

# Japan Administered Account for Selected IMF Activities (JSA)

Annual Report  
Fiscal Year 2003

International  
Monetary  
Fund

A stylized graphic of a globe, composed of several overlapping, curved lines in a light olive 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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## JSA Annual Report Fiscal Year 2003

In 1990, Japan agreed to provide financial support for the IMF's technical assistance to its 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 contributor to the IMF's technical assistance (TA) activities.<sup>1</sup> Japan's contributions are provided through the "Japan Administered Account for Selected Fund Activities" (JSA).<sup>2</sup> In addition, Japan also finances two scholarship programs, one under the JSA and the other under a separate account, the "Subaccount for Japan Advanced Scholarship Program."

This report consists of a brief description of the IMF and its activities, with a particular focus on its technical assistance activities. The report provides greater detail with regard to the JSA and the scholarship programs. It describes the objectives, size and scope, and use with a focus on fiscal year 2003.<sup>3</sup>

<sup>1</sup> Other bilateral donors include Australia, Canada, China, Denmark, France, Germany, Ireland, Italy, Luxembourg, The Netherlands, New Zealand, Norway, Portugal, Russia, Sweden, Switzerland, the United Kingdom, and the United States; multilateral donors include the Asian Development Bank, the Caribbean Development Bank, the European Commission, the Inter-American Development Bank, the United Nations, the United Nations Development Program, and the World Bank.

<sup>2</sup> 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.

<sup>3</sup> The reference to fiscal year (FY) in this report is to the IMF's fiscal year, which runs from May 1 through April 30. Reports on FY2000–2002 can be found on the IMF's website, [www.imf.org/JSA](http://www.imf.org/JSA).

## The IMF: Purpose and Activities

The IMF, an international organization of currently 184 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 and high levels of employment. To achieve these objectives, the IMF carries out three types of operational activities: surveillance, financial assistance, and technical assistance.

**Surveillance** is the process by which the IMF maintains a policy dialogue with each of its members and appraises country and global macroeconomic conditions. Generally once a year, it appraises members' exchange rate policies within the overall framework of their economic policies in what is known as an Article IV consultation. The IMF also carries out multilateral surveillance, the results of which are summarized in the *World Economic Outlook*, prepared and published twice a year, and in the *Global Financial Stability Report*, which is also published twice a year.

**Financial assistance** includes credits and loans extended by the IMF to member countries with balance of payment problems so that they can restore conditions for sustainable economic growth. The financial assistance provided by the IMF enables countries to rebuild their international reserves, stabilize their currencies, and continue paying for imports without having to impose trade restrictions or capital controls. The IMF makes its financial resources available to its members through a variety of financial facili-

ties—for example, Stand-By Arrangements and the Extended Fund Facility. It also provides concessional assistance under its Poverty Reduction and Growth Facility (PRGF) and debt relief under the Heavily Indebted Poor Countries (HIPC) Initiative.

**Technical assistance** consists of expertise and training provided by the IMF to help member countries strengthen their human and institutional capacity and design and implement effective macroeconomic and structural policies. Technical assistance is offered in several broad areas, namely fiscal policy and management, monetary policy and financial systems, and macroeconomic and financial statistics. See Box 1 for a list of the core areas of IMF technical assistance.<sup>4</sup>

## IMF Technical Assistance: Demand and Supply

The IMF began to provide 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. The demand increased further in the late 1990s as significant technical assistance resources

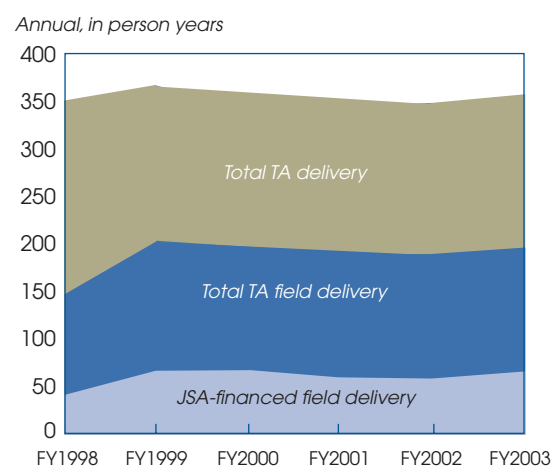
<sup>4</sup> For additional information on the IMF's activities visit [www.imf.org](http://www.imf.org).

had to be directed to countries hit by financial crisis. In addition, in recent years, the IMF has had to mount significant efforts to provide prompt policy advice and operational assistance to countries emerging from conflict situations. Currently, the IMF devotes some 350 person years to technical assistance activities, plus some \$10 million for training and scholarships annually.<sup>5</sup> The delivery of IMF technical assistance over the period FY1998–FY2003 is shown in Figure 1.

During the past three to four years, the IMF's technical assistance program has had to respond to a number of new initiatives that have changed

<sup>5</sup> The reference to person years in this report is to the time spent by IMF staff and experts on technical assistance activities.

**Figure 1. IMF Technical Assistance Delivery, FY1998–FY2003**

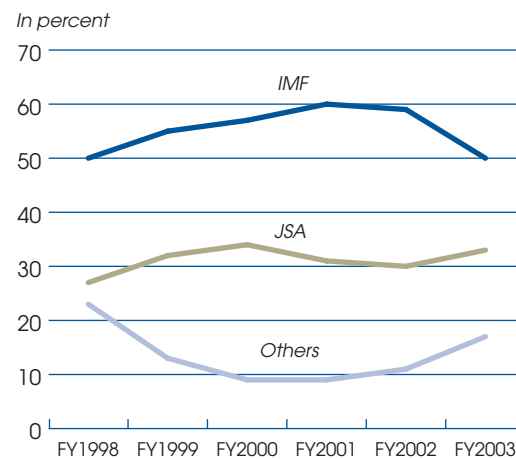


the overall demand on its resources. As part of these initiatives, resources have been devoted to help countries build capacities for their anti-money laundering efforts and for combating the financing of terrorism (AML/CFT); to adopt and adhere to international standards and codes for financial, fiscal, and statistical management; to help low-income countries formulate and implement poverty reduction strategies; and to help heavily indebted poor countries (HIPCs) design and manage debt reduction programs and strengthen public expenditure management for an effective tracking of poverty reducing expenditures.

In light of these demands and competing needs, the IMF has taken steps to prioritize technical assistance to reflect both the IMF's "core" specialities—fiscal affairs, monetary and financial systems, and macroeconomic statistics—and main program areas, such as crisis prevention, debt relief and poverty-reduction, fostering macroeconomic stability, post-crisis management, and regional capacity building.

The IMF finances its technical assistance for its member countries mainly from its own budgetary resources, but also receives external financing from bilateral and multilateral partners. The IMF currently spends about 25 percent of its annual administrative expenditures on technical assistance work. Of this, approximately 55 percent is spent on technical assistance delivered in the field by IMF missions or by experts, and the rest is spent on technical assistance related work at IMF headquarters in Washington. In FY2003, external financing from bilateral and multilateral

**Figure 2. JSA Share of Financing of Technical Assistance Delivered in the Field, FY1998–FY2003**



donor partners accounted for 27 percent of total technical assistance and half of technical assistance delivered in the field. Although the number of bilateral and multilateral partners has increased significantly in recent years, Japan continues to be the largest source of external financing. In FY2003, JSA financing accounted for 18 percent of total IMF technical assistance, 33 percent of the assistance delivered in the field, and 66 percent of the total external financing. The JSA's share of financing of the IMF's field-delivered technical assistance over the period FY1998–FY2003 is shown in Figure 2.



## The Japan Administered Account for Selected Fund Activities (JSA)

*Activities funded: technical assistance, the Regional Office for Asia and the Pacific, and scholarship programs*

Japan has provided grant contributions to support the IMF's technical assistance to member countries since 1990. In 1997, the 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 collaborative efforts between the IMF and Japan that strengthen economic prospects in the Asia-Pacific region and includes support of various regional policy fora such as the Asia-Pacific Economic Cooperation (APEC), the Association of South East Asian Nations (ASEAN), and the Pacific Islands Forum. The office also undertakes technical assistance activities benefiting countries in the region, including conferences on macroeconomic policy and on financial sector reform.<sup>6</sup> The Regional 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

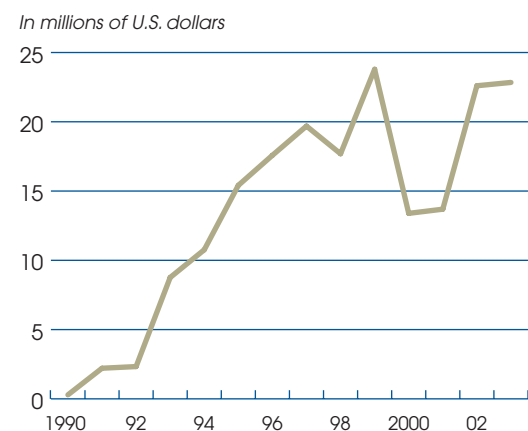
<sup>6</sup> The JSA Annual Report for FY2002 includes descriptions of such activities.

of the IMF by encouraging qualified applicants to apply for employment and by supporting IMF recruitment efforts through interviews and informational seminars.

In addition, Japan also provides grant contributions for two scholarship programs. In 1996, the Japan-IMF Scholarship Program for Advanced Studies, which is administered by the IMF Institute, was established. It supports nationals of Asian member countries of the IMF who undertake doctoral studies in economics in North America 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, which was established in 1993, supports 12- and 24-month courses of graduate studies in Japan in macroeconomics or related fields for students from Asia, Central Asia, and the Pacific, and is administered by the Regional Office in Tokyo.

**Figure 3. Annual Contributions by Japan for Technical Assistance, FY1990-FY2003**



**Table 1. Contributions by Japan, FY1990–FY2003***(Millions of U.S. dollars)*

	FY1990–1997	FY1998	FY1999	FY2000	FY2001	FY2002	FY2003	Total
<b>JSA</b>	<b>80.6</b>	<b>18.9</b>	<b>25.0</b>	<b>14.0</b>	<b>15.1</b>	<b>24.9</b>	<b>25.5</b>	<b>204.1</b>
Technical Assistance <sup>1</sup>	77.1	17.7	23.8	13.4	13.7	22.6	22.8	191.2
Asia Scholarship Program	3.5	1.2	1.2	0.6	1.4	2.3	2.7	12.9
<b>Advanced Scholarship</b>	<b>1.4</b>	<b>1.4</b>	<b>1.4</b>	<b>1.4</b>	<b>1.4</b>	<b>1.5</b>	<b>1.5</b>	<b>10.0</b>

<sup>1</sup> Includes the Regional Office for Asia and the Pacific.

### Level of funding

Since 1990, Japan has made annual contributions totaling some \$204 million, of which \$191 million has been for technical assistance projects and the activities of the Regional Office for Asia and the Pacific and \$13 million for the Asia Scholarship Program. In addition, since 1996, Japan has also contributed some \$10 million for the Advanced Scholarship Program. Annual contribution figures for technical assistance and the two scholarship programs, for the period FY1990–FY2003, are provided in Table 1. Figure 3 shows the annual contributions for technical assistance under the JSA since its inception.

### Annual consultations

Consultations between the IMF and the Japanese authorities usually take place in March each year and cover the following issues: (1) the expected regional and subject area use of JSA resources in the fiscal year and the targets for the following fiscal year; (2) the likely costs of project inputs; (3) the likely magnitude of Japan's further

contribution to the JSA; (4) the organization of field visits by the Japanese authorities and the IMF; and (5) any special projects or issues that are foreseen as likely to arise during the next financial year. The consultations are also used to discuss recent developments regarding the IMF's technical assistance program as a whole.

### Technical assistance funded by JSA

JSA resources can be used to cover the costs of short- and long-term technical assistance 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 technical assistance activities financed by the JSA can be in all areas of the world, the Japanese authorities place high priority on funding technical assistance activities in Asia and the Pacific, Central Asia, Central and Eastern

### Box 1. Core Areas of IMF Technical Assistance

#### ***Fiscal Policy and Management***

- Tax policy
- Tax and customs administration
- Expenditure policy
- Budgeting and public expenditure management
- Fiscal management
- Fiscal federalism

#### ***Monetary Policy and Financial Systems***

- Central banking and currency arrangements
- Monetary and exchange policy operations, and public debt management
- Financial market development, focusing particularly on money, government debt, and foreign exchange markets

#### ***Monetary Policy and Financial Systems*** *(continued)*

- Exchange systems and currency convertibility
- Payment systems
- Bank supervision and regulation
- Bank restructuring and banking safety nets

#### ***Macroeconomic and Financial Statistics***

- Multisector statistical issues
- Balance of payments and external debt statistics
- Government finance statistics
- Monetary and financial statistics
- National accounts and price statistics
- Data dissemination standards

Europe, and countries of the former Soviet Union. Consistent with the IMF's technical assistance policy, the Japanese authorities also place high priority on assistance for countries that have demonstrated strong efforts and good track records in the implementation of economic reform policies. An example of training activities supported by the JSA is described in Box 2 and four JSA-supported projects, selected from the different technical assistance subject areas, are described in Boxes 3–6.

#### ***Project submission and approval***

Activities to be funded from the JSA, as well as all other IMF technical assistance activities, are planned in advance each year. At the beginning of each fiscal year, the IMF provides Japan with a list of projects that it intends to submit for consideration in the course of the year. Thereafter, individual projects are submitted on a monthly basis through the Office of Japan's Executive Director at the IMF for approval.

## Case Studies

**Box 2. Courses on Financial Programming and Policies**

Courses on Financial Programming and Policies (FPP) have long been a central feature of the training delivered by the IMF Institute. They also continue to be among the courses in the heaviest demand from country officials, as revealed by a recent survey of national authorities carried out for the Institute by an independent consulting firm. In recent years, JSA funding has directly supported three deliveries a year of the Institute's two-week course on Financial Programming and Policies, two in Africa and one in China. In addition, JSA support for two long-term experts at the IMF-Singapore Regional Training Institute and toward the cost of Asian participants at the Joint Vienna Institute helps finance the delivery of FPP, as well as other courses through these regional programs.

FPP courses exemplify one of the key tenets of the Institute's training program—an emphasis on the real-world application of theory. In these courses, the time of the participants is equally divided between attending lectures and participating in workshops in which they apply the principles discussed in the lectures to an actual country case study.

The lectures typically cover three sets of topics: (1) the analysis and forecasting of the accounts

for the key macroeconomic sectors—the real economy, the external sector, the fiscal sector, and the monetary sector; (2) the key principles of economic policymaking in each of these sectors; and (3) additional policy issues of topical interest in a global context or of particular interest in the region in which the course is being delivered.

In the workshops, participants work together in small groups analyzing economic conditions and policies in the case-study country and gaining experience in how to design a consistent economic program. They initially construct a baseline scenario, projecting the likely development of key macroeconomic variables on the basis of existing economic policies. After assessing the baseline scenario, they propose an alternative set of policies (the program scenario) that is designed to produce a better economic outcome, addressing in particular the key macroeconomic imbalances, and they project the macroeconomic outcome that is expected to result from implementing these policies.

During the period 1996–2002, 25 FPP courses have been financed by JSA with 775 participants, 381 of which came from Africa, 370 from Asia and Pacific, and 24 from Eastern Europe and Central Asia.

### Box 3. Bolivia: Strengthening Customs Administration

By the late 1990s, the Bolivian authorities had made several attempts at reforming their customs administration. Problems ranged from cumbersome and inefficient procedures to widespread corruption. The Customs Directorate remained one of the government agencies with the worst reputation in Bolivia.

In February 1998, an IMF Fiscal Affairs Department (FAD) mission assisted the authorities in the design of a comprehensive customs reform program. Key technical assistance included (1) implementing mechanisms to limit political interference in staffing decisions; (2) giving greater autonomy to the customs through legislation; (3) modernizing and strengthening the customs and tax code and related procedures; and (4) providing high-level support from the political authorities to the revenue administration's efforts for improving control compliance and fighting smuggling. As a result of this advice and the strong commitment of the authorities, a new customs law was adopted in July 1999 that gives large administrative and financial autonomy to customs.

In late 1999, the authorities approved a wide-ranging customs reform program (PROMA), which is being financed by the World Bank, the Inter-American Development Bank, and other bilateral donors. In February 2001, the IMF

assigned a long-term customs advisor in connection with this three-year program, to act as overall coordinator of donor assistance. This assignment, financed with support by JSA, was extended up to end-May 2003. After this date, further assistance is expected to be provided on a peripatetic basis as the final phase of the PROMA is completed.

The key objectives of the reform program have been achieved or are in the process of being completed. Specifically, a career system for customs staff has been established; the revision and streamlining of customs procedures, supported by computerization, has been accomplished; enforcement has been strengthened; and the phase-out of the contracts with pre-shipment inspection companies has been concluded.

The foundation of a modern customs administration has been laid, and these achievements have reached a sustainable point. The main outcomes include: new and more effective goods and passenger clearance procedures, allowing revenue collections with minimal hindrance to foreign trade operations; a new, state-of-the-art organizational set up; and recruitment and training of new staff. Moreover, several key customs activities previously under the responsibility of other parties are now under the full responsibility of customs staff.

#### Box 4. Kosovo: Development of a Banking and Payment System

In 2001, Kosovo's economy was experiencing a strong rebound, following a period of open conflict in 1999, but long-term economic prospects remained crippled by uncertainty over Kosovo's final status. The United Nations Interim Mission in Kosovo (UNMIK) concluded that the economy would continue to require considerable international technical and financial support for a few years to come, and requested more extensive IMF involvement.

A central component of UNMIK's reform strategy was the restoration and transformation of the banking and payment systems, which required further development of the Banking and Payments Authority of Kosovo (BPK). In that context, the IMF initiated a project, with JSA funding, to support the top position of the BPK, that of Managing Director. Later in 2001, the project was set up to finance a second BPK position—that of Chief Internal Auditor. The Chief Internal Auditor was responsible for managing an internal audit unit and for developing the audit function. In addition, he was expected to make contributions to resolving existing problems in accounting and payments areas.

Today, although the economic situation continues to be characterized by a high degree of uncertainty about Kosovo's final status, it is clear

that the banking sector has developed significantly under the strong leadership of the BPK. Excellent results are visible in the reorganization of the BPK and branch closings, where the majority of branch personnel was taken over by commercial banks that moved into former BPK branches. Additional prudential regulations, including for the insurance sector, have been issued as needed; the Electronic Interbank Clearing System (EICS) is now fully operational; and the euro conversion was successfully completed.

The improvements in the management of the BPK have stimulated growth in financial intermediation, including by letting commercial banks take over all retail payments previously undertaken by the BPK. At the same time, the BPK's new internal audit function has ensured continued advances in financial management, as will external audits.

In parallel, the project's contribution to institution building at the BPK has led to significant progress in the accountability of staff and the quality of their work. As in other crucial government institutions in Kosovo, reliance on foreign experts in managerial positions at the BPK has been high, but is already diminishing. Indeed, the BPK has now entered a phase of institutional consolidation, in which expatriate experts are being replaced by local counterparts.

### Box 5. Afghanistan: Post-Conflict Financial Legislation

For most of the last three decades, Afghanistan has suffered severely from brutal wars and debilitating social, political, and economic repression. During this time, most of the financial sector institutions have slid into insolvency, financial sector regulators have left their positions with the government, and Afghanistan has lagged badly behind other countries in modernizing its financial sector legislation. Therefore, at the time when the last war was over, it was increasingly evident that there was an urgent need for modern financial sector legislation and for training of the financial sector regulators.

To support the authorities, the IMF's Legal Department (LEG) assigned, with financial support from JSA, two short-term experts to assist with the drafting of adequate new financial sector legislation in accordance with best practices and international standards and to familiarize financial sector regulators with the new laws and regulations. The early work by the experts under this project focused on the preparation of three new drafts of financial sector legislation. The draft central bank law aims at establishing a strong legal framework to ensure the autonomy and accountability of the central bank as well as establishing as its principal objective the maintenance of price stability. The draft banking law aims at enhancing and deepening financial inter-

mediation, encouraging competition in the banking sector, and improving governance. The draft financial services law is intended to provide the legal authority and framework for regulating various categories of financial services, including the securities markets.

A second set of draft legislation prepared by the experts with the support of the JSA is concerned with currency and payment systems issues. This draft legislation, together with the drafts as described above, integrate a legislative package that once passed would constitute an important step toward the modernization of the financial legislation of Afghanistan. Thus, in order to facilitate the process for passing this legislation, a workshop, with the participation of IMF staff and the experts, was offered to officials of Da Afghanistan Bank and of the government of Afghanistan.

Significant progress was made during the first quarter of 2003 in the process of consultation on the drafts of the central bank law and the draft banking law. A final round of consultations with the IMF and the passing of these two laws were expected to take place during the summer of 2003. This would allow the implementation of the first installment of the legislative package prepared under the JSA-supported technical assistance.

**Box 6. Cambodia: Strengthening Production and Dissemination of Economic Statistics**

In response to the broad-ranging needs for technical assistance expressed by the national authorities, the IMF's Statistics Department (STA) assigned a multisector statistical advisor to Cambodia in November 2001. The efforts of the advisor, who has been financed by JSA, are having a broad positive impact on Cambodia's statistical system, extending well beyond the technical advice on compilation of economic and financial statistics.

Indeed, the most notable part of the advisor's work has been on various prerequisites to building a sustainable capacity to produce and disseminate official statistics. Work in these critical areas encompassed the drafting of new statistical legislation, improved coordination among agencies involved in statistics, and making the case for increased budgetary resources. Underpinning all this were the advisor's efforts to raise the profile and appreciation for the need for better statistics, in part by organizing a well attended and successful workshop. In this connection, the advisor was instrumental in the organizational restructuring of the National Institute of Statistics (NIS), obtaining an increase in government appropriations for the NIS, and developing a

medium-term strategy for statistics and a five-year work program for the NIS.

Cambodia scored major successes in reorienting its statistical development in line with international standards when it became a participant in the IMF's General Data Dissemination System (GDDS) in March 2002 (with IMF assistance also supported by JSA), and when it launched the NIS website in July 2002.

In addition the advisor, in collaboration with topical experts of the Asian Development Bank and the IMF, has contributed to significant improvements in the compilation and dissemination of national accounts and prices, balance of payments, and monetary and financial statistics. Government finance statistics remain very weak, and the IMF is planning to focus supplementary assistance in this area.

In spite of broad-ranging progress achieved so far, very considerable challenges remain. The principal challenges are (1) leadership, ownership, commitment, and management skills of the central authorities and NIS staff; (2) the level of domestic and donor resources available for statistics; and (3) the enactment of the draft statistical legislation.



### Box 7. Africa Regional Technical Assistance Centers

As part of the IMF's Africa Capacity-Building Initiative, the IMF has established two African Regional Technical Assistance Centers (AFRITACs) in sub-Saharan Africa. The AFRITACs are modeled on the existing Caribbean and Pacific centers, which have shown that a decentralized, regional approach to identifying and meeting technical assistance needs enhances country ownership and commitment and encourages an efficient use of technical assistance resources. Placing such resources directly in the region has the added advantages of increasing the IMF staff's familiarity with the needs of the countries and allowing a more flexible and rapid response to capacity-building requirements.

The AFRITACs are tasked with assisting member countries in developing their capacity-building programs, guided by each country's poverty reduction strategy paper. They also help member countries implement and monitor ongoing technical assistance programs, facilitate donor coordi-

ination of ongoing capacity-building activities, and provide technical advice.

The first AFRITAC—the East AFRITAC—was established in late 2002 in Dar es Salaam, Tanzania, and covers six member countries in East Africa: Eritrea, Ethiopia, Kenya, Rwanda, Tanzania, and Uganda. West AFRITAC was established in May 2003 in Bamako, Mali, and serves 10 countries in West Africa: Benin, Burkina Faso, Côte d'Ivoire, Guinea, Guinea-Bissau, Mali, Mauritania, Niger, Senegal, and Togo. The work of each center is guided by a Steering Committee on which member countries and donors are represented. Both centers are staffed by a center coordinator and a team of resident experts. Their work is supplemented by short-term specialists.

The AFRITACs are supported by financial contributions from a large number of donors, including the JSA. The governments of Mali and Tanzania provide office space and logistical support for the centers.

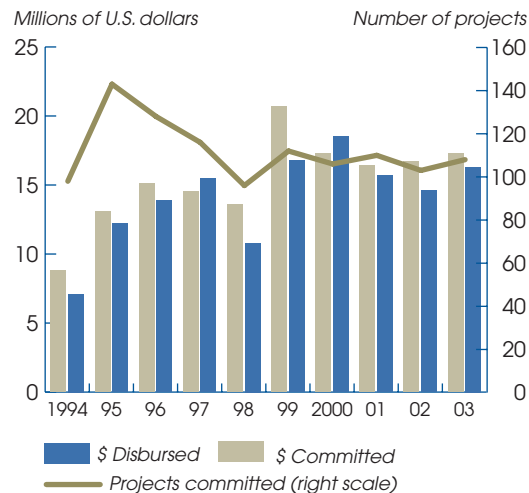
Requests for technical assistance are received from governments. These are carefully considered by the concerned functional and area departments of the IMF. If requests fall within the core mandate of the IMF's technical assistance program and otherwise meet the established prioritization criteria, project proposals are prepared. Following the screening process, the IMF's Office of Technical Assistance Management reviews the project proposals for conformity with the JSA guidelines. The proposals 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 to the Japanese authorities. Any request for an extension of a project also requires an assessment. This assessment is complemented by an evaluation of the technical assistance conducted by the recipient institutions through the completion of a questionnaire. The results of these evaluations are reviewed by the IMF and provided to the Japanese authorities.

In addition, JSA projects in two or three countries are visited and reviewed each year by a joint Japan-IMF mission. These visits seek to provide the Japanese authorities with a firsthand view as to how JSA funding is being used in the field. During the visits, participants assess how the authorities value the work of experts funded by the JSA. The visits are also used to review whether the authorities are making effective use of the assistance and whether the technical assistance is making a contribution to the reform process.

**Figure 4. JSA Annual Technical Assistance Commitments and Disbursements, FY1994–FY2003**



**Commitments and disbursements**

Between FY1993 and FY2003, cumulative commitments for technical assistance under the JSA reached \$159 million for a total of 1,188 projects, of which \$149 million had been disbursed. During FY2003, \$17.3 million was committed for 108 projects.<sup>7</sup> Table 2 and Figure 4 show commitments and disbursements, as well

<sup>7</sup> Because of the time required for the contracting and fielding of experts and payment of invoices, there is a time lag between commitments and disbursements. The duration of a JSA-funded technical assistance project is normally 6–12 months.

**Table 2. JSA Annual Technical Assistance Commitments and Disbursements, FY1993–FY2003**

	Number of Projects Committed	Committed in Millions of U.S. Dollars	Disbursed in Millions of U.S. Dollars
FY1993	68	5.7	2.9
FY1994	98	8.8	7.1
FY1995	143	13.1	12.2
FY1996	128	15.1	13.9
FY1997	116	14.5	15.5
FY1998	96	13.6	10.8
FY1999	112	20.7	16.8
FY2000	106	17.3	18.5
FY2001	110	16.4	15.7
FY2002	103	16.7	14.6
FY2003	108	17.3	16.3
<b>Total</b>	<b>1,088</b>	<b>159.2</b>	<b>144.4</b>

as the number of approved technical assistance projects, between FY1993 and FY2003. A brief description of each of the projects approved in FY2003 is provided in Annex 1.

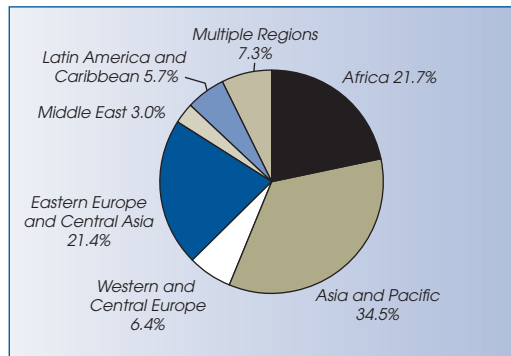
### *Geographical distribution of funds*

To date, 123 different member countries of the IMF and 13 regional organizations and training institutions have been beneficiaries of JSA-funded technical assistance. Countries in the Asia and Pacific region, Eastern Europe, and Central Asian countries and the transitional countries of the former Soviet Union have together received almost \$89 million from the JSA for approved technical assistance projects

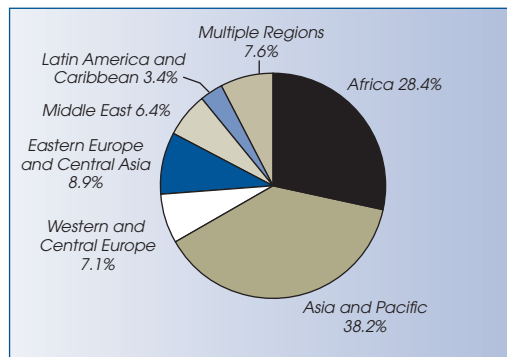
during FY1993–FY2003, which represents 55.8 percent of technical assistance projects approved during this period. Countries in Africa received the next largest share, totaling some \$34 million or 21.7 percent of total approvals during the same period. Of the remaining amount approved during this period, 5.7 percent were for projects in Latin America and the Caribbean, 6.4 percent for projects in Western and Central Europe, 3 percent for projects in the Middle East, and 7.3 percent for multiregional projects.<sup>8</sup>

<sup>8</sup> Multiregional projects are those with beneficiaries from more than one region. Annex 1 includes a description of such projects.

**Figure 5. Distribution of JSA Technical Assistance Commitments by Region, FY1993–FY2003**



**Figure 6. Distribution of JSA Technical Assistance Commitments by Region, FY2003**



**Table 3. JSA Annual Commitments for Technical Assistance by Region, FY1993–FY2003**

(Millions of U.S. dollars)

	FY1993	FY1994	FY1995	FY1996	FY1997	FY1998	FY1999	FY2000	FY2001	FY2002	FY2003	FY1993–FY2003	
												Total	Percent
Africa	0.47	0.10	2.05	2.19	3.29	3.24	4.64	4.72	4.05	4.76	4.91	34.41	22
Asia and Pacific	1.57	3.65	4.53	6.26	5.78	4.23	5.60	5.46	4.72	6.21	6.62	54.63	35
Western and Central Europe	0.78	0.40	0.33	0.51	0.43	0.57	1.31	1.67	1.36	1.59	1.23	10.17	6
Eastern Europe and Central Asia	2.14	3.84	5.12	4.31	3.10	3.37	3.27	3.02	2.74	1.43	1.54	33.88	21
Middle East	—	0.09	0.25	0.37	0.57	0.07	0.63	0.56	0.70	0.37	1.11	4.71	3
Latin America and Caribbean	0.69	0.66	0.69	1.07	0.79	0.50	1.67	0.80	1.05	0.62	0.58	9.11	6
Multiple Regions	—	0.10	0.11	0.38	0.52	1.01	3.53	1.11	1.79	1.74	1.32	11.62	7
<b>Total</b>	<b>5.65</b>	<b>8.84</b>	<b>13.08</b>	<b>15.08</b>	<b>14.48</b>	<b>12.98</b>	<b>20.65</b>	<b>17.34</b>	<b>16.41</b>	<b>16.71</b>	<b>17.30</b>	<b>158.50</b>	<b>100</b>

**Table 4. The 10 Largest Recipients of JSA-Financed Technical Assistance, FY1993-FY2003**

*(By commitments, in descending order)*

FY1993–FY2003	FY2003
Russia	Pacific Financial Technical Assistance Center (PFTAC)
Ukraine	
Indonesia	Congo, Dem. Rep. of
Pacific Financial Technical Assistance Center (PFTAC)	Timor Leste
Kyrgyz Republic	Mongolia
Mongolia	Bosnia and Herzegovina
Georgia	Russia
Rwanda	Rwanda
China	IMF-Singapore Regional Training Institute (STI)
Azerbaijan	China
	Cambodia

The regional distribution of commitments in FY2003 was as follows: Asia and Pacific countries, \$6.6 million or 38.2 percent; Eastern Europe and Central Asia countries and countries of the former Soviet Union, \$1.5 million or 8.9 percent; Africa, \$4.9 million or 28.4 percent; Western and Central Europe, \$1.2 million or 7.1 percent; Latin America and the Caribbean, \$0.6 million or 3.4 percent; the Middle East, \$1.1 million or 6.4 percent; and multiregional projects, \$1.3 million or 7.6 percent. Table 3 shows the annual and total commitments by region in dollar terms. Figures 5 and 6 show the regional percentage distribution for FY1993–FY2003 and for FY2003, respectively.

About one-third of JSA-financed technical assistance in FY2003 was directed toward low-income countries seeking to implement sustainable debt relief and poverty reduction strategies. The second largest concentration, with about 25 percent of total JSA-financed technical assistance delivered in FY2003, was aimed at assisting countries with the rehabilitation of basic economic and financial institutions in post-conflict situations. The remainder was divided equally between crisis prevention, crisis resolution and management, and regional assistance.

Table 4 shows the 10 beneficiary countries or organizations receiving the largest share of JSA

assistance during FY1993–FY2003 and FY2003, respectively.

*Distribution of funds by subject areas*

In FY2003, the IMF delivered approximately 355 person years of staff and expert time for technical assistance work. The distribution of the technical assistance by the major IMF functional departments was as follows: Monetary and Financial Systems (formerly called Monetary and Exchange Affairs), 34 percent; Fiscal Affairs, 27 percent; Statistics, 16 percent; and Legal, 6 percent.

The distribution of the commitment of JSA funds among the subject areas has broadly

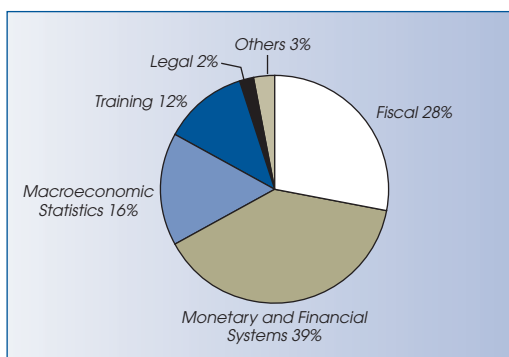
reflected the foregoing distribution in the overall use of IMF resources for technical assistance. In FY2003, the distribution of JSA commitments was as follows: Monetary and Financial Systems, \$6.7 million (39 percent); Fiscal Affairs, \$3.3 million (19 percent); Statistics, \$3.7 million (21 percent); and Legal, \$1.2 million (7 percent). During FY2003, commitments in the areas of macroeconomic statistics and support for legal frameworks increased significantly, while there was a reduction in commitment of JSA funds in the fiscal area. Table 5 shows the annual distribution of commitments in dollar terms by subject areas. Figures 7 and 8 also show the percentage distribution by subject area for the period FY1993–FY2003 and for FY2003.

**Table 5. JSA Annual Commitments for Technical Assistance by Subject Area, FY1993–FY2003**

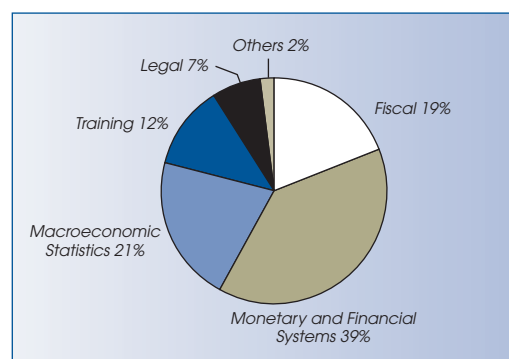
(Millions of U.S. dollars)

	FY1993	FY1994	FY1995	FY1996	FY1997	FY1998	FY1999	FY2000	FY2001	FY2002	FY2003	FY1993–FY2003	
												Total	Percent
Fiscal	2.52	2.70	3.86	4.14	4.03	3.53	5.37	5.24	4.68	4.66	3.28	44.02	28
Monetary and Financial Systems	1.37	3.80	5.57	6.60	5.78	5.15	6.68	6.61	6.47	6.55	6.74	61.33	39
Macroeconomic Statistics	1.26	1.20	1.79	2.13	1.93	1.95	3.92	2.62	2.74	2.69	3.66	25.90	16
Training	0.46	0.96	1.52	1.66	2.17	1.37	2.36	2.12	1.86	2.09	2.06	18.63	12
Legal	—	—	0.09	0.03	0.16	0.13	1.22	0.01	0.11	0.21	1.23	3.19	2
Others	0.05	0.15	0.25	0.54	0.41	0.85	1.10	0.74	0.56	0.51	0.33	5.49	3
<b>Total</b>	<b>5.65</b>	<b>8.84</b>	<b>13.08</b>	<b>15.08</b>	<b>14.48</b>	<b>12.98</b>	<b>20.65</b>	<b>17.34</b>	<b>16.41</b>	<b>16.71</b>	<b>17.30</b>	<b>158.53</b>	<b>100</b>

**Figure 7. Distribution of JSA Technical Assistance Commitments by Subject Area, FY1993–FY2003**



**Figure 8. Distribution of JSA Technical Assistance Commitments by Subject Area, FY2003**



In FY2003, the proportional allocation of JSA funds by topic within the above four areas was broadly consistent with that of previous years, although there was a relative increase in technical assistance commitments in public expenditure management and in anti-money laundering and combating the financing of terrorism (AML/CFT). In the monetary and financial systems area, 53 percent of JSA funds were committed to technical assistance for banking and financial sector supervision, 29 percent for monetary policy and operations, 10 percent for strengthening payment and accounting systems, and 8 percent on AML/CFT. In fiscal affairs, 60 percent of JSA funds were committed for public expenditure management and 34 percent for tax policy and tax and customs administration. In

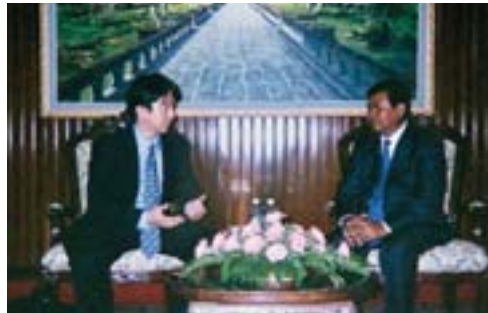
the macroeconomic statistics area, 62 percent of JSA funds were committed for multisector statistical technical assistance, including General Data Dissemination System–related assistance; 23 percent for work on real sector statistics; 8 percent for monetary and financial statistics; and 4 percent each for balance of payments statistics and government finance statistics. In the legal area, 42 percent was committed to technical assistance for AML/CFT, 38 percent for work on central bank and financial sector legislation, and 17 percent on tax and customs legislation.

In FY2003, Japan agreed to support the IMF's Africa Capacity-Building Initiative with \$0.7 million from resources provided through the JSA. As part of the Initiative, the IMF has estab-

lished two regional technical assistance centers in sub-Saharan Africa—known as AFRITACs. The centers, hosted by Mali and Tanzania, provide technical assistance to 10 West African and six East African countries, respectively. The initiative is supported by a large number of countries, including Japan. The setup of the centers is described in Box 7.

### *Effectiveness of JSA-funded technical assistance*

Since 1996, 10 joint Japan/IMF evaluation visits have been carried out to gauge the effectiveness of JSA-funded technical assistance activities. These have covered 17 beneficiary countries in Africa, Asia and the Pacific, Central Asia, and Central and Eastern Europe, as well as the regional training institutes in Singapore and Vienna and the Pacific Financial Technical Assistance Center. The joint evaluation teams have reported that technical assistance activities financed by the JSA were highly relevant and consistent with the core mandate of the IMF's work, were well formulated and implemented, and were appreciated by recipient governments, which in several cases noted that the JSA-funded advisors were instrumental in establishing critically needed capacity. The teams also reported that the JSA-financed training and seminars were of high visibility, tightly focused, and highly appreciated by participants. In FY2003, joint Japan/IMF evaluation teams visited Cambodia, Mongolia, Timor-Leste, and the Singapore Regional Training Institute (STI). A summary of the findings of these visits is provided in Annex 2.



Mr. Ichiro Ohishi, Sr. Deputy Director for Development Finance, Ministry of Finance, Japan, meeting with H.E. Chea Chanto, Governor of the National Bank of Cambodia, during Joint Field Visit in June 2002.

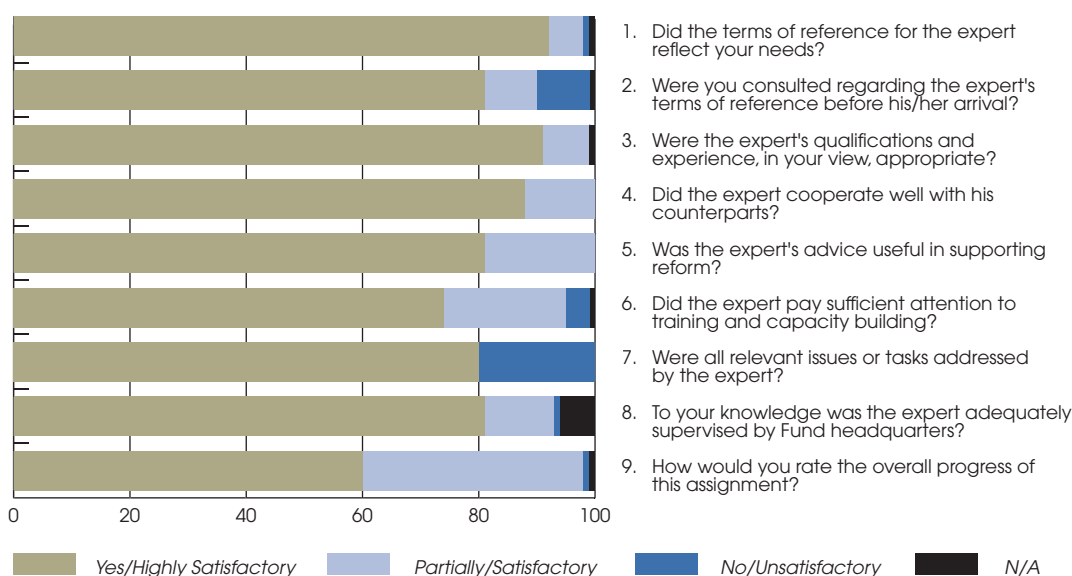


Japan/IMF 2003 consultations on the JSA: Standing from left to right—Mr. B. Christensen, Technical Assistance Officer, IMF Office of Technical Assistance Management (OTM); Mr. N. Watanabe, Assistant to the Executive Director for Japan at the IMF; Mr. E. Makino, Section Chief, International Organizations Division, Ministry of Finance, Tokyo; Mr. H. Toyama, Alternate Executive Director for Japan; Mrs. C. Liuksila, Director, OTM; Mr. F. Havlicek, Deputy Chief, IMF Institute (INS); Ms. O. Penova, Sr. Program Assistant, INS; and Mr. K. Wilairat, Sr. Technical Assistance Officer, OTM.



## Figure 9. Results of Evaluations of Technical Assistance Projects

Percent of respondents, based on 100 responses



As of calendar year 2000, beneficiary authorities have been requested to provide an assessment of completed JSA-funded projects. The questionnaires gauge the authorities' views regarding the appropriateness and relevance of the assistance and the expert's qualifications and experience. The questionnaires also cover the cooperation between the expert and counterparts, the usefulness of the advice in terms of the reform efforts, whether adequate attention was paid to skills transfer, and the quality of supervision by IMF headquarters. In order to measure the overall satisfaction of the authorities, the

respondents are also asked to rate the overall progress of the assignment.

Since 2000, 100 evaluation questionnaires have been received from beneficiary authorities covering 84 projects. Overall, the beneficiary authorities continue to be very positive about the effectiveness of the JSA-funded technical assistance projects. As shown in Figure 9, 60 percent of the respondents expressed a high satisfaction with the overall progress of the assignment, and another 38 percent were satisfied. Annex 3 provides greater detail regarding the results of the ongoing evaluations.

### 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 regions.<sup>9</sup> The program, which is operated under the JSA, offers 12- and 24-month scholarships and is in the process of being expanded from the previous 25 scholarships per year to about 50 scholarships each year. For the academic year 2002, 31 scholarships were awarded.<sup>10</sup> There are two forms of scholarships. Scholars accepted under the “partnership track” participate in specially designed courses offered by one of four participating universities,<sup>11</sup> 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

<sup>9</sup> The scholarship program targets candidates from the following countries: 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.

<sup>10</sup> Under the Japan-IMF Scholarship Program for Asia, academic year refers to the period September 1–August 31. Thus, academic year 2002 refers to the period September 1, 2002–August 31, 2003.

<sup>11</sup> Graduate Institute for Policy Studies (GRIPS), Hitotsubashi University, International University of Japan, and Yokohama National University.



The JSA-financed Managing Director of the Banking and Payments Authority of Kosovo (BPK), Mr. Branger (in the foreground), in a meeting of the Management Committee of the BPK together with BPK senior management, as well as experts from the European Union and the United States Agency for International Development (USAID).

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

Since the first students were awarded scholarships in 1993, a total of 241 scholarships have been awarded and by the end of the academic year 2002, 175 scholars will have graduated from the participating universities. Table 6 shows 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 participating countries' request to have the number of scholarships increased.

### *Japan-IMF Scholarship Program for Advanced Studies*

Japan also provides financial support for 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 in order to pursue a career in government or in an international financial institution, such as the IMF. The program covers reasonable costs for two years of study, while scholars are expected to secure another source of funding to cover the remaining years of study.

**Table 6. Japan-IMF Scholarship Program for Asia: Distribution of Scholars by Country and Affiliation, 1993–2002**

Scholars by Country	Total	Percent	Scholars by Affiliation	Total	Percent
China	48	20	Central Bank	107	44
Vietnam	40	17	Ministry of Finance	53	22
Mongolia	26	11	Statistics Bureau	14	6
Myanmar	24	10	Trade Affairs Ministry	7	3
Cambodia	21	9	Foreign Trade or Investment Bank	7	3
Uzbekistan	21	9	Economic Affairs Ministry	5	2
Kyrgyz Republic	20	8	Tax Authority	4	2
Kazakhstan	19	8	Others	44	18
Tajikistan	7	3	<b>Total</b>	<b>241</b>	
Lao PDR	6	2			
Indonesia	4	2			
Philippines	3	1			
Turkmenistan	2	1			
<b>Total</b>	<b>241</b>				

**Table 7. Japan-IMF Scholarship Program for Advanced Studies: Number of Scholars by Country, 1996–2002**

	1996	1997	1998	1999	2000	2001	2002	1996–2002	
								Total	Percent
Bangladesh	0	0	2	0	1	1	1	5	5
China (including Hong Kong SAR)	2	5	2	4	2	2	1	18	18
Japan	3	7	7	7	7	7	5	43	43
Kazakhstan	0	0	0	0	1	1	1	3	3
Korea	2	2	2	2	2	1	1	12	12
Kyrgyz Republic	0	0	0	0	0	0	1	1	1
Malaysia	0	0	0	0	1	0	0	1	1
Mongolia	0	0	0	0	0	0	1	1	1
Philippines	0	0	0	1	0	0	0	1	1
Tajikistan	0	0	0	0	1	0	0	1	1
Thailand	2	1	2	0	0	1	2	8	8
Uzbekistan	0	0	0	0	0	1	0	1	1
Vietnam	0	0	0	1	0	1	2	4	4
<b>TOTAL</b>	<b>9</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>99</b>	<b>100</b>

The first group, consisting of nine scholars, was admitted to the program in 1996.<sup>12</sup> Since 1997, 15 scholars have been admitted annually to pursue their Ph.D.s. Table 7 shows the distribution of scholars by country since the beginning of the scholarship program. Table 8 lists the universities attended by the scholars and the num-

<sup>12</sup> Under the Japan-IMF Advanced Scholarship Program, academic year refers to the period August 1–July 31. Thus, academic year 2002 refers to the period August 1, 2002–July 31, 2003.

ber of scholars that have attended or are attending each of these institutions. The number of applications received for the program has steadily increased over the years, with over 100 applications received in each of the past two years. The quality of the applicants continues to be very strong and selected applicants have typically achieved high academic standards prior to joining the program. An annual orientation program is held at the IMF in Washington, D.C. to expose incoming scholars to the IMF and to provide an opportunity to meet other scholars before

**Table 8. Japan-IMF Scholarship Program for Advanced Studies: Number of Scholars by University, 1996–2002**

	1996	1997	1998	1999	2000	2001	2002	1996–2002 Total
<b>USA</b>								
1. Brandeis University	1							1
2. Brown University	1	2		1	2	1		7
3. Boston University			1				1	2
4. Columbia University			2	3	1	1	1	8
5. Cornell University		1	2			1		4
6. Duke University	2			1	1		1	5
7. Georgetown University							1	1
8. Harvard University			1	1				2
9. Indiana University		1						1
10. Johns Hopkins University		1					1	2
11. Massachusetts Institute of Technology							1	1
12. New York University			1	2		2	1	6
13. Northwestern University		1						1
14. Ohio State University, Columbus					2			2
15. Stanford University	1	2	3	1	1	1		9
16. University of California, Berkeley						1		1
17. University of California, Los Angeles		2	3	1	1	1		8
18. University of California, San Diego						1		1
19. University of Chicago		1	1		1	2	1	6
20. University of Maryland, College Park					1	1	1	3
21. University of Michigan, Ann Arbor		2	1	2			1	6
22. University of Minnesota, Minneapolis					1		1	2
23. University of Pennsylvania	1			2	3	1	1	8
24. University of Rochester	1	1		1				3
25. University of Texas, Austin							1	1
26. University of Washington, Seattle					1			1
27. University of Wisconsin, Madison		1				1	1	3
28. Vanderbilt University	1					1		2
29. Yale University	1							1
<b>Canada</b>								
30. University of British Columbia							1	1
<b>TOTAL</b>	<b>9</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>99</b>

embarking on their studies. At the end of the third year of study, scholars are expected to complete a summer internship with the IMF. During the internship, scholars carry out a research project under the supervision of an experienced IMF economist. Thus far, all scholars have successfully completed their internships.

Table 9 shows the employment of the scholars from the first three intakes, academic years 1996–1998. It has been encouraging to note that many 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 good outcome, since one of the objectives of the program is to increase the number of Asian nationals on the staff of international financial institutions. So far, four scholars have been recruited by the IMF as EPs and one scholar as a mid-career economist. This is considered a good success rate, demonstrating the high academic achievements of the scholars. The majority of scholars who joined the program in academic year 1998 have now completed their studies. The total number of scholars that have completed their Ph.D. degrees now stands at 33.

**Table 9. Japan-IMF Scholarship Program for Advanced Studies:  
Employment of Graduates from the 1996–1998 Programs**

	1996	1997	1998
IMF Economist Program (EP)	0	4	0
IMF Mid-career Economist	0	1	0
Other International Organizations	1	0	0
Government	2	2	2
Academic Position	2	2	3
Studies in Progress	0	0	6
Other	4	6	4
<b>Total</b>	<b>9</b>	<b>15</b>	<b>15</b>



# Annexes

## Annex 1: JSA Technical Assistance Projects Approved in FY2003

AFRICA REGION			
Beneficiary	Subject Area	Committed	Description
African–multiple countries	General Data Dissemination System	\$440,508	Regional long-term advisor, short-term experts, and regional seminar to assist participating countries in preparing GDDS metadata, posting metadata, and the implementation of plans for improving statistics as described in the GDDS metadata. Assistance will be provided to Angola, Cape Verde, Mozambique, and São Tomé and Príncipe.
African–multiple countries	Real Sector Statistics	\$70,854	Peripatetic expert to assist the Gambia, Ghana, and Sudan with improvement of national accounts and price statistics. The expert will assist with improvement of source statistics used to compile national accounts statistics, coverage and compilation methods for GDP, national consumer price indices, and provide training.
BEAC–Bank of Central African States	Regional AML/CFT	\$237,800	Long-term advisor to support ongoing efforts of the Central African Economic and Monetary Union to strengthen the banking sector through the protection of market integrity by developing an efficient AML/CFT framework in the region.
COBAC–Central Africa Banking Commission	Banking Supervision	\$237,800	Long-term advisor to work with COBAC to strengthen banking supervision in the region with focus on training of staff in the conduct of on-site inspections, improvement of coverage of off-site supervision, and adoption of required new regulations.



Beneficiary	Subject Area	Committed	Description
Congo, Dem. Rep. of	Central Bank Operations	\$108,900	Long-term advisor to support the Central Bank of the Congo to strengthen its capacity to undertake its key functions, including monetary and foreign exchange policy and banking supervision and restructuring, as well as accounting and internal audit.
Congo, Dem. Rep. of	Customs Administration	\$108,900	Extension of long-term advisor to assist with implementation of reforms to strengthen customs administration organization and procedures. The advisor will help the Customs Department strengthen its capacity to detect undervaluation and other trade-related fraud, simplify customs procedures to facilitate trade, develop trade and economic information, determine the feasibility of upgrading the customs IT system, and prepare and implement training plans.
Congo, Dem. Rep. of	Customs Administration	\$217,800	Extension of long-term advisor to assist with implementation of reforms to strengthen customs administration and prepare for the introduction of tax policy reforms. The advisor will help the Customs Department implement the pilot customs office project, including changes in organization of offices, improvements in the clearance procedures, implementation of new control methods, and preparations for upgrade of the new customs IT system, and once the pilot office is operational, expand the reform to other customs regions.

<b>Beneficiary</b>	<b>Subject Area</b>	<b>Committed</b>	<b>Description</b>
Congo, Dem. Rep. of	Public Expenditure Management	\$217,800	Extension of long-term advisor to assist with rebuilding basic treasury and budget execution functions including: simplification and rationalization of the expenditure chain, including full implementation of the commitment stage and reduction of redundant controls, improvement of the fiscal monitoring capacity, streamlining of bank accounts, and reorganizing the procedures for budget preparation.
Congo, Dem. Rep. of	Tax Administration	\$108,900	Extension of long-term advisor to assist with the finalization of preparations for the large taxpayers unit (LTU), including implementation of the LTU organizational structure and procedures, self-assessment methods and new collection procedures, and comprehensive audit and collection enforcement programs, as well as design of IT support strategies and development of taxpayers information services.
Congo, Dem. Rep. of	Tax Administration	\$36,300	Extension of long-term advisor to assist with the finalization of preparations for the establishment of a large taxpayers unit (LTU) and support the LTU's initial operations by supporting the implementation of new collection procedures for large taxpayers, development of a large taxpayers information campaign, and design of an audit program.

Beneficiary	Subject Area	Committed	Description
Congo, Republic of	Multisector Statistics	\$217,800	Extension of long-term advisor to assist concerned government agencies with improvement of institutional structure and capacity to compile balance of payments, national accounts and price, government finance, and monetary statistics; assist with finalization of the draft statistical law; and help establish systems for the regular and timely reporting of macroeconomic statistics to the IMF.
Eritrea	Banking Supervision	\$217,800	Extension of long-term advisor to assist the Bank of Eritrea strengthen the legislative and regulatory framework to allow for more effective banking supervision, and to help the central bank implement a system of detailed on-site inspections for banks, including assisting with the first round of full on-site inspections.
Eritrea	Tax Administration	\$141,708	Peripatetic expert to assist the Inland Revenue Department improve the effectiveness of the tax administration, particularly for large taxpayers, with focus on reviewing the operations of the Large Taxpayers Office (LTO), establishing key headquarters functions, and development and implementation of an audit strategy for the LTO.

Beneficiary	Subject Area	Committed	Description
Ghana	Budget and Treasury Management	\$217,800	Extension of long-term advisor to assist the Ministry of Finance with introducing an improved system of cash planning and management; extending the pro-poor expenditure tracking system to all government expenditures; improving the timeliness, accuracy, and reliability of expenditure data and setting up a reporting system; and enhancing controls over payroll and expenditures.
Malawi	Expenditure Control and Management	\$108,900	Extension of long-term advisor to assist the Ministry of Finance with strengthening fiscal reporting, budget preparation, budget execution and internal controls, the medium-term expenditure framework, and improving the institutional and legal framework for fiscal management.
Mauritius	Banking Supervision	\$94,472	Peripatetic expert to assist the Bank of Mauritius in strengthening its banking supervision capacities, particularly with regard to the development of an implementation strategy for the new Banking Act; improving information exchanges between the central bank and the Financial Services Commission, and developing consistent procedures for the two organizations' on-site and off-site supervision; and implementing recommendations of the recent FSAP report.
MEFMI– Macroeconomic and Financial Management Institute of Eastern and Southern Africa	Financial Programming and Policies	\$93,750	Regional course held in Namibia on macroeconomic management and structural adjustment, focusing on financial programming, for participants from Angola, Botswana, Lesotho, Malawi, Namibia, Swaziland, Tanzania, Uganda, Zambia, and Zimbabwe.

Beneficiary	Subject Area	Committed	Description
Niger	Treasury Management	\$108,900	Extension of long-term advisor to assist the Ministry of Finance with the ongoing treasury reforms, with particular focus on introduction of a new budget classification, implementation of a new chart of accounts, and strengthening the link between the budget and treasury departments.
Niger and WAEMU–West African Economic and Monetary Union	Tax Administration	\$108,900	Extension of long-term advisor to support the implementation of effective and efficient tax administration procedures and methods in Niger, including supporting the full implementation of the new large taxpayer unit, audit and collection enforcement measures, development of headquarters organizational structure, design of the IT strategy for the tax departments, and preparation of a comprehensive staff training program. The advisor will also participate in Fund assistance to other WAEMU countries.
Niger and WAEMU–West African Economic and Monetary Union	Tax Administration	\$108,900	Extension of long-term advisor to support the implementation of tax administration reforms in Niger, including the implementation of a full-fledged large taxpayers unit, preparation and implementation of new audit and collection enforcement measures, reforming headquarters' organizational structure, developing an IT strategy, and staff training. The advisor will also participate in Fund assistance to other WAEMU countries.

<b>Beneficiary</b>	<b>Subject Area</b>	<b>Committed</b>	<b>Description</b>
Nigeria	Budget Management	\$108,900	Long-term advisor to assist the Accountant General's Office with improving expenditure reporting, automating the current accounting and reporting system, improving expenditure control, and strengthening the cash management system.
Rwanda	Banking Supervision	\$217,800	Extension of long-term advisor to assist the Bank of Rwanda in further strengthening banking supervision, developing formal working tools, reinforcing prudential regulations, restructuring banks, and implementing systemic resolution measures, and to assist the Governor of the Bank of Rwanda in implementing a modern internal audit unit.
Rwanda	Foreign Exchange and Monetary Operations	\$217,800	Extension of long-term advisor to assist the National Bank of Rwanda in improving the implementation of monetary and foreign exchange policy, and to consolidate progress made thus far through strengthening the operational capacity of its staff.
SADC–Southern African Development Community	Payment Systems	\$237,800	Regional long-term advisor to assist participating SADC central banks in modernizing the large and small value payment systems, including introducing a real-time gross settlement system and ensuring that a supportive legal structure is in place.
The Gambia	Macroeconomic Policy and Management	\$217,800	Extension of long-term advisor to assist the Department of State for Finance and Economic Affairs in strengthening its institutional structure for formulating and implementing macroeconomic policies, including developing consistent macroeconomic frameworks and strengthening macropolicy coordination among key government agencies.

Beneficiary	Subject Area	Committed	Description
The Gambia	Public Expenditure Management	\$108,900	Long-term advisor to assist the authorities with strengthening budget execution and reporting, including introduction of a new budget classification, preparing financial instructions required by the new organic budget law, and improving budget coverage and transparency by eliminating or integrating into the budget below-the-line-accounts.
Uganda	Banking Supervision	\$217,800	Extension of long-term advisor to assist the authorities in further strengthening banking supervision, introduce risk-based supervision, and reinforce prudential rules needed for a healthier banking system and enhanced financial intermediation.
WAEMU–West African Economic and Monetary Union	Government Finance Statistics	\$144,900	Extension of the regional long-term advisor to assist WAEMU member countries with the implementation of their plans for improving government finance statistics as described in the GDDS metadata. The advisor will help create sustainable capacity to compile and disseminate governance finance data, government domestic and foreign debt, and debt service data, consistent with the guidance provided under the GDDS, and help update the GDDS metadata.
WAEMU–West African Economic and Monetary Union	Real Sector Statistics	\$138,900	Extension of the regional long-term advisor to assist WAEMU member countries with the implementation of their plans for improving real-sector statistics as described in the GDDS metadata. The advisor will help create sustainable capacity to compile and disseminate real-sector statistics consistent with the guidance provided under the GDDS, and help update the GDDS metadata.

Beneficiary	Subject Area	Committed	Description
WAIFEM–West African Institute for Financial and Economic Management	Financial Programming Policies	\$93,750	Regional course on macroeconomic policies and financial programming for participants from WAIFEM member countries (Nigeria, Ghana, The Gambia, Liberia, and Sierra Leone). The course is intended to enable participants to acquire a better understanding of macroeconomic relationships and the linkages with structural reform.

#### ASIA AND PACIFIC REGION

Beneficiary	Subject Area	Committed	Description
Afghanistan	Financial Legislation	\$141,708	Short-term experts to assist Da Afghanistan Bank with drafting of adequate new financial sector legislation consisting of central banking, banking, capital markets and payments laws and regulations, and training of financial sector regulators.
Afghanistan	Multisector Statistics	\$217,800	Long-term advisor to assist the authorities with the strengthening of economic and financial statistics, including strengthening the institutional and legal framework for the functioning of a viable statistical system, and improved production of national accounts, prices, balance of payments, fiscal, money and banking statistics, and development of source statistics.
Afghanistan and SAARC–South Asian Association for Regional Cooperation	National Accounts Statistics	\$93,750	Regional seminar to provide national accounts compilers from Afghanistan and SAARC countries with a greater understanding of compilation techniques and an opportunity for them to share their views on data sources and compilation practices.



Beneficiary	Subject Area	Committed	Description
Asia and Pacific—multiple countries	Monetary Policy and Foreign Exchange Operations	\$283,416	Series of short-term expert assignments to assist countries in the Asia and Pacific Region with small central banks in enhancing their monetary policy and exchange rate operations. Assistance will be provided to the Central Banks of Fiji, Samoa, Tonga, Solomon Islands, Mongolia, Maldives, Vanuatu, and Sri Lanka.
Asia and Pacific—multiple countries	Tax Legislation	\$94,472	Short-term experts to assist participating countries with preparing legislative and regulatory changes for tax reform, including drafting implementing regulations, and drafting and/or refining tax codes. Assistance will be provided to Cambodia, Lao PDR, Palau, Philippines, Timor-Leste, Tonga, and Vietnam.
Bangladesh	Monetary Policy and Operations	\$108,900	Long-term expert to assist the Bangladesh Bank in developing its capacity to implement monetary and exchange rate policy and in conducting monetary and foreign exchange operations in a floating exchange rate environment.
Cambodia	Central Bank Operations	\$163,350	Long-term advisor to assist the National Bank of Cambodia on a broad range of policy issues, including implementation of a new chart of accounts for banks, strengthening banking supervision, upgrading the accounting system for the central bank, and improving communication with banks.

Beneficiary	Subject Area	Committed	Description
Cambodia	Multisector Statistics	\$217,800	Extension of long-term advisor to assist the authorities in strengthening the capacity to produce statistics for economic policymaking. The advisor will provide advice on the development and improvement of statistical infrastructure and capacity, and assist with improving the availability, methodology, and quality of national accounts, price, foreign trade, balance of payments, government finance, and monetary and financial statistics.
Cambodia and STI–Singapore Regional Training Institute	Field Visit to JSA-Supported Projects	\$15,000	Provide funding for the costs associated with a joint IMF/Japan field visit to Cambodia and the IMF–Singapore Regional Training Institute aimed at enhancing the knowledge of representatives of the Japanese authorities concerning the effectiveness of JSA-financed projects.
China	Balance of Payment Statistics	\$50,000	Seminar on balance of payments and international investment position statistics as part of the Joint China–IMF Training Program to cover the conceptual framework of the balance of payments and international investment position as presented in the fifth edition of the <i>Balance of Payments Manual</i> . The aim will be to familiarize participants with the methodology and procedures for the compilation of balance of payments and international investment position statistics and enhance participants' knowledge of methods and procedures used in other countries.

Beneficiary	Subject Area	Committed	Description
China	Banking Supervision	\$94,472	Peripatetic expert to assist the People's Bank of China in accelerating the strengthening of banking supervision in China through identification of issues and challenges facing the regulatory and supervisory framework and review of existing laws, regulations, guidelines, and policies.
China	Banking Supervision	\$70,000	Course on banking supervision as part of the Joint China–IMF Training Program to cover broad issues of bank soundness and the economy, interrelationships between supervisory actions and macroeconomic policies, management of risks in banking, core principles of effective supervision, and methodologies for bank supervision. Participants from the People's Bank of China will be expected to gain a basic understanding of the various aspects of banking supervision.
China	Financial Programming Policies	\$50,000	Course on financial programming and policies as part of the Joint China–IMF Training Program to provide participants with a better understanding of the techniques and the issues involved in formulating and implementing a financial program.
China	Financial Systems	\$70,000	Workshop on assessing financial systems to provide an overview of the policy issues related to assessing financial system soundness, and the practical tools for conducting such assessments. Participants from the People's Bank of China will be expected to gain a deepened and broadened understanding of the structural, institutional, and macroeconomic aspects of financial system stability.

<b>Beneficiary</b>	<b>Subject Area</b>	<b>Committed</b>	<b>Description</b>
China	Government Finance Statistics	\$50,000	Seminar on government finance statistics as part of the Joint China–IMF Training Program to cover the conceptual and practical aspects of compiling government finance statistics. The methodology of the GFS Manual 2001 is expected to be used as a model in the design of the new chart of accounts and budget classification that is part of the budget and treasury reforms in the Ministry of Finance.
China	Monetary and Financial Statistics	\$50,000	Course on monetary and financial statistics as part of the Joint China–IMF Training Program to focus on the methodology for collecting, compiling, and reporting the monetary data to be used in the macroeconomic analysis based on the Monetary and Financial Statistics Manual. The course is expected to familiarize participants with the recommended analytical framework of monetary and financial statistics, data reporting requirements, and the use of macroeconomic statistics in formulating and conducting economic policy.
Cook Islands	Financial Legislation	\$70,854	Short-term expert to assist the authorities with a review of the banking, insurance, and offshore banking acts and preparation of amendments to bring them into conformity with internationally recognized standards.

Beneficiary	Subject Area	Committed	Description
Indonesia	Banking Supervision	\$217,800	Extension of long-term advisor to assist the Bank of Indonesia to strengthen banking supervision, particularly with the implementation of risk-focused supervision and special surveillance issues. A key focus of the assignment will be to contribute to the development and implementation of consolidated supervision, enhanced data collection for supervisory purposes, and improved supervisory guidelines for internal control purposes.
Indonesia	Bankruptcy Law	\$30,000	Training seminar for Commercial Court judges on the relationship between bankruptcy and arbitration and publication and dissemination of seminar proceedings.
Mongolia	Budget and Treasury Management	\$217,800	Extension of long-term advisor to assist the Ministry of Finance in establishing a fully-functional treasury single account; expanding the capacity of the treasury system; reforming government banking, payment, and accounting arrangements; improving fiscal reporting; establishing efficient cash management and reducing payment arrears; and improving the legal and regulatory framework.
Mongolia	Real Sector Statistics	\$108,900	Extension of long-term advisor to assist the National Statistical Office with the strengthening of real sector statistics by, among other things, improving the methodology used for the compilation of economic accounts for agriculture, improving the coverage of the informal sector and small-scale activities, developing a coherent set of indicators/deflators for the compilation of GDP at constant prices, and developing procedures for reconciling the GDP estimates derived from the production and expenditure approaches.

Beneficiary	Subject Area	Committed	Description
Mongolia	Real Sector Statistics	\$145,200	Extension of the long-term advisor to assist the National Statistical Office in improving national accounts estimates and price statistics; developing methodological recommendations for compilation of GDP by expenditure approach at constant prices; developing new and improving existing data sources for expenditure side estimates, including compilation of Gross Capital Formation; and improving international trade statistics.
Mongolia and Timor-Leste	Field Visit to JSA-Supported Projects	\$15,000	Provide funding for the costs associated with a joint IMF/Japan field visit to Mongolia and Timor-Leste aimed at enhancing the knowledge of representatives of the Japanese authorities concerning the effectiveness of JSA-financed projects.
Nepal	Central Bank Operations	\$165,326	Peripatetic expert to assist the Nepal Rastra Bank with its reorganization and developing its capacity to formulate and implement monetary and exchange rate policies and supervise financial market development.
Offshore Financial Centers in the Pacific Region	AML/CFT and Financial Supervision	\$283,416	Short-term experts to help increase the capacity of participating jurisdictions to improve their financial supervision and protect their financial sector from money laundering practices and to combat the financing of terrorism.
Pacific island countries	Banking Regulation and Supervision	\$70,000	Regional workshop on the regulation and supervision of bank and financial institutions to equip participants with practical knowledge on the various approaches and options for resolving common supervision issues prevalent in the region.

Beneficiary	Subject Area	Committed	Description
Pacific island countries	Creation of Legal and Institutional Framework to Combat Financial Sector Crime	\$518,874	Short-term experts and a regional seminar to assist participating countries in establishing the legal and institutional framework necessary to ensure that money laundering, terrorism financing, and fraud do not compromise the integrity of their financial systems. Assistance includes assessments of existing legal and institutional frameworks, organization of a seminar on drafting AML/CFT legislation, preparation of draft legislation, and preparation of recommendations for the establishment of financial intelligence units.
Pacific island countries	General Data Dissemination System	\$401,166	Short-term experts and regional seminar to assist participating countries in preparing GDDS metadata, posting metadata, and the implementation of plans for improving statistics as described in the GDDS metadata. Assistance will be provided to a large number of Pacific island countries.
Palau	Banking and Financial Supervision	\$94,472	Peripatetic expert to support the Financial Institutions Commission to establish and strengthen regulation and supervision of financial institutions in line with international standards, including assistance with the drafting of necessary regulations and reporting forms, conducting off-site and on-site monitoring, and providing on-the-job training. The expert will also assist in implementing anti-money laundering measures for financial institutions.

Beneficiary	Subject Area	Committed	Description
PFTAC–Pacific Financial Technical Assistance Center	Multisector Statistics	\$252,800	Long-term regional advisor to advise and assist PFTAC member countries on a broad range of economic and financial statistics, through advisory visits, training courses and seminars.
PFTAC–Pacific Financial Technical Assistance Center	Tax and Customs Administration	\$252,800	Extension of long-term regional advisor to advise and assist PFTAC member countries on a broad range of areas in tax and customs policy and administration, through advisory visits and training courses and seminars.
Philippines	Banking Supervision	\$217,800	Long-term advisor to assist with the design and implementation of a comprehensive technical assistance program to enhance financial sector supervisory capacity of the central bank.
Samoa	Financial Legislation	\$70,854	Short-term expert to assist the Central Bank of Samoa in revising the existing Financial Institutions Act and drafting of a new Insurance Act with the aim of bringing them into conformity with internationally recognized standards.
Sri Lanka	Central Bank and Financial Legislation	\$118,090	Peripatetic expert to assist the Central Bank of Sri Lanka in revising the central bank and banking legislation in order to make it consistent with internationally recognized standards.
Sri Lanka	Monetary Operations	\$141,708	Peripatetic expert to assist the Central Bank of Sri Lanka in improving the transparency and effectiveness of central bank open market operations, and to enhance the skills of the operators of the open market facility.



Beneficiary	Subject Area	Committed	Description
STI–Singapore Regional Training Institute	Macroeconomic Analysis and Policy	\$217,800	Extension of long-term expert to provide training at STI-sponsored courses and seminars in various aspects of macroeconomic management, statistical methodology, financial sector issues, and other topical areas of current interest to member countries.
STI–Singapore Regional Training Institute	Macroeconomic Analysis and Policy	\$217,800	Extension of second long-term expert to provide training at STI-sponsored courses and seminars in various aspects of macroeconomic management, statistical methodology, financial sector issues, and other topical areas of current interest to member countries.
Thailand	Banking Supervision	\$217,800	Extension of long-term advisor to assist the Bank of Thailand in strengthening its off-site banking supervision capability, including improving financial reports from the banking sector, new risk measures, training off-site examiners, developing an off-site supervisory program, and improving off-site linkages with the on-site examination process to foster a more cohesive supervisory framework.
Timor-Leste	Central Bank Operations Banking Supervision	\$217,800	Extension of the Banking and Payments Authority's Deputy General Manager for Supervision and the transformation of the previous support for the General Manager into support for the position of Special Advisor to the General Manager for Administration. The support focuses on further development of the supervisory function and strengthening and improving existing administrative routines in preparation for the establishment of a central bank. Half of the costs of these assignments are cost-shared by the UNTAET.

Beneficiary	Subject Area	Committed	Description
Timor-Leste	Central Bank Payments and Accounting and Controls	\$217,800	Extension of the Banking and Payments Authority's Deputy General Manager for Payments and Chief Accountant responsible for developing the payment system and the accounting and controls system. Half of the costs of these assignments are cost-shared by the UNTAET.
Timor-Leste	Multisector Statistics	\$217,800	Extension of long-term advisor to assist the authorities establish a working national statistical system. The advisor will, among other things, help facilitate activities carried out by different government agencies in the development of macroeconomic statistical systems and advise the authorities on the development and improvement of the institutional structure and operational capacity to compile national accounts, price, balance of payments, government finance, and monetary and financial statistics.
Tonga	Central Bank and Financial Legislation	\$70,854	Short-term expert to assist the National Reserve Bank of Tonga in revising the central bank and financial institutions legislation of Tonga in order to bring it into conformity with internationally recognized standards.
Tonga	Central Bank Operations	\$217,800	Extension of the long-term advisor to the National Reserve Bank to assist the Governor in the operation of the central bank and train Deputy Governors and other staff so that the central bank can function smoothly.
Vanuatu	Banking Supervision	\$217,800	Extension of long-term advisor to assist in strengthening the operational capacity of the bank supervision department of the Reserve Bank of Vanuatu, including the supervision of offshore financial institutions and anti-money laundering measures.

## EUROPEAN 1 REGION

Beneficiary	Subject Area	Committed	Description
Albania and Bosnia and Herzegovina	Monetary Policy Research	\$237,800	Long-term advisor to assist the Bank of Albania and the Central Bank of Bosnia and Herzegovina in upgrading their research functions. In Albania the advisor will help further upgrade the Bank's capability in monetary policy strategy and design. In Bosnia and Herzegovina the advisor will help upgrade the research department in terms of organizational framework, technology, skills, and databases.
Bosnia and Herzegovina	Multisector Statistics	\$217,800	Extension of long-term advisor to assist the authorities in building adequate statistics for production and dissemination of country-wide national accounts, price, foreign trade, balance of payments, government finance, and monetary and financial statistics, and guide and assist with the successful implementation of the new state statistics law.
Bulgaria	Budget Management	\$108,900	Extension of long-term advisor to assist the Ministry of Finance to sustain the treasury reforms and move toward a more results-oriented budget process. The main focus will be on budget preparation and program budgeting issues, including finalization of budget guidelines and procedures.
Kosovo	Accounting and Auditing	\$108,900	Extension of long-term advisor to help strengthen auditing and accounting functions at the Banking and Payments Authority of Kosovo to ensure efficient and transparent financial operations.

Beneficiary	Subject Area	Committed	Description
Kosovo	Banking and Payment Systems	\$217,800	Extension of the Managing Director of the Banking and Payments Authority of Kosovo to ensure the successful restoration and transformation of the banking and payments system in Kosovo.
Slovak Republic	Banking Supervision	\$217,800	Extension of long-term advisor to provide overall guidance for the strengthening of the supervisory capacity in the National Bank of the Slovak Republic, including assistance in the development and implementation of a strategic plan for banking supervision and provision of training of bank supervisory staff on issues defined in the strategic plan.
Slovenia	Public Expenditure Management	\$54,450	Short-term expert to support the Ministry of Finance in further reforming government budgeting, transforming the payments office to implement the task of recording and reporting of government revenues and expenditures, improving government cash management, and providing training at the Regional Training Center in the Ministry of Finance.
Slovenia	Public Expenditure Management	\$70,854	Peripatetic expert to assist the Center of Excellence in Finance, established by the Ministry of Finance in Slovenia, with the design of a regional training program, identification of expert teachers, delivery of training, and coordination activities with donors and participating countries.

## EUROPEAN 2 REGION

Beneficiary	Subject Area	Committed	Description
Armenia	Public Expenditure Management	\$108,900	Long-term advisor to assist the authorities with furthering the public expenditure management reforms, including preparation and implementation of a pilot project on reforming the accounting system, improvements in financial planning and cash management, assessment of the commitment control system, and monitoring the development of the recently introduced internal audit in line ministries.
Armenia	Treasury Management	\$108,900	Extension of long-term advisor to assist with the completion of the treasury management reforms, focusing on implementation of new procedures for controlling expenditure commitments and arrears, improving fiscal reporting, and finalizing the modernization of the treasury information system.
Azerbaijan and Moldova	National Accounts Statistics	\$188,944	Peripatetic expert to assist the Azerbaijani and Moldovan authorities in improving annual and quarterly national accounts statistics. Assistance will include assessments of the required improvements, developing work programs to meet the needs, and providing assistance to implement the programs, including through training.

Beneficiary	Subject Area	Committed	Description
European II– multiple countries	Monetary and Financial Statistics	\$93,750	Regional seminar to provide participants from the Baltics, Russia, and other countries from the former Soviet Union with an enhanced knowledge of monetary statistics methodology, compilation techniques, and dissemination standards, and thus allow them to contribute to the improvements of monetary analysis in their respective countries.
European II– multiple countries	Workshop on Direct Tax Issues in CIS Countries	\$60,000	Regional workshop to exchange experiences with changes in the rates and structure of the direct taxes and their effect on tax compliance and tax administration. Half of the cost of the workshop is cost-shared by the Government of Italy.
Kyrgyz Republic	Banking Supervision and Reform	\$217,800	Extension of long-term advisor to assist the National Bank of the Kyrgyz Republic with enhancement of the legal and regulatory infrastructure, strengthening of the bank supervision capability, and the implementation of further structural reform measures.
Russia	Banking Supervision	\$217,800	Extension of long-term advisor to provide technical and policy advice to the Banking Regulation and Supervision Department and management of the Central Bank of the Russian Federation, including on the completion of an effective system for off-site analysis, the development of an early warning system, and the coordination of banking sector technical assistance from other multilateral and bilateral donors.

Beneficiary	Subject Area	Committed	Description
Russia	Budget and Treasury Management	\$217,800	Extension of long-term advisor to assist the Russian Federation Treasury with further improvements in the budget structure and budget process and to support the development of a complete program classification for government expenditures, and with treasury reform, including the finalization of a new chart of accounts and the introduction of a centralized treasury single account system.
Russia and other transition countries in the region	Budget and Treasury Management	\$217,800	Extension of the long-term advisor to assist the Russian Federation Treasury with finalizing the development of a unified chart of accounts and accounting instructions, and development of an IT strategy for the ongoing modernization program. The advisor will also provide assistance in treasury modernization projects in other transition economies in the region.
Uzbekistan	Budget and Treasury Management	\$108,900	Long-term advisor to assist the Ministry of Finance in developing and implementing a comprehensive strategy for budget and treasury reforms. Assistance will include development of a new budget classification, a new uniform chart of accounts and public sector accounting standards, a new policy covering extra-budgetary operations, the conceptual design of an information management system, and the establishment of an internal audit function.

### IMF—MULTIPLE REGIONS

Beneficiary	Subject Area	Committed	Description
IMF—multiple regions	High-Level Seminar on Macroeconomic Management-Tokyo	\$500,000	Seminar on “Macroeconomic Management and the Japanese Experience in Economic Development” organized jointly with the Japan Center for International Finance for high-level officials from CIS and Asian countries.
IMF—multiple regions	Joint Vienna Institute-Macroeconomic Management and Structural Adjustment	\$500,000	Provide continued funding for the activities of the IMF at the Joint Vienna Institute.
IMF—multiple regions	JSA Annual Report	\$17,000	Provide funding for the costs associated with translation and printing of the English and Japanese versions of the JSA Annual Report.
IMF—multiple regions	Monetary and Financial Statistics	\$93,750	Regional seminar for Lusophone African countries and Brazil to familiarize participants with the methodology and procedures for the compilation of monetary statistics based on the Monetary and Financial Statistics Manual and to improve participants’ knowledge of linkages among major macroeconomic statistical systems and of the use of statistics in financial programming, economic analysis, and monetary policy.
IMF—multiple regions	Producer Price Statistics	\$93,750	Regional seminar focusing on practical, conceptual, and theoretical issues contained in the new Producer Price Index Manual. The seminar will provide PPI compilers from 15 countries, representing all IMF regions, with a greater understanding of PPI concepts and compilation techniques, and an opportunity for them to share their views on the new standards and compilation practices.



Beneficiary	Subject Area	Committed	Description
IMF—multiple regions	Tax Legislation	\$118,090	Short-term experts to prepare Issues Briefs on topics relevant to the design of tax laws and tax regulations as well as legal aspects of tax administration. The Issues Briefs will be made available to tax officials from around the world.

#### MIDDLE EAST REGION

Beneficiary	Subject Area	Committed	Description
Afghanistan and Islamic Republic of Iran	Macroeconomic Management and Policies	\$93,750	Course for officials from Afghanistan and Iran aiming at broadening their understanding of the issues involved in macroeconomic management and policies. The course covers the four main macroeconomic sectors, covering the accounts, analysis, and policies in each of the sectors as well as interrelations between the sectors.
Morocco	Banking Supervision	\$217,800	Long-term advisor to assist the Bank Al-Maghrib improve the effectiveness of banking supervision in order to improve compliance with Basel Core Principles. Focus will be on increasing reliability of the off-site inspections, increasing—through training—the number of on-site examiners, improving the regulatory framework, and increasing the credibility of the banking supervision capacity.
Sudan	Banking Supervision	\$217,800	Long-term advisor to assist the Bank of Sudan with modernization of banking supervision with focus on the development of documents for on-site inspection, data collection and analysis for off-site supervision, training, and internal control.

<b>Beneficiary</b>	<b>Subject Area</b>	<b>Committed</b>	<b>Description</b>
Syrian Arab Republic	Banking Supervision	\$217,800	Long-term advisor to assist with the implementation of the newly established regulations and strengthening the supervision function of the Central Bank of Syria by training of supervisory staff, development of appropriate set of regulations and accounting framework, and implementing on-site and off-site supervision.

#### WESTERN HEMISPHERE REGION

<b>Beneficiary</b>	<b>Subject Area</b>	<b>Committed</b>	<b>Description</b>
Bolivia	Customs Administration	\$54,450	Extension of long-term advisor to assist the National Customs Service with customs administration reform with focus on the phasing out of pre-shipment inspection and the completion of the handover of IT support to customs staff.
Dominican Republic	Balance of Payment Statistics	\$141,708	Peripatetic expert to assist the Central Bank of the Dominican Republic strengthen balance of payments statistics with focus on development of annual international investment position data in accordance with the fifth edition of the Balance of Payments Manual, and follow-up on the recommendations of the 2002 multisector statistics mission on balance of payments statistics.

Beneficiary	Subject Area	Committed	Description
ECCB–Eastern Caribbean Central Bank	Monetary and Financial Statistics	\$93,750	Regional seminar for ECCB member countries to help familiarize participants with the methodology and procedures for the compilation of monetary statistics based on the Monetary and Financial Statistics Manual and to improve participants' knowledge of linkages among major macroeconomic statistical systems and of the use of statistics in financial programming, economic analysis, and monetary policy.
Paraguay	Monetary Policy and Banking Supervision	\$217,800	Long-term advisor to assist the Central Bank of Paraguay with strengthening key central bank and financial sector supervision activities and provide general policy advice on matters of macroeconomic and monetary and exchange rate policies.
Western Hemisphere–multiple countries	Special Data Dissemination Standard	\$70,000	Regional outreach seminar for participants from potential subscribers in the region with the aim to familiarize participants with detailed requirements of the SDDS, develop a readiness check list for each participating country, seek participants' commitment to work toward subscription, and agree with participants on a strategy to bring each country into subscription.

## Annex 2: JSA Joint Japan/IMF Field Visits

### Purpose

The purpose of these visits is to provide the Japanese authorities with a firsthand view as to how JSA funding is being used in the field. These visits are designed to assess: (1) how the authorities value the work of experts funded; (2) whether the authorities are making effective use of the assistance; and (3) 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 (1) the relative effectiveness of long-term and short-term expert assignments; (2) identification of TA needs; (3) integration of TA into IMF-supported programs; and (4) the 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 review 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 with officials in charge of human resources development at the relevant training institutions.

### Findings

To date, 10 visits have been carried out (covering 17 countries, two regional training institutes, and the Pacific Financial Technical Assistance Center) since this practice was introduced in FY1996. The field visits have found that JSA funding is well administered and effectively used. In all the visits, the authorities were well aware and fully recognized the importance of, and expressed their appreciation for, Japan's financial support to the IMF's TA program. The positive firsthand view gained by the Japanese authorities has contributed to the continued strong support by Japan, through their contributions to the JSA, for the IMF's TA program. A list of all field visits carried out and the summaries of the reports of the two field visits that took place in FY2003 are provided below.

## Joint Field Visits FY1996–FY2003

1. Fiji and Western Samoa (Pacific Financial Technical Assistance Center – PFTAC), March 1996
2. Kazakhstan and the Kyrgyz Republic, June 1996
3. Zambia and Zimbabwe, December 1996
4. Russian Federation, July 1997
5. Bulgaria and Lithuania, June 1998
6. Indonesia, Singapore Training Institute, and Thailand, June/July 1999
7. Belarus and Slovenia, June 2000
8. Azerbaijan and the Joint Vienna Institute, June 2001
9. Cambodia and the IMF-Singapore Regional Training Institute, June 2002
10. Mongolia and Timor-Leste, September 2002

## Joint Field Visits in FY2003

### *Cambodia and IMF-Singapore Regional Training Institute, June 2002*

In Cambodia, the JSA has since 1994 supported TA activities at the National Bank of Cambodia (NBC) in banking supervision, restructuring of the banking system, balance of payments and monetary statistics, operations in foreign exchange and international reserves management, as well as information and computerization systems; at the Ministry of Economy and Finance (MEF) in fiscal policy and macrofiscal management; at the Department of Customs and Excise in strengthening customs administration; at the Ministries of Justice and Commerce in the preparation of insolvency law; and at the Ministry of Planning (MOP) and National Statistics Institute (NIS) in national accounts, price, and government finance statistics. To date, over \$2 million of JSA financing has been provided for IMF TA in Cambodia, which has contributed significantly to the overall IMF TA for that country, which, since FY2000, has been among the top 10 recipients of IMF TA. At present, the JSA is financing two IMF resident advisors—a Central Bank Advisor with the NBC, and a Multisector Statistics Advisor based at the NIS and MOP, but also working with MEF and NBC.

In the view of the authorities, the Central Bank Advisor has made important contributions in the process of bank restructuring; building the NBC's capacity to implement effective on- and off-site bank supervision through on-the-job training and workshops; reform of bank accounting practices and associated reporting; and the ongoing review of prudential regulations and the development of a payment law and amendments to existing banking law to close loopholes. Similarly, the authorities expressed appreciation for the Multisector Statistics Advisor's assistance with: providing inputs to the draft

Statistics Law; formulating strategic plans for the development and improvement of national accounts, price, and government finance statistics; advising on the organizational aspects and interagency coordination and resources required to produce statistics; and with providing on-the-job training for NIS staff.

At the end of their visit, the review mission concluded that the activities and areas of work being financed were central to fiscal and economic reform undertaken by the government; the experts financed were highly experienced and dedicated professionals and capable of working with very senior officials on policy matters as well as with working level officials on day-to-day tasks; and the IMF's TA was highly valued and appreciated by recipient authorities.

The *IMF-Singapore Regional Training Institute (STI)* was established in Singapore in May 1998 as a joint venture of the IMF and Singapore. The objectives of the STI are to (1) train officials from the Asia and Pacific region in the design and implementation of macroeconomic policies; (2) provide training in the core areas of the IMF's expertise that is attuned to regional needs; and (3) strengthen the economic training capacity of the region. The training program consists of core courses on macroeconomic analysis and policy, and specialized courses on fiscal and monetary economics, national accounts, and money and banking statistics. Seminars and workshops focus on topical issues such as capital account convertibility, issues of transition economies, monetary operations, central banking accounting, financial markets and new financial instruments, problem banks, inflation targeting, and tax incentives.

Since its establishment in 1998 through 2002, STI has conducted 97 courses, seminars, and workshops (including national courses/seminars held in a participating Asia and Pacific countries) and trained over 2,300 participants from 41 countries. Participants are mainly drawn from ministries of finance, central banks, and bank supervisory agencies. Starting with eight training sessions in 1998, STI now provides over 20 training sessions annually. Japan's support for the STI has been mainly through the JSA, which, to date, has provided some \$1.4 million of financing for experts and participant costs. The JSA currently finances the two senior economists/instructors on the STI staff.

The Director and the experts believed that STI's program has contributed to building a cohort of officials in the region with a good understanding of macroeconomics and related topics. While there were no formal assessments of trainees at the conclusion of courses, the performance of trainees could be gauged from required individual classroom participation and presentations. As for assessments by trainees and authorities of the training experience, the mission was provided with a summary of the assessments provided by the trainees who had attended the past eight courses. This summary indicated a high level of appreciation for the content of the courses, and for the instructors and presentation methods, and a high level of overall satisfaction with the training provided. While no formal feedback has been requested from authorities, the Director's consultations with selected authorities (some five undertaken annually) indicated a high appreciation for STI that is evidenced by the continuing and growing demand for STI training.


### *Mongolia and Timor-Leste, September 2002*

In **Mongolia**, the JSA has since 1994 funded 27 TA activities totaling approximately \$3 million covering banking and payments system reform, tax administration, macroeconomic statistics, and tax legislation. About two-thirds of IMF TA in Mongolia is financed by the JSA. At present, the JSA is financing the assignment of two IMF resident advisors—a budget and treasury advisor and a macroeconomic statistics advisor. The former has been instrumental in assisting the Ministry of Economy and Finance strengthen revenue collection and establish a single treasury account (TSA). The latter has been working with the National Statistical Office on strengthening the national accounts and the consumer price index.

The authorities spoke highly of both advisors, whose contribution they viewed as important to the country's reform program. Reining in multiple government accounts and providing better national accounts were instrumental in carrying out reform efforts under Mongolia's PRGF program. The Minister of Finance and senior officials at the Central Bank appreciated the technical competence of the IMF's resident advisors, and were fully receptive to their recommendations, which have been, by and large, implemented—albeit in the case of the TSA, after some initial delays. Both advisors confirmed that their recommendations were heeded, and that the authorities were committed to carrying out the reforms.

In **Timor-Leste**, TA provided by the IMF since the establishment of the UNTAET (United Nations Transitory Authority in East Timor) in 2001 has been largely a post-conflict-type assistance involving the fielding of resident advisors to establish and temporarily run essential offices and institutions, such as the Central Payments Office, the Central Fiscal Authority, the Revenue Service, and the Central Statistical Office. Since 2001, the IMF's technical assistance in Timor-Leste, provided under JSA financing, has involved some 12 TA activities amounting to some \$2 million, representing about one-fourth of IMF TA in Timor-Leste.

The review mission met with senior government officials, donor representatives, and four of the six JSA-funded advisors (the other two were out of town) in the Central Payments Office (CPO) and the Ministry of Economy and Finance (MEF). At the CPO, it was noted that these advisors had been instrumental in creating the office. While they initially managed the office with the help of several expatriates, they have since recruited local staff and have been training them in all aspects of central banking, while preparing for the transformation of the office into a proper central bank in the near future and for the consolidation of the payments system. Similarly at the MEF, it was noted that the IMF's fiscal TA had made possible the establishment of a Central Fiscal Authority. The various resident experts have, in addition to building local staff capacity, developed an organic budget law and annual appropriation laws; introduced several tax laws; organized budget preparation and execution; computerized treasury operations; mainstreamed customs operations into the budget; and enhanced cooperation between the Payments Office and the Fiscal Authority.



The authorities and donor representatives commended the contribution of the IMF's advisors to the merger of critically needed financial institutions. The advisors indicated that their efforts were well received by all parties concerned, in the local and donor communities, and that they were confident that when the UN winds down its large TA operations, the Central Bank and the Ministry of Finance will have gained sufficient local expertise to carry on with their tasks.



## Annex 3: Results of Evaluations of Technical Assistance Projects

Following the introduction of a formal process of evaluation of JSA-funded technical assistance projects by the beneficiaries, evaluation questionnaires have been returned by beneficiary authorities for a total of 84 projects. This represents a response rate of 72 percent, which is considered relatively good. Because questionnaires in a number of cases are sent to more than one agency or country, reflecting the institutional realities of the individual projects, more than one questionnaire per project is sometimes received. To date, the number of received questionnaires total 100.

Overall, the responses show that the authorities are highly satisfied with JSA-funded technical assistance. As shown in Table 10 (on next page), answers indicate that the beneficiary authorities are satisfied with the terms of reference for the expert. Although 92 percent of respondents expressed that the terms of reference reflected their needs, 18 percent indicated that they were not or only partially consulted on the terms of reference prior to arrival of the expert. Beneficiaries were also satisfied with the identification of the expert used under the project. Almost all respondents (91 percent) viewed the qualifications and experience of the expert as appropriate. Cooperation between the expert and counterparts was also considered good by 88 percent of respondents. The responses were slightly lower (81 percent) regarding the usefulness of the expert's advice in terms of the reform efforts. On a question regarding skills transfer, 74 percent of respondents indicated that the expert paid sufficient attention to training and capacity building, leaving 21 percent who indicated that skills transfer was only partially sufficient and another 4 percent who felt it had been inadequate. Respondents were satisfied (81 percent) with the ongoing supervision by IMF headquarters. Not surprisingly, given the tasks at hand in most countries and the complex realities of reforming economic and financial management practices and building institutional and human capacities, 20 percent of respondents felt that there were relevant issues or tasks that were not addressed by the expert. Overall, 60 percent of respondents indicated that they were highly satisfied with the overall progress made during the project and another 38 percent were satisfied. Only one respondent was unsatisfied with progress.

**Table 10. Results of Evaluations of Technical Assistance Projects***(Percent of respondents)*

Questions	Yes/Highly Satisfactory	Partially/ Satisfactory	No/ Unsatisfactory	N/A
1. Did the terms of reference for the expert reflect your needs?	92	6	1	1
2. Were you consulted regarding the expert's terms of reference before his/her arrival?	81	9	9	1
3. Were the expert's qualifications and experience, in your view, appropriate?	91	8	0	1
4. Did the expert cooperate well with his counterparts?	88	12	0	0
5. Was the expert's advice useful in supporting reform?	81	19	0	0
6. Did the expert pay sufficient attention to training and capacity building?	74	21	4	1
7. Were all relevant issues or tasks addressed by the expert?	80		20	
8. To your knowledge was the expert adequately supervised by Fund headquarters?	81	12	1	6
9. How would you rate the overall progress of this assignment?	60	38	1	1

Note: Based on 100 responses.

## Annex 4: Administered Accounts – Japan Financial Statement FY2003

	Administered Account for Selected Fund Activities - Japan		Framework Administered Account for Technical Assistance Activities - Subaccount for Japan Advanced Scholarship Program	
<b>Balance Sheet as at April 30, 2003 and 2002</b>				
	<b>2003</b>	<b>2002</b>	<b>2003</b>	<b>2002</b>
	<i>(In thousands of U.S. dollars)</i>			
<b>Assets</b>				
Cash and cash equivalents	25,031	20,459	1,844	1,924
Total Assets	25,031	20,459	1,844	1,924
<b>Resources</b>				
Total Resources	25,031	20,459	1,844	1,924
<b>Income Statements and Changes in Resources for the Years Ended April 30, 2003 and 2002</b>				
	<b>2003</b>	<b>2002</b>	<b>2003</b>	<b>2002</b>
	<i>(In thousands of U.S. dollars)</i>			
Balance, beginning of the year	20,459	14,580	1,924	1,834
Income earned on investments	227	298	21	41
Contributions received	25,508	24,965	1,521	1,477
Payments to and on behalf of beneficiaries	(21,163)	(19,384)	(1,622)	(1,428)
Net changes in resources	4,572	5,879	(80)	90
<b>Balance, end of the year</b>	<b>25,031</b>	<b>20,459</b>	<b>1,844</b>	<b>1,924</b>

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.