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The Role of Fund Resident Representatives in the Large Emerging Economies

John Dodsworth

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Prepared by John Dodsworth

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Abstract

This paper examines the role of resident representatives in five large emerging economies—Brazil, China, India, Russia, and South Africa. It argues that improvements in the technical capacities of civil services have made it more difficult for resident representatives (and the Fund more generally) to add value to policy analysis in these countries. It found that the effectiveness of resident representatives in these countries was more often determined by chance and circumstance—and the personal skills of the individual—than the results of a concerted approach by the Fund. Indeed, resident representatives' terms of reference were general and of little practical importance; few resident representatives recalled having discussed explicit strategies for engagement with the authorities or with the wider public, and most were managed lightly, if at all, by headquarters' staff. The paper argues for better articulated strategies to improve engagement and bolster the position of the resident representative and suggests steps that management and headquarters' staff could take for this purpose.

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Author's E-Mail Address: Jdodsworth1@yahoo.com and info@ieo-imf.org

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I. INTRODUCTION

1. This paper examines the role of resident representatives in five emerging market countries—Brazil, China, India, Russia, and South Africa. It is based on interviews conducted by the IEO with current and former resident representatives, as well as mission chiefs and country officials that have interacted with the resident representatives. During the period of the evaluation, the five countries have become more economically powerful and politically assertive. In the context of Fund relations, the countries have mainly been in “surveillance-mode,” with the exception of Brazil.¹

2. In speaking of their roles, resident representatives in these countries stressed that the challenges involved in their assignments differed sharply from the more traditional role of a resident representative in a program setting. They noted that, in the context of surveillance, both goals and measures of success were more difficult to define; the room for interaction with the authorities was more limited; and there were more “competitors” in the provision of analysis and advice. A common theme was that great improvements had been made in the technical capacities of civil services, making it more difficult for the resident representatives (and the Fund more generally) to provide the authorities with products that had value-added.

3. Beyond these common themes, the interviews revealed striking differences in the roles that the resident representatives played in the different countries. While some resident representatives reported that they had quite close advisory-type relationships with country officials, others reported that they were kept at arm’s-length and had only limited contact with policy-makers. In regard to interactions with civil society and politicians, a few resident representatives indicated that they had undertaken significant outreach efforts, including through local media, but most reported that efforts in this direction were relatively minor. The variations in roles across countries were largely ascribed by the resident representatives to what they perceived as the preferences and sensitivities of the authorities. In several of the countries, the interviewees said that they had felt constrained in the outreach activities by strong anti-Fund sentiments and a lack of trust linked to historical relations with the Fund.

4. To some extent, the cross-country variations in the role of the resident representative identified by the interviewees reflected differences in expectations of mission chiefs and priorities established by headquarters staff. However, these expectations and priorities were rarely articulated in a clear strategy and were not communicated to the resident representatives in any uniform manner. In principle, each resident representative had a “terms of reference,” authorized by Fund management, setting out the tasks to be undertaken. In practice, however, terms of reference were very general and not of much practical importance. Specific instructions to resident representatives at the beginning of assignments were more often conveyed in conversations with mission chiefs or department directors. In the case of senior and experienced

¹ Brazil continued to have a Fund-supported program and post-program monitoring through 2005.

resident representatives (which formed the bulk of the sample here), the role to be played was often left implicit and at the discretion of the resident representative. In only a very few cases, did resident representatives recall having a discussion on explicit strategies for engagement with the authorities or with the wider public.

5. Finally, the interviews revealed that during the evaluation period within the same country, different resident representatives played fundamentally different roles. These differences appeared mainly to reflect the choice of individual selected for the resident representative assignment and his/her particular attributes and strengths. In one case, against a background of what was perceived to be long-standing negative and unfriendly attitude on the part of the authorities, the resident representative was able to forge new relationships with officials and played a policy advisory role that was greatly appreciated by the authorities. In commenting on this particular break with the past, country officials indicated that in judging the success of a resident representative, much depended on the individual's qualities and capabilities.

A. Evidence from the Interviews

The main tasks of the resident representatives

6. The main tasks reported by the resident representatives can be grouped into three main categories:

- (i) Monitoring developments and providing information and analysis to headquarters;
- (ii) Providing assistance to, and communicating with, the country authorities;
- (iii) Engaging in outreach activities, including contacts with the media.

7. These different tasks are interrelated in various ways. In particular, the resident representative's ability to perform the first function, i.e. interpreting economic and political developments and reporting accordingly to headquarters, was, in the view of many resident representatives, linked to the quality of the dialogue with the authorities (function 2) and the resident representative's success in establishing a wider set of contacts within the country (function 3). Questioned on this aspect, one former resident representative (now a mission chief) argued that, even in the absence of substantive discussions between the resident representative and the authorities, Fund surveillance could be improved by the presence of a resident representative in the country. Some mission chiefs also tended to place greater emphasis on the reporting function of the resident representative than on interactions with the authorities and the wider public. However, a much more general view was that meaningful engagement with the authorities, and more broadly with politicians and civil society, were essential aspects of the work of a resident representative. Several of those interviewed pointed out that a pure reporting function had been made largely redundant by advances in communication technology, improvements in the availability of data, and wider and more rapid access to information. It was, thus, increasingly important for resident representative to go beyond the duties of a "postman."

Building relations with the authorities

8. Almost all resident representatives saw their primary task as building relationships with country officials so as to create an environment in which a constructive dialogue on economic policies could take place. Both resident representatives and many country officials believed it very important to achieve a “foundation of trust” so that meaningful engagement could take place. But they also cautioned that the negative legacy of past interactions with the Fund in the context of programs, crisis-response, and surveillance was a constraining factor in the development of relationships of trust.

9. Resident representatives were viewed by mission chiefs and country officials as being best-positioned to improve relationships given their more continuous face-to-face contact with the authorities. As one senior official noted, the government finds it difficult to trust someone who comes to your country only once or twice a year. Familiarity with the resident representative allows an easier and more comfortable mode of communication. However, the interviews also brought out the fact that having cordial relationships with the resident representative was not of any lasting significance if this could not be developed into a mutually beneficial professional relationship in which the resident representative could be of real policy assistance to the authorities.²

10. Country officials indicated that relationships had at times in the past been soured by the style of some Fund staff members, who could come across as highhanded and arrogant, and with a tendency to lecture the authorities. Staff members were generally aware of these criticisms, and, in particular, there was a realization that the authorities, given the level of their technical expertise, did not want to be lectured to. More broadly, the authorities wanted their voice and opinions to be heard and appreciated in policy discussions. Some resident representatives noted that “listening carefully” to the authorities’ views and gaining an understanding of the authorities’ rationale for specific policies were key factors in building relations. A number of resident representatives emphasized that the Fund needed also to show awareness of political realities and constraints, and not to offer only “textbook” solutions.

11. Most resident representatives mentioned that the key to building meaningful relations with the authorities was to make available to them good quality analytical work and open up channels for technical assistance that would be helpful in the task of formulating economic policies. This may involve specialist expertise from the functional departments of the Fund or reporting experiences from other member countries. One resident representative likened this process to the marketing function of a firm. The resident representative has to bear in mind that there are two aspects of marketing—one is “selling” the products of the Fund, while the other is

² In some cases, it was noted that resident representatives were able to build very good personal relationships, sometimes at the highest political level, but were not able to capitalize on the relationships because of limitations in technical expertise.

giving feedback to headquarters on what types of products are demanded and found helpful by the member country.

Relations with the authorities

12. There were large variations in the pattern of interactions between resident representatives and the authorities in the sample countries.

13. In **Brazil** the resident representatives noted that they had relatively limited access to senior officials and interactions were constrained by the authorities' sensitivity to receiving policy advice or recommendations from the Fund. The Brazilian authorities also had little interest in Fund technical assistance (except in the area of statistics). According to one former country official, the authorities had decided early on that the resident representative should not be treated in any way as an ambassador, and should not have access to any information that was not already in the public domain. There was no expectation on the part of the authorities that the resident representative would be able to provide significant input into the policy process. Maintaining a resident office in Brazil was, according to one official, largely for the benefit of the Fund, not for the authorities.

14. In **China**, contacts with the resident representative were reportedly frequent, but usually at a relatively junior level and meetings tended to be quite bureaucratic in nature. Again, the interactions largely related to technical issues. According to staff members, the Chinese authorities were interested in an analysis of the overall economic situation and in gaining insights into certain specific issues. They were not looking for direct policy advice, but would request assistance from time to time on specific topics, especially where the experience of other countries could be helpful. When the resident representative received requests on the specific topics, papers on these issues were prepared at headquarters, and were, according to staff, highly appreciated by the authorities. One staff member indicated that, given the formal nature of most contacts, the most useful interactions tended to be in the form of seminars and workshops where there was a free exchange of views.

15. In **India**, the nature of interactions between the resident representative and the authorities has changed considerably over time. At the beginning of the evaluation period, the resident representative appears to have been largely ignored by the authorities. Access to policy makers tended to be infrequent and the resident representative mainly met with comparatively low-level officials. The resident representative assignment, thus, mainly related to the reporting of developments. Towards the end of the evaluation period, however, contacts between the resident representative and the authorities became more frequent and more substantive. The authorities began to make ad hoc requests for analysis of various economic issues to which the resident representative would respond either orally or through "non-papers." Senior Indian government officials confirmed that in recent times the resident representative had played a very useful role. The officials emphasized that it was particularly helpful to get a fast response in an informal

manner, and that contacts with the resident representative were among the more successful interactions with the Fund.

16. In regard to **Russia**, Fund staff reported that relations with the authorities were close. An important factor contributing to the situation was the continuity provided by a former resident representative who subsequently became mission chief for the country. Staff indicated that they had relatively good access to intermediate-level officials and interactions with the authorities were described by staff as almost as frequent as in a program. In the view of staff members, the authorities were currently open to both policy advice and Fund technical assistance; however, the Fund would become significantly less influential as administrative capacity improved. From the authorities' side, a senior Russian official indicated that they found the resident representative helpful and responsive, but indicated that this was not in terms of policy advice, but rather when they needed assistance in updating macro-projections outside of the regular Article IV consultation cycle. Staff and country officials both noted that Russia was very keen for its voice to be heard, particularly in terms of positions taken within the G-20 process. Staff noted that while a potentially important task for the resident representative was to convey the authorities' viewpoint on global policy issues, the Minister of Finance would likely call Fund management directly, or give instructions to the Executive Director, rather than go through the resident representative.

17. In **South Africa**, the resident representative is expected by both headquarters staff and by the authorities to play a mainly "technical" role. Staff members and country officials confirmed that the authorities, backed by a highly competent civil service, would not wish to directly seek policy advice from the Fund. However, one senior South African official noted that recent resident representatives had played "valuable" roles by acting as "sounding boards" on specific macroeconomic issues. They provided policy makers with a "logic check"—and, importantly, could give their views in a confidential and informal manner. Resident representatives confirmed that the exchange of views with the authorities had been productive, but also noted that they had more limited access to the authorities on policy matters. The long tenures and stature of the Finance Minister and the Central Bank Governor had meant that there were direct contacts with the head of the African Department or Fund management on major policy issues.

Relations with the media, civil society, and politicians

18. Most resident representatives saw the establishment of a wide set of contacts outside government as a key task. Such contacts not only aided their understanding of the economic and political situation in the country, but also provided a means of mobilizing a broader base of support for specific economic policies. In several of the countries, however, the authorities were sensitive and objected to outreach by resident representatives, particularly if this involved press coverage of views on economic developments and policies within the country. While most of the resident representatives had media training ahead of their assignment, many were concerned that press stories could be manipulated for political purposes.

19. In **Brazil**, the practice is that the resident representative would not be quoted in the press or give interviews to the media. Reflecting the authorities' views, there were no post-mission press briefings or publication of Fund staff reports. Contacts with some local journalists were not precluded so that the resident representative could have some influence while not being quoted personally. Beyond direct contacts with the media, the resident representatives said that the extent of outreach was quite limited, largely reflecting that the authorities did not want such contacts to occur. The resident representatives noted that contacts with CSOs and parliamentarians could easily backfire if such meetings were later reported in the press.

20. In **China**, the authorities were perceived by staff not to want the Fund to be seen too publicly. The main avenue of outreach was, therefore, through the academic community, which was seen as an indirect way of influencing policy-makers. Headquarters' staff were of the opinion that the resident representative was very effective in this area having won a good reputation and respect as an economist and was now invited to many academic conferences. However, one influential observer was of the view that the World Bank had been more effective than the Fund in engaging with the academic community in China. He said that in his experience, contacts were more frequent, noting that the World Bank brought out quarterly reports on China, conducted roundtable discussions, and in general produced more relevant research work. According to this view, the World Bank staff was generally not as prescriptive as the Fund in that they presented alternative policy choices and left the decision to the authorities.

21. In **India**, resident representatives in the early part of the evaluation period claimed that there was a "no press" rule enforced by the authorities. One resident representative said that the authorities complained directly to him when he was quoted in a local newspaper. Another former resident representative said that in none of his resident representative assignments (including India) had he ventured very much into outreach via the media. He said that the risks were large (some resident representatives had been recalled following different incidents) and he was very unsure whether the Fund would give backing if a problem arose. More recently in India, however, resident representatives have made a break with the past. One resident representative indicated that he had appeared on the TV and in the press during his assignment and that this exposure did not draw any criticism from the authorities or from headquarters. Another resident representative stated that economic issues were widely discussed in the country, and interactions with the press were necessarily an important aspect of his role in India. He noted that the authorities often found his interactions with the press useful and there were no restrictions placed on him.

22. In **South Africa**, Fund management initiated a full-fledged outreach program in the 1990's with the aim of improving Fund-South Africa relations. The outreach program involved a media strategy and contacts with all sections of civil society, including students, NGOs, trade unions, and parliamentarians. A former resident representative was of the view that the outreach program had a beneficial effect on the Fund's relations with South Africa by increasing public understanding and promoting a more positive image of the Fund. One senior South African official, however, took a somewhat different view, commenting that, on more than one occasion

during this period, Fund staff would appear in the newspapers and create problems by commenting on sensitive topics, in particular on the management of the exchange rate. More generally, Fund staff recognize a dilemma in finding the proper balance between following outreach policy and getting the ear of the authorities: conducting outreach would please headquarters, but would at the same time cause damage to the relationship with the authorities. In recent years, staff have opted for limiting outreach through the media, and recent resident representatives (and missions) have tended to have limited contacts with the press, a stance appreciated by the authorities.

23. In the case of **Russia**, former resident representatives indicated that the authorities were “neutral” in regard to outreach and media activities. The extent of press contact by resident representatives has, however, tended to vary, with more recent resident representatives assuming a lower profile and conducting media outreach mainly at the time of the publication of the Regional Economic Outlook. One former resident representative indicated that he would not give any presentations solely on Russia, and that country-specific presentations were always left to missions. The writing of op-eds for local newspapers on topical economic issues by the resident representative, which took place in earlier times, has now tended to be carried out by headquarters staff. A senior Russian official stated that it was reasonable for the Fund to reach out beyond government channels and hold press conferences. He noted that it was common in Russia to openly criticize government and central bank policies, and against this background, the views of the IMF are often helpful because they are more competently formulated and can negate some unwarranted criticism. He was not concerned about confidentiality issues, and pointed out that since 2000, Russia had agreed to publish all IMF documents.

Relations with headquarters

24. The extent to which resident representatives were supervised or managed by headquarters staff varied across the sample of countries. In four of the five countries, resident representatives were appointed at a senior level and usually had previous experience as mission chiefs or resident representatives elsewhere. As a general rule, the resident representatives formally reported to the head of mission, but often could be at the same rank as the mission chief, and would simultaneously report to the Department Director or to Front Office staff. One former senior resident representative (who had experience in several posts) noted that the resident representative program could be better structured in the sense that there was a need for headquarters staff (i) to be clearer on the level of authority that they were delegating to the resident representative; and (ii) to be more explicit in instructions on the resident representatives’ tasks and priorities. With more senior appointees, there was a tendency for headquarters staff to leave it to the individual to fashion the post according to their own judgment.

- (a) **Handovers and training:** Several resident representatives mentioned that the procedures for handovers from one resident representative to the next were deficient or nonexistent. Resident representatives indicated that there was usually a one-week overlap for formal introductions to the authorities and key contacts, but even this did not always occur. The

problem, according to some resident representatives, was that the outgoing resident representatives had little incentive to fully pass on their accumulated knowledge and were often busy with their new position. On training, most resident representatives noted that media training at headquarters was very helpful, but that there was no training covering other tasks of the resident representative. One experienced resident representative said that over the years the Fund had become more supportive of resident representatives on the administrative side, but not in terms of readying a person for the substantive part of the assignment. The resident representative almost always had to work out the modality of the operation for themselves. Most first-time resident representatives indicated that they found the job was a learning-by-doing experience.

- (b) **Strategies for engagement:** Virtually all resident representatives said that there was no well-articulated or explicitly communicated strategy for engagement with the authorities. Resident representatives said that instructions at the beginning of assignments were quite general: for example, to make the Fund “more relevant” for the authorities; or to “help the team better understand developments in the country,” or “to build up a wide informational network”. Although each resident representative started their assignment with a “terms of reference” approved by management, these documents were variously described as bureaucratic formalities, generic in nature, and not containing any prioritization of the different tasks of the resident representative. Some resident representatives were asked to update the terms of reference themselves ahead of their assignment. The prevailing view was that the listing of functions and responsibilities contained in the terms of reference did not constitute a strategy for engagement with the authorities, and, in any case, was not monitored after it was approved. One resident representative thought that there should be a better-articulated strategy for an incoming resident representative but he did not believe this was likely to occur because most senior managers at headquarters did not really know what the resident representatives should be doing. He noted that there was a tendency among headquarters’ staff to view the resident representative solely as a supplier of information that helped headquarters’ staff write board papers. Another highly experienced resident representative was also skeptical about a strategy for engagement, which he believed would become just another bureaucratic exercise.
- (c) **Continuity:** Both staff and country officials acknowledged the role played by resident representatives in providing continuity in the interactions with the authorities. Many resident representatives indicated that a high turnover of division chiefs and desk officers meant that there was often limited institutional memory, which was a major obstacle to building working relationships with the authorities. Resident representatives, with a normal length of assignment of three years, could be particularly important in managing interactions between missions and the authorities, ensuring, for instance, that duplication in questioning of officials is minimized, and that mission members are fully aware of political sensitivities in particular areas. Officials also spoke of the importance of the resident representatives in creating or maintaining a rapport between the authorities and a

mission team that may visit the country only once or twice a year and may be subject to frequent personnel changes.

- (d) **Feedback on surveillance issues:** Several of the resident representatives commented unfavorably on the coverage and nature of issues examined in the context of the Article IV consultation missions. The general feeling was that because of their closer contacts with the country officials, the resident representatives were more aware of the issues that the authorities considered relevant and important, and should have greater input in defining issues to be addressed in the Article IV consultation. One resident representative noted that the nature of the briefing paper process led the missions into being more critical of the authorities' policies without getting a full understanding of the situation. Another resident representative was of the view that the Fund's policy recommendations needed to be more specific and based on deeper and more technical analysis. More generally, resident representatives saw headquarters staff as being more focused on procedural matters inside the Fund (memoranda to management, staff papers for the board, etc.) than on relationships with the member states themselves. One country official expressed doubts on whether the discussions that the resident representatives had with the authorities fed back in a consistent manner into the Article IV agenda. He noted, in particular, that the way in which issues were discussed by missions was not keyed in to the approach taken by the authorities. In his opinion, the perspective of the resident representative differed from that of a visiting mission. For example, compared with missions, resident representatives generally had a stronger understanding and greater interest in growth and structural issues, while missions tended to be more focused on short-term macroeconomic issues and approached longer-term growth issues in a more or less formulaic manner.
- (e) **Regional coverage of resident offices:** Some resident representatives were of the view that increasing the coverage of their assignments to include neighboring countries could enhance their effectiveness and help build relationships with the country officials. One resident representative believed that a wider coverage could have been beneficial in the case of India. In other cases, however, where there has been experimentation in utilizing the resident office in this way, staff in one case, and authorities in another, thought that the modalities of the experiment had not been well thought out. More generally, staff said that such arrangements would likely be welcomed by the smaller countries, but not be of much benefit to the larger country. Indeed, one South African official commented that in recent times there may have been some loss of focus resulting from the resident representative being diverted to cover tasks in other countries.

B. Overall Assessment

25. The stationing of a resident representative in a large emerging market country has the potential to greatly improve interactions with the authorities and enhance the quality of Fund surveillance. In dynamically changing economies, the model of an annual consultation plus staff

visits and *ad hoc* contacts with management is likely to be insufficient to sustain the type of ongoing policy dialogue that is needed for the Fund to understand developments, the rationale for implemented policies, and the identification of emerging risks and vulnerabilities. The presence of a resident representative who can discuss these issues in a confidential manner with the authorities, and thereby improve the content and quality of communication between management/staff and country officials, should be a valuable resource both for the Fund and the authorities.

26. However, the evidence from the interviews strongly suggests that the potential benefits from resident representatives in these countries are not being fully realized. In particular, many resident representatives have quite limited relations with the authorities and are not in a position to participate in an ongoing policy dialogue that is essential to fulfill their role. While headquarters' staff are generally appreciative of the reporting and analysis of economic and political developments by resident representatives, the authorities, for the most part, find the resident representatives only marginally useful, and generally not significant contributors to the development of policies.

27. The challenge for the resident representative in these countries is twofold: one is to be useful to the authorities; the other is to assist staff in conducting Fund surveillance. Ideally there should be a large coincidence between these two objectives. However, many senior officials are doubtful that the resident representative can be "useful" in a substantive discussion of policies. They already have many equally well- or better-qualified economists on their staff. Most of the senior officials that were interviewed were strongly of the opinion that they do not want—and they do not need—"policy advice" from the Fund or the resident representative. However, it is worth noting that there are descriptive nuances in this situation as several officials, while ruling out the need for "policy advice", did admit to there being value in discussing with the resident representative "an assessment of the current situation" or having "an exchange of views on policy options" or using the resident representative as a "sounding board" to give "a different perspective" or a "logic check" on the government's thinking. All of these activities involve, at least implicitly, a form of policy advice. However, it is important for the Fund's resident representatives to navigate in a diplomatic fashion these different approaches so as to engage in a substantive policy discussion with the authorities, but without projecting their role as a policy advisor.

28. The conduct and content of the Article IV consultation is an important factor influencing the resident representative's policy discussions and relationship with the authorities. Many resident representatives described the consultation process and Article IV reports as being overly critical and prescriptive, and with policy recommendations that are too general or, in some cases, politically inappropriate. Several resident representatives linked these problems to the difficulties they experienced in building relations of trust with the authorities. They also noted that their attempts to align the agenda for consultations with policy issues most relevant to the authorities met with only partial success. While this encompasses a more general issue than covered in this paper, it is relevant to note that the content, style, and conduct of the consultation process is one

of the major factors affecting the resident representative's relationship and influence with the authorities.

29. Successful interactions between resident representatives and the authorities appear generally to reflect individual initiatives that result in the resident representative gaining the confidence of the authorities. Such interactions tend to involve "informal" and "confidential" discussions between the authorities and the resident representatives. For many officials, an important element of the usefulness of a resident representative lies in being able to get quick feedback that is not necessarily an officially cleared line. In such engagements, the resident representatives stressed there was a need to be pragmatic and constructive in reacting to the authorities' policy options, and not confining responses to "textbook" or "first-best" policies. As one experienced resident representative noted, a substantive policy dialogue almost always entails a "partial capture" of the resident representative by the authorities. Such situations call for solid judgment and point to the importance of assigning senior and well-experienced individuals to these posts.

30. The management of resident representatives by headquarters' staff was noticeably absent in most of the countries. In many cases, departments appear to allow the resident representatives themselves to determine the modalities of the assignment. If an incoming resident representative does not take an initiative, then the constraints and limitations placed on his predecessor become normal accepted practice for that country. One resident representative described succinctly how at the beginning of his assignment both management and area department staff had expressed their faith in his ability to make the position work, but without going into any details as to strategy, tasks, or initiatives that he should take. In many cases, resident representatives said they did not even receive explicit instructions as to contacts with media and civil society, this being left largely to their own judgment. Such an approach places a large premium on the recruitment for such positions of seasoned staff with proven judgment.

31. Given that the success of a resident representative depends ultimately on the cooperation of the authorities, there are strong arguments for better articulated strategies to improve engagement and bolster the position of the resident representative. While much depends on the situation in individual countries, there are various actions that could be taken by management and headquarters' staff to support a resident representative.

- In respect of relationships, the initial phase of an assignment is critical and an incoming resident representative should be well-prepared. Toward this end, consideration could be given to more specific training for resident representatives. The resident representative would also benefit from organized discussions with knowledgeable staff that have an historical perspective on the country (for example, previous resident representatives and mission chiefs) and greater attention could be paid to ensuring that there is a thorough handover and briefing from the outgoing resident representative. At a minimum, the incoming resident representative needs to be well acquainted with the personalities involved on the authorities' side.

- The authorities must themselves be assured that the new resident representative has the confidence and full backing of the area department director and Fund management. Interactions should be managed to ensure that the profile of the resident representative is built up during missions, management visits to the country, and visits by the authorities to Washington. It is important for resident representatives also to be the main interface for communications between headquarters and the authorities, with direct interventions from mission chiefs, front office staff, and management kept to a minimum.
- Within an agreed outreach and media strategy, the resident representative should be encouraged and enabled to speak on regional and Fund-wide issues, and, depending on the views of the authorities, to make statements on country-specific issues in a carefully calibrated fashion.
- Where relationship problems arise or continue, candid discussions need to take place between the authorities and senior Fund staff or management in order to identify the source of difficulties. In some cases, problems can be located with particular individual officials in intermediate positions or with the resident representatives themselves. It is important to explore all avenues with the authorities before moving to a decision on the closure of posts.
- Progress in the assignment should be better monitored from headquarters, and at the end of an assignment an critical appraisal made to identify remaining difficulties. This would ideally be shared with management and used as an input to the engagement strategy. As with other initiatives, there is a clear risk that engagement strategies and more rigorous appraisals could themselves become bureaucratic formalities. To guard against such an outcome there is a need for a sustained management drive to make resident representatives more effective.