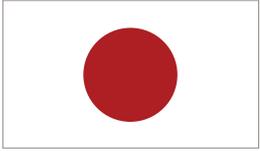


JAPAN-IMF PARTNERSHIP ON CAPACITY DEVELOPMENT



ANNUAL REPORT 2020





JAPAN-IMF PARTNERSHIP ON CAPACITY DEVELOPMENT

Japan Administered Account
for Selected IMF Activities

ANNUAL REPORT
FISCAL YEAR 2020

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MESSAGE FROM THE JAPANESE GOVERNMENT

This FY20 JSA annual report summarizes the current state of Japan's cooperation with the IMF in capacity development (CD). With a 30-year history of close coordination and continuous improvement, the JSA-supported IMF CD activities have evolved to the current breadth and depth of their coverage.

The FY20 has turned out to be an especially challenging year. The COVID-19 pandemic has increased the pressures for substantial fiscal spending to contain the pandemic and stabilize the economy. In addition to the challenges of funding and managing such emergency spending, countries would need to face longer-term challenges of ensuring fiscal and macroeconomic sustainability in the recovery phase. Proper public financial management, ensuring debt transparency and sustainability, and enhancing domestic revenue mobilization have become more important than ever to cope with such challenges. Accordingly, the IMF's CD is expected to play an ever more prominent role.

Japan's support through JSA is based on our firm belief that the IMF is best placed to provide CD activities in a timely and appropriate manner, given its comprehensive understanding of country specific demands through its regular policy dialogue with the recipient countries and close coordination with other relevant stakeholders. The IMF's online learning, which Japan has been supporting since 2017, will play an especially pivotal role in helping member countries learn wide-ranging issues to make holistic policy decisions. Japan stands ready to make utmost efforts to improve the effectiveness and efficiency of the IMF CD activities.

We look forward to further cooperating with the IMF.

Kentaro Ogata

*Director of the International Organizations Division,
International Bureau,
Ministry of Finance, Japan.*

JAPAN-IMF PARTNERSHIP AT A GLANCE

The Government of Japan is the longest standing partner in International Monetary Fund (IMF) capacity development (CD) efforts, with \$685 million in funding to date. More than 100 IMF member countries have benefited from Japan-funded CD activities.

In fiscal year 2020 (FY2020), The Government of Japan provided a new contribution of \$34 million, of which \$29 million financed a large portfolio of 26 bilateral programs. In the past five years, Japan has consistently been responsible for about one-fifth of all external financing to IMF CD.

Japan-funded IMF programs address countries' CD needs and are consistent with Japan's international cooperation priorities and the IMF's commitment to the Sustainable Development Goals (SDGs). Programs typically address fiscal issues, monetary and capital market reforms, macroeconomic statistics, and macroeconomic management.

Japan has committed resources to selected multi-partner thematic initiatives, such as the Anti-Money Laundering/ Combating the Financing of Terrorism Thematic Fund;

the Tax Administration Diagnostic Assessment Tool; the Revenue Mobilization Thematic Fund; and the Data for Decisions (D4D) Fund. The IMF-Japan partnership has also expanded in recent years to include support for IMF online courses; and CD programs are also implemented through the IMF Capacity Development Office in Thailand (CDOT) and the IMF-Singapore Regional Training Institute (STI). This year, Japan funded two bilateral projects focusing on debt management in West Africa and the Pacific thus complementing the work of IMF's regional centers in those regions.

In addition, Japan supports two scholarship programs: the Japan-IMF Scholarship Program For Asia, and the Japan-IMF Scholarship Program for Advanced Studies, as well as the IMF's Regional Office for Asia and the Pacific.

The IMF and all member countries benefitting from the IMF-Japan partnership extend their appreciation to the authorities and citizens of Japan for their long-standing, highly valued support and look forward to continuing the strong and effective partnership.

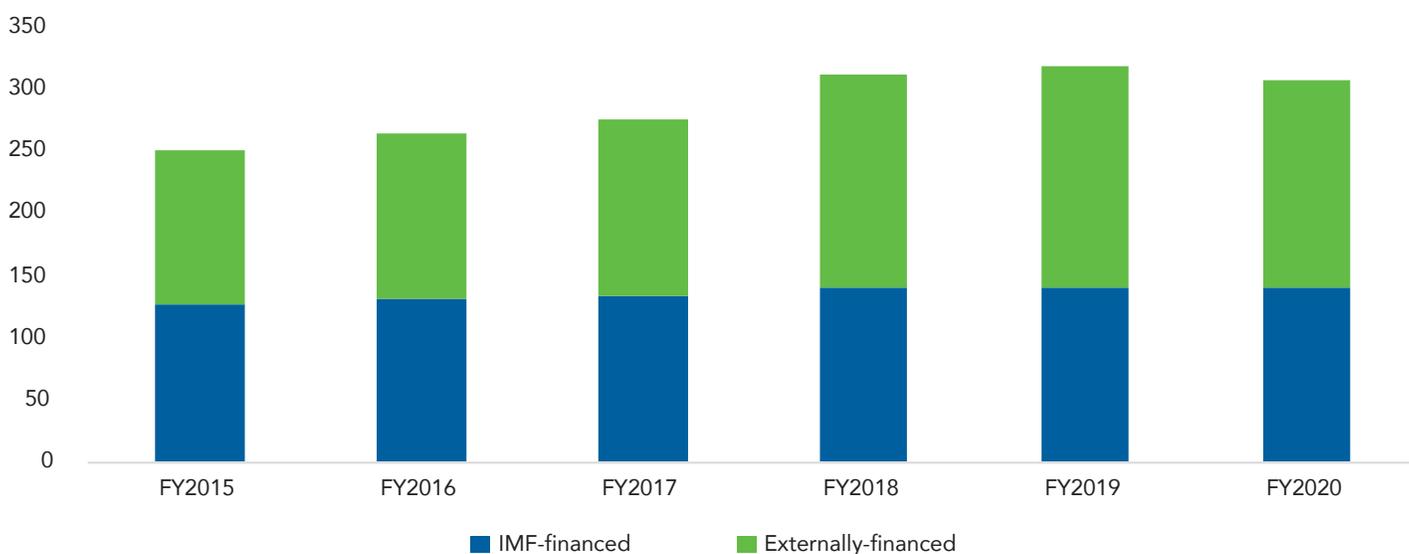
INTRODUCTION AND BACKGROUND

The IMF provides capacity development, comprised of hands-on technical assistance and training, to help countries build effective economic institutions that can implement more effective policies. These capacity development efforts help countries achieve their growth and development objectives and are an important contribution to countries' progress toward the Sustainable Development Goals (SDGs).

Capacity development is fully integrated with the IMF's lending and surveillance activities. It accounts for about

one-third of the IMF's spending. Although internal resources finance a considerable amount of CD, financial support from partners helps the IMF deliver high-quality capacity development that responds to member country needs and aligns with IMF's and global development priorities. External partners such as Japan play an important role, including through support to regional capacity development centers, thematic funds focused on development priorities, and bilateral projects. In FY2020, activities financed by partners totaled about \$168 million.

FIGURE 1. IMPLEMENTATION OF IMF CAPACITY DEVELOPMENT, FY2015-2020¹



Source: Office of Budget and Planning (OBP) Analytic Costing and Estimation System (ACES).

¹ Spending refers to direct cost only, which includes all cost directly attributed to both Fund- and externally financed CD activities and allocated intra-departmental support costs. Corporate support and governance costs are excluded.

IMF CAPACITY DEVELOPMENT

Strong economic institutions foster effective policies that lead to economic stability, inclusive growth, and job creation. That is why, for more than 50 years, the IMF has provided technical assistance and training to central banks, finance ministries, tax authorities, and other economic institutions. (<https://www.IMF.org/en/Capacity-Development>). This helps countries raise public revenues, modernize banking systems, develop strong legal frameworks, improve governance, and IMF capacity development is delivered to countries through short-term staff visits from IMF headquarters in Washington, DC; in-country placements of long-term resident advisors; a network of regional CD centers; face-to-face training; and free online learning courses. Since 2017, Japan has supported the development and delivery of IMF online learning (<https://www.IMF.org/external/np/ins/english/learning.htm>).

This year, in response to the COVID-19 pandemic, capacity development is adapting to support countries as rapidly as possible and where it is needed most. CD supports countries' immediate priorities as they steer their economies through the crisis, as well as longer-term needs that will be crucial for countries to get back on track towards the Sustainable Development Goals. CD is an essential complement to the IMF's financial support through emergency assistance and our regular programs, significantly increasing the impact of our engagement. Thus far, over 90 percent of countries that have requested IMF financial assistance have also received support in the form of technical advice, practical tools, and policy-oriented training to build institutional capacity and staff skills to manage the crisis. The demand for capacity development support will continue, and an integrated approach provides the foundations countries need for a strong and sustainable recovery.



National Training Workshop on the implementation of Commitment plans and cash flow plan in Mali*



* Most pictures featured in this report are from the early part of the fiscal year when events took place in person prior to COVID-19.

ACRONYMS AND ABBREVIATIONS

AICE	Integrated State Accounting Application	ECOWAS	Economic Community of West African States
AFR	IMF's African Department	EDS	External Debt Statistics
AFRITAC	Africa Regional Technical Assistance Center	EFA	Externally Financed Appointee
AML-CFT	Anti-Money Laundering/Combating the Financing of Terrorism Thematic Fund	EP	IMF Economist Program
APD	IMF's Asia and Pacific Department	ESS	External Sector Statistics
BOM	Bank of Mongolia	FAD	IMF's Fiscal Affairs Department
BOP	Balance of Payments	FIRST	Financial Information Reporting System for the Treasury
CARTAC	Caribbean Regional Technical Assistance Centre	FISD	Financial Institutions Supervision Department
CB	Central Bank	FMIS	Financial Management Information System
CBM	Central Bank of Myanmar	FPAS	Forecasting and Policy Analysis System
CCPAs	Climate Change Policy Assessments	FSI	Financial Soundness Indicators
CD	Capacity Development	FY	Fiscal Year (FY20 May 1, 2019-April 30, 2020)
CDOT	IMF Capacity Development Office in Thailand	GDP	Gross Domestic Product
CEMAC	Central African Economic and Monetary Community	GDCE	General Department of Customs and Excise
CIP	Compliance Improvement Plan	GDDS	General Data Dissemination System
CLMV	Cambodia, Lao P.D.R., Myanmar, and Vietnam	GFS	Government Finance Statistics
CoA	Chart of Accounts	GST	Goods and Services Tax
COFTAM	Committee for the Coordination of Financial Sector Technical Assistance to Myanmar	ICD	IMF's Institute for Capacity Development
D4D	Data for Decisions Fund	IFMIS	Integrated Financial Management Information System
DNTCP	National Treasury and Public Accounting Department	IFRS	International Financial Reporting Standard
D-SIBs	Domestic Systemically Important Banks	IIE	Institute of International Education
EAC	East African Community	IIP	International Investment Position
EAMI	East African Monetary Institute	IPSAS	International Public Sector Accounting Standards
		ITRS	International Transactions Reporting System
		JSA	Japan Subaccount
		JICA	Japan International Cooperation Agency
		JIMS	Japan-IMF Macroeconomic Seminar for Asia

JISP	Japan-IMF Scholarship Program for Advanced Studies	PFTAC	Pacific Financial Technical Assistance Centre
JISPA	Japan-IMF Scholarship Program for Asia	PIM	Public Investment Management
JISPA-CE	Japan-IMF Scholarship Program for Asia Continuing Education	PIMA	Public Investment Management Assessments
LTX	Long-term Expert/Advisor	RBS	Risk-based Supervision
LPCO	Liquidity Providing Collateralized Operations	RMTF	Revenue Mobilization Thematic Fund
MAC	Monetary Affairs Committee Meeting	SARTTAC	IMF's South Asia Regional Training and Technical Assistance Center
MASS	Macroprudential Analysis, Stress Testing, and Statistics	SBV	State Bank of Vietnam
MCD	IMF's Middle East and Central Asia Department	SEE	State-Owned Economic Enterprise
MCM	IMF's Monitoring Capital Markers Department	SDDS	Special Data Dissemination Standard
MOOCs	Massive Open Online Courses	SOE	State-Owned Enterprise
MOPF	Ministry of Planning and Finance	SDGs	Sustainable Development Goals
MOPFI	Ministry of Planning, Finance, and Industry	SDMX	Statistical Data and Metadata eXchange
MPAF	Monetary and Fiscal Policy Analysis and Framework	SMEs	Small and Medium-size Enterprises
MPAFx	Monetary Policy Analysis and Forecasting	STA	IMF's Statistics Department
NBC	National Bank of Cambodia	STI	IMF - Singapore Regional Training Institute
NBFI	Non-bank Financial Institutions	STX	Short-term Advisor
NPL	Non-performing Loan	TA	Technical Assistance
NRA	National Risk Assessment	TADAT	Tax Administration Diagnostic Assessment Tool
NSDP	National Summary Data Page	TSA	Treasury Single Account
OAP	IMF Regional Office for Asia and the Pacific	VTC	Video Teleconferencing
PEFA	Public Expenditure and Financial Assessment	WAEMU	West African Economic and Monetary Union
PFM	Public Financial Management		



Monetary and FX policy workshop in Myanmar

JAPAN-IMF
PARTNERSHIP
ON CAPACITY
DEVELOPMENT



Closing ceremony of the JSA-AFR Project on Improving External Sector Statistics in 17 Francophone African Countries held in Mauritius

A

JAPAN'S CONTRIBUTIONS

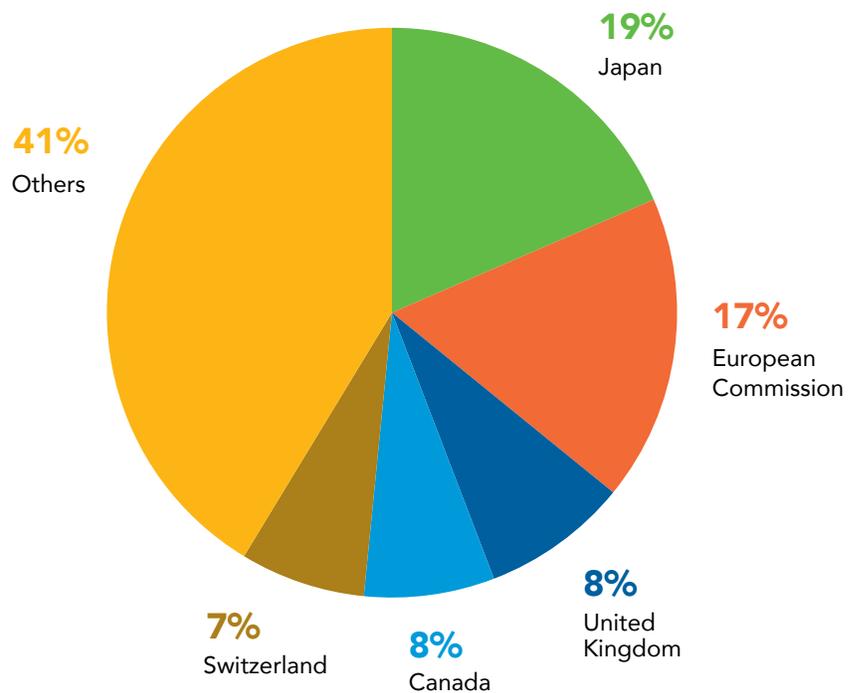
The vehicle for the Government of Japan's support to the IMF's CD operations is the Japan Subaccount (JSA) of the Framework Administered Account for Selected Fund Activities. Its contributions to the IMF since FY1990 total \$685 million, of which about \$556 million has provided support for IMF CD projects, \$39 million for activities of the Regional Office for Asia and the Pacific (OAP), and \$91 million for the Japan-IMF Scholarship Program for Asia and the Japan-IMF Scholarship Program for Advanced Studies (Table 1 and Figure 3). In the period FY2011–2020, Japan alone was responsible for almost 20 percent of external financing for IMF CD (Figure 2).

In FY2020, Japan contributed \$34 million, of which \$29 million was to support a portfolio of 26 CD programs.¹ Several programs are implemented through CDOT and STI. Japan also contributed to the Data for Decisions Fund, the Tax Administration Diagnostic Assessment Tool, and the Externally Financed Appointees Program.² Contributions also support the IMF Regional Office for Asia and the Pacific and to two scholarships programs.

¹ Appendix 1 presents a summary of all JSA programs.

² Details on Japan's participation in multi-partner initiatives in Table 2.

FIGURE 2. EXTERNAL PARTNER CONTRIBUTIONS FOR CAPACITY DEVELOPMENT, FY2011-2020^{1, 2}



Source: Capacity Development Information Management System (CDIMS).

¹ Excludes in-kind contributions. Funds received during FY2011-2020, not adjusted for Regional Training Centers (RTCs) cost recovered directly.

² Based on 3-year averages of signed agreements, Japan is the second top partner with a share of 16%, after the EU with 21%.

TABLE 1. CONTRIBUTIONS BY JAPAN, FY1990-2020

(In millions of U.S. dollars)

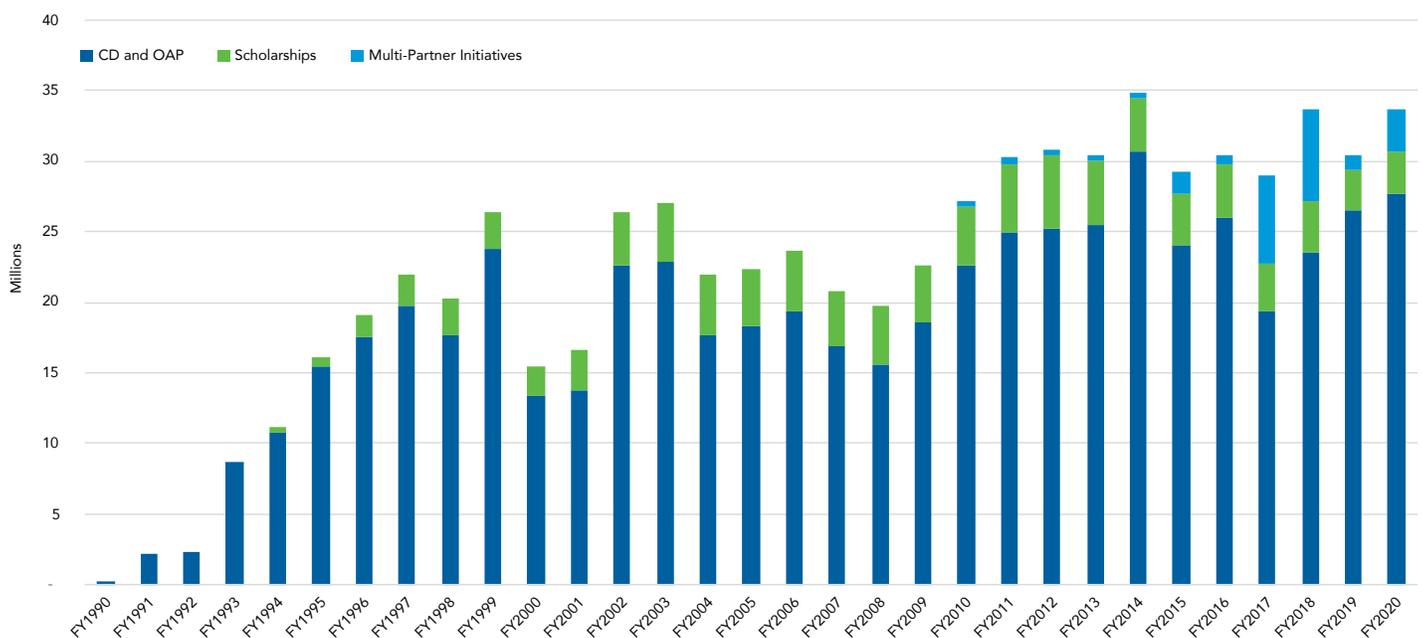
	FY1990-2015	FY2016	FY2017	FY2018	FY2019	FY2020	Total FY1990-2020
Japan's Contributions¹	528.0	30.4	28.9	33.7	30.4	33.7	685.1
<i>of which</i>							
Capacity Development²	425.1	24.8	23.8	27.9	25.5	28.6	555.8
Regional Office for Asia and the Pacific	29.0	1.8	1.7	2.1	2.0	2.1	38.8
Scholarships	73.9	3.7	3.4	3.7	2.9	3.0	90.5
The Japan-IMF Scholarship Program for Asia	48.4	2.8	2.5	2.8	2.4	2.4	61.3
Japan-IMF Scholarship Program for Advanced Studies	25.5	0.9	0.9	0.8	0.5	0.6	29.2

Source: Institute for Capacity Development, IMF.

¹ Until FY10, contributions to the JSA and the Japan-IMF Scholarship Program for Advanced Studies were administered under the Japan Administered Account for Selected IMF Activities (JAA) and the Framework Administered Account for Selected IMF Activities (FAA), respectively. New contributions are now administered under the Japan Subaccount under the IMF Framework Administered Account for Selected Fund Activities (SFA). The JAA and the FAA accounts are closed, with the remaining funds transferred under Japan Subaccount under SFA.

² Includes \$154,603 transferred to finance the operations of the Office of the Executive Director for Japan in FY11, and \$324,344 transferred to SPR and OBP to cover expenses in support to Japan's G20 Presidency in FY19-20.

FIGURE 3. JAPAN ANNUAL CONTRIBUTIONS TO CAPACITY DEVELOPMENT BY ACTIVITY, FY1990-2020¹



Source: Institute for Capacity Development, IMF.

¹ Includes \$154,603 transferred to finance the operations of the Office of the Executive Director for Japan in FY11, and \$324,344 transferred to SPR and OBP to cover expenses in support to Japan's G20 Presidency in FY19.

TABLE 2. JAPAN'S PARTICIPATION IN IMF CD MULTI-PARTNER THEMATIC VEHICLES

(In millions of U.S. dollars)

FY20 Contributions to Multi-Partner Vehicles	3.0
Tax Administration Diagnostic Assessment Tool Subaccount (TADAT) - Phase II	0.5
Data for Decisions Fund Subaccount (D4D)	2.0
Externally Financed Appointee Subaccount (EFA) - Cohort III	0.5

Box 1. The Japan-IMF Initiative on Online Learning

The IMF Institute Learning Channel was created to ramp up IMF’s response to COVID-19 with a permanent source of free, bite-size learning videos accessible to government officials and the general public. Available on YouTube, the channel’s tagline, “Come and Grow,” is a play on the expression “come and go” to show the ease with which viewers can arrive, grow their knowledge with each visit, and depart again. All micro-learning videos are short, or typically up to 5 minutes. Micro-learning videos give viewers the flexibility to focus on specific topics, to fill gaps, and to improve knowledge or job skills. Micro-learning videos can also be flexibly used in blended CD deliveries.

The channel is the latest addition to the Fund’s online learning program. The channel is organized by thematic sections, such as “Macroeconomic Statistics,” which are broken down into video playlists, such as “What is public sector debt?”. As governments’ fiscal responses to COVID-19 have amplified the concerns for debt sustainability globally, the channel currently offers 30 micro-learning videos addressing key issues for policymakers related to public debt statistics.

As development and delivery of the IMF’s online learning product are made possible with financial support from the Government of Japan, Japan is prominently acknowledged on the channel, further increasing the visibility of Japan-IMF partnership on online learning. The Learning Channel was first featured on April 17 in the 2020 Spring Meetings newsletter. Since then, the channel has been continuously promoted on the IMF’s websites, social media sites, newsletters and targeted email marketing. New micro-learning content is posted biweekly on Tuesdays.



Box 2. Keys To Success in Remote CD—Lessons Learned from Revenue Administration Reform and Modernization Projects for Asian Countries

Due to COVID-19, support for JSA projects transitioned to remote CD delivery at the end of FY20. While challenging, with many administrations either working from home or closed, the Fiscal Affairs Department (FAD) has had some success from which to build future support. One notable example is the remote CD to Lao P.D.R. where the expert reviewed the draft customs law and provided comments for improvements after which the Lao Customs Department revised the draft customs law then submitted it to the government and National Assembly. This time-sensitive project was completed within the established timelines.

Lessons learned from the recent remote delivery experience point to several factors critical to ensure success, which include (i) the beneficiary has been responsive to prior advice; (ii) good technology and internet access are available not only in the beneficiary's headquarters building but also the staff's homes; (iii) the issue is narrowly defined and specific; (iv) the issue is a priority under the current COVID-19 crisis; (v) there are pre-existing relationships between the Fund staff and experts with country officials; and (vi) additional time is allowed to complete the work remotely due to added coordination and communication challenges that could be resolved quickly when face-to-face. FAD experience indicates that remote capacity development (CD) is possible and can be effective. It is, nevertheless, more challenging especially for broader, multi-agenda missions or diagnostics, and CD on structural reforms and comprehensive institution building which require in-country CD support. In general, remote delivery complements but does not substitute in-country CD.

Box 3. Improving Cash Management Thanks To Better Expenditure Forecasting Capabilities In Line Ministries In Mali

A key element of the 2019 Action Plan of the National Treasury and Public Accounting Department (DNTCP) is to help line ministries improve their ability to forecast their expenditure so as to integrate them properly into the annual cash plan drawn up by the Treasury.

An important national training workshop, in February 2020, kicked off work on the implementation of "commitment plans" and their articulation with the cash flow plan. This event, organized by the Ministry of Economy and Finance of Mali, mobilized more than 90 participants from the Ministry of Finance and Financial Directorates of line ministries and public institutions. The inclusive and participatory approach adopted by the authorities generated strong media coverage (radio, national television, newspapers and the Internet), contributing to the ownership of the reform.

Following the workshop, the Ministry of Finance launched the work on the expenditure commitment plans in eight pilot ministries, with an IMF resident advisor providing overall methodological guidance and hands-on support to four key ministries (Health and Social Affairs, Employment and Vocational Training, National Education, Security and Civil Protection).

The conditions for a gradual and lasting implementation of the ministerial commitment plans are now met. Initially designed on spreadsheets, they will also be integrated into information systems, particularly the Integrated State Accounting Application (AICE2) currently being deployed in Mali, as part of the cash management module being designed with the support of the JSA project.

Box 4. "FIRST" in Myanmar: Initial Steps Towards Treasury Automation

In Myanmar, the largely paper-based public financial management (PFM) processes impedes accuracy, timeliness and efficiency of fiscal reporting, and undermine the effectiveness of fiscal and budget management. Following the advice of the IMF Fiscal Affairs Department (FAD) in 2017, the Ministry of Planning and Finance (MOPF) started working on a phased development of a government financial management information system (FMIS). In the following two years, a simple reporting system was developed at very affordable cost, through a local software developer and with active support of the Regional PFM Advisor at the IMF's Capacity Development Office in Thailand (CDOT) and a peripatetic Treasury Automation expert.

The system, FIRST—a catchy acronym for “Financial Information Reporting System for the Treasury”—has been designed to capture and store monthly financial information of Union Ministries, State Economic Enterprises (SEEs), and State Governments into a single Treasury database and provide consolidated end-of-month and end-of year financial reports. FIRST is now fully functional at the Treasury level. The roll-out of a web-based data collection application for departments and SEEs is ongoing. For government entities with limited internet connection, automated email or CD-ROM input has been provided.

The development of a home-grown system at an appropriate pace, has allowed the MOPF to control costs and risks of systems development, and gain experience for a large scale FMIS system. The success of FIRST has encouraged the ministry for further enhancement. FIRST 2.0—development expected to start in the second half of 2020—will aim to unify budget and financial reporting. In order to extend its reach, FIRST 2.0 will likely include a fully compatible modular accounting application that will be deployed at the spending unit level to feed into the core Treasury system, spreading the benefits of automation beyond the Treasury.

Box 5. Blended Online Course—Videoconferencing Support to the State Bank of Vietnam (SBV)

Following the strong momentum in early implementation of the technical assistance project on developing forecasting and policy analysis system (FPAS) at the SBV, the IMF mission team quickly scaled up virtual TA support to the SBV after the COVID-19 pandemic. This support coincided with the launch of the IMF online course on monetary policy analysis and forecasting (MPAFx), in which the SBV's core FPAS group participated. The mission team held weekly VTC calls with the core group to answer course related questions and consult on issues relevant to the ongoing model-building FPAS TA support. Combining the online course with VTC calls helps to discuss more effectively general questions on economic theory and practice, including in the context of the COVID-19 crisis. Such issues covered the nature of the shocks and what these imply for monetary policy decision-making. In addition, the mission team provided virtual training on adapting an IMF pandemic-impact toolBox to Vietnam data in order to help gauge the impact on GDP based on sectoral-level assessment of the lockdown measures.

Box 6. Strengthening Climate Resilience: Seminar for Small Island States

FAD, in collaboration with the Caribbean Regional Technical Assistance Centre (CARTAC) and Pacific Financial Technical Assistance Centre (PFTAC) held a seminar on climate resilience in small islands on December 2019 at the IMF HQ. It brought together senior officials of finance ministries of 26 states from the Caribbean, Pacific, and Indian Ocean. The seminar provided valuable peer-to-peer learning exchange among small island states. Most of these states face similar challenges: more frequent and intensifying climate-related disasters and sea-level rise, and limited fiscal space and administrative capacity.

Deputy Managing Director Tao Zhang delivered the opening remarks emphasizing that strong fiscal policies and effective fiscal institutions are critical for resilience building which requires improving physical infrastructure and the financial architecture. Executive Director Takuji Tanaka welcomed participants and emphasized Japan's efforts of helping developing countries build resilience in the reception. FAD Director Vitor Gaspar closed the seminar underlining the Fund's work on infrastructure governance and climate change policy assessments (CCPAs) in helping countries build up resilience.

This event showcased successful collaboration within the IMF and among development partners. Six departments of the IMF presented the latest analytical and capacity development tools in the areas of macro, fiscal policy and PFM for building resilience. The World Bank shared its insights on disaster risk financing, building resilience in infrastructure, and climate financing. A senior official of Japan International Cooperation Agency (JICA), together with the representatives of Canada, the EU, Asian Development Bank, and Inter-American Development Bank shared their experiences and policies on helping small island states strengthen climate resilience.

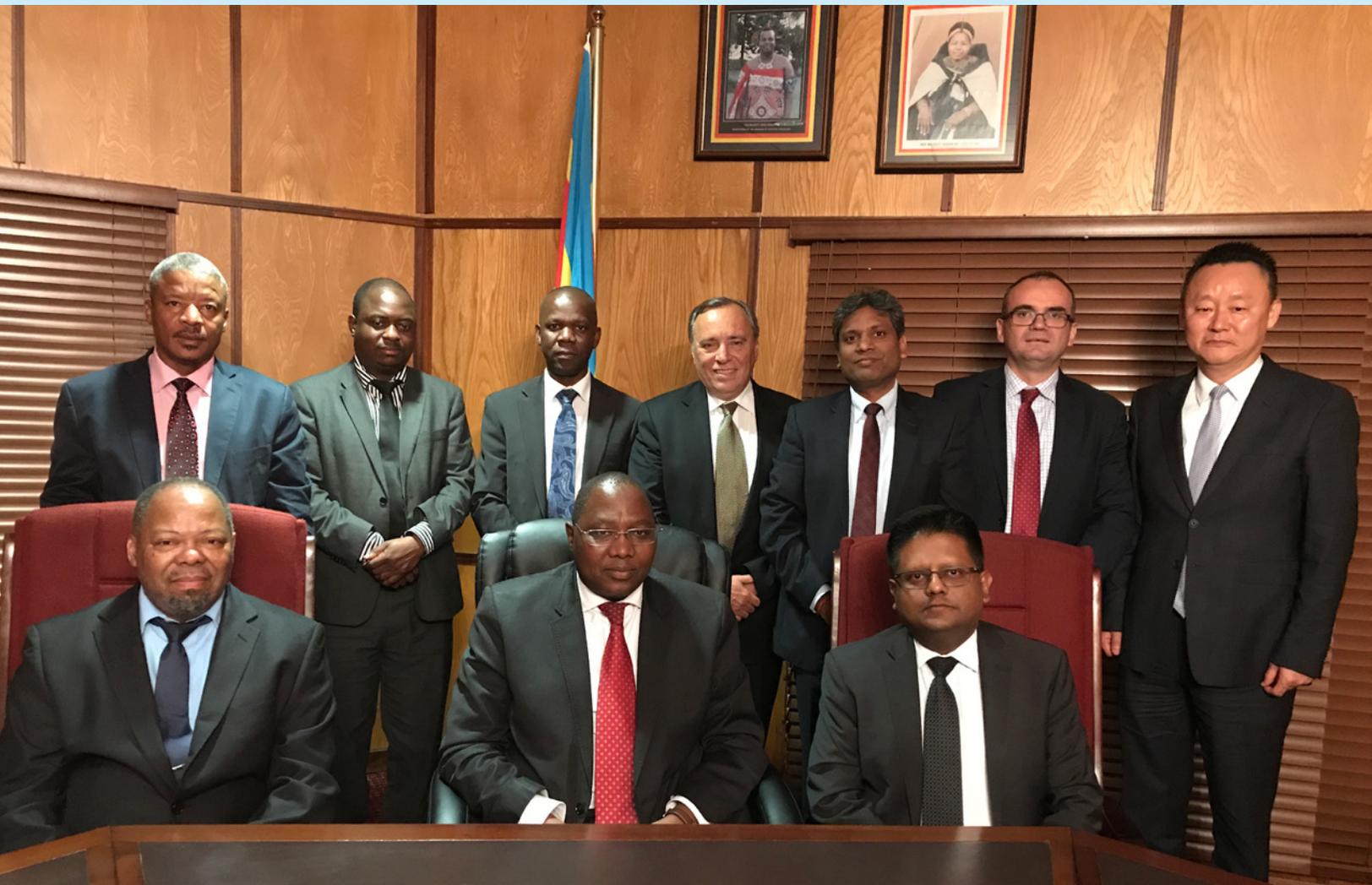


Strengthening Climate Resilience—Seminar for Small Island States

Box 7. PIMA Follow-Up in Kenya

A short-term expert visited Kenya in October 2019 in support of an AFRITAC East mission to work with the Public Investment Management Unit and Budget Department in developing a prototype budget costing tool. The tool aimed to operationalize instructions provided to Ministries, Departments and Agencies in the 2019 Budget Guidelines to improve costing of public infrastructure projects, with the effect of improving information for decision making and providing a more reliable basis for budget estimates.

Working with a core group of technical officers from the National Treasury and Planning, a new budget costing tool and accompanying guidelines, were developed. Training on the costing tool was provided to approximately 300 staff across 74 ministries, departments and agencies as part of a three-day workshop. This visit followed up on the earlier Public Investment Management Assessment for Kenya that was completed in 2018.



Public Investment Management Assessment Follow-up in Kenya.
Seated at front row center is H.E. Mr. Ambrose Dlamini, Prime Minister;
and at front row left is Hon. Dr. Tambo Gina, Minister of Economic Planning and Development.

Box 8. Financial Sector Technical Assistance Amidst COVID-19 Developments in Myanmar

Although the number of confirmed COVID-19 cases in Myanmar is relatively modest, the pandemic is expected to negatively impact the economy due to shrinking domestic and export demand and a sizeable drop in remittances and commodity prices. Maintaining financial stability is also of critical importance as the banking sector was already weak before the pandemic.

The Central Bank of Myanmar (CBM) has quickly taken measures for monetary easing, liquidity provision and the temporary relaxation of supervisory requirements for banks, and stands ready to address the implications of the unprecedented crisis. All four MCM resident advisors were heavily involved in giving technical advice to the CBM, as well as supporting the intense policy dialogue between the authorities and the IMF country team. Their advisory work has been greatly helped by the IMF Policy Notes on various aspects of COVID-19 policy responses, many of which provided relevant background to the crisis-related policy discussions with the CBM.

Besides its economic impact, COVID-19 also disrupted the traditional TA delivery, leading to a quick adoption of new (virtual) modality by the CBM and the MCM resident advisors. Some first lessons from this experience can inform the IMF's medium-term TA work in Myanmar and other countries including: planning ahead and agreeing with counterparts on short-term goals and leveraging the other advisors' expertise and Fund-wide knowledge, e.g. various policy notes and tools, as well as local interpreters.

Risks and challenges to consider are a slower implementation pace, difficulty to secure the availability of senior management who are in crisis-mode, and poor connectivity. It is nevertheless vital to stay connected with counterparts in multiple ways and remain alert to new CD needs from the authorities and flexible to needed changes.

Going forward, the impact of COVID-19 on monetary and financial stability in Myanmar will continue to influence CD delivery of CD, and the likelihood of more ad-hoc requests for advice as issues and related policy options emerge with the unfolding of the pandemic's impact on the financial system.



Central Bank Accounting and Internal Audit training in Myanmar

Box 9. High-Level Peer-to-Peer Forum: Central Bank Communications in ASEAN-5

This closed-door highly interactive event among ASEAN-5 peers and International and IMF experts was the second in what is expected to become a series of annual high-level peer-to-peer forums with ASEAN-5 central banks. A key objective of this event was to integrate IMF capacity development with country surveillance conversations. The forum combined discussions on “why and what to communicate” with experiences on “how to communicate.” There was broad agreement that the complex issues related to integrated policy frameworks (i.e. monetary policy regimes with multiple key objectives and instruments) posed serious communication challenges. Moreover, central bank communications faced new demands, including reaching broader audiences, making accessible and “relatable,” messages in the rapidly evolving and challenging digital landscape.

Broad key takeaways included: (i) effective communication is essential to the clarity of the central bank mandate and to the efficacy of its operations—both for the purpose of policy signaling and accountability; (ii) the range of communication channels has widened significantly, with central banks aiming to reach broader audience and through new media platforms; and (iii) CB communications on complex integrated frameworks is particularly challenging, e.g. maintaining financial stability and shielding the economy from volatile capital flows call for careful policy calibration of and require artful and clear communications.



High-Level Peer-to-Peer Forum: Central Bank Communications in ASEAN-5



Regional workshop on Customs Administration Modernization in Myanmar

B

A PROGRAMMATIC APPROACH TO CAPACITY DEVELOPMENT

Close dialogue and strategic consultations ensure that the Japan-IMF partnership is based on mutual understanding and priorities. Close coordination also leads to better implementation and increased positive impact on the countries it benefits. These programmatic CD interventions often require extensive consultations with country authorities, diagnostics and review throughout the reform process, and a robust result-based management framework to achieve and sustain a lasting impact. Tailored to each country's situation, hands-on advice to develop capacity, peer learning, and training are combined through seminars, workshops, and the expertise of long- and short-term experts. Japanese experts are regularly considered for such assignments.

REGIONAL COVERAGE

IMF member countries worldwide have benefited from Japan's long-standing and generous support. Table 3 presents JSA regional commitments and their distribution, highlighting how low- and lower-middle income countries in the Asia and Pacific region represent a priority target. STI and CDOT complement support with customized training courses for government officials. During the

period FY1993-2020, CD programs totaling \$264.2 million focused on countries in the Asia and Pacific region, equivalent to over 50 percent of approved JSA technical assistance and related activities.

SECTORAL PRIORITIES

Fiscal topics represented the largest share, with 47 percent of yearly commitments in FY2020. Monetary and capital markets topics represented 19 percent, and followed by training (18 percent), which reflects Japan's strong support for the IMF Online Learning Program, as well as the Singapore Training Institute (STI). Table 4 shows annual commitments by sector for the period FY1993-2020.

IMF ONLINE LEARNING PROGRAM

Japan provides financial support to the development and delivery of IMF online learning courses. The IMF has leveraged technology to boost training delivery in macroeconomics and finance to government officials. With massive open online courses (MOOCs), we bring our knowledge and expertise closer to our members and to the public. In FY2020, The JSA project supported six new online courses and the delivery of 44 course sessions.

It also helped the introduction of a new online learning modality—micro-learning, which consists of short learning videos that are made available to the broader public on the IMF Institute Learning Channel on YouTube.

Learning gains are significant and there is evidence of stronger performance in classroom training by those participants who have successfully completed an online course. The Online Learning Program was prominently featured at the Annual Meetings in October 2019.

JAPAN'S VISIBILITY

IMF staff understand the value of the contributions provided by Japan and strive to provide visibility to Japan and all development partners. Previous external evaluation of Japan's support through the IMF highlighted that JSA-funded IMF technical assistance provides high visibility to Japan as well as a positive image. In addition to highlighting Japan's contribution in print and digital media, one venue for increased outreach and visibility are the joint IMF-Japan visits to countries that benefit from JSA-funded CD. These missions allow for fruitful discussions with local authorities to learn firsthand about their experiences, challenges, and future needs, though

FY2020 visits were cancelled due to COVID-19. Annual publications, relevant promotional brochures, and digital media—such as the IMF’s website and online learning platform, social media, and videos—all contribute to publicly acknowledge and express appreciation for Japan’s partnership with the IMF on CD.

MONITORING AND EVALUATION OF THE JSA

Monitoring and evaluation of IMF CD activities is currently conducted through regular self-assessments and partner-mandated evaluations by independent consultants, as well as IMF-wide reviews every three to five years, such as the CD Strategy Review.

IMF staff share an interim self-assessment with Japan of each JSA program towards the end of the fiscal year. Self-assessments help evaluate projects’ implementation progress and results, as well as highlight challenges encountered. In addition, an independent external evaluation, which will now take place every five years, examines Japan-funded programs.

TABLE 3. JSA ANNUAL COMMITMENTS FOR CAPACITY DEVELOPMENT BY REGION, FY1993-2020^{1, 2, 3}

(In millions of U.S. dollars)

Region	FY1993-2015	FY2016	FY2017	FY2018	FY2019	FY2020		FY1993-2020	
						Total	%	Total	%
Africa	90.3	3.6	5.4	3.2	4.0	2.4	10%	108.9	21%
Asia and Pacific	184.2	15.8	13.5	15.8	17.6	17.3	74%	264.2	51%
Eastern Europe ⁴	38.9	-	-	-	-	-	0%	38.9	7%
Europe	30.4	-	-	-	-	-	0%	30.4	6%
Latin America and Caribbean	15.5	-	-	-	-	-	0%	15.5	3%
Middle East and Central Asia ⁴	26.8	1.0	0.7	1.8	1.7	-	0%	32.0	6%
Multiple Regions	22.0	0.9	0.5	1.5	1.5	3.8	16%	30.3	6%
Total	408.2	21.3	20.0	22.4	24.9	23.4	100%	520.3	100%

Source: Institute for Capacity Development, IMF.

¹ Budgets approved by Japan. Not adjusted for projects completed below approved budgets.

² Does not include commitments from Japan to multi-partner vehicles.

³ Commitments for programs from FY11 onwards include the trust fund management fee.

⁴ Starting in FY08, data for countries in Central Asia are classified under Middle East, and prior to that were classified under Eastern Europe.

TABLE 4. JSA ANNUAL COMMITMENTS FOR CAPACITY DEVELOPMENT BY TOPIC, FY1993-2020^{1, 2, 3}

(In millions of U.S. dollars)

Topic	FY1993-2015	FY2016	FY2017	FY2018	FY2019	FY2020		FY1993-2020	
						Total	%	Total	%
Fiscal	134.7	9.5	7.6	9.6	10.9	11.1	47%	183.4	35%
Monetary and Capital Markets	135.0	3.7	4.9	4.1	7.0	4.6	19%	159.3	31%
Macroeconomic Statistics	71.6	4.1	3.1	3.5	2.4	2.4	10%	87.1	17%
Training	44.4	2.3	2.3	3.8	4.1	4.3	18%	61.2	12%
Legal	10.1	0.6	0.6	0.2	-	-	0%	11.5	2%
Others	12.3	1.2	1.6	1.1	0.5	1.1	5%	17.8	3%
Total	408.2	21.3	20.0	22.4	24.9	23.4	100%	520.3	100%

Source: Institute for Capacity Development, IMF.

¹ Budgets approved by Japan. Not adjusted for projects completed below approved budgets.

² Does not include commitments from Japan to the multi-partner vehicles.

³ Commitments for programs from FY11 onwards include the trust fund management fee.



REGIONAL OFFICE FOR ASIA AND THE PACIFIC

REGIONAL OFFICE FOR ASIA AND THE PACIFIC

The Regional Office for Asia and the Pacific (OAP) was established in Tokyo in 1997. It operates as the IMF's interface with Asia, promoting CD activities, engaging in public relations and outreach in Japan and abroad, collaborating with regional organizations and forums, contributing to IMF surveillance and research activities, and supporting the work of the IMF in Japan and the region. In FY2020, this included support for three visits to Japan by the IMF Managing Director—including the first visit to Japan by Kristalina Georgieva in her new capacity at the IMF—in the context of the G20 hosted by Japan and the annual Article IV mission.

PUBLIC RELATIONS AND OUTREACH

In FY2020, OAP continued to organize a range of conferences, seminars and workshops in Japan and throughout the region to enhance public understanding of the IMF's operations and policy recommendations. Many of these events are carried out in collaboration with universities, think tanks, central banks, finance ministries, and other government and international organizations.

In August 2019, OAP jointly organized a policy conference in Wellington with the Reserve Bank of New Zealand on Inflation Targeting: Prospects and Challenges. The conference brought together about 100 experts from central banks, think-tanks and government agencies around the Asia-Pacific region to discuss broad issues related to monetary policy, labor markets and the future of inflation targeting. The discussions were held in the context of low inflation and sluggish productivity growth in advanced economies and high volatility of capital flows in emerging market countries, and provided a strong learning opportunity for policy makers from a broad range of economies.

Among other policy outreach events are the Economic Issues Seminars on the global economic outlook and other key thematic issues. In FY2020, OAP held eight such seminars for public audiences in Tokyo. To foster future generations of macroeconomists, OAP also held two Macroeconomist Training Program courses in Tokyo for university students; participants in these courses learn the IMF's basic analytical tools and methods used for economic surveillance. Since 2017, a total of 178 students from 33 different countries

have benefitted from the overnight training camps, which are co-hosted by the Japan International Cooperation Agency (JICA).

To bolster its outreach efforts, OAP maintains two websites (OAP and JISPA) to share data and information and contributes to IMF social media feeds in both Japanese and English. In addition, the regional office engages with the media, businesses and think tanks in Japan and elsewhere in the Asia-Pacific region to showcase the IMF's work, and OAP welcomes groups of visitors to its office for briefings on the IMF's role and its operations.

SURVEILLANCE AND RESEARCH WORK

OAP staff monitor and report regularly to IMF HQ on developments in the region and participate in selected IMF annual consultation missions; during FY2020 these included Article IV missions and related work for Japan, Cambodia, Lao P.D.R., Myanmar, and Vietnam. OAP economists provide inputs to the APD Regional Economic Outlook and regularly carry out research on various economic policy issues of regional interest.



Director Chikahisa Sumi (sitting third from the left) and staff of the IMF Regional Official for Asia and the Pacific (OAP) in Tokyo during the IMF's Managing Director's visit.

DELIVERING CAPACITY DEVELOPMENT

OAP organizes seminars and conferences in selected CD areas to meet the needs of policymakers in the region and to keep them abreast of current macroeconomic issues and challenges. These events are financed with the generous support of the Government of Japan.

Each year, OAP administers the Japan-IMF Scholarship Program for Asia (JISPA), in which about 35 junior officials from Asia pursue a graduate degree in macroeconomics and related fields. There are more than 730 alumni of the scholarship program since it started in 1993 and many of these graduates now hold high policy positions in their own countries.

The regional office also offers highly valued programs for senior officials in the region. These include the Japan-IMF Macroeconomic Seminar for Asia (JIMS), a week-long executive

training course on macroeconomics at the graduate level, and the 10-day JISPA Continuing Education (JISPA-CE) Program, in which JISPA alumni brush up their knowledge on macroeconomic policymaking. Both programs provide senior officials with opportunities to discuss current macroeconomic issues and exchange views with regional peers.¹

OAP organizes and sponsors peer-to-peer CD seminars and conferences to enhance policymaking skills of officials in the region. In FY2020, these included the FAD-OAP training workshop on the Tax Administration Diagnostic Assessment Tool (TADAT) organized with the Inland Revenue Board of Malaysia; the 5th IMF-JICA Conference on "Developing Asia: Achieving Inclusive and Sustainable Growth with Sound Fiscal Management"; and the

¹ The FY2020 offerings of JIMS and the JISPA CE were postponed to FY2021 due to the COVID-19 pandemic.

"Regional Forum on Fostering Growth in South Asia" in New Delhi that OAP co-sponsored with the IMF's Asia and Pacific Department (APD) and the South Asia Regional Training and Technical Assistance Center (SARTTAC).

Box 10. JISPA Townhall Meeting with Managing Director Kristalina Georgieva

Kristalina Georgieva made her first visit to Japan in November 2019 in her position as Managing Director of the IMF. During this visit, a JISPA townhall meeting with the MD was organized, with about 50 current JISPA scholars in attendance. Kristalina spoke of her views on global economic challenges and shared her career experience, in which she started out as a professor in an emerging market economy and later transitioned to the top of an international organization.

“A program like this is tremendously important because it brings people from different countries, different cultures and different perspectives to learn together and to become citizens of the globe,” she told the young officials, adding that this type of learning experience would reinforce the international cooperation for which the IMF and Japan share a vision. The scholars said that they were highly encouraged and motivated to study harder so as to make further contributions to their countries and the Asia and Pacific region. And they stressed that Japan is a great place for all JISPA scholars to nurture their professionalism and their friendships so that they can better cooperate on future policy dialogue and regional issues.





Workshop of JISPA Scholars with Capacity Development Office in Thailand (CDOT) Director David Cowen.

D

JAPAN-IMF SCHOLARSHIP PROGRAM FOR ASIA

The Japan-IMF Scholarship Program for Asia (JISPA) was established in 1993 and supports graduate studies in macroeconomics or related fields in leading universities in Japan. It provides educational opportunities to promising junior officials from economic agencies in countries in the Asia and Pacific region, and in Central Asia.¹

JISPA offers a partnership track with tailored master’s programs in four partner universities and an open track with graduate programs (including PhD degrees) in any university in Japan.² A 2½ month orientation program helps new incoming scholars prepare for their studies and life in Japan. Throughout the duration of their scholarship, JISPA scholars are invited

¹ The scholarship program is open to candidates from Bangladesh, Bhutan, Cambodia, India, Indonesia, Kazakhstan, the Kyrgyz Republic, the Lao People’s Democratic Republic, Malaysia, Maldives, Mongolia, Myanmar, Nepal, Pacific Island countries, Papua New Guinea, the Philippines, Sri Lanka, Tajikistan, Thailand, Timor-Leste, Turkmenistan, Uzbekistan, and Vietnam.

² The four partnership universities are the National Graduate Institute for Policy Studies, Hitotsubashi University, International University of Japan, and the University of Tokyo.

to seminars and events organized by OAP, providing further opportunities to learn about current economic and policy issues and to build a network among themselves and with others. For the 2020 academic year, JISPA awarded 37 new scholarships

and supported 67 scholars in total, including seven PhD candidates.³

OAP’s special attention to JISPA scholars helps foster their identity as

³ The 2020 academic year of JISPA runs from October 1, 2019 to September 30, 2020.

FIGURE 4. JISPA ALUMNI BY AFFILIATION, FY1993-2020

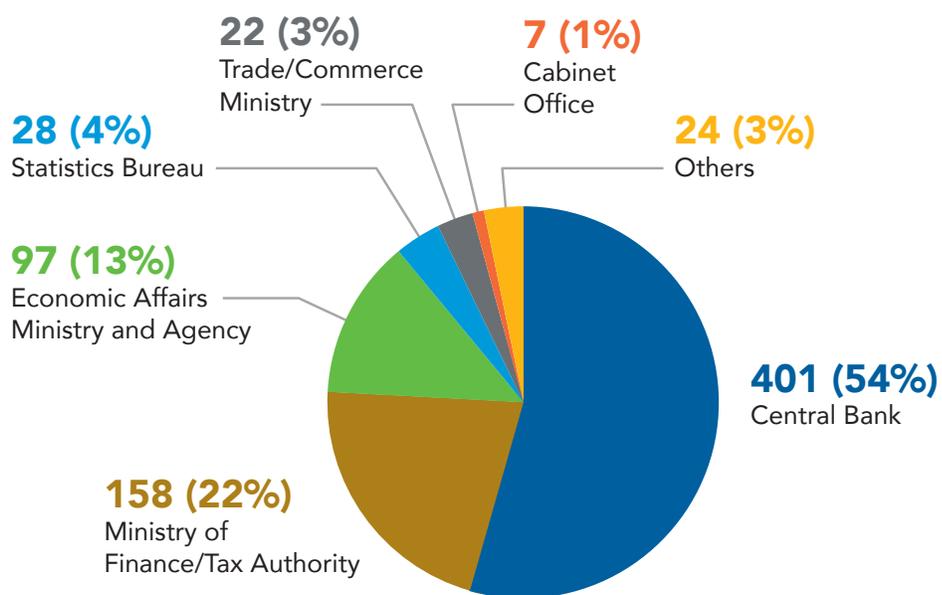


TABLE 5. JAPAN-IMF SCHOLARSHIP PROGRAM FOR ASIA DISTRIBUTION OF SCHOLARS BY COUNTRY AND AFFILIATIONS, 1993-2020⁴

Scholars by Country	Number	Percent	of which graduates
China	102	12.4%	100
Vietnam	98	11.9%	93
Uzbekistan	91	11.0%	84
Cambodia	74	9.0%	65
Myanmar	72	8.7%	61
Mongolia	56	6.8%	44
Kyrgyz Rep.	50	6.1%	46
Thailand	46	5.6%	42
Kazakhstan	39	4.7%	38
Indonesia	37	4.5%	33
Bangladesh	35	4.2%	26
Philippines	30	3.6%	27
Lao P.D.R.	24	2.9%	18
India	22	2.7%	19
Nepal	12	1.5%	8
Tajikistan	10	1.2%	9
Sri Lanka	6	0.7%	6
Bhutan	5	0.6%	4
Malaysia	4	0.5%	4
Maldives	4	0.5%	4
Fiji	3	0.4%	3
Turkmenistan	2	0.2%	2
Timor-Leste	1	0.1%	1
Tonga	1	0.1%	0
Grand Total	824	100.0%	737

⁴ The Number of scholars includes the partnership-track recipients who continued onto the Ph.D. program under the open-track.

“Japan-IMF” scholars and strengthen their ties with the program after their graduation. Managing Director Kristalina Georgieva met with the scholars in November 2019 during her first IMF visit to Japan (see Box 10). Through the dialogue, she shared her experiences and provided advice to the scholars as future policy policymakers. Following the inaugural JISPA Summer Workshop (SW) in 2018, the second offering of the SW was conducted in September 2019 for 25 scholars, representing 12 countries, who were continuing their second year of studies. It helped the scholars better understand the IMF’s work and

analysis through lectures and group discussions. OAP also organized several activities for the scholars, including the seminar sessions with the Japanese Ministry of Finance and the Bank of Japan as well as the annual thesis presentations.

The community of “Japan-IMF” scholars has been growing. Since 1993, the program has awarded 824 scholarships and 737 scholars have graduated (see Table 5 and Figure 4). A number of graduates have successfully advanced in their policymaking careers, attaining roles such as Governor or Minister.



JAPAN-IMF SCHOLARSHIP PROGRAM FOR ADVANCED STUDIES

Japan provides scholarships to Japanese nationals to study macroeconomics at the doctoral level to prepare them for a successful career at the IMF. The Japan-IMF Scholarship Program for Advanced Studies (JISP) began operating in 1996. Since 2009 only Japanese nationals have been eligible, and up to seven scholars are now admitted annually.

JISP scholars are enrolled in universities outside Japan that have renowned doctoral programs in macroeconomics or other fields relevant to IMF work. The vast majority study at universities in the United States, while some are enrolled in Canadian and European universities. The scholarship covers tuition and reasonable costs for two years of study and includes a paid summer internship at the IMF. All new scholars attend a short orientation program in Washington, D.C., to introduce them to the IMF's work and staff. Scholars are also invited to the IMF Jacques Polak Annual Research Conference

After they graduate, scholars are required to apply to the IMF Economist Program (EP), the entry-level employment program for economists, and accept an EP position if offered. Since the program's inception, 35 JISP

alumni, 16 of whom were Japanese, have joined the IMF. Twenty-six are still working at the IMF as of May 2020. The most recent scholar joined the Fund in September 2018 as an EP. Of the 26 former JISP alums currently on staff, 22 were hired as staff members through the EP (1 is a current EP and 21 are former EPs) and the remainder joined at the mid-career level.

JISP is administered by the IMF in collaboration with the Institute of International Education (IIE). The attached table shows the number of Japanese scholars accepted to the JISP and employed by the IMF since 1996.



JISP Scholars with Japan Executive Director, Mr. Tanaka and staff

TABLE 6. JAPAN-IMF SCHOLARSHIP PROGRAM FOR ADVANCED STUDIES

Number of Japanese Scholars Accepted to JISP and to the IMF, 1996-2020

JAPAN	1996-2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	TOTAL
SCHOLARS ACCEPTED to JISP	95	7	7	7	3	4	4	5	4	4	5	145
SCHOLARS ACCEPTED to IMF	11	2		1			1		1			16

APPENDICES

APPENDIX I.

JSA Technical Assistance and Training— FY2020 Portfolio Summary

Region	Topic	Project Description	Overall Program Budget
Fiscal Year 2020 Program			
APD	FAD	Strengthening Public Financial Management in selected South-East Asian Countries	6.0
Global	FAD	Strengthening Global Infrastructure Governance	7.5
APD	STA	Regional Government Finance Statistics	3.5
APD	FAD	Eleventh IMF Japan High Level Tax Conference for Asian Countries in Tokyo	0.2
Fiscal Year 2019 Program			
AFR	FAD	Strengthening Fiscal Sustainability through Core Budget Functions in Fragile States in Sub-Saharan Africa	5.2
APD	FAD	Supporting Tax Administration Reforms in Selected Asian Countries	4.5
APD	Training	Singapore Training Institute - Continuing Training on Economic and Financial Policy Analysis in Asia	8.2
APD	MCM	Cambodia - Strengthening Risk-based Banking Supervision	2.0
APD	MCM	Indonesia - Banking, Non-Bank Financial Institution and Conglomerate Supervision	2.8
APD	MCM	Cambodia - Systemic Financial Stability Analysis	0.9
APD	CDOT	Integrating Macro-Financial Analysis into Macroeconomic Management	3.2
Fiscal Year 2018 Program			
APD	FAD	Developing Customs Administrations in the Southeast Asia Region	4.0
APD	FAD	Supporting Improved Treasury Management and Modernization of Financial Management Systems	4.0
Global	Training	Japan-IMF Initiative on Online Learning	4.5
APD	MCM	Supporting Monetary and Foreign Exchange Operations in Cambodia, Myanmar and Vietnam	3.2
APD	MCM	Myanmar: Building Comprehensive Bank Supervision and Regulation	2.1
APD	MCM	Strengthening Financial Supervision in Mongolia	2.7
APD	STA	Improving External Sector Statistics in the Asia-Pacific Region	3.3

APPENDIX I. (CONTINUED)

Region	Topic	Project Description	Overall Program Budget
Fiscal Year 2017 Program			
MCD	FAD	Fiscal Risk Analysis & management, public investment management, budget preparation, and fiscal reporting in Caucasus and Central Asian countries and Iran	5.2
AFR	FAD	Modernization of Customs Administration in West Africa	3.0
APD	MCM	Strengthening Modernization of the Central Bank of Myanmar	4.2
AFR	STA	External Sector Statistics for West & Central Africa	4.0
Fiscal Year 2016 Program			
APD	LEG	National Risk Assessment / National Strategy and Continued Development of AML/CFT Framework in Myanmar	1.3
APD	STA	Regional Government Finance Statistics	3.5
Fiscal Year 2015 Program			
APD	STA	Enhanced Data Dissemination in Countries in the Asia-Pacific Region	2.1
Fiscal Year 2012 Program			
AFR	MCM/ STA	Supporting Preparations for Monetary Union in the East Africa Community	5.0

APPENDIX II.

Joint Japan-IMF Field Visits, FY1996–FY2020¹

- (1) The Pacific Financial Technical Assistance Center (PFTAC) in Fiji 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 (STI), and Thailand, June/July 1999
- (7) Belarus and Slovenia, June 2000
- (8) Azerbaijan and the Joint Vienna Institute (JVI), June 2001
- (9) Cambodia and the IMF-Singapore Regional Training Institute (STI), 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 (AFRITAC East) in Tanzania, December 2005
- (13) Cambodia, the IMF-Singapore Regional Training Institute (STI), and the Philippines, March 2007
- (14) Middle East Regional Technical Assistance Center (METAC) in Lebanon, May 2008
- (15) Cambodia, and the IMF-Singapore Regional Training Institute (STI), January 2009
- (16) Philippines and Fiji (Pacific Financial Technical Assistance Center), May 2010
- (17) Vietnam and Nepal, May 2011
- (18) Cambodia, June 2012
- (19) Lao P.D.R., Indonesia, and Thailand, March 2014
- (20) Cambodia, Lao P.D.R., the IMF-Singapore Regional Training Institute (STI), and the IMF's Capacity Development Office in Thailand (CDOT), May 2016
- (21) South Asia Regional Training and Technical Assistance Center (SARTTAC) in India, and Nepal, February 2017
- (22) Cambodia and Sri Lanka, February 2018
- (23) Cambodia and Myanmar, March 2019

¹ Because of scheduling difficulties, joint field visits were not carried out in FY2005 and FY2015. Field visits were cancelled in 2020 due to the COVID-19 pandemic.

Externally Financed Appointee Program

The Externally Financed Appointee (EFA) program was established to accommodate growing interest from member countries in having their officials employed temporarily by the IMF to gain experience and build their skills. The cost of placing and hosting appointees is financed by the home country. IMF management approved the EFA program in July 2013 with an initial maximum of 15 appointments at a time. The Board approved

establishment of the EFA Subaccount in August 2013.

EFA appointees are assigned to IMF core surveillance and program activities and also provide capacity development (CD) in order to broaden their exposure to IMF operational work. EFA appointees are supervised by IMF senior staff. To date, eight countries, including Japan, participate in the EFA and have made corresponding financial contributions to the program.

A total of nine Japanese officials have been hired under the program. Two officials currently participate in the program as economists, while one official will conclude his assignment and will return to Japan this summer. The experience and knowledge gained at IMF will enable the returned officials to contribute more effectively to the Japanese government's economic policy agenda.

APPENDIX IV.

JSA Financial Statement

Administered Accounts–Japan Financial Statement FY2020
(In Thousands of U.S. Dollars)

	2020	2019
Balance Sheet as of April 30, 2020 and 2019		
Assets		
Cash and cash equivalents ¹	60,428	55,211
Total assets	60,428	55,211
Resources		
Total resources	60,428	55,211
Income Statements and Changes in Resources for the Years Ended April 30, 2020 and 2019		
Balance, beginning of the year	55,211	50,937
Income earned on investments	1,021	1,227
Contributions received	33,707	30,440
Contributions transferred (net)	(3,109)	(1,315)
Operating expenses	(26,403)	(26,078)
Net changes in resources	5,217	4,275
Balance, end of the year	60,428	55,211

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.

¹ Net of accruals. The financial statement of the Administered Accounts in the IMF annual report, which includes this Subaccount, reports year end accruals separately.

ANNEX

ANNEX I.

JSA New and Ongoing Capacity Development (CD) Programs in FY2020

(in millions of U.S. dollars)

Project ID	Japan ID	Program	Region	Topic	Project Description	Status	Overall Program Budget	Approved Budget through FY20	Expenses through FY20
FAD_ APD_2020_02	JPN127	FY20	APD	FAD	Strengthening Public Financial Management in selected South-East Asian Countries	Active	6.0	2.2	1.7
FAD_ IMF_2020_01	JPN128	FY20	Global	FAD	Strengthening Global Infrastructure Governance	Active	7.5	2.3	1.6
STA_ APD_2020_01	JPN513	FY20	APD	STA	Regional Government Finance Statistics	Active	3.5	1.4	0.7
FAD_ APD_2020_04	Seminar	FY20	APD	FAD	Eleventh IMF Japan High Level Tax Conference for Asian Countries in Tokyo	Active	0.2	0.2	0.0
FAD_ AFR_2019_01	JPN125	FY19	AFR	FAD	Strengthening Fiscal Sustainability through Core Budget Functions in Fragile States in Sub-Saharan Africa	Active	5.2	3.5	2.7
FAD_ APD_2019_01	JPN126	FY19	APD	FAD	Supporting Tax Administration Reforms in Selected Asian Countries	Active	4.5	3.2	2.3
ICD_ STI_2019_01	JPN205	FY19	APD	Training	Singapore Training Institute - Continuing Training on Economic and Financial Policy Analysis in Asia	Active	8.2	5.4	4.7
MCM_ KHM_2019_01	JPN417	FY19	APD	MCM	Cambodia - Strengthening Risk-based Banking Supervision	Active	2.0	1.1	0.6
MCM_ IDN_2019_01	JPN418	FY19	APD	MCM	Indonesia - Banking, Non-Bank Financial Institution and Conglomerate Supervision	Active	2.8	1.8	0.3
MCM_ KHM_2019_02	JPN419	FY19	APD	MCM	Cambodia - Systemic Financial Stability Analysis	Active	0.9	0.8	0.6
APD_ TTA_2019_01	JPN604	FY19	APD	CDOT	Integrating Macro-Financial Analysis into Macroeconomic Management	Active	3.2	1.6	1.1
FAD_ APD_2018_01	JPN123	FY18	APD	FAD	Developing Customs Administrations in the Southeast Asia Region	Operationally closed	4.0	4.0	3.4

Project ID	Japan ID	Program	Region	Topic	Project Description	Status	Overall Program Budget	Approved Budget through FY20	Expenses through FY20
FAD_ APD_2018_02	JPN124	FY18	APD	FAD	Supporting Improved Treasury Management and Modernization of Financial Management Systems	Operationally closed	4.0	4.0	3.0
ICD_ IMF_2018_04	JPN204	FY18	Global	Training	Japan-IMF Initiative on Online Learning	Operationally closed	4.5	4.5	4.0
MCM_ APD_2018_01	JPN414	FY18	APD	MCM	Supporting Monetary and Foreign Exchange Operations in Cambodia, Myanmar and Vietnam	Active	3.2	2.9	1.3
MCM_ MMR_2018_02	JPN415	FY18	APD	MCM	Myanmar: Building Comprehensive Bank Supervision and Regulation	Active	2.1	1.5	1.3
MCM_ MNG_2018_04	JPN416	FY18	APD	MCM	Strengthening Financial Supervision in Mongolia	Active	2.7	2.1	0.6
STA_ APD_2018_02	JPN512	FY18	APD	STA	Improving External Sector Statistics in the Asia-Pacific Region	Active	3.3	3.1	2.0
FAD_ MCD_2017_01	JPN121	FY17	MCD	FAD	Fiscal Risk Analysis & management, public investment management, budget preparation, and fiscal reporting in Caucasus and Central Asian countries and Iran	Active	5.2	5.2	4.4
FAD_ AFR_2017_01	JPN122	FY17	AFR	FAD	Modernization of Customs Administration in West Africa	Operationally closed	3.0	3.0	2.4
MCM_ MMR_2017_01	JPN413	FY17	APD	MCM	Strengthening Modernization of the Central Bank of Myanmar	Active	4.2	2.3	2.1
STA_ AFR_2017_04	JPN511	FY17	AFR	STA	External Sector Statistics for West & Central Africa	Operationally closed	4.0	4.0	3.9
LEG_ MMR_2016_01	JPN302	FY16	APD	LEG	National Risk Assessment / National Strategy and Continued Development of AML/CFT Framework in Myanmar	Active	1.3	1.3	1.2
STA_ APD_2016_10	JPN510	FY16	APD	STA	Regional Government Finance Statistics	Closed	3.5	3.5	3.4
STA_ APD_2015_10	JPN509	FY15	APD	STA	Enhanced Data Dissemination in Countries in the Asia-Pacific Region	Operationally closed	2.1	2.1	1.8
MCM_ EAC_2019_01*	JPN404	FY12	AFR	MCM/ STA	Supporting Preparations for Monetary Union in the East Africa Community	Active	5.0	5.0	3.9

* Formerly MCM_EAC_2012_01. Budget and expenses shown cumulative from FY12 through FY20.

JSA CAPACITY DEVELOPMENT PROGRAMS APPROVED IN FY2020

PROJECT: Eleventh IMF Japan High Level Tax Conference for Asian Countries in Tokyo

JSA#: N/A
IMF ID: FAD_APD_2020_04

IMPLEMENTATION PERIOD:
from 05/2019 to 04/2021

Project Description and Objectives

The eleventh Tokyo conference will further build on the achievements of the previous such conferences in strengthening the capacity of senior tax policymakers and tax administrators in Asian countries to address challenges in tax policy and administration. The aim is to help Asian countries enhance their revenue mobilization.

Overview of Progress and Key Results Achieved

The conference did not take place as planned this year due to the COVID-19 Pandemic.

PROJECT: Strengthening Public Financial Management in Selected South East Asian Countries

JSA #: JPN127

IMF ID: FAD_APD_2020_02

TARGET COUNTRIES: Cambodia, Indonesia, Lao P.D.R., Malaysia, Mongolia, Myanmar, the Philippines, Thailand and Vietnam

IMPLEMENTATION PERIOD:
from 05/2019 to 04/2022

Project Description and Objectives

This program focuses on capacity development (CD) in the areas of macro-fiscal management and forecasting, budget planning and execution, fiscal reporting and fiscal risk management. The overarching objective is to make the budget formulation process more strategic and policy-oriented, budget execution more robust and efficient, the analysis and management of fiscal risks more comprehensive, and fiscal reporting more reliable.

Overview of Progress and Key Results Achieved

The project got off to a good start, with delivery largely led by the Bangkok-based Regional PFM Advisor. Project activities gained traction with the authorities in seven of the nine eligible countries, with notable progress in at least six. This project benefits from close coordination with the IMF Capacity Development Office in Thailand, logistically and in CD delivery.

In **Cambodia**, the work on the Financial Management Information System (FMIS) roll-out and reform of aligned business processes was further advanced. The scope of the FMIS has been broadened by integration of non-tax revenue reporting. In **Myanmar**, a newly developed Treasury reporting system, FIRST, is now fully functional at the Treasury level and automates the collection and aggregation of financial reports of government departments and state-owned economic enterprises (SEEs). The roll-out of the web-based reporting functionality to departments and SEEs is ongoing. Support was also extended to strengthen the government's financial oversight on SEEs, which, due to their relative size, are critical to overall fiscal management. In **Lao P.D.R.**, work commenced, in collaboration with the World Bank, on the modernization of the chart of accounts, which will enhance the quality of fiscal reporting.

In **Indonesia**, good progress has been achieved in developing a transparent budget baseline methodology and a budget analysis toolkit. Training is provided to a group of 30 budget analysts and to a wider audience through outreach events. In parallel, a strategy for introducing the Fund's public sector balance sheet approach for fiscal policy has been developed. In **Malaysia**, the structure and elements of a new fiscal responsibility law were developed and institutional requirements for a transparent and proactive debt and contingent liabilities management were identified. In the **Philippines**, guidance was provided for strengthening governance and financial oversight of government-owned and controlled corporations—a major source of fiscal risks.

In **Vietnam**, the project supported the drafting of a new public-private partnership law and reaching consensus within the government on its key elements. Workshops on fiscal risk management, with CDOT's Macroeconomic Advisor, and on governance of public service delivery units aimed to improve the risk profile and the efficiency of government expenditure.

The Regional PFM Advisor provides regular regional training and outreach events, and is actively engaged in project activities in Cambodia, Indonesia, Lao P.D.R., Myanmar, and Vietnam in coordination with HQ, development partners, as well as with CDOT's Regional Treasury Advisor.

PROJECT: Infrastructure Governance Facility	JSA #: JPN128 IMF ID: FAD_IMF_2020_01
TARGET COUNTRIES: Primary beneficiaries: LIDCs and EMEs in Asia (including Central Asia and the Pacific) and Africa.	IMPLEMENTATION PERIOD: from 05/2019 to 04/2022
<p>Project Description and Objectives</p> <p>The project aims to strengthen infrastructure governance through stronger institutions to achieve sustainable and inclusive growth. The project provides capacity development support to help countries improve infrastructure investment efficiency and to promote good decisions on infrastructure spending with due consideration to debt sustainability. The project also aims to raise awareness of the importance of strong infrastructure governance and good practices.</p>	
<p>Overview of Progress and Key Results Achieved</p> <p>In FY2020 the project funded 7 headquarters-led missions, 5 short-term expert (STX) visits, a joint workshop for two regions, and two infrastructure governance advisors (LTX). Additional activities had been planned in March and April 2020 including two HQ missions and a regional seminar but were postponed due to COVID-19.</p> <p>Capacity development activities funded by the project have focused on the delivery of Public Investment Management Assessments (PIMAs) and PIMA follow-up missions. In FY20, these activities have provided tailored action plans, recommendations, and implementation support to improve public investment management (PIM) across eleven countries.</p> <ul style="list-style-type: none"> • PIMAs were conducted in Belize, Gabon, Cambodia, Eswatini, Moldova, and Mauritania. A PIMA follow-up mission took place in Togo. • Short-term experts and IG advisors provided implementation support to Angola, Indonesia, Kenya, Uganda, Rwanda and Gabon. <p>A seminar was delivered for small islands of the Pacific and the Caribbean, making use of the latest analytical and capacity development tools in PIM, along with peer-to-peer exchanges and learning in the context of resilience to climate change.</p> <p>Participation of LTX in workshops has helped raise awareness on quality infrastructure investment in international fora (including a meeting of the G20/OECD joint taskforce on long-term investment in Paris in October 2019).</p> <p>Significant work took place during the year on infrastructure governance knowledge management. <i>An IG Facility secretariat function</i> has been set up to work on a dedicated digital platform to store infrastructure governance related information in an organized, accessible and timely manner for internal and public use. <i>A PIMA Handbook</i> is being prepared and will be published in 2021. It will include practical guidance for performing PIMA assessments and good international practices.</p>	

FY2020 (CONTINUED)

PROJECT: Regional Government Finance Statistics	JSA#: JPN513 IMF ID: STA_APD_2020_01
TARGET COUNTRIES: Cambodia, Indonesia, Lao P.D.R., Malaysia, Mongolia, Myanmar, Philippines, Thailand, and Vietnam.	IMPLEMENTATION PERIOD: from 08/2019 to 07/2021

Project Description and Objectives

The purpose of the project is to provide further CD to compile, analyze, and disseminate timely and comprehensive government finance statistics (GFS) and public sector debt statistics (PSDS), in line with the latest international standards. The project's focus is the production and dissemination of data for evidence-based fiscal policy making and analysis and IMF operational work on macro-fiscal surveillance.

Overview of Progress and Key Results Achieved

An opening workshop conducted in April 2019 where representatives from the beneficiary countries took stock of their achievements and laid out the objectives for work programs' outcomes for the next two years. In coordination with the IMF's CD Office in Thailand (CDOT), CD activities were conducted in Cambodia, Lao P.D.R., Myanmar, Philippines, and Indonesia since August 2019. Several CD activities for March-April 2020 were postponed due to the COVID-19 pandemic. Nonetheless, remote CD activities were initiated in March, which followed up on previous work with Lao P.D.R., Malaysia, and Myanmar. Remote consultations were started in late April 2020, for adapting workplans for FY21 to the challenges of measuring and monitoring countries' fiscal responses to COVID-19 and continuing to ensure project delivery using different modalities while working remotely. The project activities were also well coordinated with activities in PFM through CDOT.

Faster-paced reformers: In FY20, **Indonesia** continued to expand GFS coverage to regional governments and their enterprises and is reporting improved quarterly general government data in line with the G-20 Data Gaps Initiative for GFS. It also extended coverage to a wider nonfinancial public sector balance sheet and recently has initiated internal coordination to use balance sheet data for budgetary policy analyses. **Thailand** continued to produce GFS balance sheets and PSDS for a limited part of the nonfinancial public sector and requested further CD to expand GFS and PSDS coverage for nonfinancial public corporations. Indonesian and Thai officials also acted as short-term experts in the delivery of CD to some slower-paced reformers, sharing relevant regional experience in GFS.

Medium-paced reformers: The **Philippines** published PSDS data for the first time in FY20. It also expanded its GFS coverage to general government, and with CD support, better-quality data were published in FY20; remote CD is planned to assist with compiling quarterly data in FY21. In FY20, **Malaysia** continued its efforts to implement GFS in line with their recent accrual-accounting reforms, which provide enhanced source data for central government and for provinces through ongoing remote CD. **Mongolia** continued to produce general government balance sheet data on an accrual basis and requested CD in FY21 to increase data frequency and extend coverage to the public sector.

Slower-paced reformers: **Cambodia** improved compilation and reporting of budgetary central government GFS, utilizing CD and synergies with PFM to capture high-frequency source data, and widen coverage of extrabudgetary funds. It reported PSDS semi-annually, for the first time in FY20. **Vietnam**, in collaboration with the World Bank, finalized their *Vietnamese Practical GFS Manual* by incorporating revisions required for its clearance for publication by the high-level decision makers—a critical step to coordinate GFS with ongoing, system-wide PFM reforms. **Lao P.D.R.** managed to improve coverage of GFS and disseminate quarterly GFS for the first time. Ongoing remote CD aims at PSDS compilation and identifying arrears. **Myanmar** continued to refine its annual GFS covering the nonfinancial public sector. Quarterly GFS are being compiled for the first time, though further improvements are pending. In both countries, GFS are now disseminated in line with e-GDDS guidelines. However, developing PSDS data remains an area for ongoing CD in coordination with the PFM CD from CDOT.

JSA CAPACITY DEVELOPMENT PROGRAMS APPROVED IN FY2019

PROJECT: Integrating Macro-Financial Analysis into Macroeconomic Management	JSA #: JPN604 IMF ID: APD_TTA_2019_01
TARGET COUNTRIES: Cambodia, Lao P.D.R., Myanmar, and Vietnam, as well as Mongolia, Papua New Guinea, and Timor-Leste (regional training only)	IMPLEMENTATION PERIOD: from 11/2018 to 10/2021

Project Description and Objectives.

Under this program, the target countries are expected to develop better understanding macro-financial linkages in their own economies and spillover effects from abroad to enable more forward-looking decision-making, as new macro-challenges emerge and financial sectors expand these rapidly expanding economies. Having more robust macro-frameworks, forecasting systems, and internal monitoring mechanisms and risk assessment tools should help target countries to identify transmission channels and mitigate the impact of shocks, including on the financial sector. The COVID-19 pandemic has reinforced the need for strong capacity in understanding country vulnerabilities to shocks and developing and implementing robust policy responses.

Overview of Progress and Key Results Achieved

Through early 2020, training was done via customized courses and workshops (in-country and regional), while technical assistance (TA) focused on further developing and operationalizing macroeconomic frameworks in selected countries, including incorporating financial conditions. Engagement includes selected workshops with senior officials to highlight new tools for policy making. As under previous macroeconomic projects, the IMF Capacity Development Office in Thailand (CDOT) and the IMF-Singapore Regional Training Institute (STI) co-managed planning and delivery, with the project anchored by a long-term expert (LTX) advisor based in CDOT. The combination of the pandemic's impact and a turnover in the LTX post slowed delivery in the last quarter of FY20, with carry over expected into at least the first half of FY21, when all delivery is expected to be from remote, as already commenced through engagement with the core groups.

Delivery under the project in FY20 was in keeping with the program objectives, notwithstanding disruptions in the last quarter. In total, two in-country and two regional courses and three in-country and two regional workshops were delivered, mostly jointly by CDOT and STI. Training was tailored to the individual countries or regional groupings, so that teaching materials and hands-on exercises addressed contemporary macroeconomic challenges facing policy makers. To measure results, most training had pre- and post-testing, with substantial learning gains observed in most.

Inter-agency core groups on macroeconomic frameworks (Cambodia, Lao P.D.R., and Myanmar), led by the LTX, focused efforts on generating internal reports on macro-conditions, adopting basic forecasting tools, and doing scenario analysis, all helping to inform policy formation and enrich the surveillance dialogue with the IMF. As an outgrowth of this work and training provided by STI and CDOT, selected project resources were used to support STI and the Institute for Capacity Development (ICD) in building more model-based forecasting and policy analysis frameworks (Vietnam and Cambodia).

Regular interaction with core groups and complementary training brought noticeable improvement to the quality of their macro-financial analyses and policy inputs of the core groups. Training opportunities at the regional level also helped foster peer-to-peer learning of the macro-challenges facing developing economies, with the inclusion of officials from Mongolia, Papua New Guinea, and Timor-Leste contributing to this end. Looking ahead, greater use of the IMF's online learning platform, also supported by Japan, is expected to aid in remote delivery, but recipient agencies themselves may need to invest more in technology to reap the full benefits.

FY2019 (CONTINUED)

PROJECT: Strengthening Fiscal Sustainability Through Core Budget Functions in Fragile States in Sub-Saharan Africa	JSA #: JPN125 IMF ID: FAD_AFR_2019_01
TARGET COUNTRIES: Burkina Faso, Central African Republic, Chad, Congo Republic, Liberia, Malawi, Mali and Zimbabwe	IMPLEMENTATION PERIOD: from 05/2018 to 04/2021

Project Description and Objectives

Building on the track record of the previous JSA program, this successor program is designed to continue restoring core Public Finance Management (PFM) functions in selected fragile states in Sub-Saharan Africa (SSA) to enable them to achieve fiscal sustainability (most of these under IMF programs). After being hit by terms of trade shocks, civil war or humanitarian crises, these countries are facing increased risks of debt distress.

Overview of Progress and Key Results Achieved

In **Burkina Faso**, the regulatory framework for the treasury single account (TSA) has been adopted and implementation is on track with various LTX and STX capacity development (CD) engagements. A roadmap for accounting reform has also been designed to strengthen the quality of public accounts and risk management processes and is awaiting formal adoption by the authorities. In **Central African Republic**, the consolidation of the TSA is on track. All government and state-owned enterprises (SOEs) accounts in commercial banks (including earmarked revenue cash flow and SOEs own revenue) have been closed and corresponding amounts transferred in the TSA. In **Chad**, a PFM reform strategy was designed to boost the implementation of the 2014 new legal framework. This reform strategy will encourage a more inclusive approach as well as a more effective monitoring and coordination of the reform. But its formal adoption is still pending in the absence of a strong political commitment. In the **Republic of Congo**, the quality of the public accounting continues to improve but is still awaiting organizational changes to fully reap the benefits of the reform. The scheduled arrival in June of the new LTX should help speed up the implementation of TA recommendations.

In **Liberia**, progress has been made on closing excess bank accounts, and there has been substantial progress on cash forecasting and instituting the related governing structures. The implementation of the TSA remains the top priority, notwithstanding some challenges maintaining momentum with this reform. In **Malawi**, the LTX assisted officials to (i) develop an organization code structure that better recognized the accountabilities of government entities; (ii) review the new Integrated Financial Management Information System (IFMIS) implementation plan, blueprint design documents, training and data migration strategies and design improvements; (iii) undertake bank reconciliation practices; and (iv) prepare revised banking arrangements for extending the TSA and new processes for introducing electronic fund transfers as the government's primary payment method. A public sector balance sheet was also developed. In **Mali**, the LTX has been involved in the implementation of reforms regarding: (i) the transition to a new State Financial Management Information System AICE2, currently being piloted in four large Treasury posts before resuming full roll-out by the end of 2020 (depending on COVID-19-related developments); and (ii) improvements to cash management and the TSA, notably through support to 8 pilot ministries to develop their commitment plans. In **Zimbabwe**, progress has been made on the assessment and management of fiscal risks, with the development of a public sector balance sheet and the implementation of tools for assessing risks related to state-owned enterprises.

FY2019 (CONTINUED)

PROJECT: Supporting Tax Administration Reforms in Selected Asian Countries FY2019–21	JSA #: JPN126 IMF ID: FAD_APD_2019_01
TARGET COUNTRIES: Lao P.D.R. and Bhutan	IMPLEMENTATION PERIOD: from 05/2018 to 04/2021

Project Description and Objectives

The purpose of this project is to strengthen tax administration in Lao P.D.R. and to support Bhutan in implementing a new goods and services tax (GST). The main project objectives are: (i) revenue mobilization; (ii) better revenue administration, management, and governance arrangements; and (iii) strengthened core tax administration functions. For Bhutan, additional project objectives include the strengthening of tax policy and improving the efficiency of the tax system through the implementation of the new GST system.

Overview of Progress and Key Results Achieved

In **Lao P.D.R.**, the focus was on implementing key elements of the strategic plan, including compliance risk management (CRM) and headquarters capability. The headquarters mission in November 2019 introduced CRM concepts and assisted officials in developing a risk register and compliance improvement plan (CIP). Further support to finalize and implement the CIP has been delayed by COVID-19. Officials acted on prior FAD advice and created an organizational unit to undertake headquarters activities and nominated staff to work in the unit. Short-term expert support helped develop an action plan for HQ staff to initially focus on registration and filing compliance. This is an important step forward in the reform effort and the key to further progress in reaching reform objectives as it will reorient thinking to forward planning to achieve better results. Officials also showed good progress by developing the first draft of their 2021-2025 strategic plan objectives independently, which has subsequently been strengthened by remotely delivered expert advice. Donor coordination remains strong between World Bank, JICA, EU and Embassy of Japan through regular updates.

In **Bhutan**, progress towards introduction of Goods and Services Tax (GST) to replace the existing Sales Tax has been generally positive. A new resident advisor was installed in July 2019 and has worked with the Department of Revenue and Customs (DRC) GST Project Team to plan and monitor the implementation schedule, develop and oversee a program for short-term expert support, and liaise with governmental and extra-governmental stakeholders to ensure progress. Technical support has been provided in a range of areas, including legal drafting, process design, information technology (IT) system requirements specification, organization design, stakeholder outreach and staff training. The new GST law was passed and received Royal Assent, with an effective implementation date of July 1, 2021 – 12 months after the original date. Despite the delayed implementation date, which was beyond the control of the DRC and the GST Project team, progress on the GST continued, even during the COVID-19 restrictions, demonstrating the durability of commitment and support for the new tax from the highest levels. Delays in the procurement of a new IT system will make the implementation date challenging, but progress in all other areas is satisfactory and CD continues to be provided remotely and by the resident advisor, during the COVID-19 travel constraints. A combination of HQ review missions and staff visits have provided arm's length progress reviews with supplementary support for DRC reforms also provided from the IMF's SARTTAC regional revenue advisor. Liaison with other development partners, including JICA, the Asian Development Bank and the World Bank is maintained both through the resident advisor and through the IMF HQ.

FY2019 (CONTINUED)

PROJECT: Singapore Regional Training Institute—Continuing Training on Economic and Financial Policy Analysis in Asia	JSA #: JPN205 IMF ID: ICD_STI_2019_01
TARGET COUNTRIES: Asia-Pacific Countries	IMPLEMENTATION PERIOD: from 07/2018 to 06/2021

Project Description and Objectives

The project objective is to strengthen the capacity of government officials in the Asia-Pacific region to implement macroeconomic and financial policies. The Singapore Regional Training Institute (STI) achieves this objective through a training program of courses, workshops, peer-to-peer learning events, and Technical Assistance work held in Singapore as well as in the region. The curriculum ranges from basic courses in macroeconomic analysis, to specialized training on financial sector matters and regulatory and supervisory activities, legal issues, statistical methods, and economic policy issues.

Overview of Progress and Key Results Achieved

March 2019–April 2020

During the fiscal year 2019, the STI delivered 48.6 weeks of training reaching around 1,045 officials from Asia through a broad range of events. Most of the training (28 courses) was conducted in Singapore and covered macroeconomic, fiscal and monetary policy, financial sector, legal, and statistical issues. In addition, the STI offered 4 courses and workshop with the IMF Capacity Development Office in Thailand (CDOT) for low-income ASEAN countries. Other training events included a course for Japan scholarship (JISPA) alumni in Japan and 2 training courses for island economies with the Pacific Technical Assistance Center (PFTAC).

Result-based monitoring indicators showed substantial learning gains (average percentage point increase in score between prior and post quizzes). The average learning among course delivered in Singapore was 61 percent. Post classroom surveys also indicated high average satisfaction rating of 4.7 on a scale from 1 to 5 (least to most satisfied).

In line with the project's objectives, the STI (i) *increased its focus on training-surveillance integration modalities*; including through peer-to-peer learning and knowledge-sharing workshops. In December 2019, STI hosted a high-level ASEAN central bank Forum on Monetary Policy Communication. Topics included research and experience of central communication with the broader public and the use of new digital media. In November 2019, STI also arranged a 2-day Forum on Stress Testing for Expert in central banks and regulatory agencies around Asia. Both events focused on the sharing of experiences and latest international practices drawing from IMF experts but also practitioners from the Bank of Canada, Bank of Japan, and academia among others. (ii) The STI also *enhanced training for officials in vulnerable economies*—such as Pacific Island Economies and low-income countries in South- and South-East Asia (CLMV) and on priority topics such as fiscal and debt sustainability issues, and AML-CFT risk monitoring regulations.

A new area complementing regional training courses was the launch of technical assistance (TA) on macroeconomic framework development. This activity builds countries' macroeconomic analysis' capacity by developing tailored economic models in Ministry of Finances (FPP2.0) and central banks (FPAS) and training staff to apply them. Two projects were launched: one with the Ministry of Finance and Economy in Cambodia and one with the Bank of Vietnam.

The onset of the COVID-19 pandemic halted classroom training in February 2020. STI retooled its delivery mode to remote interactions. It was able to deliver a course on Monetary and Fiscal Policy Analysis and Frameworks (MPAF) and continue its Technical Assistance with Cambodia and Vietnam during the month of March and April. These activities have grown into a full-fledged webinar and STI remote training program which is currently rolled out across the STI membership.

FY2019 (CONTINUED)

<p>PROJECT: Indonesia—Banking, Non-Bank Financial Institution and Conglomerate Supervision</p>	<p>JSA #: JPN418 IMF ID: MCM_IDN_2019_01</p>
<p>TARGET COUNTRIES: Indonesia</p>	<p>IMPLEMENTATION PERIOD: from 05/2018 to 04/2021</p>
<p>Project Description and Objectives</p> <p>The project aims to support the Indonesian Financial Services Authority, <i>Otoritas Jasa Keuangan</i> (OJK), in strengthening banking, non-bank financial institutions, and capital markets, as well as conglomerate supervision. The project objectives are:</p> <ul style="list-style-type: none"> (i) Strengthening the policy framework to enhance supervision and regulation of the banking sector, (ii) Continuing support to strengthen the oversight of insurance companies, securities firms and financial conglomerates, and (iii) Introducing concepts regarding the supervision of Fintech. 	
<p>Overview of Progress and Key Results Achieved</p> <p>After starting his assignment in April 2019, the resident advisor left the post in early January 2020 due to personal reasons. Prior to his departure, the advisor provided the following TA:</p> <ul style="list-style-type: none"> • Suggested to improve the interaction between macro surveillance and banking supervision and recommended that OJK intensified its use of top-down stress testing, in addition to the bottom-up testing. • Advised on a proposal on increasing lending to small and medium enterprises (SMEs), linked to Bank Indonesia's (the Indonesian central bank's) macroprudential mandate, and discussed at the top-level inter-agency meeting. • Contributed to building his TA counterparts' capacity through a seminar in December 2019, with participation from all the banking supervision departments, as well as from the non-bank financial institutions (NBFI) and the Securities area. Three topics were covered by the seminar; the main principles of risk-based supervision, Basel Pillar 2 and risk rating, and stress testing in banking and insurance. <p>While the COVID-19 pandemic is further impacting the TA project implementation, the Financial Services Authority of Indonesia (OJK) and the TA team are switching to a virtual modality, starting with a series of remotely delivered workshops in June 2020 that will allow to exchange experiences and discuss issues that are currently pressing financial sector supervisors. The workshops will focus on (i) supervisory practices in the context of the COVID-19 pandemic and (ii) the implementation of the International Financial Reporting Standard 9 (IFRS 9).</p>	

FY2019 (CONTINUED)

PROJECT: Cambodia–Strengthening Risk-Based Banking Supervision	JSA #: JPN417 IMF ID: MCM_KHM_2019_01
TARGET COUNTRIES: Cambodia	IMPLEMENTATION PERIOD: from 07/2018 to 12/2021

Project Description and Objectives

The objective of this project is to assist the National Bank of Cambodia (NBC) in improving its supervisory and regulatory capacity. The project supports the NBC's efforts in moving to an effective risk-based supervision of banks and microfinance institutions. A more effective risk-based approach to supervision by the NBC would strengthen the condition of the banking system by addressing revealed weaknesses in a timely manner.

Overview of Progress and Key Results Achieved

The project has effectively taken off in December 2018, with the arrival of the resident advisor. Since then, key achievements that have been made include:

- A roadmap to risk-based supervision was developed by the resident advisor, endorsed by the NBC management, and a Task Force composed of 9 senior managers of the NBC was formed to monitor the implementation of the roadmap (the Task Force has monthly meetings)
- Guidelines for regulations on liquidity coverage ratio and capital buffers were drafted with the assistance of the resident advisor
- The advisor assisted the NBC in an on-site inspection of one large bank, which focused on the implementation of the regulation on credit risk
- A targeted training program on IFRS 9 implementation and liquidity risk management has been designed by the resident advisor together with SEACEN center (training has been delivered in November and December 2019)
- Guidelines for implementing liquidity risk management regulation has been drafted with the assistance of the resident advisor.
- Chart of accounts and financial statements have been drafted for banks in line with CIFRS.
- D-SIBs have been defined based on the size, interconnectedness, and credit indicators
- In the perspective of field testing, 6 reporting templates have been improved with excel consistency checks and excel embedded instructions.

The COVID-19 pandemic is having a big impact on the project because of a slowdown in the NBC work and postponement of some training and TA missions.

FY2019 (CONTINUED)

PROJECT: Cambodia–Systemic Financial Stability Analysis	JSA #: JPN419 IMF ID: MCM_KHM_2019_02
TARGET COUNTRIES: Cambodia	IMPLEMENTATION PERIOD: from 07/2018 to 09/2020

Project Description and Objectives

The objective of this project is to assist the National Bank of Cambodia (NBC) in strengthening its capacity for systemic financial risk analysis and enhancing the effectiveness of monetary policy and foreign exchange operations. The project aims at improving the NBC’s practices on data collection and analysis, use of risk-assessment tools and methodologies to analyze financial sector risks, and presentation of the systemic financial risk analysis in the form of a Financial Stability Report. In the areas of monetary and foreign exchange operations, the project aims at improving liquidity forecasting methodology and process as well as ensuring adequacy and appropriateness of the central bank’s operational instruments and strategies.

Overview of Progress and Key Results Achieved

During July 2018–July 2019, **the resident advisor on financial stability issues** has helped strengthen the capacity of the NBC’s Financial Stability Unit staff in several areas, including: (i) the analysis and interpretation of Financial Soundness Indicators (FSIs) to assess financial stability on multiple dimensions–time series, cross-sectional as well as structural aspects, (ii) the coverage of financial stability assessments beyond the banking and microfinance sectors, which was expanded to include the real estate and household sectors with the use of external data sources such as credit registry data, (iii) the implementation of macroprudential policies in addressing financial stability vulnerabilities–particularly in the real estate sector. In cooperation with the IMF-Singapore Training Institute, a training course was organized for NBC staff on macroprudential framework, the use of FSIs, construction of Early Warning System, and stress testing. With the help of the resident advisor, NBC has launched its first publication of the Financial Stability Review in April 2019.

Since July 2019, **the resident advisor on monetary operations** has worked in close collaboration with the Economic Research and International Cooperation Department and Banking Operations Department in areas of monetary policy formulation, monetary and foreign exchange operations and interbank market development. The advisor has coordinated the work with the regional advisor from CDOT, which is also supported by JSA. The project helped strengthen the analytical capacity of NBC staff in assessing economic and monetary conditions and formulating the monetary policy. In particular, the practical procedures for conducting liquidity analysis and forecasting have been enhanced, and a revised version of the liquidity report–illustrating more analytical information–was drafted. Guidelines on establishing the marginal lending facility and recommendations on the use of foreign exchange swaps by the central bank were prepared, and some refinements to the monetary operations framework have been initiated.

Against the backdrop of **the COVID-19 pandemic**, certain aspects of the workplans were delayed as priority of the NBC management and staff was given to dealing with economic impact of the outbreak. A work-from-home practice implemented at NBC complicates to some extent coordination among divisions and departments.

JSA TECHNICAL ASSISTANCE PROGRAMS APPROVED IN FY2018

PROJECT: Myanmar: Building Comprehensive Bank Supervision and Regulation	JSA #: JPN415 IMF ID: MCM_MMR_2018_02
TARGET COUNTRIES: Myanmar	IMPLEMENTATION PERIOD: from 02/2018 to 04/2021

Project Description and Objectives

The project's objective is to assist the Central Bank of Myanmar (CBM) in bringing the regulation and supervision of banks in Myanmar closer to compliance with the Basel Core Principles, reinforcing and consolidating the modernization and professionalization of banking supervision, and beginning to establish a risk-based approach to supervision. It builds on previous achievements of an earlier JSA-funded bank supervision project in Myanmar (MCM_MMR_2015_01). This TA is facilitated by a resident advisor based in the Yangon headquarters of the CBM, combined with peripatetic MCM short-term expert and staff visits on topics complementary to the resident advisor's area of expertise.

Overview of Progress and Key Results Achieved

Since the project start, the TA team assisted the CBM in strengthening its bank supervision, notably off-site supervision. The CBM also received support in credit risk oversight.

The focus of the TA work in FY20 has been on the transition from compliance-based to risk-based supervision (RBS). The move to RBS is a major cultural shift in any supervisory agency, and the current TA seeks to embed the precepts and practices of strong supervision with CBM staff. This is done through the resident advisor's work, supplemented by STX missions, which earlier focused on assisting the CBM build a system of quarterly reporting, analytical capacity at the supervisory department, and offsite guidance so that offsite supervision can feed into the RBS framework.

With the assistance of a short-term expert, the CBM Financial Institutions Supervision Department (FISD) prepared draft risk management guidelines and stress testing guidelines for banks in order to enhance RBS. Comprehensive hands-on trainings on RBS and various aspects of risk management have also been provided to FISD staff by the resident advisor.

The project has also been supporting the Committee for the Coordination of Financial Sector Technical Assistance to Myanmar (COFTAM) given the importance of collaboration among the several TA providers to help ensure improving bank regulation and supervision. However, the 2020 COFTAM meeting, originally scheduled for April, had been postponed due to **the COVID-19 pandemic**. The resident advisor continues providing his advice to the CBM remotely while supporting the intensified policy dialogue between the IMF and Myanmar on emergency measures to counter the pandemic impact on the economy and financial sector.

FY2018 (CONTINUED)

PROJECT: Mongolia–Strengthening Financial Supervision	JSA #: JPN416 IMF ID: MCM_MNG_2018_04
TARGET COUNTRIES: Mongolia	IMPLEMENTATION PERIOD: from 04/2018 to 04/2021

Project Description and Objectives

The aim of the project is to support the Bank of Mongolia (BOM), the Financial Regulatory Commission (FRC) and Ministry of Finance (MOF) in enhancing financial regulation and supervision, restructuring and stabilizing the financial sector, developing and executing a strategy to deal with non-performing loans (NPL) and dealing with problem banks and non-banks.

Overview of Progress and Key Results Achieved

Key results achieved under the project are as follows:

Systemic Risk Monitoring: TA roadmap for developing tools for systemic risk assessment was produced.

Bank Restructuring and Resolution: The business plans of banks were analyzed, and resolution and contingency plans were developed—to include detailed templates on how to enhance comparability and efficiency of data. Subsequently, the authorities took action on a small bank. As a result of the asset quality review in 2018, capital shortfalls were identified in several banks, which are currently in the process of raising the capital to the required levels.

Collateral Risk and Valuations for Banks & Appraisers: Key features of the Appraiser Licensing Law and the BOM Regulation on the Appraisal of Collateral were established. The draft regulation was accepted by the BOM and staff has developed a good understanding of the details and intent of the regulation.

Updating Banking Regulation and Strengthening Supervision: TA has concentrated on refocusing the BOM’s supervisory effort into a risk-based approach within an updated regulatory framework. TA has assisted in drafting and amending prudential regulations, upgrading the BOM’s supervisory toolkit, offsite monitoring and onsite examinations process. In particular, TA has assisted BOMs in revising the capital framework, conducting Business Plan Assessment exercise, analyzing banks’ NPL strategies, drafting/revising regulations on Asset Classification & Provisioning and Credit Origination and Risk Management. This resulted in important progress on supervisory tools and capacity building.

The **COVID-19 pandemic** has slowed down the provision of the TA due time needed for Mongolia and the TA project team to adapt to a new (virtual) modality. If the pandemic is protracted and the remote modality proves to be challenging for remaining TA activities, the project may need an extension.

FY2018 (CONTINUED)

PROJECT: Developing Customs Administrations in the Southeast Asia Region	JSA #: JPN123 IMF ID: FAD_APD_2018_01
TARGET COUNTRIES: Cambodia, Lao P.D.R., Mongolia and Myanmar	IMPLEMENTATION PERIOD: from 05/2017 to 04/2020

Project Description and Objectives

This project was designed to assist the Cambodia, Lao P.D.R., and Myanmar customs administrations with modernizing key customs administration management and governance arrangements and strengthening selected core customs administration functions. Mongolia was added as the beneficiary country in Fiscal Year 2020. Stronger customs administration can mobilize government revenue and facilitate trade, thus supporting both higher growth and sound public finances. The need to modernize customs administrations in the region is driven by rapid growth of international trade and commitments to regional economic integration. The project builds on support previously provided by the IMF under JSA and other related projects funded by Japan and is complementary to the tax administration support funded through the JSA and the Revenue Mobilization Thematic Fund (RMTF) in these countries.

Overview of Progress and Key Results Achieved

This three-year project concluded in April 2020 with good achievements in line with the project's objectives and expected outcomes. These achievements and lessons learned were shared and discussed by the beneficiary administrations at this project's inaugural regional workshop held in Myanmar, in October 2020. Key achievements for each country are described below.

In **Cambodia**, the General Department of Customs and Excise (GDCE) continued improving its management, enforcement and ICT capacity, with FAD CD support in FY20. Key results achieved include: the strategic plan through 2023 was improved with strengthened key performance indicators; a new enforcement strategy, aligned to the strategic plan, was approved; and a new organizational structure is functioning with adequate staffing, including a new ICT department.

In **Lao P.D.R.**, the Lao Customs Department accelerated its reform and modernization with FAD CD provided on enforcement, strategic management and customs law revision in FY20. Key results achieved are: (i) an intelligence unit was created and is now operating; (ii) an enforcement strategy was developed and adopted; (iii) a strategic plan through 2020 was approved by the Ministry of Finance; and (iv) draft customs law conforming with international good practices was finalized and submitted to the National Assembly.

Mongolia was added, with approval from Japan, as a beneficiary country covered by this project in late FY20. After the FAD customs diagnostic mission, CD was provided on revising customs laws to align with international good practices. Results from this early CD activity are expected to be realized in FY21 under the successor JSA funded project.

In **Myanmar**, the Myanmar Customs Department (MCD) received CD on human resource management and development, and enforcement in FY20. Key results achieved include (i) a new import and export training manual developed and in use, (ii) helping harmonization of rulings across border posts; (iii) drafting a new rotation policy; and (iv) development of an anti-smuggling strategy for better compliance has started.

FY2018 (CONTINUED)

PROJECT: Supporting Improved Treasury Management and Modernization of Financial Management Systems	JSA #: JPN124 IMF ID: FAD_APD_2018_02
TARGET COUNTRIES: Cambodia, Lao P.D.R., Myanmar and Vietnam	IMPLEMENTATION PERIOD: from 05/2017 to 04/2020
Project Description and Objectives	
<p>This capacity development (CD) program aimed at improving the effectiveness and efficiency of public financial management (PFM) in Cambodia, Lao P.D.R., Myanmar, and Vietnam (CLMV), by enhancing budget execution and the control, coverage and quality of fiscal reporting; and promoting integration of asset and liability management frameworks. It focused on CD in treasury and debt management, budget execution, government accounting and auditing, and fiscal and financial reporting, and was anchored by the new Regional Treasury Advisor based in the IMF Capacity Development Office in Thailand (CDOT) who joined CDOT in May 2019.</p>	
Overview of Progress and Key Results Achieved	
<p>Cash management, accounting, and fiscal reporting improvements have been the primary focus of the last year of this three-year program in each target country.</p>	
<p>In Cambodia, progress continued to be made in implementing cash basis international public sector accounting standards (IPSAS). Work on an accounting reform road map also advanced. Assistance was provided in conducting a sub-national Public Expenditure and Financial Assessment (PEFA) and developing a concept note for a national PEFA.</p>	
<p>In Lao P.D.R., the advisor stood ready to support the Ministry of Finance (MOF) on treasury reforms and consulted with the World Bank and the Fund's Bangkok-based Regional PFM advisor on a new chart of accounts (CoA) under development at the MOF.</p>	
<p>In Myanmar, the engagement centered around five working groups established by the regional treasury advisor within the Ministry of Planning, Finance, and Industry (MOPFI) in accounting policy, internal audit, double-entry bookkeeping, cash management, and the CoA, which helped to further develop ownership in building capacity. An extensive review of Myanmar's CoA was initiated, with a unified CoA currently under development focused initially on Administrative and Economic classifications. An IA Manual has been developed for use by the MOPFI and line ministries. In support, introductory seminars were done on both the unified CoA and IA. Technical assistance was also provided to the Treasury in cash management and debt accounting, while work has started with the MOPFI's new PFM Academy to develop related training programs for ministry staff. Work is being coordinated closely with the World Bank and the ADB on relevant topics.</p>	
<p>In Vietnam, a reform strategy of the State Treasury for 2021-2030 was finalized following an FAD HQ mission in July 2019. Implementation of the strategy on budget execution, the treasury single account, and information systems is on track supported by the follow up visits of the Treasury advisor and short-term experts.</p>	
<p>The Treasury advisor will continue to lead work on treasury reforms in the CLMV under a new three-year program aimed at consolidating progress and building durable PFM systems, leveraging the support of short-term experts and closely coordinated with regional PFM and government finance statistics advisors in CDOT.</p>	

FY2018 (CONTINUED)

PROJECT: Japan-IMF Initiative on Online Learning	JSA #: JPN204 IMF ID: ICD_IMF_2018_04
TARGET COUNTRIES: Global program	IMPLEMENTATION PERIOD: from 05/2017 to 04/2020

Project Description and Objectives

The Japan-IMF Initiative on Online Learning involved sponsorship of the IMF's online learning operations for three years (FY18-20), including the development and delivery of online courses. Online learning represents a growing area of CD delivery, complementing technical assistance (TA) and classroom training. The Japan-IMF Initiative on Online Learning has supported the expansion of the IMF online course curriculum, while continuing to update and deliver existing online courses. This has helped increase the volume of training of country officials, improved the absorption of face-to-face CD by offering online training on related topics, and allowed sharing of knowledge with the wider public through massive open online courses (MOOCs).

Overview of Progress and Key Results Achieved

Since the launch of the program, 23 online courses have been developed under the online learning program, with a total of over 100 deliveries. In FY2020, the JSA project supported the development of six new online courses and 44 course reruns, as well as the daily operations of the IMF online learning program. It also helped the introduction of a new online learning modality—microlearning, which consists of short learning videos that are made available to the broader public on the IMF Institute Learning Channel on YouTube.

Online courses have attracted over 75,000 active participants. Of those, more than 23,000 government officials and 16,000 members of the general public from 191 countries (of which 188 member countries) have successfully completed an online course. Satisfaction with courses is high (4.5 out of 5) and 98 percent of learners indicate that the learning content was relevant and useful. Learning gains are significant, at about 19 percentage points and there is evidence of stronger performance in classroom training by those participants who have successfully completed an online course.

In response to the COVID-19 crisis and amid the cancellation of all on-site classroom training and TA activities, immediate steps were taken to increase the availability of IMF online courses to member country officials and the global audience:

- The full online curriculum was made available with extended registration and completion timelines. The courses saw a substantial increase in learner enrollment (up by 55 percent) and successful completion of courses, which more than doubled over Q4 of FY20;
- The official IMF Institute Learning Channel was launched during the 2020 Virtual Spring Meetings. The channel quickly sparked interest of the global audience, with close to 1,000 subscribers and over 7,000 views within the first weeks of the launch.
- Online courses are increasingly being used to support other CD modalities (e.g., in Vietnam the recently completed MPAFx course has been used to complement virtual TA engagements with the authorities).

The program has increased the global visibility of the Japan-IMF CD cooperation and a new phase of the partnership has started in FY21. The new project will continue to support innovation and further integration of online learning with surveillance and lending activities of the IMF.

FY2018 (CONTINUED)

<p>PROJECT: Supporting Monetary and Foreign Exchange Operations in Cambodia, Myanmar and Vietnam</p>	<p>JSA #: JPN414 IMF ID: MCM_APD_2018_01</p>
<p>TARGET COUNTRIES: Myanmar, Cambodia, and Vietnam</p>	<p>IMPLEMENTATION PERIOD: from 09/2017 to 09/2022</p>
<p>Project Description and Objectives</p> <p>The project provides technical assistance (TA) through the IMF Capacity Development Office of Thailand (CDOT) to the central banks of Cambodia, Myanmar, and Vietnam on monetary and foreign exchange (FX) operations.</p> <p>The TA is being provided by a resident advisor assigned to CDOT from September 2017, whose main function is to work with the staff of the central banks of Cambodia, Myanmar and Vietnam. Limited assistance is provided to the Lao P.D.R. through regional events.</p>	
<p>Overview of Progress and Key Results Achieved</p> <p>Since the project start, the Central Bank of Myanmar (CBM) and National Bank of Cambodia (NBC) have been supported in enhancing the effectiveness of their monetary policy and foreign exchange policy implementations.</p> <p>In Myanmar, the resident advisor focuses on upgrading the CBM’s monetary operations and interbank (I/B) market development. A notable progress has been made on various fronts: (i) the CBM is in the process of introducing interest on excess reserves, and work is underway to upgrade the CBM’s credit facility; and (ii) in close collaboration with Japan International Cooperation Agency (JICA), the CBM introduced a new I/B data reporting platform and has already started publishing I/B interest rates and transaction amounts of key durations on a monthly basis, following the consultation process with banks. With the project support to the CBM in publishing reserve conditions by bank types, both the CBM and commercial banks in Myanmar can now do their own analyses on liquidity conditions.</p> <p>In Cambodia, the resident advisor focuses on upgrading the reserve requirement framework, tracking the ten percent local currency (KHR) loan-share requirement and I/B market developments, and improving the NBC’s monetary operations, including liquidity monitoring/forecasting. The advisor coordinated his work with the in-country resident advisor under another JSA-funded TA project. The project also advised on efforts by the NBC to utilize the Liquidity Providing Collateralized Operations (LPCO) to provide liquidity for banks to achieve the KHR loan share requirement and to introduce the Marginal Lending Facility, recommended by past IMF missions.</p> <p>In Vietnam, the State Bank of Vietnam (SBV) is still considering MCM recommendations on modernizing the monetary operations framework—an objective this project originally aimed to help implement. Accordingly, achievements in Vietnam were limited to knowledge-sharing events. In response to a request by the SBV, an MCM-led workshop on foreign currency reserve management was held in December 2019, with participation by the resident advisor, as well as by short-term experts from the Bank of Japan and Bank of Thailand.</p> <p>The resident advisor also contributes to in-country and regional training: (i) workshop on monetary and FX operations held in Myanmar in collaboration with the in-country resident advisor on FX operations and the IMF Singapore Training Institute; and (ii) course on evolving monetary policy frameworks held jointly by MCM, CDOT and South Asia Regional Training and TA Center in India for central bank officials from Cambodia, Myanmar, and Vietnam, and Lao P.D.R.</p> <p>While the COVID-19 pandemic has slowed down the provision of the TA due time needed to adapt to a new (virtual) modality, strengthening of the monetary and FX operations remain CDOT countries’ priorities. In light of these TA needs, the project was extended by two years to September 2022.</p>	

FY2018 (CONTINUED)

PROJECT: Improving External Sector Statistics in the Asia-Pacific Region	JSA #: JPN512 IMF ID: STA_APD_2018_02
TARGET COUNTRIES: Asia (<i>Cambodia, Lao P.D.R., Myanmar, and Vietnam</i>) and Pacific Island Countries (<i>Nauru, Papua New Guinea, Samoa, Timor-Leste, and Tonga</i>)	IMPLEMENTATION PERIOD: from 05/2017 to 10/2021
<p>Project Description and Objectives</p> <p>The objective of this four-year project is to improve the accuracy, availability, comparability, and timeliness of external sector statistics (ESS) to support macroeconomic policymaking. It aims to address statistical capacity gaps, with a special focus on developing source data, increasing data frequency, and developing new statistical products. This is done through technical assistance and training delivered primarily by the ESS Resident Advisor (RA) based in the IMF Capacity Development Office in Thailand (CDOT) located in Bangkok.</p>	
<p>Overview of Progress and Key Results Achieved</p> <p>In all countries, the compilation procedures were improved, and new data sources were identified and developed, with compilers' expertise enhanced through regional trainings. For Lao P.D.R., Myanmar, Nauru, and Samoa, pilot international investment position (IIP) and external debt statistics (EDS) were compiled for the first time. Inter-agency collaboration in Myanmar and Samoa showed progress, which helped increase data sharing and avoid duplication of work. For Lao P.D.R., Myanmar, Nauru, Papua New Guinea, and Samoa, more comprehensive data sources were introduced. Further advances were made in data dissemination practices, although confidentiality provisions in Lao P.D.R. and Vietnam impacted further progress. In addition, two regional workshops facilitated peer-learning between compilers and introduced them to new concepts such as compilation challenges posed by the digital economy.</p> <ul style="list-style-type: none"> • Cambodia: A strategy to address discrepancies in cross-border trade data was outlined and validation techniques recommended; the scope and coverage of international reserves were also refined. The second annual IIP survey was conducted. • Lao P.D.R.: The second annual IIP survey was conducted, with the results incorporated in a pilot IIP statement. BOP and international reserves data as well as metadata were posted on the e-GDDS NSDP. A database for direct investment (DI) was also established. • Myanmar: The coverage of DI data was enhanced, and estimation models for remittances and for import valuation adjustments were improved. The quality of the international transactions reporting system (ITRS) has improved significantly through focused training and incorporation of automated data validation checks. • Vietnam: <i>A method for estimating investment income was piloted; and a survey of manufacturing services was successfully conducted, which would strengthen analysis of the role of global value chains.</i> • Pacific Island Countries: Samoa began disseminating IIP data in February 2020. New ESS compilation worksheets were developed for Nauru, Timor-Leste, and Tonga. In Papua New Guinea, a key data gap in the balance of payments was addressed as the coverage of the liquified natural gas project widened. Work continues strengthening inter-agency collaboration, addressing data gaps by improving source data with the focus on financial account including external debt, and improving data dissemination in Samoa, Timor-Leste, Tonga. In-country training was also provided on ESS concepts and methodology for the compilers in all the Pacific Island Countries; and Nauru participated in regional ESS training at CDOT. 	

JSA TECHNICAL ASSISTANCE PROGRAMS APPROVED IN FY2017

<p>PROJECT: Fiscal Risk Analysis and Management, Public Investment Management, Budget Preparation, and Fiscal Reporting in Caucasus and Central Asian Countries and Iran</p>	<p>JSA #: JPN121 IMF ID: FAD_MCD_2017_01</p>
<p>TARGET COUNTRIES: Armenia, Azerbaijan, Georgia, Iran, Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan</p>	<p>IMPLEMENTATION PERIOD: from 05/2016 to 04/2021</p>
<p>Project Description and Objectives</p>	
<p>The objectives of this project are to improve public financial management (PFM) in nine countries in the Caucasus and Central Asia region in support of macroeconomic stability and growth. Capacity development delivered with support of the project is focused on strengthening fiscal reporting, expenditure control, credibility of macro-fiscal forecasting and medium-term budgeting, fiscal risk management, and the efficiency of public investment management (PIM).</p>	
<p>Overview of Progress and Key Results Achieved</p>	
<p>All countries in the region are seeking to update their accounting and reporting systems and improve fiscal transparency. Considerable progress has already been made in Kazakhstan, Tajikistan, Georgia, Armenia and Uzbekistan. During the past year, Georgia has revised their chart of account and reporting instructions and intend to begin publishing IPSAS-based consolidated central government financial statements for the 2020 year, while Kazakhstan has begun to introduce accrual accounting for tax revenue. Armenia has committed in its new PFM reform strategy to adopt consolidated IPSAS based financial statements at ministerial level by 2023, and Uzbekistan intends to begin implementation of 12 IPSAS-based standards from 2021. In addition, Uzbekistan has made substantial progress on strengthening fiscal transparency, significantly expanding the content and coverage of the budget and presenting the 2020 Republican Budget on a Government Finance Statistics (GFS) basis.</p>	
<p>Armenia, Azerbaijan and Uzbekistan are all strengthening their budget preparation processes. Armenia has made significant progress on introducing a rolling annual baseline budget process and integrating program and performance information formally into the annual budget process. Azerbaijan begun implementing a new rules-based fiscal framework aimed at supporting macroeconomic stability and intergenerational equity. And, during the past year, Uzbekistan has streamlined its administrative classification, introduced new templates for budget submissions, and introduced a parliamentary appropriation system and annual budget law, which will see parliament, rather than the executive approve the budget, for the first time</p>	
<p>Countries have made considerable strides in strengthening their fiscal risk management frameworks. Armenia, Georgia, Kyrgyz Republic, Tajikistan and Uzbekistan now publish fiscal risk statements in their budget documentation. Armenia is advancing secondary regulations to give effect to its new public-private partnership (PPP) law, while Georgia has completed a sector classification of its public enterprises and is taking steps to strengthen the taking steps to strengthen the financial oversight framework for state-owned enterprises.</p>	
<p>Several countries are also strengthening their PIM systems. Georgia has approved a PIM manual and is in the process of modifying it to accommodate its new PPP framework, while Armenia in the process of developing a manual for PIM appraisal.</p>	
<p>In addition, Uzbekistan and Armenia have developed new medium-term PFM reform strategies with support from the IMF to guide future implementation of PFM reforms.</p>	

PROJECT: Modernization of Customs Administration in West Africa	JSA #: JPN122 IMF ID: FAD_AFR_2017_01
TARGET COUNTRIES: Benin, Côte d'Ivoire, Ghana, Liberia, Nigeria, Togo	IMPLEMENTATION PERIOD: from 01/2017 to 04/2020

Project Description and Objectives

The project objective aims were to **strengthen core customs procedures and controls critical to collect revenue effectively, facilitate trade and contribute to regional integration**. Coordinated capacity development (CD) approach was intended to promote dissemination of good practices in the region and help prevent detrimental administrative initiatives in main maritime ports which could result in distortions, revenue losses or undue competitive advantages.

Overview of Progress and Key Results Achieved

The authorities and customs management of five countries receiving CD missions and FAD experts—Benin, Côte d'Ivoire, Liberia, Nigeria, Togo—demonstrated strong interest for the project. (the sixth country, Ghana, participated in regional workshops). Ministers of Finance reiterated commitment during the IMF Spring and Annual Meetings. At the end of the project (April 2020), 53 percent of milestones were fully or largely achieved; and with milestones partially achieved added, the percentage was 83 percent.

The achievements that progressively followed FAD recommendations clearly contributed to the fiscal and economic objectives of good customs administration. Critical achievements include:

- **Regional transit of goods.** FAD synchronized advice with authorities' automation and interconnection initiatives underway to protect revenue while ensuring freedom of transit. Cargo movements are effectively monitored in Benin, Côte d'Ivoire and Togo (97-100 percent of declarations discharged on time in Benin and Togo). In relation to border closure and smuggling, Nigeria authorities requested CD advice on the use of technology to manage customs transit, which will be delivered in 2020 under the successor regional project.
- **Customs valuation control and data exploitation.** The project was used to explain and implement the mirror data analysis technique to combat fraud. Côte d'Ivoire's dedicated unit for valuation analysis and fraud detection is operational. Benin is building its own and Togo will follow in 2020. The project helped with a successful transfer of the valuation analysis function from a service provider to Ivorian Customs in 2019. CD in Liberia focused on preparations for the adoption of the WTO Valuation Agreement in 2020.
- **Modernization and full automation of customs procedures.** Significant progress was made under the project with a different focus in each country, e.g., adjusting processes and IT functionalities in Nigeria to take full advantage of the implementation of a new IT system, supporting establishment of the electronic Central Assessment Section in Liberia which processes over 90 percent of customs declarations in the port of Monrovia. In most countries, first tariff classification advanced rulings were issued to enhance customs predictability.
- **Regional workshops presented innovations** (e.g., blockchain, by a speaker from Japanese Customs) **and enabled sharing practices**, including with ECOWAS representatives and other partners (e.g., UNCTAD) who were invited. FAD mobilized Japanese expertise for assignments to three countries and for the workshops. Countries were appreciative and eager to learn from the successes of the Japan Customs. The project laid foundations which will prove essential to further progress under the successor regional project approved for the region.

FY2017 (CONTINUED)

PROJECT: Strengthening Modernization of the Central Bank of Myanmar	JSA #: JPN413 IMF ID: MCM_MMR_2017_01
TARGET COUNTRIES: Union of Myanmar	IMPLEMENTATION PERIOD: from 05/2016 to 09/2021

Project Description and Objectives

The project aims to support the Central Bank of Myanmar (CBM) in improving its ability to carry out central banking core functions in a manner conducive to macroeconomic and financial stability and consistent with its mandate. The project focuses on (i) building capacity in monetary and foreign exchange (FX) operations, including liquidity management, implementation of the agreed exchange rate mechanism, and development of interbank market and monetary instruments; and (ii) strengthening central bank accounting, including auditing, systems deployment, and financial services generally. Currently both of these workstreams are facilitated by resident advisors based, respectively, in the Yangon and Nay Pyi Taw headquarters of the CBM.

Overview of Progress and Key Results Achieved

The focus of **the resident advisor on monetary and FX operations** narrowed to FX operations at the CBM's request. This also helped to divide the labor efficiently with the regional monetary operations advisor supporting the CBM from CDOT, Thailand under the another JSA-funded TA project.

Since the appointment of the resident advisor on FX operations in January 2018, the CBM has (i) moved to a market-based Reference Exchange Rate; (ii) removed trading band limitation; (iii) moved to a rules-based intervention framework; (iv) allowed foreign bank branches for the first time to participate in the CBM FX auctions; and (v) introduced, for the first time, a penalty for violation of the NOP limit.

During FY20, a number of important achievements have additionally been reached to make the FX market more transparent and effective. Since September 2019, the CBM has started publishing a daily reference exchange rate and FX market transaction volumes data on its website. Historical data going back to 2016 has also been made available for market participants. The CBM has started the practice of regular (quarterly) consultations on FX market developments with commercial banks' Treasury functions. After thorough preparatory work, the CBM switched to rule-based foreign exchange auctioning system on November 1, 2019.

After a series of short-term expert missions, **the resident advisor on accounting and internal audit** was appointed in July 2019. With the support from the current resident advisor and her predecessor, the CBM has made positive progress in two main areas (i) implementing International Financial Reporting Standards (IFRS) for its accounting framework; and (ii) internal audit. Regarding IFRS, in October 2019, the CBM Board approved that the CBM will go live with IFRS in its 2020/2021 fiscal year ending September 30, 2021. This is a pivotal point of the CBM's journey to a more transparent and comparable financial reporting framework. Regarding internal audit, in August 2019, the Internal Audit Department (IAD) of the CBM completed the review, update, and translation of the internal audit charter proposed in previous missions. In October 2019, the IAD developed its first three-year risk-based audit plan and a business strategy to comprehensively transform the IAD into a modern internal audit function. In December 2019, the IAD completed the fieldwork of its first risk-based audit.

The COVID-19 pandemic has slowed down the provision of the TA due time needed for the CBM and the TA project to adapt to a new (virtual) modality. The resident advisors continue advising the CBM remotely while supporting the intensified policy dialogue between the IMF and Myanmar on emergency measures to counter the pandemic impact on the economy and financial sector.

FY2017 (CONTINUED)

<p>PROJECT: External Sector Statistics for West and Central Africa</p>	<p>JSA #: JPN511 IMF ID: STA_AFR_2017_04</p>
<p>TARGET COUNTRIES: Cameroon, Central African Republic, Chad, Republic of Congo, Equatorial Guinea, Gabon, Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal, Togo, Democratic Republic of Congo (DRC), Guinea, and Djibouti</p>	<p>IMPLEMENTATION PERIOD: from 05/2016 to 04/2020</p>
<p>Project Description and Objectives</p> <p>The project's main objective was to support the compilation and dissemination of better quality external sector statistics (ESS) to enhance evidence-based macroeconomic policies in the six member states of the Central African Economic and Monetary Community (CEMAC), the eight member states of the West African Economic and Monetary Union (WAEMU), and the Democratic Republic of Congo, Djibouti, and Guinea. The project was expected to achieve the following key outcomes over four years: (i) ESS data are compiled and disseminated using the concepts, definitions, coverage and scope of the latest manual/guide; (ii) data frequency and timeliness are improved; and (iii) new ESS datasets are compiled.</p>	
<p>Overview of Progress and Key Results Achieved</p> <p>Over its four years, the project has brought about impressive progress in all 17 countries, albeit to varying degrees from country to country. At the conclusion of the project, major achievements include: (i) all project countries now follow the <i>Balance of Payments and International Investment Position Manual</i>, sixth edition (<i>BPM6</i>), which is the most current international standard for ESS; (ii) CEMAC countries have caught up with a backlog of many years of uncompiled/unpublished balance of payments (BOP) and timeliness of data dissemination has improved in the other countries; (iii) all countries now compile quarterly BOP (although only three already publish it); (iv) all countries compile an international investment position (IIP), published by 12 countries; (v) six countries compile and report quarterly external debt statistics to the World Bank's QEDS database; and (vi) ESS data quality in all countries has improved significantly. Although WAEMU countries were already compiling BOP and IIP based on <i>BPM6</i> before the start of the project, much closer alignment was achieved under the project. Furthermore, Senegal subscribed to the IMF's Special Data Dissemination Standard (SDDS) in November 2017, one and a half years into the project.</p> <p>The compilation of quarterly BOP statistics is a major step forward for policymaking and surveillance purposes. Yet, reaping the full benefits of this achievement requires the timely dissemination of data. Therefore, the two regional workshops organized in Cameroon and Senegal in FY20 put the emphasis on (i) adapting the current institutional arrangements for data validation to support the timely dissemination of quarterly data, and (ii) setting up a public revision policy, as quarterly data are mostly first published as provisional and are likely to be revised several times. The adaptation of the formal, high-level institutional data validation process to a lighter one will enable validation at a technical level thus supporting timely data dissemination.</p> <p>While Cameroon, Guinea, and Senegal already publish quarterly BOP data, the other countries are expected to start towards the end of calendar year 2020, once the dedicated IT applications are fully operational, subject to business continuity issues stemming from the Covid-19 pandemic. Most of them will also disseminate quarterly IIP data. Quarterly BOP and IIP statistics are expected to be disseminated within four months of the end of the reference quarter. At that point, Benin, Burkina Faso, Cameroon, and Niger will be very close to meeting the requirements for SDDS subscription in regard to ESS.</p> <p>During the project closing workshop in Mauritius in February 2020, all participants expressed deep gratitude to the Japanese Government and the IMF for supporting this initiative, which has contributed to significant progress in all countries. To consolidate these achievements going forward, STA will continue providing assistance as needed to countries of this group, using the relevant donor-funded multilateral vehicles as well as IMF's own funds.</p>	

JSA TECHNICAL ASSISTANCE PROGRAMS APPROVED IN FY2016

PROJECT: National Risk Assessment, National Strategy and Strengthening Legal and Supervisory Frameworks	JSA #: JPN302 IMF ID: LEG_MMR_2016_01
	IMPLEMENTATION PERIOD: from 05/2017 to 07/2020

Project Description and Objectives

The project's main focus was supporting Myanmar's initiatives to conduct a Money Laundering Financing of Terrorism (ML/FT) National Risk Assessment (NRA) and develop a National Strategy (NS). The project also continued work undertaken under a previous JSA funded project to strengthen Myanmar's legal and regulatory AML/CFT framework and develop the capacity of the Central Bank of Myanmar (CBM) to undertake effective AML/CFT supervision.

Overview of Progress and Key Results Achieved

The NRA was completed in October 2017 and its findings were distributed to a wide range of AML/CFT stakeholders. The NRA findings were key inputs to a National Strategy which was adopted by Cabinet in May 2019. Successful completion of the NRA and the NS were important milestones towards achieving the project outcome of **"country prioritizes AML/CFT policy action."**

During FY 2020, the Central Bank of Myanmar (CBM) continued to use offsite and onsite supervisory tools developed under the project. Banks completed a data collection tool and risk management questionnaire as offsite returns and submitted them to the CBM. The Financial Institutions Regulation and Anti-Money Laundering Department (FIRAML) analyzed the information submitted via these supervisory returns and used the results to initiate the process of developing supervisory priorities. The Financial Institutions Supervision Department (FISD) used onsite inspection procedures developed under the project to conduct inspections of banks. The Fund assisted the CBM to revise a supervision manual to reflect new legal requirements that came into effect during FY 20.

Arrangements were made for two CBM officers to undergo an attachment with the Monetary Authority of Singapore. During the attachment, the CBM officers observed MAS's approach to developing its AML/CFT supervisory policy as well as its use of offsite and onsite supervisory practices. The CBM officers were also afforded the opportunity to visit local banks to understand their approach to managing ML/TF risks. The officers reported that the attachment made an important contribution to strengthening their AML/CFT supervisory skills.

The above activities have assisted CBM to make progress towards achievement of the project outcome of **"supervisor supervises and regulates licensed institutions."**

The Fund supported AML/CFT legislative drafting Committees' initiatives to strengthen the AML law, CFT provisions of the Counter Terrorism Law, the AML Rules and the CFT Rules. This will assist Myanmar to meet the project outcome of **"Country's AML/CFT legal framework is in line with the FATF standard."**

FY2016 (CONTINUED)

PROJECT: Regional Government Finance Statistics	JSA #: JPN510 IMF ID: STA_APD_2016_10
TARGET COUNTRIES: Cambodia, Indonesia, Lao PDR, Malaysia, Mongolia, Myanmar, Philippines, Thailand, and Vietnam.	IMPLEMENTATION PERIOD: from 05/2015 to 07/2019

Project Description and Objectives

The project provided capacity development (CD) to nine Asian countries on compilation, analysis, and dissemination of timely and comprehensive annual and quarterly government finance statistics (GFS) and public sector debt statistics (PSDS), compliant with the GFS and PSDS international standards. This project (JSA2) ended in July 2019; and for the remainder of FY20 a successor project (JSA3) for the same countries was approved and commenced in August 2019¹.

Overview of Progress and Key Results Achieved

Prior to the end of JSA2, during the first three months of FY20, CD activities continued in three technical assistance (TA) missions: peripatetic missions in Lao PDR and Myanmar were carried out by the long-term expert stationed at the CD Office in Thailand (CDOT); and a mission to Vietnam was conducted by a short-term expert. All three missions focused on completing and testing of detailed bridge tables for compiling improved GFS data that could be used for fiscal policy analyses. The resulting revised GFS datasets were reported to the IMF for use in surveillance and operational work.

During the three-month transition period at the start of FY20, IMF staff in consultation with country representatives (who had participated in the JSA2 closing workshop in April 2019) took stock of the achievements under JSA2 and laid out the objectives for work programs and outcomes for the next two years. It was clear from these discussions that the outcomes of the project varied depending on countries' stages of GFS and PSDS development. The following is a summary of the status of achievements at the end of JSA2 and identified follow-up work programs requested by the authorities under JSA3:

Country	JSA 2: Achievements and Status	JSA3: Objectives for Next Steps
Indonesia	Quarterly general government GFS (now meeting G-20 Data Gaps Initiative requirements for data) Complete general government balance sheet	Annual and/or quarterly GFS for nonfinancial public corporations. GFS balance sheet analysis (BSA) consistent with other macroeconomic balance sheets. Use of GFS and PSDS in fiscal analyses (BSA, Debt Sustainability analysis (DSA), etc.).
Thailand	Annual GFS for nonfinancial public corporations Quarterly PSDS reporting to World Bank/IMF public debt database	
Malaysia	Annual general government GFS Progress with integrating GFS in new accounting and information management (AIM) system adopting accrual accounting	Quarterly general government GFS from Public Financial Management (PFM) and AIM sources. Quarterly PSDS reporting suitable for policymaking and surveillance. Complete set of annual GFS statements for transactions and stock positions, including financial balance sheets suitable for BSA.
Mongolia	Progress with integrating GFS in new AIM system with accruals Improved quality of general government GFS	

¹ See separate [Annual Report](#) for details on CD activities under JSA3 during FY20.

Country	JSA 2: Achievements and Status	JSA3: Objectives for Next Steps
Philippines	Annual general government GFS Progress with integrating GFS in new AIM system	
Cambodia	Timely annual and quarterly budgetary central government GFS Progress with integrating GFS in new AIM system	Expand annual GFS coverage to general government, with timely dissemination. Improve internal consistency of GFS, with reconciled financing data from PFM systems, including the AIM system. Develop or improve quarterly central government GFS, with timely dissemination. Develop or improve quarterly PSDS, with timely dissemination.
Lao PDR	Improved internal consistency of GFS Annual and quarterly GFS reported to the Fund for surveillance, and started to disseminate annual GFS on Ministry of Finance (MOF) website	
Myanmar	Annual GFS for six years disseminated on MOF Website and to Fund for surveillance Progress with integrating GFS in new AIM system financing data	
Vietnam	Annual GFS for 11 years disseminated to Fund for surveillance; GFS Manual for Vietnam drafted Further progress with integrating GFS in new AIM system	

Country representatives were appreciative of the Government of Japan for funding the successor project in GFS/PSDS in support of their work programs. They noted that sustained TA and training were important to build momentum, since the GFS/PSDS pace of achievements was closely related to progress in their ongoing medium-term PFM reforms.

JSA TECHNICAL ASSISTANCE PROGRAMS APPROVED IN FY2015

PROJECT: Enhanced Data Dissemination in Countries in the Asia-Pacific Region	JSA #: JPN509 IMF ID: STA_APD_2015_10
TARGET COUNTRIES: Bangladesh, Bhutan, Brunei, Cambodia, Mongolia, Myanmar, Nepal, Papua New Guinea, Samoa, Sri Lanka, Timor-Leste, Vietnam and Lao P.D.R. (included in 2017).	IMPLEMENTATION PERIOD: from 05/2014 to 04/2020

Project Description and Objectives

This project aimed to improve data dissemination for Asia-Pacific countries that participated in the IMF General Data Dissemination System (GDDS) at the inception of the program, which was superseded by the enhanced GDDS (e-GDDS). The project was designed to: enhance countries' data dissemination practices by implementing the e-GDDS, and provide assistance to countries that are interested in, and committed to, moving to a higher data standard, namely the Special Data Dissemination Standard (SDDS) over the medium term. A country implements the e-GDDS by disseminating recommended data and metadata on a National Summary Data Page (NSDP) website. Countries are also encouraged to publish an Advance Release Calendar that announces the schedule of data dissemination. When e-GDDS countries launch their NSDP, they commit to a pre-determined publication schedule, which also gets posted on the IMF's Dissemination Standard Bulletin Board (DSBB) website. Implementing the e-GDDS also facilitates dissemination of machine-readable data based on the Statistical Data and Metadata eXchange (SDMX) standard. Better dissemination of data facilitates policy analysis and formulation, as well as the IMF's surveillance of member countries.

Overview of Progress and Key Results Achieved

Sri Lanka took the lead among the project countries and graduated to the **SDDS** in 2015. In 2017, **Samoa** went live with its NSDP—an experience that was used to facilitate peer learning in a regional Pacific Data Dissemination Workshop in 2018. In FY18, **Bangladesh, Bhutan, Mongolia,** and **Nepal** implemented the recommendations of the e-GDDS, and published key macroeconomic and financial statistics in live, machine-readable form on their **NSDPs**. Their NSDPs also include the metadata for the published data categories. In FY19, **Cambodia, Lao P.D.R., Timor-Leste,** and **Myanmar** launched their NSDPs in implementing the e-GDDS, following e-GDDS missions to these countries. Benefitting from further technical assistance targeted on external sector statistics, **Mongolia** graduated to the SDDS in 2019, the first case in Asia where the implementation of the e-GDDS has facilitated advancement to the SDDS. **Vietnam** implemented e-GDDS by launching its NSDP in 2019 after an e-GDDS mission visited the country. **Brunei** also launched its NSDP in 2019 after an e-GDDS mission to the country. The project has successfully improved data dissemination in 12 Asia and Pacific countries and achieved virtually all objectives on time and under budget thanks to close collaboration and coordination both between involved IMF departments and with the authorities of the beneficiary countries. The IMF assisted all the project's beneficiary countries, except Papua New Guinea,² to establish an NSDP (accessible through <https://dsbb.IMF.org/nsdp>). Two countries (Sri Lanka and Mongolia) advanced to the SDDS. The launch of the NSDPs in all cases has been accompanied by an IMF Press Release to ensure maximum public outreach and donor visibility. The successful outcome of this project has provided blueprints of reform for low and lower-middle income countries in other regions. The substantial progress achieved, and the rich experiences gained in this project will be instrumental for the new JSA project on data dissemination with a wider reach, which was approved by the Government of Japan in early 2020.

² STA work closely with the IMF's Asia Pacific department to encourage the authorities of Papua New Guinea to implement the e-GDDS.

JSA TECHNICAL ASSISTANCE PROGRAMS APPROVED IN FY2012

PROJECT: Supporting Preparations for Monetary Union in the Monetary Policy and Statistical Areas in the East African Community	JSA #: JPN404 IMF ID: MCM_EAC_2019_01 ³
TARGET COUNTRIES: EAC member countries (Burundi, Kenya, Rwanda, South Sudan, Tanzania, and Uganda)	IMPLEMENTATION PERIOD: from 05/2011 to 04/2021

Project Description and Objectives

This program supports the East African Community (EAC) and its Partner States in their preparations for and the transition to a monetary union planned for 2024. Its main objective is to strengthen the capacity of the national central banks in addressing the challenges associated with the regional integration process in two principal areas: monetary policy and operations and financial stability.

Overview of Progress and Key Results Achieved

In FY20, the project continued focusing on the design and harmonization of monetary policy and operational frameworks, and financial stability. The statistical component of the program was completed in FY17, and in FY18 the Monetary Affairs Committee Meeting (MAC) merged the Macroeconomic Statistics with the Macroeconomic Analysis and Stress Testing technical working groups (WGs) into a new Macroeconomic Analysis, Stress Testing, and Statistics (MASS) WG. Although progress is uneven, the EAC countries remain engaged and committed to achieving monetary union by 2024. Partner countries continue to work on their monetary policy and operations frameworks and have been making progress in developing their crisis management frameworks as well as strengthening their capabilities to conduct risk and financial analysis to support financial stability and macroprudential policy formulation. They have developed a framework for identifying domestic systemically important banks (D-SIBs), built an interactive systemic risk dashboard, strengthened capacity to conduct network analysis for mapping cross-border interconnectedness, undertaken a regional stress-testing exercise and prepared a Regional Financial Stability Risk Assessment Report for meetings of the MAC. Partner State central banks are making progress in adopting the International Financial Reporting Standard 9 in accounting frameworks.

Monetary Policy and Operations: The East African Monetary Institute (EAMI) bill was approved by the East African Legislative Assembly in April 2018 and received the final consent by the Head of States at their February 2019 Summit. 5 out of 6 countries have signed the bill to operationalize the EAMI by end-2019, but the host country has not yet been selected and there is no budget in place. The target date for adopting a price-based monetary policy framework has been shifted from 2018 to 2021—it does not apply to South Sudan. A workshop on the monetary operations framework focused on the reserve requirement maintenance period, standing facilities for payments and monetary policy purposes, the cost of draining reserves, and collateral policy and collateral pooling. The IMF also carried out a stocktaking on the regulation, supervision and user protection of mobile money in the EAC region.

Financial Stability Framework—TA was delivered through the EAC-Wide Working Group Meetings. The two EAC-wide technical WGs cover Crisis Management and Macroeconomic MASS issues. These meetings have become a meaningful venue to iron out genuine differences and come to a common view, where possible. With the exception of the Bank of South Sudan and Burundi to a lesser extent, the EAC member countries are making steady progress in developing the regional D-SIB framework based on a well-established assessment methodology and in deploying new tools and software to conduct network analysis and map cross-border interconnectedness. A new template for the collection of harmonized balance sheet and payments data, including for mobile money has been developed and will be taken forward by a task force led by Kenya. The COVID-19 pandemic is impacting EAC countries and has slowed the provision of the TA as EAC countries.

³ Formerly *MCM_EAC_2012_01*



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