

Japan Administered Account for Selected IMF Activities (JSA)

Annual Report
Fiscal Year 2000

International
Monetary
Fund

A stylized graphic of a globe, composed of several overlapping, curved orange lines that form a grid-like structure. The globe is positioned in the lower half of the page, with its top edge near the center of the page.

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JSA Annual Report Fiscal Year 2000

In 1990, Japan agreed to provide financing to support the IMF's technical assistance to developing member countries to strengthen their capacity to formulate, implement, and maintain macroeconomic and structural adjustment programs. Since then, Japan has been, and continues to be, the largest source of external donor support for the IMF's technical assistance (TA) activities.¹ Japan's contributions are provided through the "Japan Administered Account for Selected Fund Activities (JSA)".² In addition, Japan also finances two scholarship programs, one under the JSA and the other under a separate account.

This report consists of a brief description of the IMF and its activities, and particularly its technical assistance activities, the JSA — its objectives, size and scope, and use — with a focus on fiscal year 2000³ and the scholarship programs.

¹ Other bilateral donors include Australia, Canada, France, Denmark, the Netherlands, New Zealand, Switzerland, and the United Kingdom; multilateral donors include the Asian Development Bank, the World Bank, and UNDP.

² In this report, unless a distinction is made, use of the term "JSA" (Japan Administered Account for Selected Fund Activities) is meant to include the "JAA" (Japan Administered Technical Assistance Account) which was its predecessor administered account.

³ The reference to fiscal years (FYs) in this report is to the IMF's fiscal year which runs from May 1 through April 30.

The IMF: Purpose and Activities

The IMF, an international organization of currently 183 member countries, was established in 1946 to promote international monetary cooperation, exchange stability and orderly exchange arrangements, to provide temporary financial assistance to countries with balance of payments difficulties, and to foster economic growth. To achieve these objectives, the IMF carries out three types of operational activities, sometimes referred to as "the three pillars" of IMF work: surveillance, financial assistance, and technical assistance.

Surveillance is the process by which the IMF appraises country and global macroeconomic conditions with particular focus on the maintenance of appropriate exchange rate policies. The IMF carries out its surveillance (or oversight) responsibilities through, among other things, consultations with individual countries, and globally in the context of producing the IMF's *World Economic Outlook*.

Financial assistance includes credits and loans extended by the IMF to member countries with balance of payment problems to support policies of economic adjustment and reform.

Technical assistance consists of expertise and training provided by the IMF to its member countries in the areas of its core mandate, namely macroeconomic policy; monetary and foreign exchange policy and systems; fiscal

policy and management; external debt; and macroeconomic statistics.

IMF Technical Assistance: Demand and Supply

The IMF began to extend technical assistance to its member countries in the early 1960s in response to requests from newly independent nations in Africa and Asia. By the mid-1980s, resources devoted to technical assistance had nearly doubled. As a result of the expansion of the IMF's membership and the adoption of market-oriented economies by a large number of countries worldwide, IMF technical assistance activities grew even more rapidly in the early 1990s. In addition, in recent years, the IMF has had to mount significant coordinated efforts to provide prompt policy advice and operational assistance to countries emerging from conflict situations. Currently, the IMF devotes some 300 staff years to technical assistance activities, plus some \$10 million for training and scholarships annually.

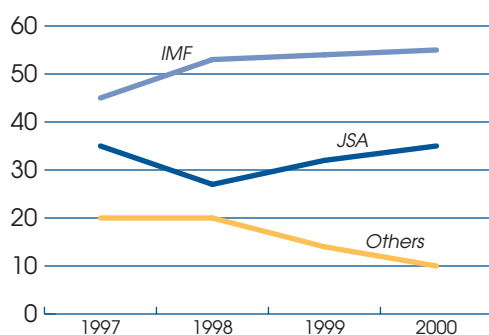
As the IMF seeks to meet its mandate, the demand on its technical assistance resources is expected to increase including to help countries adopt and adhere to international standards and codes for financial, fiscal, and statistical management; to help heavily indebted poor countries (HIPC)s design and manage debt reduction programs; and to help

low income countries formulate and implement poverty reduction and growth programs.

In light of these demand pressures and competing needs, the IMF has recently taken steps to better prioritize technical assistance to reflect the Fund's core areas of specialization in fiscal, monetary and statistical areas, and in main program areas such as crisis prevention, debt relief and poverty-reduction, fostering macroeconomic stability, and post-crisis management.

The IMF finances its technical assistance for member countries mainly from its own budgetary resources, but also receives external financing from bilateral and multilateral partners. The IMF currently spends some \$110 million annually on technical assistance work, accounting for around 20% of its annual administrative expenditures. Of this, approximately \$60 million is spent on TA delivered in the field by experts or by IMF missions, and the rest is spent on TA-related work at headquarters. In recent years, external financing from bilateral and multilateral donor partners has accounted for about 35% of total TA and about 50% of field TA. By far the largest source of external financing comes from Japan. In FY 2000, JSA financing accounted for 35% of the IMF's field TA. The JSA share of financing for the IMF's technical assistance over the period FY1997–2000 is shown in Chart 1.

Chart 1. JSA Share of Financing for TA*, FY1997–2000



*Technical assistance provided in the field.

The Japan Administered Account for Selected Fund Activities (JSA)

Activities funded—TA, Regional Office for Asia and the Pacific, and Scholarship Programs

The Government of Japan has provided grant contributions to support the IMF's technical assistance to member countries since 1990. In 1997, this administered account was amended in order to widen the scope of activities for which contributions could be made to finance other IMF activities in Asia and the Pacific carried out through its Regional Office for Asia and the Pacific in Tokyo.

The responsibilities of the Regional Office in Tokyo include collaboration between the

IMF and Japan that would strengthen economic prospects in the Asia Pacific region and encompass support of various regional policy fora such as Asia-Pacific Economic Cooperation (APEC) and the Association of South East Asian Nations (ASEAN), public relations, and technical assistance benefiting developing countries in the region. Examples of the latter include conferences on macroeconomic policy and on financial sector reform (see Box 1.). The Office helps to improve understanding of the international financial system in Japan and the region through public relations events as well as by releasing publications in the Japanese language. It also seeks to increase the representation of Japanese and other Asian nationals on the staff of the IMF by encouraging qualified applicants to apply for employment.

In addition, the Government of Japan provides grant contributions for two scholarship programs. The Japan-IMF Scholarship Program for Advanced Studies, which is administered by the IMF Institute, supports nationals of IMF Asian member countries who undertake doctoral studies in economics in North America and Australia in order to pursue a career in international financial institutions such as the IMF, or in their home administration.

The Japan-IMF Scholarship Program for Asia supports a 12-month course of graduate studies in Japan in macroeconomics or related fields for students from Asia and the Pacific and Central Asia, and is administered by the Regional Office in Tokyo.

Box 1: Support for Policy Development and Capacity Building

The Regional Office for Asia and the Pacific undertakes technical assistance to help strengthen economic policy and support reforms in the region and to enhance the policy-making capacity of officials. These goals are pursued largely via conferences and seminars. Some recent examples funded by the JSA include the following:

Monetary Policy and Inflation Targeting in Emerging Economies (July 13–14, 2000, Jakarta)

In collaboration with Bank Indonesia, the Office conducted a seminar evaluating alternative monetary policy regimes that emerging Asian economies might employ following their adoption of flexible exchange rate regimes. This seminar was held with official participants from the region (Australia, Indonesia, Japan, Korea, Malaysia, New Zealand, Philippines, Singapore, and Thailand) and, in order to promote public awareness and debate, was attended by a cross-section of the Indonesian public. A number of international experts offered views.

Financial Markets and Policies in East Asia (September 4–5, 2000, Canberra)

This conference focused on developing stronger financial markets and economic policy in the region. It examined the changing patterns of regional finance, the agenda for financial and corporate sector restructuring, design of macroeconomic policy, and the scope for regional solutions in these policy areas. The conference, organized jointly with the Australian National University, was attended by participants from Australia, China, Indonesia, Japan, Korea, New Zealand, Singapore, Taiwan POC, Thailand, United States, and international organizations.

Financial Sector Stability and Development: The Case of the Pacific Island Countries (February 20–21, 2001, Apia, Samoa)

The Pacific Island economies face a number of common concerns as they encounter the challenge of development in a global context. These issues include monetary policy, financial sector development, addressing banking sector problems, and money laundering. This conference, organized collaboratively with the Pacific Financial Technical Assistance Center and the Samoan government, sought to identify best approaches for the region in each of these areas. Participants attended from Cook Islands, Micronesia, Fiji, Kiribati, Marshall Islands, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu. Experts from Australia, Japan, and New Zealand and various international organizations and agencies contributed to the seminar.

Financial Reform and Stability: Systemic Issues (March 29–30, 2001, Hyderabad)

This conference focused on the financial sector concerns faced by countries in the South Asia region. It looked at issues of strengthening financial sectors as well as how to address banking sector problems. It explored how the development of new international codes and standards apply to the countries in the region. Along with co-organizers, the Administrative Staff College of India, participants came from Bangladesh, Bhutan, India, Maldives, Myanmar, Nepal, and Sri Lanka. Experts were drawn from Australia, Japan, Thailand, United States, and the international organizations.

Level of Funding

Level of funding

Since the establishment of the JAA/JSA in 1990, Japan has made annual contributions totaling some \$154 million (\$146 million for technical assistance activities and \$8 million for the Asia Scholarship Program).⁴ In addition, since 1996, Japan has also contributed some \$7 million for the Advanced Scholarship Program. Annual contribution figures for technical assistance and the two scholarship programs, for the period FY1990–2001, are provided in Table 1. Chart 2 shows the annual contributions for technical assistance under the JSA since its inception.

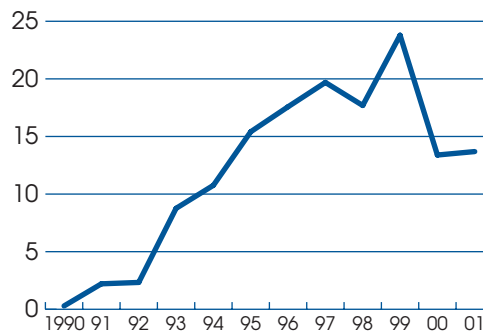
Consultations

Consultations between the IMF and the Japanese authorities take place in early March each year and cover the following issues: (i) the regional and/or subject area utilization of

⁴ As of the end of the IMF's FY2001.

Chart 2. Annual Contributions by Japan, FY1990–2001

Annual, in millions of U.S. dollars



JSA resources to be targeted in the next financial year; (ii) the likely costs of project inputs; (iii) the likely magnitude of Japan's further contribution to the JSA; (iv) the organization of field visits/project evaluations by the Japanese authorities and the IMF; and (v) any special projects or issues which are foreseen as likely to arise during the next financial year.

Table 1. Contributions by Japan, FY1990–2001

(Millions of U.S. dollars)

	FY 1990–1995	FY1996	FY1997	FY1998	FY1999	FY2000	FY2001	Total 1990–2001
JSA	40.9	18.7	21.0	18.9	25.0	14.0	15.1	153.6
Technical Assistance ¹	39.8	17.6	19.7	17.7	23.8	13.4	13.7	145.6
Asia Scholarship Program	1.1	1.1	1.3	1.2	1.2	0.6	1.4	8.0
Advanced Scholarship		0.3	1.1	1.4	1.4	1.4	1.4	7.2

¹ includes the Regional Office for Asia and the Pacific



Japan/IMF consultations on the TA program: Seated from left to right—Mr. P. Heller, Chairman, IMF Technical Assistance Committee, Mr. Y. Yoshimura, Executive Director for Japan at the IMF, Mr. E.-A. Conrad, Director, IMF Office of Budget and Planning, and Mr. N. Bradshaw, Head, IMF Technical Assistance Secretariat.

Technical assistance funded by JSA

JSA resources can be used for the costs of short and long-term TA experts and those associated with providing seminars and workshops. JSA funds may not be used to finance IMF staff costs (including salaries, per diem or travel expenses). JSA funds are not tied to the use of Japanese nationals, but Japanese nationals are considered for expert assignments whenever possible.

While TA activities financed by the JSA can be in all areas of the world, the Japanese authorities placed high priority on the JSA for TA activities in Asia and the Pacific, Central Asia, Central and Eastern Europe, and countries of the former Soviet Union. The Japanese authorities also placed high priority on assistance for countries which have demonstrated strong efforts and good track records in the implementation of economic reform policies. Three ongoing JSA-supported projects, selected from each of the three main TA subject areas, are described in Boxes 2 – 4.

Case Studies

Box 2: Support for Strengthening Budget Preparation and Execution in Slovenia

In early 1998 the IMF's Fiscal Affairs Department (FAD) helped the Ministry of Finance develop new revenue and expenditure classifications based on the internationally agreed Government Finance Statistics (GFS) methodology. With the financial support of the JSA, FAD provided three short-term follow-up visits during July-November 1998 to assist the ministry in adopting the new classifications for the preparation and execution of the 1999 budget. This support also helped create the necessary background for further budget and treasury management reforms in Slovenia.

In order to institutionalize the achieved improvements in coverage and quality of the budget preparation, execution, and fiscal reporting, the authorities requested further technical assistance. Again with the financial support of the JSA, FAD appointed a resident general budget advisor in February 1999 for an initial period of one year, covering both budget preparation and budget execution issues. This assignment was later extended until end December 2000 to help consolidate the public expenditure reforms, with emphasis on further reforming budget execution, the government payments system, and fiscal reporting procedures.

The technical assistance activities have resulted in reformed budget presentation techniques and a more transparent budget presentation and documentation; the fiscal data base has been substantially improved; reform of government payment systems is in process; and computerization of budget preparation and selected segments of treasury operations has been extended. Given the availability of highly educated staff in the Ministry of Finance and additional on-the-job training provided to them by the advisor, all these reforms have been well implanted.

Slovenia has made substantial progress in transforming its budgeting and expenditure management process from a centrally-planned model to a market-based system. However, additional reforms will be needed in the course of the next years. Following the request of the Ministry of Finance the assignment of the resident advisor was once more extended, with financial support from JSA, and will continue to the end of December 2001. The aim is to improve the budget formulation process further by employing more analytical techniques to budget preparation and to continue improving the budget execution, financial planning, and cash management systems.

Box 3: Support for Modernizing Banking Supervision in Thailand

From the start of the financial crisis in Thailand, which began in 1997, it was apparent that the supervisory functions of the Bank of Thailand needed a variety of reforms and improvements in order to bring its policies and procedures in line with international practices. An important aspect of the IMF's Program with Thailand was to restore the public's confidence in the financial system. In order to assist in the development and implementation of new supervisory regulations and standards and bring these more in line with best international practices, a long-term expert was assigned to the Bank of Thailand in September 1998, with financial support from JSA.

With the assistance of the General Advisor in Banking Supervision, the Bank of Thailand has made important changes and improvements to its banking supervision policies, procedures, and practices. Progress is being made on the drafting of a new examination procedures manual to guide on-site examiners and incorporate a risk-oriented approach towards supervision. The existing reporting required by the Bank of Thailand from financial institutions has been reviewed and duplication in reporting and unnecessary data have been eliminated, while important information requests that were not

included in the financial institutions' reports have been added. The advisor has also been instrumental in the development of an early warning system and off-site risk profile report.

The technical assistance has had an important impact on both the regulatory environment and the capacity of the Bank of Thailand. The assistance in modernizing the Bank of Thailand's supervision regulations has been critical in improving the supervisory environment and the advisor's support to the training institute for inspectors as well as informal assistance to individual supervisors has strengthened the personnel of the Bank.

At the request of the Bank of Thailand, and with continued financial support from JSA, the assignment of the banking supervision advisor has been extended through September 2001. The assistance will continue to aim at strengthening and modernizing the banking supervision of the Bank of Thailand. In particular, the advisor will assist the Bank in implementing the Basel Core Principles; prepare revised prudential regulations; develop methods for supervising specialized institutions and financial conglomerates; and develop a training program in the training institute for inspectors, which will result in a sounder and more competitive financial system.

Box 4: Support for Implementation of GDDS

Implementation of the General Data Dissemination System (GDDS) has been underway since early 1998 with financial support from JSA. The GDDS is a long-term program that is oriented toward promoting transparency in government policies and improved governance through improvements in data quality, the integrity of the data production process, data dissemination practices, and greater access to data by the public. Through the GDDS, a broad range of the IMF's membership will benefit from the process of (i) evaluating their statistical systems across a range of economic, financial, and socio-demographic data; and (ii) formulating plans for improvement, using the GDDS guidelines as a framework.

During the first phase of GDDS implementation, the main focus was to provide training to countries on the objectives and structure of the GDDS and the mechanism for country participation in the System. A long-term expert was hired to design and prepare GDDS seminar materials. Nine regional seminars were conducted with participation from around 240 officials representing central banks, ministries of finance, and national sta-

tistical offices of 90 countries. Short-term experts were recruited to participate in the seminars and to visit a number of pilot countries to assist in the development of metadata (i.e., descriptions of practices on data production and dissemination, and comprehensive plans for improvement of these practices) to facilitate their participation in the GDDS and to serve as models for metadata development for other countries in their respective regions.

The second phase of GDDS implementation started in May 2000 and involves the preparation of metadata by participants. During the second phase, JSA funding is being used to finance one long-term expert and three short-term experts' visits to work with national statisticians on the preparation of the metadata and to conduct two regional workshops in Africa.

As of April 2001, twenty-nine participating countries had committed themselves to use the GDDS as a framework for the development of their statistical systems and have posted GDDS metadata on the Fund's electronic Dissemination Standards Bulletin Board. Metadata for eleven more participants were in the process of completion.



Organizers of the recent Conference on Financial Sector Stability and Development held in Apia, Samoa under the auspices of the Japan-supported technical assistance program for the Pacific island countries: From left to right – Mr. K. Saito, Director of the IMF’s Regional Office in Tokyo, Ms. H. Petana, Financial Secretary, Samoa, and Mr. K. Riechel, Project Coordinator, Pacific Financial Technical Assistance Center, Fiji.

Project submission and approval

Activities to be funded from the JSA, as well as all other IMF TA activities, are planned in advance each year. The IMF provides Japan with a list of projects which it intends to submit for consideration on a quarterly basis. Thereafter, individual projects are submitted through Japan’s IMF Executive Director’s Office for approval. Requests for technical assistance are received from governments. These are carefully considered by the IMF’s functional and area departments concerned. Following the screening process, the IMF’s Technical Assistance Secretariat (TAS) further reviews these requests for conformity with the JSA Guidelines. The requests are then considered for approval by the Japanese authorities.

Project assessment and evaluation

Within four weeks of a project’s completion, the IMF is required to submit a project assessment (utilizing a standard format) to the Japanese authorities. Any request for an extension of a project also requires an assessment. Recipient institutions are required to conduct an evaluation of the TA provided utilizing a questionnaire provided to them within five weeks of the completion of a project. These evaluations are also provided to the Japanese authorities. In addition, JSA projects in two or three countries are inspected and reviewed annually by a joint Japan-IMF mission (see Annex 2).

Commitments and disbursements

At the end of FY2000, cumulative commitments for technical assistance under the JSA reached \$108 million for a total of 867 projects, of which \$96.6 million had been disbursed.⁵ During FY2000, \$17.3 million was committed for 106 projects. A short description of each of the 106 projects approved in FY2000 is given in Annex 1.

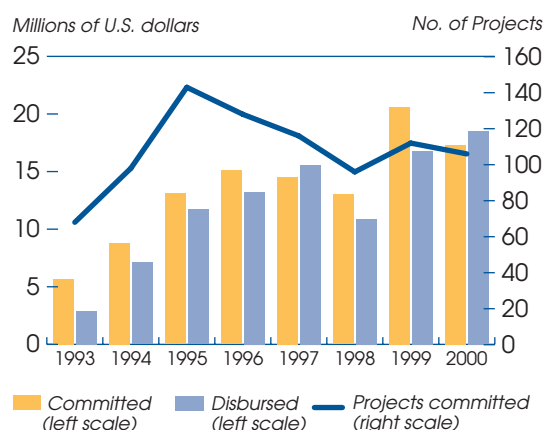
Because of the time required for contracting and fielding of experts and payment of invoices, there is a time lag between commitments and disbursements. The duration of a JSA-funded TA project is normally between six months and a year. Table 2 and Chart 3 show the annual and total commitments and disbursements, as well as the number of approved TA projects, over the period FY1993–2000.

⁵ These figures cover the period FY1993–2000 only.

Table 2. JSA TA Annual Commitments and Disbursements, FY1993–2000

	Number of Projects committed	Committed in millions of U.S. dollars	Disbursed in millions of U.S. dollars
1993	68	5.65	2.87
1994	98	8.84	7.12
1995	143	13.08	11.72
1996	128	15.08	13.15
1997	116	14.48	15.55
1998	96	12.98	10.86
1999	112	20.65	16.79
2000	106	17.34	18.53
Total 1993–2000	867	108.11	96.59

Chart 3. JSA Annual Commitments and Disbursements for TA, FY1993–2000



Regional distribution of funds

To-date, 121 different member countries of the IMF have been beneficiaries of JSA-funded technical assistance. Countries in the Asia and Pacific region, Central Asian countries, and the transitional countries of the former Soviet Union have together received almost \$57 million from the JSA for approved TA projects during FY1993–1999, which represents over 60% for TA projects approved during this period. Countries in Africa received the next largest share, totaling \$16 million or approximately 18% of total approvals during FY1993–1999. Of the remaining amount approved during this period, 7% were for projects in Latin America and the Caribbean, 5% for projects in Central and Eastern Europe, 2% for projects in the Middle East, and 6% for multi-regional projects. The regional distribution of commitments in FY2000 was as follows: Asia and Pacific countries - \$5.5 million or 31%, Central Asia countries and countries of the former Soviet Union - \$3 million or 17%, Africa - \$4.7 million or 27%, Central and Eastern Europe - \$1.7 million or 10%, Latin America and the Caribbean - \$0.8 million or 5%, the Middle East - \$0.6 million or 3%, and multi-regional projects⁶ - \$1.1 million or 6%. Table 3 shows the annual and total commitments by region in dollar terms. Charts 4 and 5 show the regional percentage distribution for the period FY1993–1999 and for FY2000 respectively.

⁶ Multi-regional projects are those with beneficiaries from more than one region, see for example the GDDS project described in Box 4.

Distribution of Funds

Table 3. JSA Annual Commitments for TA by Region, FY1993–2000

(Millions of U.S. dollars)

	1993	1994	1995	1996	1997	1998	1999	Total 1993–1999	%	2000	%
Africa	0.47	0.10	2.05	2.19	3.29	3.24	4.64	15.97	18%	4.72	27%
Asia and Pacific	1.57	3.65	4.53	6.26	5.78	4.23	5.60	31.62	35%	5.46	31%
Western and Central Europe	0.78	0.40	0.33	0.51	0.43	0.57	1.31	4.32	5%	1.67	10%
Eastern Europe and Central Asia	2.14	3.84	5.12	4.31	3.10	3.37	3.27	25.15	28%	3.02	17%
Middle East	-	0.09	0.25	0.37	0.57	0.07	0.63	1.98	2%	0.56	3%
Latin America and Caribbean	0.69	0.66	0.69	1.07	0.79	0.50	1.67	6.07	7%	0.80	5%
Multiple Regions	-	0.10	0.11	0.38	0.52	1.01	3.53	5.66	6%	1.11	6%
Total	5.65	8.84	13.08	15.08	14.48	12.98	20.65	90.76	100%	17.34	100%

Chart 4. Distribution of JSA TA Commitments by Region FY1993–2000

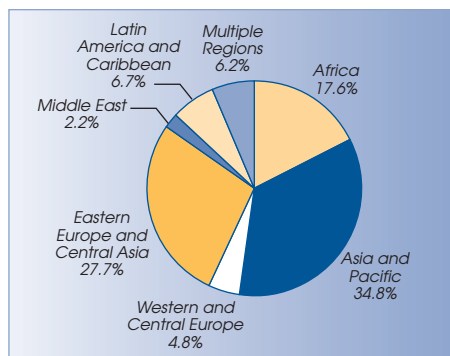
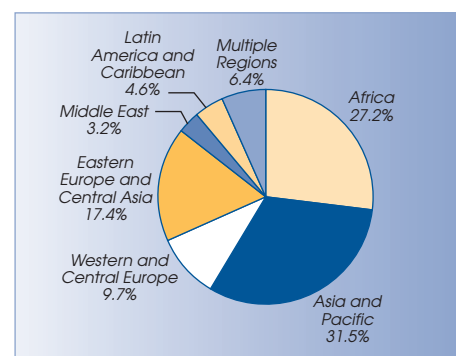


Chart 5. Distribution of JSA TA Commitments by Region FY2000



Distribution of funds by subject areas

In FY2000, the IMF utilized approximately 300 person-years of staff and expert time for technical assistance work. Over 80% of this TA was for work carried out by the three major IMF functional departments – Monetary and Exchange Affairs (37%), Fiscal Affairs (34%), and Statistics (14%).

The distribution in the use of JSA funds among subject area has generally reflected the foregoing distribution in the overall use of

IMF resources for TA. In FY2000, the distribution of JSA commitments for TA was as follows: Monetary and Exchange Affairs – \$6.6 million (38%), Fiscal Affairs – \$5.2 million (30%), and Statistics – \$2.6 million (15%). This distribution has been fairly consistent over the past five years. Table 4 shows the annual distribution of commitments in dollar terms by subject areas. Charts 6 and 7 also show the percentage distribution by subject area for the period FY1993 – FY1999 and for FY2000.

Table 4. JSA Annual Commitments for TA by Subject Area, FY1993–2000

(Millions of U.S. dollars)

	1993	1994	1995	1996	1997	1998	1999	Total 1993–1999	%	2000	%
Fiscal	2.52	2.71	3.86	4.14	4.03	3.53	5.37	26.15	29%	5.24	30%
Monetary	1.37	3.81	5.57	6.60	5.78	5.15	6.68	34.95	39%	6.61	38%
Statistics	1.26	1.21	1.79	2.13	1.93	1.95	3.92	14.19	16%	2.62	15%
Training	0.46	0.96	1.52	1.66	2.17	1.37	2.36	10.50	12%	2.12	12%
Legal	-	-	0.09	0.03	0.16	0.13	1.22	1.62	2%	0.01	0%
Others	0.05	0.15	0.25	0.54	0.41	0.85	1.10	3.35	4%	0.74	4%
Total	5.65	8.84	13.08	15.08	14.48	12.98	20.65	90.76	100%	17.34	100%

Chart 6. Distribution of JSA TA Commitments by Subject Area FY1993–1999

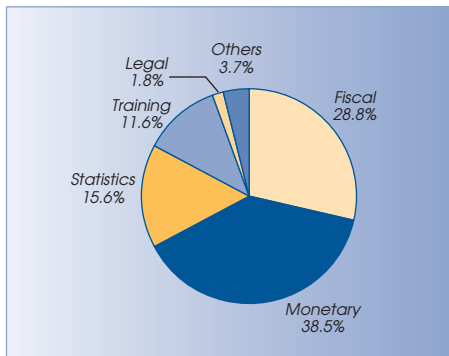
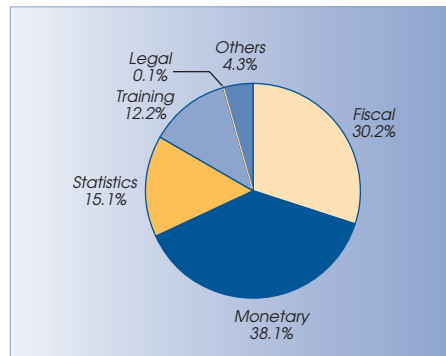


Chart 7. Distribution of JSA TA Commitments by Subject Area FY2000



In FY 2000, the proportional allocation of JSA funds by functional work areas within the above three areas has also been roughly consistent with the overall breakdown in the allocation of IMF resources. In the monetary and exchange area, 40% of JSA funds were committed to TA for banking and supervision, 25% for monetary policy and operations, and 23% for strengthening payment and accounting systems. In fiscal affairs, 68% of JSA funds were committed for public expenditure management, and 28% for tax policy and tax and customs administration. In the statistics area, 50% of JSA funds were committed for multisector statistical TA, 30% for balance of payment statistics, and 10% for work on national accounts.

Effectiveness of JSA-funded Technical Assistance

Since 1996, seven joint Japan/IMF evaluation visits have been carried out to gauge the effectiveness of JSA-funded technical assistance activities. These have covered eleven beneficiary countries in Africa, Asia and the Pacific, Central Asia and Central and Eastern Europe as well as the regional training institute in Singapore. These joint evaluation teams have reported that TA activities financed by the JSA were in the mainstream of the IMF's work, the projects were well formulated and implemented, and that the assistance was appreciated by recipient governments who in several cases noted that the

JSA-funded advisors were instrumental in establishing critically needed capacity. Indeed, several ministers in recipient governments have written to express their appreciation for the assistance provided by Japan. The teams also reported that the JSA-finance seminars were of high visibility, tightly focused, and highly appreciated by participants. A summary of the findings of the joint evaluation visits is provided in Annex 2. Starting this past calendar year 2000, beneficiary authorities of all completed JSA-funded projects are now requested to provide an assessment of their projects. Some 20 completed evaluation questionnaires have to-date been received from these authorities and overall the assessments have been very positive.

Scholarship Programs

Japan-IMF Scholarship Program for Asia

The Japan-IMF Scholarship Program for Asia is a program for graduate studies in macroeconomics or related fields at various universities in Japan. The Program is aimed at promising young officials in central banks or in ministries of finance, economy, or planning in the Asia, Central Asia, and Pacific regions⁷. The Program, which is operated

⁷ Scholarship candidates from the following countries are targeted: Cambodia, China, Indonesia, Kazakhstan, Kyrgyzstan, Lao PDR., Mongolia, Myanmar, the Philippines, Tajikistan, Thailand, Turkmenistan, Uzbekistan, Vietnam and the Pacific Island countries. Nationals of other countries in the region are also considered on a case-by-case basis.



Participants at a review of the effectiveness of the Japan-supported technical assistance program for the Pacific island countries, held in Suva, Fiji in November 1999.

under the JSA, offers a full 12 month scholarship and is currently being expanded from the previous 25 scholarships per year to about 50 scholars each year starting in 2001. There are two forms of scholarships. Scholars accepted under the “partnership track” participate in specially designed courses offered by one of four participating universities⁸, while the “open track” is available to candidates who have already been accepted to a graduate-level program in macroeconomics or a related field at any leading university in Japan. The Program is currently administered by the

⁸ Graduate Institute for Policy Studies (GRIPS), Hitotsubashi University, International University of Japan, and Yokohama National University.

IMF’s Regional Office for Asia and the Pacific in Tokyo.

Since the first students were awarded a scholarship in 1993, some 167 scholarships have been awarded and until now 117 scholars have graduated from the participating universities. Table 5 and Charts 8 and 9 show the distribution of scholars by their nationality and organizational affiliation. The scholars continue to indicate that they have greatly benefited from the training and that they are better prepared to discharge their official duties upon returning to their work, which is regularly confirmed by the wish of several participating countries seeking to have the number of officials awarded a scholarship increased.

**Table 5. Japan-IMF Scholarship Program for Asia
Distribution of scholars by country and affiliation, 1993–2000**

Scholars by Country	1993–2000		Affiliation of Scholars	1993–2000	
	Total	%		Total	%
China	37	22%	Central Bank	70	42%
Vietnam	30	18%	Ministry of Finance	35	21%
Mongolia	20	12%	Statistics Bureau	11	7%
Myanmar	18	11%	Tax Authority	3	2%
Cambodia	14	8%	Economic Affairs Ministry	5	3%
Kyrgyz	15	9%	Trade Affairs Ministry	6	4%
Uzbekistan	15	9%	National Trade or Investment Bank	6	4%
Kazakhstan	9	5%	Others	31	19%
Lao PDR.	4	2%	Total	167	
Tajikistan	3	2%			
Turkmenistan	2	1%			
Total	167				

Chart 8. Distribution of scholarships by country, 1993–2000

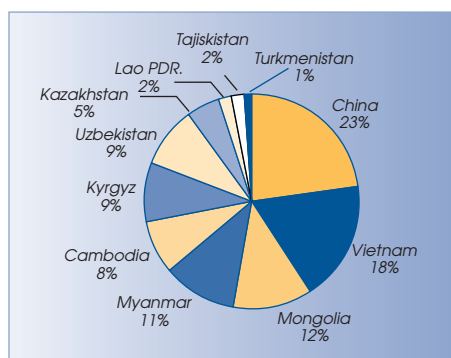
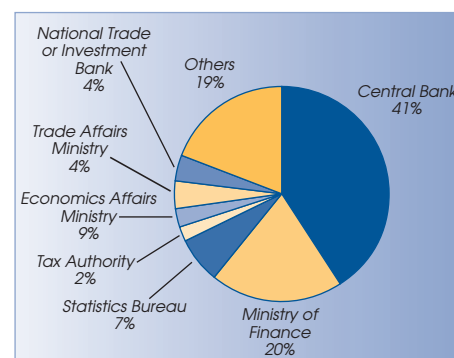


Chart 9. Distribution of affiliation of scholars, 1993–2000



Japan-IMF Scholarship Program for Advanced Studies

The Government of Japan is also providing financial support to a scholarship program for qualified Asian nationals who want to study economics at the doctorate level at one of the leading universities in North America or Australia in order to pursue a career in their governments or in international financial institutions, such as the IMF. The Program covers reasonable costs for the first two years of study, while scholars are expected to secure another source of funding to cover the remaining years of study.

The first group, consisting of 9 scholars, were admitted to the Program in 1996. Since 1997, 15 scholars have been admitted annual-

ly to pursue their Ph.D.s. Table 6 and Chart 10 show the distribution of scholars by country since the beginning of the scholarship program. The number of applications received for the Program has steadily increased over the years, with over 100 applications received in 2000. The quality of the applicants continue to be very strong and selected applicants have typically achieved high academic standards prior to joining the Program. An annual Orientation Seminar is held at the IMF in Washington, D.C. to expose incoming scholars to the work of the IMF and to provide an opportunity to meet other scholars before embarking on their studies. During the third year of study, scholars are expected to complete an internship with the IMF. Thus far, all eligible scholars have successfully completed their internships.

Table 6. Japan-IMF Scholarship Program for Advanced Studies - Distribution of scholars by country , FY1996–2000 Programs

	FY1996	FY1997	FY1998	FY1999	FY2000	Total
China	1	4	2	3	2	12
Hong Kong SAR	1	1		1		3
Japan	3	7	7	7	7	31
Korea	2	2	2	2	2	10
Thailand	2	1	2			5
Bangladesh			2		1	3
Malaysia					1	1
Philippines				1		1
Kazakhstan					1	1
Tajikistan					1	1
Vietnam				1		1
Total	9	15	15	15	15	69

Chart 10. Japan-IMF Scholarship Program for Advanced Studies Distribution of scholars by country, FY1996–2000 Programs

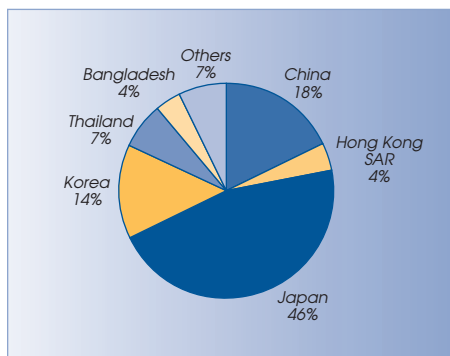


Chart 11. Japan-IMF Scholarship Program for Advanced Studies Employment of Graduates from the FY1996 and FY1977 Programs

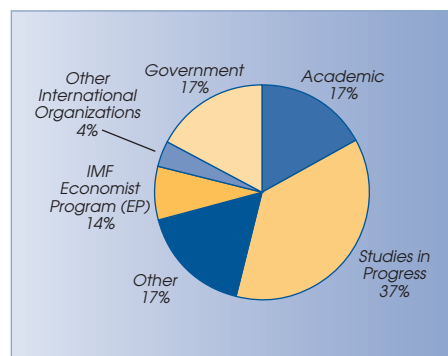


Table 7. Japan-IMF Scholarship Program for Advanced Studies - Employment of Graduates from the FY1996 and FY1997 Programs

	FY1996	FY1997
IMF Economist Program (EP)	0	2
Other International Organizations	1	0
Government	2	2
Academic Position	2	2
Studies in Progress	2	7
Other	2	2
Total	9	15

Table 7 and Chart 11 show the employment of the scholars from the first two intakes, FY1996 and FY1997. As the first two groups of scholars have completed their studies it has been encouraging to note that the majority are choosing to apply for the IMF's Economist Program (EP), which is the main entry point for economists seeking to join the organization after completion of their studies. This is a wel-

come outcome, since one of the objectives of the Program is to increase the number of Asian nationals on the staff of international financial institutions. The success rate among scholar EP candidates has been 25 percent (2 accepted offers out of 8 applicants), which is considerably better than the success rate of all EP applicants, demonstrating the high academic achievements of the scholars.



Annexes



JSA TECHNICAL ASSISTANCE PROJECTS APPROVED IN FY 2000

AFRICA REGION			
Beneficiary	Subject Area	Committed	Description
African—multiple countries	Basic National Accounts Statistics	\$93,750	Regional course in basic national accounts statistics for statisticians from African countries.
	Macroeconomic Management Capacity Building	\$93,750	Regional course held in Accra, Ghana on macroeconomic policy and financial programming for policy and technical staff from African countries.
	Macroeconomic Management Capacity Building	\$93,750	Regional course held in Harare on structural adjustment, macroeconomic management and financial programming for participants from African countries.
	Price Statistics Seminar	\$93,750	Regional seminar on compilation methods for consumer and producer price statistics for staff of statistical offices from African countries.
	Money & Banking Statistics Seminar	\$93,750	Regional seminar on methods for monetary statistics collection and compilation for staff of central banks of French West Africa.
Botswana	Balance of Payment Statistics	\$173,250	Assist in refining balance of payment and international investment position statistics and train central bank statistical staff.
Cape Verde	Public Expenditure Management	\$231,000	Assist in finalizing treasury accounting reforms and preparing an accounting manual for a staff-training program.

Beneficiary	Subject Area	Committed	Description
Lesotho	Real Sector Statistics	\$115,500	Assist the Bureau of Statistics to improve its capacity to compile national accounts, provide statistical training and plan future work program.
	Budget Treasury	\$57,750	Provide advisory services to consolidate reforms in the government's accounting, budget execution and cash management systems.
Liberia	Budget Advisor	\$115,500	Provide budget advisory services to help introduce the General Ledger for complete government accounting.
	Banking Supervision/Restructuring	\$231,000	Assist in bank restructuring efforts via developing new prudential norms, bank surveillance and re-licensing procedures and a plan for resolution of failed banks.
	Accounting & Auditing	\$231,000	Assist central bank accounting and audit functions and configure computer system for accounting data.
	Macroeconomic analysis– Research Advisor	\$231,000	Extension to assist with work program of economic research unit.
	Central Bank–General Advisor	\$231,000	Assess needs for technical assistance to implement work program to rebuild the central bank and reform the financial sector.

Beneficiary	Subject Area	Committed	Description
Malawi	Public Expenditure Management	\$115,500	Extension of services to complete current budget-related work; reconcile fiscal and banking data; reform government banking arrangements; and conduct staff training.
Mauritius	Central Bank–General Advisor	\$231,000	Provide advisory services for strengthening central bank operations; revising banking laws and regulations; and promoting a secondary market for government securities.
MEFMI– Macroec.&Fin.Mgmt. Institute of E&S Africa	Financial Sector Reform	\$560,500	Supply three advisors to service nine MEFMI central banks regarding monetary operations, banking supervision and payment system modernization.
Rwanda	Tax Policy Advisor	\$231,000	Provide tax policy advice and assistance to the Ministry of Finance and its new tax policy unit.
SADC– Southern Africa Dev. Comm.	Payment System	\$246,000	Assist central banks of SADC countries update their payments system and conduct related region-wide training
	Macroeconomic Statistics Workshop	\$93,750	Workshop for participants from 14 Southern African countries to develop common macroeconomic statistics classifications and database.
Swaziland	Banking Supervision	\$231,000	Provide advisory support to central bank regarding prudential regulations, draft financial institution legislation, and enforcement training for staff.

Beneficiary	Subject Area	Committed	Description
Tanzania	Budget Reform	\$19,250	Assist in completing improvements in government accounts and the formation of a financial planning system.
	Central Bank– General Advisor	\$231,000	Support on-going efforts of the central bank to restructure and privatize banks, resolve problem banks, and supply training for staff.
Uganda	Public Expenditure Management	\$173,250	Provide advisory services to the Ministry of Finance in ensuring the proper functioning of the new expenditure commitment control system.
	Fiscal Federalism	\$231,000	Assist in building the capacity of district governments in budgeting and accounting, including developing a budget manual and fiscal reporting system, in support of fiscal decentralization.
	Public Expenditure Management	\$115,500	Assistance in reviewing pilot expenditure control system, expanding coverage to all spending agencies, and auditing arrears.
Zambia	Public Expenditure Management	\$154,000	Support for implementing the comprehensive improvement plan for fiscal management, focusing on putting into place budget and cash control systems, staff training, and an information system.

ASIA AND PACIFIC REGION

Beneficiary	Subject Area	Committed	Description
Asia Pacific– multiple countries	Financial Programming & Policy Seminar	\$93,750	Regional course held in Singapore on macroeconomic management and structural adjustment, focusing on financial programming for Asian officials.
	Financial Programming & Policy	\$93,750	Regional training course on macroeconomic management and structural adjustment for officials from Asian countries.
	JSA Field Visit—Indonesia, Thailand, Singapore	\$12,500	Field visits by officials of Japan to Japanese-funded technical assistance projects in Indonesia, Thailand and Singapore to enhance awareness of benefits to recipient countries.
	Dealing with Banking & Currency Crises	\$93,750	Asia regional course held in Singapore on causes, impact, and policy responses to banking and currency crises.
	New Financial Instruments Seminar	\$93,750	Asia regional course on new financial instruments covering financial markets, improved regulatory standards and risk management.
	National Accounts Statistics	\$93,750	Regional seminar on national accounts statistics for participants from South Asian countries and China.
Bangladesh	Monetary Operations	\$231,000	Support central bank in moving toward indirect monetary controls and the use of secondary markets for public securities and retrain staff in financial programming.

Beneficiary	Subject Area	Committed	Description
Cambodia	General Advisor	\$231,000	Assist central bank with evaluating and re-licensing commercial banks, redefining prudential ratios and staff training.
	Customs Administration	\$115,500	Provide assistance in strengthening customs administration and in implementing reforms to streamline procedures.
China	Macroeconomic Mgmt. & Financial Sector Issues	\$100,000	Two training courses in macro economic management and financial sector issues at sites in China.
	High-Level Seminar in China	\$94,250	High-level policy seminar with participation by senior Chinese officials, Fund staff, and outside experts on current economic policy issues.
	GFS and Social Security Statistics Seminar	\$93,750	Seminar on compiling social security data, followed by visits to counterpart agencies in U.S. and Canada.
Indonesia	Budget General Advisor	\$173,250	Continuation of advisory services to review status of reforms of the budget and treasury system.
	Fiscal Federalism	\$115,500	Strengthen management of fiscal decentralization to ensure sustained delivery of local services.
	Bank Supervision	\$231,000	Conduct on-site supervision of the large state-owned banks and training for Bank of Indonesia staff in bank surveillance.

Beneficiary	Subject Area	Committed	Description
	Payment Systems	\$231,000	Support for reform of central bank payment and interbank settlement systems, as well as design of government bonds and secondary market mechanisms.
	Bank Supervision	\$231,000	Oversee technical assistance effort to strengthen bank supervisory capacity and ability of staff to conduct offsite supervisions.
Lao People's Dem. Rep.	Tax Administration	\$115,500	Provide technical support for reforms of the Tax Administration to improve taxpayer compliance.
Mongolia	Budget Treasury Advisor	\$231,000	Assistance in establishing a strengthened Treasury and developing a cadre of accounting staff.
	Balance of Payments Statistics	\$231,000	Support improvements in balance of payments compilation system and use of surveys to collect foreign direct investment statistics.
	Treasury Advisor	\$115,500	Provide advisory services to help design and implement a comprehensive plan for treasury development as part of fiscal reforms.
PFTAC-Pacific Financial Technical Assistance Centre	Macroeconomic/Project Coordinator	\$231,000	Provide services of economist to manage delivery of macroeconomic management training and technical assistance to the South Pacific.
	Tax/Customs Admin. & Policy	\$231,000	Provide advice on tax and customs policy and administration to Pacific island countries supporting their capacity building, modernization, and training activities.

Beneficiary	Subject Area	Committed	Description
Philippines	Information Technology for Central Bank	\$19,250	Expert assistance to extend use of economic database for forecasting, producing graphics, and linking the database to central bank web sites.
Samoa	Central Bank– Research Advisor	\$115,500	Assist in strengthening central bank capacity and in implementing the new monetary reform program and financial liberalization.
Solomon Islands	Central Bank– General Advisor	\$231,000	Advise Governor of Central Bank on banking and financial reforms and develop plan to improve data processing and economic analysis.
South East Asian CB. Res. Ctre. (SEACEN)	Central Banking Training & Research	\$77,000	Strategic planning of SEACEN to identify research and training activities of benefit to central banks of SE Asia.
STI—IMF- Singapore Regl. Training Inst.	Training in Macroeconomic Analysis & Policy	\$231,000	Provide services of economist for 12 months to support research and teaching activities of Singapore Regional Training Institute.
	Macroeconomic Analysis & Policy	\$38,500	Provide services of economist for two months to support research and teaching activities of Singapore Regional Training Institute.
Thailand	Tax Administration	\$115,500	Provide advice on tax administration regarding forming a Large Taxpayer Office and merging two agencies into single revenue department.

Beneficiary	Subject Area	Committed	Description
	Banking Supervision	\$231,000	Assist in consolidating banking supervision reforms, updating supervision methods and manual and supporting the examiner advisory board.
	Bankruptcy & Judicial Reforms	\$14,000	Support for two Thai judges to attend conference on insolvency laws and systems.
	Customs Administration	\$57,750	Assistance in implementing plan to modernize and computerize the customs department so as to improve revenues and service.
Vanuatu	Monetary Policy	\$154,000	Assistance in developing research monetary programming capabilities of the central bank and train staff in monetary management.

EUROPEAN 1 REGION

Beneficiary	Subject Area	Committed	Description
Albania	Monetary Operations	\$231,000	Assist in developing monetary operations using indirect instruments and strengthening research and policy analysis.
Bosnia/ Herzegovina	Multisector Statistics Advisor	\$231,000	Support for establishing systems for compiling data on national accounts, balance of payments, government finance, international reserves, price, and other indices.

Beneficiary	Subject Area	Committed	Description
Bulgaria	Budget General	\$231,000	Promote phased implementation of a treasury with use of a single bank account, general ledger accounting and computerized fiscal management.
Kosovo	Currency Management Operations	\$115,500	Direct the institution building of the new Currency Management Operations Dept. to supervise the banking and payment system.
	General Manager – Banking and Payment Authority	\$231,000	Serve as general manager over seeing capacity building of the Banking and Payment Authority of Kosovo in financial sector supervision.
Macedonia, FYR	Treasury Advisor	\$231,000	Provide assistance to the Ministry of Finance to develop a full treasury function, record expenditure commitments and improve fiscal reporting.
	Tax Administration (VAT)	\$115,500	Assist in various aspects of implementation and administration of the value-added-tax.
Romania	Banking Supervision	\$115,500	Assist central bank in revising prudential regulations, improving supervision of commercial banks and restructuring state banks.
Slovenia	Public Expenditure Management	\$173,250	Provide advisory services on improved budget preparation, execution, and reporting.

EUROPEAN 2 REGION			
Beneficiary	Subject Area	Committed	Description
Armenia	Banking Supervision	\$231,000	Provide assistance to central bank in upgrading bank supervision process and related regulatory framework.
	Treasury Management	\$115,500	Provide assistance in planning and implementing treasury and budget reforms, including introducing general ledger and commitment control systems.
Azerbaijan	Treasury Advisor	\$115,500	Provision of advisory services to improve financial planning and expenditure control of the treasury and to implement the treasury computerization project.
	Payment System Reform	\$77,000	Provide technical support for comprehensive payment system reform and modernization.
Belarus	Multisector Statistical Advisor	\$231,000	Strengthen major economic statistical systems, apply new framework for monetary data and promote capacity building and coordination.
European 2– multiple countries	Monetary & Financial Statistics Seminar	\$93,750	Regional seminar on monetary and financial statistics methods and compilation procedures for central bank staff from countries of the former Soviet Union.
	Balance of Payments Statistics	\$251,000	Advisor to assist the authorities in their efforts to improve their balance of payments statistics.

Beneficiary	Subject Area	Committed	Description
Georgia	Monetary Policy	\$115,500	Advise president of central bank on monetary policy formulation and implementation and macro-economic research functions.
	Central Bank Accounting	\$57,750	Provide assistance in applying international accounting standards and audit techniques to daily central bank operations and providing related staff training.
	Treasury management	\$115,500	Provide fiscal advisory services to help develop the treasury, adopt a general ledger accounting framework, and computerize budget functions.
	Public Expenditure Management	\$38,500	Provide advisory services for improving budget management and forecasting capacity, with involvement of the spending ministries.
Kyrgyz Republic	Customs Administration	\$115,500	Assistance with implementing reforms to modernize customs administration and enhance revenue collection.
	Tax Policy & Administration	\$115,500	Coordinate tax policy advice and initiatives to strengthen tax administration.
	Banking Supervision	\$231,000	Strengthen banking supervision by training cadre of on-site inspectors and promoting better coordination with off-site supervision unit.
Moldova	Tax Administration	\$115,500	Provide assistance in establishing a large taxpayer unit and strengthening audit and collection operations.

Beneficiary	Subject Area	Committed	Description
Russia	Multisector Statistical Advisor	\$231,000	Assist in developing databases for compiling national accounts, price, and debt statistics; implementing new plan of accounts; and training in data compiling methods.
	Budget Treasury	\$231,000	Assist in developing public expenditure controls and modernizing treasury operations.
Tajikistan	General Fiscal Advisor	\$231,000	Provision of advisory services to support the finance ministry in building its capacity in budget preparation, monitoring and reporting.
Ukraine	Multisector Statistical Advisor	\$77,000	Provide guidance on improving major statistical systems, institution building and inter-agency coordination and training in statistical methods and compilation.
	Treasury Management	\$231,000	Assistance in strengthening treasury system capacity for fiscal controls and reporting and in extending coverage to all state budgets and special funds.
	Bank Supervision Advisor	\$231,000	Provide assistance to implement restructuring of large banks and coordinate related donor technical assistance, operational manuals, and training.
	Macrofiscal Advisor	\$115,500	Assist with reorganizing the macrofiscal policy department and enhancing its fiscal policy analysis capabilities.

Beneficiary	Subject Area	Committed	Description
	Multisector Statistics Advisor	\$231,000	Assist in building capacity of compiling agencies to improve statistical systems for balance of payment, banking, government finance statistics, national accounts and price.
	Tax Collection Enforcement	\$115,500	Assist in developing a national tax collection enforcement plan and management strategy, as well as the related manual, training programs, and computer applications.

IMF-MULTIPLE REGIONS

Beneficiary	Subject Area	Committed	Description
IMF–multiple regions	Macroeconomic Management Seminar	\$93,750	Regional course in macroeconomic policy and financial programming for officials from Bangladesh, Nepal, Pakistan, and Sri Lanka.
	Macroeconomic Seminar–Aspen Institute	\$20,000	Support for participation of developing country participants in seminar on accelerating banking sector reforms and promotion of greater stability in international capital flows.
	High-Level Seminar in Tokyo	\$500,000	High-level policy seminar in Tokyo on macroeconomic management and the Japanese experience for high level officials from Asian and Central Asian countries.

Beneficiary	Subject Area	Committed	Description
Joint Vienna Institute	Macroeconomic management/ Structural Adjustment	\$500,000	Support training activities of the IMF at the Joint Vienna Institute in economic policy analysis and implementation for Asian and Central Asian participants.

MIDDLE EAST REGION

Beneficiary	Subject Area	Committed	Description
Jordan	Payment System	\$231,000	Assistance to draft specifications of a national electronic payments system, evaluate bids by suppliers, and follow up on implementation.
Middle Eastern– multiple countries	Quarterly National Accounts	\$93,750	Regional seminar on quarterly national accounts statistics for representatives from Middle Eastern countries.
Yemen, Republic of	External Debt Statistics Advisor	\$231,000	Install electronic debt monitoring system in central bank, finance and planning ministries and conduct related staff training.

WESTERN HEMISPHERE REGION

Beneficiary	Subject Area	Committed	Description
Bolivia	Customs Administration	\$115,500	Continuation of advisory services to oversee implementation of action plan for reform and computerizing of customs operations.

Beneficiary	Subject Area	Committed	Description
CARICOM- Caribbean Community	Balance of Payments Seminar	\$93,750	Regional seminar providing training on balance of payments statistics for staff of Eastern Caribbean statistical offices.
	Monetary Policy/ Bank Supervision	\$125,500	Assist in strengthening capabilities of four Caribbean central banks in monetary policy, bank supervision and the payments system.
Costa Rica	Electronic Payment System	\$231,000	Provide technical expert to help develop electronic payment system for central and a book entry system.
Honduras	Banking Supervision	\$231,000	Strengthen banking inspections, develop plan for the restructuring or closing financial institutions, and conduct training of staff.

JSA Joint Japan/IMF Evaluation Visits

Purpose

The purpose of these visits is to provide the Japanese authorities with a first-hand view as to how JSA funding is being used in the field. These visits are designed to assess: (i) how the authorities value the work of experts funded, (ii) whether the authorities are making effective use of the assistance and (iii) whether the technical assistance is making a contribution to the reform process. Discussions also sometimes touch on more generic TA policy and operational issues such as: (i) the relative effectiveness of long-term and short-term expert assignments; (ii) identification of TA needs; (iii) integration of TA into IMF-supported programs; and (iv) role of resident representatives and TA experts in coordinating assistance from other donors.

Format

The joint mission usually comprises two Japanese officials (a representative of the Ministry of Finance, and a representative of the Japanese Executive Directors' Office) and an IMF staff member.

Countries and projects selected for evaluation are based on a number of considerations to be illustrative of different levels of economic development and structural reform and variation between regions and subject areas.

Following receipt of briefing notes and/or briefing of mission members at IMF headquarters, the mission members visit recipient countries where TA is provided and, where possible, meet separately with the senior representatives of the host institution (usually the Minister of Finance, Governor of the Central Bank, or Chairman of the Central Statistical Organization), the immediate counterparts to the expert (usually department heads), and the expert himself/herself. In the case of seminars or training courses, meetings are also held with participants in the respective sessions or courses as well as officials in charge of human resources development at the relevant training institutions.

Findings

To date, seven visits have been carried out (covering eleven countries, a regional training institute, and the Pacific Financial Technical Assistance Center) since this practice was introduced in 1996. They have found that JSA funding is well administered and effectively used in the field. In all the visits, the authorities were well aware, fully recognized the importance of, and expressed their appreciation for, Japan's financial support to the IMF's TA program. The positive first-hand

view gained by the Japanese authorities have been reflected in their policies towards the IMF and the beneficiary countries. Highlights of the findings of the various visits are provided below:

Belarus and Slovenia, June 2000

1. Two projects were visited. In Belarus — a project to assist the ministry of statistics and analysis, the national bank and the ministry of finance strengthen the collection and preparation of economic and financial statistics, and in Slovenia — a project to strengthen budget preparation and execution in the ministry of finance.
2. The quality and effectiveness of the TA exceeded the expectations of the joint mission. This was due to the high-quality, dedication and professionalism of two experts inspected; the full and serious commitment of the counterpart authorities at all levels; and sustained TA support provided over an extended period of time.
3. IMF technical assistance were considered to be of significantly higher quality and relevance (practicality) than that provided by other institutions and donors.

Indonesia, Singapore Training Institute, and Thailand, June/July 1999

1. In Indonesia, seven JSA-funded TA assignments were evaluated: three to assist the central bank with reforming the payment system and strengthen banking supervision; three to assist with legal reform in the areas of bankruptcy, taxation and recapitalizations; and one on the budget and general fiscal policy. In Thailand, the four assignments evaluated covered banking supervision, tax policy, tax administration, and customs administration. In Singapore, the courses carried out with JSA assistance included those on Financial Programming and Policy, Macroeconomic Impact of the Budget, and Techniques of Financial Analysis and Programming.
2. The mission was assured that nine of the twelve assignments reviewed fully met with the expectations of the authorities as well as the experts. In these nine cases the authorities were very appreciative of the assistance received, and indicated that the assistance contributed to major progress in their respective reform efforts
3. In the remaining three cases, from the accounts of both the authorities and experts concerned, the assignments did not appear to have met their full potential. The major contributing factor was the inability of the authorities concerned (due to political uncertainties) to commit to carrying out proposed reforms to the full extent, or within the time frame, envisaged in the terms of reference for the assignments.

Bulgaria and Lithuania, June 1998

1. In Bulgaria, two JSA-funded projects were evaluated, one to strengthen tax administration and one to strengthen banking supervision. In Lithuania, three JSA-funded projects were evaluated, one each in the areas of fiscal policy, public expenditure management and central banking. In addition, the work of a JSA regional statistical advisor for the Baltic countries was also evaluated.
2. The authorities were highly appreciative of the support provided and IMF TA in addressing structural reforms in the macroeconomic management area. Positive assessments were made of the assignments of all six experts visited.
3. Particularly valued were that IMF expert assignments were not “stand alone” forms of assistance, but based on assessment of needs by the IMF, experts were closely backstopped by IMF headquarters and benefited from occasional support visits from IMF headquarters.

Russian Federation, July 1997

1. The joint evaluation mission reviewed the work of three JSA-funded long-term resident advisors and a series of short-term expert assignments to assist with the modernization of tax administration, banking supervision and bank restructuring, and improving economic and financial data.
2. The authorities concerned expressed a high level of appreciation for the work of these JSA funded TA advisors and short-term experts.
3. Particularly valued were the resident advisors upon whom the authorities were relying to carry out basic and far-reaching reforms in their respective areas of expertise.

Zambia and Zimbabwe, December 1996

1. Two JSA-funded projects to strengthen central bank accounting and supervisory capacity were evaluated, one each in Zambia and Zimbabwe. Two JSA-supported regional training courses — on Financial Programming and Policy and on Money and Banking Statistics — were also evaluated.
2. The authorities stated that the two long-term advisors were instrumental in establishing critically needed capacity and praised the qualifications and commitments of the individuals concerned.

3. All participants in the two training courses reviewed noted that the training was directly relevant to their work and that the lectures and course materials were excellent and would be helpful in their jobs.

Kazakhstan and the Kyrgyz Republic, June 1996

1. In Kazakhstan, a project to assist the authorities strengthen public expenditure and debt management was evaluated. In the Kyrgyz Republic, the five projects evaluated were for assistance to strengthen budget preparation and execution, tax administration, accounting and auditing in the central bank, and economic and financial statistics.
2. The authorities in both countries confirmed the relevance of the TA provided for the transition process underway in their countries.
3. The authorities in both countries emphasized that the six experts involved were playing or were expected to play an indispensable role in the critical reforms needed to achieve the transition.

Fiji and Western Samoa (Pacific Financial Technical Assistance Center – PFTAC), March 1996

1. The evaluation team visited Fiji and Western Samoa, two of the fifteen Pacific island countries receiving assistance (advisory services and training) in the broad areas of economic and financial management from the JSA-supported Pacific Financial Technical Assistance Center (PFTAC).
2. The authorities in both countries expressed much appreciation for the quality, relevance, and timeliness of the services provided by PFTAC. Two features of PFTAC's work were particularly appreciated: (i) the integration of training activities, other consultancy assignments, and professional attachments, with the work of resident advisors which served to expand the outreach and impact of the resident advisors' work; and (ii) the coordinating role played by PFTAC vis-à-vis other donors which minimized duplication and added complementarity of efforts.

**ADMINISTERED ACCOUNTS – JAPAN
FINANCIAL STATEMENT FY2000**

	Administered Account for Selected Fund Activities - Japan	Framework Administered for Technical Assistance Activities - Subaccount for Japan Advanced Scholarship Program		
Balance Sheet as at April 30, 2000 and 1999				
	2000	1999	2000	1999
	<i>(In thousands of US dollars)</i>			
Assets				
Cash and cash equivalents	18,854	25,997	2,038	1,801
Total Assets	18,854	25,997	2,038	1,801
Resources				
Total Resources	18,854	25,997	2,038	1,081
Income Statements and Changes in Resources for the Years Ended April 30, 2000 and 1999				
	2000	1999	2000	1999
	<i>(In thousands of US dollars)</i>			
Balance, beginning of the year	25,997	20,634	1,801	1,641
Income earned on investments	1,142	1,359	86	95
Operational income	1,142	1,359	86	95
Contributions received	14,042	24,988	1,448	1,448
Payments to and on behalf of beneficiaries	(22,327)	(20,984)	(1,297)	(1,383)
Net changes in resources	(7,143)	5,363	237	160
Balance, end of the year	18,854	25,997	2,038	1,801

Note: The IMF arranges for an annual audit of the JSA to be undertaken by its external auditors, in connection with their annual audit of the IMF's own accounts, and for a separate certificate of completion to be provided to the Japanese authorities.