

Japan Administered Account for Selected IMF Activities (JSA)

Annual Report
Fiscal Year 2004

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 2004

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.¹ Japan's contributions are provided through the "Japan Administered Account for Selected Fund Activities" (JSA).² In addition, Japan also finances two scholarship programs, one under the JSA and the other under a separate account, the "Subaccount for Japan Advanced Scholarship Program."

This report opens with a brief description of the IMF and its activities, focusing in particular on its technical assistance activities. The report describes in detail the JSA—its objectives, size, scope and use, as well as assessments of its activ-

¹Other bilateral donors include Australia, Austria, Brazil, Canada, China, Denmark, Finland, France, Germany, India, Ireland, Italy, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Russia, Singapore, Sweden, Switzerland, the United Kingdom, and the United States; multilateral donors include the African Development Bank, the Arab Monetary Fund, 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.

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

ities, with a focus on fiscal year 2004³—and the scholarship programs that it finances.

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.⁴ 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.

³The reference to fiscal year (FY) in this report is to the IMF's fiscal year, which runs from May 1 through April 30. This report thus covers the period May 1, 2003, through April 30, 2004. Reports on FY2000–FY2003 can be found on the IMF's website: www.imf.org/JSA.

⁴For additional information on the IMF's activities, visit www.imf.org.

Financial assistance includes credits and loans extended by the IMF to member countries with balance of payments 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 facilities—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 on page 6 for a list of the core areas of IMF technical assistance.

IMF Technical Assistance: Demand and Supply

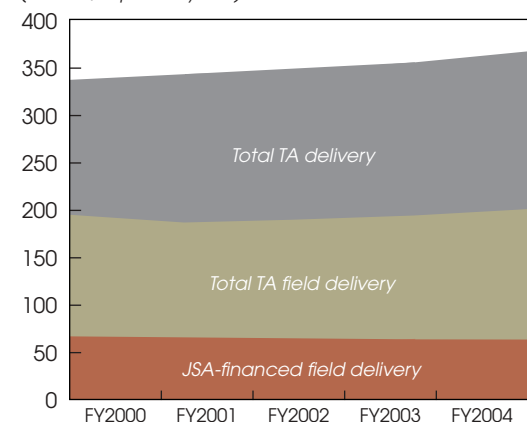
The IMF began to provide technical assistance to its member countries in the early 1960s in response to requests from newly independent nations in Africa and Asia. By the mid-1980s, resources devoted to technical assistance had

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 had to be directed to countries hit by financial crisis. In addition, in recent years, the IMF has had to provide prompt policy advice and operational assistance to countries emerging from conflict situations. In FY2004, the IMF devoted over 360 person years to technical assistance activities, plus some \$10 million for training and scholarships.⁵ The delivery of IMF technical assistance over FY2000–FY2004 is shown in Figure 1.

⁵Person years in this report refers to the time spent by the IMF staff and experts on technical assistance activities.

Figure 1. IMF Technical Assistance Delivery, FY2000–FY2004

(Annual, in person years)



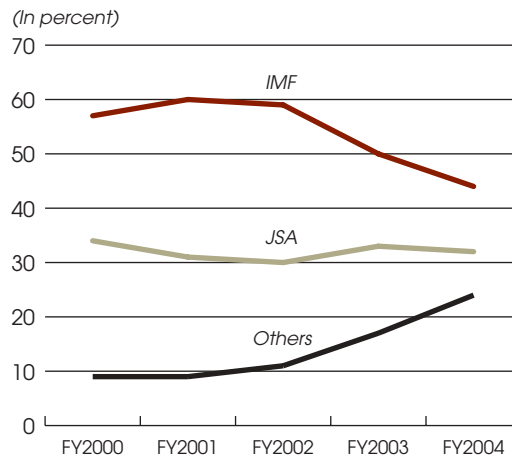
During the past five to six years, the IMF's technical assistance program has had to respond to a number of new initiatives that have changed the overall demand on its resources. As part of these initiatives, resources have been devoted to help countries build capacities for their anti-money-laundering 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 HIPC 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" specialties—fiscal affairs, monetary and financial systems, and macroeconomic statistics—and main program areas—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; it 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 FY2004,

external financing from bilateral and multilateral donor partners accounted for almost 30 percent of total technical assistance and over 50 percent 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 FY2004, JSA financing accounted for 17 percent of total IMF technical assistance, 32 percent of the assistance delivered in the field, and 58 percent of the total external financing. The JSA's share of financing of the IMF's field-delivered technical assistance over FY2000–FY2004 is shown in Figure 2.

Figure 2. JSA Share of Financing of Technical Assistance Delivered in the Field, FY2000–FY2004



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 to widen the scope of activities for which contributions could be made to finance other IMF activities 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 include support of various regional policy forums such as the Asia-Pacific Economic Cooperation (APEC), the Association of Southeast Asian Nations (ASEAN), and the Pacific Islands Forum. The office also undertakes some technical assistance activities benefiting countries in the region, including conferences on macroeconomic policy and on financial sector reform.⁶ 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 Japanese-language publications. The Office also seeks to increase the representation of Japanese and other Asian nationals on the IMF staff by encouraging

⁶The JSA Annual Report for FY2002 includes descriptions of such activities.

qualified applicants to apply for employment at the IMF and by supporting its 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 graduate studies in macroeconomics or related fields in Japan for students from Asia, Central Asia, and the Pacific. This program is administered by the Regional Office in Tokyo.

Level of Funding

Since 1990, Japan has made annual contributions totaling some \$224 million, of which \$209 million has been for technical assistance projects and the activities of the Regional Office for Asia and the Pacific and \$15 million for the Asia Scholarship Program. In addition, starting in 1996, Japan has also contributed over \$11 million for the Advanced Scholarship Program. Annual contribution figures for technical assistance and the two scholarship programs, for the period FY1990–FY2004, are provided in Table 1. Figure 3 shows the annual contributions for technical assistance under the JSA since its inception.

Table 1. Contributions by Japan, FY1990-FY2004

(Millions of U.S. dollars)

	FY1990-FY97	FY1998	FY1999	FY2000	FY2001	FY2002	FY2003	FY2004	Total
JSA	99.5	18.9	25.0	14.0	15.1	24.9	25.5	20.4	224.5
Technical assistance ¹	94.8	17.7	23.8	13.4	13.7	22.6	22.8	17.6	208.8
Asia Scholarship Program	4.7	1.2	1.2	0.6	1.4	2.3	2.7	2.7	15.7
Advanced Scholarship	2.8	1.4	1.4	1.4	1.4	1.5	1.5	1.5	11.5

¹Includes activities of the Regional Office for Asia and the Pacific.

Japan-IMF Consultations

Consultations between the IMF and the Japanese authorities usually take place twice a year: at a formal meeting in March followed by a less formal meeting around the time of the IMF-World Bank Annual Meetings in September. They cover the following issues: (1) effectiveness of the assistance provided with JSA funding; (2) the expected regional and subject area use of JSA resources in the fiscal year and the targets for the following fiscal year; (3) the likely costs of project inputs; (4) the likely magnitude of Japan’s further contribution to the JSA; (5) the organization of joint field visits by the Japanese authorities and the IMF; and (6) any special projects or issues that may arise. The consultations are also used to discuss developments regarding the IMF’s technical assistance program as a whole.

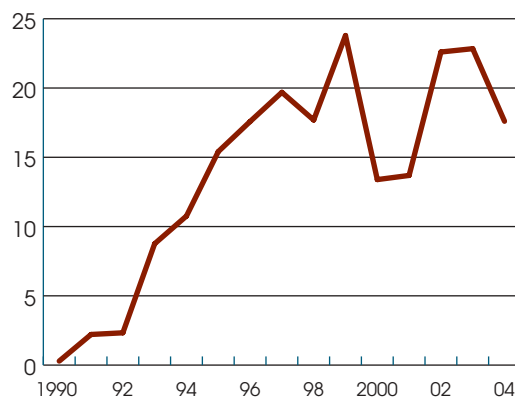
Technical Assistance Funded by JSA

JSA resources can be used to cover the costs of short- and long-term technical assistance experts and those 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 “untied” and can be used to hire experts of any nationality, but Japanese nationals are considered for expert assignments whenever possible.

Figure 3. Annual Contributions by Japan for Technical Assistance, FY1990-FY2004

(In millions of U.S. dollars)



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

- 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

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 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 implementing economic reform policies. An example of training activities supported by the JSA is described in Box 2; four JSA-supported

projects, selected from 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 an indicative list of projects that it intends to submit for consideration in the course of the year. Thereafter, individual projects are submitted for approval on a monthly basis through the Office of Japan's Executive Director at the IMF.

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 or four deliveries a year of the Institute's two-week FPP course, including 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 participants' time 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 econo-

my, the external sector, the fiscal sector, and the monetary sector; (2) the key principles of economic policy making 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 1996–2004, 32 FPP courses have been financed by JSA with 989 participants, 491 of whom came from Africa, 447 from Asia and Pacific, and 51 from Eastern Europe and Central Asia.

Box 3. Timor-Leste: Development of a Banking and Payment System

Following Timor-Leste's violent break from Indonesia in 1999 and subsequent independence in 2002, a major component of the reconstruction efforts was reestablishing the banking and payment system essential for economic recovery. At the request of the United Nations Transitional Authority for East Timor (UNTAET), the IMF took on the task of establishing a Central Payments Office (CPO), later the Banking and Payments Authority (BPA), which would be in charge of critical banking and payments function.

As is often the case in post-conflict situations, reliance on foreign expertise was initially very high, and managerial positions at the CPO/BPA had to be filled by international experts appointed by the IMF, including the key positions of General Manager, Deputy Manager for Supervision, Deputy Manager for Payments, and Chief Accountant. The hiring of these experts was made possible by grants from the JSA (cost-shared by the United Nations), which also supported other related expert assistance and training in central bank functions.

While technical assistance will be needed for several more years for continued institution building and strengthening of local capacity, significant progress has been made toward establishing a fully functioning central bank and financial system. Local staff have been recruited and trained, and expatriate experts have gradually been replaced by their local counterparts. By the end of 2004, all of the aforementioned managerial positions at the BPA were filled by Timorese nationals. The Timorese nationals are assisted by international advisors, a few of whom have been resident while the rest have provided support through peripatetic visits.

Through technical assistance provided by the IMF, which the JSA has helped to finance, the following have so far been achieved:

Currency reform. During 2000–2002, the planning and subsequent implementation of the complete dollarization of the economy.

Payment system reform. In 2000, running of an emergency cash-based payment system and then, as commercial banks reappeared, making the payment system increasingly non-cash based. From 2003, preparations for a comprehensive law on payments transactions and settlement systems (yet to be enacted).

Central bank institution building. The establishment, with enabling legislation, of the Central Payments Office in January 2000 and its transformation into the Banking and Payment Authority in November 2001. Accounting, financial reporting, and internal audit functions set up in line with international best practices for central banks.

Foreign exchange reserve management. From 2001, setting up of and continued development of a foreign exchange reserve management function.

Financial system and insurance supervision. Starting in 2000, banking supervision functions set up, including regulations and procedures for on-site examination and off-site monitoring, and subsequently in 2003 functions expanded to include insurance supervision.

Legal/institutional framework for commercial banking and insurance. During 1999–2000, preparations of regulation for bank licensing, which was enacted in February 2000. The draft insurance law will be submitted to parliament in early 2005.

AML/CFT. Starting in 2003, development of needed legislation and regulation to strengthen requirements for AML/CFT compliance.

Box 4. Nicaragua: Strengthening Tax Administration

The tax system in Nicaragua has been difficult to administer, has lacked transparency, and has relied on few taxes and taxpayers, resulting in low and declining tax revenues. In the context of a three-year IMF arrangement, and following some of the recommendations of FAD technical assistance missions in 2002 and 2003, the government has begun implementing tax reform. The reform has focused on expanding the tax base, increasing the tax system's efficiency, and reducing the scope for fraud. A key element of the reform effort has been modernizing tax administration.

Historically, the General Tax Department of Nicaragua (*Dirección General de Ingresos, or DGI*) has been characterized as having an inadequate organizational structure, ineffective systems and procedures, and poor control of taxpayer compliance. This situation was partly attributable to external interference in tax administration, lack of professionalism and inadequate technical qualifications of DGI staff, insufficient financial resources, and low investment in information technology. Other weaknesses included the lack of proper differentiation between management and operational functions at the headquarters office, lack of a proper large taxpayers unit (LTU), an incomplete and inaccurate taxpayer register, absence of a return filing and payment system through the banks, poor monitoring of stop filers and delinquent taxpayers, and confusion between management and operational functions in the area of audit. These shortcomings have persisted despite several reform projects that were undertaken with the assistance of various international organizations and donors. The reform programs were unfortunately poorly coordinated and not designed as part of a comprehensive plan to improve tax administration.

In May 2004, with JSA financing, an IMF resident tax advisor was provided to assist DGI implement measures needed to address the above issues. Although much remains to be done, this assistance has contributed toward significant progress in modernizing tax administration and has led to a sizable improvement in tax compliance. Tax revenue collec-

tion increased from 16.2 percent of GDP in 2003 to 16.9 percent of GDP in 2004. The achievements have included:

A new organizational structure for DGI headquarters. Approved in August 2004 and now being put in place, it permits a proper differentiation between management and operational functions at headquarters and assigns clear responsibilities to each core functional department (collection, audit, and enforcement).

Improvement in control of large taxpayers' compliance. The former large taxpayer office was transformed into a bona fide national large taxpayer unit administering all large taxpayers nationwide and applying standard, objective selection criteria, and an improved system was introduced to monitor stop filers and delinquent taxpayers. Work is also under way to extend the new procedures for administering large taxpayers to medium-size taxpayers in the rest of the tax administration offices. In addition, steps have been taken to strengthen the LTU's audit capacity.

Preparation of an audit reform strategy. Following the approval of the DGI's new headquarters' structure, the audit department has designed a strategy to increase the effectiveness of audit, including cross-checking taxpayers with third-party information.

Preparation of a Master Plan for Computerization. A three-year master plan has been prepared to create a centralized database and computer modules to support enforcement and audit work, and to provide DGI staff with needed computer hardware. Further assistance, with JSA support, is planned to consolidate the achievements made in the above areas and to assist DGI in designing and implementing reforms in other key areas of tax administration, including an electronic filing and payment system, starting with the large and medium-size taxpayers, and introduction of a tax collection system through the banks; a comprehensive strategy to introduce a new taxpayer identification numbering system, based on a modern TIN structure; and a modern and effective human resources policy for tax officials.

Box 5. Bosnia and Herzegovina: Rebuilding the National Macroeconomic Statistics System

The Republic of Bosnia and Herzegovina was established under the Dayton Agreement, which led to the end of hostilities in December 1995. Bosnia and Herzegovina's urgent need to collect, compile, and disseminate macroeconomic statistics that would support effective policy analysis became evident during the early months of 1996.

Bosnia and Herzegovina presented a particularly challenging environment for delivering technical assistance in macroeconomic statistics for several reasons. The conflict had severely affected data collection and processing systems. In its aftermath, accounting rules evolved differently in the different political jurisdictions, and several currencies circulated in various regions of the country. Complicating matters further was the duplication of statistical services that mirrored the devolution of the major political powers to the entities.

Following a comprehensive review of the key macroeconomic statistical systems in January 1998, an IMF resident statistical advisor was assigned to the Central Bank of Bosnia and Herzegovina (CBBH) in May 1999 to provide technical assistance for the development of all areas of macroeconomic statistics.

The JSA financed the resident advisor's assignment, and provided assistance to the Bosnia and Herzegovina authorities up to June 2004. Technical assistance was offered in the methodology used for compiling national accounts, and financial, external, and government finance statistics. The advisor also made significant efforts toward seeking implementation of the new State Statistics Law.

With the active involvement of the advisor, a modern Statistics Law was drafted and enacted in 2002. However, implementation of the law has been very slow, particularly with respect to harmonizing the entities' statistical laws and supporting organizational arrangements, including the establishment of the Statistical Council and the design and adoption of a countrywide statistical work plan that would require the cooperation and involvement of the entity statistical agencies.

Due to a lack of political commitment to make institutional changes at the level of the entity statistical offices, the objective of building the capacity of the central statistical agency, required for the development of a sound national statistical system, was not achieved. The situation was complicated by delays in appointing staff to key positions. Moreover, the complex institutional management arrangements created difficulties for decision-making and for coordinating work programs with the entity statistical offices. As a result, although progress was made over time in developing databases that can be used for policy analysis, in particular, in the area of monetary statistics, significant deficiencies continue to undermine the quality of the real sector statistics.

In the case of monetary statistics, the CBBH, working with the statistical advisor, has made very important improvements, following the creation of a new Statistics Division with new management and strong leadership from the Governor. However, strengthening other macroeconomic statistics systems will require concerted efforts to fill gaps and improve quality.

In 2004, the IMF decided to suspend the resident advisor position in view of the lack of progress made by the Bosnia and Herzegovina authorities in supporting the organizational arrangements necessary for the Bosnia and Herzegovina to develop an effective national statistics system.

By late 2004, however, the Bosnia and Herzegovina authorities were able to assure the IMF that the Bosnia and Herzegovina Agency for Statistics (BHAS) was operational, and significant steps had been taken to satisfy the preconditions set for further collaboration on technical assistance. With this encouraging news, the IMF will be looking to support the Bosnia and Herzegovina authorities with further technical assistance to strengthen the BHAS's role and capacity, including the assignment of a multisector statistics advisor proposed for funding by the JSA.

Box 6. The Joint China-IMF Training Program (CTP)

The Joint China-IMF Training Program (CTP) was established by the IMF and the People's Bank of China (PBC) in May 2000 to provide policy-oriented training in economics and related operational fields for Chinese officials. The CTP has received financial support from the JSA since its inception.

The CTP's annual training program is jointly determined by the PBC and the IMF Institute, and comprises seminars and courses ranging in length from two days to three weeks. The training events are typically concentrated in the subject areas that address economic issues of prime concern to Chinese officials. They are (1) financial programming and policies; (2) macroeconomic management issues, including monetary policy, public finance, and external sector issues; (3) financial sector issues, including bank supervision; and (4) statistics.

Since its inception, the CTP has held an average of six training events per year. The schedule for FY2004 comprised the following courses and seminars: *Government Finance Statistics* (STA); *Financial Programming and Policies* (INS); *Workshop on Assessing Financial Systems* (MFD); *High Level Seminar on Financial Programming and Policies* (INS); *Monetary and Financial Statistics* (STA); and *High Level Seminar on China's Monetary Policy Transmission Mechanism* (INS). Two of the six events listed above—the high level seminars—were especially targeted for senior officials.

Training events at the CTP are typically designed to provide ample time for discussion and interaction by participants during lecture sessions, and hands-on practice in financial programming and other techniques during workshop sessions. Lectures and workshops are conducted in English, with consecutive Chinese interpretation. Considerable time is allocated for presentations by Chinese officials, to provide a Chinese perspective on issues treated more generally by Fund staff.

More than 1,000 participants have received CTP training to date. Participants have come from various government agencies—including the PBC, many ministries, the State Administration of Taxation, and different statistical offices—that are involved in the formulation and implementation of macroeconomic and financial policies and structural reform, as well as in the compilation and analysis of statistics. They have ranged from junior staff to senior officials, depending on the training event.

CTP training events have taken place in a number of cities, including Beijing, Chongqing, Dalian, Haikou, Hangzhou, Kunming, Shanghai, Suzhou, and Xian. In 2003, the IMF and PBC signed an agreement to establish the CTP in a new training center in Dalian. The CTP Dalian hosted its inaugural seminar, the "High Level Seminar on the Foreign Exchange System," in May 2004.

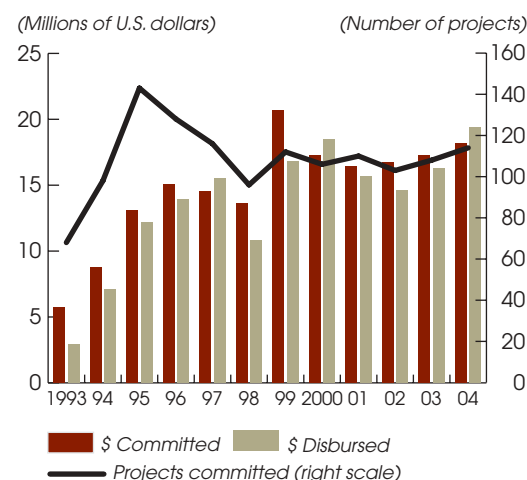
Requests for technical assistance are received from governments. These are carefully considered by the concerned functional and area departments of the IMF. If requests fall within the core mandate of the IMF's technical assistance program and otherwise meet the established prioritization criteria, project 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 provide the Japanese authorities with a firsthand view of 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, FY1993–FY2004



Commitments and disbursements

Between FY1993 and FY2004, cumulative commitments for technical assistance under the JSA reached \$177 million for a total of 1,302 projects, of which over \$163 million had been disbursed. During FY2004, \$18.2 million was committed for 114 projects.⁷ Table 2 and Figure 4 show commitments and disbursements, as well as the number of approved technical assistance projects, between FY1993 and FY2004. A brief description of each of the projects approved in FY2004 is provided in Annex 1.

⁷Because 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–FY2004

	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
FY2004	114	18.2	19.4
Total	1,302	177.4	163.8

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 \$97 million from the JSA for approved technical assistance projects during FY1993–FY2004, which represents 54.8 percent of technical assistance projects approved during this period. Countries in Africa received the next largest share, totaling some \$40 million or 22.4 percent of total

approvals during the same period. Of the remaining amount approved during this period, 5.5 percent were for projects in Latin America and the Caribbean, 6.3 percent for projects in Western and Central Europe, 3.5 percent for projects in the Middle East, and 7.5 percent for multiregional projects.⁸

The regional distribution of commitments in FY2004 was as follows: Asia and Pacific countries, \$6.9 million or 37.9 percent; Africa, \$5.1 million or 28 percent; the Middle East, \$1.6 million or 8.8 percent; multiregional projects,

⁸Multiregional projects have beneficiaries from more than one region. Annex 1 includes a description of such projects.

\$1.6 million or 8.8 percent; Eastern Europe and Central Asian countries and countries of the former Soviet Union, \$1.4 million or 7.7 percent; Western and Central Europe, \$1 million or 5.5 percent; and Latin America and the Caribbean, \$0.6 million or 3.3 percent. Table 3 shows the annual and total commitments by region in dollars. Figures 5 and 6 show the regional percentage distribution for FY1993–FY2004 and for FY2004, respectively.

In FY2004, 35 percent of JSA funds were committed to assist low-income countries implement reforms supportive of sustainable debt relief and poverty reduction programs, 25 percent to

maintain macroeconomic and financial sector stability, 20 percent to rehabilitate basic economic and financial institutions in postconflict situations, and the remainder went to regional capacity-building initiatives (16 percent) and technical assistance focusing on crisis prevention (4 percent).

Table 4 shows the 10 beneficiary countries or organizations receiving the largest share of JSA assistance during FY1993–FY2004 and FY2004, respectively. In FY2004, of the 10 largest beneficiaries, five were postconflict countries: Afghanistan, Cambodia, Democratic Republic of the Congo, Sri Lanka, and Timor-Leste.

Table 3. JSA Annual Commitments for Technical Assistance by Region, FY1993–FY2004

(Millions of U.S. dollars)

	FY1993	FY1994	FY1995	FY1996	FY1997	FY1998	FY1999	FY2000	FY2001	FY2002	FY2003	FY2004	FY1993–FY2004	
													Total	%
Africa	0.5	0.1	2.1	2.2	3.3	3.2	4.6	4.7	4.1	4.8	4.9	5.1	39.5	22
Asia and Pacific	1.6	3.6	4.5	6.3	5.8	4.2	5.6	5.5	4.7	6.2	6.6	7.0	61.6	35
Western and Central Europe	0.8	0.4	0.3	0.5	0.4	0.6	1.3	1.7	1.4	1.6	1.2	1.0	11.2	6
Eastern Europe and Central Asia	2.1	3.8	5.1	4.3	3.1	3.4	3.3	3.0	2.7	1.4	1.5	1.4	35.3	20
Middle East	0.0	0.1	0.3	0.4	0.6	0.1	0.6	0.6	0.7	0.4	1.1	1.6	6.3	4
Latin America and Caribbean	0.7	0.7	0.7	1.1	0.8	0.5	1.7	0.8	1.1	0.6	0.6	0.6	9.7	6
Multiple regions	0.0	0.1	0.1	0.4	0.5	1.0	3.5	1.1	1.8	1.7	1.3	1.6	13.2	7
Total	5.7	8.8	13.1	15.1	14.5	13.0	20.6	17.3	16.4	16.7	17.3	18.2	176.7	100

Figure 5. Distribution of JSA Technical Assistance Commitments by Region, FY1993–FY2004

(In millions of U.S. dollars)

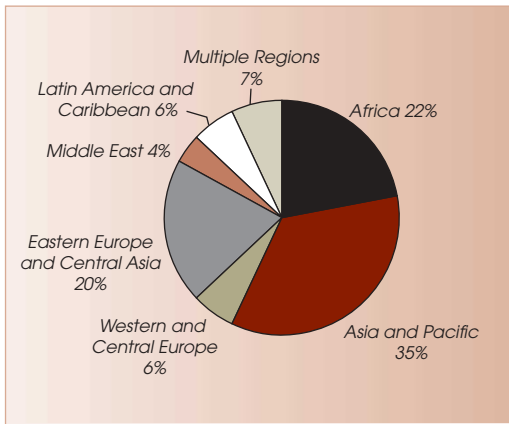


Figure 6. Distribution of JSA Technical Assistance Commitments by Region, FY2004

(In millions of U.S. dollars)

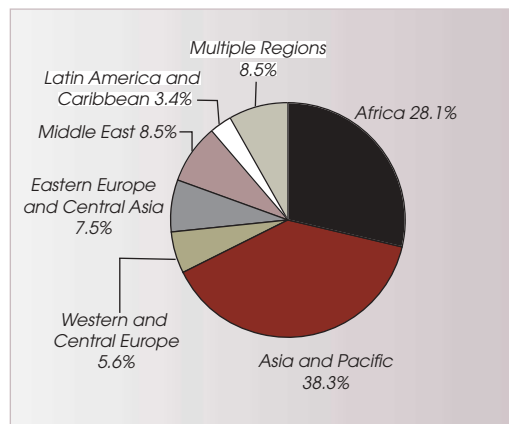


Table 4. Ten Largest Recipients of JSA-Financed Technical Assistance, FY1993–FY2004

(By commitments, in descending order)

FY1993–FY2004	FY2004
Russia	Timor-Leste
Indonesia	Congo, Democratic Republic of
Ukraine	Philippines
PFTAC: Pacific Financial Technical Assistance Center	Cambodia
Kyrgyz Republic	Sri Lanka
Mongolia	Indonesia
Timor-Leste	Jordan
China	PFTAC: Pacific Financial Technical Assistance Center
Cambodia	China
Rwanda	Afghanistan, Islamic Republic of

Distribution of funds by subject areas

In FY2004, the IMF delivered 367 person years of staff and expert time for technical assistance work, a 3 percent increase over FY2003. 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), 33 percent; Fiscal Affairs, 26 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 FY2004, the distribution of JSA commitments

was as follows: Monetary and Financial Systems, \$6.9 million (38 percent); Fiscal Affairs, \$4.3 million (24 percent); Statistics, \$3.3 million (18 percent); and Legal, \$1.2 million (7 percent). During FY2004, commitments of JSA funds in the fiscal area increased significantly (by over \$1 million), while there was a slight reduction in commitments in the macroeconomic statistics 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 FY1993–FY2004 and for FY2004.

In FY2004, the proportional allocation of JSA funds by topic within the above four areas was broadly consistent with FY2003 although there

Table 5. JSA Annual Commitments for Technical Assistance by Subject Area, FY1993–FY2004

(Millions of U.S. dollars)

	FY1993	FY1994	FY1995	FY1996	FY1997	FY1998	FY1999	FY2000	FY2001	FY2002	FY2003	FY2004	FY1993–FY2004	
													Total	%
Fiscal	2.5	2.7	3.9	4.1	4.0	3.5	5.4	5.2	4.7	4.7	3.3	4.3	48.4	27
Monetary and financial systems	1.4	3.8	5.6	6.6	5.8	5.2	6.7	6.6	6.5	6.6	6.7	6.9	68.3	39
Macroeconomic statistics	1.3	1.2	1.8	2.1	1.9	2.0	3.9	2.6	2.7	2.7	3.7	3.3	29.2	17
Training	0.5	1.0	1.5	1.7	2.2	1.4	2.4	2.1	1.9	2.1	2.1	2.2	20.8	12
Legal	0.1	0.0	0.2	0.1	1.2	0.0	0.1	0.2	1.2	1.2	4.4	2
Others	0.1	0.2	0.3	0.5	0.4	0.9	1.1	0.7	0.6	0.5	0.3	0.2	5.7	3
Total	5.7	8.8	13.1	15.1	14.5	13.0	20.7	17.3	16.4	16.7	17.3	18.2	176.8	100

Figure 7. Distribution of JSA Technical Assistance Commitments by Subject Area, FY1993–FY2004

(In millions of U.S. dollars)

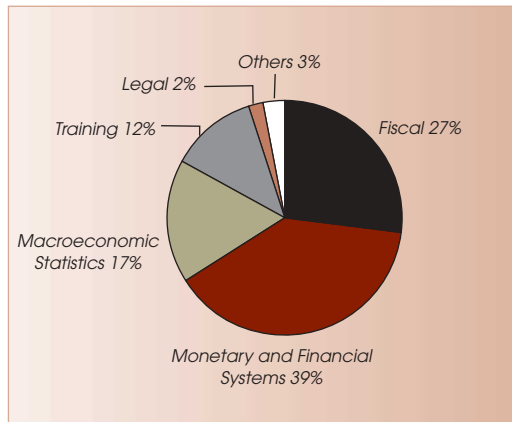
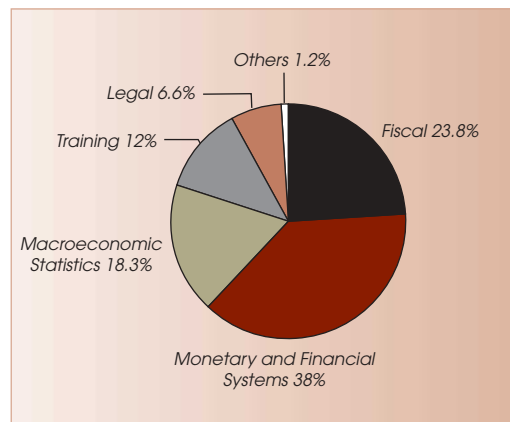


Figure 8. Distribution of JSA Technical Assistance Commitments by Subject Area, FY2004

(In millions of U.S. dollars)



was a relative increase in technical assistance commitments for strengthening fiscal and macroeconomic management, central bank operations, balance of payments and external debt statistics, and legislation for anti-money laundering and combating the financing of terrorism (AML/CFT). In the monetary and financial systems area, 58 percent of JSA funds were committed to technical assistance for banking and financial sector supervision, 22 percent for central bank operations and strengthening payment and accounting systems, 11 percent for monetary policy and operations, and 9 percent on AML/CFT. In fiscal affairs, 38 percent of JSA funds were committed for strengthening fiscal

and macroeconomic management, 36 percent for public expenditure management, and 26 percent for tax policy and revenue administration. In the macroeconomic statistics area, 49 percent of JSA funds were committed for multisector statistical technical assistance, including General Data Dissemination System–related assistance, 20 percent for work on real sector statistics, 19 percent for balance of payments statistics, 8 percent for monetary and financial statistics, and 4 percent for government finance statistics. In the legal area, 60 percent was committed to technical assistance for AML/CFT, and 40 percent for work on central bank and financial sector legislation.



An economics class at the National Graduate Institute for Policy Studies (GRIPS) in Tokyo, under the Japan-IMF Scholarship Program for Asia, 2003.



Regional Banking Supervision Workshop for Financial Supervisors of the Pacific Countries, cofinanced by the JSA, March 29–April 2, 2004, in Sydney.

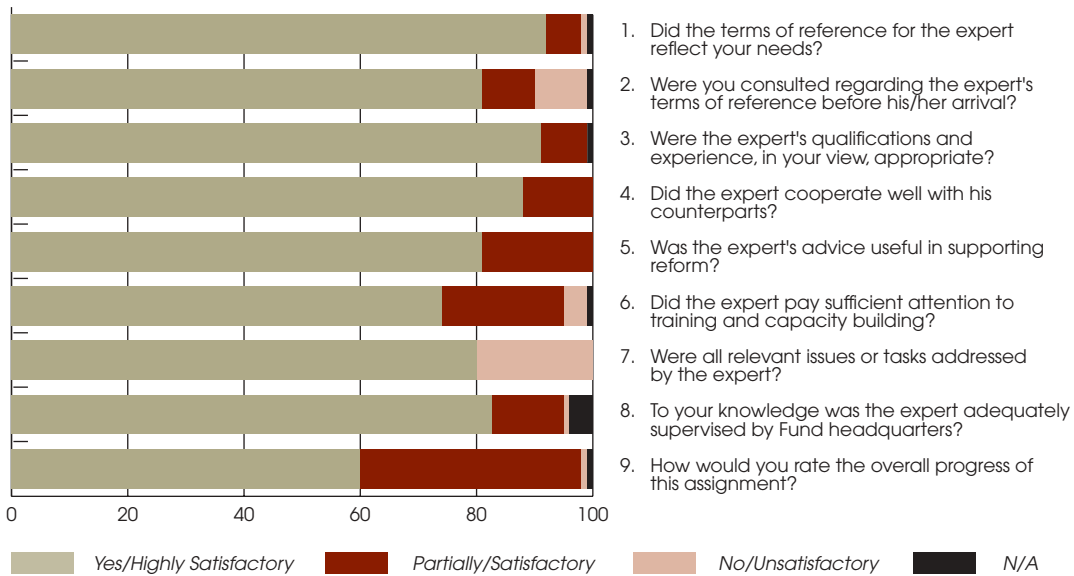
Effectiveness of JSA-funded technical assistance

Since 1996, 11 joint Japan-IMF evaluation visits have taken place 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, who often underscored that the JSA-funded advisors were instrumental in establishing critically needed capacity. The teams also reported that the JSA-financed training and seminars were highly visible, tightly focused, and highly appreciated by participants. In FY2004, a joint Japan-IMF evaluation team visited Fiji and Indonesia. The Fiji visit focused on the Pacific Financial Technical Assistance Center (PFTAC) and the regional projects that support the AML/CFT efforts of the Pacific Island countries and improve their production and dissemination of macroeconomic statistics to meet international standards. In Indonesia, the team concentrated on JSA assistance for TA in banking supervision. A summary of the findings of these visits is provided in Annex 2.

As of 2000, beneficiary authorities have been requested to provide an assessment of completed JSA-funded projects. The questionnaires gauge the authorities' views regarding the appro-

Figure 9. Results of Evaluations of Technical Assistance Projects

(Percent of respondents, based on 100 responses)



priateness and relevance of the assistance and the experts' 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. To measure the beneficiaries' overall satisfaction, the respondents are also asked to rate the overall progress of the assignment.

Since 2000, 105 evaluation questionnaires have been received from beneficiary authorities covering 89 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, 58 percent of the respondents were highly satisfied with the overall progress of the assignments funded, and another 40 percent were satisfied. Annex 3 provides detailed results of the ongoing evaluations.



Japan-IMF 2004 consultations on the JSA:
 Standing from left to right: Mr. B. Christensen, Technical Assistance Officer, IMF Office of Technical Assistance Management (OTM); Mr. M. de Zamaróczy, Adviser, OTM; Mr. F. Havlicek, Deputy Division Chief, IMF Institute (INS); 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. M. Kitihara, Alternate Executive Director for Japan; Mrs. C. Liuksila, Director, OTM.
 Seated from left to right: Ms. G. Monnet, Program Assistant, INS; Ms. D. Mendis, Senior Human Resources Officer, IMF Human Resources Department; Ms. A. Kim, Budget Officer, INS.

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 several leading universities in Japan. The objective of the program is to contribute to institutional capacity building of transition economies, by providing educational opportunities to promising junior officials in central banks or in ministries of finance, economy, or planning in East and Central Asia, and the Pacific region.⁹

The program, which is operated under the JSA, can award up to 55 scholarships a year but the actual number awarded annually depends on the number of qualified applications received. For the academic year 2003, 39 new scholarships were awarded, with a total of 51 scholars studying in Japan under the program.¹⁰ There are two forms of scholarships. Scholars accepted under the “partnership track” participate in specially designed master’s courses offered by one of four partnership universities,¹¹ while the “open track” is available to candidates who have already been

⁹The scholarship program is targeted to candidates from the following countries: Cambodia, China, Indonesia, Kazakhstan, the Kyrgyz Republic, Lao P.D.R., Mongolia, Myanmar, the Philippines, Tajikistan, Thailand, Turkmenistan, Uzbekistan, Vietnam, and the Pacific Island countries. Nationals from other Asian countries are also considered on a case-by-case basis.

¹⁰Under the Japan-IMF Scholarship Program for Asia, academic year refers to the period October 1–September 30. Thus, academic year 2003 refers to the period October 1, 2003–September 30, 2004.

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

accepted to a graduate-level program, both at the master's and PhD levels, in macroeconomics or a related field at any leading university in Japan. The program is administered by the IMF's Regional Office for Asia and the Pacific in Tokyo.

Since the first students were accepted under the program in 1993, a total of 280 scholarships have been awarded, and by the end of the academic year 2003, 206 scholars had graduated from the partnership universities. Table 6 shows the distribution of scholars by their nationality and organizational affiliation. Most scholars have expressed a high degree of satisfaction with the program and subsequently with the career opportunities that have opened to them. A number have taken up mid- to senior-level positions

in their respective government agencies, and have direct input in policy initiatives.

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 doctoral level at one of the leading universities in North America to pursue a career in their home country governments or in international financial institutions such as the IMF. The program covers reasonable costs for two years of study, while scholars are expected to cover the remaining years of study.

The Japan-IMF Scholarship Program for Advanced Studies, which is administered by the

Table 6. Japan-IMF Scholarship Program for Asia: Distribution of Scholars by Country and Affiliation, 1993–2003

Scholars by Country	Total	Percent	Scholars by Affiliation	Total	Percent
China	53	19	Central bank	124	44
Vietnam	48	17	Ministry of finance	67	24
Uzbekistan	29	10	Statistics bureau	15	5
Myanmar	28	10	Economic affairs ministry	8	3
Mongolia	27	10	Foreign trade/ Investment bank	8	3
Kyrgyz Republic	25	9	Trade affairs ministry	7	3
Cambodia	22	8	Tax authority	4	1
Kazakhstan	21	8	Others	47	17
Tajikistan	8	3	Total	280	100
Indonesia	7	3			
Lao P.D.R.	6	2			
Philippines	4	1			
Turkmenistan	2	1			
Total	280	100			

**Table 7. Japan-IMF Scholarship Program for Advanced Studies:
Number of Scholars by Country, 1996–2003**

Country	Number of Scholars								Total per Country 1996–2003	Total Percent Representation per Country 1996–2003
	1996	1997	1998	1999	2000	2001	2002	2003		
Bangladesh	0	0	2	0	1	1	1	0	5	4.3
China (including Hong Kong SAR)	2	5	2	4	2	2	1	1	19	16.5
Indonesia	0	0	0	0	0	0	0	1	1	0.9
Japan	3	7	7	7	7	7	5	7	50	43.5
Kazakhstan	0	0	0	0	1	1	1	1	4	3.5
Korea	2	3	2	2	2	1	1	1	14	12.2
Kyrgyz Rep.	0	0	0	0	0	0	1	1	2	1.7
Malaysia	0	0	0	0	1	0	0	0	1	0.9
Mongolia	0	0	0	0	0	0	1	0	1	0.9
Philippines	0	0	0	1	0	0	0	1	2	1.7
Tajikistan	0	0	0	0	1	0	0	0	1	0.9
Thailand	2	1	2	0	0	1	2	0	8	7.0
Uzbekistan	0	0	0	0	0	1	0	1	2	1.7
Vietnam	0	0	0	1	0	1	2	1	5	4.3
Total	9	16	15	15	15	15	15	15	115	100

IMF Institute, began with a class of nine scholars seeking to obtain a PhD in economics in the 1996–97 academic year.¹² In each succeeding year, 15 scholars from Asian countries who have independently gained admission to one of the leading North American universities in the field of economics have received this scholarship.

¹²Under the Japan-IMF Advanced Scholarship Program, academic year refers to the period August 1–July 31. Thus, the academic year 2003 refers to the period August 1, 2003–July 31, 2004.

A total of 48 scholars have graduated with PhD degrees in economics, seven of whom have joined the IMF's staff. Three scholars were recruited to the IMF's Economist Program, which is the main entry point for economists seeking to join the organization after completion of their studies. In addition, one scholar has worked as a professional consultant to the IMF's Independent Evaluation Office while completing her PhD program. Table 7 shows the distribution of scholars by country since the beginning of the scholarship program, while Table 8 lists the universities attended by the scholars and the number of scholars at each institution during the program.

Scholarship Programs

**Table 8. Japan-IMF Scholarship Program for Advanced Studies:
Number of Scholars by University, 1996–2003**

University	Number of Scholars								Total
	1996	1997	1998	1999	2000	2001	2002	2003	
USA									
1. Brandeis University	1								1
2. Brown University	1	2		1	2	1		1	8
3. Boston University			1				2		3
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	4	5
8. Harvard University			1	1					2
9. Indiana University		1							1
10. Johns Hopkins University		1					1	1	3
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		1	3	1	1	1			7
18. University of California, San Diego		1				1			2
19. University of Chicago		1	1		1	2	1	2	8
20. University of Maryland, College Park					1	1			2
21. University of Michigan, Ann Arbor		2	1	2			1	1	7
22. University of Minnesota, Minneapolis					1		1	1	3
23. University of Pennsylvania	1			2	3	1	1		8
24. University of Rochester	1	1		1				1	4
25. University of Texas, Austin							1		1
26. University of Washington, Seattle					1				1
27. University of Wisconsin, Madison		1				1	1	4	7
28. Vanderbilt University	1					1			2
29. Yale University	1	1							2
Canada									
30. University of British Columbia							1		1
TOTAL	9	16	15	15	15	15	15	15	115

The number of applications received has grown significantly over the years, with well over 100 applications received in each of the last three years. The academic quality of the applicants has also improved from earlier years, both in terms of their academic record and graduate school examination scores. While participating in the scholarship program, scholars are required to maintain high grades and good academic standing. The high academic standards of the program are now widely recognized. Many distinguished universities in Asia and North America recommend that their graduate students apply to this program.

An annual orientation program for each incoming group of scholars is conducted at the IMF in Washington to expose scholars to the IMF and to provide them with an opportunity to meet other scholars embarking on their stud-

ies. At the end of the third year of study, scholars are expected to complete a summer internship at the IMF, during which they conduct research and other professional work under the guidance of an experienced IMF economist. Thus far, all eligible scholars have completed their internships.

Table 9 shows the employment of the scholars from the first six intakes, that is, academic years 1996–2001: of those who have completed their studies, about 20 percent have joined the IMF, 18 percent are pursuing an academic career, and 5 percent have gone into government service. During 2004, the IMF Institute, with the assistance of the Institute of International Education, conducted a tracer study to locate and obtain additional information on the professional career paths and profiles of past scholars. The study will be updated in 2005 and 2006.

Table 9. Japan-IMF Scholarship Program for Advanced Studies: Employment of Graduates from the 1996–2001 Programs

	1996	1997 ¹	1998	1999	2000 ²	2001
IMF Economist Program (EP)	0	0	0	4	2	1
IMF mid-career economist	0	5	0	0	0	0
IMF other employment	0	0	0	0	1	0
Other international organizations	0	0	0	0	0	0
Government	1	0	2	0	0	0
Academic positions	3	1	5	1	0	1
Studies in progress	0	0	0	1	10	12
Other	5	10	8	9	2	1
Total	9	16	15	15	15	15

¹Four graduates from the 1997 program started as EPs, and later became regular economists. One 1997 graduate started as a mid-career economist.

²One graduate from the 2000 program received a contractual appointment in the IMF in 2004.



Annexes

Annex 1: JSA TECHNICAL ASSISTANCE PROJECTS APPROVED IN FY2004

AFRICA REGION			
Beneficiary	Subject Area	Committed	Description
Africa—multiple countries	Tax Administration	\$258,000	Extension of regional long-term advisor to assist Botswana, Lesotho, Malawi, and Namibia with implementation of major revenue administration reforms including introduction of self-assessment, audit, universal taxpayer identification number, computerization, and effective collection enforcement. The advisor will also assist with improvement in exchange of information between tax and customs administrations and the early detection of revenue administration problems.
Africa—multiple countries	External Debt Statistics	\$93,750	Seminar for French-speaking African countries on compilation and dissemination of external debt statistics focusing on institutional and other issues that need to be addressed to ensure reliability of the data, and will also include discussion of the SDDS and GDDS.
Africa—multiple countries	Regional AML/CFT	\$264,000	Long-term regional advisor to support ongoing efforts in ECOWAS to strengthen the banking sector through the protection of market integrity by finalizing AML/CFT regional directives, preparation and implementation of AML/CFT regulations and establishment of financial intelligence units at the country level, and preparation of an overall strategy for division of work between regional and national institutions.

Beneficiary	Subject Area	Committed	Description
Africa—multiple countries	Real Sector Statistics	\$50,000	Extension of peripatetic expert to assist the authorities of The Gambia, Ghana, and Sudan in improving their national accounts estimates and price statistics. The expert will continue to assist with improvement of source statistics, coverage, and compilation methods for GDP and national CPI.
Africa—multiple countries	National Accounts	\$93,750	Course for 30 participants from African countries on the compilation, reporting, and dissemination of national accounts statistics. Subjects include the sequence of accounts and balancing items, accounting rules, units and groupings, income and use of income accounts, accumulation accounts, and production accounts.
Africa—multiple countries	Financial Programming and Policies	\$70,000	Course on Financial Programming and Policies in collaboration with the Banque des États de l'Afrique Centrale (BEAC) for some 30 participants from member countries of the Central African Economic and Monetary Community (CEMAC) and other countries in the region. The course will cover standard macroeconomic accounts and forecasting techniques, macroeconomic and structural issues, and country case studies.

Beneficiary	Subject Area	Committed	Description
Africa—multiple countries	Data Dissemination Standards	\$428,000	Continued financing for regional long-term advisor, short-term experts, and regional seminar to assist the four Lusophone African countries (Angola, Cape Verde, Mozambique, and São Tomé and Príncipe) in preparing GDDS metadata, posting metadata, and implementing plans for improving statistics as described in the GDDS metadata.
Africa—multiple countries	Monetary Policy and Operations	\$248,000	Long-term advisor to assist the central banks of Burundi and Rwanda in strengthening their capacities to develop a monetary policy framework allowing for better management of liquidity and improvement in the development of the banking sector.
Africa—multiple countries	Macroeconomic Management and Financial Policy	\$93,750	Course on macroeconomic management and fiscal issues, in collaboration with the Training Center of the Banque des États de l’Afrique Centrale (BEAC), for six member countries of the Central African Economic and Monetary Community (CEMAC) and other countries in the region. The course will focus on fiscal issues but will also cover broader topics such as governance issues, fiscal policy and growth, and fiscal policy and poverty reduction.
COBAC—Central Africa Banking Commission	Banking Supervision	\$263,000	Extension of long-term advisor to assist COBAC strengthen banking supervision in the region with focus on developing the framework for off-site supervision, training new staff recently hired to allow COBAC maintain regular on-site inspection, and strengthening regulations to meet international prudential norms.

Beneficiary	Subject Area	Committed	Description
Congo, Rep. of	Multisector Statistics	\$228,000	Extension of long-term advisor to assist concerned government agencies with improvement of institutional structure and capacity to compile national accounts, price, balance of payments, government finance, and monetary statistics; assist with finalization of the draft statistical law; help establish systems for timely reporting of macroeconomic statistics to the IMF; and facilitate participation in the GDDS.
Congo, Dem. Rep. of	Central Bank Operations	\$57,000	Extension of long-term advisor to assist the Central Bank of the Congo (BCC) in strengthening its capacity to undertake key functions, including monetary and foreign exchange policy and banking supervision and restructuring, as well as accounting and internal audit. In particular, the advisor will continue to oversee cleanup of BCC's accounts and assist BCC in daily monetary programming.
Congo, Dem. Rep. of	Central Bank Operations	\$228,000	Extension of long-term advisor to continue supporting the Central Bank of the Congo (BCC) with ongoing efforts to strengthen its capacity to carry out key central bank functions described above. The advisor will also be responsible for coordinating the work of short-term experts provided by the IMF as well as TA provided to BCC by other donors to ensure consistency of advice and avoid duplication of efforts.

Beneficiary	Subject Area	Committed	Description
Congo, Dem. Rep. of	Public Expenditure Management	\$114,000	Extension of advisor to assist with reforms of the budget preparation and execution process. Major tasks will include improvement of budget preparation; simplification of the budget execution process; improvement in reporting; implementation of a new chart of account; improvement of the wage payment process; and implementation of the decentralization process.
Congo, Dem. Rep. of	Public Expenditure Management	\$57,000	Extension of advisor's assignment to continue assisting with ongoing reform to strengthen public expenditure management including improvements in the budget preparation process; development of a double entry accounting framework; preparations for a Single Treasury Account; and development of a monthly cash management system incorporating commitment planning.
Congo, Dem. Rep. of	Tax Administration	\$114,000	Extension of long-term advisor to assist with strengthening of the large taxpayers unit (LTU), including improvements in LTU management, development of the LTU monitoring system, and improvements in audit; and preparation of the second phase of tax policy and administration reforms recommended by the IMF.
Congo, Dem. Rep. of	Tax Administration	\$228,000	Extension of resident tax administration advisor for an additional 12 months to continue assistance with major tax administration reforms, including further strengthening of the LTU's procedures and systems; strengthening the tax department's headquarters; establishing a pilot tax office in Kinshasa; and preparing for implementation of the VAT.

Beneficiary	Subject Area	Committed	Description
Congo, Dem. Rep. of	Central Bank Operations	\$114,000	Long-term advisor to assist the Central Bank of the Democratic Republic of Congo (BCC) establish effective internal control systems and operating procedures. The support will focus on the elaboration of a methodology for internal control inspections and ongoing auditing, setting up of a framework for the internal control function, and drafting the internal audit plan.
Eritrea	Banking Supervision	\$228,000	Extension of advisor to assist the Bank of Eritrea strengthen its banking supervision function by creating capacity for on-site and off-site inspections, drafting new prudential regulations and providing clarifications to commercial banks on the new on-site and off-site supervisory processes as well as key issues such as corporate governance and internal control systems.
Gabon	Anti-Corruption Framework	\$75,000	Short-term expert to assist the authorities formulate regulations for effective implementation of the laws under the wealth declaration framework to combat corruption, including the institution of appropriate mechanisms for enforcement.
Gabon	Anti-Corruption Framework	\$70,000	Short-term experts to conduct a Seminar on Comparative Operations of Anti-Corruption Commissions for Gabon's National Commission to Combat Illegal Enrichment to help it gain a better understanding of the operations, practices, and accomplishments of similar commissions in other countries.

Beneficiary	Subject Area	Committed	Description
Ghana	Expenditure Control and Management	\$114,000	Extension of long-term budget advisor to assist the Ministry of Finance restore effective public expenditure control with a focus on consolidating commitment control and cash management systems; improving analysis and reporting of fiscal data; and developing a comprehensive financial management information system.
GIABA— Inter-Government Group of Action Against Money Laundering in West Africa	AML/CFT Methodology	\$50,000	Workshop to provide training in the use of the AML/CFT Methodology to enable examiners from GIABA member states to conduct self-evaluations and mutual evaluations similar to those of the Financial Action Task Force (FATF), which would facilitate implementation of FATF Forty Recommendations and other international conventions.
MEFMI— Macroeconomic and Financial Management Institute of Eastern and Southern Africa	Monetary and Financial Statistics	\$93,750	Regional seminar to provide training to national data compilers from MEFMI member countries (Eastern and Southern Africa) in monetary and financial statistics methodology based on the IMF's <i>Monetary and Financial Statistics Manual</i> .
Nigeria	Public Expenditure Management	\$228,000	Reinstallation of an expert to assist the Accountant General of the Federation of Nigeria (AGF) with key areas of budget execution, namely, cash planning; recording and processing of government expenditure transactions; budgetary economic classification; and taking inventory of payment arrears.

Beneficiary	Subject Area	Committed	Description
Rwanda	Banking Supervision	\$114,000	Extension of resident expert to assist the National Bank of Rwanda establish a fully functioning modern internal audit unit. Assistance will focus on training of internal auditors on auditing concepts, risk-based auditing, evaluation of risks, and impact of risks on operations. The expert will also assist in the development of a risk management framework and a longer-term strategy for internal audit mechanism.
Uganda	Banking Supervision	\$258,000	Extension of long-term advisor to assist the Bank of Uganda further strengthen its banking supervision capacity. The advisor will assist with the implementation of supporting regulations for the new Financial Institutions Act, with training in risk-based supervision, and introducing supervision on a consolidated basis.
WAEMU—West African Economic and Monetary Union Center	Macroeconomic Management and Financial Policy	\$70,000	Course on macroeconomic management and fiscal issues, in collaboration with the Training Center for Banking Studies (COFEB) of the Central Bank of West African States (BCEAO), for about 30 participants from the 8 WAEMU member countries and Guinea. The course will focus on fiscal issues but will also cover broader topics such as governance issues, fiscal policy and growth, and fiscal policy and poverty reduction.

Beneficiary	Subject Area	Committed	Description
WAEMU—West African Economic and Monetary Union	Real Sector Statistics	\$144,000	Extension of the regional long-term advisor to assist the 8 WAEMU member countries with the implementation of their plans for improving real-sector statistics as described in the General Data Dissemination System (GDDS) metadata. The advisor will help create sustainable capacity to compile and disseminate real-sector statistics consistent with the GDDS and help update the GDDS metadata.
WAEMU—West African Economic and Monetary Union	Real Sector Statistics	\$288,000	Continued financing for the regional long-term advisor to assist WAEMU member countries (plus Guinea and Mauritania) with the implementation of their plans for improving real-sector statistics as described in the GDDS metadata. The advisor will assist with strengthening capacity to compile and disseminate real-sector statistics consistent with the GDDS and help update the GDDS metadata.
West AFRITAC	Microfinance Supervision	\$264,000	Long-term regional expert based at West AFRITAC to support improvement in microfinance supervision in its 10 member countries (i.e., Benin, Burkina Faso, Cote d'Ivoire, Guinea, Guinea-Bissau, Mali, Mauritania, Niger, Senegal, and Togo). A major component of the TA to be provided is the development of a shared database on microfinance operations, including regulatory and supervision frameworks, and a Microfinance Institutions performance monitoring system.

Beneficiary	Subject Area	Committed	Description
Zambia	Public Expenditure Management	\$114,000	Extension of long-term advisor to complete the introduction of a commitment control system, improvements in cash planning and expenditure reporting and better control of arrears, and to assist in the full implementation of these new procedures with advice and training.

ASIA AND PACIFIC REGION

Beneficiary	Subject Area	Committed	Description
Asia and Pacific—multiple countries	Banking Supervision	\$150,000	Series of short-term expert assignments to assist the Federated States of Micronesia, the Marshall Islands, Palau, Kiribati, and Tuvalu introduce and strengthen banking supervision and regulations, establish banking commissions, strengthen licensing schemes, and introduce and strengthen supervisory procedures for AML efforts.
Asia and Pacific—multiple countries	Central Bank Operations	\$150,000	Series of short-term expert assignments to assist the Central Banks of Fiji, Samoa, and Solomon Islands strengthen the supervision of insurance companies and the National Provident Fund (NPF). Assistance will focus on introducing/improving regulations, off-site monitoring and on-site inspection of insurance companies, and assessing financial conditions and improving financial soundness of the NPF.

Beneficiary	Subject Area	Committed	Description
Asia and Pacific—multiple countries	Government Finance Statistics	\$93,750	Course for compilers of government finance statistics (GFS) from 23 Asia and Pacific countries to familiarize them with the conceptual framework of GFS as presented in the IMF's revised <i>Government Finance Statistics Manual</i> (GFSM, 2001) as well as with practical aspects of fiscal data compilation.
Asia and Pacific—multiple countries	Field Visit to JSA-Supported Projects	\$15,000	Provide funding for the costs associated with a joint IMF-Japan field visit to Indonesia and PFTAC aimed at enhancing the knowledge of representatives of the Japanese authorities concerning the effectiveness of JSA-financed projects.
Bangladesh	Central Banking Accounting and Controls	\$100,000	Peripatetic expert to assist Bangladesh Bank with the implementation of reforms to modernize its accounting and control systems. In particular, this will involve the production of financial statements prepared in accordance with internationally recognized standards, implementing underlying accounting systems consistent with international norms, and strengthening internal control and audit systems.
Cambodia	Multisector Statistics	\$228,000	Extension of long-term advisor to assist the authorities with the development and improvement of statistical infrastructure and capacity, focusing on improving the methodology, availability, and quality of national accounts, price, foreign trade, balance of payments, government finance, and monetary and financial statistics. The advisor will also assist in the annual revision of GDDS metadata.

Beneficiary	Subject Area	Committed	Description
Cambodia	AML/CFT Legislative Drafting	\$30,000	Two workshops on the draft AML/CFT law, one for the authorities and one for the private sector, to discuss ML/FT risks for Cambodia, components of an effective AML/CFT system, and the pending draft legislation with the goal of facilitating and expediting its adoption.
Cambodia	Central Bank Operations	\$228,000	Extension of long-term advisor at the National Bank of Cambodia to provide day-to-day advice and specifically to assist with the design and implementation of a new prudential reporting framework based on the new uniform chart of accounts, strengthening on-site examination through classroom and on-the-job training, designing an enhanced off-site supervision program, and establishing an AML program.
Cambodia	Customs Administration	\$125,000	Assignment of a customs administration expert for 20 weeks, over five visits, to assist the Customs and Excise Department in the Ministry of Finance complete the implementation of the strategy for modernization of customs administration, including a decision on the phase-out of Pre-Shipment Inspection (PSI), and the selection and initial development of a country-wide customs computerization system.

Beneficiary	Subject Area	Committed	Description
China	Government Financial Statistics	\$50,000	Seminar on Government Financial Statistics delivered as part of the Joint China-IMF Training Program to familiarize officials from the regional offices of the Chinese Ministry of Finance (MOF) with the methodology of the IMF's <i>Government Finance Statistics Manual</i> (GFSM, 2001) and assist MOF in carrying out reform of its budget and treasury management system.
China	Financial Programming and Policies	\$70,000	Course on Advanced Financial Programming and Policies for senior officials of the Chinese Ministry of Finance will focus on the techniques of, and issues involved in, formulating and implementing a financial program. The course is part of the Joint China-IMF Training Program.
China	Macroeconomic Policy and Management	\$70,000	High-level Seminar on "Aging and Financial Stability" to discuss the impact of an aging population on the effectiveness of monetary policy and financial stability through individual saving behavior and the government's financing need in establishing social safety nets, and the implications for policies and reforms.
China	Exchange Systems	\$70,000	High-Level Seminar on China's Foreign Exchange System for senior Chinese officials, IMF staff and outside experts, to be held as part of the Joint China-IMF Training Program in Dalian. The seminar will discuss the costs and benefits of a more flexible exchange rate regime in China, the adjustment options, and improvements in China's foreign exchange markets and institutions.

Beneficiary	Subject Area	Committed	Description
China	Financial Markets	\$50,000	Course on financial markets analysis delivered as part of the Joint China-IMF Training Program in Dalian to examine the role and function of capital markets, and address issues related to the development of such markets. The course will cover the techniques of financial analysis used to study characteristics of financial instruments, portfolios of assets, and issues related to financing decisions of firms.
China	Macroeconomic Management and Financial Policy	\$50,000	Course on macroeconomic management and financial sector issues delivered as part of the Joint China-IMF Training Program in Dalian to discuss the economic and financial problems confronting authorities in developing countries and examine the options available to policymakers to address them. Special focus will be on how financial sector issues affect macroeconomic management.
China	Macroeconomic Statistics	\$50,000	Seminar on Macroeconomic Statistics for Users delivered as part of the Joint China-IMF Training Program in Dalian to explore the current state of macroeconomic statistics in China including the limitations of existing statistics, how these statistics can be effectively used in analyzing economic developments and formulating policy, and how they can be improved.

Beneficiary	Subject Area	Committed	Description
Indonesia	Banking Supervision	\$228,000	Extension of long-term advisor to assist the Bank of Indonesia (BI) with the implementation of its banking supervision master plan. The advisor will focus on the implementation of risk-based supervision and work with BI officials to develop principles to be used in the drafting of regulations and supervisory guidelines.
Indonesia	AML/CFT Institutional and Legal Framework	\$330,000	Short-term experts to assist the Bank of Indonesia develop a supervisory framework and train supervisory staff to ensure compliance by commercial banks with the Indonesian AML/CFT law and related regulations.
Lao People's Dem. Rep.	Banking Supervision	\$150,000	Peripatetic expert to assist the Bank of Lao P.D.R. develop its capacity in banking regulation and supervision with a focus on on-site examination and off-site monitoring of commercial banks, and the strengthening and implementation of related regulations.
Lao People's Dem. Rep.	Customs Administration	\$75,000	Peripatetic expert to assist the Customs and Excise Department (CED) improve its operational capacity and effectiveness in collecting revenue and processing foreign trade, including preparation of a proposal for CED reorganization and a customs reform work plan, and completion of the deployment of a customs computerization system to selected customs offices.

Beneficiary	Subject Area	Committed	Description
Maldives	Central Bank Legislation	\$75,000	Short-term expert to assist in preparing central bank legislation to establish the Maldives Monetary Authority as an independent central bank that can effectively conduct monetary policy.
Mongolia	Banking Supervision	\$150,000	Series of short-term expert assignments to assist the Bank of Mongolia strengthen its banking supervision capacity. Assistance will focus on improving existing regulations; strengthening off- and on-site supervision; strengthening credit administration; measures to deal with problem banks; and enhancing supervision of nonfinancial institutions and the AML framework.
Mongolia	Budget and Treasury Management	\$57,000	Extension of long-term advisor to assist the Ministry of Finance with implementing budget and treasury management reforms. Assistance will focus on establishing a fully functional treasury single account; strengthening the material and human capacity of the treasury, reforming government banking, payment and accounting arrangements; and improving expenditure control, fiscal reporting, and the legal and regulatory framework.
Mongolia	AML/CFT Legislative Drafting	\$30,000	Short-term expert to assist the authorities with the drafting of an AML/CFT law that is in keeping with international standards and to review further technical assistance needs in the area of AML/CFT.

Beneficiary	Subject Area	Committed	Description
Pacific Island countries	Banking Regulation and Supervision	\$50,000	Regional Workshop for the Association of Financial Supervisors of Pacific Countries. The workshop will focus on supervisory developments and international best practices, covering such topics as operational risk management in banks, credit risk management, corporate governance, and risk-focused supervision.
Pacific Island countries	Financial Management	\$125,000	Short-term expert to prepare a case study and training material in public finance management, focusing mainly on public expenditure management, relevant to Pacific island countries to meet the training needs of these countries.
Pacific Island countries	AML/CFT Institutional and Legal Framework	\$138,000	Continued financing for short-term experts and training to assist Pacific Island countries establish the legal and institutional framework necessary to ensure that money laundering, terrorism financing, and fraud do not compromise the integrity of their financial systems. This phase of assistance will focus on strengthening AML/CFT legislation, setting up and operationalizing financial intelligence units (FIUs), and furthering the creation of a regional entity to support the FIUs.
Papua New Guinea	Monetary Policy	\$57,000	Extension of long-term advisor to assist the Bank of Papua New Guinea strengthen and develop its capacity for ongoing monetary analysis and policy-focused research. Assistance will focus on defining an agenda for high-priority analysis and research and improving analytical quality in monetary policy statements and policy-related publications.

Beneficiary	Subject Area	Committed	Description
Papua New Guinea	Banking Supervision and Regulation	\$150,000	Peripatetic expert to assist the Bank of Papua New Guinea develop analytical and operational capability to effectively supervise and enforce financial sector standards and regulations. Focus will be on improved off-site monitoring and on-site examinations, effective enforcement of supervisory regulations and monitoring of financial soundness indicators.
PFTAC—Pacific Financial Technical Assistance Center	Tax Policy and Tax and Customs Administration	\$264,000	Continued financing for a regional tax policy and revenue administration advisor based at PFTAC in Fiji. The advisor will assist PFTAC member countries on a broad range of tax and customs policy and administration issues through advisory visits and conducting training courses and seminars.
PFTAC—Pacific Financial Technical Assistance Center	Multisector Statistics	\$154,000	Continued financing for a regional economic and financial statistics advisor based at PFTAC in Fiji. The advisor will assist PFTAC member countries on a broad range of areas of economic and financial statistics (including management, infrastructure and priority setting) through advisory visits, training courses, and seminars.
Philippines	Financial Sector Supervision	\$225,000	Short-term experts to assist the Central Bank of the Philippines in strengthening financial sector supervision and securing soundness of the financial sector. Assistance will include enhancing procedures for market risk examinations, designing supervisory programs for complex groups, development of a quality assurance program, and enhanced examination procedures for assessing compliance with AML/CFT requirements.

Beneficiary	Subject Area	Committed	Description
Philippines	Banking Supervision	\$228,000	Extension of long-term advisor at Central Bank of the Philippines to assist with further enhancement of the consolidated supervision framework, development of new examination procedures and report format, restructuring of the examination function, introduction of a specialized examination career stream, and streamlining of the prudential reporting framework.
Philippines	Balance of Payments Statistics	\$100,000	Peripatetic expert to assist the Central Bank of Philippines strengthen the external sector statistics. Assistance is intended to guide the compilers in implementing changes to improve collection systems and methodologies, implementing good statistical practices, and obtaining greater consistency among compiled data with other macroeconomic data sets.
Philippines	Banking and Central Bank Legislation	\$125,000	Peripatetic expert to support the Central Bank of Philippines in revising the banking legislation, including bank insolvency provisions and the central bank charter, in order to make it consistent with internationally recognized standards and best practices.
Solomon Islands	Monetary Policy	\$150,000	Peripatetic expert to assist the CBSI in developing and implementing its monetary and exchange rate policies and securing the soundness of the financial sector, including the development and smooth operation of the domestic government debt market.

Beneficiary	Subject Area	Committed	Description
Sri Lanka	Banking Supervision	\$300,000	Series of short-term expert assignments to assist the Central Bank of Sri Lanka strengthen its banking supervision capacity. Assistance will focus on introducing a set of regulations to implement a new banking act; strengthening off- and on-site supervision; strengthening procedures for dealing with problem banks; and conducting staff training.
Sri Lanka	Payment Systems Legislation	\$125,000	Short-term expert to assist the authorities in Sri Lanka prepare a new and separate Payment Systems Law, and revise existing relevant legislation, in accordance with international standards including those adopted by the Basel Committee on Payment and Settlement Systems.
Sri Lanka	Central Bank and Banking Legislation	\$150,000	Extension of the peripatetic expert to assist the Central Bank of Sri Lanka with completing revisions to the central bank and banking legislation in order to make them consistent with internationally recognized standards. The expert will also assist in drafting enforcement regulations and conducting familiarization workshops for the new legislation.
STI—Singapore Regional Training Institute	Macroeconomic Analysis and Policy	\$228,000	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.

Beneficiary	Subject Area	Committed	Description
STI—Singapore Regional Training Institute	Macroeconomic Analysis and Policy	\$228,000	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.
Thailand	Banking Supervision	\$228,000	Extension of long-term advisor to the Bank of Thailand to assist in completing the new off-site supervision framework and training of examiners on its application. The advisor will also continue to provide advice on the implementation of the new Basel Capital Accord and other policy issues and assist in the implementation of consolidated supervision of banking groups and financial conglomerates.
Timor-Leste	Multisector Statistics	\$285,000	Extension of long-term advisor to continue assisting the authorities establish a national statistical system. The advisor will, among other things, assist the Ministry of Finance and Planning, Banking and Payments Authority, the National Statistics Office, and other concerned government agencies in the development of institutional structure and operational capacity to compile national accounts, price, balance of payments, government finance, and monetary and financial statistics.

Beneficiary	Subject Area	Committed	Description
Timor-Leste	Macroeconomic Management	\$228,000	Macroeconomic advisor to assist the Ministry of Planning and Finance with the establishment and effective operation of a petroleum fund. Duties will include assisting with needed legislation; briefings to government, public and donors; processing necessary fiscal forecasts; and effective initial operations of the petroleum fund.
Timor-Leste	Central Bank Operations and Banking Supervision	\$264,000	Continued financing for the Special Advisor to the General Manager for Administration of the Banking and Payments Authority (BPA) as well as for short-term experts in banking/ insurance supervision and central bank functions. The support focuses on further development of capabilities needed for the establishment of a central bank. Half of the costs of these assignments will continue to be cost-shared by the United Nations.
Timor-Leste	Central Bank Payments and Accounting and Controls	\$228,000	Extension of the Banking and Payments Authority's Deputy General Manager for Payments (DGMP) and the Advisor to the Chief Accountant (ACA). The DGMP will help further develop the payment system, including the drafting of a payment system law. The ACA will help complete the central accounting system, the chart of accounts, and the strategic plan for establishing an internal audit function. Half of the costs of these assignments will continue to be cost-shared by the United Nations.

Beneficiary	Subject Area	Committed	Description
Vanuatu	Banking Supervision	\$228,000	Extension of long-term expert to assist the Reserve Bank of Vanuatu strengthen its Bank Supervision Department to carry out banking supervision, implement anti-money laundering laws, and follow up on the recommendations of the 2002 Offshore Financial Center assessment.
Vietnam	Tax Administration	\$100,000	Peripatetic expert to assist the General Department of Taxation prepare a pilot project for the introduction of self-assessments in two regional offices, including the preparation and implementation of a training program, and the development of guidelines for a computer system to support the project.

CENTRAL AND WESTERN EUROPE

Beneficiary	Subject Area	Committed	Description
Croatia	Public Expenditure Management	\$228,000	Long-term advisor to assist the Ministry of Finance improve the quality, coverage, and timeliness of fiscal forecasting and fiscal reporting, and strengthen expenditure control. These will be achieved through the establishment of a reliable, timely, and comprehensive fiscal forecasting and reporting system, the introduction of expenditure commitment tracking and in-year financial planning systems.

Annex 1

Beneficiary	Subject Area	Committed	Description
Europe—multiple countries	Monetary Policy Research	\$258,000	Extension of long-term advisor to assist the Bank of Albania, the Central Bank of Bosnia and Herzegovina (CBBH), and the Banking and Payment Authority of Kosovo (BPK) further upgrade their research capabilities. In Albania, the focus will be on monetary policy strategy and design. In Bosnia and Herzegovina, the focus will be on the technology, skills, and databases of the research department of the CBBH. In Kosovo, the focus will be on improved analytical capabilities and improved quality of BPK's publications.
Europe—multiple countries	Public Expenditure Management	\$75,000	Extension of peripatetic advisor to continue assisting the Center of Excellence in Finance (CEF) in Slovenia prepare and manage regional training programs, identify lecturers, deliver training, and strengthen relations with CEF donors.
Kosovo	National Accounts and Balance of Payments Statistics	\$228,000	Long-term advisor to assist Kosovo's Statistical Office (SOK) and Banking and Payment Authority (BPK) build their capacity to compile and produce national accounts and balance of payments statistics, respectively. Assistance will focus on assessment of needed institutional improvements, preparation of work plans for continued improvement, provision of training, as well as compilation of preliminary balance of payments statements for recent periods.

Beneficiary	Subject Area	Committed	Description
Serbia and Montenegro	Banking Supervision	\$228,000	Extension of the Vice Governor of the National Bank of Yugoslavia responsible for banking supervision, IT, and internal audit. During the extension, focus will be on modernizing bank supervision through the preparation and implementation of a three-year supervisory development plan, setting up of a supervisory review committee and a portfolio management system; preparation of a new Law on Deposit Insurance and a new Law on Banking Rehabilitation; strengthening the Bank Reconstruction Agency; and preparation of a new Law on the National Bank of Serbia.

EASTERN EUROPE AND CENTRAL ASIA

Beneficiary	Subject Area	Committed	Description
Azerbaijan	Payment Systems	\$75,000	Series of short-term assignments to help the National Bank of Azerbaijan (NBA) in specifying, procuring, and implementing a card clearing infrastructure, which is the final major component of the NBA's payment system reform project. Assistance will focus on evaluation of bids, plans for inclusion of post office outlets, engagement of potential users, organization of pilot projects, and development of fee structures.
Europe—multiple countries	Public Expenditure Management	\$264,000	Regional budget/treasury advisor to assist the authorities implement PEM reforms in Armenia and Georgia. In Armenia, the advisor will coordinate his budget preparation activities with other donors while focusing on improving the

Beneficiary	Subject Area	Committed	Description
			financial planning and cash management system. In Georgia, the advisor will focus on implementation of a new commitment control system, improving the cash management system, and implementation of a Treasury Single Account.
Europe—multiple countries	Treasury Management	\$248,000	Extension of long-term advisor to provide strategic advice to the Russian Federal Treasury in implementing key elements of its treasury reform project, particularly with regard to introduction of a financial information system, accounting reform, financial planning, and budget classification. In addition, the advisor will continue to function as a regional treasury advisor by continuing to support budget and treasury reform efforts in Armenia and the Kyrgyz Republic, and Belarus and Ukraine.
Kyrgyz Republic	Payment Systems	\$100,000	Peripatetic expert to assist the National Bank of the Kyrgyz Republic with the implementation of a non-cash payment system. The expert will, among other things, assist with the following: completion of business and technical specifications, drawing up a plan for inclusion of post office outlets, adoption of fee structures, and implementation of pilot projects for potential users.
Kyrgyz Republic	Banking Supervision and Reform	\$228,000	Extension of long-term advisor to assist the National Bank of the Kyrgyz Republic further strengthen its supervision capability, enhance the legal and regulatory infrastructure, and implement structural reform measures recommended by the IMF.

Beneficiary	Subject Area	Committed	Description
Russia	Budget Management	\$228,000	Extension of long-term advisor to assist the Russian Federal Treasury improve budget preparation including development of a medium-term budget framework and better linkages with sub-national budgets. The advisor will also assist with the finalization of the new budget classification and with implementation of recommendations of the 2003 fiscal transparency ROSC mission.
Uzbekistan	Public Expenditure Management	\$228,000	Extension of long-term budget/treasury advisor to assist the authorities with implementation of the reform measures from the first phase of the TA. Key components include an amended Budget System Law (BSL); a new Treasury System Law (TSL); a Government Finance Statistics Manual (GFSM); consolidation of the accounting framework; and development of an internal audit function.

IMF—MULTIPLE REGIONS

Beneficiary	Subject Area	Committed	Description
IMF—multiple regions	Macroeconomic Management and Structural Adjustment	\$500,000	Provide continued funding for Asian participants in the IMF training program at the Joint Vienna Institute.
IMF—multiple regions	Macroeconomic and Financial Policies	\$93,750	Course on financial programming and policies for officials from Afghanistan, Bangladesh, Iran, Nepal, Pakistan, and Sri Lanka to strengthen their understanding of the design and implementation of macroeconomic and financial policies. The course covers the main issues regarding macroeconomic accounts, analysis, and forecasting, and the effects of policy measures on macroeconomic variables.

Annex 1

Beneficiary	Subject Area	Committed	Description
IMF—multiple regions	Macroeconomic Management	\$500,000	High-level 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 Asian and CIS countries.
IMF—multiple regions	Publication of JSA-Related Information	\$12,000	Publication of the FY2003 JSA Annual Report in English and Japanese; and posting/update of information regarding the JSA on the IMF’s public website.
IMF—multiple regions	CFT Legislative Drafting	\$237,500	A program of regional legislative drafting workshops on CFT to promote expeditious global implementation of the main international standards set for CFT. Three workshops will be held covering Central Asian states, North/Saharan African states, and Latin American states.
IMF—multiple regions	JSA Annual Report–Related Information	\$10,000	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	Course for 30 officials from Lusophone countries on monetary and financial statistics to familiarize participants with the methodologies and procedures for the compilation of monetary statistics set forth in the IMF’s <i>Monetary and Financial Statistics Manual</i> (MFSM) and to improve their knowledge of the use of statistics in financial programming, economic analysis and monetary policy.

Beneficiary	Subject Area	Committed	Description
IMF—multiple regions	Data Dissemination Standards	\$50,000	Two seminars held in Beijing for officials from nine countries neighboring China (Bhutan, Cambodia, Kazakhstan, Kyrgyz Republic, Lao P.D.R., Mongolia, Nepal, Tajikistan, and Vietnam) to learn from the Chinese experience in the reform of statistical systems, and to exchange views on how GDDS can improve their statistical systems. The seminars will be cost-shared by the National Bureau of Statistics of China.

MIDDLE EAST REGION

Beneficiary	Subject Area	Committed	Description
Afghanistan	Treasury Management	\$228,000	Long-term advisor to the Department of Treasury/Ministry of Finance to provide guidance on an overall reform strategy in key treasury functions, including streamlining treasury payment and accounting systems and installing a Treasury Single Account.
Afghanistan	Multisector Statistics	\$170,000	Extension of long-term advisor, on a peripatetic basis, to continue assisting the authorities with the strengthening of economic and financial statistics, including developing and improving the institutional structure and legal framework for the production of national accounts, price, balance of payments, fiscal, and money and banking statistics.

Beneficiary	Subject Area	Committed	Description
Iran	AML/CFT Legislation	\$50,000	Short-term experts to assist the Iranian authorities in drafting AML/CFT laws and regulations to ensure their compatibility with relevant international requirements, standards and best practices.
Jordan	Balance of Payments Statistics	\$300,000	Peripatetic expert to assist the authorities strengthen balance of payments statistics and develop international investment position data in accordance with international standards through adoption of the IMF's <i>Balance of Payments Manual</i> (BPM5); improvement of the collection system; and consistency among compiled data with other macroeconomic data sets.
Jordan	Fiscal and Macroeconomic Management	\$228,000	Macroeconomic advisor to assist the Ministry of Finance with development and implementation of the macrofiscal framework and to provide training on macrofiscal analysis, modeling, monitoring, and forecasting.
Middle East—multiple regions	Anti-Money Laundering Legislative Drafting	\$50,000	Financing for participation of officials from Afghanistan and Iran in a legislative drafting workshop on Anti-Money Laundering (AML) to assist participating countries initiate new, or update existing, legislation in line with the revised FATF 40 Recommendations. In addition, immediately after the workshop, assistance will be provided to the Afghanistan participants to complete drafting AML/CFT legislation.

Beneficiary	Subject Area	Committed	Description
Middle East— multiple countries	Financial Statistics	\$50,000	Workshop to improve the level of participation from the Middle Eastern Region in the Coordinated Portfolio Investment Survey, designed to collect data on the value of members' holdings of cross-border portfolio investments on an internationally consistent basis in order to improve the data on global financial markets.
Middle East— multiple countries	Data Dissemination Standards	\$70,000	GDDS metadata workshops to assist Bahrain, Qatar, Saudi Arabia, and Syria, in completing the drafting of metadata for the four sectors (real, fiscal, monetary and external), and to provide them with knowledge on how the GDDS could help improve their statistical system.
Morocco	Banking Supervision	\$228,000	Extension of long-term advisor to assist Bank El-Maghrib with its efforts to strengthen banking supervision to better comply with Basel Core Principles. Focus will be on increasing the reliability of off-site inspections, increasing the frequency of on-site examinations, and improving the regulatory framework, including coverage of AML/CFT issues.
Syrian Arab Republic	Banking Supervision	\$228,000	Long-term advisor to assist the Bank of Syria with drafting new banking regulations, finalizing a new accounting system in line with international standards, and strengthening of on-site and off-site supervision including training of new supervisory staff.

WESTERN HEMISPHERE REGION

Beneficiary	Subject Area	Committed	Description
Bolivia	Customs Administration	\$75,000	Extension of peripatetic expert to assist the National Customs Service with completing the implementation of customs administration reform. Assistance will focus on the phasing out of pre-shipment inspection and the completion of the deployment of the ASYCUDA customs computerized system throughout the country.
Nicaragua	Tax Administration	\$228,000	Long-term advisor to assist the Tax Administration of Nicaragua (Direccion General de Ingresos - DGI) strengthen tax administration through new organizational arrangements; new procedures in return filing, payment, and audit; monitoring and control of stop filers and delinquent taxpayers; improved large taxpayers compliance; and strengthened information technology and human resources management.
Paraguay	Customs Administration	\$228,000	Long-term expert to assist in the complete revamping of customs administration with a focus on a new organizational structure, streamlining of control and duty assessment procedures, and integration of the existing computerized clearance system.

Beneficiary	Subject Area	Committed	Description
Western Hemisphere—multiple countries	Monetary and Financial Statistics	\$93,750	Seminar to provide training on the methodology and procedures for the compilation of monetary statistics in accordance with the IMF's <i>Monetary and Financial Statistics Manual</i> and improve participants' knowledge of linkages among major macro-economic statistical systems and the use of statistics in financial programming, economic analysis and monetary policy.

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 who are being 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 Director's Office) and an IMF staff member.

Countries and projects selected for review are based on a number of considerations that are 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 of 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. Meetings are typically held with other concerned donors to seek their views.

Findings

To date, 11 visits have been made (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 authori-

ties 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 summary report of the of the field visits that took place in FY2004 are provided below. Reports on earlier field visits can be found in previous JSA Annual Reports.

Joint Field Visits in FY1996–FY2004

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
11. Indonesia and Fiji, December 2003

Joint Field Visits in FY2004

Indonesia, December 2003

Following the Asian financial crisis in 1997, the IMF has provided a significant amount of TA to Indonesia to assist the authorities to restore confidence in the banking sector. This TA, totaling around \$2.25 million to date and primarily financed by the JSA, has focused on improving supervisory standards, strengthening regulations, and bringing supervision practices in line with international standards. As part of this continuing assistance, the JSA is currently financing (1) a long-term advisor on bank supervision at the Bank of Indonesia to assist with strengthening consolidated supervision and risk-based examinations; and (2) peripatetic expert assistance for the development of Indonesia's AML/CFT supervisory framework to ensure compliance by banks with AML/CFT regulations.

As a result of the TA provided, the Bank of Indonesia (BI) was able to adopt a Master Plan in 2000 to improve bank supervision and bring its regulations and supervisory practices in line with the Basel

Core Principles. A recent IMF review and BI self-assessment found that much progress had been made in improving the capabilities of bank supervision staff, implementing new regulations, strengthening analytic capabilities, and enhancing financial reporting. Nevertheless, there are still significant areas that need to be addressed under the Master Plan that will require continued TA, including the need for regulations requiring consolidated financial reporting and supervision, and the strengthening of the management structure of bank supervision.

In the course of their visit, the joint review team met with senior officials in the Bank of Indonesia, the JSA-funded advisors, commercial bank representatives, and the IMF Resident Representative. The Indonesian authorities indicated that the contribution of IMF experts had been extremely important in restoring the health of the banking system and expressed appreciation for Japan's support and the hope that this assistance would continue to be provided to enable them to complete the implementation of the Master Plan. The positive view of developments in the banking sector was confirmed by the commercial bank representatives who noted that BI officials' interactions with banks had become much more professional and focused and that they appeared more capable and confident in their discussions.

The Japanese members of the review team expressed satisfaction with the technical assistance provided to the Bank of Indonesia with JSA funding. The assistance had been effective and had played a critical role, first, in helping with "firefighting" following the crisis and, thereafter, with developing regulations and supervisory tools, and with the strengthening of the capacity of BI officials.

Fiji, December 2003

Since FY1999, Japan has financed some \$9 million of IMF technical assistance to the Pacific Island Countries (PICs) in all four core areas of the IMF's expertise through a combination of long-term advisors, short-term expert services, and training. In their visit to Fiji, the joint review team focused on the activities of the Pacific Financial Technical Assistance Center (PFTAC) and regional projects to strengthen macroeconomic statistics systems and the financial sector, including strengthening the AML/CFT framework, currently financed by the JSA. In the course of their review, the team met with senior officials of the Reserve Bank of Fiji, Ministry of Justice, Bureau of Statistics, Pacific Island Forum Secretariat, the United Nations Office on Drugs and Crime, as well as the JSA-funded long-term advisors on tax and customs administration, economic and financial statistics, and AML/CFT.

PFTAC. The center was established in 1993 as a cost-efficient way to provide assistance to the Pacific Island Countries to build skills and institutional capacity for effective economic and financial management. To meet this objective, PFTAC provides advisory services and training in public financial management, tax and customs administration and policy, financial sector regulation and supervision, and macroeconomic and financial statistics. Currently JSA is financing the two IMF advisors on tax and statistics based at PFTAC. In the review meetings, the authorities had nothing but praise for PFTAC, par-

ticularly for the quality of its assistance, the capabilities and professionalism of its advisors, its responsiveness to urgent requests, and its ability to act as a trouble shooter and resource “help desk” when the small island countries did not know where to turn to for assistance.

Pacific Island GDDS Project. The regional project’s objective is to improve the capacity of participating PICs to produce and disseminate reliable and timely macroeconomic and socio-demographic statistics in keeping with international standards. The design and implementation of the project take into account the particular circumstances of the PICs, their small size, and the rudimentary stage of their statistical systems. JSA finances a group of peripatetic experts who work in coordination with the PFTAC statistics advisor as well as provide workshops, seminars, and other forms of training. While progress has been slower than anticipated, this regional mechanism for assistance was seen by the authorities to be an effective way to support them in their efforts to participate in the GDDS.

Regional financial sector assistance. The joint review team also looked at JSA-funded assistance for strengthening the financial sector in the PICs where progress was noted in the following areas: in Fiji, the development of a framework for the prudential supervision of insurance companies and the National Provident Fund; in the Federated States of Micronesia, strengthening of on-site examination skills in the Banking Commission; in the Marshall Islands, setting up of a Capital Adequacy Scheme under the Basel Capital Accord; in Palau, setting up of the Financial Institutions Commission, drafting of regulations, and establishing of off-site surveillance procedures; in Samoa, the Solomon Islands, and Tonga, improved monetary operations; and, in Vanuatu, bank supervision capacity strengthened to cover off-shore banks.

The above technical assistance to the Pacific Island countries received high praise from the authorities and other TA providers and was viewed as very important for helping the PICs in their efforts to meet international standards. The Japanese representatives on the review team expressed their strong satisfaction with the work of PFTAC and the other TA activities reviewed and agreed that IMF TA for the PICs deserved continued support. The Japanese representatives noted the importance of having a TA center in the Pacific region because its needs might otherwise be overlooked, or the region might suffer from lack of coordinated assistance.

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 89 projects. This represents a response rate of 70 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, 105 questionnaires have been received.

Overall, the responses show that the authorities are highly satisfied with JSA-funded technical assistance. As shown in Table 10, 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, 19 percent indicated that they were not or not fully consulted on the terms of reference prior to arrival of the expert. Beneficiaries were also satisfied with the selection 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 87 percent of respondents. The responses were slightly lower (82 percent) regarding the usefulness of the expert's advice in terms of the reform efforts. On a question regarding skills transfer, 73 percent of respondents indicated that the expert paid sufficient attention to training and capacity building, 22 percent indicated that skills transfer was only partially sufficient, and another 4 percent felt it had been inadequate. Respondents were satisfied (82 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, as well as constraints on TA resources, 20 percent of respondents felt that there were relevant issues or tasks that were not addressed by the expert. Overall, 58 percent of respondents indicated that they were highly satisfied with the overall progress made during the project and another 40 percent indicated that they were satisfied. Only one respondent was unsatisfied with the 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?	87	13	0	0
5. Was the expert's advice useful in supporting reform?	82	18	0	0
6. Did the expert pay sufficient attention to training and capacity building?	73	22	4	1
7. Were all relevant issues or tasks addressed by the expert?	80	0	20	0
8. To your knowledge was the expert adequately supervised by Fund headquarters?	82	11	1	6
9. How would you rate the overall progress of this assignment?	58	40	1	1

Note: Based on 105 responses.

Annex 4:
ADMINISTERED ACCOUNTS—JAPAN FINANCIAL STATEMENT FY2004

	Administered Account for Selected Fund Activities—Japan	Framework Administered Account for Technical Assistance Activities— Subaccount for Japan Advanced Scholarship Program		
Balance Sheet as of April 30, 2004, and 2003				
	2004	2003	2004	2003
	<i>(In thousands of U.S. dollars)</i>			
Assets				
Cash and cash equivalents	22,699	25,031	1,686	1,844
Total Assets	22,699	25,031	1,686	1,844
Resources				
Total Resources	22,699	25,031	1,686	1,844
Income Statements and Changes in Resources for the Years Ended April 30, 2004, and 2003				
	2004	2003	2004	2003
	<i>(In thousands of U.S. dollars)</i>			
Balance, beginning of the year	25,031	20,459	1,844	1,924
Income earned on investments	290	227	19	21
Contributions received	20,374	25,508	1,521	1,521
Payments to and on behalf of beneficiaries	(22,996)	(21,163)	(1,698)	(1,622)
Net changes in resources	(2,332)	4,572	(158)	(80)
Balance, end of the year	22,699	25,031	1,686	1,844

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.

