asked to contribute?

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4. To what extent are you asked to comment on the completed drafts of briefing papers, staff reports, MEFPs, other Board papers, and consequential country documents to management?

- ☐ Never
- ☐ Occasionally
- ☐ Frequently
- ☐ Always

5. On which papers are you asked to comment?

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6. At what stage(s) of the review process are you generally asked to provide comments? (Check as many stages as apply)

- ☐ Mission team
- ☐ Front Office
- ☐ Departments
- ☐ Management

7. If you are asked to comment on completed drafts of Board papers and other country documents, to what extent are your comments taken into account in the final version of the papers?

No influence    1                      2                      3                      4                      Great influence

8. If you are asked to comment on completed drafts of Board papers and other country documents, please indicate the time allowed for your comments, and whether this period is sufficient to do a thorough job.

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9. How often do you travel to headquarters at your department's expense?

- ☐ Never
- ☐ Less than once per year
- ☐ About once per year
- ☐ More than once per year

10. If you travel to headquarters on official travel at least once per year, do you discuss the policy strategy for your country while at headquarters?
- ☐ No  
☐ Yes
11. While you are in the field and the head of mission is at headquarters, how often are you in contact (via telephone or e-mail) with the mission head to discuss policy strategy?
- ☐ Never  
☐ Occasionally (once a month or less)  
☐ Frequently (several times a month)  
☐ Very frequently (several times a week)  
☐ Daily
12. How do you generally regard the attitude of the mission head toward the policy comments and suggestions made by you?
- Closed            1                    2                    3                    4            Listening/open
13. In your view, is the extent of your involvement in formulating the policy strategy for your country:
- ☐ Insufficient?  
☐ About right?  
☐ Excessive?
14. Would you recommend more frequent travel to headquarters to **enhance your involvement in policy formulation**, taking into account the impact of your absence on your ability to fulfil your other responsibilities.
- ☐ No  
☐ Yes
15. Can you suggest any actions (other than more frequent travel to headquarters) that could be taken by yourself, your area department, or other Fund departments that could result in your greater involvement in policy formulation? Please explain:
- -----  
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16. Would you recommend more frequent travel to headquarters for reasons other than to enhance your involvement in policy formulation, taking into account the impact of your absence on your ability to fulfil your other responsibilities.

☐ No  
☐ Yes

17. If you checked "Yes" in the previous question, please explain the reason(s):

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Please answer the questions below in the light of the following recommendation from the 1997 evaluation:

- *Ad referendum authority should be delegated from mission chiefs to resident representatives within the boundaries of existing agreed policy positions set out in briefing papers and memoranda of economic policies. Where the representative is suitably qualified and experienced, the breadth of ad referendum delegation should be wide; in cases where the representative's experience or skills are more narrowly based, the extent of delegation should be similarly limited, with his/her authority to operate ad referendum outside these areas constrained to take place in close consultation with headquarters.*

18. To what extent are you authorized to provide on-site policy advice to the authorities (including early warning of slippages) within the policy framework for your country as defined by the Fund-supported program, or, for a surveillance-only country, as defined by the staff appraisal and Chairman's summing up for the most recent Article IV consultation?

☐ I am not so authorized  
☐ Only after consultation with the mission chief  
☐ According to my own judgement

19. To what extent are you authorized to discuss alternative policy approaches—outside the framework as defined in the previous question—to achieving the economic objectives of the country to which you are posted?

☐ I am not so authorized  
☐ Only after consultation with the mission chief  
☐ According to my own judgement

20. In your view, is the extent to which you are authorized to provide on-site policy advice:

☐ Too restricted?  
☐ About right?  
☐ Too extensive?



21. Do you have access to sufficiently senior officials to ensure that your on-site policy advice is heard?

☐ No  
☐ Yes

22. Please provide the official titles of the country authorities to whom you give policy advice:

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23. If you answered "No" to question 21, please explain why your main counterparts are not in policy making positions. Does this reflect the preferences of the authorities, the mission head, and/or other factors?

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24. How often are you consulted on the appropriateness of the proposed timing of missions and staff visits from your area department and on the authorities' state of preparedness to receive the mission?

☐ Never  
☐ Occasionally  
☐ Frequently  
☐ Always

25. How often are you consulted on the appropriateness of the proposed timing of technical assistance missions and staff visits and on the authorities' state of preparedness to receive the mission?

☐ Never  
☐ Occasionally  
☐ Frequently  
☐ Always

**II. With regard to the following recommendation from the 1997 evaluation:**

- *A serious need exists to scale back the use of representative staff for unproductive and low value added tasks. For routine information gathering and other tasks, posts should normally employ a local professional economist in a research assistant capacity.*

26. Do you have a local professional economist or research officer to assist you in carrying out your responsibilities?

☐ No

☐ Yes

27. If you do not have a local professional economist or research officer, please explain why not.

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28. Please discuss any difficulties that have arisen in using local staff to assist you in carrying out your responsibilities. If possible, suggest solutions to these difficulties.

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**III. The following recommendation from the 1997 evaluation elicited few comments by Executive Directors during the Board consideration of the report. Nonetheless, the issue is of importance to resident representatives.**

- *Area departments should take steps to remedy weak "economic back-stopping" services provided to resident representatives by headquarters-based staff. The administrative burden placed on resident representatives in their professional role as staff heading resident offices, and in their personal situation as Fund staff located at a distance from headquarters, should be minimized.*

29. In your experience, how do you regard the provision by your area department of substantive information on area department and Fund-wide developments (including new policy and other initiatives), and your area department's response to your requests for economic data?

Very inadequate    1                      2                      3                      4                      Highly satisfactory

30. Please indicate the main areas or issues for which the information provided by the area department is insufficient.

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31. (i) In your experience, how do you regard the accessibility of your post to data and other information at headquarters using the computer.

Very inadequate    1                      2                      3                      4                      Highly satisfactory

- (ii) Please describe the main difficulties you or your staff have experienced in obtaining data and other information from headquarters via the computer.

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32. In your experience, how do you regard the administrative burden placed on resident representatives in responding to requests from:

- (i) your area department?

Excessive    1                      2                      3                      4                      Easily manageable

- (ii) the Human Resources Department?

Excessive    1                      2                      3                      4                      Easily manageable

- (iii) other departments, institutes, or offices?

Please specify which departments, institutes, or offices ----- .

Excessive    1                      2                      3                      4                      Easily manageable

33. Please describe the administrative matters which you find particularly burdensome, specifying the department making the request, and if possible, suggest ways to simplify administrative procedures.

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IV. With regard to the following recommendation from the 1997 evaluation:

- *A full-time B-level staff member should be dedicated to overall administration of the resident representative program, initially for a period of up to two years with an evaluation of the position's continued need at the end of that time. This person should be charged with:  
(1) evamping the program's administrative support arrangements.....*

34. Are you aware of the recent introduction of the "single point of contact" (SPOC) support service operated by the Human Resources Department?

- ☐ No  
☐ Yes

35. If you feel you have had sufficient experience with the SPOC system, please answer the following questions. Otherwise please skip to question 36.

(i) Please indicate the features of the system which are most welcome or which leave room for improvement:

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(ii) Please compare the quality of the support services under the SPOC system with that provided before the introduction of the new system. The quality of the present support services has:

- ☐ deteriorated  
☐ not changed  
☐ improved somewhat  
☐ improved significantly

- |                 |   |   |   |   |   |   |                     |
|-----------------|---|---|---|---|---|---|---------------------|
| Very inadequate | 1 | 2 | 3 | 4 | 5 | 6 | Highly satisfactory |
|-----------------|---|---|---|---|---|---|---------------------|

- [illegible]

March 1, 2000

Dear Head of Mission:

In January 1998, the Executive Board discussed the report on the review of the resident representatives program conducted by the Office of Internal Audit and Inspection (OIA). The Board endorsed most of the recommendations of that report. One of the recommendations was that a review should be held in two years' time that would focus narrowly on whether the agreed modifications to the program had been implemented and whether any problems associated with their implementation had been experienced. OIA is now conducting this review, and its results will be reported to the Executive Board. In general, this review does not examine the effectiveness, efficiency, or sustainability of these changes on the resident representatives program; these assessments will be made in the next full evaluation of the program which is tentatively scheduled for 2002-03.

The enclosed questionnaire covers only the recommendations for which the input of mission heads is most relevant. Questionnaires covering the same and other recommendations are also being sent to resident representatives, and additional information is being provided by area department SPMs, HRD and OBP. The enclosed questionnaire should take less than 15 minutes to complete. I urge you to participate in the review and return the completed questionnaire in the enclosed envelope by March 10, 2000.

Your completed questionnaire will be kept confidential within OIA. Once the transfer process has been completed, the returned questionnaires will be destroyed. The survey data will be tabulated and reported in aggregate format in a way that will not allow the views of any individual respondent to be identified.

To respond to the questions, please enter an "X" or a check mark in the box next to your selected answer option, or draw a circle around the number assigned to that option. Please mark only one option unless otherwise instructed. Some questions require you to write answers in the space provided; if additional space is needed, please use the blank area at the end of the questionnaire.

If you have any questions about this survey please contact Mr. Leigh Alexander (ext. 37121).

Thank you for your participation.

Rafael Muñoz  
Director  
Office of Internal Audit and Inspection

Enclosures

**Questionnaire for the Mission Head to a Country with a Resident Representative Post  
(as at December 31, 1999)**

In this survey, the questions pertaining to an issue are preceded by the recommendation (*in italics*) from the 1997 evaluation of the resident representatives program to which the questions refer. If there is more than one resident representative assigned to the country, please interpret the questions to refer to the resident representative post as a whole, rather than to any one individual.

- 
- *The role of resident representatives should be tightly focused on the areas in which representatives have a comparative advantage over missions: timely on-site policy advice/ program support and promoting the strengthening of macroeconomic institutions/transparency. In each of these two areas of principal comparative advantage, departments should identify the highest-priority country-specific outputs to be achieved during the period an individual representative will be in the field.*

In the light of this recommendation, please answer the following question:

1. Of the following activities of a resident representative, which ones have proven to be the most significant contributions of the resident representative for your country. Please rank the **four** most significant (1 being the highest).

- ☐ Formulation of country policy strategy
- ☐ On-site policy advice to member countries, including early warning of impending program slippages
- ☐ Monitoring Fund-supported programs
- ☐ Gathering economic information and data
- ☐ Assessment of political and social context
- ☐ Coordination of IMF technical assistance
- ☐ Macroeconomic capacity-building activities including promoting transparency
- ☐ Fostering local coordination among donors and other agencies
- ☐ Local public relations and information about IMF
- ☐ Substantive economic analysis and research
- ☐ Drafting of IMF reports and consequential country documents for management
- ☐ Other (please specify) -----

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5. If the resident representative does contribute draft sections of papers, please rate the overall quality of these contributions.

Poor                      1                      2                      3                      4                      Very good

6. How often is the resident representative asked to comment on the completed drafts of briefing papers, staff reports, MEFPs, other Board papers, and consequential country documents to management?

- ☐ Never  
☐ Occasionally  
☐ Frequently  
☐ Always

7. On which papers is the resident representative asked to provide comments?

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-----

8. At what stage(s) of the review process is the resident representative generally asked to provide comments? (Check as many stages as apply)

- ☐ Mission team  
☐ Front Office  
☐ Departments  
☐ Management

9. If the resident representative is asked to comment on drafts of Board papers and other country documents, please rate the overall quality of his comments.

Poor                      1                      2                      3                      4                      Very good

10. If the resident representative is asked to comment on drafts of Board papers and other country documents, to what extent are his comments taken into account in the final version of the papers?

No influence    1                      2                      3                      4                      Great influence

11. In your view, is the extent of the resident representative's involvement in formulating the policy strategy for your country:

- ☐ Insufficient?  
☐ About right?  
☐ Excessive?



As indicated by Mr. Sugisaki in his memorandum of January 19, 2000 to Heads of Area Departments, OIA has been asked to address in this review the **extent to which resident representatives are involved in the development of policies** for their countries. The resident representatives are also being asked most of these questions.

- *Resident representatives should be consulted on the appropriateness of the proposed timing of missions/staff visits and on the authorities' state of preparedness for the work of the staff team, and should be provided with an explicit window within which to comment on draft briefing papers, staff reports, and country notes to management... In the case of staff reports for annual arrangements, resident representatives should provide input to the discussion of the mechanisms put in place by the authorities to implement the program, the effectiveness of those mechanisms, and the areas in which Fund-provided or other technical assistance would be helpful to overcome weaknesses in implementation capacity. In the case of staff reports for Article IV consultations with countries in which a post is maintained, representatives should provide input to the discussion of measures taken by the authorities that have a bearing on the transparency (or otherwise) of national macroeconomic policies, processes, and outcomes, and of areas in which transparency remains weak.*

In the light of this recommendation, please answer the following questions:

2. To what extent is the resident representative involved in determining the policy strategy for your country?  
☐ No involvement  
☐ Minimal involvement  
☐ Some involvement  
☐ Substantial involvement.
3. To what extent does the resident representative contribute first drafts of sections of briefing papers, staff reports, MEFPs, and other Board papers?  
☐ Never  
☐ Occasionally  
☐ Frequently  
☐ Always
4. To which papers is the resident representative asked to contribute?

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12. Would you recommend that the resident representative(s) travel more frequently to headquarters **to enhance his involvement in policy formulation**, taking into account the impact of his absence from the field post on his ability to fulfil his other responsibilities?

☐ No  
☐ Yes

13. Are there other reasons for the low involvement of the resident representative in policy formulation, or any actions that could be taken by the resident representative, yourself, or the area department that could result in his greater involvement in policy formulation? Please explain:

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14. Would you recommend that the resident representative(s) travel more frequently to headquarters **for reasons other than to enhance his involvement in policy formulation**, taking into account the impact of his absence from the field post on his ability to fulfil his other responsibilities.

☐ No  
☐ Yes

15. If you checked "Yes" in the previous question, please explain the reason(s):

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- *Ad referendum authority should be delegated from mission chiefs to resident representatives within the boundaries of existing agreed policy positions set out in briefing papers and memoranda of economic policies. Where the representative is suitably qualified and experienced, the breadth of ad referendum delegation should be wide; in cases where the representative's experience or skills are more narrowly based, the extent of delegation should be similarly limited, with his/her authority to operate ad referendum outside these areas constrained to take place in close consultation with headquarters.*

In the light of this recommendation, please answer the following questions:

16. To what extent is the resident representative authorized to provide on-site policy advice to the authorities (including early warning of slippages) within the policy framework for the country as defined by the Fund-supported program, or, for a surveillance-only country, as defined by the staff appraisal and Chairman's summing up for the most recent Article IV consultation?
- ☐ He is not so authorized
  - ☐ Only after consulting with the mission chief
  - ☐ According to his own judgement
17. To what extent is the resident representative authorized to discuss alternative policy approaches—outside the framework as defined in the previous question—to achieving the economic objectives of the country?
- ☐ He is not so authorized
  - ☐ Only after consulting with the mission chief
  - ☐ According to his own judgement
18. In your view, is the extent to which the resident representative is authorized to provide on-site policy advice:
- ☐ Too restricted?
  - ☐ About right?
  - ☐ Too extensive?
19. How often is the resident representative consulted on the appropriateness of the proposed timing of missions and staff visits from the area department and on the authorities' state of preparedness to receive the mission?
- ☐ Never
  - ☐ Occasionally
  - ☐ Frequently
  - ☐ Always

*Please use the space below and on the reverse side of this page for any other comments you would like to make concerning the questions, or on any other actions that you feel would improve the effectiveness of the resident representatives program.*

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