

Japan Administered Account for Selected IMF Activities (JSA)

Annual Report
Fiscal Year 2001

International
Monetary
Fund

A stylized graphic of a globe, composed of several overlapping, curved lines in a light green color, forming a grid-like structure that represents the Earth's curvature. The lines are thick and smooth, creating a sense of depth and movement.

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Editor
Jeremy Clift

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Sanaa Elaroussi and Julio R. Prego

International Monetary Fund
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JSA Annual Report Fiscal Year 2001

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 2001³ and the scholarship programs.

¹ Other bilateral donors include Australia, Canada, Denmark, France, Italy, 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.

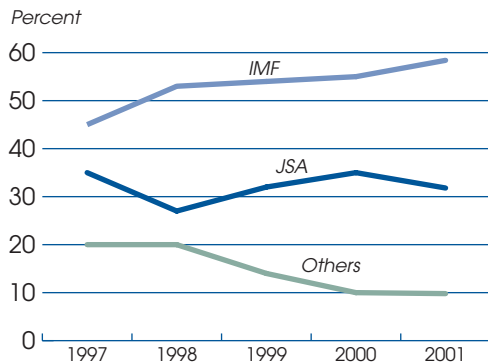
As the IMF seeks to meet its mandate, the demand on its technical assistance resources is expected to increase including to help countries adopt and adhere to international standards and codes for financial, fiscal, and statistical management; to help heavily indebted poor countries (HIPC)s design and 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 2001, JSA financing accounted for 32% of the IMF's field TA. The JSA share of financing for the IMF's technical assistance over the period FY1997–2001 is shown in Chart 1.

Chart 1. JSA Share of Financing for TA*, FY1997–2001



*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

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.

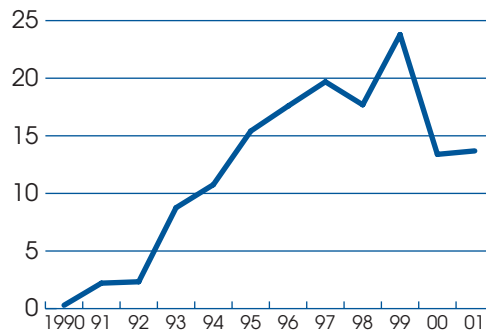
Consultations

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 Office of Technical Assistance Management (OTM) 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 FY2001, cumulative commitments for technical assistance under the JSA reached \$124 million for a total of 977 projects, of which \$114.2 million had been disbursed.⁵ During FY2001, \$16.4 million was committed for 110 projects. A short description of each of the 110 projects approved in FY2001 is given in Annex 1.

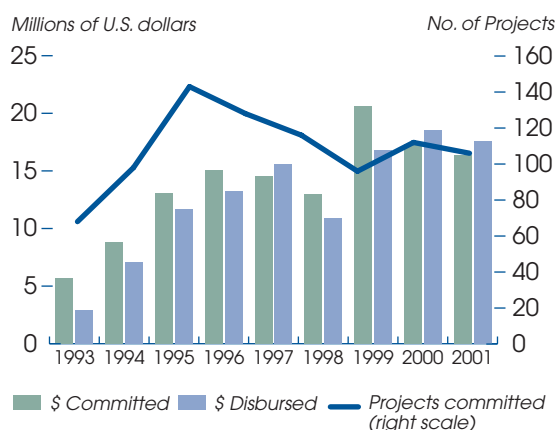
Because of the time required for contracting and fielding of experts and payment of invoices, there is a time lag between commitments and disbursements. The duration of a JSA-funded TA project is normally between six months and a year. Table 2 and Chart 3 show the annual and total commitments and disbursements, as well as the number of approved TA projects, over the period FY1993–2001.

⁵ These figures cover the period FY1993–2001 only.

Table 2. JSA TA Annual Commitments and Disbursements, FY1993–2001

	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
2001	110	16.40	17.60
Total 1993–2001	977	124.51	114.19

Chart 3. JSA Annual Commitments and Disbursements for TA, FY1993–2001



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 \$73 million from the JSA for approved TA projects during FY1993–2001, which represents some 58% for TA projects approved during this period. Countries in Africa received the next largest share, totaling approximately \$25 million or 20% of total approvals during FY1993–2001. Of the remaining amount approved during this period, 6% were for projects in Latin America and the Caribbean, 6% for projects in Central and Eastern Europe, 3% for projects in the Middle East, and 7% for multi-regional projects. The regional distribution of commitments in FY2001 was as follows: Asia and Pacific countries - \$4.7 million or 29%, Central Asia countries and countries of the former Soviet Union - \$2.7 million or 17%, Africa - \$4 million or 24%, Central and Eastern Europe - \$1.4 million or 9%, Latin America and the Caribbean - \$1 million or 6%, the Middle East - \$0.7 million or 4%, and multi-regional projects⁶ - \$1.8 million or 11%. 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 FY1993–2000 and for FY2001 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, FY1993–2001

(Millions of U.S. dollars)

	1993	1994	1995	1996	1997	1998	1999	2000	2001	Total 1993–2001	%
Africa	0.47	0.10	2.05	2.19	3.29	3.24	4.64	4.72	4.05	24.75	20%
Asia and Pacific	1.57	3.65	4.53	6.26	5.78	4.23	5.60	5.46	4.72	41.80	33%
Western and Central Europe	0.78	0.40	0.33	0.51	0.43	0.57	1.31	1.67	1.36	7.36	6%
Eastern Europe and Central Asia	2.14	3.84	5.12	4.31	3.10	3.37	3.27	3.02	2.74	30.92	25%
Middle East	—	0.09	0.25	0.37	0.57	0.07	0.63	0.56	0.70	3.24	3%
Latin America and Caribbean	0.69	0.66	0.69	1.07	0.79	0.50	1.67	0.80	1.05	7.92	6%
Multiple Regions	—	0.10	0.11	0.38	0.52	1.01	3.53	1.11	1.79	8.55	7%
Total	5.65	8.84	13.08	15.08	14.48	12.98	20.65	17.34	16.41	124.54	100%

Chart 4. Distribution of JSA TA Commitments by Region FY1993–2001

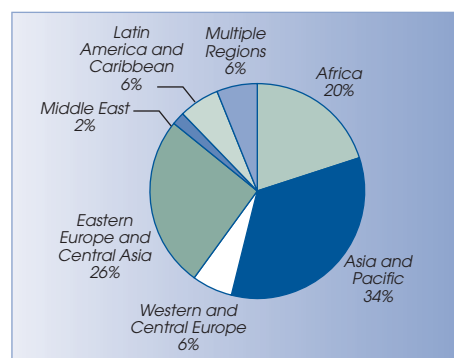
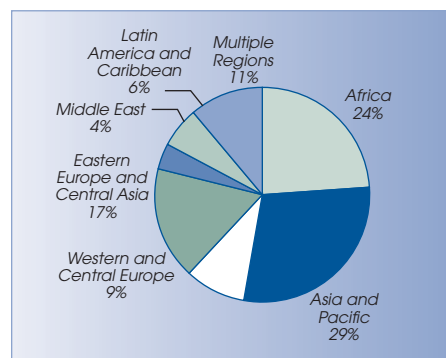


Chart 5. Distribution of JSA TA Commitments by Region FY2001



Distribution of funds by subject areas

In FY2001, the IMF utilized approximately 340 person-years of staff and expert time for technical assistance work. Over 75% of this TA was for work carried out by the three major IMF functional departments – Monetary and Exchange Affairs (33%), Fiscal Affairs (30%), 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 FY2001, the distribution of JSA commitments for TA was as follows: Monetary and Exchange Affairs – \$6.5 million (39%), Fiscal Affairs – \$4.7 million (29%), and Statistics – \$2.7 million (16%). 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 – FY2000 and for FY2001.

Table 4. JSA Annual Commitments for TA by Subject Area, FY1993–2001

(Millions of U.S. dollars)

	1993	1994	1995	1996	1997	1998	1999	2000	2001	1993-2001	Total %
Fiscal	2.52	2.71	3.86	4.14	4.03	3.53	5.37	5.24	4.68	36.08	29%
Monetary	1.37	3.81	5.57	6.60	5.78	5.15	6.68	6.61	6.47	48.04	38%
Statistics	1.26	1.21	1.79	2.13	1.93	1.95	3.92	2.62	2.74	19.55	16%
Training	0.46	0.96	1.52	1.66	2.17	1.37	2.36	2.12	1.86	14.48	12%
Legal	—	—	0.09	0.03	0.16	0.13	1.22	0.01	0.11	1.75	1%
Others	0.05	0.15	0.25	0.54	0.41	0.85	1.10	0.74	0.56	4.65	4%
Total	5.65	8.84	13.08	15.08	14.48	12.98	20.65	17.34	16.41	124.54	100%

Chart 6. Distribution of JSA TA Commitments by Subject Area FY1993–2000

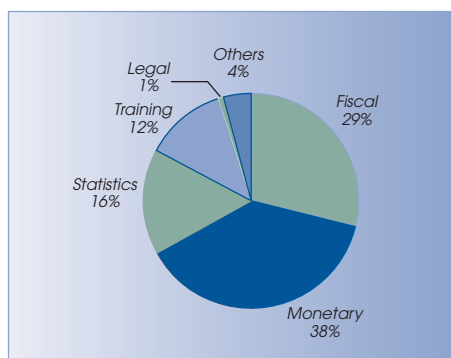
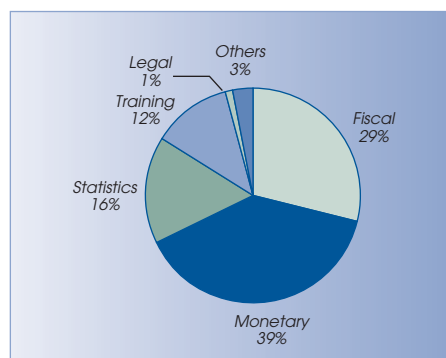


Chart 7. Distribution of JSA TA Commitments by Subject Area FY2001



In FY 2001, 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, 50% of JSA funds were committed to TA for banking and supervision, 40% for monetary policy and operations, and the balance for strengthening payment and accounting systems. In fiscal affairs, 60% of JSA funds were committed for public expenditure management, and 40% for tax policy and tax and customs administration. In the statistics area, 55% of JSA funds were committed for multisector statistical TA, 20% for balance of payment statistics, and 15% 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 210 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, 1993–2001**

Scholars by Country	1993–2001		Affiliation of Scholars	1993–2001	
	Total	%		Total	%
China	43	20%	Central Bank	92	44%
Vietnam	35	17%	Ministry of Finance	43	20%
Mongolia	25	12%	Statistics Bureau	12	6%
Myanmar	22	10%	Tax Authority	4	2%
Cambodia	19	9%	Economic Affairs Ministry	5	2%
Uzbekistan	18	9%	Trade Affairs Ministry	7	3%
Kyrgyz	17	8%	National Trade or Investment Bank	6	3%
Kazakhstan	14	7%	Others	41	20%
Lao PDR.	6	3%	Total	210	
Tajikistan	4	2%			
Indonesia	3	1%			
Philippines	2	1%			
Turkmenistan	2	1%			
Total	210				

Chart 8. Distribution of Scholarships by Country, 1993–2001

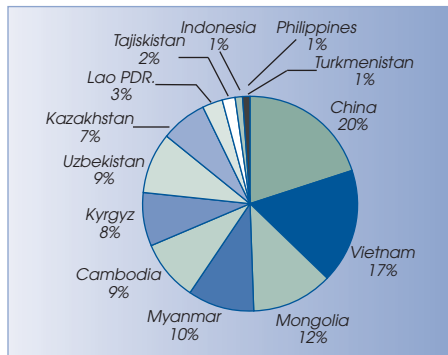
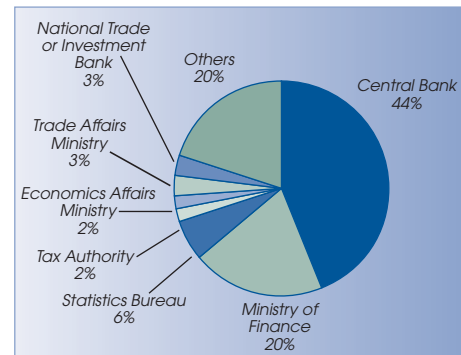


Chart 9. Distribution of Affiliation of Scholars, 1993–2001



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 2001. 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 , FY1996–2001 Programs

	FY1996	FY1997	FY1998	FY1999	FY2000	FY2001	Total
China	1	4	2	3	2	2	14
Hong Kong SAR	1	1		1			3
Japan	3	7	7	7	7	7	38
Korea	2	2	2	2	2	1	11
Thailand	2	1	2			1	6
Bangladesh			2		1	1	4
Malaysia					1		1
Philippines				1			1
Kazakhstan					1	1	2
Tajikistan					1		1
Uzbekistan					1	1	1
Vietnam				1	1	1	2
Total	9	15	15	15	15	15	84

Chart 10. Japan-IMF Scholarship Program for Advanced Studies Distribution of Scholars by Country, FY1996–2001 Programs

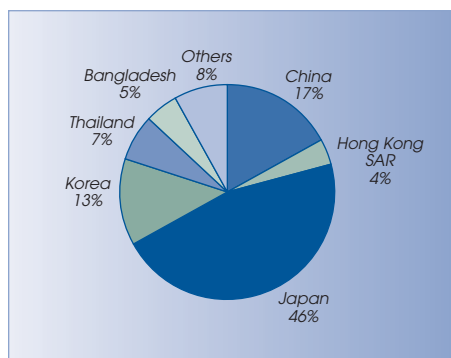


Chart 11. Japan-IMF Scholarship Program for Advanced Studies Employment of Graduates from the FY1996 and FY1977 Programs

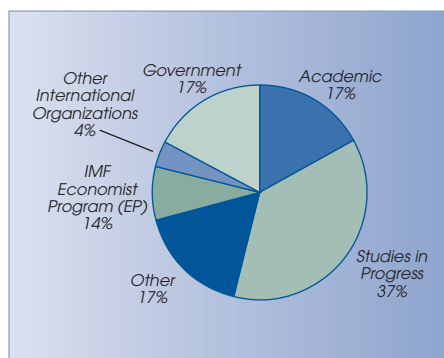


Table 7. Japan-IMF Scholarship Program for Advanced Studies - Employment of Graduates from the FY1996 and FY1997 Programs

	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 (5 percent), demonstrating the high academic achievements of the scholars.



Annexes



JSA TECHNICAL ASSISTANCE PROJECTS APPROVED IN FY 2001

AFRICA REGION			
Beneficiary	Subject Area	Committed	Description
African—multiple countries	Financial Policies & Programming Seminar	\$93,750	Course on macroeconomic management and structural adjustment, focusing on financial programming, for participants from Angola, Botswana, Lesotho, Malawi, Namibia, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe.
	Tax Administration - Regional Revenue Advisor	\$216,000	Assist in the implementation of revenue initiatives, including the development and implementation of the VAT.
	Money & Banking Statistics Seminar	\$93,750	Regional seminar on monetary and financial statistics for participants from Portuguese-speaking African countries and Brazil.
	Financial Programming & Policy Seminar	\$93,750	Regional course on macroeconomic management and structural adjustment, focusing on financial programming.
	External Debt Statistics Seminar	\$93,750	A seminar to provide an understanding of the conceptual principles involved in the compilation and dissemination of external debt statistics and explain the new external debt statistics data category introduced in March 2000 in the SDDS.
Cape Verde	Budget Treasury	\$72,000	Improvement of expenditure monitoring by introducing a new system of accounts and a new budgetary nomenclature.

Beneficiary	Subject Area	Committed	Description
Eritrea	Customs Administration	\$108,000	Build capacity within the customs administration to ensure that it is in a position to collect revenue effectively.
Eritrea	Customs Administration	\$216,000	Provide support for the implementation of reforms to develop the customs department into an institution up to international standards.
Eritrea	Banking Supervision Advisor	\$216,000	Assist the authorities' efforts to improve the Bank of Eritrea institutional capacity in the area of bank supervision.
Ethiopia	Bank Supervision Advisor	\$216,000	Advise on formulation of supervision policy, the design of implementation measures and processes, and the further upgrading of BSD supervisory capacity through on- and off-the-job training.
Malawi	National Accounts & Balance of Payments Advisor	\$54,000	Strengthen the NSO's capacity to collect, process and analyze real sector and balance of payments statistics for effective macroeconomic management and policy purposes.
Malawi	Public Expenditure Management	\$108,000	Establishing an interim system to monitor and control expenditure commitments and prevent new arrears, improving the quality of fiscal reports, strengthening cash management, and training officials in the Ministry of Finance.

Beneficiary	Subject Area	Committed	Description
Mauritius	General Advisor	\$216,000	Financing of an MAE expert to serve as a General Advisor to the Governor to support the authorities' efforts in reforming the financial sector.
MEFMI— Macroec.&Fin. Mgmt.Inst of E&S Africa	Monetary Operations Regional Advisor	\$236,000	Assist the nine MEFMI member central banks (and the MEFMI Institute) in their efforts to reform their financial sectors.
Mozambique	Balance of Payments Advisor	\$216,000	Assist the authorities in establishing systems to produce sound, analytically useful, and timely balance of payments statistics.
Namibia	Tax Administration - VAT Introduction	\$162,000	Assistance in the implementation of the value-added tax.
Rwanda	Tax Policy	\$54,000	Implementation of tax policy reforms, new excise duty rate structures and introduction of VAT.
Rwanda	Foreign Exchange & Monetary Operations	\$216,000	Advisory services to the National Bank of Rwanda for the implementation of monetary and exchange policy.
SDAC— South Afr Dev. Comm.	Macroeconomic Statistic Seminar	\$93,750	Workshop to improve the common macroeconomic data base for the 14 member countries of the Southern African Development Community.
SDAC— South Afr Dev. Comm.	Payments System - Regional Advisor	\$236,000	Support to central banks in SADC countries to enhance and harmonize their payments systems.

Beneficiary	Subject Area	Committed	Description
Tanzania	General Advisor	\$216,000	Finance the continuation for the third year of the General Advisor to the Governor of the Bank of Tanzania.
Uganda	Public Expenditure Management	\$108,000	Implementation of the Commitment Control System in the local districts.
Uganda	Public Expenditure Management	\$108,000	Design a system of fiscal reporting from local government to Ministry of Finance and harmonize budget classification at the district level with the central budget classification system.
Uganda	Public Expenditure Management	\$36,000	Assist in budget preparation and implementation process and accounting as well as harmonize budget classification at the district level with the central budget classification system.
Uganda	Public Expenditure Management	\$90,000	Completion of the Budget Preparation Manual and advise on drafting and publication of an annual report on local governments finances.
Uganda	National Accounts Statistics Advisor	\$216,000	Improve national accounts estimates.
Uganda	Public Expenditure Management	\$54,000	Assistance for effective implementation of the commitment control system.
Zambia	Public Expenditure Management	\$216,000	General advisory services will be provided for the improvement of recording, reporting, monitoring and analysis of expenditure commitments and arrears, with a view to eventually eliminating payment arrears.

ASIA AND PACIFIC REGION

Beneficiary	Subject Area	Committed	Description
Asia Pacific— multiple countries	Economic & Financial Mgmt Capacity Building	\$187,000	Develop a technical assistance strategy for the Pacific region.
Cambodia	General Advisor	\$216,000	Finance an MAE General Advisor to the National Bank of Cambodia to assist in restructuring of the banking system, training of the bank's supervision staff, and various financial sector issues.
China	Course on Foreign Exchange Operations	\$70,000	Course on Foreign Exchange Operations under the Joint China-IMF Training Program.
China	Course on International Accounting Standards	\$70,000	Financial support for a course on International Accounting Standards to be held in China.
China	Banking Supervision	\$50,000	Course on banking supervision as part of the Joint China-IMF Training Program.
China	Macroeconomic Statistics - High level Seminar	\$50,000	A seminar for Chinese officials on macroeconomic management.
China	Monetary & Financial Statistics Seminar	\$50,000	Seminar on Monetary and Financial Statistics for officials of the PBC headquarters and main branches.
China	Monetary Operations Workshop	\$70,000	5-day workshop on monetary operations for officials of the People's Bank of China.

Beneficiary	Subject Area	Committed	Description
East Timor	Central Banking	\$216,000	To finance jointly with the U.N. the positions of the General Manager and Deputy General Manager for Supervision of the Central Payments Office (CPO) (an embryonic central bank).
East Timor	Central Banking	\$216,000	To finance jointly with the U.N. the positions of second Deputy General Manager for Payments and the Chief Accountant in the Central Payments Office (CPO) (an embryonic central bank).
East Timor	Tax Administration	\$108,000	Provide help to UNTAET for the development of a Tax Administration Authority (TAA) within the Central Fiscal Authority (CFA).
East Timor	Fiscal Management	\$108,000	Development of a Central Fiscal Authority (CFA), responsible to carry out the responsibilities of a ministry of finance.
Indonesia	Budget General	\$180,000	Finance an additional 10 months of resident budget and fiscal advisor.
Indonesia	Balance of Payments Statistics	\$162,000	Improve the quality of balance of payments statistics.
Indonesia	Fiscal Federalism	\$108,000	Advisory services to the Minister of Finance on sequencing and monitoring of the implementation of the decentralization process in order to maintain macroeconomic stability.

Beneficiary	Subject Area	Committed	Description
Indonesia	Bank Supervision	\$216,000	To finance the long-term advisor responsible for providing technical assistance in the area of onsite supervision.
Indonesia	Payment System/Bond Markets	\$108,000	Advisory services to support the following activities: secondary market development of government bills and bonds, implementation of treasury bills, enhancement of the Book Entry Registry system, and development of in-house support systems.
Indonesia	Budget General	\$36,000	Identify and rationalize government bank accounts and off-budget funds, which are essential for further progress in public expenditure management.
Korea	Official Statistics	\$50,000	A seminar to examine the national and international experience in assessing and strengthening the quality of official statistics.
Korea	Banking Supervision & Regulations	\$90,000	Strengthen further regulatory and supervisory frameworks and to solidify improvements to date.
Micronesia, Fed. States of	Banking Supervision Advisor	\$108,000	Finance up to 6 visits for a total of 24 weeks by an advisor with expertise in on-site examination and off-site monitoring.
Mongolia	Budget Treasury Advisor	\$54,000	Improvement of debt management operations and continue assisting in the development of a treasury management information system.

Beneficiary	Subject Area	Committed	Description
Mongolia	Balance of Payments Statistics Advisor	\$36,000	Provide a compilation system conforming to current balance of payments methodology.
Mongolia	Budget Treasury	\$54,000	Technical assistance for better cash and treasury management and the improvement of debt management operations.
Nepal	Economic Data Management System	\$126,000	Implement an Economic Data Management System for the Central Bank for easier access to integrated economic information.
Papua New Guinea	Banking Supervision	\$108,000	To finance a Banking Supervision Advisor to the Governor of the Bank of Papua New Guinea to further upgrade the BPNG's supervisory function.
PFTAC- Pacif.Finan'l Tech.Asst. Center	Macroeconomic/ Project Coordinator	\$216,000	Provide funding for an additional year for the PFTAC project coordinator to achieve PFTAC objectives in the Pacific island countries.
PFTAC- Pacif.Finan'l Tech.Asst. Center	Tax/Customs Adm. & Policy	\$216,000	Continue to provide technical assistance in tax and customs administration to the Pacific island countries.
Philippines	Balance of Payments Statistics	\$108,000	Technical assistance to improve the balance of payments statistics.

Beneficiary	Subject Area	Committed	Description
Solomon Islands	Monetary Policy Advisor	\$108,000	Advisory services to the CBSI to maintain a coherent policy stance under increasing difficult circumstances and to implement reforms to strengthen the central bank and financial sector.
SouEast Asian CB Res Ctre (SEACEN)	Research & Training	\$108,000	Review the strategic role and future activities of SEACEN and make recommendations towards effectively meeting its research and training needs.
STI— IMF-Singapore Regl. Training Inst.	Training—Macroeconomic Analysis & Policy	\$216,000	STI training to provide the participants with a better understanding of macroeconomic relationships and the linkages with structural reform.
Thailand	Banking supervision	\$216,000	Extension of long-term expert to assist in the development and implementation of new supervisory rules, procedures, guidelines and practices.

EUROPEAN 1 REGION

Beneficiary	Subject Area	Committed	Description
Albania	Monetary policy & Research	\$216,000	Extend the assignment of the Monetary Operations Advisor to the Governor at the Bank of Albania for a period of one year (from November 2000 to November 2001).
Bosnia/ Herzegovina	Multisector Advisor	\$216,000	Advisory services for the development of country-wide national accounts and price statistics, money and banking statistics, government finance statistics, and balance of payments statistics.

Beneficiary	Subject Area	Committed	Description
Bulgaria	Tax administration	\$216,000	To improve compliance with payment of taxes and social security contributions and modernize the tax administration.
Cyprus	Balance of Payments Statistics Advisor	\$108,000	Resident advisor on balance of payments statistics to assist in developing new system to collect and compile balance of payments statistics and international investment position data.
Kosovo	Managing Director, Banking & Payment Authority	\$216,000	Extension to the Managing Director responsible for the BPK reaching its objectives of restoring and transforming the banking and payment system in Kosovo.
Macedonia, FYR	Tax Administration (VAT)	\$108,000	Improvement in certain areas of VAT administration.
Macedonia, FYR	Tax Administration (VAT)	\$90,000	Technical support to ensure the effective implementation of a number of new systems and procedures related to the VAT.
Macedonia, FYR	Budget Treasury	\$108,000	Provide assistance to further improve budget execution and fiscal reporting system; introduce treasury ledger accounting system.
Romania	Banking Supervision	\$72,000	Finance four two-week visits of a senior advisor in the area of banking supervision to the National Bank of Romania (NBR).

Beneficiary	Subject Area	Committed	Description
Slovenia	Budgeting & PEM	\$216,000	Integrate recent improvements on budget preparation, strengthening budget execution procedures and help in preparing fiscal reports.

EUROPEAN 2 REGION

Beneficiary	Subject Area	Committed	Description
Armenia	Treasury Management	\$198,000	Strengthen the treasury system through further computerization as well as introducing financial planning and cash management and improving fiscal reporting.
Armenia	Central Banking	\$216,000	Strengthening the CBA's ability to assess local banks' capacity to deal with risks in the Armenian banking system.
Azerbaijan	Tax Administration	\$108,000	Modernization of taxpayer registration, collection, and enforcement procedures of the Azeri tax administration and assistance to implement the new tax code.
Azerbaijan	Banking Supervision/ Restructuring	\$216,000	Assist the authorities to further strength banking supervision, restructure of state-owned banking system and develop of a program to restructure the private banking system.
Azerbaijan	Treasury	\$144,000	Assist the Ministry of Finance in developing and extending the functions of the State Treasury.

Beneficiary	Subject Area	Committed	Description
Azerbaijan	Tax Administration	\$108,000	Advisory services for the State Tax Ministry to continue providing technical assistance in tax administration.
European II	Tax Legislation	\$108,000	Additional technical assistance for improvement in tax legislation.
Georgia	Banking Supervision	\$216,000	Finance an extension for one year of the assignment of the Banking Supervision Advisor to the National Bank of Georgia (NBG).
Kyrgyz Republic	Bank Supervision	\$216,000	Finance an extension for one year of the assignment of the Banking Supervision Advisor to the National Bank of the Kyrgyz Republic (NBKR).
Russia	Multisector Statistical Advisor	\$216,000	One-year extension of the multisector statistical advisor to continue work in developing and improving the major statistical systems.
Russia	Budget Treasury	\$90,000	Full development and coordination of the training program aimed at senior treasury officials.
Tajikistan	General Advisor	\$54,000	Finance the position of General Advisor to the National Bank of Tajikistan for three more months.

Beneficiary	Subject Area	Committed	Description
Tajikistan	Treasury Management	\$198,000	Ensure that all outstanding transactions of the central and local governments are brought under the treasury system, completion of the development of a comprehensive treasury law, compilation of a treasury manual, and training of treasury officials.
Ukraine	Tax Administration— Collection Enforcement	\$108,000	Assist the State Tax Administration (STA) in strengthening its capacity to enforce the collection of tax arrears.
Ukraine	Macrofiscal Advisor	\$198,000	Consolidate the modernization of Macro-Fiscal Department with on the job training in several areas, assuring the enhancement of the analytic and policy-making capabilities of the staff.
Ukraine	Public Expenditure	\$108,000	Extension of technical assistance to improve the Treasury at different stages.
Ukraine	Public Expenditure Management	\$54,000	Continuance of previous assistance in the establishment of a fully operational treasury.
Ukraine	Bank Supervision	\$216,000	Finance a General Advisor position to assist in the task of implementing the banking sector reform.
Ukraine	Macrofiscal Advisor	\$216,000	Assistance to the Macro-Fiscal Department, provide on the job training and reduce reliance on advisor.

Beneficiary	Subject Area	Committed	Description
Ukraine	Multisector Statistical Advisor	\$216,000	Continue the work of previous advisors in developing and improving the major statistical systems.

IMF-MULTIPLE REGIONS

Beneficiary	Subject Area	Committed	Description
IMF-multiple regions	High-Level Seminar on Macroeconomic Management	\$500,000	Seminar on Macroeconomic Management and the Japanese Experience in Economic Development for CIS and Asian countries.
IMF-multiple regions	JSA Field Visit	\$12,500	Improve the knowledge of representatives of the Japanese authorities concerning operations of JSA-financed TA projects in recipient countries.
IMF-multiple regions	JVI—Macroeconomic Mgmt/ Structural Adjustment	\$500,000	Provide continued funding for the activities of the IMF at the Joint Vienna Institute.
IMF-multiple regions	2001 Coordinated Portfolio Investment Survey	\$204,400	Fund the participation of non-industrial countries in national compilers meetings that will facilitate their participation in the 2001 CPIS.
IMF-multiple regions	Macroeconomic Seminar (Aspen Institute)	\$20,000	Provide funding for a seminar (fifth in a series) aimed at forging international consensus on solutions to critical problems in the global economy.

Beneficiary	Subject Area	Committed	Description
IMF-multiple regions	General Data Dissemination System (GDDS)	\$468,000	The GDDS is a long-term program that focuses on improvements in data quality and data dissemination practices. This project will provide a substantial part of resources needed for GDDS implementation in member countries over the Fiscal Year 2001.
IMF-multiple regions	Macroeconomic impact of the Budget	\$93,750	Regional seminar on the macroeconomic impact of the budget for participants from Bangladesh, Nepal, Pakistan, and Sri Lanka.

MIDDLE EAST REGION

Beneficiary	Subject Area	Committed	Description
Mauritania	Banking Supervision	\$216,000	Provide an advisor to ensure development of indigenous institutional capacity for banking supervision.
Mauritania	Monetary Operations	\$54,000	Finance the visits of a general advisor to the Central Bank of Mauritania.
Sudan	Banking Supervision	\$216,000	Long-term expert to assist the Central Bank authorities to develop prudential regulations, revise procedures and practices of on-site and off-site inspection, and assist in the implementation of the program for bank restructuring
West Bank and Gaza Strip	Research Advisor	\$216,000	Resident advisor for the Executive Director of the Research and Statistics Department.

WESTERN HEMISPHERE REGION

Beneficiary	Subject Area	Committed	Description
CEMLA-Ctr-Latin Amer. Monet.Studies	External Debt Statistics	\$93,750	A seminar to provide an understanding of the conceptual principles involved in the compilation and dissemination of external debt statistics and explain the new external debt statistics data category introduced in March 2000 in the SDDS.
Eastern Caribbean Central Banks	Price Statistics Seminar	\$93,750	Regional seminar on price statistics for participants from the countries comprising the English-speaking Caribbean group.
Honduras	Bank Supervision Advisor	\$216,000	Strengthen bank supervision with the aim of achieving compliance with international standards for effective supervision of banks and financial institutions.
Suriname	Bank Supervision	\$216,000	Finance the continuation of the assistance provided to the Central Bank of Suriname (CBS) and the present Advisor's work on strengthening banking regulation and supervision.
Suriname	Banking Supervision	\$216,000	Provide financing to assist the Central Bank of Suriname on strengthening banking supervision procedures.
Trinidad and Tobago	Research & Monetary Policy	\$216,000	Assist in financial programming, money and foreign exchange market development and research on monetary policy issues.

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

As at the end of FY2001, 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 FY2001**

	Administered Account for Selected Fund Activities - Japan	Framework Administered Account for Technical Assistance Activities - Subaccount for Japan Advanced Scholarship Program		
Balance Sheet as at April 30, 2001 and 2000				
	2001	2000	2001	2000
	<i>(In thousands of US dollars)</i>			
Assets				
Cash and cash equivalents	14,580	18,854	1,834	2,038
Total Assets	14,580	18,854	1,834	2,038
Resources				
Total Resources	14,580	18,854	1,834	2,038
Income Statements and Changes in Resources for the Years Ended April 30, 2001 and 2000				
	2001	2000	2001	2000
	<i>(In thousands of US dollars)</i>			
Balance, beginning of the year	18,854	25,997	2,038	1,801
Income earned on investments	718	1,142	92	86
Operational income	718	1,142	92	86
Contributions received	15,119	14,042	1,448	1,448
Payments to and on behalf of beneficiaries	(20,111)	(22,327)	(1,743)	(1,297)
Net changes in resources	(4,274)	(7,143)	(204)	237
Balance, end of the year	14,580	18,854	1,834	2,038

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.

