

# PFTAC Strategy FY12 – FY16

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# Background

- Evaluation set out recommendations for PFTAC Strategy in next funding cycle.
- These were broadly endorsed by the Steering Committee.
- PFTAC's proposed strategy for next funding cycle attempts to address them.
  - Within the bounds of likely resources.

# Evaluation Recommendations

- Mainly strategic recommendations:
  - A strategy for “increasing the probability that the benefits of PFTAC will be sustainable”
  - Intensified use of regional approaches.
  - More use of Pacific expertise.
  - Define medium-term objectives for each functional area.
- Also recommendations on breadth and scope:
  - Additional resident advisors
  - Greater use of short-term experts

# PFTAC Strategy FY12-FY16

- First priority: maintain the elements of PFTAC's success:
  - Resident advisors as the core of TA delivery
  - Demand-driven and practical advice.
  - Rapid response and flexibility.
  - Integrated capacity building and training.
  - Strong backstopping from IMF.
- Aim to focus even more on regional approaches and enhance focus on results.

# Sustainability and regional approaches

- TA will be linked as much as possible to regional analysis, initiatives and institutions:
  - PFM Roadmap
  - Regional statistics plan
  - Close links to FEMM and Central Bank governors.
- PFTAC will aim to help countries develop common approaches to common problems.
  - Increases the chance of countries helping each other
- Aim to increase the use of regional expertise
  - Financing regional cooperation in reforms.
  - Increased use of regional experts.

# Professional associations

- These will be an important element of PFTAC's regional approach.
  - Develop regional benchmarks and strategies
  - Guide regional training strategies.
  - Identify priorities for cross country work.
  - Information sharing on lessons learned
- Useful forum for development partner coordination and assistance.

# Sustainability and country commitment

- Commitment to reform by countries is fundamental to sustainability.
- Countries will also be asked to gradually contribute more to PFTAC-led activities.
- Professional associations will be encouraged to move towards a more self-sustaining basis.
  - At different paces in different sectors.

# Sustainability and donor coordination

- Close partnerships with other development partners important for sustainability.
  - Countries look to other partners to support implementation of PFTAC advice.
  - Provide advice in areas beyond PFTAC's focus/expertise.
- Professional associations form a good venue for detailed coordination.
- Partnerships at regional level – World Bank, ADB
- Country projects.



# Enhancing focus on results

- PFTAC TA has always been focused on results
- But new framework, is more specific about targets in each sector.
  - Linked, if possible, to existing regional frameworks.
- Targets will guide resource prioritisation.
  - TA in areas outside of specified targets is not ruled out but will have lower priority.
- Country commitment will also guide allocation of resources.

# Main risks and challenges

- Results will not be achieved with only PFTAC resources.
  - Countries need to commit time and money
  - Other development partner support is also crucial.
- Rapid turnover of counterparts is a major risk to sustainability.
- Political change can halt progress, particularly on strategic reform.
- Change takes time—need to be realistic when setting targets.

# Governance and accountability

- Retain current governance structure
  - 18 monthly SC meetings; chaired by RBF.
- Annual reports, supplemented by 6 monthly updates.
- Reporting geared to results framework.
- Mission plan regularly updated on website.
- Mid-term evaluation.
- Donor reports for each missions and broader dissemination of TA reports.

## Discussion: Is the strategy appropriate?

- Is continued reliance on resident advisors in preference to short-term experts appropriate?
- Can professional associations become more self-sustaining?
- What are the best methods of increasing the use of regional expertise?
- How to balance prioritisation by results with the need for TA to kickstart reform?
- Are proposed governance and accountability mechanisms appropriate?