



Japan

**Japan Subaccount under the IMF Framework
Administered Account for Selected Fund Activities**

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ANNUAL REPORT Fiscal Year 2010



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*Minor discrepancies between constituent figures and totals are due to rounding.
References to dollar amounts are in U.S. dollars.*

INTRODUCTION

JSA Annual Report Fiscal Year 2010

In 1990, Japan agreed to provide financial support for IMF technical assistance (TA) to its member countries to strengthen their capacity to formulate, implement, and maintain macroeconomic and structural adjustment programs. Since then, Japan has continued to be the largest single contributor to the IMF's technical assistance and training activities. In addition, Japan finances two scholarship programs, and selected activities of the IMF's Regional Office for Asia and the Pacific.

Until April 2010, Japan's contributions were provided through the Japan Administered Account for Selected Fund Activities, and the Japan-IMF Advanced Scholarship account. In April 2010, the IMF Executive Board approved the establishment of the Japan Subaccount under the new Framework Administered Account for Selected Fund Activities ("SFA"),¹ which permits Japan to finance comprehensive TA programs with greater impact and visibility while providing more transparent reporting on costs. The new Japan Subaccount has started to finance capacity building activities from Japan; the Japan Administered Account for Selected Fund Activities will remain open until ongoing projects under the account have been completed. In the following, the term "JSA" refers to both the Japan Administered Technical Assistance Account and the Japan Subaccount under the new instrument.

¹ See <http://www.imf.org/external/np/pp/eng/2009/030409.pdf> for the new instrument and <http://www.imf.org/external/np/pp/eng/2010/040510.pdf> for the establishment of the Japan subaccount under the new instrument.

This report starts with a brief description of the IMF and its activities, focusing in particular on its TA activities. It then describes in greater detail the JSA—including its scope and objectives, the size and uses of the TA contribution, and assessments of its TA activities and scholarship programs—with a focus on fiscal year (FY) 2010.²

The IMF: Purpose and Activities

The IMF, which currently has 187 member countries,³ 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 sustainable economic growth. To achieve these objectives, the IMF undertakes three main functions: 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. It regularly appraises members' exchange rate policies within the overall framework of their economic policies in what are known as Article IV consultations. The IMF also carries out multilateral surveillance, the results of which are summarized in the *World Economic Outlook* and in the

²The reference to fiscal year in this report is to the IMF fiscal year, which runs from May 1 through April 30. This report thus covers the period May 1, 2009–April 30, 2010. Reports on FY2000–FY2009 can be found on the IMF website, under www.imf.org/external/pubs/ft/ta/index.asp.

³As of the end of the period covered by this report, there were 186 member countries.

Global Financial Stability Report, both of which are published twice a year.

Financial assistance includes providing credits and loans to member countries with balance of payments problems so that they can restore conditions for financial and macroeconomic stability and 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. The IMF makes its financial resources available to its members through a variety of financial facilities, including concessional assistance and debt relief targeted at low-income members.⁴

⁴For further information on the IMF's financial assistance programs, see www.imf.org/external/np/exr/facts/howlend.htm.

Technical assistance consists of expertise and training provided to member countries to help them strengthen their human and institutional capacity and design and implement effective macroeconomic and structural policies. The IMF offers TA in its areas of core expertise: fiscal policy and management, monetary policy and financial systems, and macroeconomic and financial statistics. See Box 1 for a list of the core areas of IMF technical assistance.⁵

IMF Technical Assistance: Demand and Supply

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

⁵Additional information on the IMF's TA activities can be found under www.imf.org/external/np/exr/facts/tech.htm.

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

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

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

Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT)

assistance had substantially increased. 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 TA activities grew even more rapidly in the early 1990s. Demand increased further in the late 1990s as significant TA resources had to be directed to countries affected by financial crises and to meet the needs of countries emerging from conflict.

Over the years, the IMF's TA program has had to respond to a number of new initiatives that have changed the overall demand on its resources. As part of this evolution, resources have been devoted to helping countries build capacity for their anti-money laundering and combating the financing of terrorism (AML/CFT) efforts; helping countries adopt and adhere to international standards and codes for financial, fiscal, and statistical management; helping low-income countries formulate and implement poverty reduction strategies; and helping heavily indebted poor countries (HIPC) design and manage debt reduction programs and strengthen public expenditure management for effective tracking of poverty-reducing expenditures.

The IMF's technical assistance is delivered mainly by its Fiscal Affairs Department, Monetary and Capital Markets Department, Statistics Department, and Legal Department, but overall TA policy and coordination are handled by the Office of Technical Assistance Management (OTM) in consultation with other IMF departments. OTM is also responsible for mobilizing and managing external finance for this area of IMF activity.

Technical assistance is delivered in a variety of ways. IMF staff from headquarters may visit member countries to advise government officials on specific issues, or the IMF may provide specialists on a short- or long-term basis. Training is provided primarily by the IMF Institute at headquarters, in recipient countries, and through regional training institutes.⁶ Box 2 describes JSA-funded IMF training in FY2010.

Since 1993, the IMF has provided an increasing amount of its technical assistance through Regional Technical Assistance Centers (RTACs). Currently, there are seven RTACs; the latest, the Central America, Panama and Dominican Republic Regional Technical Assistance Center (CAPTAC-DR) in Guatemala City, Guatemala, was inaugurated in June 2009.⁷ Experience with this regional approach

⁶The IMF currently cosponsors seven regional training institutes/programs with other donors and host governments: the Joint Vienna Institute in Austria; the IMF-Singapore Regional Training Institute in Singapore; the IMF-Arab Monetary Fund Regional Training Program in Abu Dhabi, United Arab Emirates; the Joint Partnership for Africa, Tunisia, Tunisia; the Joint China-IMF Training Program in Dalian, China; the Joint Regional Training Center for Latin America in Brasilia, Brazil; and the Joint India-IMF Training Program in Pune, India.

⁷The seven IMF regional technical assistance centers comprise three Africa Regional Technical Assistance Centers (Central AFRITAC, based in Libreville, Gabon; East AFRITAC, based in Dar es Salaam, Tanzania; and West AFRITAC, based in Bamako, Mali); the Central America, Panama and Dominican Republic Regional Technical Assistance Center (CAPTAC-DR), based in Guatemala City, Guatemala; the Caribbean Regional Technical Assistance Center (CARTAC), based in Bridgetown, Barbados; the Middle East Regional Technical Assistance Center (METAC), based in Beirut, Lebanon; and the Pacific Financial Technical Assistance Center (PFTAC), based in Suva, Fiji.

Box 2. Adapting the IMF Institute's Curriculum to Asia's Needs

For a number of years, the curriculum of the IMF Institute has been placing increased emphasis on macro-financial linkages. The recent global crisis and the related policy discussion on boosting the resilience of the global financial system have underlined the importance of ensuring the curriculum is well adapted to the macroeconomic and financial landscape of the post-crisis world. Given the increasing sophistication of emerging market economies in the Asia Pacific region, the IMF-Singapore Regional Training Institute (STI) has been paying particular attention to ensuring that the curriculum is attuned to the needs of the region in this respect. As it addresses these issues, the evolving STI curriculum continues to emphasize practical learning by combining theoretical exposition with case studies and hands-on experience in workshops. JSA funding of the IMF's training program at the STI has been important in supporting these efforts to ensure that the IMF can successfully meet the training needs of its member countries in the Asia and Pacific region. For many years, JSA has financed two long-term experts stationed at the STI.

The STI's curriculum addresses the need for training in the macro-finance area in a variety of ways:¹ There are regular offerings of courses that focus on techniques of financial analysis as part of the toolkit for economic policy design, addressing the challenges such as those posed by financial derivatives and securitization, and the roles of micro- and macro-prudential regulation. Courses on Financial Market Analysis and the more advanced Financial Markets and New Financial Instruments were introduced almost a decade ago and have been adapted over time to the changing financial market landscape. These have been supplemented by other recently designed courses like the one on Mortgage Markets, Securitization and Structured Finance.

These courses are complemented by a variety of macro-policy courses. Existing courses such as those on Monetary and Exchange Rate Policies and

¹ More detailed descriptions of the courses mentioned in this Box, as well as of the other courses in the IMF Institute's curriculum can be found on the IMF Institute's web site at <http://www.imf.org/external/np/iins/english/index.htm>

to TA delivery has been very positive and the IMF plans to establish three additional regional TA centers in the near future—two more in Africa, and one in Central Asia. The IMF directly finances technical assistance with a quarter of its annual operating budget allocated to TA work and training. Although a large part of TA continues to be financed from the IMF's internal resources, external financing from bilateral and multilateral partners has

become increasingly important in recent years—particularly in financing TA field delivery. In FY2010, external financing from bilateral and multilateral donor partners accounted for more than two-thirds of TA delivered in the field.⁸ Although the number of

⁸ IMF headquarters-based activities related to technical assistance, such as headquarters-based TA, policy and research, evaluation, management, and administration, were financed mostly internally.

JSA ACTIVITIES

on Macroeconomic Management and Financial Sector Issues have been placing increased emphasis on the design of macro frameworks for monetary and financial stability. A relatively new course on Economic Policies for Financial Stability explores lessons from recent crises in discussing the macroeconomic causes and consequences of, and the policy responses to stress in financial markets and banking systems.

The STI program offers specialized courses that further deepen the coverage of monetary and financial sector issues. These include courses on Financial Soundness Indicators, Risk Based Supervision, Designing Effective Legal Frameworks for Problem Banks, and a new course on Central Banking and Financial Sector Legal Frameworks. There are, in addition, a variety of courses on statistical frameworks that provide important coverage of the financial sector.

Broad macroeconomic courses, such as the long-standing course on Financial Programming and Policies and the relatively new course on Macroeconomic Diagnostics also pay attention to the macro-financial nexus, as well as addressing

closely connected issues such as the sustainability of public and external debt.

The IMF Institute draws heavily on input from other IMF departments, IMF member countries, and other interested organizations (e.g., Asian Development Bank, Bank for International Settlements, and South East Asian Central Banks Research and Training Centre) in the design of its curriculum. In January 2010, the STI convened a regional meeting in Singapore of senior officials from Central Banks and Ministries of Finance with responsibility for training officials in their agencies. The discussion at this meeting, which was attended by a senior official of the Japanese Embassy in Singapore, underlined the importance attached to the training program generally and in particular to how it had been adapted to changing needs. Country officials provided valuable input on topic areas where they thought STI could provide increased coverage, including a number in the area of analysis and policy design in the financial sector. The meeting also provided an excellent opportunity to enhance the visibility of Japanese support for the STI's training activities.

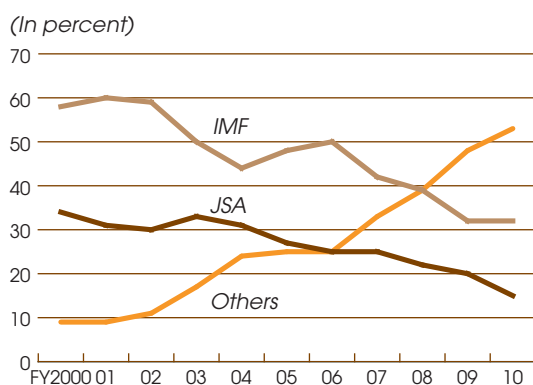
bilateral and multilateral partners has increased significantly in recent years, Japan continues to be one of the largest single sources of external financing. In FY2010, JSA financing accounted for slightly less than a quarter of total external financing and more than one-seventh of IMF TA delivered in the field. Figure 1 shows the JSA's share of the financing of IMF field-delivered capacity building over FY2000–FY2010.

JSA Financed Activities

Level of Funding

Since 1990, Japan has made annual contributions totaling about \$352 million, of which \$321 million has been for TA projects/programs and the activities of the Regional Office for Asia and the Pacific, \$31 million has been for the Asia Scholarship Program. In addition, since 1996, Japan has contributed more than \$21 million to the Japan Advanced Scholarship Program.

Figure 1. JSA Share of Financing of Capacity Building in the Field, FY2000–FY2010



Annual contribution figures for TA and the two scholarship programs, for FY1990–FY2010, are provided in Table 1. Figure 2 shows the annual contributions for TA under the JSA since its inception.

Japan-IMF Consultations

Regular consultations are held between the IMF and the Japanese authorities; the most recent formal meeting took place in April 2010. Consultations cover (1) the effectiveness of the assistance provided with JSA funding, (2) the expected regional and subject area use of JSA resources in the current fiscal year and the targets for the following fiscal year, (3) the likely costs of project and program inputs, (4) the anticipated level of Japan’s future contribution to the JSA, (5) the organization of joint field visits by the Japanese authorities and the IMF, and (6) any issues that may arise in the upcoming period. The consultations also provide a venue

to discuss developments regarding the IMF TA program as a whole. IMF staff also visit Tokyo from time to time for more detailed discussions with the Japanese authorities on the JSA and related matters.

Scope of Activities

Japan has provided grant contributions to four areas of activity. The largest amount of financing is to support IMF TA and related activities to member countries. Since 1997, Japan has also supported selected IMF activities in Asia and the Pacific, carried out through the IMF Regional Office for Asia and the Pacific in Tokyo. In addition, Japan provides grant contributions for two scholarship programs—the Japan-IMF Scholarship Program for Asia and the Japan-IMF Scholarship Program for Advanced Studies.

Figure 2. Annual Contributions by Japan for Technical Assistance, FY1990–FY2010

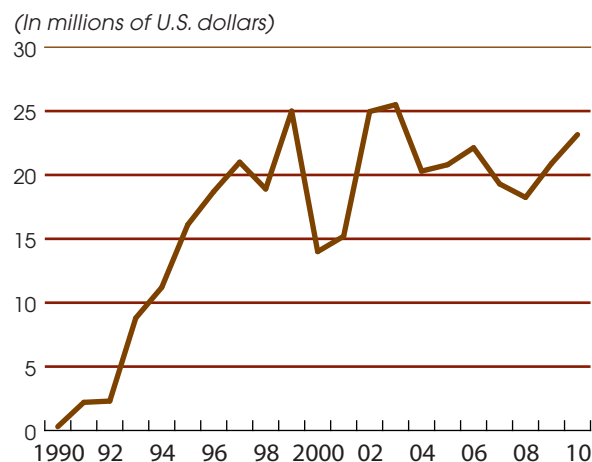


Table 1. Contributions by Japan, FY1990–FY2010*(Millions of U.S. dollars)*

	FY1990– 2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	Total FY1990– 2010
JSA	138.5	15.1	25.0	25.5	20.4	20.8	22.1	19.3	18.2	20.9	7.8	333.7
Technical Assistance ¹	131.9	13.7	22.6	22.8	17.6	18.3	19.4	16.9	15.6	18.6	7.3	304.8
Japan-IMF Scholarship Program for Asia	6.6	1.4	2.3	2.7	2.7	2.6	2.7	2.4	2.6	2.3	1.0	28.9
Japan-IMF Scholarship Program for Advanced Studies	5.6	1.4	1.4	1.5	1.5	1.5	1.6	1.5	1.5	1.6	0.1	19.3
JSA-SFA											19.1	19.1
Technical Assistance ¹											15.4	15.4
Japan-IMF Scholarship Program for Asia											2.3	2.3
Japan-IMF Scholarship Program for Advanced Studies											1.4	1.4

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

Technical Assistance and Related Activities

The use of JSA resources is flexible. JSA funds can be used to cover the cost of short- and long-term TA experts, costs associated with conducting seminars and workshops, and since April 2010, under the SFA framework the headquarters costs associated with ensuring quality control and managing the projects as well as diagnostic headquarters missions, which set out strategic priorities for larger-scale programmatic TA interventions. While JSA funds are not conditional on the use of Japanese nationals, Japanese experts are considered for

assignments wherever possible. The Japanese authorities place highest priority on funding TA activities in Asia and the Pacific and in Central Asia, although JSA-financed TA activities take place in all regions. Consistent with IMF TA policy, the Japanese authorities place high priority on assistance for countries that have demonstrated strong efforts and good track records in implementing economic reform policies.

The main focus of the JSA TA program has been to support low- and lower-middle-income countries as they build the institutions and



Mr. Shogo Ishii, Director (seated second from the left), and staff of the IMF Regional Office for Asia and the Pacific (OAP) in Tokyo. Mr. Chad Steinberg is absent from the picture.

capacity needed to implement growth-enhancing policies. In terms of subject areas, the use of JSA resources reflects the priorities of IMF TA. Examples of success stories in JSA-supported activities are given in Boxes 3–6.

In FY2010, the JSA started to finance selected **programs**. These programs replace the project approach of the previous years and from FY2011 onward, the JSA will be fully on a broader more thematic approach. The programs supported through JSA last up to three years, covering one or more countries and also one or more TA areas. Because capacity building takes time, programs are expected to have a more substantial impact in the recipient countries with stronger results while increasing the visibility for Japan as the donor. The programmatic approach also permits the IMF to design a more comprehensive TA plan for

the relevant countries that best utilizes the comparative expertise of experts and Fund staff.

Project/program submission and approval

Activities to be funded from the JSA are tightly integrated within the overall IMF TA planning process to ensure close alignment between IMF surveillance and lending activities and the key priorities of each country. At the beginning of each fiscal year, the IMF provides Japan with an indicative list of projects/programs that it intends to submit for consideration in the course of the year. The indicative list contains projects/programs that reflect the shared reform objectives of beneficiary countries and the IMF. Thereafter, individual projects are submitted for approval on a monthly basis and individual programs are submitted on an annual basis through the Office of Japan's Executive Director at the IMF. At the start of a program, the full multi-year program proposal and the detailed work plan for the first year will be submitted for approval; in subsequent years of a program, only the work plan for the next year will be submitted for approval.

IMF TA is provided upon the request of member countries. These requests are evaluated by the relevant functional and area departments of the IMF and prioritized using Regional Strategy Notes (RSNs). These strategy notes are developed by each area department in consultation with the functional departments and country authorities.⁹ The RSNs set out the IMF's medium-term TA strategy for both countries and regions. RSNs are a key input to planning

⁹RSNs were introduced in FY2008 as part of the IMF's efforts to enhance its TA prioritization process.

Box 3. Tax Administration Assistance in Liberia

The Fiscal Affairs Department (FAD), through its technical assistance (TA) diagnostic missions during 2006-2010 and JSA-financed expert visits during 2007-2009, has made a significant contribution to rebuilding Liberia's revenue administration machinery and enhancing revenue collections and trade facilitation.

Revenues have increased substantially in this period and good progress has been made on key organizational changes. With the authorities largely embracing the strategic direction that FAD proposed, and supported by an intensive program of technical expert visits funded by the JSA, Liberia's Bureau of Internal Revenue (BIR) was created to consolidate the domestic tax administration, alongside the Bureau of Customs and Excise (BCE) supporting international trade. In addition, compliance strategies were refocused to target specific taxpayer segments with the establishment of a large taxpayer office (LTO), and offices for medium and small taxpayers. TA also supported capacity building in audit that particularly strengthened LTO performance. A high level reform plan was instituted for customs.

Emerging from years of civil conflict, Liberia had huge and urgent needs to rebuild its government institutions and shattered infrastructure, including the revitalization of its revenue administration. Liberia's revenue administration had a

fragmented and ineffective organization, with outdated and manual practices, and no clear reform strategy or program. The 2006 mission outlined a comprehensive program of phased reforms utilizing modern project management principles and practices and established a platform for later missions. Phase I sought to address the organizational structure to create a single tax operation; strengthen compliance through segmentation of the large, medium and small taxpayer population; and improve operating systems including redeveloping a taxpayer identification number. With the foundations in place, Phase II aimed to significantly strengthen the functionality and effectiveness of the separate domestic tax administration and customs administration.

Liberia's TA needs for revenue administration are enormous, and require continued efforts in the future. The achievements to date have laid the needed foundation for further reforms and institutional reorganization to bring the tax and customs administrations and tax policy capacity up to comparable standards within the region. A continuation of strong donor collaboration reinforces the striving for improvement that is clearly owned and driven by the Liberian authorities. Liberia will continue to benefit from JSA financing under a JSA Program. (See Annex 1A—West Africa: Develop Strategic Fiscal Management).

and help optimize resource allocations, plan resource mobilization, and improve coordination with other TA providers and donors. RSNs are approved by the IMF Committee on Capacity Building, a high-level committee convened to organize Fund policy work and allocate resources in relation to capacity building.

Project/program assessment and evaluation

Within three months of a project's completion, the IMF submits a project assessment to the Japanese authorities. Following project completion, the IMF solicits feedback from TA recipient institutions through a questionnaire. The feed-

Box 4. Making a Difference in Macroeconomic Statistics of Countries

Macroeconomic statistics infrastructure and capacity in a number of IMF member countries are weak, and were almost non-existent in countries that just emerged from conflict. The need to produce statistics in these countries to assist in policymaking is great and urgent. The obstacles and constraints in producing rapid tangible results are also enormous—weak physical and administrative infrastructure, as well as limited financial and human resources. With JSA financing, the IMF Statistics Department (STA) has responded to the needs of these countries in developing their statistical systems.

Achievements take time to materialize and come in small but noteworthy and tangible increments. Beyond the initial success of producing the data, follow-up visits of experts to countries made further successes in upgrading the overall quality of the statistics to move them closer to international statistical standards and thereby increasing their analytical use for cross-country comparisons. More importantly, progress is made toward enhancing the sustainability of data compilation and building the capacity of statistics compiling agencies to carry out data compilation by themselves.

The following are some of the successful TA projects funded by JSA:

Timor-Leste

The key objective of the STA technical assistance strategy in Timor-Leste was to build capacity to produce macroeconomic statistics needed for policymaking. In particular, the highest priority was to enable the in-house preparation of external sector statistics.

In 2007, based on STA's recommendation, the Banking and Payments Authority (BPA) was assigned responsibility for compiling external sector statistics and was given the legal basis for collecting the data needed for this undertaking. Consequently, in mid-2007, STA established a project framework for a peripatetic expert to assist BPA staff in their efforts to develop external sector statistics. Following a series of visits by the expert, the following notable results were achieved:

- In December 2008, provisional 2006–07 BOP statistics, which incorporated the results of a new Foreign Direct Investment (FDI) Survey, were disseminated

for the first time through the BPA website along with detailed metadata (<http://www.bancocentral.tl/en/main.asp>). The metadata include the BPA's plans for future data improvements in the near- and medium-term.

- Annual BOP data in line with the *Balance of Payments Manual* were updated for 2008–09 and posted on the BPA website. Quarterly BOP statistics and the first annual International Investment Position (IIP) estimates are being compiled (on an experimental basis).
- BOP data are used by the government for economic and financial policymaking.
- FDI data for the largest oil exploration company operating in the Timor Sea Exclusive Territory are now collected and the register of FDI enterprises is now regularly updated.

While the methodology for the production of basic BOP and IIP estimates is in place, further development work is anticipated to address limitations of existing data sources and to implement the updated methodologies, as contained in the new *Balance of Payments and International Investment Position Manual*, sixth edition. **Fiji and Vanuatu**

As part of a broader program of assistance provided by the PFTAC Multisector Statistics Advisor, whose assignment was funded under the JSA, concrete statistical achievements were made in Fiji and Vanuatu.

The Fiji Bureau of Statistics has produced full quarterly balance of payment statistics, in line with international standards (*Balance of Payments Manual*, 5th edition) and with a significant reduction in magnitude of the errors and omissions. Quarterly IIP statistics were also produced. These statistics provided a much greater depth of information to economic policy makers.

Also, rebased and more comprehensive national accounts in Vanuatu were completed. The Vanuatu Statistics Office updated the base year of its national accounts to 2006, making them a more accurate reflection of current conditions, and to produce estimates of GDP on both a production and expenditure basis, enhancing their usefulness for economic policy making. Use of

source data has also been improved and the national accounts are consistent with 1993 SNA standards.

Afghanistan

As a result of more than two decades of conflict, the capacity for compiling statistics was virtually nonexistent in Afghanistan. Although the Central Statistical Office remained in place, its technical expertise was at best obsolete. The efforts made by the Da Afghanistan Bank (DAB) to resume the compilation of monetary statistics were piecemeal with little prospects for success. Moreover, the commercial banks used an outdated accounting system, which seriously hindered balance sheet preparation and monetary statistics compilation. There was no legislation requiring the commercial banks to report data to DAB.

Peripatetic visits of a monetary and financial statistics expert in the last three years resulted in the following achievements:

- Standardized Report Forms that conform to the IMF's *Monetary and Financial Statistics Manual* are now compiled. Afghanistan's monetary statistics are now updated and published in *International Financial Statistics (IFS)* on a monthly basis.
- A country page for Afghanistan has been included in *IFS* since March 2008. DAB is using the framework developed by the IMF expert to compile and report monetary and financial statistics for publication in *IFS* as well as for monitoring the financial and economic program.
- Source data have improved with all banks submitting the data on a timely basis using the report form also developed under the project.
- Progress has been made in compiling the DAB sectoral balance sheet based on the Gregorian calendar in addition to data based on the Solar calendar. The DAB accounting source data currently used for compiling monetary and financial statistics are useful for the compilation and forecasting of the reserve money table on a monthly basis as part of liquidity management and forecasting in DAB.

In the area of Government Finance Statistics (GFS), workshops for officials of the Ministry of Finance and Central Statistics Office held in 2009 and 2010 have produced encouraging results. The authorities of Afghanistan

are now providing monthly GFS data to the IMF on budgetary central government; these are published in *IFS*.

The authorities are currently working on improving data sources for other sectors of the government.

Kosovo and Montenegro

Prior to the launch of the Real Sector Statistics project in August 2009, Kosovo and Montenegro had weak statistical capacities—both countries had newly established independent statistical offices, and staff lacked formal training and institutional memory in compiling national accounts estimates. Within only one year, concrete results were achieved.

In Montenegro, data sharing among statistics compiling agencies (Statistical Office of Montenegro or MONSTAT, Ministry of Finance, Customs office, and other agencies) was significantly strengthened, which is of great importance in a country with limited resources. Revised national accounts estimates, with improved accuracy and consistency, are now available on the website of MONSTAT. A new annual survey for the non-financial enterprises was implemented and the GDP for 2009 was compiled on the basis of this new survey and also derived by the production side and at constant prices. Significant progress was also achieved in improving foreign trade statistics and price statistics, including through a revision of imports and exports data, which are now consistent time series by country and by commodity. These new statistics have been disseminated.

In Kosovo, the advisor assisted the Statistical Office of Kosovo to compile and disseminate time series of GDP at constant prices for 2005–2009 by the expenditure side. Household consumption expenditures were compiled using the commodity flow approach as were government consumption expenditures, gross fixed capital formation, and net exports. Also, monthly import and export price indices are now regularly disseminated and the quality of other real sector statistics was also considerably improved.

Despite progress, more remains to be done and continued technical assistance will be important. The authorities face several challenges to maintain and further improve statistical compilation processes, including the need for continued staff training to cope with staff turnover and for additional resources to conduct surveys.

Box 5. Strengthening Monetary Policy Analysis and Forecasting Capacity at the National Bank of Moldova

During fiscal year 2010 the JSA financed an extension of the assignment of the long-term technical advisor (LTA) at the National Bank of Moldova (NBM). The aim of this project has been to provide technical assistance (TA) to implement the NBM's new monetary policy framework, by enhancing forecasting and analytical capacities and promoting transparency through regular communication with the public. Overall, despite some drawbacks, the TA has made a substantial contribution in helping NBM adopt and implement an appropriate monetary policy framework.

The authorities' goal was to put in place a new strategy making price stability the primary objective of monetary policy and the NBM's base rate the main policy instrument. As a result of the JSA funded TA, the new long-term strategy was successfully published in December 2009 and became effective in 2010. To improve the credibility of the new regime, the NBM authorities have begun discussing monetary issues on a monthly basis according to a pre-announced schedule and publishing a press-release explaining their policy decisions. Moreover, the NBM publishes on a quarterly basis the Monetary Policy Report, which analyzes the current macroeconomic situation and presents a medium term forecast of the key macroeconomic variables. Forecasting techniques have been further improved and the Department of Monetary Policy and Research restructured to face new challenges. A simple structural macroeconomic model has been built to provide consistent medium term forecasts, while various econometric models help to form a more detailed near-term forecast and nowcast.

The formulation of the new strategy crowned a long-term effort to improve the monetary policy framework in Moldova. The previous monetary targeting regime was initially helpful in stabilizing the economy and increasing public confidence in the financial system, but over time growing difficulties in controlling monetary aggregates emerged owing to significant inflows of remittances and rapid structural changes in the economy.

Initial steps to adopt a new regime started in 2006 with the amendment of the Central Bank Law, to clearly establish price stability as the main goal of monetary policy. The NBM tried to strengthen its analytical capacity and operational framework to better face new challenges, but a lack of experience and capacity undermined this effort. A two-year Action Plan was then developed with the authorities, to create a solid base for a transparent and forward-looking monetary policy regime with price stability.

The LTA started his assignment at the NBM in 2008 to assist in implementing the action plan. There was some progress, but the implementation of the action plan initially suffered major delays as the NBM authorities' commitment was not as strong as hoped, and much LTA time was absorbed by basic staff training. Moldova was then severely hit by the global economic crisis in 2009 which overlapped with a domestic political crisis, causing a major contraction of the economy. The authorities tried to resist sustained depreciation pressures by tightening the monetary stance despite falling inflation. The ensuing deflation convinced the authorities to speed-up implementation of the new regime and they requested an extension of the LTA assignment, which the JSA agreed to finance.

Box 6. Seminar on Restoring Financial Stability—The Legal Response

The Seminar on Restoring Financial Stability—The Legal Response, which was held at IMF headquarters in Washington, D.C. on November 30–December 3, 2009, was co-hosted by the IMF Legal Department, Japan’s Ministry of Finance, the Japan Financial Services Agency, and the Bank of Japan. The seminar was the tenth in the series of IMF seminars on current developments in monetary and financial law, which began in 1988.

The opening session of the seminar was addressed by Mr. Dominique Strauss-Kahn, IMF Managing Director, Mr. Rintaro Tamaki, Vice Minister for International Affairs, Ministry of Finance, Japan, and the keynote speaker, Mr. Barney Frank, Chairman, Financial Services Committee, U.S. House of Representatives.

The seminar took place at a critical moment in the current financial crisis. For the faculty of experts and participating national officials from diverse regulatory backgrounds, the seminar was a timely forum for examining the legal and economic aspects of conventional and extraordinary measures taken by various countries and international institutions to contain the financial crisis, as well as the challenges faced by many countries to formulate long-term reforms that would address the regulatory gaps that the crisis had exposed, particularly in respect of systemic risk. By looking at the crisis and its aftermath through the prisms of national and international initiatives, the participants advanced their knowledge of the complexity of the crisis and the multifaceted responses that, in part, necessitated the creation of new legal frameworks, or extending the scope of existing ones.

A central message arising from the seminar is that the avoidance of the next financial crisis, or the smoother resolution of one should it occur, requires

initiatives on multiple fronts. Accordingly, the seminar delved into various specific areas including:

- the reform of credit facilities and the dissemination of best regulatory practices by international institutions
- the adequacy of powers of the central bank or other financial regulators
- the identification of the systemic risk regulator and the scope of its powers
- the extension of the regulatory perimeter to systemically important nonbank financial intermediaries
- the regulation of complex financial products
- the development of supervisory colleges to promote cross-border supervision
- greater transparency in credit rating agency methodologies

accounting methods during periods of market failure
capital requirements during financial distress
more speedy methods of corporate debt restructuring
and bank and nonbank resolution

This enabled participants to have an overview of best practices that may be applicable in their respective jurisdictions.

The participants and expert faculty represented diverse backgrounds. The participants consisted of 85 senior officials mainly from ministries of finance, central banks, financial supervisory agencies, and international financial institutions. Of these participants, 48 were officials from developing and emerging economies, and the rest from developed economies. The 33 experts that composed the faculty were drawn broadly from the same institutions, as well as academia, regional governmental organizations, standard setting bodies, law firms, and private sector firms. The seminar benefitted from valuable input by Japanese speakers from both the public and private sectors. Mr.

Box 6 (concluded)

Hiromi Yamaoka, IMF Alternate Executive Director for Japan, examined how the legal framework of central bank powers in Japan, which enables the Bank of Japan to take extraordinary measures with the permission of the Prime Minister, facilitates crisis management. Mr. Toshiyuki Miyoshi, Director, Supervisory Planning Office, Supervisory Bureau, Financial Services Agency, proposed in light of experience with financial crises in Japan that contingency planning take the form of practical measures such as the identification of impediments to emergency operations, enhancement of information sharing, and dynamic risk management, rather than corporate living wills or a build-up of capital upfront. Mr. Miyoshi also examined how Japan's Financial Services Agency uncovers risk concentrations in the financial system by conducting cross-sector stress testing and quarterly disclosure of subprime/securitization exposures in the banking system as a whole. Mr. Naoyuki Yoshino,

Director of the Financial Training and Research Center, Financial Services Agency, and Mr. Tomohiro Hirano, Research Fellow of the same Center, presented a general equilibrium model in which minimum capital requirements for banks are adjustable and take account of economic structure and certain macroeconomic adjustment factors, including land price, stock price, GDP, and the interest rate. Dr. Shintaro Takagi, Adviser, Nomura Securities, examined the role of quasi-governmental organizations, which are financially supported by government but are autonomous in their decision making, in out-of-court corporate restructurings in Japan. Mr. Toshiki Yotsuzuka, Professor of Finance, Waseda University, attributed the fairly light impact of the subprime asset crisis in Japan to the dominance of bank loans over structured credit and corporate bond markets, investor averseness to complex asset structures, and general caution on real estate valuation.

back from these questionnaires is reviewed by the IMF to identify lessons for improving the effectiveness of IMF TA, and is also provided to the Japanese authorities.

For programs, there will be an interim assessment at the end of each fiscal year, which, together with the results of an interim survey questionnaire, is submitted to Japan. Three months after completion of a program, a full assessment report along with a survey questionnaire will be submitted.

In addition, two or three countries are visited each year by a joint Japan-IMF mission to review JSA projects. These visits provide Japan with a

firsthand view of the effect of JSA funding in the field. During the visits, participants assess how the local authorities view the work of the experts funded by the JSA. The visits are also used to review whether the local authorities are making effective use of the TA and whether it is contributing to the reform process.

At the request of the Japanese authorities, the IMF managed an external independent evaluation of the JSA, which was conducted by Mitsubishi UFJ Research and Consulting and completed in February 2010 (see section on effectiveness of JSA-funded technical assistance for more detail).

Commitments

Between FY1993 and FY2010, cumulative commitments for technical assistance under the JSA totaled \$277 million for 1909 projects/programs.¹⁰ During FY2010, \$14.6 million was committed for 49 projects and eight programs. Table 2 and Figure 3 show commitments for approved TA projects/programs, between FY1993 and FY2010.¹¹ A brief description of each of the projects/programs approved in FY2010 is provided in Annex 1A. A brief assessment of each of the projects/programs completed in FY2010 is provided in Annex 1B.

Geographical distribution of funds

To date, 125 member countries of the IMF as well as some of the 14 RTACs and IMF regional training centers have been beneficiaries of JSA-funded technical assistance.¹² Countries in the Asia and Pacific region received more than \$103 million from the JSA for approved TA projects during FY1993–FY2010, which represents

¹⁰Commitments are defined as the budgets of projects and programs individually approved by Japan from the indicative list for each fiscal year.

¹¹The IMF arranges for an annual audit of the Japan Administered Account for Selected IMF Activities to be undertaken by its external auditors in connection with the annual audit of the IMF's own accounts, and for a separate certificate of completion to be provided to the Japanese authorities. See Annex 3 for the audited financial statements of the JSA and the Japan Advanced Scholarship Program for FY2010. The operations and transactions conducted through the Japan Subaccount under the IMF Framework Administered Account for Selected Fund Activities during the financial year will be audited as part of the SFA Framework Account. The report of the External Audit Firm on the SFA Framework Account is posted on the IMF's external website in Appendix VI of the IMF's Annual Report.

¹²As of the end of FY2010, there were seven regional training centers and seven RTACs.

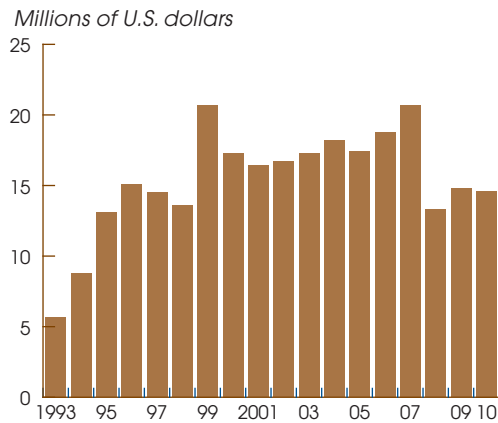
Table 2. JSA Annual Technical Assistance Commitments, FY1993–FY2010

	Committed (in millions of U.S. dollars)
FY1993	5.7
FY1994	8.8
FY1995	13.1
FY1996	15.1
FY1997	14.5
FY1998	13.6
FY1999	20.7
FY2000	17.3
FY2001	16.4
FY2002	16.7
FY2003	17.3
FY2004	18.2
FY2005	17.4
FY2006	18.8
FY2007	20.7
FY2008	13.3
FY2009	14.8
FY2010	14.6
Total	277.0

37 percent of TA projects approved during this period.¹³ Countries in Africa received the next-largest share, totaling almost \$67 million, or 24 percent, of total approvals during the same period. Of the remaining amount approved during this period, 14 percent was for countries in Central Asia and Eastern Europe (mainly the transitional countries of the former Soviet Union), 6 percent was for multiregional projects, 7 percent for projects in Western and Central

¹³This reflects the priority given to the countries of this region under JSA financing guidelines.

Figure 3. JSA Annual Technical Assistance Commitments FY1993–FY2010



Europe, 5 percent for projects in Latin America and the Caribbean, and 7 percent for projects in the Middle East.¹⁴

The regional distribution of commitments in FY2010 was as follows: Asia and Pacific countries, \$6.0 million (41 percent); Africa, \$3 million (21 percent); the Middle East and Central Asia, \$2.4 million (16 percent); Europe, \$2.1 million (15 percent); and Latin America and the Caribbean, \$0.4 million (3 percent).¹⁵ Table 3 shows the annual commitments by region in dollars for FY1993–FY2010, and Figure

¹⁴Multiregional projects are those with beneficiaries from more than one region. Annex 1A includes descriptions of such projects.

¹⁵Starting with the FY2008 report, JSA commitments for countries in Central Asia (Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyz Republic, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan) are included with countries in the Middle East to better align recorded data with the reconfiguration of the IMF's former two European departments and Middle East department into a single European department and a Middle East and Central Asia department.

4 shows the regional percentage distribution for FY2010.

In FY2010, about 43 percent of activities financed using JSA funds were delivered in low-income countries, while a further 37 percent took place in lower-middle-income countries. Regional capacity-building efforts (including support for RTACs) accounted for 6 percent of delivery. Table 4 shows the 10 beneficiary countries or regional capacity building centers receiving the largest share of JSA assistance during FY1993–FY2010. Of the 10 largest beneficiaries in FY2010, 3 were post-conflict countries: Kosovo, Cambodia, and Liberia.

Distribution of funds by subject area

The distribution of JSA funds across thematic areas continues to broadly reflect the distribution in the overall use of IMF resources for technical assistance. The past three years have seen a reduction in the relative use of overall IMF resources for TA in the monetary and central banking area, and an increase in the public financial management and national accounts area. In the case of JSA resources, there has been a reduction in the central banking, regulation and supervision area, and an increase in the public financial management and national accounts area.

In FY2010, overall TA delivered was some 208 person-years of staff and expert time for capacity-building work in recipient countries, which were distributed as follows: Fiscal Affairs, 40 percent; Monetary and Capital Markets, 29 percent; Statistics, 13 percent; and Legal, 6 percent. The IMF Institute and other depart-

Table 3. JSA Annual Commitments for Technical Assistance by Region, FY1993—FY2010

(In millions of U.S. dollars)

	FY1993										FY2010		FY1993–2010	
	–FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	Total	Percent	Total	Percent
Africa	20.7	4.1	4.8	4.9	5.1	4.8	4.6	6.0	4.7	4.2	3.0	21	66.7	24
Asia and Pacific	37.1	4.7	6.2	6.6	7.0	7.6	7.9	8.3	5.3	5.9	6.0	41	102.6	37
Europe	6.0	1.4	1.6	1.2	1.0	0.7	1.4	1.3	0.5	2.0	2.1	15	19.3	7
Eastern Europe and Central Asia *	28.2	2.7	1.4	1.5	1.4	0.6	1.4	1.8	0.0	0.0	0.0	0	38.9	14
Middle East and Central Asia *	2.5	0.7	0.4	1.1	1.6	1.2	2.1	2.4	1.7	2.1	2.4	16	18.0	7
Latin America and Caribbean	6.9	1.1	0.6	0.6	0.6	0.9	1.0	0.9	0.9	0.7	0.4	3	14.5	5
Multiple Regions	6.8	1.8	1.7	1.3	1.6	1.7	0.5	0.2	0.2	0.0	0.7	4	16.4	6
Total	108.1	16.4	16.7	17.3	18.2	17.4	18.8	20.7	13.3	14.8	14.6	100	276.5	100

(Starting in FY2008, data for countries in Central Asia are grouped with data for countries in the Middle East; see footnote 15 on page 16.)

ments made up the remaining 12 percent of field delivery.¹⁶

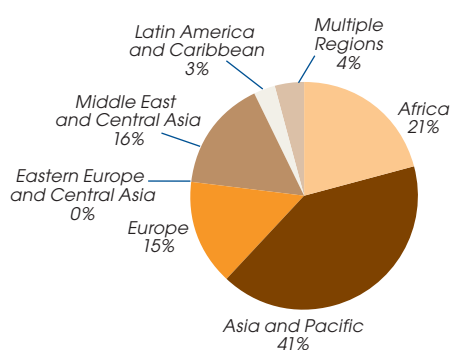
In FY2010, the distribution of JSA commitments was as follows: Fiscal Affairs, \$7.1 million (49 percent); Monetary and Capital Markets, \$3.9 million (27 percent); Statistics, \$1.3 million (9 percent); and Legal, \$0.1 million (1 percent). Training activities undertaken by the IMF Institute accounted for the remaining 10 percent of commitments. This represents a 4 percent increase in the relative amount of JSA funds

¹⁶One way the IMF measures its technical assistance is by recording the time spent by IMF staff and experts on such activities. A person-year is equivalent to about 260 working days.



IMF's MD Strauss-Kahn in Dar es Salaam Tanzania for a conference to discuss Africa's response to the global financial crisis.

Figure 4. Distribution of JSA Annual Technical Assistance Commitments by Region, FY2010



committed in the monetary and capital markets area and a 23 percent increase in the fiscal area since FY2009. Table 5 shows the annual distribution of commitments in dollars by subject area for FY1993–FY2010, and Figure 5 shows the percentage distribution by subject area for FY2010.

In FY2010, the proportional allocation of JSA funds by topic within each of the above core areas was as follows: In fiscal affairs, 60 percent of JSA funds were committed to revenue administration, 32 percent to strengthening public expenditure management, and the remaining 8 percent to tax policy. In the monetary and capital markets area, 40 percent of JSA funds were committed to technical assistance for banking supervision, and 15 percent to central banking operations, including central bank accounting and audit; the remainder was allocated to other work, such as monetary policy and operations, balance of payments and foreign reserves management, and capital markets development and market risk

Table 4. The 10 Largest Recipients of JSA-Financed Technical Assistance, FY1993–FY2010

(By commitments, in descending order)

FY1993–FY2010	FY2010
Cambodia	STI ²
Indonesia	Vietnam
PFTAC ¹	Cambodia
Lao People’s Dem. Rep.	Indonesia
Ukraine	METAC ³
China	Liberia
Timor Leste	Phillipines
Liberia	Moldova
Mongolia	Afghanistan
Congo, Democratic Republic of	Kosovo

¹PFTAC - Pacific Financial Regional Technical Assistance Center

²STI - IMF-Singapore Regional Training Institute

³METAC - Middle East Regional Technical Assistance Center

supervision. In the macroeconomic statistics area, 64 percent of JSA funds were committed to national accounts statistics; the remainder was spread across the broad range of statistics including those concerning government finance, monetary and financial, and balance of payments, as well as assistance in adopting the IMF General Data Dissemination System.

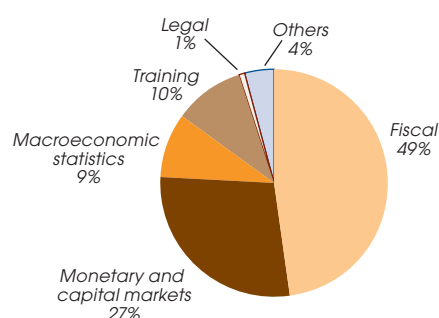
Effectiveness of JSA-funded technical assistance

Several approaches are used to gauge the quality and effectiveness of JSA-funded TA activities. In addition to project assessments submitted by the IMF to the Japanese authorities upon completion

of each JSA-financed project, since FY2000 beneficiary authorities have also provided their own project assessments through the completion of a questionnaire regarding the appropriateness and relevance of the assistance and the JSA-provided expert's qualifications and experience. The questionnaires also cover the cooperation between the expert and his or her local counterparts, the usefulness of the advice given in terms of the reform efforts, whether adequate attention was paid to skills transfer, and the quality of supervision by IMF headquarters. Overall, the beneficiary authorities have been very positive about the effectiveness of the JSA-funded TA projects. Of those who responded to the questionnaires, approximately ninety percent were highly satisfied with the TA received, and none expressed dissatisfaction.

Since 1996, 16 joint Japan-IMF review missions have been carried out to assess the effectiveness of JSA-funded TA activities. These visits have covered 21 beneficiary countries in Africa, Asia and the Pacific, Central Asia, and Central

Figure 5. Distribution of JSA Technical Assistance Commitments by Subject Area, FY2010



and Eastern Europe; the regional training institutes in Singapore and Vienna; the Pacific Financial Technical Assistance Center; the East Africa Regional Technical Assistance Center; and the Middle East Regional Technical Assistance Center. The joint review teams have reported that TA activities financed by the JSA

Table 5. JSA Annual Commitments for Technical Assistance by Subject Area, FY1993 – FY2010

(In millions of U.S. dollars)

	FY1993										FY2010		FY1993-FY2010	
	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	total	percent	total	percent
Fiscal	31.4	4.7	4.7	3.3	4.3	4.3	4.5	6.0	3.5	5.8	7.1	49	79.6	29
Monetary and Capital Markets	41.6	6.5	6.6	6.7	6.9	6.6	7.8	8.2	4.7	4.0	3.9	27	103.3	37
Macroeconomic Statistics	16.8	2.7	2.7	3.7	3.3	2.8	3.1	3.7	2.3	2.8	1.3	9	45.2	16
Training	12.6	1.9	2.1	2.1	2.2	2.0	2.0	2.1	1.8	2.0	1.5	10	32.2	12
Legal	1.6	0.1	0.2	1.2	1.2	1.2	0.9	0.7	1.0	0.2	0.1	1	8.5	3
Others	4.1	0.6	0.5	0.3	0.2	0.6	0.6	0.0	0.0	0.1	0.7	4	7.7	3
Total	108.1	16.4	16.7	17.3	18.2	17.4	18.8	20.7	13.3	14.8	14.6	100	276.5	100

were highly relevant and consistent with the core mandate of the IMF's work, were well formulated and implemented, and were appreciated by recipient governments, which in several cases noted that the JSA-funded advisors were instrumental in establishing critically needed capacity. The teams also reported that the JSA-financed training and seminars were well focused, and greatly appreciated by participants. A summary of the findings of the joint review mission for FY2010 is provided in Annex 2.

In FY 2010, the IMF in consultation with Japan managed an independent evaluation of the JSA. The evaluation, conducted by Mitsubishi UFJ Research and Consulting, found that the JSA funded TA activities were (i) relevant to recipient government needs and priorities, (ii) effective and achieved their expected results, (iii) efficient due to their well-focused approach and selection of experts and well managed, and (iv) in most cases sustainable, though that depended critically on a willingness to reform by authorities. The evaluation also evaluated JSA funded TA activities as "highly consistent" with Japanese ODA policies, although it noted more could be done to improve the visibility of Japan as a donor, and to make more transparent the recruitment system for experts. The results of the evaluation as well as any other TA evaluations are reported to the IMF Executive Board¹⁷ and can be found on the IMF website.¹⁸

¹⁷In FY2003, as part of a larger effort to strengthen monitoring and evaluation of IMF technical assistance, a multiyear program of TA evaluations was introduced under which the results of three to four evaluations covering a mix of topics are presented each year to the IMF Executive Board.

¹⁸See the document 'Technical Assistance Evaluation Program: Findings of Evaluations and Updated Program'

Regional Office for Asia and the Pacific

The IMF's Regional Office for Asia and the Pacific (OAP) was established in 1997, as the IMF's window to the region and in recognition of the substantial and growing importance of the region in the global economy. OAP's activities are focused primarily in three areas: (i) monitoring economic and financial developments in this dynamic and vibrant region; (ii) assessing progress and issues in regional cooperation and integration; and (iii) carrying out outreach and capacity building activities.

Monitoring regional economic and financial developments

OAP monitors economic and financial developments in the region to help bring a more regionally focused perspective to the IMF's surveillance. Its activities include maintenance of a network of regular contacts with financial markets, private businesses and relevant officials in international financial institutions (IFIs) and governments; visits to major capitals and financial centers in the region; and participation in regional fora. OAP contributes to the Regional Outlook and other outputs by the Asia and Pacific Department (APD) relating to bilateral surveillance on Japan as well as regional surveillance, and assist global surveillance activities of the IMF by providing background material for the *Global Financial Stability Report (GFSR)* and the *World Economic Outlook (WEO)*.

Assessing progress and issues in regional integration and cooperation

OAP is responsible for ongoing coordination of the IMF's work with current and emerging

(www.imf.org/external/np/pp/eng/2010/061010.pdf).

regional policy fora. Activities include participating in fora group meetings, engaging in discussions with government and IFI officials on regional initiatives, and keeping the IMF informed of regional perspectives on key issues.

Outreach and capacity building

OAP organizes and/or participates in conferences and other events that offer a forum for discussion of current topics on the international financial system and other issues central to the IMF's work. These include outreach events to disseminate the WEO, the GFSR, the APD Regional Economic Outlook, and other IMF publications. OAP also holds press events, communicates regularly with the press, and disseminates IMF publications through various channels, including through translation into local languages, maintaining a website, and responding to inquiries from the public.

OAP administers two capacity building programs for officials in the region—the Japan-IMF Scholarship Program for Asia and the Macroeconomic Seminar Program—both funded by contributions from the Government of Japan. In addition, OAP organizes and supports seminars for officials from the region, with the aim of enhancing their policy making capacity.

In FY 2010, Japan's contribution was used to support OAP staff's participation in various policy fora, such as Asia-Pacific Economic Cooperation, the Association of Southeast Asian Nations, and the South East Asian Central Banks. The purpose of OAP's participation in these policy fora is to make presentations on global and regional developments, and present papers on specific topics upon

request of the meeting organizers. OAP's contributions to the agenda and policy discussions at these fora have been highly regarded by the country authorities in the region. It also funded several conferences, seminars and workshops sponsored or co-sponsored by OAP. These include a conference on Post-Crisis Growth and Poverty Reduction in Developing Asia in Vietnam; the IMF Tax Policy Seminar for Asian and Pacific countries in Japan; a workshop on Financial Stability: the Role of Safety Net Player in Vietnam; an international conference on New Statistical Challenges Facing Central Banks in China; and a regional course on Integrated Economic Accounts in the Philippines. OAP continued to administer the Japan-IMF Scholarship Program for Asia (see next section) and a two-week Macroeconomic Seminar Program for senior officials from selected Asian countries. The program provides an opportunity for officials to exchange views and discuss current topics in macroeconomic policy, and has been regarded as being highly effective by past participants.

Japan-IMF Scholarship Program for Asia

The Japan-IMF Scholarship Program for Asia (JISPA) was established in 1993. It is a program for graduate studies in macroeconomics or related fields at several leading universities in Japan. While the program's initial objectives were to contribute to institutional capacity building in transition economies, it has recently evolved to supporting emerging and developing economies and expanded by providing educational opportunities to promising junior officials in central banks or in ministries of finance,



10th Annual Seminar on Monetary and Financial Law held at IMF Headquarters. The seminar was co-sponsored by Japan and the IMF with the theme “Restoring Financial Stability: The Legal Response.”

economy, or financial services agency in Asia and the Pacific region.¹⁹

For academic year 2009, 41 new scholarships, including two scholarships for Ph.D. programs, were awarded, and a total of 51 scholars were studying in Japan under the program.²⁰ There are two forms of scholarships. Scholars accepted under the “partnership track” participate in specially designed master’s courses offered by

¹⁹The scholarship program targets candidates from Bangladesh, Bhutan, Cambodia, China, India, Indonesia, Kazakhstan, the Kyrgyz Republic, the Lao People’s Democratic Republic, Malaysia, Maldives, Mongolia, Myanmar, Nepal, Papua New Guinea, the Philippines, Sri Lanka, Tajikistan, Thailand, Timor-Leste, Turkmenistan, Uzbekistan, and Vietnam, as well as the Pacific Island countries.

²⁰Under the Japan-IMF Scholarship Program for Asia, an academic year refers to the period October 1–September 30. Thus, academic year 2009 refers to the period October 1, 2009–September 30, 2010.

one of four partnership universities,²¹ whereas the “open track” is available to candidates who have already been accepted to a graduate-level program—at either the master’s or doctoral level—in macroeconomics or a related field at any leading university in Japan. The program is currently administered by the IMF Regional Office for Asia and the Pacific (OAP) in Tokyo.

The program also offers skill-refreshing courses (SRCs) to better prepare incoming scholars by offering math and English courses prior to the commencement of their regular studies at the participating universities. In 2009, 34 out of the 39 new partnership-track scholars participated in the SRC conducted at the International University of Japan.

In the summer 2009, a review of the JISPA was conducted. The review found that the JISPA has achieved a considerable measure of success by helping to significantly fill a critical gap in the professional knowledge and skills between highly trained senior officials and their supporting staff. It also found that the JISPA has been a very attractive program to potential applicants because of the combination of “Japan and the IMF,” and it is being seen as a unique program in targeting junior government officials of key economic agencies. The report recommended that the program evolve to meet the changing needs of the target agencies by offering more specialized training in macroeconomic formulation, central banking and monetary policy, and

²¹National Graduate Institute for Policy Studies, Hitotsubashi University, International University of Japan, and Yokohama National University.

financial market expertise, while keeping broadly the current program structure.²²

Since the first students were accepted under the JISPA in 1993, scholarships have been awarded to a total of 467 scholars, and by the end of the 2008 academic year, 405 scholars had graduated from their universities under the JISPA. Table 6 shows the distribution of scholars by their country and organizational affiliation. Most scholars have expressed a high degree of satisfaction with the program and subsequently with the career opportunities it has opened up to them. A number of scholars have taken up mid- to senior-level positions in their respective agencies, and have direct input into policy initiatives. In FY 2010, alumni events were organized in the Philippines, Indonesia, and Thailand to provide former scholars with an opportunity to renew acquaintances and to maintain the alumni network.

Japan-IMF Scholarship Program for Advanced Studies

Japan also provides financial support for a scholarship program for qualified Japanese nationals to study macroeconomics at the doctoral level, in order to pursue a career at the IMF. Scholars can apply if enrolled in postgraduate studies at universities outside of Japan with strong doctoral programs in macroeconomics. The scholarship program covers tuition and reasonable costs for two years of study. Scholars are expected to finance the remaining years of study,

²² Based on the review recommendations, OAP conducted a tender for the JISPA partnership universities which would host the program starting from the 2011 academic year.



Staff of the Japanese Ministry of Finance and the IMF Japanese Executive Director's Office meet with IMF staff in April 2010 for the annual JSA-IMF consultation.

typically done through additional funding from their universities.

The Japan-IMF Scholarship Program for Advanced Studies (JISP), which is administered by the IMF Institute, began in 1996 with a class of nine scholars seeking to obtain a PhD in economics. For the next 12 years, up to 15 scholars a year from Asian countries, who independently gained admission to a leading U.S. or Canadian university, received this scholarship. With effect from 2009, only Japanese nationals are eligible for the JISP, with up to seven scholars receiving the award annually.

An annual orientation program for the incoming group of scholars is conducted at the IMF in Washington, D.C., to introduce scholars to the IMF and to provide them with an opportunity to meet other JISP scholars. One year prior to obtaining their doctorate, scholars are expected to complete a 10- to 13-week summer internship in an IMF department, during which they engage in supervised research and other professional work under the guidance of an experienced IMF economist. Summer interns also benefit from a mentoring program, which includes interview coaching and mock panel interviews in preparation for the IMF Economist Program (EP).

The number of scholarship applications for 2009 (12) and 2010 (11) was low relative to the previous experience for Japanese nationals. This may reflect new application and qualification standards, as there has not been a reduction in the number of well-qualified applicants. The Institute of International Education (IIE), which was re-awarded the administrative contract in May 2009, intensified outreach to undergraduate students at Japanese universities. However, the number of scholarship applications from these universities remains low.

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, as evidenced by many distinguished universities in Japan and North America recommending that their students apply. Table 7 shows the distribution of scholars by country since the beginning of the scholarship program, and Table 8 lists the universities

attended by the scholars and the number of scholars at each institution during the program.

About 90 scholars have graduated with PhD degrees in economics since the inception of the JISP, of whom 23 have joined the IMF staff. Almost half (11) of the JISP alumni in the Fund are Japanese. Twenty-one of the JISP alumni have been hired through the highly competitive EP, which is the main entry point for economists seeking to join the organization after completion of their studies. Two JISP alumni were recruited as mid-career economists.

The IMF Institute, with the assistance of the IIE, has been conducting a yearly tracer study since 2004 to locate and obtain information on the professional career paths and profiles of past scholars, with contact information being updated annually. Table 9 shows the employment of graduates from the first 11 intakes—that is, academic years 1996–2006.²³ Responses to the 2009 tracking survey increased significantly from the previous years and showed a high level of satisfaction with the JISP among current and former scholars, and their high interest in Fund employment.

In 2008, JISP scholars were invited for the first time to the IMF Jacques Polak Annual Research Conference to strengthen their knowledge of the IMF's work, and their interest in seeking employment at the Fund. Fifteen scholars attended the conference in 2008 with a further

²³Under the Japan-IMF Advanced Scholarship Program, an academic year refers to the period August 1–July 31 (e.g., the academic year 2007 refers to the period August 1, 2007–July 31, 2008).

Table 6. Japan-IMF Scholarship Program for Asia*Distribution of Scholars by Country and Affiliation, 1993–2009*

Scholars by Country	Number	Percent	of which graduates	Scholars by Affiliation	Number	Percent	of which graduates
China	80	17.1%	72	Central Bank	235	50%	202
Vietnam	73	15.6%	65	Ministry of Finance/Tax Authority	110	23%	95
Uzbekistan	57	12.2%	51	Economic Affairs Ministry and Agency	56	12%	50
Cambodia	41	8.8%	34	Statistics Bureau	18	4%	16
Mongolia	39	8.4%	32	Trade/Commerce Ministry	16	3%	13
Kyrgyz	38	8.1%	34	Cabinet Office	7	2%	6
Myanmar	32	6.9%	32	Others	25	5%	23
Kazakhstan	31	6.6%	30	Grand Total	467	100%	405
Indonesia	20	4.3%	15				
Lao PDR	13	2.8%	11				
Philippines	11	2.4%	10				
Thailand	11	2.4%	8				
Tajikistan	10	2.1%	8				
Bangladesh	3	0.6%	0				
Fiji	2	0.4%	1				
Sri Lanka	2	0.4%	0				
Turkmenistan	2	0.4%	2				
Malaysia	1	0.2%	0				
Timor-Leste	1	0.2%	0				
Grand Total	467	100%	405				

10 scholars attending the 2009 conference. Feedback received from the scholars who attended the conferences has been very positive and this initiative is continuing. The IMF

Institute will arrange for the JISP scholars attending the 2010 conference to further enhance their experience and strengthen their ties to the Fund.

Table 7. Japan-IMF Scholarship Program for Advanced Studies:*Number of Scholars Accepted by Country, 1996-2010*

Country	Number of Scholars															Total Scholars per Country (1996-2010)	Total Percent Representation per Country (1996-2010)
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009 ¹	2010		
Bangladesh	0	0	2	0	1	1	1	0	0	0	0	0	1	0	0	6	3
Cambodia	0	0	0	0	0	0	0	0	0	0	0	1	1	0	0	2	1
China (including Hong Kong SAR)	2	5	2	4	2	2	1	1	1	1	1	1	1	0	0	24	12
Indonesia	0	0	0	0	0	0	0	1	1	0	1	0	0	0	0	3	2
Japan	3	7	7	7	7	7	5	7	7	7	8	6	3	7	7	95	48
Kazakhstan	0	0	0	0	1	1	1	1	0	0	0	0	1	0	0	5	3
Korea	2	3	2	2	2	1	1	1	1	1	1	1	1	0	0	19	10
Kyrgyz Rep.	0	0	0	0	0	0	1	1	1	0	0	0	0	0	0	3	2
Malaysia	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	1	1
Mongolia	0	0	0	0	0	0	1	0	1	1	1	2	1	0	0	7	4
Myanmar	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	1	1
Nepal	0	0	0	0	0	0	0	0	0	0	0	2	0	0	0	2	1
Philippines	0	0	0	1	0	0	0	1	0	0	0	0	0	0	0	2	1
Tajikistan	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	1	1
Thailand	2	1	2	0	0	1	2	0	1	2	2	1	1	0	0	15	8
Uzbekistan	0	0	0	0	0	1	0	1	0	0	0	1	0	0	0	3	2
Vietnam	0	0	0	1	0	1	2	1	2	2	1	0	1	0	0	11	6
TOTAL	9	16	15	15	15	15	15	15	15	15	15	15	11	7	7	200	100

¹Starting in 2009, only Japanese nationals are eligible for the Program.

The IMF is pleased with the demonstrated success of the JISP, which is well regarded by officials of leading universities who continue to report high academic achievements by the

JISP scholars. Moreover, participating scholars have expressed great appreciation for the generous support of the government of Japan for their studies.

Table 8. Japan-IMF Scholarship Program for Advanced Studies*Number of Scholars by University, 1996-2010*

University	Number of Scholars															
	Total	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
United States																
1. Brandeis University	1	1														
2. Brown University	11	1	2		1	2	1		1	1		1	1			
3. Boston University	8			1				2		1		2			2	
4. Columbia University	16			2	3	1	1	1		5	2	1				
5. Cornell University	7		1	2				1				1		1		1
6. Duke University	6	2			1	1		1		1						
7. Georgetown University	7							1	4	1			1			
8. George Washington University	1												1			
9. Harvard University	3			1	1					1						
10. Indiana University	1		1													
11. Johns Hopkins University	5		1					1	1			2				
12. Massachusetts Institute of Technology	1							1								
13. New York University	8			1	2		2	1					2			
14. Northwestern University	3		1										1	1		
15. Ohio State University, Columbus	7					2						2	2		1	
16. Princeton University	2										2					
17. Stanford University	10	1	2	3	1	1	1							1		
18. State University of New York	1															1
19. University of California, Berkeley	2						1					1				
20. University of California, Los Angeles	8		1	3	1	1	1					1				
21. University of California, San Diego	4		1				1				1				1	
22. University of Chicago	14		1	1		1	2	1	2		2	1	1		1	1
23. University of Illinois-Urbana-Champaign	2										1				1	
24. University of Maryland, College Park	5					1	1			1	1			1		
25. University of Michigan, Ann Arbor	11		2	1	2			1	1				1	1	1	1
26. University of Minnesota, Minneapolis	10					1		1	1	1	1	2	2	1		
27. University of Pennsylvania	9	1			2	3	1	1			1					
28. University of Rochester	5	1	1		1				1				1			
29. University of Texas, Austin	2							1			1					
30. University of Virginia	5									1	1		2	1		
31. University of Washington, Seattle	2					1										1
32. University of Wisconsin, Madison	11		1				1	1	4	1				2		1
33. Vanderbilt University	2	1					1									
34. Yale University	4	1	1								1	1				
Canada																
35. McGill University	1									1						
36. University of British Columbia	1							1								
37. University of Toronto	2										1				1	
38. University of Western Ontario	1															1
United Kingdom																
39. Royal Holloway, University of London	1															1
TOTAL	200	9	16	15	15	15	15	15	15	15	15	15	15	11	7	7

Table 9. Japan-IMF Scholarship Program for Advanced Studies:*Employment of Graduates from the 1996 - 2006 Programs as of July 2010¹*

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	Category Total
IMF Economist Program (EP)	0	0	0	0	0	0	1	1	1	2	2	7
IMF Economists (former EP)	0	4	0	7	2	1	0	0	0	0	0	14
IMF Mid-career Economist	0	1	0	0	1	0	0	0	0	0	0	2
Government	0	1	2	0	0	0	0	0	0	0	1	4
Academic Position	3	2	7	1	1	7	4	2	3	1	0	31
Studies in Progress (PhD Program)	0	0	0	0	0	0	0	0	0	0	5	5
Other	6	8	6	7	11	7	10	12	11	12	7	97
Total	9	16	15	15	15	15	15	15	15	15	15	160

¹Data based on the results of scholar and alumni annual surveys. Most scholars in groups starting after 2006 have not finished their doctoral program yet.



Annexes



Annex 1A

JSA TECHNICAL ASSISTANCE PROJECTS APPROVED IN FY2010 (53)

AFRICA REGION			
Beneficiary	Subject Area	Committed	Description
Africa —multiple Anglophone countries	Investment Statistics	\$30,000	Funding for participant costs for a Coordinated Direct Investment Survey (CDIS) three day seminar. The survey is designed to improve the quality of participating jurisdictions' positions data on direct investment, and the seminar is conducted to review progress and address problems in implementing the survey. Attendees from 14 countries participate in the seminar, with the host, South Africa, providing the facilities and logistical support.
Africa —multiple Anglophone countries	Financial Soundness Indicator (FSI) Statistics	\$30,000	Five-day workshop to: (1) strengthen technical capacity of countries to compile FSIs; (2) establish a system for the South African Development Community (SADC) and other countries to compile FSIs and metadata using the IMF's new FSI report form; and (3) make arrangements for reporting FSI statistics to the IMF and other regional authorities. The funding covers costs for 13 representatives from the East African Community Secretariat, SADC Committee of Governors, the West African Monetary Institute, and 10 countries.

Beneficiary	Subject Area	Committed	Description
Africa —multiple Anglophone countries	Monetary and Financial Sector Statistics	\$50,000	One-week workshop on Monetary and Financial Sector Statistics Harmonization covering 14 Southern African Development Community (SADC) countries. The topics of the workshop include the methodology for statistics on nonbank financial institutions, digital money, microfinance, and insurance as well as compilation issues in these fields and reporting of data using the IMF Standardized Report Forms.
Africa —multiple countries	Monetary and Financial Statistics	\$93,750	Funding to conduct a twelve day seminar designed for both managers of monetary statistical programs and compilers of monetary statistics in the West African Monetary Zone (WAMZ). The funding covers participant costs for managers from each WAMZ country, and 9 officials from the West African Monetary Institute (WAMI), the Central Bank of Western African States (BCEAO), and the Economic Community of West African States (ECOWAS). The seminar covers standards for preparing monetary statistics in accordance with IMF Standardized Reporting Forms, and procedures for aggregating statistics on a regional basis.
Africa —multiple countries	Balance of Payments Statistics	\$150,000	One short-term expert visit each to Angola, Central African Republic, Eritrea, Mozambique, and Namibia to improve the compilation and dissemination of external statistics (Balance of Payments (BOP), International Investment Position (IIP), and external debt).

Beneficiary	Subject Area	Committed	Description
Africa —multiple countries	Investment and External Debt Statistics	\$50,000	Funding for participant costs for a two-week regional workshop, involving 24 attendees from 5 West African countries, on improving and initiating the compilation of International Investment Position (IIP) and external debt statistics. The workshop is conducted in collaboration with the West African Institute for Financial and Economic Management (WAIFEM).
Africa —multiple Francophone countries	Investment Statistics	\$50,000	Funding for participant costs for a Coordinated Direct Investment Survey (CDIS) seminar, involving attendees from 12 countries. The survey is designed to improve the quality of participating jurisdictions' positions data on direct investment, and the seminar is conducted to review progress and address problems in implementing the survey.
BEAC —Banque des Etats de l'Afrique Centrale	Banking Supervision	\$155,285	Five four-week peripatetic expert visits to assist the regional banking commission (COBAC) of the Economic and Monetary Community of Central African States (CEMAC) in strengthening its capacity to supervise the CEMAC banking sectors. The project primarily focuses on: (1) the conduct of on-site examinations; (2) the procedures describing best practices for performing off-site supervisions; and (3) the drafting of prudential regulations.

Beneficiary	Subject Area	Committed	Description
Cameroon	Tax Administration	\$62,114	Two three-week visits by a short-term tax administration expert to help managers to: (1) improve the performance of medium-sized taxpayer offices; (2) develop a compliance program for large and medium-sized taxpayers to raise filing and payment rates; and (3) enhance tax intelligence and exchange of data with customs to detect informal activities with high revenue potential.
Central African Republic	Tax Administration	\$60,000	Two short-term expert visits to assist with improving the tax department's capacity to plan and execute a tax administration modernization program.
Gabon	Tax and Customs Administration	\$62,114	One three-week visit each by a short-term tax administration expert and a short-term customs administration expert to support the modernization of tax and customs administration. The project seeks to: (1) provide assistance with implementing an action plan to establish medium-sized tax offices; and (2) build risk management capacities to strengthen control at main ports.
Ghana	Tax Administration	\$62,114	Two short-term visits, approximately 3 weeks each, by a revenue administration expert. The project entails: (1) finalizing key components of the revenue administration modernization strategy; (2) supporting the authorities in moving toward a revenue authority model and creating a single, integrated domestic tax service; and (3) developing implementation plans.

Beneficiary	Subject Area	Committed	Description
Liberia	Tax Laws and Regulations	\$31,057	Short-term expert visits to strengthen the tax system by improving the underlying tax legislation. The project involves preparing amendments to the tax code and drafting regulations, which includes: (1) rationalizing tax incentives; (2) modernizing the taxation of agriculture and natural resources; (3) taxing small businesses; and (4) broadening the inclusion of fringe benefits in the tax net.
Liberia	Monetary Operations	\$71,451	Long-term expert to assist the Central Bank of Liberia (CBL) in developing procedures for financial control, implementing internal controls, and ensuring that audits are conducted in accordance with established principles.
Malawi	Tax Laws	\$31,057	Short-term expert visit to strengthen the tax system by unifying the provisions on tax procedure into one tax procedure code.
Namibia	Public Financial Management	\$62,114	Two short-term expert visits to assist authorities with managing the annual budget using a recently introduced program-based, program-oriented approach to budget preparation. The key objective are to: (1) ensure clarity and consistency in program and activity design; (2) develop new expenditure control regulations based on the program structure; and (3) make revisions to the public finance law.

Beneficiary	Subject Area	Committed	Description
Rwanda	Banking Supervision	\$280,788	Extension of a long-term expert to assist the Banque Nationale de Rwanda (BNR) with enhancing its capacity to supervise the financial sector. The project supports the Financial Stability Directorate (FSD) of the BNR with performing its functions which include: (1) supervising banks, non-banks, microfinance institutions, and foreign exchange bureaus; (2) establishing a Financial Stability Unit; and (3) overseeing the credit information system.
Zambia	Tax Administration	\$31,057	One three-week visit by a tax administration expert to continue support for strengthening the effectiveness of the Zambia Revenue Authority (ZRA). The assistance focuses on transforming the role of local tax offices, through the launch of two medium-sized tax offices, to increase compliance and contribution of medium-size taxpayers.
Zambia	Tax Administration	\$60,000	Two short-term expert visits to analyze, diagnose, and identify corrective responses to declining tax collections by the Value Added Tax (VAT) regime.
Zambia	Public Financial Management	\$120,000	Four short-term expert visits to assist with strengthening accounting, fiscal reporting, and cash management.

ASIA AND PACIFIC REGION

Beneficiary	Subject Area	Committed	Description
Asia and Pacific —multiple countries	Macroeconomic and Financial Management	\$562,861	One-year extension of a long-term expert and participant costs to continue support for training through the IMF-Singapore Regional Training Institute (STI). The expert delivers thirteen weeks of classroom training per year, and prepares lectures and workshops for the STI curriculum. Participant costs cover 10 courses given in FY10 amounting to approximately 500 participant weeks. STI aims to strengthen the ability of Asian officials to analyze economic conditions and design and implement macroeconomic policies.
Bangladesh	Tax Administration	\$30,000	One short-term expert visit to assist with the enactment of a new Value Added Tax (VAT) Act that is in line with international best practice.
Democratic Republic of Timor-Leste	Public Financial Management	\$291,804	One-year extension of a treasury advisor to continue and support the implementation of Treasury reforms. The proposed work includes: (1) streamlining and strengthening institutional and organizational arrangements in the Ministry of Finance; (2) transferring knowledge to treasury staff; (3) modernizing management laws, rules and regulations; and (4) decentralizing policies and procedures for treasury functions to municipal governments.

Beneficiary	Subject Area	Committed	Description
Indonesia	Banking Supervision	\$285,804	One-year extension of a long-term expert to assist Bank Indonesia (BI) with achieving two key objectives: (1) the reform of regulatory and supervisory policies to facilitate the implementation of risk-based supervision; and (2) the development of an enhanced rating system for the supervision of individual banks, and supporting risk-based supervision methodology.
Maldives	Banking Supervision and Crisis Prevention	\$124,228	Four four-week short-term expert visits to continue assisting the Maldives Monetary Authority with strengthening its capacity to: (1) assist problem banks; (2) conduct on-site examinations and off-site analyses; and (3) develop and enforce prudential regulations.
Maldives	Monetary Policy and Monetary Operations	\$124,228	Four four-week short-term expert visits to help the Maldives Monetary Authority to: (1) fully activate a newly established Monetary Policy Committee to conduct monetary policy; (2) develop market oriented instruments to conduct open market operation; (3) manage liquidity through open market operations; and (4) develop targets to guide monetary operations.
Maldives	Public Financial Management	\$60,000	Two one-month peripatetic expert visits to continue guidance on the development of a Government Integrated Financial Management Information System (GIFMIS), and a cash management and cash planning system.

Beneficiary	Subject Area	Committed	Description
Mongolia	Tax Administration	\$66,614	Two short-term visits by a peripatetic advisor to help strengthen the General Department of National Taxation in administering large taxpayers. The assignment focuses primarily on improving the large taxpayer office's audit function.
Mongolia	Tax Administration	\$64,500	Two peripatetic short-term expert visits to assist with strengthening the capacity of the General Department of National Taxation to administer large taxpayers. The project primarily focuses on improving the audit function of the Large Taxpayer Office.
Mongolia	Public Financial Management	\$121,995	Five month extension of a budget planning advisor, based in the Ministry of Finance, to continue: (1) modernizing existing budget planning processes through full introduction of program and medium-term budgeting; and (2) streamlining existing budget processes, strengthening and integrating capital budgeting, and developing policy analysis and costing techniques.
Nepal	Customs Administration	\$93,171	Three short-term peripatetic expert visits to assist the Customs Administration in implementing priority actions in its 2009-2013 reform and administrative plan, and adopting systems and procedures to continuously monitor and update the plan.

Beneficiary	Subject Area	Committed	Description
Nepal	Tax Administration	\$93,171	Three short-term expert visits to continue assistance provided to Nepal's Tax Administration. The project aims to build upon earlier progress made in developing audit capacity to increase the Large Tax Office (LTO)'s ability to self-sustain continuing improvements. It also seeks to broaden the LTO's capacity to include audit management practices comprising risk based selection, audit quality assurance, and monitoring and reporting on delivery of the audit program.
Pacific Financial Technical Assistance Center	Tax Administration	\$335,804	One-year extension of a Revenue Administration Advisor to assist with modernizing revenue policies and administration, and building capacity to improve revenue operations in PFTAC countries.
Pacific Financial Technical Assistance Center	Multisector Statistics	\$320,788	One-year extension of a long-term expert to continue to: (1) strengthen the capacity of PFTAC member countries to produce macro-economic statistics for economic policy making; (2) improve compilation methods and source data used to produce Balance of Payments (BOP), External Debt, and International Investment Position (IIP) statistics; and (3) improve coverage and methodology of annual government finance statistics (GFS).

Beneficiary	Subject Area	Committed	Description
Philippines	Banking Supervision	\$285,804	Long-term expert to assist the Bangko Sentral ng Pilipinas with the design and implementation of consolidated risk-based banking supervision, strategies for the resolution of problem banks, and the enhancement of supervisory capacity. The proposal aims to assist authorities with: (1) restructuring the Supervisory and Examination Sector; (2) strengthening the enforcement of regulations to ensure consistency in the conduct of examinations and supervisory enforcement; and (3) strengthening the regulatory and examination framework to emphasize the identification of risks and the assessment of risk management capabilities.

EUROPEAN REGION

Beneficiary	Subject Area	Committed	Description
Europe —multiple countries	Balance of Payments Statistics	\$70,000	Five day seminar on remittances statistics for balance of payments compilers. The funding covers participant costs for officials of 21 European countries. The seminar is to (1) promote the new standards in remittances statistics; and (2) provide practical guidance for compilers of remittances data.
Armenia	Tax Administration	\$331,804	Long-term resident expert to assist the authorities with implementing a comprehensive tax administration modernization project. Specifically, the project aims to provide advice on key areas of tax administration reform including: (1) revenue strategy; (2) tax administration organization; (3) tax administration core functions; and, (4) tax administration support functions.

Beneficiary	Subject Area	Committed	Description
Kosovo	Monetary Policy	\$280,788	One-year extension of a long-term advisor to the Governor of the Central Bank of Kosovo (CBK). The advisor provides day-to-day advice to the governor, and assists with implementing CBK objectives, such as, fostering stability, solvency, and the efficient functioning of the financial system.
Republic of Moldova	Banking Supervision	\$60,000	Two month of short-term visits of 5-12 days each to assist with the design and implementation of a crisis management plan, which includes: (1) a Memorandum of Understanding between the relevant agencies; (2) crisis management procedures for the agencies; (3) legislation to give the agents authority to take agreed upon actions; and (4) crisis scenario drills.
Republic of Moldova	Capacity Building	\$285,804	One-year extension for a long-term expert to continue assisting the National Bank of Moldova (NBM) with increasing its capacity to develop and implement monetary policy analysis. The assistance primarily focuses on establishing a Structured Forecasting and Policy Analysis System which aims to enhance the NBM's decision-making process and capability in assessing the appropriate stance of monetary policy in relation to the state of the economy.

IMF—MULTIPLE REGIONS

Beneficiary	Subject Area	Committed	Description
European and MCD Countries	Monetary and Financial Statistics	\$93,750	A three-week regional course for 30 central bank officials from Russia and 14 other countries of the former Soviet Union. The course is intended to familiarize participants with practical aspects of monetary statistics compilation and the use of the Supplemental Reserve Facility-based monetary data in Balance Sheet Approach analyses. The course also covers financial statistics and flow of funds accounts.

MIDDLE EAST AND CENTRAL ASIA REGION

Beneficiary	Subject Area	Committed	Description
Afghanistan, Islamic Republic of	Government Finance Statistics	\$122,114	Two two-week technical assistance workshops by an expert for officials of the Ministry of Finance (MOF) and the Central Statistical Office. Held in Amman, Jordan, the seminar allows the Government of Afghanistan staff to meet technical staff of the MOF of Jordan to discuss institutional and technical issues related to compiling Government Finance Statistics (GFS). The workshops combine training on GFS Manual 2001 methodology, and practical work using the accounting data of the Government of Afghanistan.

Beneficiary	Subject Area	Committed	Description
Afghanistan, Islamic Republic of	Tax Administration	\$62,500	Two short-term expert visits to assist revenue departments with: (1) developing medium-term reform plans for tax and customs administration; (2) monitoring the plans implementation and advising the Ministry of Finance's leadership on pertinent issues; (3) establishing effective tax/customs reform steering committee(s) and project teams; and (4) providing technical advice on creating a clear line of accountability between headquarters and the provincial offices.
Afghanistan, Islamic Republic of	Monetary and Financial Statistics	\$120,000	Two short-term peripatetic expert visits to assist the Da Afghanistan Bank and other depository corporations with improving the quality of source data used for compiling monetary statistics, as well account classification and data consistency.
Afghanistan, Islamic Republic of	National Accounts Statistics	\$61,057	Two-week workshop conducted by a short-term expert to improve the accuracy of the national accounts compiled by the Central Statistical Office.
Afghanistan, Islamic Republic of	Balance of Payments Statistics	\$60,000	One short-term expert visit to assist authorities with: (1) compiling balance of payments statistics consistent with the guidelines of the Balance of Payments and International Investment Position Manual; and (2) enhancing existing systems, and developing new ones, to collect source data.
Kyrgyz Republic	Tax Administration	\$62,500	Two peripatetic short-term expert visits to: (1) design a more effective tax system for the small taxpayer segment; and (2) assist authorities in developing an implementation strategy and plan to expand and strengthen the Large Taxpayer Unit.

Beneficiary	Subject Area	Committed	Description
Mauritania	Tax Administration	\$60,000	Two peripatetic short-term expert visits to assist with: (1) restructuring the headquarters offices of the tax department and strengthening its capacity to develop policies and deliver corporate services; and (2) organizing a census of large and medium-sized businesses aimed at increasing taxpayer registration levels.
Mauritania	Public Financial Management	\$60,000	Two short-term expert visits to assist authorities with: (1) rationalizing government banking arrangements and establishing a treasury single account (TSA); and (2) strengthening the cash planning and management system.
Middle East and Central Asia —multiple countries	General Data Dissemination System (GDDS) Workshop	\$70,000	Five-day workshop covering participant costs to assist General Data Dissemination System (GDDS) coordinators to understand and implement new aspects of the GDDS regarding: (1) periodicity and timeliness of data dissemination; (2) Advance Release Calendars; and (3) National Summary Data Pages.
Middle East Technical Assistance Center	Tax Administration	\$335,804	One-year extension of a revenue administration advisor position to: (1) organize regional events (workshops, seminars, study visits and training); (2) provide front line supervision of the work of short-term experts to deliver the METAC revenue administration TA work plan; and (3) regularly visit member countries to keep abreast of revenue administration developments.

Beneficiary	Subject Area	Committed	Description
Middle East Technical Assistance Center	Public Debt Management	\$280,788	One-year appointment of a long-term expert to advise METAC countries on developing public debt management capacity and debt markets.

WESTERN HEMISPHERE REGION

Beneficiary	Subject Area	Committed	Description
Peru	Public Financial Management	\$134,228	Six month extension of a resident treasury management advisor in the Ministry of Economy and Finance, as well as the Central Reserve Bank of Peru and Banco de la Nacion to facilitate continued support for strengthening budget execution and treasury management through: (1) a fuller implementation of the Treasury Single Account; (2) restructuring of the relationships between operators and budget users of the different tools for budget execution; and (3) improved reporting. The project will allow the full benefit from a new Financial Management Information System that is based on automatic accounting, a budget classification, and chart of accounts consistent with international standards.

JSA Technical Assistance Programs Approved in FY10 (8)

West Africa: Develop Strategic Fiscal Management

Three-year program during FY10-12, geared toward strengthening fiscal management in ten West African countries which share similar characteristics such as background and development status. TA will be delivered using an approach that maximizes synergies gained from lessons learned by countries at different stages of the reform process, but which have similar issues and objectives regarding tax administration and budgetary management. The program aims to assist the countries with: (1) improving budget preparation and execution; (2) strengthening program and performance based budgeting; (3) improving VAT productivity; and (4) improving collections from and compliance by medium-size taxpayers, and developing more efficient arrangements to tax small and micro-sized businesses.

The program finances short-term expert visits, headquarters-led visits, seminars and regional PFM and Tax Administration advisors posted in Liberia and Ghana respectively, who would provide assistance to Burkina Faso, Côte d'Ivoire, the Gambia, Ghana, Liberia, Mali, Niger, Nigeria, Senegal, and Sierra Leone. For some countries, the program involves scoping missions to identify specific technical assistance needs in the medium term.

Program Budget for FY10 through FY12	\$5,401,000
Program Budget for FY10	\$1,199,000

Beneficiary	Subject Area	FY10 Work Plan
Burkina Faso	Tax Administration	Two short-term expert visits to assist with: (1) recording the operations related to foreign-financed transactions in the government accounts; (2) enhancing the reliability of accounting operations; (3) simplifying and rationalizing budget and accounting procedures; and (4) improving cash management.
Côte d'Ivoire	Tax Administration	Two short-term expert visits to follow an IMF-financed diagnostic mission in FY10. The diagnostic evaluation aims to develop a clear understanding of the approaches in place for administering small and medium-sized taxpayers, and to determine reform priorities, and the focus of subsequent expert assignments under the program.

Beneficiary	Subject Area	FY10 Work Plan
Gambia	Tax Administration	Scoping visits by the regional tax administration advisor based in Ghana to discuss specific TA needs and FY11 and FY12 programs, following a mid-2009 tax policy mission which revealed the need for TA in tax administration.
Ghana	Public Financial Management and Tax Administration	<p>One short-term expert visit and one headquarters-based mission to perform follow-up work to reform the legal public financial management framework.</p> <p>One headquarters-based mission to develop implementation plans and priorities following a May 2009 diagnostic assessment for modernizing tax administration.</p> <p>Two short-term expert visits to assist the authorities with integrating the VAT and income tax services, and increasing the VAT registration threshold.</p>
Liberia	Public Financial Management	PFM mission to inspect the regional advisor based in Liberia. This mission follows an initial mission in 2006 to identify and implement measures to regain control of PFM processes, and follow-up missions in 2007 and 2009 to assess progress and implement additional measures such as a new legal framework. The regional advisor provides continued support, primarily focusing on implementing the new legal framework, financial accounting and reporting, cash management, and internal audit.

Beneficiary	Subject Area	FY10 Work Plan
Mali	Public Financial Management	One short-term expert visit to assist authorities with: (1) detailing a strategy to develop program budgeting and developing the corresponding concept paper; (2) establishing the steering committee structure to manage the reforms; (3) reviewing program budgeting concepts; and (4) undertaking training activities on program budgeting to strengthen capacity.
Niger	Public Financial Management and Tax Administration	One headquarters-based TA mission and one short-term expert visit to assist with: (1) recording operations related to foreign-financed transactions in the government accounts; (2) enhancing the reliability of accounting operations; (3) simplifying and rationalizing budget and accounting procedures; and (4) improving cash management.
Nigeria	Public Financial Management and Tax Administration	<p>One short-term expert visit to: (1) strengthen accounting and Information Management Systems (IFMIS); and (2) follow-up on a 2008 JSA project to strengthen the budget process and move towards adopting a performance-based budgeting (PBB) system.</p> <p>Scoping visits by the regional tax administration advisor based in Ghana to discuss TA needs and FY11 and FY12 programs. Following the recommendations from a 2004 mission to reform tax administration, the reform agenda remains incomplete despite some progress during 2004-2006.</p>
Sierra Leone	Tax Administration	One short-term expert visit to conduct a post Value Added Tax (VAT) launch review, and assist with developing a simplified small taxpayer regime.

Asia and the Pacific: Effective and Efficient Public Financial Management

Three-year program during FY10-12 to provide technical assistance in the area of public financial management and tax administration to seven countries in the Asia and Pacific region. The program aims to assist these countries with developing macroeconomic policies and systems to support modern budget and treasury management, and sound revenue collection structures. The broad goals of the program encompasses: (1) strengthening countries' capacity to analyze and forecast macro-fiscal developments and enhancing top-down budgeting; (2) enhancing all aspects of treasury management and improving fiscal transparency; and (3) strengthening core functions of tax and customs administration such as taxpayer registration, collection processing, risk assessment, audit, and large taxpayer management.

The program will finance short-term expert visits, headquarters-led visits, seminars and regional PFM and Tax Administration advisors posted in Indonesia and Nepal respectively, who would provide assistance to Bangladesh, Cambodia, Indonesia, Lao P.D.R., Nepal, Democratic Republic of Timor-Leste and Vietnam. For some countries, the program involves scoping missions to identify specific technical assistance needs in the medium term.

Program Budget for FY10 through FY12	\$6,327,000
Program Budget for FY10	\$1,338,000

Beneficiary	Subject Area	FY2010 Work Plan
Bangladesh	Public Financial Management and Tax Administration	Update a 2009 assessment which reviewed the country's existing VAT operations, tax codes and loopholes to determine, with the authorities, priorities for short-term expert TA under the three-year program.

Beneficiary	Subject Area	FY2010 Work Plan
Cambodia	Public Financial Management and Customs Administration	<p>One short-term expert visit to begin improving the macro-fiscal management. Two short-term expert visits to implement the Government Accounting Reform strategy. Two short-term expert visits to implement a Cash Management reform strategy. A headquarters-led mission to assist the authorities with preparing a strategy for improving macro-fiscal forecasting and assessing the capacity for implementing a Medium-Term Budget Framework (MTBF).</p> <p>Two short-term expert visits to assist authorities with: (1) modifying the customs administration on functional lines; and (2) developing and implementing performance indicators and a performance management policy and system.</p> <p>Headquarters-led mission to review progress of the modification and assess priorities for year two of the program.</p>
Indonesia	Public Financial Management	<p>Two short-term expert visits to deliver TA in agreed priority areas for treasury modernization on the basis of recommendations from a joint December 2008 World Bank-IMF report on asset-liability management (ALM). The TA aims to assist the authorities with completing an operational treasury single account (TSA) and further improving cash management in the context of improved asset-liability management.</p>

Beneficiary	Subject Area	FY2010 Work Plan
Lao People's Democratic Republic	Customs Administration	Two short-term expert visits to assist authorities with implementing a new legal framework for customs administration, by adopting procedure manuals and instructions to apply on a national basis.
Nepal	Public Financial Management and Tax Administration	<p>Installation of a resident regional tax expert to focus on treasury modernization.</p> <p>Three short-term tax administration expert visits to assist authorities with implementing a 2009-2013 reform and modernization plan, and adopt systems and procedures to continuously monitor and update the plan. The plan focuses primarily on implementing measures necessary to improve revenue collections in the medium-term, and increase levels of taxpayer compliance. In particular, the TA would focus on broadening the tax net, increasing the levels of taxpayers filing returns, reducing outstanding arrears, and increasing revenues from audit programs through better audit selection and better trained auditors.</p> <p>One headquarters-led mission to update a 2009 assessment for a tax and customs reform program.</p>
Democratic Republic of Timor-Leste	Public Financial Management	A resident expert to assist the authorities with implementing a modern treasury, a headquarters-led Public Expenditure and Financial Accountability (PEFA) mission to assess priorities and TA to begin under the program, as well as a follow-up PEFA mission to finalize a PFM reform plan, enhance understanding of it, and assist authorities in implementing it.
Vietnam		No Projects for FY10

Middle East and Central Asia: Safeguarding Financial Resources in Central Asian Countries

Three year program during FY10-12 to provide technical assistance to help safeguard financial resources and strengthen fiscal institutions in eight countries in the Central Asia region. The program aims to: (1) enhance financial oversight and establish crisis management and crisis resolution mechanisms, as well as financial safety nets; (2) build institutions and frameworks for medium-term strategic and policy oriented budget management, and assist with the fiscal consolidation effort that is required in response to the global financial crisis; (3) further strengthen the implementation of ongoing budget and treasury reforms, with particular emphasis on improving fiscal reporting, and the introduction of a medium-term budget framework; (4) enhance banking sector regulation and supervision, including the implementation of remedial action for problem banks; and (5) upgrade supervisory practices including the areas of stress testing and early warning systems.

The program will finance short-term expert visits, headquarters-led visits, seminars, a resident advisor posted in the Republic of Kazakhstan, and a regional PFM advisor posted in Uzbekistan, who would provide assistance to Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan. For some countries, the program involves scoping missions to identify specific technical assistance needs in the medium term.

Program Budget for FY10 through FY12	\$4,150,000
Program Budget for FY10	\$1,107,000

Beneficiary	Subject Area	FY2010 Work Plan
Kyrgyz Republic	Public Financial Management and Banking Supervision	<p>One short-term expert visit, one headquarters-based mission, and inputs from the regional PFM advisor to assist with strengthening budget preparation and integrating the budget with medium-term planning, commitment control, and fiscal reporting.</p> <p>Two short-term expert visits to strengthen banking supervision by implementing remedial actions for banks and applying more sophisticated stress testing methodologies.</p>

Beneficiary	Subject Area	FY2010 Work Plan
Republic of Kazakhstan	Public Financial Management and Banking Supervision	<p>One short-term expert visit, one headquarters-based mission, and input from the regional PFM advisor to assist with: (1) improving medium term fiscal and budgetary frameworks, and integrating with the existing three year budget/planning process; and (2) strengthening the legal framework for bank resolution.</p> <p>Placement of a resident advisor to strengthen the legal framework for bank resolution, and support technical and administrative elements.</p>
Tajikistan	Public Financial Management	<p>Input from the regional advisor and one headquarters-based mission to: (1) ensure that the State Owned Enterprises (SOE) monitoring department becomes fully operational; and (2) assist with the design of a commitment control system, a detailed cash management system, and a full Treasury Single Account (TSA) system.</p>
Armenia, Azerbaijan, Georgia, and Turkmenistan	Public Financial Management	<p>Scoping visits by the regional advisor to discuss possible TA needs for PFM in the future. No specific TA activities planned for the first fiscal year.</p>

Asia and the Pacific Region: Strengthening Macroeconomic Management

Three-year program during FY10-12 to provide training designed to strengthen macroeconomic management in the Asia-Pacific region, by improving the ability of officials to analyze economic conditions, diagnose problems, and design and implement appropriate policies. Training is delivered through the IMF-Singapore Regional Training Institute (STI), and includes courses in macroeconomic analysis and policy, money and financial markets, the external sector, the fiscal sector, and anti-money laundering and combating the financing of terrorism.

The program will cover the costs for long-term experts, short-term expert visits, headquarters-based visits, participants, interpretation and translation, and course preparation and delivery time of staff.

Program Budget for FY10 through FY12	\$6,923,977
Program Budget for FY10	\$2,081,497

Beneficiary	Subject Area	FY2010 Work Plan
Asia and the Pacific —multiple countries	Macroeconomic Management Training	Forty six weeks of training delivered through courses in macroeconomic diagnostics, macroeconomic forecasting, financial soundness indicators, monetary and exchange rate policy, designing effective legal frameworks for problem banks, resolving banking crises, economic policies for financial stability, macroeconomic implications of fiscal issues, financial programming and policies, external sector issues, macroeconomic management and fiscal policy, financial safeguards at central banks, financial markets and new financial instruments, financial programming and policies, government finance statistics, macroeconomic diagnostics, financial programming and policies, monetary and exchange rate policy, and macroeconomic management and financial sector issues.

South-Eastern Europe: Strengthening Fiscal Management

Three year program during FY10-12 to provide technical assistance in the area of public financial management and tax administration to eleven countries in South Eastern Europe (SEE). The program aims to assist these countries with strengthening the implementation of ongoing budget and treasury reforms, and aligning the region's revenue administration with international best practices and EU requirements. Specifically, the program helps countries to: (1) achieve fiscal consolidation; (2) exercise fiscal control and financial discipline; (3) improve allocation of resources through budgeting; (4) increase taxpayers' compliance with tax laws; and (5) provide fair and service-oriented tax administration.

The program will finance short-term expert visits, headquarters-led visits, seminars and two regional PFM and Tax Administration advisors posted in Slovenia and a yet to be determined location, who would provide assistance to Albania, Bosnia and Herzegovina, Kosovo, Moldova, Montenegro, Serbia, Croatia, Former Yugoslav Republic of Macedonia, Bulgaria, Romania, and Slovenia.

Program Budget for FY10 through FY12	\$6,001,000
Program Budget for FY10	\$1,631,000

Beneficiary	Subject Area	FY2010 Work Plan
Albania	Public Financial Management and Tax Administration	<p>Regional PFM advisor to assist with integrating a debt management strategy with a medium-term budget framework, and improve integration of debt and cash management practices.</p> <p>One short-term expert visit, one headquarter-based follow-up mission, and input from the regional Tax Administration advisor to review the reform progress, help update the reform strategy; and help develop an overall compliance strategy. The key reform priorities include: (1) developing a compliance risk management system; (2) developing an operational performance measurement capability; (3) strengthening the large taxpayer operations; (4) improving core business processes; and (5) replacing outdated T systems that hamper operations and future reform possibilities.</p>

Beneficiary	Subject Area	FY2010 Work Plan
Bosnia and Herzegovina	Public Financial Management and Tax Administration	<p>Two short-term expert visits, and input from the regional PFM and Tax Administration advisors to: (1) work with the Fiscal Council to consolidate medium-term budget and fiscal reporting structure to meet IMF objectives and EU reporting requirements; and (2) develop debt management capacity at the state and entity levels.</p> <p>Input from the Regional Revenue Administration advisor to provide guidance on “best practices” system to manage taxpayer compliance.</p>
Bulgaria	Public Financial Management	<p>Guidance from the regional PFM advisor to: (1) review lessons learned from recent PFM reforms; and (2) assist with strengthening expenditure controls and expenditure prioritization.</p>
Croatia	Public Financial Management	<p>Guidance from the regional PFM advisor to: (1) integrate debt management strategy with the medium-term budget framework (MTBF); and (2) integrate cash and debt management functions.</p>

Beneficiary	Subject Area	FY2010 Work Plan
Kosovo	Public Financial Management and Tax Administration	<p>One headquarters-based mission and input from the Regional PFM advisor to advise authorities on (1) further development of a fiscal decentralization program and its incorporation into the government's medium-term fiscal policy development; and (2) development of cash and debt management operations.</p> <p>Three short-term expert visits, and input from the regional Tax Administration advisor to provide guidance on the development of an IT reform strategy and an overall risk management and taxpayer compliance system similar to a concept recommended by the OECD.</p>
Macedonia	Public Financial Management	<p>Two short-term expert visits and input from the regional PFM advisor to: (1) assist authorities with further aligning their medium-term budget framework to annual budget process, and fully introducing expenditure ceilings; and (2) further develop treasury processes to support implementation of budget polices and integration of debt and cash management processes.</p>
Moldova	Public Financial Management and Tax Administration	<p>One headquarters-based mission to review the PFM reform strategy in the area of budgeting and capacity building in cash management.</p> <p>Regional Tax Administration advisor to provide guidance on international best practice for managing taxpayer compliance.</p>
Montenegro	Public Financial Management	<p>One headquarters-based mission and inputs from the regional PFM advisor to: (1) review the development of a Medium-Term Budgetary Framework (MTBF); and (2) assist with further development of capacity to assess and implement capital projects and roll-out new procedures to spending agencies.</p>

Beneficiary	Subject Area	FY2010 Work Plan
Romania	Public Financial Management	<p>One short-term expert visit, one headquarters-based follow-up mission, and input from the regional PFM advisor to: (1) follow-up on recommendations from a 2009 headquarters-based mission to develop a fiscal responsibility law and strengthen the medium-term budget framework (MTBF); and (2) help integrate cash and debt management to ensure sustainability of medium-term budgeting process.</p>
Serbia	Public Financial Management and Tax Administration	<p>Regional PFM advisor input to assist the authorities with improving debt and cash management processes and integrating the debt strategy with the Medium-Term Expenditure Framework (MTEF).</p> <p>Three short-term expert visits, one headquarter-based follow-up mission, and input from the regional Tax Administration advisor to develop a comprehensive tax modernization program which includes: (1) establishing a strategic plan; (2) replacing the IT system (including redesigning business processes); and (3) strengthening the agency's capacity to impact on taxpayer compliance through both enforcement and taxpayer service activities.</p>
Slovenia	Public Financial Management	<p>Guidance from the regional PFM advisor to the Ministry of Finance on introducing performance indicators to the medium-term budget process, identifying whether medium-term policy objectives are being met.</p>

Western Hemisphere: Strengthening Treasury Management, Fiscal Reporting, and Tax Auditing

Three-year program during FY10-12 to provide technical assistance in the areas of Tax administration and Public Financial Management to four South American countries (Bolivia, Colombia, Paraguay, and Peru). The program aims to assist these countries in continuing and consolidating their efforts to build institutions and frameworks for medium-term strategic and policy-oriented revenue administration and budget management. Specifically, the program would address compliance management and weaknesses in the treasury function, by improving cash and debt management and information management systems (IFMIS).

The program will finance short-term expert visits, headquarters-led visits, and seminars to provide assistance to Bolivia, Colombia, Paraguay, and Peru. For some countries, the program involves scoping missions to identify specific technical assistance needs in the medium term.

Program Budget for FY10 through FY12	\$1,517,000
Program Budget for FY10	\$522,000

Beneficiary	Subject Area	FY2010 Work Plan
Bolivia	Tax Administration	One headquarters-led tax administration mission to undertake an assessment, after several years without TA activity, and determine priorities for short-term expert visits under the program.
Colombia	Tax Administration	One headquarters-led tax administration mission to update a 2008 assessment, and determine priorities for short-term expert visits under the program.

Beneficiary	Subject Area	FY2010 Work Plan
Paraguay	Public Financial Management and Tax Administration	<p>One short-term PFM expert visit to support implementation of new procedures developed under a JSA program in FY09 to assist the authorities in modernizing domestic and international transit procedures, and prepare transition to an IADB TA project which covers some of the FY09 recommendations.</p> <p>One headquarters-led revenue administration follow-up mission to update a 2008 tax and customs administrations diagnostic assessment, and determine TA priorities under the program.</p> <p>One short-term expert visit to assist authorities with evaluating TA needs in debt management, and draft a debt management strategy.</p>
Peru	Public Financial Management and Tax Administration	<p>Two short-term expert visits, and one treasury-management workshop to: (1) implement recommendations of a 2009 TA mission regarding a new enforcement plan and modern operational procedures for the tax collection and audit areas; (2) assist the government with developing a sound conceptual model for a new financial management information system; and (3) foster peer-learning and experience-sharing at a sub-regional level in the areas of treasury and debt management.</p>

**Association of Southeast Asian Nations (ASEAN):
Enhancing Regional Stability through Improved Supervision**

Three-year program during FY10-12 to provide technical assistance to improve and maintain financial stability within four ASEAN member countries. The program aims to: (1) encourage the convergence and harmonization of supervisory practices with recognized international standards; and (2) introduce a level playing field among the banking system of ASEAN member countries to facilitate financial integration and intermediation.

The program will finance short-term expert visits, a headquarters-led visit, seminars and regional advisors posted in Cambodia, Indonesia, Philippines, and Vietnam, who would provide assistance to the four respective countries.

Program Budget for FY10 through FY12	\$7,025,355
Program Budget for FY10	\$2,250,562

Beneficiary	Subject Area	FY2010 Work Plan
Cambodia	Bank Supervision	Extension of a long-term resident advisor and two short-term expert visits to assist the National Bank of Cambodia (NBC) with: (1) improving supervisors' capacity to monitor banking developments; (2) enhancing bank supervision through a risk-based supervision approach; and (3) advising on a broader range of supervisory policy issues, including the resolution of troubled banks.
Indonesia	Bank Supervision	Extension of a long-term resident advisor and two short-term expert visits to assist Bank Indonesia (BI) with: (1) strengthening regulatory and supervisory policies to support implementation of risk-based supervision; (2) enhancing supervisors' capacity to monitor banking developments and facilitate risk-based supervision; and (3) developing a crisis resolution framework for the banking system.

Beneficiary	Subject Area	FY2010 Work Plan
Philippines	Bank Supervision	Extension of a long-term resident advisor and two short-term expert visits to assist the Banko Sentral ng Pilipinas (BSP) with: (1) enhancing risk-based supervision; (2) strengthening the enforcement of prudential regulations to ensure consistency in the conduct of both examination and supervisory enforcement; and (3) improving the capacity of the BSP to identify and resolve problem banks.
Vietnam	Bank Supervision	Extension of a long-term expert advisor and two short-term expert visits to assist with strengthening the banking supervision function at the State Bank of Vietnam (SBV) by: (1) identifying and addressing shortcomings in key areas of the supervisory banking and regulatory framework; and (2) developing the capacity of the supervisory staff to conduct risk-based supervision.

Economic and Monetary Community of Central African States (CEMAC): Strengthening Regional Financial Agencies

Three-year program during FY10-12 to provide technical assistance to CEMAC to improve regional financial stability, integration, and intermediation in the region in order to help increase economic activity and reduce poverty. Specifically, the program aims to: (1) develop policies and mechanisms to better manage the regional monetary union; and (2) strengthen regional financial supervision and oversight.

The program will finance short-term expert visits, a headquarters-led visit, seminars, and a regional advisor posted at the Banque des Etats l'Afrique Centrale (BEAC) located in Cameroon, who would provide assistance to Cameroon, Central African Republic, Chad, Republic of Congo, Equatorial Guinea, and Gabon.

Total Program Budget for FY10 through FY12	\$3,543,084
Program Budget for FY10	\$1,135,022

Beneficiary	Subject Area	FY2010 Work Plan
CEMAC	Public Debt Management and Bank Supervision	<p>One long-term expert, ten short-term expert visits, two headquarters-led missions and one seminar to:</p> <p>(1) Assist the Banque des Etats de L'Afrique Centrale (BEAC) with establishing an effective infrastructure for a regional government securities market, which includes: (i) reviewing internal procedures for the operations of the regional money markets to reflect the introduction of government securities as accepted collateral for BEAC refinance operations; (ii) undertaking validation tests in several national treasuries; (iii) establishing and operating the central depository (Cellule de Règlement et de Conservation des Titres-CRCT) at the BEAC; and (iv) organizing the training sessions for national treasuries.</p> <p>(2) Assist BEAC with enhancing its international reserves management capacity, which includes: (i) drafting a comprehensive strategy for foreign asset management; (ii) strengthening the trading room, credit risk monitoring, performance assessment and reporting, liquidity reporting benchmark, and implementation of accounting principles.</p> <p>(3) Assist BEAC with strengthening its research capacity in the areas of monetary design and implementation, by: (i) strengthening the Economics and Research Departments and increasing their analytical capacity, and (ii) enhancing economic data collection including coordination with relevant national government departments.</p> <p>(4) Assist the Banking Commission for Central African States (COBAC) with strengthening its on-site supervision capacity and its off-site analysis capacity.</p>

ANNEX 1B

JSA TECHNICAL ASSISTANCE PROJECTS COMPLETED IN FY2010

This Annex comprises 71 JSA Technical Assistance projects completed in FY10. It provides a brief description of completed projects and their total budget, and highlights the major achievements during the project's implementation.

AFRICA REGION			
Beneficiary	Committed	Project Description	Project Outcomes
Africa —Francophone Countries	\$56,500	A workshop was held in Tunisia to review countries' progress towards implementing a Coordinated Direct Investment Survey (CDIS), and address problems that participants encountered, following an initial regional seminar held in Tunisia in 2008. The survey was designed to improve the quality of participating jurisdictions' positions data on direct investment, and the workshop centered on aspects of the CDIS Guide which describes the steps to be taken to implement the survey.	All nine countries which participated in the workshop provided detailed implementation plans in line with the framework of the CDIS Guide. Countries presented the actions taken thus far, in particular, regarding the questionnaires, the identification of the survey population, and the consultation of some respondents. Six countries (Benin, Cameroon, Côte d'Ivoire, Guinea Bissau, Madagascar, and Morocco) have already implemented, or are in the process of implementing surveys covering the full range of financial stocks (and sometimes flows as well) for the compilation of international position statistics. Three countries (Burundi, Rwanda, and São Tomé and Príncipe) have made less progress than the others in their preparation for the CDIS.

Beneficiary	Committed	Project Description	Project Outcomes
Africa —multiple countries	\$30,000	Funding for participant costs for a Coordinated Direct Investment Survey (CDIS) three day seminar. The survey was designed to improve the quality of participating jurisdictions' positions data on direct investment, and the seminar was conducted to review progress and address problems in implementing the survey. Attendees from 14 countries participated in the seminar, with the host, South Africa, providing the facilities and logistical support.	All participants presented their timetable for preparing, conducting, and editing/validating the survey, and making the information available to the IMF. Also, all participants discussed the reporting forms they will use. In most cases, the survey forms are based on the private capital investment survey developed by the UK Department for International Development (DFID) and Uganda. A number of improvements to the survey forms were recommended, and most countries expect to participate in the CDIS.

Beneficiary	Committed	Project Description	Project Outcomes
Africa —multiple countries	\$149,500	<p>The project entailed two visits to Sierra Leone and three visits to Liberia by a long-term expert. In Sierra Leone, the expert assisted the authorities with maintaining their reform momentum and ensuring that individual TA activities were appropriately targeted and sequenced. An emphasis on key tax administration objectives included:</p> <ol style="list-style-type: none"> (1) the successful launch of a Goods and Services Tax (GST); (2) elimination of fragmented arrangements through creation of a domestic tax department; and (3) integrating the administration of direct and indirect taxes, initially for large taxpayers. In Liberia, the expert provided guidance on specific reform issues and assisted the authorities with finalizing modernization plans that are required to secure long-term funding arrangements with major donors for separate tax and customs modernization programs. 	<p>Sierra Leone: The National Revenue Authority (NRA) is well prepared for the GST launch, which has been postponed a number of times due to the global economic downturn. The Large Taxpayer Office (LTO) has been expanded, and is in a position to administer all domestic taxes, including GST. The expert has ensured that the LTO manages all domestic taxes and has also prepared the NRA for the establishment of a broader domestic tax department, ensuring an integrated functional organization, beyond just the LTO.</p> <p>Liberia: The tax-to-GDP ratio has nearly doubled in the 3-4 year post-conflict rebuilding period, reflecting a peace dividend and the impact from rebuilding fiscal intuitions. Progress has been sufficiently positive and encouraging as to solicit wider donor support, including the World Bank, African Development Bank, and bilateral sources such as the US and France.</p>

Beneficiary	Committed	Project Description	Project Outcomes
Africa —multiple countries	\$143,000	<p>The project entailed five short-term expert visits to Rwanda, and Zambia to assist the authorities with modernizing the tax and customs administrations. The focal areas included: (1) improving tax operations, including strengthening self-assessment systems and introducing risk management; (2) improving tax and customs organizations, including (i) integrating direct and indirect tax operations, and (ii) developing function-based tax and customs administrations; (3) introducing taxpayer segmentation to better take into account compliance risks and service needs of the large, medium, and small taxpayers; and (4) re-establishing or strengthening basic operations in post conflict and low capacity countries.</p>	<p>The project’s funds were used for Rwanda and Zambia only. In Rwanda, the experts were instrumental in providing advice on the policy, legal and operational, and information technology aspects of social contribution collections by a revenue agency, and the required interface between the Rwanda Revenue Authority (RRA) and Caisse Sociale du Rwanda (CSR). An important outcome of the assignment was the establishment of a project management framework to plan the transfer of social contributions collections to the RRA.</p> <p>In Zambia, the experts were effective in building on the implementation of a 2006 revenue administration mission reform and modernization strategy recommendations. The experts worked with the Zambia Revenue Authority (ZRA) management and staff to develop a practical work plan and timetable for the reform effort. They also used a series of workshops to outline the complexities of the required structural change whose components included: (1) developing a headquarters functional structure; (2) establishing a Large Taxpayer Office (LTO); and (3) implementing a reform and modernization governance framework.</p>

Beneficiary	Committed	Project Description	Project Outcomes
Africa —multiple countries	\$50,000	<p>A Macroeconomic Management and Financial Section Issues course in French was conducted at the Centre Ouest African de Formation et d'Études Bancaires (COFEB) of the Banque Centrale des États de l'Afrique de l'Ouest (BCEAO) in Senegal. The course was structured around three modules: monetary and exchange rate policies; policies to develop a sound financial system; and policies at the interface between these two building blocks (such as public debt management, financial sector safety nets, financial crisis management, and macro-prudential supervision). The course consisted of 15 lectures and four workshops, which covered monetary and exchange rate policies, an analysis of financial sector performance, and banking sector stress tests. Twenty-five participants from 11 countries (Benin, Burkina, Burundi, Côte d'Ivoire, Guinea, Guinea Bissau, Mali, Niger, Rwanda, Senegal, and Togo) attended the course, as well as three participants from the BCEAO headquarters. Fifteen participants were from ministries of finance and economy, and the others from the national BCEAO agencies and the central bank's headquarters.</p>	<p>The participants provided an overall rating of 4.8 for the value of the course, on a scale of 1 to 5 with “5” indicating the highest rating. They noted that the knowledge and skills would be useful for their jobs. Participants particularly valued the workshops on “the analysis of the performance of the banking system and stress tests.” In addition, the course team reported that participants were highly motivated and active with questions and interventions.</p>

Beneficiary	Committed	Project Description	Project Outcomes
Africa —multiple countries	\$93,750	Funding for participant costs for a two-week course, aimed at strengthening participants' understanding of the design and implementation of macroeconomic and financial policies. The course, held in Ghana, was attended by 29 participants from member countries of the West African Institute for Financial and Economic Management (WAIFEM), with 10 participants from ministries of finance, economy, and planning, 11 from central banks, and 8 from other institutions (e.g., statistics office, debt management office, and the West African Monetary Institute).	The course was highly appreciated by participants, and was given a high rating of 4.8 out of 5.0 with "5" indicating the highest rating for its overall value. In their written feedback on the course, participants noted that (1) they acquired a better understanding of the links between the key macroeconomic sectors and policies; (2) the workshops had been important in expanding upon and clarifying issues raised during the lectures; and (3) the lecturers/ counselors were very committed, experienced, and effective in transmitting their expertise.
Africa —multiple countries	\$171,600	The project entailed six short-term peripatetic expert visits to assist the West African Economic and Monetary Union (WAEMU) with revising its six PFM directives. These directives were designed in the 1990s, with the assistance of the IMF, and focused on transparency, budget law, public accounting regulations, chart of accounts, budget classification, and fiscal reporting.	The WAEMU Council of Ministers adopted the six new directives developed by the expert in March and June 2009 respectively.

Beneficiary	Committed	Project Description	Project Outcomes
Africa —multiple countries	\$70,000	Participant costs for a two-week course on financial programming and policies held in Uganda. The course was attended by 28 country officials from 10 member countries of the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI), with 19 participants from ministries of finance, economy, and planning, and 9 from central banks. MEFMI was formed in 1996 to improve human and institutional capacities in the critical areas of macroeconomic and financial management in its member countries (Angola, Botswana, Kenya, Lesotho, Malawi, Namibia, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe), and the IMF Institute has been delivering courses for its member countries since its inception.	The course succeeded in strengthening participants' understanding of the design and implementation of macroeconomic and financial policies. It provided an analysis of the key macroeconomic sectors in an economy (the real, fiscal, monetary and external sectors); the main policies affecting their performance; and how an appropriate set of policy measures can be developed and coordinated to promote growth and achieve macroeconomic adjustment. The course comprised workshops, in which participants learned and applied forecasting techniques, and prepared an adjustment program for a case study country. Participants were very appreciative of the course and gave it an overall value of 4.7 out of 5.0 with "5" indicating the highest rating.

Beneficiary	Committed	Project Description	Project Outcomes
Africa —multiple countries	\$209,300	The project entailed two expert visits each to Benin, Burkina Faso and Cameroon to assist authorities with increasing revenue collection by improving compliance from large and medium-sized taxpayers, and broadening the tax base. The experts particularly assisted with: (1) strengthening the medium-sized taxpayer offices; (2) pursuing a segmentation of the taxpayer population; (3) finalizing a compliance program for large and medium-sized taxpayers; and (4) increasing the number of registered taxpayers.	Good progress has been made with Cameroon and Burkina Faso tax administrations. Cameroon and Burkina Faso have broadened their tax base in 2009 by detecting and registering new taxpayers. Compliance rates for large taxpayers are high in both countries (100 percent in Cameroon, 99 percent in Burkina Faso), but slightly lower for medium sized taxpayers. Medium sized taxpayer offices (MTO) have been established in major cities (Douala and Yaoundé in Cameroon and Ouagadougou in Burkina Faso). Additionally, further expansion of MTOs, improved monitoring of tax operations through indicators, strengthening of tax intelligence, and cooperation with customs departments, have become critical measures in Cameroon and Burkina Faso to detect unregistered large and medium sized taxpayers, particularly in the informal sector. Reform progress has been slower in Benin, where the organization and operations of the large taxpayer office and two existing MTOs still require substantial improvements.

Beneficiary	Committed	Project Description	Project Outcomes
BEAC —Banque des Etats de l’Afrique Centrale	\$260,400	The project entailed the extension of a long-term expert to assist the Banque des Etats de l’Afrique Centrale (BEAC) and Community of Central African States (CEMAC) member countries with establishing the institutional and market infrastructure for the operations of a regional public debt market in the CEMAC. Particularly, TA aimed to assist authorities with: (1) defining the institutional and regulatory framework for the project on the issuance of government securities; (2) providing training and guidance for actors who will be working with the future mechanism; (3) developing technical and strategic options for the operations of the BEAC’s internal unit responsible for managing securities; and (4) ensuring that the rules and practices put in place are consistent with applicable international standards, and will allow CEMAC countries to issue government securities in a regional context, as opposed to a national context.	The institutional framework for the operations of a regional public debt market is in place, and the BEAC has established the market infrastructure for the operations of a regional public debt market in the CEMAC. Also, CEMAC member countries have established public debt and cash flow management capacity needed for reliance on market-instruments for the funding of the operations of the government. Lastly, BEAC established an adequate framework for monetary operations that fosters efficient money markets and primary markets for government securities.

Beneficiary	Committed	Project Description	Project Outcomes
Côte d'Ivoire	\$59,800	The project entailed two short term expert visits to assist authorities with improving customs capacity to: (1) carry out risk analysis for control purposes; and (2) monitor international transit of goods.	Significant progress has been made on both reforms targeted by technical assistance. The central risk management unit of the customs department has been restructured, and has begun creating and maintaining risk profiles in the IT system (SYDAM) to support selection of customs declarations for inspection at the main port. In the area of transit of goods, the expert assisted customs headquarters with designing a new monitoring procedure which uses instant exchange of electronic data, and helped identify the corresponding IT requirements.
Gabon	\$59,800	The project entailed one three-week visit each by a tax administration expert and a customs administration expert to support the modernization of tax and customs administration. The TA included: (1) improving tax compliance of medium -sized businesses and (2) improving overall consistency of customs reforms initiatives.	The initial steps to improve compliance through the establishment of a pilot Medium-Sized Taxpayer Office (MTO) have been achieved as planned. Specifically, the design of the MTO has been finalized and a detailed action plan for its implementation established.

Beneficiary	Committed	Project Description	Project Outcomes
Kenya	\$171,600	<p>The project entailed four short-term expert visits to assist the Kenya Revenue Authority (KRA) with accelerating and strengthening already launched customs administration reforms and modernization. The proposed TA included:</p> <p>(1) implementing a function-based organizational structure;</p> <p>(2) improving business processes;</p> <p>(3) implementing customs risk management and intelligence; and</p> <p>(4) establishing an authorized economic operator (AEO) scheme.</p>	<p>The expert's efforts resulted in a more focused and prioritized customs modernization program. Key achievements include:</p> <p>(1) implementation of a function-based organizational structure;</p> <p>(2) commencement of the authorized economic operator (AEO) scheme;</p> <p>(3) establishment of a national targeting centre to coordinate customs intelligence and risk management; and</p> <p>(4) implementation of a modernization governance structure that has been fully embedded in the Customs Services Department (CSD). The authorities also took the initiative to start 24-hour operations at Mombasa port in order to reduce congestion and clearance times.</p>
Liberia	\$228,800	<p>The project entailed two series of four short-term expert visits from both customs and tax administration experts to assist the authorities with rebuilding the revenue agencies with priority attention to areas with greatest impact on early outcomes. In particular, the TA was focused on revenue enhancement and strengthening compliance, especially from taxpayers and traders most important to the economy.</p>	<p>The Liberian authorities have made impressive improvements in a relatively short time-frame. The most important measure of success has been the very impressive growth of tax collections in real terms, with an increase of more than five percentage points of GDP in just a few years. Other measures, including taxpayer compliance in terms of registration and filing, are trending positively.</p>

Beneficiary	Committed	Project Description	Project Outcomes
Liberia	\$182,871	<p>The project entailed three short-term visits by two experts each to assist with the implementation of a recently completed Public Financial Management (PFM) legal framework through the preparation of supporting documentation (specifically, regulations, instructions and operating guidelines), together with training and familiarization of the civil service with the new requirements. The areas where detailed implementation follow-up was required include: the budget cycle, budget delegations, in-year revenue and expenditure projections and planning, commitment control, procedures for within-year reallocation of budget funds, borrowing procedures, government guarantee procedures, cash management procedures, banking processes, accounting regulations, payroll procedures, financial reporting requirements, internal audit regulations, and budget classification.</p>	<p>New regulations have been adopted by the cabinet, and implementation of the new legal framework has begun, with progress reported against a number of areas. Copies of the Law and regulations have been produced, and training materials have been prepared. Also, training of trainers, who will provide ongoing training to all staff involved in financial management, was undertaken. The Cabinet has also been fully sensitized on the new roles and responsibilities under the law and regulations.</p>

Beneficiary	Committed	Project Description	Project Outcomes
Mali	\$59,800	The project entailed two peripatetic short-term expert visits in tax administration to assist with improving compliance from medium-sized businesses, by establishing a medium-sized taxpayer office (MTO).	During the first visit, the expert helped develop the MTO concept note outlining the main features of the MTO, and designed a detailed and well-sequenced action plan for its implementation. During the second visit, the expert updated the implementation action plan and advised on immediate measures to accelerate the opening of the MTO, which was delayed. As of the date of completion of this report, the MTO has been implemented and is fully operational. The expert also concentrated on the identification of the MTO's initial portfolio and proposed concrete measures to broaden the tax base.

Beneficiary	Committed	Project Description	Project Outcomes
Namibia	\$62,114	<p>The project entailed two short-term expert visits to assist authorities with managing the annual budget on the basis of a new program and performance format which includes: (1) ensuring clarity and consistency in program and activity design; (2) implementing new expenditure control regulations based on the program structure, and (3) revising the public finance law. TA also includes amending the accounting system in line with the program budgeting approach, which includes: (1) a new budget classification structure; (2) revised Chart of Accounts (COA) that allows expenditures to be accounted for on a program basis; and (3) updated treasury regulations consistent with the new program structure.</p>	<p>Work has started on improving the program formats of pilot ministries for 2010/11. Instructions have been developed by the Ministry of Finance (MOF) and briefings have been held with the pilot ministries on how and where they need to improve their program structures.</p> <p>The annual budget comprises the main documents—the “Estimates of Revenue and Expenditure” which contain expenditures on the traditional administrative basis, and the “Medium Term Expenditure Framework” (MTEF) which contain expenditures on a multi-year program basis.</p>

Beneficiary	Committed	Project Description	Project Outcomes
Nigeria	\$119,600	The project entailed peripatetic visits by a PFM advisor to complete and consolidate the redevelopment and implementation of the government's core financial systems at all ministries and agencies across the federal government. The systems include the main system (ATRRS for payments, banking and accounting) and are aimed at providing a basis for unifying and automating the classification and recording of all government expenditures. It also aims to provide the platform for the reporting and control of expenditure programs, and the compilation of regularized, consolidated financial reports. Another objective of the advisor was providing strategic support for the specification, acquisition and development of the government's medium-term financial management information system (FMIS).	All ministries, departments and agencies (MDAs) (95) and federal pay offices (FPOs) (38) were brought within the ATRRS coverage. Timeliness of accounts preparation by line ministries also improved with nearly 86 MDAs and FPOs having submitted their 2008 accounts through the ATRRS. The progress with the ATRRS systems has helped the federal government in enhancing the efficiency of payment and accounting functions.

Beneficiary	Committed	Project Description	Project Outcomes
Rwanda	\$260,400	<p>The project entailed the extension of a long-term expert to assist The Banque National de Rwanda (BNR) with:</p> <ul style="list-style-type: none"> (1) establishing a new Non-Bank Financial Institutions (NBFI) supervisory department; (2) developing and adopting supervisory tools and work methods in line with international standards; (3) supporting and coordinating with staff training efforts; and (4) drafting and enacting a revised insurance code. 	<p>Noticeable progress has been made. The expert assisted in getting the newly established Supervision Department for NBFIs fully operational, able to conduct ongoing supervision of NBFIs, and fully equipped with the regulatory and operational tools for carrying out effective supervision. The expert also conducted and facilitated both on-the-job and classroom training on the core principles and best practices in NBFI supervision, with a weekly Technical Discussion Series (TDS) becoming an effective tool for developing technical and soft skills in supervision. In addition, the BNR developed and adopted a staff training program for the new department of NBFI supervision. The expert identified the skills gap among the staff of the department, outlined both short-term and long-term training programs, and identified appropriate professional studies and qualifications.</p>

Beneficiary	Committed	Project Description	Project Outcomes
Sierra Leone	\$89,700	The project entailed two short-term missions to assist the Central Bank of Sierra Leone (BSL) with enhancing the effectiveness of banking supervision. Two short-term experts conducted the first mission to assist with improving the efficiency of off-site reporting by commercial banks, and on developing a manual to enhance the supervision department's ability to efficiently focus its resources on the high risk areas within the individual banks and the banking industry in general. One short-term expert conducted the second mission to assess the capacity of BSL Supervisory staff to execute on-site and off-site supervision processes, and provide recommendations and a proposed time- table for further enhancing risk-based supervision.	The experts provided both training and hands-on assistance, and BSL supervisors were offered new tools to make off-site data processing and analysis more efficient. To promote the efficient collection of data, uniform reporting templates in Excel format were designed and made available on the BSL website to provide a required format for commercial banks to report to the BSL's Banking Supervision Department. A pre-examination analysis template was also developed to help supervisors identify the adequacy of each financial institution's risk management systems.

Beneficiary	Committed	Project Description	Project Outcomes
Uganda	\$59,800	The project entailed two short-term expert visits to assist the Ugandan authorities with implementing key aspects of their tax administration reform program. The expert provided strategic and technical advice to assist the authorities with strengthening domestic tax administration.	The Uganda Revenue Authority (URA) made very good progress with its modernization program during the project period. Some key achievements include: (1) establishment of a medium-taxpayer office (MTO) in Kampala; (2) introduction of a new integrated IT system encompassing best practice features; (3) development of a strategy to better administer small business taxpayers; (4) drafting of a tax procedure code; (5) strengthened audit processes and procedures; and (6) early steps in building capacity in oil tax administration.

Beneficiary	Committed	Project Description	Project Outcomes
Zambia	\$31,057	The project entailed two short-term expert visits to assist authorities with increasing Value Added Tax (VAT) productivity through an evaluation of administration and taxpayer compliance factors that have affected productivity and implementation of identified corrective measures.	A comprehensive and detailed analysis of the factors contributing to poor VAT collections and compliance has been completed, with the key identified problems being: (1) poor integrity of the VAT registry; (2) poor filing compliance; (3) weaknesses in the VAT deferral mechanism on imports; (4) IT system deficiencies and insufficient rigor in data entry; (5) weaknesses in the VAT refund certification process; (6) revenue leakages from certain sectors; and (7) the need for more comprehensive management reporting and analytical effort to identify trends and emerging problems in a more timely manner. An array of measures were identified to address the factors that may be contributing to weak VAT collections and compliance, and were identified in terms of high, medium, and lower priority actions.\

ASIA AND PACIFIC REGION

Beneficiary	Committed	Project Description	Project Outcomes
Asia and the Pacific —multiple countries	\$163,300	Funding covered participant costs for a three-day seminar on tax incentives held in Japan. The theme of the seminar was whether, and how best, tax incentives can be used to facilitate sustainable long-term growth, and it focused on: (1) causes, benefits and risks of tax incentives; (2) countries' experience; (3) tax expenditure analysis; (4) tax policy lessons from the crisis; and (5) ongoing discussions in international forum on tax avoidance. Twenty-three senior tax policy officials from 22 countries in the region attended the seminar.	The seminar was well received, and participants took part in discussions quite intensively, raising questions and stating their observations throughout. The participants generally held the view that tax incentives are necessary for facilitating economic development, especially for attracting foreign investment. However, most had not considered the direct and indirect cost of incentives relative to their expected benefit. At the end of the seminar, participants understood the importance of cost-benefit analysis and taking into account various factors in designing tax incentives.

Beneficiary	Committed	Project Description	Project Outcomes
Asia and Pacific —multiple countries	\$260,400	Funding for the extension of a long-term expert to contribute to the training offered by the IMF-Singapore Regional Training Institute (STI), which aims to strengthen macroeconomic and financial management in 37 eligible countries of the Asia-Pacific region. The STI's goal is to deliver high-quality training that is effective in strengthening the ability of Asian officials to analyze economic conditions, and design and implement macroeconomic policies. The expert taught courses in financial programming and policies; macroeconomic implications of fiscal policy; macroeconomic management and financial sector issues; and financial market analysis. These courses provided 333 participant weeks of training and benefited 181 participants.	The expert was involved in the delivery of two overseas training courses—the macroeconomic implications of fiscal policy course in Indonesia, and the macroeconomic management and financial sector issues course in the Philippines. The expert also helped deliver four courses at STI, two on financial programming and policies, one on financial market analysis, and one on macroeconomic management for senior officials. In all courses, he was highly ranked by participants and was sought for advice on a wide range of issues, particularly on monetary and exchange rate policy.

Beneficiary	Committed	Project Description	Project Outcomes
Asia and the Pacific —multiple countries	\$260,400	Funding for the extension of a long-term expert to contribute to the training offered by the IMF-Singapore Regional Training Institute (STI), which aims to strengthen macroeconomic and financial management in 37 eligible countries of the Asia-Pacific region. The STI's goal is to deliver high-quality training that is effective in strengthening the ability of Asian officials to analyze economic conditions and design and implement macroeconomic policies. The expert taught courses in financial programming and policies; macroeconomic implications of fiscal policy; macroeconomic management and financial sector issues; and financial market analysis. These courses provided 319 participant weeks of training and benefited 174 participants	The expert was involved in the delivery of three overseas training courses—the macroeconomic implications of fiscal policy course in Indonesia, the macroeconomic management and financial sector issues course in the Philippines, and the financial market analysis course in Korea. He also helped deliver three courses at STI, two on financial programming and policies, and one on macroeconomic management for senior officials. In all courses, he was highly ranked by participants and was sought for advice on a wide range of issues, particularly those related to the financial sector.

Beneficiary	Committed	Project Description	Project Outcomes
Asian and the Pacific —multiple countries	\$250,000	Funding covered costs for 85 participants (150 participant weeks) who received courses delivered at the IMF-Singapore Regional Training Institute (STI) during November 2008-May 2009. The courses covered included Macroeconomic Management and Financial Sector Issues, Macroeconomic Management and Fiscal Policy, Sovereign Asset Management: Framework for Strategic Asset Allocation, Financial Markets and New Financial Instruments, Financial Programming and Policies, and Balance of Payments and International Investment Position Statistics.	All activities were completed as planned. Course directors reported successful delivery, which was reflected in the end-of-course evaluations. Participants, in particular, were very satisfied with the quality of the courses and their relevance to their jobs. In addition, the training was well aligned with the needs expressed by countries in the region.

Beneficiary	Committed	Project Description	Project Outcomes
Bangladesh	\$149,500	The project entailed a three-month expert visit to assist Bank Bangladesh (BB) with: (1) developing its staff's capacity to implement basic accounting reforms, and use an automated accounting system; and (2) strengthening the accounting systems.	BB has moved to full compliance with International Financial Reporting Standards (IFRS). This move resulted in the resolution of a large number of issues on which the Bank's financial statements were qualified. Also, a number of internal accounting processes have been simplified and improved resulting in strengthened internal controls. In particular, the Accounting Department has established steps to be taken in identifying impaired loans and records to be kept for auditors. Moreover, BB is ensuring that actuarial valuation of the Bank's pension and gratuity liabilities are completed in time for inclusion within its financial statements. Other achievements are as follows: (1) a new chart of accounts has been designed to deliver the full potential benefits of the new electronic reporting system (ERS); the accounting requirements and objectives of the new ERS system have been clearly specified by BB with the assistance of the expert; (3) BB signed a contract for the implementation of the ERS system which began in May 2009 and was scheduled to be completed in 52 weeks.

Beneficiary	Committed	Project Description	Project Outcomes
Cambodia	\$59,800	<p>The project entailed two one-month visits by a peripatetic advisor to assist the Ministry of Finance (MOF) with:</p> <ul style="list-style-type: none"> (1) improving existing budget expenditure classifications; (2) reviewing the conceptual design of changes in budget classification that could be implemented in the context of a fully computerized budget and accounting financial management information systems (FMIS); and (3) the strategy for implementing changes. 	<p>Very good progress was made in achieving the objectives of the project, but implementation of new classification dimensions will need to await improvements in computerization.</p>

Beneficiary	Committed	Project Description	Project Outcomes
Cambodia	\$179,400	<p>The project entailed four expert visits in customs structure and performance management, and two expert visits in information technology to assist the Customs and Excise Department with:</p> <p>(1) completing the drafting of an IT strategy, for which initial drafts for components were prepared by an IT adviser during an FY08 visit;</p> <p>(2) preparing action plans to implement the 2009-13 strategic objectives resulting from the review of the 2003-08 modernization plan, together with an annual action planning process to be used in future years;</p> <p>(3) designing measures for planning, monitoring, and evaluating customs' operational performance and implementation of reform action plans; and</p> <p>(4) designing a new organizational structure and transition strategy.</p>	<p>The IT strategy and a transition plan were completed and accepted by the General Department of Customs and Excise (GDCE) management. The 2009-13 action plans and planning process was completed in large part, and a template was developed and detailed action plans drafted for three areas of high importance, namely valuation, post clearance, and enforcement. The planning process used in these three areas was approved by the GDCE for use by managers to now complete the drafting of detailed action plans for all of the objectives in the 2009-13 modernization plans. The government reorganized the GDCE and elevated it in status to a general department. The experts provided advice on alignment of functions and establishment of new specialized functions within the structural framework. The GDCE has made good progress in decentralizing the valuation function to local offices, and improving the quality of valuation decisions.</p>

Beneficiary	Committed	Project Description	Project Outcomes
Cambodia	\$59,800	The project entailed two short-term expert visits to assist the authorities with strengthening the regulations and supervisory capabilities of the National Bank of Cambodia (NBC) through a comprehensive set of procedures, including pre-exam planning and production of an examination report. The TA was particularly focused on assisting the NBC with examining two large banks.	The examination of the first bank was completed as planned, resulting in the production of a Report of Examination, recommendations for corrective actions, and debriefing of senior NBC and bank officials. The advisor's participation in the second examination was limited to a review of ownership and management, and a partial review of the bank's troubled loan portfolio.
Cambodia	\$260,400	The project entailed the extension of a long-term expert to provide ongoing assistance to the National Bank of Cambodia with enhancing bank supervision, through both hands-on, on-the-job training, and advice on a broader range of supervisory policy issues.	Progress achieved over the period was very encouraging. These included issuance of regulations related to Liquidity Reserve Requirements, Corporate Governance, Fit and Proper testing, new regulation on Asset Classification and Provisioning, revised Banking Law, launching of a regulatory framework aimed at supporting the operations of a money market, and issuance of a regulation on securitization of fixed deposits held by banks with the National Bank of Cambodia. Each of these projects and proposals have been supported by detailed presentations for both top management and staff, in order to build up capacity.

Beneficiary	Committed	Project Description	Project Outcomes
Democratic Republic of Timor-Leste	\$272,400	The project entailed the extension of a long-term expert, placed in the Ministry of Planning and Finance (MoPF) to assist with: (1) streamlining and strengthening institutional and organizational arrangements in the MoPF and line ministries; (2) transferring knowledge to treasury staff through workshops, seminars and other training; (3) decentralizing treasury functions and procedures to line ministries; (4) improving the financial management information system (FreeBalance) to support efficient and effective Treasury management; (5) modernizing management laws, rules and regulations; and (6) implementing a Treasury Single Account (TSA).	Objectives were largely achieved due to an active involvement of the government in the implementation of the reforms. The MoPF was reorganized, direct salaries credit in bank account are being gradually implemented, the number of commercial banks allowed to collect taxes is expanding, and delegation of functions within the Treasury is evolving. Decentralization of the Treasury execution functions is taking place gradually, an update to the budget and financial management law was prepared and has been submitted to the Parliament, and treasury manuals have been partially updated.

Beneficiary	Committed	Project Description	Project Outcomes
Indonesia	\$119,600	<p>The project entailed four peripatetic visits by a short-term expert to assist with: (1) establishing an operational Treasury Single Account (TSA) regime, by extending the zero-balance principle to other government bank accounts and by closing ministry/ agency accounts whose existence can no longer be justified; (2) improving cash management and planning by continuing to assist the Directorate General (DG), Treasury, and Bank Indonesia (BI) with coordinating more closely and resolving any outstanding issues, by strengthening the short-term cash planning function and enhancing the integration of short-term cash management with debt management; and (3) preparing for full implementation of a SPAN project - an integrated financial management information system - by providing strategic advice to SPAN managers and explaining the functionalities of SPAN and how it interfaces with non-SPAN treasury operations.</p>	<p>Thousands of government bank accounts were closed during the project period. Also, although many ministries' accounts were investigated by DG Treasury, nearly 3,000 accounts were still under investigation, and over 300 government accounts had been forwarded to the Anti-Corruption Agency (KPK) for further investigation and possible prosecution of officials involved in manipulating balances in government accounts.</p> <p>The balances of revenue and expenditure accounts under the control of DG Treasury and its regional network of 178 field offices (KPPNs) are zero-balanced at the end of each working day and swept into the TSA. For revenue accounts, the proposal to implement a zero-balancing principle was fully implemented; however, not all accounts of autonomous government agencies are yet integrated into the TSA.</p> <p>Agreement was reached on the rate of remuneration of government deposits held in the main treasury account at the BI, and cash resources held in the TSA are now better managed. The preparation of short-term cash flow projections has begun, and following advice from the advisor in 2009, new cash planning regulations were issued by the Ministry of Finance (MOF). Also, strategic advice on treasury computerization was provided.</p>

Beneficiary	Committed	Project Description	Project Outcomes
Indonesia	\$179,400	<p>The project entailed six short-term expert visits to Bank Indonesia (BI) to:</p> <ul style="list-style-type: none"> (1) provide on-the-job training on the process related to, and the technical aspects associated with, the initial internal models recognition/validation of a bank's traded exposures (e.g. market risk capital charge using internal models); (2) develop and deliver formal classroom training sessions on market risk; (3) Improve the overall process and practical techniques associated with the ongoing supervision of a banks' market risk activities; (4) evaluate and provide recommendations on the organizational set-up, career path, required skill sets, and job responsibilities for BI's dedicated risk modeling specialists; (5) develop capital markets and market risk related courses; (6) assist with formulating BI's policy guidance and examination tools for an assessment of interest rate risk in the banking book; and (7) enhance the quality of liquidity risk assessments at complex banking organizations. 	<p>The project has been successful as significant progress was achieved in all the objectives set forth. Liquidity risk assessment at complex banking organizations is the only area where little was done because of time constraints and authorities' prioritization. Another major achievement was the opportunity for the expert to participate in an on-site examination.</p>

Beneficiary	Committed	Project Description	Project Outcomes
Indonesia	\$89,700	The project entailed three short-term expert visits to Bank Indonesia (BI) to: (1) work with BI's Banking Supervision School on their curriculum and training materials, especially in the areas of credit risk analysis, trade finance, asset classification, and overdrafts; (2) provide written comments on training materials developed by BI's Banking Supervision School (including Instructor and Participant guides); (3) make presentations at BI's Banking Supervision School for Instructors; and (4) provide training on credit risk analysis.	The advisors reviewed existing materials, made recommendations to enhance the syllabus for the planned school, and developed course materials. At the conclusion of the last mission, a complete set of materials was provided for the Loan Analysis School including: (1) a revised course syllabus; (2) two specific lectures on cash flow analysis and effective communication that focused on practical application of these skills on credit risk examinations; (3) revised course exercises, including the development of key instruction points and recommended solution keys for eight case studies; (4) a review of and recommendations for pre-course materials; (5) final examination test questions, with solutions; and (6) a detailed review of materials with the Loan Analysis School Working Group to enhance their understanding of the materials developed.

Beneficiary	Committed	Project Description	Project Outcomes
Indonesia	\$260,400	The project was intended to strengthen the Bank Indonesia's (BI) methodologies and practices in key areas of bank supervision and regulation, and in preparing for the implementation of Basel II. A long-term expert advised on a broad range of banking regulatory and supervisory issues with particular emphasis on: (1) risk-based supervision; (2) Basel II issues; and (3) aligning supervision with the Basel Core Principles (BCP).	With the assistance of the long-term expert, the authorities have continued to make progress in strengthening BI's regulatory and supervisory regime, in order to foster financial system stability. Key achievements under Supervisory Framework and Implementation include: (1) new rating system architecture for the supervision of individual banks; (2) robust financial risk indicators to facilitate ongoing supervision; and (3) progress on the development of a risk analysis handbook that aims to make the analytical "know-how" more explicit and transparent for front-line supervisors. Key achievements in the Regulatory Framework include: (1) updated and more robust regulations on capital adequacy and liquidity risk; (2) a consultative paper on BI's Pillar II (of Basel II) implementation policy; (3) extended reach of existing regulations – including capital, large exposures, intra-group, asset classification and provisioning, and risk management - to apply on a consolidated basis.

Beneficiary	Committed	Project Description	Project Outcomes
Lao People's Democratic Republic	\$101,700	<p>The project aimed to modernize the organization, structure, and operations of the Customs Administration. It entailed three short-term expert visits to: (1) determine the operational and business needs to be met by an Asycuda computer system to be installed by the United Nations Conference on Trade and Development (UNCTAD), under a World Bank-funded Lao Customs and Trade Facilitation Project (LCTFP); (2) determine the customs policy and procedural implications of Lao PDR's intention to accede to the World Customs Organization's Revised Kyoto Convention. (This Convention sets the standards and recommended practices for all customs procedures); and (3) develop action plans and a timeline to coordinate and integrate the LCTFP, the Lao government's re-centralization program and related organizational changes, and Lao customs' proposed procedural changes, in the short to medium term.</p>	<p>All three priorities set forth were addressed satisfactorily.</p> <p>(1) Headquarters managerial control and oversight is being achieved progressively. (2) Reorganization and staffing of headquarters divisions has been achieved. (3) One regional center has been established, with plans for a second and a third to follow. (4) Operational procedures will be modified progressively, when implementation of the Asycuda system proceeds and the technical areas covered by the World Bank-funded project are addressed.</p>

Beneficiary	Committed	Project Description	Project Outcomes
Maldives	\$101,361	The project aimed to establish a government integrated financial management information system (GIFMIS), through the strategic guidance and PFM process inputs of a Treasury Advisor. The system is expected to provide significant benefits to the government through improved fiscal reporting, cash management, cash planning, and payment processes. The treasury advisor's tasks constituted: (1) reviewing the GIFMIS system design and implementation strategy; (2) making suggestions for simplification and better sequencing; (3) assuring budget reform needs are met by the new system; and (4) advising on technical issues such as Chart of Accounts design, treasury single account structure, budget execution, and accounting procedures.	The authorities expressed their satisfaction with the technical support provided by the Advisors, and the project was favorably evaluated by the World Bank on behalf of the main donor, the European Union (EU). The government has indicated that continued support during the roll out phase would be very useful for further guidance on the functionality of various components of the system, especially the cash management system and budget reporting formats, which will require further support to become sustainable.

Beneficiary	Committed	Project Description	Project Outcomes
Maldives	\$119,600	The project entailed four short-term expert visits to assist the Maldives Monetary Authorities (MMA) with building capacity in the following areas: (1) compiling and preparing quantitative and qualitative information and analysis, and forecasting key financial and macroeconomic variables; (2) conducting theoretical and practical research on the design of the monetary and exchange rate policy framework; (3) publishing and disseminating macroeconomic and financial statistics and analysis; and (4) establishing and maintaining effective channels for collecting quantitative and qualitative information from within the MMA and other Maldivian agencies.	Overall, the project has been successful. A key achievement of the project is to assist MMA in developing its monetary policy function. A Monetary Policy Committee was created, and responding to the recommendation of the experts, the Economic Research and Statistics Division have become the Monetary Policy and Research Division (MPRD), geared towards supporting monetary policy decision-making. The (MPRD) is also developing instruments and procedures for monetary policy conduct. Other major achievements include: (1) rationalizing the structure and adjusting the contents of publications; (2) conducting research to support monetary policy decision-making; (3) developing necessary database and collecting information for monetary policy analysis; and (4) expanding and maintaining effective channels for collecting quantitative and qualitative information.
Maldives	\$89,700	The project entails two one month peripatetic visits by two advisors to assist with: (1) the roll out of the government integrated financial management information system (GFMIS) to line agencies; and (2) the development of a cash management and cash planning system and framework.	The authorities have indicated their satisfaction with the TA provided by both Advisors and the GIFMIS project was favorably evaluated by the World Bank on behalf of the main donor, the European Union (EU).

Beneficiary	Committed	Project Description	Project Outcomes
Mongolia	\$94,200	TA was provided through three one-month visits by a peripatetic budget advisor to assist the Ministry of Finance (MOF) with: (1) strengthening existing budget preparation processes; (2) enhancing capacities in the MOF and line ministries to support second-stage budget reforms; and (3) supporting further roll-out of medium term and program budgets.	Progress has been satisfactory. The major deliverable has been a detailed implementation plan for the introduction of medium-term and program budgeting. This would involve issuance of a draft government resolution on approval of the implementation plan and establishing a high-level working group headed by the Director of the MOF's Fiscal Planning and Coordination Department and comprised of directors of Budget and Finance departments of line ministries.

Beneficiary	Committed	Project Description	Project Outcomes
Mongolia	\$209,300	The project entailed seven months of short-term expert visits to assist the Financial Regulatory Commission (FRC) with: (1) developing institutional capacity and staff skills through appropriate training, especially for the supervision of Savings and Credit Cooperatives (SCCs), insurance companies, capital markets, and other Non-Bank Financial Institutions (NBFIs); (2) improving the regulatory framework for life insurance, capital market, NBFIs (such as leasing, factoring, investment and management of trust funds), and developing infrastructure for Mongolian depository receipts; (3) building an appropriate relationship with FRC's stakeholders; (4) developing models for on-site and off-site supervision tailored to the SCCs, insurance companies, securities companies, and various NBFIs; (5) reviewing enforcement mechanisms to ensure implementation of good practices in non-bank supervision; (6) developing key sectoral statistics and reporting; (7) introducing risk management in the FRC; and (8) providing assistance with developing infrastructure for capital markets and credit bureau data for NBFIs.	The objectives of the project were largely achieved. The experts (1) conducted technical workshops; (2) prepared nine issues/outline papers to provide practical guidance to FRC staff, with a number of key recommendations being implemented (e.g., on limits on concentration risks which proved timely in mitigating losses arising from the fallouts of the global financial crisis); (3) provided on-site assistance to FRC staff on how to assess financial position based on statutory returns; (4) provided ad-hoc advice on international best practices; and (5) drafted briefing notes giving guidance for effective supervision.

Beneficiary	Committed	Project Description	Project Outcomes
Nepal	\$209,300	Through two visits by a tax administration expert, and five visits by a customs policy and procedures expert, the project aimed to continue the TA provided to Nepal's tax administration to improve the Large Taxpayer Office (LTO), principally in taxpayer audit. The expert built upon the progress made to date in developing audit capacity, with the aim of increasing the LTO's ability to self-sustain continuing improvements and to broaden this to include audit management practices such as risk-based selection, audit quality assurance, and monitoring and reporting on delivery of the audit program.	Good progress was made in improving the abilities and skills of auditors, through a combination of training and coaching (one-on-one, and small group) by the expert. To enhance sustainability, auditors were also trained as trainers, in order for them to deliver in-house audit training programs in the future. In terms of the Customs Department's longer-term development, a reform strategy and action plan for 2009-2013 was developed by the expert and endorsed by customs management.

Beneficiary	Committed	Project Description	Project Outcomes
Papua New Guinea	\$114,400	<p>The project focused on practical measures to sustain the application of the supervisory framework developed by earlier technical assistance to the Bank of Papua New Guinea (BPNG). TA was delivered through four one-month peripatetic expert visits, and included: (1) delivery of in-house courses and on-the-job-training in key financial supervision areas, in particular, for new staff; and (2) upgrading and implementing formal documented procedures for all key supervisory functions.</p>	<p>Training at the direction of the advisor was provided to the supervision department (FSSD). In addition, classroom training was provided to 20 managers and staff in the areas of: (1) analysis of quarterly financial returns from all types of deposit-taking institutions; (2) procedures and documentation for supervisory follow-up on matters requiring attention and correction; (3) applicable international accounting standards; (4) examination format and content; and (5) adherence to FSSD Policy. Also, one-on-one and small group training discussions have been held on a variety of bank supervision topics, and on-the-job training for examiners has been provided by way of on-site examinations of commercial banks under the guidance of the TA advisor. In addition, Prudential Standards have been issued by the Bank for Capital Adequacy, Asset Classification, Provisioning & Suspension of Interest, FX Exposure Limits, External Audits, Transactions with Related Parties, Loans to Related Parties, Fit & Proper Requirements, and Limits on Inter-Bank Placements.</p>

Beneficiary	Committed	Project Description	Project Outcomes
Philippines	\$89,700	The project entailed a three-month visit by an expert to help prepare the Banko Sentral ng Pilipinas (BSP) for an upcoming Basel Core Principles (BCP) update, by revising selected regulations. The BSP requested (1) an assessment of the likely level of compliance with Core Principles 1 through 5, and (2) a critical assessment and re-write of the body of regulations covering credit risk.	The mission's activities successfully prepared the BSP for the Basel Assessment (likely in 2010) focusing on weaknesses that remain from the prior exercise. They have largely achieved the goal of producing a more principles-based regulatory structure over the credit granting functions of banks and, as such, have advanced necessary safeguards. The expert provided a detailed, principle-by-principle analysis of the current status of compliance with each of the key principles and sub-principles (1-5, 8), as well as a review for each principle of the changes with the 2006 update of the Basel Core Principles.
Philippines	\$260,400	Through the assistance of a resident bank supervision advisor, the project aimed at providing guidance on risk-based banking supervision, and strengthening the capacity of the Bangko Sentral ng Pilipinas (BSP) to identify and resolve problem banks. The expert aimed to build on prior achievements, and further improve the overall condition of the banking sector, by supporting the sustained implementation and ongoing development of the bank supervision program, while continuing to provide day-to-day advice and assistance to the BSP.	The objectives of the project were largely achieved. The work of the resident expert was instrumental in consolidating progress towards: (1) restructuring the Supervision and Examination Sector (SES) of the BSP to better support risk-based consolidated supervision; (2) enforcing prudential regulations to ensure consistency in the conduct of both examination and supervisory enforcement; (3) strengthening the regulatory and examination framework to emphasize the identification of risks and the assessment of risk management capabilities; and (4) supporting other peripatetic experts and follow-up on their recommendations.

Beneficiary	Committed	Project Description	Project Outcomes
Philippines	\$62,114	The project required two short-term experts to assist the Bangko Sentral ng Pilipinas (BSP) with: (1) reviewing Circular 523 for further improvement in the Prompt Corrective Action Framework (PCA); (2) developing a formal, written set of guidelines to govern the implementation of Circular 523 with the intent of ensuring that due process is provided to troubled banks within reasonable time limits, and (3) enhancing staff skills with regard to developing, assessing, and ensuring plans implemented under Circular 523 are effective in resolving the targeted weaknesses and deficiencies.	All the objectives of the project were achieved. A draft policy manual for problem banks was being completed by a team from the BSP, which includes all recommendations provided during the TA missions. Recommendations were made to enhance case management, and to establish a special team to address the identified backlog of “Zombie banks” as well as for revisions to the legal framework for problem banks (specifically, Circular 523, Manual of Regulations for Banks, General Banking Law, and New Central Bank Law). Introductory and intermediate problem bank training courses were developed and delivered, with all training materials provided to the BSP to facilitate “echo” courses led by BSP staff.

EUROPEAN REGION

Beneficiary	Committed	Project Description	Project Outcomes
Belarus	\$65,800	The project entailed two short-term expert visits to develop a model of medium-term budgeting (MTB).	The implementation of the project helped increase the authorities’ awareness of good international practice in MTB, and provided them with a strategy and action plan for introducing the recommended MTB model. The project also helped the authorities to better understand the medium-term context of budget decisions, and to prioritize expenditures with a better sense of their medium-term fiscal impacts.

Beneficiary	Committed	Project Description	Project Outcomes
Europe – multiple countries	\$70,000	<p>Funding for a five-day seminar on ‘remittances statistics for balance of payments compilers’ held in Slovenia. The seminar was co-organized by the Center of Excellence in Finance (CEF) and the International Monetary Fund (IMF), in the context of the activities of improving statistics on remittances following the G-8 Heads of State recommendations in 2004. The main objectives of the seminar are: (1) to promote the new standards in remittances statistics, as set out in the International Transactions in Remittances: Guide for Compilers and Users (RCG) and Balance of Payments and International Investment Position Manual, sixth edition (BPM6); and (2) to provide practical guidance for compilers of remittances data. Funding covered costs for participants of 21 countries (Albania, Armenia, Azerbaijan, Belarus, Bulgaria, Bosnia and Herzegovina, Croatia, Georgia, Kazakhstan, Kosovo, Kyrgyz Republic, Macedonia, Moldova, Montenegro, Romania, Serbia, Tajikistan, Turkmenistan, Ukraine, Uzbekistan, and Russia) (30 participants).</p>	<p>The seminar provided capacity building on key methodological and compilation aspects of remittances data. Participating countries shared experience in approaches and techniques used in collecting and estimating remittances data, and an aggregated file with metadata on remittances compilation was created for all participating countries. Also, practical guidance was provided in the compilation of remittances statistics based on different data sources and applied statistical techniques. All participants highlighted that one of the most useful parts of the seminar was the possibility to exchange views and learn about the experience of other countries in compiling remittances statistics.</p>

Beneficiary	Committed	Project Description	Project Outcomes
Europe – multiple countries	\$366,377	<p>The project entailed the extension of a long-term expert to assist South Eastern European (SEE) member countries of the Center of Excellence in Finance (CEF) based in Slovenia (Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Kosovo, Macedonia, Moldova, Montenegro, Romania, Serbia, and Slovenia) with:</p> <p>(1) implementing basic public financial management (PFM) reforms and meeting minimum requirements for PFM, in particular, to ensure effective fiscal control and financial discipline; and (2) pursuing more advanced PFM reforms and moving towards good international practices for PFM, in particular, to promote efficient resource allocation and cost-effective service delivery.</p>	<p>There has been steady progress in a number of countries in the region in achieving the PFM objectives. In Albania, cash management regulations have been approved and capacity is being developed. However, a requirement for greater integration of cash and debt management still remains. In Bosnia and Herzegovina, fiscal reporting was improved. A technical unit to coordinate consolidation of fiscal data has been established in the Fiscal Council and has met twice. In Bulgaria, program budgets are now fully operational and annual budgets is approved by program. The Medium Term Budgetary Framework (MTBF), however is still not fully integrated with annual budget process. In Kosovo, cash forecasting is still at an early stage of development. The advisor assisted the Ministry of Finance (MOF) with drafting a new Public Debt Law, giving substantial powers to municipalities to borrow. The law was subsequently enacted in December 2009. In Romania, the advisor assisted in drafting a Fiscal Responsibility Law and implementing a medium-term budget framework. In Serbia, the regional advisor installed a fiscal advisor to assist with medium-term budgeting and to help authorities meet the budgetary challenges associated with the financial crisis.</p>

MIDDLE EAST AND CENTRAL ASIA REGION

Beneficiary	Committed	Project Description	Project Outcomes
Afghanistan, Islamic Republic of	\$67,574	The project entailed two peripatetic visits by a short-term expert to assist in the area of Monetary and Fiscal Statistics. The expert assisted Da Afghanistan Bank (DAB) with: (1) improving the compilation and dissemination of monetary and financial statistics, based on the methodology in the IMF's Monetary and Financial Statistics Manual (MFSM); and (2) improving the quality of source data and data consistency.	Source data for DAB and the other depository corporations have further improved with regard to the consistency in reporting interbank data, as well as the availability of details required for compiling monetary statistics in accordance with the MFSM methodology. The framework for compiling monetary statistics has been updated based on improvement in the source data, and as a result, the compilation and dissemination of monetary statistics has also improved.

Beneficiary	Committed	Project Description	Project Outcomes
Afghanistan, Islamic Republic of	\$143,000	The project entailed a five-month visit by a peripatetic expert to assist with: (1) improving the real sector statistics compiled by the Central Statistics Office (CSO) and building the statistical capacity at the agency; (2) developing and improving the institutional structure and operational capacity to compile national accounts, the consumer price index (CPI), and merchandise trade statistics; (3) building institutional capacity by training staff to ensure that the compilation process is manageable and sustainable; and (4) developing the dissemination media, such as regular hard copy publications at the statistical agencies.	The CSO has made steady progress in compiling GDP and a consumer price index (CPI), and is now able to produce these statistics on a regular basis. Revised estimates of GDP at current and constant prices are available, and GDP estimates for 2006/07 and 2007/08 were compiled with time series being revised accordingly. The methodology for the estimation of gross output and gross value added was revised, and estimates of value added of the construction and trade sectors were revised based on the commodity flow approach. Production data provided by various ministries and departments were reviewed, and data formats currently being used to collect information from various public enterprises were discussed and changes recommended.

Beneficiary	Committed	Project Description	Project Outcomes
Afghanistan, Islamic Republic of	\$93,750	<p>A course on Financial Programming and Policies aimed at strengthening participants' understanding of the design and implementation of macroeconomic and financial policies. It was attended by 32 Afghan officials, 17 from the Ministry of Finance, and 15 from the Central Bank. The course blended lectures on key elements of macroeconomic analysis and policy design with practical hands-on workshops. The lectures covered the key accounting and analytical issues in the real, fiscal, monetary and external sectors; the main policies in each of these sectors; and how an appropriate set of policy measures can be developed and coordinated to promote growth and achieve macroeconomic adjustment.</p>	<p>The course was successfully delivered. The participants provided an overall rating of 4.7 for the value of the course on a scale of 1 to 5, with "5" indicating the highest rating. They noted that the knowledge and skills would be useful for their jobs. Also, the course team reported that the participants were highly motivated, and enjoyed all facets of the course. They particularly valued the opportunity provided by practical workshops sessions to put together an integrated macro view across sectors, and develop an adjustment program that explicitly addressed the inter-linkages across these sectors.</p>

Beneficiary	Committed	Project Description	Project Outcomes
Afghanistan, Islamic Republic of	\$59,800	The project entailed two short-term expert visits to assist Da Afghanistan Bank (DAB) with improving the compilation and dissemination of monetary and financial statistics for Afghanistan based on the methodology in the Monetary and Financial Statistics Manual (MFSM).	DAB is capable of compiling monetary statistics using the framework developed by the expert. The bank is submitting the monetary statistics using the Standardized Report Forms (SRFs) to the IMF's Statistics Department (STA) on a monthly basis. Source data for the DAB and the other depository corporations have further improved, with regard to the consistency in reporting interbank data, as well as the availability of details required for compiling monetary statistics in accordance with the MFSM methodology. The framework for compiling monetary statistics has also been updated based on improvement in the source data and, as a result, the compilation and dissemination of monetary statistics has also improved.
Afghanistan, Islamic Republic of	\$115,800	The project entailed three months of peripatetic expert visits by an expert aimed at assisting Da Afghanistan Bank (DAB) with: (1) compiling a balance of payments statement with all essential components, including services, consistent with the Balance of Payments Manual, Fifth Edition (BPM5); and (2) enhancing existing and developing new collection systems.	The DAB has been able to produce timely balance of payments statistics with estimates being compiled for the year ending March 20, 2009. However, the paucity of the source data and the lack of technical expertise at DAB continue to be critical impediments to improving and sustaining improvements in the statistics.

Beneficiary	Committed	Project Description	Project Outcomes
Algeria	\$59,800	The project entailed two short-term expert visits to assist authorities with developing the tax administration's capacity to analyze the revenue cost of tax exemptions, and implement a tax expenditures analysis.	Through the advice provided by the expert, the capacity of the tax department to analyze the revenue cost of tax exemptions has been significantly developed. The list of tax expenditures to be evaluated has been validated, and good progress has been made in preparing the assessment of these measures. A further step will be the establishment of a tax expenditure unit, as the tax expenditure project is still managed by a working group as a precursor of this unit.
Azerbaijan	\$59,800	TA was delivered to the Ministry of Taxes (MOT) through two visits by a Tax Administration expert, who assisted the authorities with developing a risk-based taxpayer compliance program. The expert provided advice on: (1) methods to identify and rank risks within key taxpayer segments; (2) approaches used by other tax administrations to better understand the factors that influence taxpayer compliance behavior; (3) assistance and enforcement interventions to respond to identified risks in Azerbaijan's tax system; (4) measuring the impact of compliance improvement strategies on voluntary compliance; and (5) audit case selection processes.	Steady progress is being achieved. Positive steps taken by the MOT in response to the TA delivered include: (1) establishing a Risk Analysis Division, and adopting other mechanisms for systematic risk management (including a risk management group and steering committee, and IT-supported processes for profiling taxpayers); (2) focusing headquarters' role in the design, monitoring, and support of audit operations to ensure consistent audit approaches across operational offices; (3) developing a new performance reporting system for taxpayer audit, operative control, and desk audit.; and (4) introducing risk indicators to score and prioritize debt enforcement actions, by tailoring taxpayer services to address specific compliance risks.

Beneficiary	Committed	Project Description	Project Outcomes
Djibouti	\$59,800	TA was provided through two short-term peripatetic visits by a budget classification expert, to implement the recommendations of a February 2008 diagnostic mission in the area of budget classification. In particular, TA was provided to overhaul the complex and outdated budget classifications, with a view to aligning them with the IMF's Government Finance Statistics Manual (GFSM) 2001 and Classification of Functions of Government (COFOG).	The peripatetic expert assisted the authorities with introducing the GFSM 2001-compliant budget classification, including an appropriate codification system to allow users to identify and monitor poverty-reducing expenditure. Bridge tables between the current budget classification and the new budget classification codes have been developed for the economic and fund segments, and new tables were created for the administrative and functional segments. Also, a training manual was prepared, and training sessions were organized for high and middle management of the Ministry of Finance (MOF).
Djibouti	\$59,800	The project entailed two one-month peripatetic visits to support the implementation of the VAT. TA includes: (1) preparation of legislation; (2) identifying information technology business requirements; (3) developing a communication campaign; (4) implementing modern procedures based on taxpayer self-assessment; and (5) strengthening the large taxpayer office (LTO) which will administer the VAT.	The VAT has been successfully introduced as planned. VAT performance is broadly in line with expectations and the filing rate, 85 percent on average for the first two months, is appropriate. A VAT refund mechanism has also been developed and is now operational.

Beneficiary	Committed	Project Description	Project Outcomes
Arab Republic of Egypt	\$257,400	The project entailed a three-month visit by two Resident Advisors to assist with enhancing the capacity of the Central Bank of Egypt (CBE). Particularly, the experts aimed to assist the CBE with the adoption of IT, and the improvement of overall quality of the conduct of monetary policy.	Significant progress was achieved. The experts: (1) Built an appropriate database; (2) developed a core medium-term forecasting model calibrated for the Egyptian experience; (3) advised on the necessary institutional and operational reforms for inflation targeting; and (4) helped the Monetary Policy Unit (MPU) formulate policy recommendations.
Mauritania	\$59,800	The project entailed two customs expert visits to assist the customs department with: (1) developing a high level, comprehensive and properly costed modernization plan; (2) establishing a proper project structure with a multi-disciplinary and dedicated project team; and (3) strengthening oversight.	All expected outcomes have been achieved, and the Minister of Finance expressed full satisfaction with the technical assistance provided under the project. The authorities have put in place the project management structure and prepared the customs modernization plans with the expert's advice. The costing of the action plan was not completed, but is scheduled to be undertaken by the customs department.

Beneficiary	Committed	Project Description	Project Outcomes
Middle East and Central Asia —multiple countries	\$149,000	TA was delivered through five one-month peripatetic visits to Armenia and Georgia to assist the authorities with strengthening revenue administration reform and modernization programs. The TA included: (1) improving tax operations, such as strengthening self-assessment and risk-based compliance programs; (2) improving tax administration through integrated and function-based tax operations; and (3) introducing taxpayer segmentation to better take into account compliance risks and service needs of the large, medium, and small taxpayers.	In Armenia, the expert helped the authorities in their reform efforts, especially in: (1) ensuring that the tax administration modernization plans addressed key priorities, were properly sequenced, were realistic, and were supported by satisfactory governance arrangements; (2) installing function-based organizational structures with effective headquarters and field office networks; and (3) developing concepts of taxpayer segmentation, with focus on improving large taxpayer administration and simplifying arrangements for small taxpayers. In Georgia, satisfactory progress with the reform program was reported. The expert focused mainly on implementing aspects of organizational restructuring, the reform governance arrangements, expansion of the large taxpayer unit, and operational improvements.

Beneficiary	Committed	Project Description	Project Outcomes
Middle East and Central Asia – multiple countries	\$299,700	The project entailed the extension of a long-term expert to assist with: (1) strengthening public financial management in Uzbekistan through implementation of a Government Financial Management Information System (GFMS) that is consistent with best budget classification and accounting practice; and (2) strengthening public financial management in Tajikistan through continued improvement in budget classification, introduction of an improved accounting framework and strengthened monitoring of the fiscal operations of state-owned enterprises.	Uzbekistan has made good progress in establishing a treasury system and consolidating government banking arrangements. There is also some progress in documenting the accounting framework and developing a consolidated fiscal reporting system. In Tajikistan, there has been good progress in developing and implementing a new administrative classification in budget preparation, and developing a new unified chart of accounts and its accompanying instructions. A State Owned Enterprises (SOE) Monitoring Department has also been established in the Ministry of Finance (MOF), and its operating manual is being developed.

Beneficiary	Committed	Project Description	Project Outcomes
Middle East and Central Asia - multiple countries	\$322,502	The project was delivered through a resident advisor on external sector statistics, based in Azerbaijan, who served three countries: Azerbaijan, Georgia, and Uzbekistan. The project aimed to: (1) strengthen capacity to produce external sector statistics adherent to the Special Data Dissemination Standard (SDDS) requirements in Azerbaijan and Georgia; (2) improve collection, compilation, production, and dissemination of external sector statistics in Azerbaijan and Georgia; and (3) provide for sustainable improvement of the quality of external sector statistics in Uzbekistan.	The project's implementation has resulted in (1) a strengthened legal background in producing external sector statistics in Azerbaijan and Georgia; (2) increased sustainability for the external sector statistics source data, including International Transactions Reporting System (ITRS), which guided more complete and accurate balance of payments statements; (3) improved statistical techniques, which ensured better alignment with internationally accepted methodology, most importantly, in recording the energy sector transactions in Azerbaijan and Georgia, and international trade in services and foreign direct investment transactions in Uzbekistan; (4) increased awareness of the quality of the external sector statistics data, as a result of an assessment based on the IMF's Data Quality Assessment Framework; (5) further developments in the compilation program for the external sector stock statistics in Georgia and Azerbaijan; and (6) improved consistency with the national accounts, and monetary and government finance statistics.

Beneficiary	Committed	Project Description	Project Outcomes
Middle East Technical Assistance Center (METAC) — multiple countries	\$305,000	Funding for the extension of a long-term advisor, based in METAC headquarters in Lebanon, to assist with improving revenue administration capacity and effectiveness in METAC member countries. TA would include: (1) collaboration and coordination amongst donors and TA providers in revenue administration within the METAC region; (2) development, adoption, and implementation of soundly based revenue administration reform strategies and objectives by member countries that aim to: (i) improve operational effectiveness, (ii) enhance revenue collections in the long-run, and (iii) facilitate trade, business, and growth at the lowest possible cost of compliance; and (4) development and execution of revenue administration capacity building and regional sharing of best practices.	Over the financing period, TA was provided directly to seven METAC countries (Sudan, Syria, Jordan, Libya, Afghanistan, Yemen and Iraq). Syria was the largest recipient of support over the period, which was a reflection of its extensive reform program and the authorities' receptiveness and excellent utilization of METAC assistance. Key issues addressed in Syria included preparations for the launch of the VAT, total reorganization of the tax administration along functional and segmentation lines, and introduction of modern legislation instruments including a Tax Procedure Code. Good reform progress was also maintained in Yemen and Sudan where self-assessment concepts are being institutionalized, particularly through strengthened offices and arrangements for the administration of the large and medium taxpayer segments respectively. Interactions with the Libyan and Afghan authorities were in the context of revenue administration reform strategies that had been proposed by earlier diagnostic missions from the Fund headquarters.

Beneficiary	Committed	Project Description	Project Outcomes
Pacific Financial Technical Assistance Center (PFTAC) — multiple countries	\$326,400	Funding for the extension of long-term advisor to assist PFTAC member countries with modernizing revenue administration and revenue policies in line with PFTAC and/or IMF recommendations, and build capacity to improve revenue operations.	In all PFTAC member countries, revenue administration reforms remain a work in progress. The larger countries which enjoy relatively greater capacity to implement reforms, and which have received extensive TA (Fiji, PNG, Solomon Islands, and Tonga) are progressing more quickly than the smaller, more vulnerable, economies and those which rely more heavily on PFTAC. Countries in this latter category include the Federated States of Micronesia (FSM), Kiribati, Marshall Islands, Nauru, Niue, Palau, and Tuvalu. PFTAC has successfully encouraged the development of Pacific Islands Tax Administrators Association (PITAA), a forum of all heads of tax departments, into a cohesive group whose purpose is to adopt regional solutions to common problems and to seek to implement them uniformly in the region.

Beneficiary	Committed	Project Description	Project Outcomes
Syrian Arab Republic	\$260,400	<p>Through a long-term expert, the project was aimed at tackling the shortcomings at the Central Bank of Syria (CBS) that were identified by a 2008 Financial Sector Assessment Program (FSAP). The program focused on addressing structural shortcomings within the banking supervision function and strengthening regulatory compliance with Basel Core Principles (BCPs). The expert assisted in the continued development and implementation of the regulatory framework and the supervisory practices of the CBS over the banking sector.</p>	<p>During the 12 month assignment, the expert advised on a broad range of banking regulatory and supervisory issues, which led to the upgrading of key aspects of banking supervision. Specifically, the expert helped to: (1) draft BCP-compliant regulations; (2) enhance the quality and scope of on-site and off-site supervision; (3) improve the capacity of the CBS to move to risk based supervision; and (4) improve the corrective action framework.</p> <p>The key essentials of the program were largely completed by end of May 2009, but the CBS asked for additional TA to focus on the implementation.</p>

Beneficiary	Committed	Project Description	Project Outcomes
Syrian Arab Republic	\$59,800	<p>The project entailed two short-term visits by a revenue administration expert to assist the Syrian authorities with implementing key aspects of an IMF-recommended strategy to achieve a modernized tax administration capable of supporting a future Value Added Tax (VAT). The strategy comprised four main elements: (1) tax law simplification, including a tax procedure code (TPC), streamlining of income tax laws, and preparation of a modern VAT law; (2) compliance programs based on self assessment, initially for large and medium-size taxpayers; (3) reorganization, involving creation of the General Commission for Taxes and Fees (GCTF) with a function-based headquarters overseeing a network of operational tax offices structured around large, medium, and small taxpayer segments; and (4) computerization.</p>	<p>A number of developments have taken place in advancing the tax administration reform program. These include: (1) finalization of the new GCTF headquarters (HQ) structure and appointment of senior level HQ staff; (2) recruitment of graduates to the new HQ; (3) expansion of the large taxpayer office (LTO); (4) progress with implementing a medium taxpayer office (MTO) and a nationwide internal communication campaign to explain the structural reform program to tax office staff; and (5) steps towards acquiring a new IT system; and completion of draft TPC and VAT laws.</p>

WESTERN HEMISPHERE REGION

Beneficiary	Committed	Project Description	Project Outcomes
Peru	\$284,400	The project aimed to strengthen treasury management through: (1) the development and of a cash management database that facilitates the preparation and updating of the cash plan; (2) the implementation of a simplified Treasury General Ledger (TGL) - to be used until a new information management system, SIAF, includes a full-fledged TGL that allows the production of daily reports of financial position; (3) an increase in the coverage of the Treasury Single Account (TSA); (4) improvements in the budget classification and chart of accounts; and (5) a complete training program on treasury management for key stakeholders within and outside the Ministry of Economy and Finance (MEF)	The authorities have been gradually implementing the necessary reforms. Firstly, there has been much progress in cash planning, through the development and setting up of a cash management database, and the design and use of self-correction formulas for daily updating of the estimates based on year-to-date actuals. Secondly, the management of the existing TSA has improved as a result of the development of a simplified TGL that allows the production of daily reports on the financial position.

Beneficiary	Committed	Project Description	Project Outcomes
Trinidad and Tobago	\$130,200	The project entailed the extension of a long-term financial sector supervision expert as advisor to the Inspector of Financial Institutions at the Central Bank of Trinidad and Tobago (CBTT). The expert advised on the supervision and regulation of insurance companies and financial conglomerates, and the reporting systems and practices that are recommended for analyzing their financial vulnerabilities. The expert also provided training and expertise in insurance and consolidated supervision, and cross-border risk assessment, including the upgrading of the reporting framework, detailed regulations, risk assessment and procedures.	The expert was successful in achieving the objectives under the project. All the key objectives were rated either fully completed or largely completed. The Central Bank Governor and his team expressed appreciation for the long-standing efforts of the experts to build capacity in the area of insurance supervision. The Governor particularly credited the expert for (1) spearheading the work on risk-based supervision; (2) providing hands-on training for supervisors, and (3) assisting the CBTT in upgrading the legal, regulatory and supervisory framework for the insurance sector.
Paraguay	\$179,400	The project entailed three one month expert visits to assist the authorities with: (1) reviewing the domestic transit procedures (by road), and bringing them in line with international standards; and reviewing and redesigning international transit procedures, to make them fully compliant with MERCOSUR rules; and (2) improving controls over goods under the warehousing regime, in the areas related to road transit procedures.	New procedures have been completed and are ready for implementation, once minor legal amendments in two related laws (Customs Code and the Administrative Procedures Code) are approved by the authorities. The new procedures are fully in line with the revised Kyoto convention, other international standards and MERCOSUR rules.

JSA JOINT JAPAN-IMF FIELD VISITS

Purpose

The purpose of JSA joint Japan-IMF field visits is to provide the Japanese authorities with a firsthand view of how JSA funding is used in the field. These visits are designed to assess (1) how the local authorities value the work of the JSA-funded experts; (2) whether the local authorities are making effective use of the assistance; and (3) whether the TA is making a contribution to the reform process. Discussions may also touch on topical issues related to TA policy and operations.

Format

A joint mission usually includes 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 are selected for review by the Japanese authorities based on a number of considerations to reflect different levels of economic development and structural reform and variation between regions and subject areas.

Once mission members receive briefing notes or are briefed at IMF headquarters, they visit recipient countries where TA is provided and, when possible, meet separately with the senior representatives of the host institution (usually the minister of finance, governor of the central bank, or chairman of the central statistical organization), the immediate counterparts to the expert (usually department heads), and the expert in question. 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 also held with any other concerned donor partners to seek their views.

Findings

To date, 16 missions have been carried out (covering 21 countries, two regional training institutes, the Pacific Financial Technical Assistance Center, the East Africa Regional Technical Assistance Center, and the Middle East 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 local authorities were well aware of, fully recognized the importance of, and expressed their appreciation for Japan's financial support for the IMF TA program. The positive firsthand view gained by the Japanese authorities has contributed to Japan's continued strong support, through its financing of the JSA, for the IMF TA program. A list of all field visits and a summary report of the field visit that took place in FY2010 is provided below. Reports on earlier field visits can be found in previous JSA Annual Reports.

Joint Field Visits in FY1996–FY2010¹

1. Fiji (Pacific Financial Technical Assistance Center) and Western Samoa, 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, IMF-Singapore Regional 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
12. Botswana and the East Africa Regional Technical Assistance Center, December 2005
13. Cambodia, the IMF-Singapore Regional Training Institute, and the Philippines, March 2007
14. Middle East Regional Technical Assistance Center, May 2008
15. Cambodia, and the IMF-Singapore Regional Training Institute, January 2009
16. Philippines and Fiji (Pacific Financial Technical Assistance Center), May 2010

Joint Field Visits in FY2010

In FY2010, three projects were selected by the Japanese government to be visited by the joint mission:² the one on banking supervision by a long-term resident advisor at the National Bank of Philippines (BSP); and the ones on revenue administration and multi-sector statistics by two Resident Advisors attached to the Pacific Financial Technical Assistance Center (PFTAC). Overall, the mission was satisfied with the outcome of the visits, and impressed with the work of the Fund's TA program as demonstrated by the three projects. It heard very positive messages on the quality of the work under the projects, and a request for continued support in these important areas.

¹Because of scheduling difficulties, joint field visits were not carried out in FY2005.

²The joint Japan-IMF review team consisted of Ms. Tamami Matsuka, Deputy Director, International Organizations Division, Ministry of Finance; Mr. Nobuyuki Imamura, Advisor, IMF Japan Executive Director's Office, and Mr. Harish Mendis, Senior Technical Assistance Officer, IMF Office of Technical Assistance Management.

Philippines, May 6–7, 2010

The JSA has since 1993 financed 23 TA projects in the Philippines totaling \$3.2 million. These have been mostly directed to the Central Bank of Philippines (BSP) and to a lesser extent to the Bureau of Customs (BOC), the Bureau of Internal Revenue (BIR), and the Treasury. At the BSP, assistance has covered a broad range of central banking functions, including (1) strengthening banking legislation to make it consistent with internationally recognized standards; (2) enhancing banking supervision through implementation of risk-focused examination and a consolidated supervision framework, and the establishment of specialist career streams; (3) improving financial sector supervision, including by enhancing procedures for market-risk examination, designing supervisory programs for complex groups, and enhanced examination procedures for assessing compliance with AML/CFT requirements; (4) strengthening external sector and balance of payments statistics; and (5) modernizing information technology. At the BOC, assistance has been focused on improving procedures for clearance and valuation of imports, including implementation of the ASYCUDA computerized system for customs procedures. At the BIR, assistance was provided in strengthening the large-taxpayer unit and monitoring compliance and strengthening tax legislation, while at the Treasury the focus has been on cash management.

The FY2010 field visit to Manila was primarily to inspect the work of the JSA-financed resident advisor on banking supervision based in the BSP. The resident advisor's goal was to help the authorities in improving the soundness of the banking system, in a country with over 750 banks and 94 million people. The team met with the resident advisor; the Fund Resident Representative in Philippines; and senior staff of the BSP, including the Governor, the Deputy Governor, and the Director for banking supervision. The team also met with the staff from the Japanese embassy in Manila, as well as staff from the Manila office of the Japan International Cooperation Agency (JICA). The BSP senior staff noted the advisor's significant contributions to work on the: (1) risk based assessment of off-site bank examiners; (2) development of an in-house training program; and (3) development of trainers. The authorities at all levels were familiar with the substance of the advisor's work and appreciative of the role of Japan in making the TA possible. The authorities praised the quality of the advisor's work, as well as his ability to integrate with the staff in the central bank.

The team also met with the staff from the BIR who had requested tax policy advice through short-term experts, and Treasury staff that had used the services of a JSA-financed expert in a cash management project. The authorities were very positive on the role and quality of the technical assistance provided by the IMF and the experts. The team meetings with JICA and the Japanese embassy focused on the extensive involvement of Japan in the Philippines.

The Pacific Financial Technical Assistance Center (PFTAC), May 10–11, 2010

The Pacific Financial Technical Assistance Center was originally established in Suva, Fiji in 1993 as a cost-shared regional project of the United Nations Development Program (UNDP) executed by the IMF. Since 2002, PFTAC has been managed by the IMF. PFTAC's objective is to help build institutional and human capacity in public financial management, revenue administration, financial sector supervision, and statistics in the Pacific region. The Pacific Island Countries (PICs) covered by PFTAC include: the Cook Islands; the Federated States of Micronesia; Fiji; Kiribati; Marshall Islands; Nauru; Niue; Palau; Papua New Guinea; Samoa; Solomon Islands; Tokelau; Tonga; Tuvalu; and

Vanuatu. There are four resident advisors in PFTAC covering the areas of public financial management, bank supervision, revenue administration, and statistics, complemented by short-term expert visits. For the last 5 years the JSA has financed the Resident Advisors for revenue administration and multi-sector statistics.

The revenue advisor's assistance to countries has been for supporting the implementation of strategic revenue reform modernization plans with the aim of improving compliance and strengthening revenue collection, and improving the effectiveness of the audit function and taxpayer services. The revenue advisor also engages and supervises the work of short-term TA experts in specialty areas such as tax legislation drafting, large taxpayer administration, and other niche areas of expertise.

Most PICs are implementing revenue administration reforms based on advice given by the revenue advisor through PFTAC. A key achievement of the revenue advisors work in PFTAC has been development of the Pacific Islands Tax Administrators Association (PITAA), a forum of all heads of PIC tax departments into a cohesive group whose purpose is to adopt regional solutions to common problems and to seek to implement them uniformly in the region, with the support of PFTAC. PFTAC also produced several manuals or handbooks of regional applications, another measure aimed at implementing international best practices adapted for small island economies, and achieving a level of consistency across the region.

The primary objective of the multi-sector statistics advisor stationed in PFTAC is to continue to strengthen the capacity of PICs to produce national accounts (NA), prices, balance of payments and external debt (BOP), monetary and financial statistics (MFS), and government finance statistics (GFS) for economic policy making purposes. The advisor has participated in missions to the majority of PICs on BOP and NA missions, and assisted to conduct regional statistics courses. Measurable improvements have been made in BOP and NA statistics compilation methods and the use of source data for a number of PICs. Good progress has also been made in GFS, MFS, and price statistics for countries that have the capacity to sustain the improvements that have been implemented. The advisor's strong focus on training has also resulted in marked improvements in local counterparts' knowledge and understanding of macro-economic statistics concepts, sources, and methods. Also financed by JSA were the services of short-term experts supervised by the resident advisor on the development of import price indices in Fiji, Solomon Islands, Tonga and Samoa.

During its visit, the mission team gathered feedback on the work of the two JSA-financed advisors. The team held discussions with the PFTAC Center Coordinator, the revenue advisor, representatives from the Fiji Reserve Bank, Revenue and Customs authorities, and the Bureau of Statistics, and other development partners operating in the Pacific. The authorities were very positive on the work of the two advisors, and of PFTAC in general. In discussions the only improvement they requested was for an increase in resources to meet the large demands of the Pacific region.

The development partners thanked Japan for its strong support of PFTAC, and reiterated their view that the two resident advisors were much appreciated and PFTAC in general was a vital player and one of the highest rated organizations in the Pacific. They also noted that PFTAC was an excellent example of donor coordination.

ANNEX 3

ADMINISTERED ACCOUNTS—JAPAN FINANCIAL STATEMENT FY2010

	Administered Account for Selected Fund Activities—Japan		Framework Administered Account for Technical Assistance Activities—Subaccount for Japan Advanced Scholarship Program		Framework Administered Account for Selected Fund Activities—Japan Subaccount for Selected Fund Activities	
	2010	2009	2010	2009	2010	2009
<i>(In thousands of U.S. dollars)</i>						
Balance Sheet as of April 30, 2010 and 2009						
Assets						
Cash and cash equivalents	13,074	22,442	—	1,137	17,833	—
Total Assets	13,074	22,442	—	1,137	17,833	—
Resources						
Total Resources	13,074	22,442	—	1,137	17,833	—
Income Statements and Changes in Resources for the Years Ended April 30, 2010 and 2009						
Balance, beginning of the year	22,442	20,509	1,137	1,025	—	—
Income earned on investments	35	290	—	20	—	—
Contributions received	25,863	20,963	1,302	1,586	19,480	—
Contributions transferred	(18,062)	—	(1,418)	—	(400)	—
Payments to and on behalf of beneficiaries	(17,204)	(19,320)	(1,021)	(1,494)	(1,247)	—
Net changes in resources	(9,368)	1,933	(1,137)	112	17,833	—
Balance, end of the year	13,074	22,442	—	1,137	17,833	—

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.

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