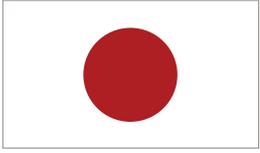


**JAPAN-IMF PARTNERSHIP
ON CAPACITY DEVELOPMENT**



**ANNUAL
REPORT
2022**





JAPAN-IMF PARTNERSHIP ON CAPACITY DEVELOPMENT

Japan Administered Account
for Selected IMF Activities

ANNUAL REPORT
FINANCIAL YEAR 2022

ACRONYMS AND ABBREVIATIONS

AFRITAC East	Africa Regional Technical Assistance Center – East	CDMAP	Capacity Development Management and Administration Program
AFR	IMF African Department	CDOT	IMF Capacity Development Office in Thailand
AFRITAC	Africa Regional Technical Assistance Center	CG	Central Government
AFRITAC South	Africa Regional Technical Assistance Center – South	CLV	Cambodia, Laos, and Vietnam
AFRITAC West 2	Africa Regional Technical Assistance Center – West Africa 2	CoA	Chart of Accounts
AML/CFT	Anti-Money Laundering/Combating the Financing of Terrorism Thematic Fund	COFOG	Classification of Outlays by Functions of Government
APD	IMF Asia and Pacific Department	COM	IMF Communications Department
ASEAN	Association of Southeast Asian Nations	CPIx	Consumer Price Index Course
ASEAN+3/AMRO	ASEAN+3 Macroeconomic Research Office	CRM	Compliance Risk Management
BOP-IIPx	Balance of Payments and International Investment Position Course	D4D	Data for Decisions Fund
BROC	Bank Resolution Online Course	DDT	Debt Dynamics Tool
CAPTAC-DR	Central America, Panama, and the Dominican Republic Technical Assistance Center	DDTx	Debt Dynamics Tool Course
CARTAC	Caribbean Regional Technical Assistance Center	DDUx	Public debt Dynamics Under Uncertainty Course
CBM	Central Bank of Myanmar	DGI	Cameroon Tax Administration
CBDC	Central Bank Digital Currencies	DMS	Debt Management Strategy
CCAMTAC	IMF Caucasus, Central Asia, and Mongolia Regional Capacity Development Center	DRMS	Uganda’s Domestic Resource Mobilization Strategy
CCCDI	IMF COVID-19 Crisis Capacity Development Initiative	EBF	Extra-Budgetary Funds
CD	Capacity Development	EFA	Externally Financed Appointee
		EMDEs	Emerging Market and Developing Economies
		EP	IMF Economist Program
		ESS	External Sector Statistics
		FAA	Framework Administered Account for Selected IMF Activities

ACRONYMS AND ABBREVIATIONS

FAD	IMF Fiscal Affairs Department	IGx-GOV	Inclusive Growth – Governance Course
FCS	Fragile and Conflict-Affected States	IGx-CC	Inclusive Growth – Climate Change Course
FDFlx	Financial Development and Financial Inclusion Course	IGx-LMGT	Inclusive Growth – Labor Markets, Gender, and Technology Course
FDMD	First Deputy Managing Director	IIE	Institute of International Education
FMIS	Financial Management Information System	IMF	International Monetary Fund
FPAS	Forecasting and Policy Analysis System	IPSAS	International Public Sector Accounting Standards
FPP.2x	Financial Programming and Policies Course, Part 2	IT	Information Technology
FX	Foreign Exchange	ITAS	Integrated Tax Administration Systems
FY	Fiscal Year (FY2022: May 1, 2021 to April 30, 2022)	JAA	Japan Administered Account for Selected IMF Activities
GDP	Gross Domestic Product	JSA	Japan Subaccount
GDSS	General Data Dissemination System	JICA	Japan International Cooperation Agency
GFS	Government Finance Statistics	JIMS	Japan-IMF Macroeconomic Seminar for Asia
GFSx	Government Finance Statistics Course	JISP	Japan-IMF Scholarship Program for Advanced Studies
GOCCs	Government-Owned and Controlled Corporations	JISPA	Japan-IMF Scholarship Program for Asia
GST	Goods and Services Tax	JISPA-CE	Japan-IMF Scholarship Program for Asia Continuing Education
HQ	IMF headquarters	KPLC	Kenya Power and Lighting Company
IA	Internal Audit	LEG	IMF Legal Department
ICD	IMF Institute for Capacity Development	LICs	Low-Income Countries
IG	Infrastructure Governance	LIC-DSFx	Debt Sustainability Framework for Low-Income Countries Course
IGx	Inclusive Growth Course	LIDCs	Low-Income Developing Countries
IGx-CI	Inclusive Growth on Concepts and Indicators Course	LTX	Long-term Expert/Advisor
IGx-FP	Inclusive Growth – Fiscal Policy Course		

ACRONYMS AND ABBREVIATIONS

MAC	Integrating Macro-financial Analysis in Macroeconomic Management	PFTAC	IMF Pacific Financial Technical Assistance Center
MCD	IMF Middle East and Central Asia Department	PIM	Public Investment Management
MCM	IMF Monitoring and Capital Markets Department	PIMA	Public Investment Management Assessment
MEF	Ministry of Economy and Finance	PNG	Papua New Guinea
MMCx	Macroeconomics of Climate Change Course	PSDS	Public Sector Debt Statistics
MoF	Ministry of Finance	RA	Resident Advisor
MoFEA	Ministry of Finance and Economic Affairs	RBM	Results Based Management
MoF/PRI	Japanese Ministry of Finance Policy Research Institute	RBS	Risk-based Supervision
MOOCs	Massive Open Online Courses	RCDCs	Regional Capacity Development Centers
MPAF	Monetary Policy Analysis and Forecasting	RFax	Revenue Forecasting and Administration
MSFP	Public Finance Statistical Manual	RMTF	Revenue Mobilization Thematic Fund
MTDS	Medium-term Debt Management Strategy	SARTTAC	IMF South Asia Regional Training and Technical Assistance Center
MTDS AT	Medium-Term Debt Management Strategy Analytical Tools	SBV	State Bank of Vietnam
NASx	National Accounts Statistics Course	SDDS	Special Data Dissemination Standard
NBC	National Bank of Cambodia	SDGs	Sustainable Development Goals
NSDP	National Summary Data Page	SDR	Special Drawing Right
OAP	IMF Regional Office for Asia and the Pacific	SFA	Selected Fund Activities
OBP	IMF Office of Budget and Planning	SIGFIP	Integrated Public Finance Management System
PAMPh	Policy Analysis Model for the Philippines	SOE	State-Owned Enterprise
PFM	Public Financial Management	SPR	IMF Strategy, Policy, & Review Department
PEFA	Public Expenditure and Financial Accountability	SREP	Supervisory Review and Evaluation Process
		SSA	Sub-Saharan Africa

ACRONYMS AND ABBREVIATIONS

STI	IMF-Singapore Regional Training Institute
STX	Short-term Advisor
TA	Technical Assistance
TADAT	Tax Administration Diagnostic Assessment Tool
TOFE	Government Financial Operations Table
TSA	Treasury Single Account
URA	Uganda Revenue Authority
VST	Vietnam State Treasury
VITARA	Virtual Training to Advance Revenue Administration module
WAEMU	West African Economic and Monetary Union

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MESSAGE FROM THE JAPANESE GOVERNMENT

More than two years have passed since the outbreak of the COVID-19 pandemic, and we now witness some signs that social and economic activities are beginning to recover in various areas. We are glad to see the cautious but gradual resumption of travelling and face to face delivery in the International Monetary Fund (IMF) Capacity Development (CD).

Member countries around the globe are still facing difficult challenges. Policy buffers have narrowed due to the extraordinary policy support taken in response to the pandemic in many countries. In addition, Russia's war against Ukraine is further exacerbating macroeconomic difficulties along with elevated food and energy prices, which aggravate challenges for countries to normalize policy measures and to address structural challenges for long-term growth.

In this context, the provision of agile, flexible, and tailored IMF CD to member countries in need remain undoubtedly important. CDs for public financial management and debt management promote better prioritization of policies and effective management of available fiscal space for sustainable growth. Furthermore, structural and transformational agendas such as digitalization and climate change cannot be left unaddressed. IMF's CD can also provide crucial supports for countries in addressing these new issues.

Against this background, Japan established the Digital Money Window under the Japan Subaccount (JSA) this year. This window supports the IMF in delivering CDs in the area of digital money, including Central Bank Digital Currencies (CBDC). Moreover, it supports the IMF's analytical works on digital money with an aim to further improving the IMF's CD modalities.

As the longest-standing partner in the IMF's CD efforts, the Government of Japan continues to support the IMF's CD activities going forward. We also look forward to further collaboration with the IMF under the Japanese G7 Presidency in 2023.

Daisaku Kihara

*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 IMF CD efforts, with \$790 million in funding to date, including the most recent contribution of \$15 million to support IMF CD on CBDCs. In fiscal year 2022 (FY2022), the Government of Japan financed a large portfolio of 25 bilateral programs. In the past three years (FY2020-FY22), Japan has been the largest partner to IMF CD, responsible for about a quarter 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

(AML/CFT); the Tax Administration Diagnostic Assessment Tool (TADAT); the Revenue Mobilization Thematic Fund (RMTF); the Data for Decisions (D4D) Fund, and the COVID-19 Crisis Capacity Development Initiative (CCCDI)¹. The IMF-Japan partnership has also expanded in recent years to include support for IMF online courses, many of which are free and available to the public; and CD programs are also implemented through the IMF Capacity Development Office in Thailand (CDOT) and the IMF - Singapore Regional Training Institute (STI).

In addition, Japan supports two scholarship programs: the Japan-IMF Scholarship Program for Asia (JISPA), and the Japan-IMF Scholarship Program for Advanced Studies (JISP), as well as the IMF Regional Office for Asia and the Pacific (OAP). 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.

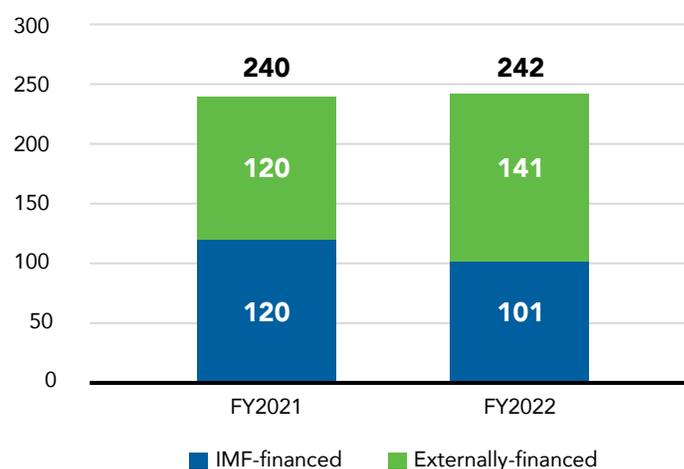
¹ Funds to support this initiative are managed through the JSA.

INTRODUCTION AND BACKGROUND

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

As a core mandate of the IMF, overall, CD represented about a quarter of Fund outputs in FY2022. Although internal resources finance a considerable amount of it, contributions from external partners have grown steadily in recent years to allow the IMF to respond effectively to rising demand. In FY2022, the externally funded component amounted to \$141 million in FY2022, constituting 58 percent of total CD spending (Figure 1). CD 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 (RCDCs), thematic funds focused on development priorities, and bilateral projects.

FIGURE 1. SPENDING ON CD, FY2021-22
(In millions of U.S. dollars)



Source: Staff estimates based on interim cost estimate methodology.

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 CD—comprised of hands-on TA and training—to central banks, finance ministries, tax authorities, and other economic institutions ([IMF.org/CapDev](https://www.imf.org/CapDev)).

IMF CD helps countries raise public revenues, modernize banking systems, develop strong legal frameworks, improve governance, and transform their economies in key areas such as gender and inclusiveness, poverty, digitalization and climate change. These CD efforts help countries achieve their growth and development objectives, including the SDGs.

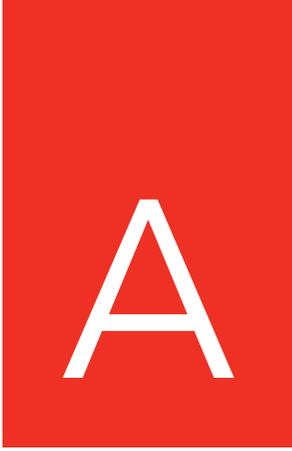
IMF CD is delivered to countries through remote and in-person visits; in-country placements of long-term Resident Advisors (RA); a network of regional CD centers; virtual and face-to-face training; and free online learning courses. In response to the COVID-19 pandemic crisis, IMF CD had to quickly adjust and transition to a virtual format. Immediate and real-time policy advice and CD were provided virtually to around 180 countries on topics ranging from debt sustainability frameworks and fiscal transparency to direct cash transfers and fiscal policy for inclusive growth. CD tackled countries' immediate needs as they steered their economies through the crisis and progressively moved from crisis to recovery.

Despite connectivity limitations, most of these virtual engagements were in Fragile and Conflict-Affected States (FCS), low-income countries (LICs), and small states. IMF online learning continued to grow at rapid pace during the pandemic, with now more than 130,000 active learners. During FY2022, two RCDCs—the IMF Caribbean Regional Technical Assistance Center (CARTAC) and the first of the IMF's six RCDCs in Africa, Africa Regional Technical Assistance (AFRITAC) East—celebrated their twentieth anniversaries.

The surge in demand for CD support will continue, and an integrated approach provides the foundations countries need for a strong and sustainable recovery. To help meet this surge, the IMF launched the CCCDI in 2019 and raised about \$40 million so far. As of the end of FY2022, CCCDI has been supporting over 40 projects on issues such as debt management in Africa, fiscal risks in southeast Asia, gender-based budgeting in Central America and Africa, and tax and customs administration in the Middle-East and Africa.

In-person TA and training activities have partly resumed in FY2022. The IMF will continue to leverage virtual, hybrid, and in-person CD activities to maximize its impact. In the context of the new IMF strategy on FCS adopted during FY2022, the IMF will also step up its field presence in FCS to offer more tailored, locally-delivered CD to these countries.

JAPAN-IMF
PARTNERSHIP
ON CAPACITY
DEVELOPMENT

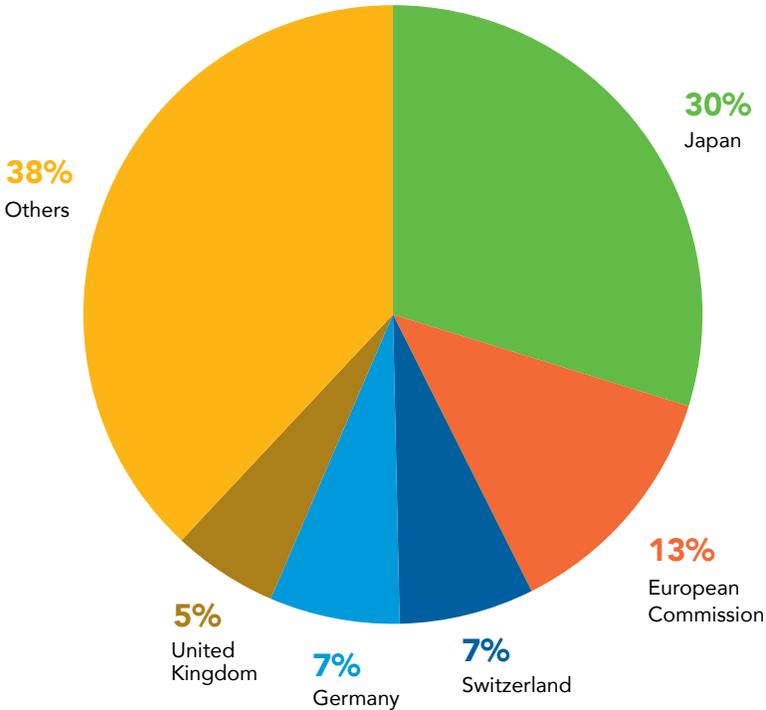


JAPAN'S CONTRIBUTIONS

The vehicle for the Government of Japan's support to the IMF's CD operations is the JSA of the Framework Administered Account for Selected Fund Activities (SFA). Its contributions to the IMF since FY1990 total \$790 million, of which about \$648 million has provided support for IMF CD projects, \$43 million for activities OAP, and \$98 million for the JISPA and JISP (Table 1 and Figure 3). In the period FY2017-22, Japan alone was responsible for almost 30 percent of external financing for IMF CD (Figure 2).

In FY2022, Japan contributed \$54 million to support a portfolio of 25 bilateral programs¹ and the CCCDI. Japan established a new window under the JSA in support of IMF CD on Digital Money and CDBC. Japan also contributed to the D4D Fund², the TADAT, and the AML/CFT Fund.³ Contributions also support the OAP and to two scholarships programs.

FIGURE 2. EXTERNAL PARTNER CONTRIBUTIONS FOR CAPACITY DEVELOPMENT, FY2017-22¹



Source: Capacity Development Information Management System (CDIMS).

¹ Excludes in-kind contributions. Funds received during FY2017-22, not adjusted for Regional Training Centers cost recovered directly.

¹ Appendix 1 presents a summary of all JSA programs.
² Transfer to D4D occurred in early FY2023.
³ Details on Japan's participation in multi-partner initiatives in Table 2. Additional funding was provided towards the end of the fiscal year to support future projects starting in FY2024.

TABLE 1. CONTRIBUTIONS BY JAPAN, FY1990-2022

(In millions of U.S. dollars)

	FY1990-2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	Total FY1990-2022
Japan's Contributions¹	558.4	28.9	33.7	30.4	33.7	44.3	59.4	788.9
<i>of which</i>								
Capacity Development²	449.9	23.8	27.9	25.5	28.6	38.3	53.8	647.9
<i>of which, COVID-19 Initiative Window</i>	-	-	-	-	-	10.0	-	10.0
<i>Digital Money Window</i>	-	-	-	-	-	-	15.0	15.0
Regional Office for Asia and the Pacific	30.8	1.7	2.1	2.0	2.1	2.2	2.1	43.1
Scholarships	77.6	3.4	3.7	2.9	3.0	3.8	3.5	97.8
The Japan-IMF Scholarship Program for Asia	51.2	2.5	2.8	2.4	2.4	3.0	2.8	67.1
Japan-IMF Scholarship Program for Advanced Studies	26.4	0.9	0.8	0.5	0.6	0.8	0.7	30.7

Source: Institute for Capacity Development, IMF.

¹ Until FY2010, contributions to the JSA and the JISP 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 JSA under the IMF Framework Administered Account for SFA. The JAA and the FAA accounts are closed, with the remaining funds transferred under JSA under SFA.

² Includes \$154,603 transferred to finance the operations of the Office of the Executive Director for Japan in FY2011, and \$324,344 transferred to Strategy, Policy, & Review Department (SPR) and OBP to cover expenses in support to Japan's Group of Twenty (G20) Presidency in FY2019-20..

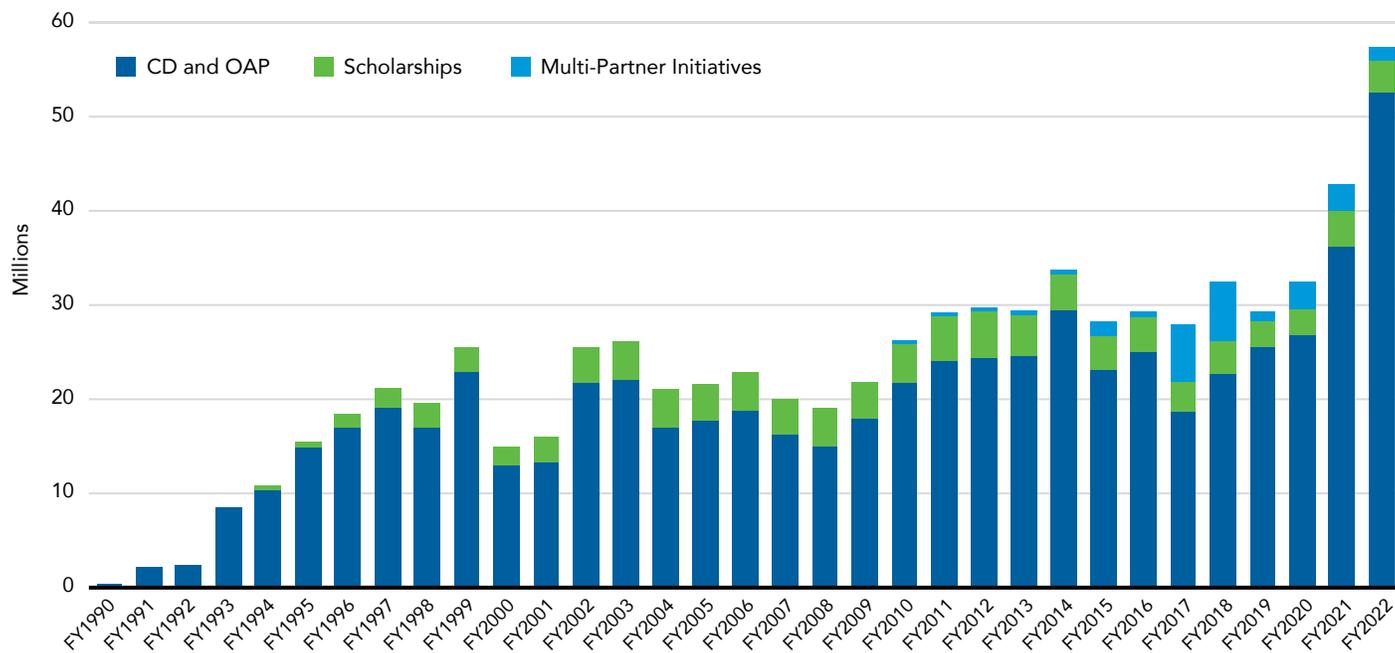
TABLE 2. JAPAN'S PARTICIPATION IN IMF CD MULTI-PARTNER THEMATIC VEHICLES

(In millions of U.S. dollars)

FY2022 Contributions to Multi-Partner Vehicles¹	1.4
Anti-Money Laundering and Combating the Financing of Terrorism Subaccount (AML/CFT) - Phase III	0.4
Externally Financed Appointee Subaccount (EFA) - Cohort III	0.5
Tax Administration Diagnostic Assessment Tool Subaccount (TADAT) - Phase II	0.5

¹ Japan also participates in the joint IMF-World Bank Debt Management Facility (DMF) with a \$0.5 million contribution through the World Bank. (IMF portion of total contribution).

FIGURE 3. JAPAN ANNUAL CONTRIBUTIONS TO CAPACITY DEVELOPMENT BY ACTIVITY, FY1990-2022¹



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 FY2011, and \$324,344 transferred to SPR and OBP to cover expenses in support to Japan's G20 Presidency in FY2019-20.

Box 1. Mongolia TA Project to Build Public Debt Analysis Capacity

A seamless integration of training and TA, the leverage of the IMF’s resident representative, the use of a tool adapted to the absorptive capacity of the counterparty team in a virtual environment, and a well-structured CD delivery, resulted in a successful strengthening of the Mongolia’s Ministry of Finance (MoF) analytical skills for better public debt forecasting and analysis that fed into the policy making process. Moreover, the project was delivered virtually amidst a strong COVID-19 wave in Mongolia, in a record time (less than 6 months), with only one 2-week mission and additional virtual short engagements.

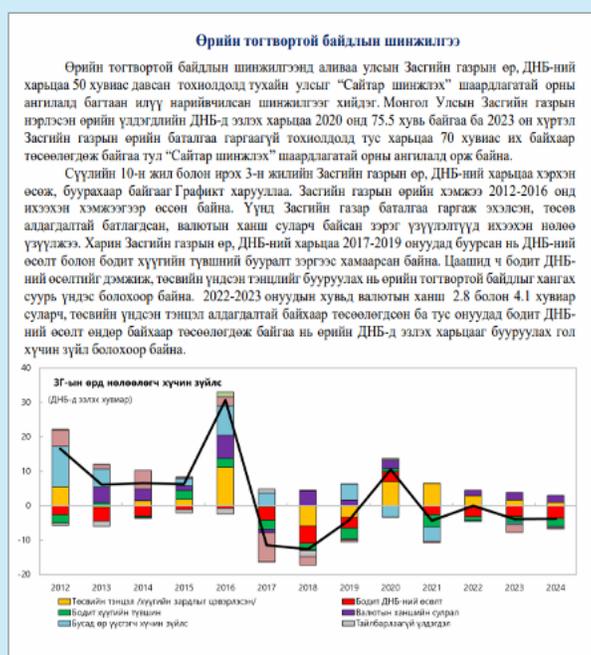
The analysis of public debt is at the center of policy work in Mongolia. In early 2017, when public debt was close to 90 percent of Gross Domestic Product (GDP), Mongolia engaged in an IMF-supported program which set the economy on a recovery path that ended with the shock caused by the COVID-19 pandemic in 2020. While a strong recovery took place in 2021, fiscal, financial, and external buffers remained low vis-à-vis Mongolia’s still high public debt and vulnerability to shocks.

To reinforce Mongolia’s public debt forecasting and analysis capacity, the MoF engaged the TA of the Institute for Capacity Development (ICD), based on customizing and implementing the Debt Dynamics Tool (DDT). The main objective of this TA was to build stronger analytical skills that feed into the policy making process. In particular, the project aimed at: i) helping officials learn how to use the DDT; ii) customizing the DDT to Mongolia; iii) incorporating the use of DDT’s output to the budget process of the Mongolia MoF.

The project started with a virtual interactive training in which a core group of Mongolian officials, mainly from the Debt Management Unit, learned how to use the DDT using Mongolian data. It built on the human capacity accumulated through a previous IMF Caucasus, Central Asia, and Mongolia Regional Capacity Development Center (CCAMTAC) DDT course attended by two officers from this unit. A core group of officials, with the guidance from the TA mission, was able to perform a forecast and analysis of public debt projections over the long-term during the training. After the course, in remote consultation with the mission, the core group continued customizing the DDT and used it to prepare a debt report to inform their budget process. The report was published as an appendix to the budget document that was sent to Congress for approval (Figure 4).

Three key aspects contributed to the success of this TA. First, the DDT is very easy to use, making it an ideal tool for virtual CD delivery. Furthermore, the DDT requires only ten macro-fiscal variables to generate debt projections. Second, the initial training was open to a significant number of participants who could constitute a critical mass to trigger changes inside the MoF. Third, the TA was closely coordinated and delivered with the IMF Asia and Pacific Department (APD). The IMF resident representative in Mongolia, Mr. Seok Hyung, liaised permanently between ICD’s team and the Mongolian officials during this extremely complex period. Despite the initial challenges, all the objectives were fulfilled.

FIGURE 4: APPENDIX TO THE MONGOLIAN BUDGET DOCUMENT: DEBT REPORT USING THE DDT



Box 2. Strengthening Public Investment Management (PIM) in Costa Rica for a Resilient and Sustainable Future

Public investment in Costa Rica plays an important role in facilitating economic and social development and promoting higher, greener, and more inclusive growth. To improve the planning, allocation, and implementation of public investment, at the government's request, the IMF Fiscal Affairs Department (FAD) team conducted a Public Investment Management Assessment (PIMA) including the new Climate Module (C-PIMA), in November–December 2021.

The PIMA found that the most significant areas of weakness were in budgeting and project execution. Multi-year budgeting is an area with substantial shortcomings, mostly due to the absence of information on i) medium-term spending envelopes, ii) ongoing and new projects, and iii) a reliable aggregate of total cost of projects. Additionally, there is no standardized methodology for assessing routine and capital maintenance needs and required funding. Weakness in project appraisal combined with poor project implementation and weak portfolio oversight contributes to cost overruns, delays, and poor-quality infrastructure. These issues reflect the high level of fragmentation of the public sector and the existence of different PIM practices and approaches.

Climate risks and natural disasters also pose major threats to Costa Rica's public infrastructure and there is considerable scope to strengthen climate-responsive public investment.

Detailed recommendations based on the findings of the PIMA and the C-PIMA were included in a sequenced action plan provided to the government. The government has already reacted and taken initial steps to address the shortcomings identified by the assessment, including: i) developing criteria for the identification and ranking of projects to help prioritize budget funded projects, and ii) further detailing the project appraisal process.

Costa Rica's PIMA represents a good example of integration of CD in Fund's surveillance and lending. The PIMA contributed extensively to this coordination effort to ensure CD is consistently integrated in the authorities' reform priorities and effectively supports the ongoing Costa Rica Extended Fund Facility-supported program.



A photograph from the IMF's infrastructure governance (IG) page for Costa Rica

<https://infrastructuregovern.imf.org/content/PIMA/Home/Region-and-Country-Information/Countries/Costa-Rica.html>

Box 3. STI TA in Cambodia and the Solomon Islands

An STI-led team successfully completed a project with Cambodia’s Ministry of Economy and Finance (MEF) to integrate macro-financial analysis into macroeconomic management of the ministry. The team guided the MEF staff to develop the Cambodia Macro-Fiscal Model (CAMFI) and formulated several policy-relevant macroeconomic scenarios. The framework will be used for budget-related macroeconomic simulations and the annually-prepared Medium-Term Fiscal Framework. The final visit under this project was in January 2022 and the Cambodian authorities expressed great satisfaction at receiving the first in-person IMF mission in almost two years.

STI has contributed to the multi-year Forecasting and Policy Analysis System (FPAS) TA project with the Central Bank of Solomon Islands, a fragile state. It aims to improve economic analysis and forecasting capabilities, streamline the decision-making process, and strengthen the bank’s communication strategy. The project is divided into two streams, the first aiming at improving the analytical and forecasting capabilities, and the second at building the Quarterly Projection Model. Since August 2021, the team has conducted three virtual missions—a scoping mission for the whole project and two training missions. The team has also prepared a database for economic analysis and nowcasting models applied to Solomon Islands data that will be eventually used in the Quarterly Projection Model.



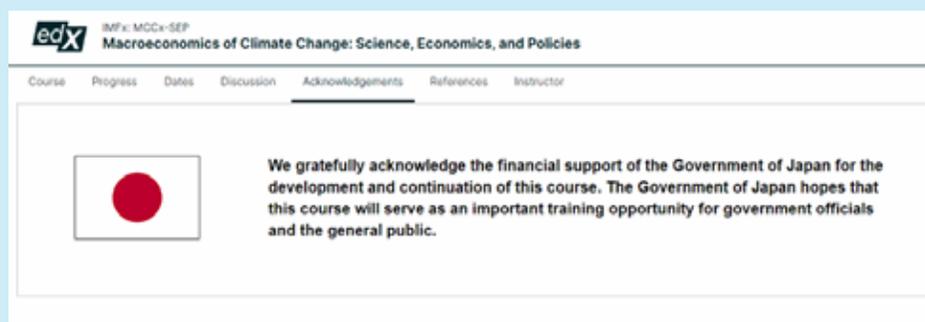
STI’s mission to the Cambodian Ministry of Economy and Finance

Box 4. The New Online Series on the Macroeconomics of Climate Change

The first module of the new series of IMF online courses on [Macroeconomics of Climate Change](#), financed with the support of the Government of Japan, was launched on April 6, 2022. The series is the culmination of a year’s work by a large team of economists and technical experts from across the IMF. The inaugural run is being offered as a series of six modular Massive Open Online Courses (MOOCs), freely available to government officials and the general public, and was supported by an advanced marketing and communications plan.

The course was the main focus of the “[Peek-into-Training](#)” event broadcast live during the 2022 Spring Meetings on ICD platforms such as LinkedIn, YouTube, Facebook, and Twitter. The event was introduced by the First Deputy Managing Director (FDMD) Gita Gopinath and engaged the audience in interactive polls, a live lecture and video clips showcasing the course. The event registered over 28,000 views across the platforms, while FDMD’s address registered over 55,000 views. At launch, over 1,600 members of the general public and over 700 government officials have registered for the first module of the course, entitled “Macroeconomics of Climate Change: Science, Economics, and Policies,” with over 700 successfully completing it. The [promotional video](#) has so far received 87,000 views.

Five more modules, with the overarching goal of providing participants a framework to understand issues at the intersection of macroeconomics and climate change, will be rolled out during the summer and fall of 2022. These will follow the first module introducing the science, economics, and policies surrounding climate change, by covering the areas of mitigation strategies, transitioning to net-zero emissions, adaptation, climate risks for the financial sector, and green public financing. In addition, the course is also being used to providing IMF staff with fundamental tools to conduct macro-climate analysis and engage in policy dialogue with member countries.



Box 5. Remote Workshop on External Debt Statistics

A five-day remote regional training workshop on ***External Debt Statistics: Recent Developments, Methodology, and Compilation Challenges*** was delivered by the IMF in October 2021. With debt levels on the rise, reflecting fiscal stimulus measures in response to the pandemic and slowing economic growth, the workshop addressed urgent needs for better debt data. The objective was to ensure accurate and methodologically sound measurement of debt, including various debt relief initiatives and new concessional lending arrangements.

The training was attended by 30 participants from all eight countries¹ participating in the External Sector Statistics (ESS) Capacity project in CDOT. To address internet connectivity problems in official offices, several countries rented private conference rooms (e.g., at a business hotel) where their participants could attend the training. Staff from the IMF's Resident Representative offices of Cambodia and Lao P.D.R., the World Bank, and SPR also contributed to the delivery of the training workshop. This contributed to ensuring that statistical work was well integrated with the analytical demands in support of sound debt policy.

Participants' comments in the course evaluation survey were particularly appreciative of the interactive nature of the workshop with moderators providing hands-on case studies for small groups of participants in breakout rooms. The course also provided ample time for participants to express their views and ask questions, which also offered peer-learning opportunities. Participants also appreciated that the topic of the training was narrowly defined on areas that are of particular relevance for country authorities right now and, consequently, closely linked to current practical challenges. As a reflection of the high quality and relevance of this training, four countries requested additional in-country training on specific external debt issues, in particular the accrual accounting and debt reorganization transactions. While two requests have already been met by remote TA (Samoa and Tonga), the remaining requests will be addressed over coming months (Vietnam and Lao P.D.R), following guidance by the authorities on mission timing.

¹ The countries include Cambodia, Lao P.D.R, Vietnam, Nauru, Papua New Guinea (PNG), Samoa, Timor-Leste, and Tonga

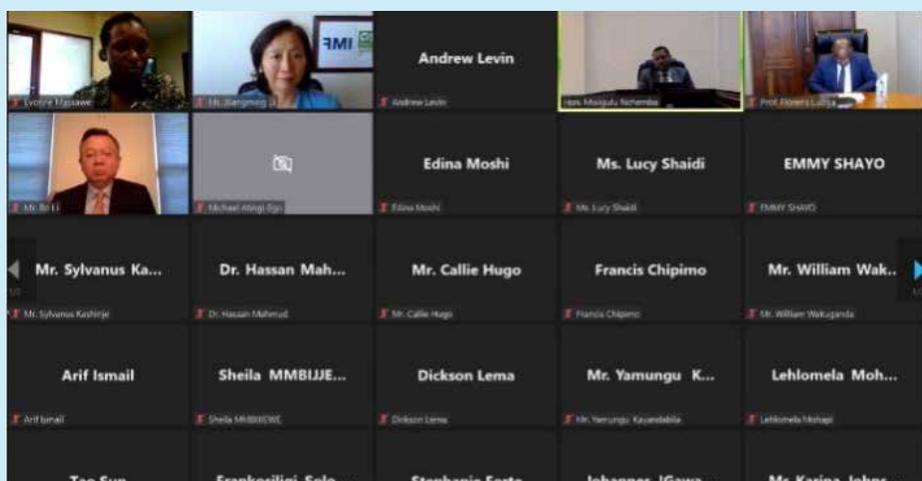
Box 6. Peer Learning and Experience Sharing on CBDCs in East Africa, Central America, and the Caribbean

As the payment landscape is evolving at a rapid pace and the resulting digital divide is exacerbated by the COVID-19 pandemic, central banks are striving to remain relevant by expediting research on the feasibility of issuing a retail CBDC. To help its member countries to face the challenge, the IMF provides TA and training to share country experiences and to gain better understanding what might work and what pitfalls to avoid, bearing in mind that the decision to issue a CBDC is a sovereign choice since 2020. With the same goal in mind, the IMF has organized three virtual regional conferences under the JSA COVID-19 Window since December 2021:

- Central American regional conference on digital payments and CBDC for central banks members of the Central American Monetary Council, the superintendency of banks of Panama, the Central Bank of Paraguay, and the Central Bank of Bolivia. February 7-11, 2022.
- Sub-Saharan Africa (SSA) regional conference on CBDCs and crypto assets as a part of an event series celebrating the twentieth Anniversary of AFRITAC East, co-organized by the Bank of Tanzania and the IMF. April 5-6, 2022.
- Caribbean regional conference . May 12-13, 2022.

More than 400 participants, including central bank governors, board members, and high-level staff from all relevant departments as well as Ministries of Finance participated in these conferences. The peer learning included presentations from the IMF and Bank for International Settlement (BIS) and from the country authorities that have either issued a CBDC or have advanced in conducting pilots as well as interactive Questions & Answer sessions. Discussions evolved around insights on adopting agile project management approaches, having the right skills and capacity within central banks, and dedicating sufficient attention to private sector incentives to create solutions and promote adoption.

The peer learning received positive feedback. For instance, the average satisfaction of participants of the Central American conference was 4.7 (out of 5) and 77 percent gave the maximum grade to the event. In their feedback, participants noted that the events enhanced their technical understanding about CBDC. They further concurred that CBDC could reduce incentives for adopting crypto assets and support public policy objectives, including efficiency and stability of the payment systems and minimizing the adverse impact of CBDC on monetary policy transmission and financial stability. In addition, the broad scope and diverse audience allowed the IMF to build foundations for potential further TA. Given the high appreciation and strong interest from the participants for it to continue, the IMF plans to organize with JSA support more regional peer learning events.



AFRITAC East and SSA Regional Conference on CBDCs and crypto assets, April 2022, participants included Prof. Frorens Luoga, Governor, the Bank of Tanzania; Dr. Mwigulu Nchemba, Minister of Finance and Planning, Tanzania; Dr. Bo Li, Deputy Managing Director, IMF; Ms. Xiangming Li, Director, IMF AFRITAC East; and Ms. Evonne Massawe, IMF AFRITAC East

Box 7. Developing a Modernization Agenda for the Vietnam State Treasury

In Vietnam, the authorities have been working tirelessly to develop a new modernization agenda for the Vietnam State Treasury (VST). Excitingly, the ambitious agenda known as the 'State Treasury Development Strategy 2021-2030' was recently approved by the Prime Minister in April 2022. The strategy sets the scene for reforms in Vietnam over the next ten-year period to 2030 and strives to transform the VST into a modern state treasury with a modern management and governance model, supported by strong Public Financial Management (PFM) systems that ensure state resources are allocated efficiently for the benefit of all citizens.

Building on successive PFM reforms in Vietnam in recent years, FAD began working with the VST on the new and ambitious reform agenda in mid-2019. To begin, a team of experts from FAD headquarters undertook one of the last in-person missions pre-COVID-19, to assess the effectiveness of recent reforms, recalibrate reform priorities, and develop a vision for the next 10-year period. The team proposed reform activities across a wide range of areas including further developing Financial Management Information System (FMIS), strengthening cash management and cashflow forecasting, transparent and timely fiscal reporting, establishing an internal audit (IA) function and improving the chart of accounts (CoA).

These reform recommendations were designed to suggest a pathway for the VST to fully develop itself into a modern treasury. The VST aspires to develop itself by the year 2030 into a modern treasury managing the execution of the budget with robust controls, collecting revenues and processing payments efficiently, aided by sound cash planning and management, and serving the divergent information needs of its stakeholders in a timely manner. It aims to use the efficiency gains to restructure itself into a leaner professional organization that excels in providing a range of PFM value-added services to its clients.

The IMF Regional PFM advisor, based at CDOT, has worked hand-in-glove with the authorities to implement these recommendations through peripatetic support on treasury management—covering budget execution, cash management, government accounting, and IA—under a medium-term work program agreed with the authorities. The IMF Regional PFM advisor provided support remotely from Bangkok and was supported by an additional advisor on the ground in Hanoi to help navigate the pandemic period. Efforts in this program have provided a firm foundation for the development of the new 2030 strategy. The IMF support remains ongoing in these work stream areas.

Box 8. Malaysia's Adoption of Accrual Accounting

The accrual accounting system provides policymakers with access to accurate and complete information for balance sheet and fiscal sustainability analysis. With continued assistance from the Japan-funded Government Finance Statistics (GFS) project, Malaysia has successfully implemented the accrual accounting system that captures the full scope of government transactions in cash and non-cash such as accounts receivables and payables and arrears in revenues and expenditures, and interest and debt obligations. The system also accounts for all transactions in assets and liabilities. As a result, Malaysia's source data for balance sheet analysis are now reliable: all transactions are correctly valued and accrued to stocks, allowing meaningful computation of stock positions and creation of multiple statements and balance sheets. The enhanced balance sheet data, in turn, serves as a critical input for a more comprehensive analysis of the sustainability of government financial policy.

Implementing public sector accrual-accounting reforms has been particularly challenging. The Malaysian authorities have spent more than a decade to introduce such reforms at the federal government level; the fact that they completed it during the pandemic underlines their strong commitment to this goal. It started with a proof-of-concept to develop a set of tables including balance sheet information, followed by resolution of identified statistical discrepancies. With successful completion of the reforms, the GFS team in the MoF is now able to prepare different fiscal reports (budgeting, financial statements, and fiscal statistics) directly from the system and meet the needs of different data users. These newly available data will significantly enhance the evidence-based fiscal policy analysis for Malaysia, including fiscal risk assessments.

The next steps are to finalize and launch the accrual accounting system officially for the federal government; this is planned to take place at the end-2022. In addition, the authorities decided to widen coverage beyond the budgetary central government (CG). Annual GFS surveys have been launched to include major extrabudgetary funds and social security funds into the accrual system, with the objective of having general government and public sector accrual data available over the next three years. The authorities requested continued CD support for this objective so that Malaysia will be able to disseminate accruals-based GFS for general government (including balance sheets) and for the nonfinancial public sector.

Box 9. IMF Online Learning 360–What’s in There for You?

The growing global impact of the strategic IMF-JSA partnership on online learning came into focus at the “[Online Learning 360](#)” live event during the 2021 Annual Meetings. Presented as an interactive discussion of the present and future of IMF online learning, the event attracted over 78,000 views across the IMF’s broadcasting platforms, while the original edition of the [Online Learning 360 promo video](#) published in October 2021 had over 86,000 views. The event and associated promotional materials have put particular emphasis on the support received from the Government of Japan in scaling up and transforming the online learning program of the IMF.

Highlighting the impact of online learning on the global community of learners, which has now reached over 140,000 active participants among government officials and members of the general public, the event featured video testimonials and interviews that examined the possibilities of online learning from several diverse perspectives. Government officials from Morocco, Georgia, and the Democratic Republic of Congo, as well as the Deputy Governor of the Bank of Ghana, shared their experience in applying the knowledge received through the IMF online courses in their daily jobs for better policymaking in their countries. Fund experts explained how the highly collaborative nature of online course development and delivery and partnerships with other institutions bring together diverse expertise and real-world experiences to help the global audience, regardless of affiliation, play a role in supporting a more inclusive and sustainable global economy. Finally, the event was an opportunity to take questions live from the audience reflecting its diverse interests and to present different avenues available to the viewers to start their learning journey with the IMF.



[Online Learning 360](#) live event during the 2021 Annual Meetings.

Box 10. Strengthening Bank Supervision in Cambodia

The three-year Monitoring and Capital Markets Department (MCM) TA project helped cement the foundation for an effective risk-based supervision (RBS) in Cambodia. This was achieved by revamping the organizational structure of the supervision department at the National Bank of Cambodia (NBC), enhancing dedicated tools for assessing banks, and updating the solvency framework in line with the Basel III standard.

NEW ORGANIZATIONAL STRUCTURE FACILITATES RBS:

The NBC's supervisory structure was re-organized to facilitate an effective risk-based approach to supervision. The main feature of the re-organization was the establishment of three new supervision departments in charge of respectively deposit-taking financial institutions, non-deposit taking financial institutions, and data management. Both departments covering supervision of financial institutions conduct now off-site as well as on-site supervision.

NEW SUPERVISORY TOOLS:

A new methodology for the Supervisory Review and Evaluation Process (SREP) of financial institutions was developed in line with the risk-based approach to supervision. A guidance book was prepared describing each component of SREP: Business model, Internal governance and risk management, Credit Risk, Liquidity Risk, and Overall scoring. Training of the supervisors for effective implementation of the new methods is ongoing.

NEW BANK REGULATIONS:

The regulations on bank capital and solvency ratio (including credit risk, operational risk, and market risk) have been upgraded. This was done with the assistance of several short-term remote missions of IMF experts which interacted with the dedicated working groups from NBC. The missions reviewed draft regulations and made suggestions to enhance their quality.



Mr. Rath Sovannorak (Director General Banking Supervision, NBC) and Mr. Didier Debals (MCM RA), in the front center, and key counterparts from the NBC's Banking Supervision Directorate; May 12, 2022.

Box 11. Seminar on Budget Classification in Madagascar

Public spending monitoring and fiscal reporting are recurring issues in Madagascar. To help address these issues, a seminar was organized in Antananarivo from March 21-25, 2022, to support the MoF in its modernization efforts to enhance budget classification in the context of a PFM CD project for Madagascar and Comoros.

The MoF has experienced difficulties in monitoring budget execution and preparing fiscal execution reports for several years. The COVID-19 pandemic and the need for accountability regarding development partners highlighted these difficulties, especially in the social sector. Minimum social spending is also a commitment under the ongoing IMF-supported program. In this context, the modernization of budget classification, largely outdated and inconsistent with international standards and good practices, was identified as a critical step.

The seminar was organized by the IMF's RA in collaboration with the MoF. It gathered the main stakeholders from the MoF (Budget, Treasury, Reform Coordination, and Financial Control departments), the National Statistical Institute, the High Council of Accounting, and some line ministries. Following a diagnosis of the main weaknesses and presentations on international standards and good practices, the seminar helped identify the necessary changes to be implemented to the current budget classification structure, such as: (i) the addition of segments such as the functional classification segment compliant with Classification of Outlays by Functions of Government (COFOG) standards or an additional segment to follow-up on cross-cutting strategic or sensitive spending (e.g. COVID-19); (ii) the need to update the economic classification segment to comply with the standards deriving from the Public Finance Statistics Manual (MSFP) 2014; and (iii) the revision of the administrative classification segment to streamline information and avoid redundancies. Due to heavy implications for budget preparation and execution and the need to perform pilot exercises to ensure feasibility of budget operations and comprehensiveness of budget information under the new structure, the participants targeted 2026 for the full completion of those changes.

The seminar produced a detailed action plan to achieve the 2026 goal. This document also identifies responsibilities, collaboration, and cross-cutting activities (for instance, establishment of a committee to oversee the reform, necessary updates on legal and regulatory frameworks, need for training and CD, etc.). This action plan received a high-level validation, and a communication was prepared for the Council of Ministers. The implementation of the first activities is currently in progress with the introduction of functional classification, expected to be used for reporting on 2022 budget outturn and for the preparation of the 2023 budget.



Pictures from the seminar on the modernization of budget classification in Madagascar (March 21-25, 2022, Radisson Hotel, Antananarivo). Photos: courtesy of the MoF's Department of Communication.



Opening ceremony in the presence of the Minister of Finance, the Ambassador of Japan, the General Director of Accounting and Treasury, and the General Director of for Finance and General Affairs (upper-left); billboard with the name of the seminar and pictures of participants.

Box 12. Palau Implements the Enhanced General Data Dissemination System and Launches a Data Portal

The Republic of Palau, a small Pacific Island state of 20,000 people, is regularly engaged with development partners in the area of macroeconomic statistics. Improving coverage and timeliness of key macroeconomic data has been one of its policy objectives. In this context, the government sought the implementation of the Enhanced General Data Dissemination System (e-GDDS) as a key performance measure to ensure that essential macroeconomic data are produced and published in line with international standards and recommendations set by the IMF Data Standards Initiatives.

A remote IMF CD mission took place in January 2022 to work with staff of Palau's MoF and the Financial Institutions Commission of Palau, supporting them in implementing the e-GDDS. There were two key challenges related to the resource availability on the part of the authorities. First, Palau has very limited staff and resources to produce macroeconomic statistics. In addition, as an economy heavily reliant on tourism and foreign grants, Palau was severely impacted by the COVID-19 pandemic, requiring the authorities' efforts to focus on policy response to the pandemic.

Anticipating potential staffing constraints, the IMF's Statistics Department (STA) staff, in preparation for the mission, identified the key counterparts in each data producing agency to explain the objectives of the mission and plans to achieve them. This aligned the authorities' expectations across agencies with the mission objectives and allayed their concerns regarding the workload. Setting the expectations of the authorities in advance, especially on the training they would receive from STA, ensured that the right staff attended each meeting. STA staff took additional steps to enhance the provision of tools and planning for more personalized training.

During the mission, the authorities and IMF staff identified the relevant data categories for dissemination on Palau's National Summary Data Page (NSDP). IMF staff trained the authorities in maintaining the NSDP and assisted them to update Palau's metadata (the first time since 2013). The available resources were stretched even further when COVID-19 cases started rising in Palau immediately after the start of the mission. STA staff adapted to the changing conditions by flexibly managing the mission schedule and spreading the engagement over more days. In addition to the technical training, staff explained to the authorities how to use the NSDP in their engagement with development partners to seek support to close data gaps. Flexibility of the data dissemination framework to reflect country-specific circumstances was also important in ensuring that e-GDDS can be implemented in a country like Palau which does not have a central bank.

With the authorities' commitment and the mission's support, and thanks to the JSA funding, the project was successfully completed. The authorities launched the [NSDP](#) on February 18, 2022, making Palau the 69th participant in the e-GDDS with NSDP. This was a major milestone in Palau's statistical development. According to the authorities, the implementation of the e-GDDS and establishment of the NSDP would not only improve data accessibility, but also help identify key statistical CD needs going forward.

Box 13. Peer Learning and Expert Experience Sharing on Monetary Policy Implementation CDOT and SARTTAC Member-Countries and the Philippines

The regional course on monetary policy implementation was jointly organized by the CDOT and the South Asia Regional Training and Technical Assistance Center (SARTTAC)¹ monetary and Foreign Exchange (FX) operations RA from August 2021 to April 2022. It showcased growing collaboration and synergies between the two RCDCs in Asia Pacific region. The course was open to all central banks of the two RCDC member countries plus the Philippines.

The course focused on four topics: Interest rate corridor, August 2021; Liquidity monitoring and forecasting, October 2021; Central bank collateral framework, January 2022; and Emergency Liquidity Assistance, April 2022. Each segment included key topical lectures, country cases, and panel discussions.

Sixty to eighty central banks participated in each topic-segment. The course was well received with survey results scored high on its main objective—to share knowledge and experiences on the topics under the segment. In their comments, participants also valued the mix of lectures with country presentations. Many participants appreciated the direct relevance of the course topics to their day-to-day work in their central bank. Furthermore, they commended the ample time dedicated for questions and answers by both the experts and the country case presenters.

The high and diverse participation across member central banks allowed the RA to achieve their secondary objective under the course—to ensure an ongoing engagement with all central banks in the remote environment. Last but not least, the course allowed the RA to reach out to their direct counterparties and showcase how the training topics could be translated into an operational work in the field.

Given the high appreciation of the course and a strong interest from the participants for it to continue, CDOT and SARTTAC intend to hold quarterly sessions going forward. The following three segments are currently planned: Reserve Requirements, July 2022; FX reference rates, October 2022; and FX operations, January 2023.

¹ SARTTAC member-countries include Bangladesh, Bhutan, India, the Maldives, Nepal, and Sri Lanka.



CDOT-SARTTAC Training on Interest Rate Corridor—screenshots of lecture slides, participants, and RA (Messrs. Giorgi Barbakadze and Stefaan Ide)—August 2021.

Box 14. Republic of Congo—Implementing the PFM reforms

In the Republic of Congo, public financial management reforms were at a standstill, in the absence of a roadmap for PFM reform. This IMF CD through a Resident Advisor aimed at addressing challenges related to budget execution processes. In particular, among these challenges, the cash management function and the relationship between the Central Bank and the National Treasury required to be formalized to make the implementation of the Treasury Single Account (TSA) more effective. There were also significant issues with the Integrated Public Finance Management System (SIGFIP) which was designed to support the different ongoing PFM reforms.

In this context, the Resident Advisor provided assistance in designing an action plan to support the necessary enhancement to SIGFIP. On the TSA, he provided targeted TA to (i) improve the linkages between the procurement/commitment control plans and the cash forecasting plans, and (ii) better design and operationalize the TSA. He advocated the benefits of active cash management and arranged a webinar to explain implementation of the TSA and how to organize the “banking function” of the Treasury. The TSA reforms were supported by his assistance in drafting a Memorandum of Understanding between the Treasury and the Central Bank.

Significant milestones were achieved in Congo under this project. The most significant ones are:

- The MoF has established a steering committee in charge of the implementation of the TSA. This is the first ever committee on this topic, signaling a positive move from the authorities. This committee is chaired by the Secretary General of the MoF, who is in charge of coordinating the services and departments in the Ministry.
- The progressive adoption of commitment plans supporting cash forecasting and cash management practices.
- The authorities adopted and have been implementing the action plan enabling the operationalization of the SIGFIP.

Box 15. New Blended Learning Curriculum in Macroeconomic Statistics

The move towards blended approaches to CD has further accelerated in the last year. Blended learning is being implemented with the generous support of the Government of Japan. Blended CD has the merit of making the Fund's CD more efficient, since online learning is easily scalable and very efficient in delivery once developed, and more impactful, since interactive sessions can be tailored to accommodate more hands-on learning or country-based capacity building, reflecting the needs of the respective cohorts or counterparts. New blended learning courses on the topics of government finance and national accounts statistics rolled out in March and April 2022.

Having benefitted from hands-on instructional design, these offerings included self-paced learning, engaging interactive workshops, tailored case studies, and structured office hours. Thoughtful learner engagement strategies helped retain participants and keep them engaged throughout the deliveries: on average, 90 percent submitted high quality final assignments across the offerings. Survey results showed high satisfaction with the blended format: 4.7 out of 5, almost reaching the levels of participant satisfaction with in-person training delivered pre-pandemic (4.8 out of 5).

Building on the success of the blended pilots, the online learning team has developed a blended learning toolkit for delivery teams, which includes IMF-specific recommendations for the design, delivery, and evaluation of blended engagements, and offers hands-on instructional design for blended offerings, helping ensure consistency in the approach across the IMF and firmly establish blended learning as a training modality.

Welcome!

Welcome to the virtual workshop on sector classification of public sector entities.

This course follows a **blended format** where the majority of the lectures are offered as a **self-paced study**. The **instructor-led workshop** consists of three **Webex sessions** where instructors review the complex concepts and provide an opportunity for you to discuss specific country case studies in groups.

The self-paced and instructor-led learning requirements are as follows:

Self-paced requirements: You are required to read the assigned materials (labeled as self-paced materials in this page), watch the recorded videos, complete the exercises and final quiz, and participate in discussion forums.
Upon completion of the self-paced materials in this platform, you can attend the three-day instructor-led workshop. This should take between 2 to 4 hours of your time.

Instructor-led requirements: You are required to attend three live sessions with the instructors, where you discuss specific country case studies and work on your final assignment in groups. Instructors will provide feedback and answer your questions in follow-up discussion forums in this platform. The total time required to attend each live session is 3 hours.

Online office hour: You will be allocated to an online session with the instructors to discuss your final assignment. The instructors will be in touch with you directly to assign you to an online office hour.



Box 16. Developing Medium Term Debt Strategy in Cook Islands

Public debt management in the Pacific is in its infancy, with policies, frameworks, and capacity at varying levels throughout the region. The Cook Islands is a self-governing state in free association with New Zealand and considered a microstate. It has followed a conservative debt financing path, based on utilizing considerable grant funding, and as such is yet to develop a comprehensive and formalized debt management policy framework, and build capacity. It is heavily reliant on tourism as its main source of revenue, accounting for nearly 70 percent of GDP in 2019.

As a consequence, the COVID-19 pandemic and closing of borders severely impacted the economy, with a 22 percent reduction in GDP and a doubling of the debt stock, resulting in an increase in debt to GDP to 47 percent in 2022. The debt management strategy (DMS) during the pandemic continued to be guided by fiscal rules, including a net debt rule, a net debt servicing to total revenue rule, and the undertaking of a debt sustainability assessment for new borrowing. However, there was no formalized plan for borrowing that takes into consideration various financing options, market conditions, or the existing debt portfolio, and a risk analysis of the existing portfolio had not been undertaken. While the Government had two debt indicators to provide an assessment of risk in its portfolio, it required an informed strategy to navigate debt management in the post-pandemic environment, and in facing climate change. Likewise, a recent graduation to high-income status would potentially mean reduced financing options and a higher cost of funding.

The IMF Pacific Financial Technical Assistance Center (PFTAC) RA on debt management provided technical assistance and training to the Cook Islands in October 2021. The CD focused on enabling the authorities to develop a DMS using the Medium-Term Debt Management Strategy Analytical Tool (MTDS AT) and framework. It included training to officials on compiling and analyzing country debt data, preparing the required data for use in the MTDS AT, helping the authorities to analyze the cost-risk characteristics of the current debt portfolio while identifying key risks to be managed, and identifying potential financing sources. The hands-on training used the MTDS AT to run scenarios and produce cost-risk outputs for analysis, identifying a preferred debt strategy, and then preparing a strategy document for publication.

Using the skills and knowledge learned in the training, the Cook Islands authorities produced a DMS document with a preferred strategy, articulated within a cost-risk framework. The DMS provides a formalized plan for debt financing, including debt portfolio cost-risk indicators that provide clear performance management in all debt reporting undertaken. In undertaking this process, the Government has taken steps to identify alternative financing sources that may assist in reducing the cost of debt and align the debt portfolio to the target risk indicators. The inaugural DMS is expected to be finalized and published in the very near future.

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. Such close coordination also leads to better implementation and increased positive impact on the beneficiary countries. 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 as well as the Africa region, represent a priority target. STI and CDOT complement support with customized training courses for

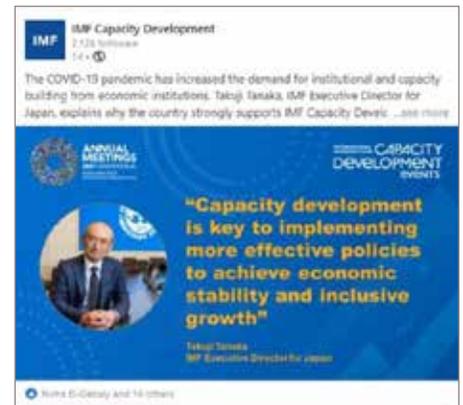
government officials. During the period FY1993-2022, CD programs totaling \$288.9 million focused on countries in the Asia and Pacific region, equivalent to over 51 percent of approved JSA TA and related activities. During that same period, CD programs to Africa totaled \$113.7 million.

SECTORAL PRIORITIES

Fiscal topics represented the largest share, with 51 percent of yearly commitments in FY2022. Monetary and capital markets topics represented 15 percent, and followed by training (23 percent), which reflects Japan's strong support for the IMF Online Training Program, as well as STI. Table 4 shows annual commitments by sector for the period FY1993-2022.

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 TA provides high visibility to Japan as well as a positive image. Japan was proximately featured in the last year through 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.

Japan participated in numerous CD events this year which promoted and highlighted our long partnerships. Such events include the Annual Meeting's kick-off CD event on *Building a Strong Post-Pandemic Recovery* and the Spring Meeting's CD talk on *Digital Money: Building Capacity for a Virtuous Circle*. Japan made key interventions at the High-level partner CD dialogues in October 2021 on *Strengthening Economic Foundations for a Sustainable Recovery*, and in Spring 2022 on *Short-Term Obstacles and Long-term Challenges—A Role for the IMF CD*.

The high-level CD dialogue is a closed door event with our partners, first launched in April 2021, to discuss to role of IMF CD in key topics. Quotes from Japan were prominently featured on social media.

MONITORING AND EVALUATION OF THE JSA

Monitoring and evaluation of IMF CD activities is currently conducted through regular self-assessments and evaluations by independent consultants, as well as IMF-wide

reviews every three to five years, such as the CD Strategy Review.

Results Based Management (RBM) at the IMF is used for designing interventions and assessing their impacts and supporting the goals of focusing CD planning and delivery on country results. RBM provides the foundation for the Capacity Development Management and Administration Program (CDMAP) planning and prioritization process and enables effective evaluations which underpin the strategic development of the Fund's CD work.

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 and coordination with other CD providers. In addition, an independent external evaluation, which takes place every five years, examines Japan-funded programs. The next evaluation of the JSA will commence in FY2023.

TABLE 3. JSA ANNUAL COMMITMENTS FOR CAPACITY DEVELOPMENT BY REGION, FY1993-2022^{1, 2, 3, 4}
(In millions of U.S. dollars)

Region	FY1993-2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022		FY1993-2022	
							Total	%	Total	%
Africa	93.9	5.4	3.2	4.0	2.4	3.1	1.8	8%	113.7	20%
Asia and Pacific	200.0	13.5	15.8	17.6	17.3	15.2	9.5	40%	288.9	51%
Eastern Europe ⁴	38.9	-	-	-	-	-	-	0%	38.9	7%
Europe	30.4	-	-	-	-	-	-	0%	30.4	5%
Latin America and Caribbean	15.5	-	-	-	-	-	-	0%	15.5	3%
Middle East and Central Asia ⁴	27.8	0.7	1.8	1.7	-	-	-	0%	32.0	6%
Multiple Regions	22.9	0.5	1.5	1.5	2.8	7.3	12.5	53%	50.1	9%
Total	429.5	20.0	22.4	24.9	23.4	25.5	23.8	100%	569.6	100%

Source: Institute for Capacity Development, IMF.

¹ Original budgets approved by Japan. Not adjusted for revisions or projects completed below approved budgets.

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

³ Commitments for programs from FY2011 onwards include the trust fund management fee.

⁴ Starting in FY2008, 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, FY1993-2022^{1, 2, 3}

(In millions of U.S. dollars)

Topic	FY1993-2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022		FY1993-2022	
							Total	%	Total	%
Fiscal	144/2	7.6	9.6	10.9	11.1	12.1	12.1	51%	207.7	36%
Monetary and Capital Markets	138.7	4.9	4.1	7.0	4.6	5.3	3.5	15%	168.2	30%
Macroeconomic Statistics	75.7	3.1	3.5	2.4	2.4	2.3	1.5	6%	90.9	16%
Training	46.7	2.3	3.8	4.1	4.3	4.6	5.6	23%	71.3	13%
Legal	10.7	0.6	0.2	-	-	-	0.6	2%	12.0	2%
Others	13.5	1.6	1.1	0.5	1.1	1.2	0.5	2%	19.5	3%
Total	429.5	20.0	22.4	24.9	23.4	25.5	23.8	100%	569.6	100%

Source: Institute for Capacity Development, IMF.

¹ Original budgets approved by Japan. Not adjusted for revisions or projects completed below approved budgets.

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

³ Commitments for programs from FY2011 onwards include the trust fund management fee.

Box 17: High Level Partner Dialogue, April 2022

Japan participated in the high-level partner CD dialogue entitled “Digital Money: Building Capacity for a Virtuous Circle” and highlighted the importance of IMF’s role in identifying urgent CD needs and providing guidance that is practical and useful for member countries. Participants in the dialogue agreed that policymakers should take a balanced approach to digital money. To harness benefits and address risks, digital money needs to adhere to strict regulatory standards, appropriate governance, and risk management practices, as well as be grounded on a sound legal basis.

Digital money, including central bank digital currency—CBDC, can offer lower transaction costs, increase the speed of international payments, ease access to finance, strengthen the payment system, and increase financial inclusion. At the same time, digital money can lead to banking disintermediation, privacy protection and legal challenges, data silos, anti-competitive practices, financial integrity and cyber risks, and central bank operational risks. Some of the risks can be mitigated by appropriate design. For example, most central banks have considered mitigating risks of competing with bank deposits by not remunerating CBDC or having limits on how much CBDC a user can have.

In response to member countries (LICs and emerging economies, in particular) requests for technical assistance on digital money, the IMF provides bilateral engagements (providing tailored and hands-on advice), regional workshops (building awareness and sharing experiences and lessons), and analytical work (providing foundations, empirical insights, and best practices).





REGIONAL OFFICE FOR ASIA AND THE PACIFIC

The OAP was established in Tokyo in 1997. It operates as the IMF's interface with Asia and the Pacific, promotes and undertakes CD activities, engages in public relations and outreach in Japan and abroad, collaborates with regional organizations and forums, contributes to the IMF surveillance and research activities, and supports the work of the IMF in Japan and the region. In FY2022, OAP's work was delivered successfully and almost exclusively through virtual means due to the COVID-19 pandemic. Virtual delivery led to continued large audiences for conferences and outreach events.

PUBLIC RELATIONS AND OUTREACH

In FY2022, OAP organized and participated in a range of virtual seminars and workshops for participants in Japan and from throughout the region to enhance public understanding of the IMF's operations and policy recommendations. Some of these events were carried out in collaboration with universities, think tanks, central banks, finance ministries, and other government, international, and private organizations.

Among the policy outreach events are the Economic Issues Seminars/

Asia Pacific Regional Seminars on the global economic outlook and other key thematic issues that OAP hosts, and seminars and other events at which OAP speaks for capacity development and outreach purposes. In FY2022, OAP hosted or participated in 21 such events for public audiences in Japan and throughout Asia and the Pacific. In addition, to foster future generations of macroeconomists, OAP held three virtual Macroeconomist Training Program courses for university students in Japan and elsewhere in Asia. Participants in these courses learn basic analytical tools and methods used for economic surveillance. Since 2017, a total of 290 students from 40 different countries, as well as 196 audit students, have benefitted from these courses, which are undertaken in close collaboration with the Japan International Cooperation Agency (JICA).

OAP continued to help enhance the Fund's overall communications work in Japan and elsewhere in the region, in collaboration with the IMF Communications Department (COM) and other headquarters (HQ) departments. To bolster its own outreach, OAP maintained its own English/Japanese websites—including



12th Macroeconomist Training Program course, July 27- August 2, 2021

the JISPA specific site—and actively used its social media platforms and online newsletter to promote OAP’s activities and to communicate the Fund’s messages. OAP will continue to create audiovisual and interactive information products, such as “JISPA Voice”—which shares JISPA alumni testimonials on social media, as well as organize and participate in various public events to reach out to non-traditional audiences.

OAP also leveraged media engagements to enhance IMF messaging, setting up interviews with IMF officials and soliciting the coverage of IMF data and analysis. In addition, the regional office engaged continuously with businesses and think tanks in Japan and abroad to make the IMF’s work more visible, and

provided briefings on the IMF’s role, its operations, and career opportunities upon request.

MANAGING RELATIONS IN THE REGION

OAP coordinates IMF relations with regional forums, including Asia-Pacific Economic Cooperation (APEC), the Association of Southeast Asian Nations (ASEAN and ASEAN+3/AMRO), the Executives’ Meeting of East Asia-Pacific (EMEAP) Central Banks, the South East Asian Central Banks (SEACEN), the Asia-Europe Meeting (ASEM), and the Pacific Island Countries Central Bank Governors’ Meeting. OAP participates on invitation in these meetings, offers presentations on global and regional economic developments and other topical issues, and keeps the IMF headquarters informed as

regional views and initiatives unfold. Furthermore, OAP maintains close contacts with other international organizations and with diplomatic missions in Tokyo and throughout the region.

SURVEILLANCE AND RESEARCH WORK

OAP staff monitor and report regularly to the IMF headquarters on developments in the region and participate in the selected IMF annual consultation missions. During FY2022 these included Article IV missions and related work for India, Japan, Federated States of Micronesia, Samoa, and Vietnam. OAP economists regularly carry out research on various economic policy issues of regional interest and provide inputs to the APD Regional Economic Outlook. In FY2022, OAP

economists produced working papers on the operations of green debt markets and on the Japanese labor market during the COVID-19 pandemic.

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.

OAP administers the JISPA, in which about 65 junior officials from Asia pursue each year in Japan graduate studies in macroeconomics and related fields (see table 5). There are 808 alumni of the scholarship program since it started in 1993, and many

of these graduates now hold high policy positions in their own countries. Through the JISPA Continuing Education Program JISPA-CE these alumni have an opportunity to learn about more topical and specialized issues from ICD and STI. This helps the alumni to refresh their networks throughout the region and to reconfirm their ties with the IMF and with Japan.

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. JIMS, along with the JISPA-CE, provides senior officials with opportunities to discuss current macroeconomic issues and exchange views with, and learn from, regional peers.

OAP organizes and sponsors peer-to-peer CD seminars and conferences to enhance policymaking skills of officials in the region. In recent years, these have included conferences on financial crisis management and prevention—co-hosted with The University of Tokyo, inflation targeting—organized with the Reserve Bank of New Zealand, promoting financial stability in the Asia-Pacific Region—organized with the NBC, and the FAD-OAP regional seminar on Journey Towards the SDGs—Key Fiscal Issues. In addition, OAP assists FAD with the organization of the Tokyo Fiscal Forum and the Tokyo Tax Conference, both of which support peer learning and capacity development of officials from the Asia and Pacific region.

D

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 two-and-a-half-month orientation program helps incoming scholars prepare for their studies and life in Japan. Throughout the duration of their scholarships, JISPA scholars are invited to seminars and events organized by OAP, providing further opportunities

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, PNG, the Philippines, Sri Lanka, Tajikistan, Thailand, Timor-Leste, Turkmenistan, Uzbekistan, and Vietnam.

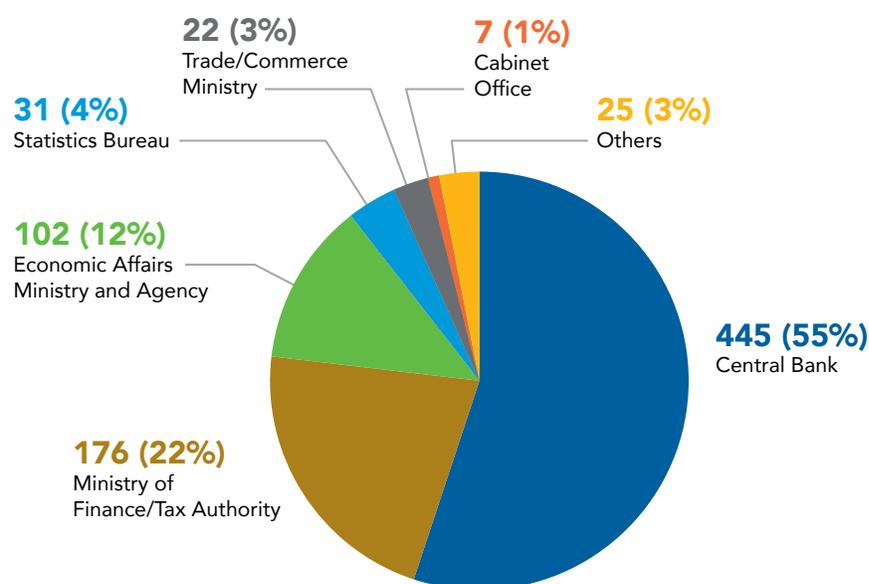
² The four partnership universities are the National Graduate Institute for Policy Studies, Hitotsubashi University, International University of Japan, and The University of Tokyo.

to learn about current economic and policy issues and to build a network among themselves and with others. Because of the COVID-19 situation, all these activities were conducted online during FY2022, and they were successfully delivered. For the 2022 academic year, JISPA awarded

37 new scholarships and supported 68 scholars in total, including eight PhD candidates.³

³ The 2022 academic year of JISPA runs from October 1, 2021 to September 30, 2022

FIGURE 5. JISPA ALUMNI BY AFFILIATION, FY1993-2022





JISPA Welcome Reception, December 21, 2021



JISPA Thesis Presentation, June 22, 2021

TABLE 5: JAPAN-IMF SCHOLARSHIP PROGRAM FOR ASIA DISTRIBUTION OF SCHOLARS BY COUNTRY AND AFFILIATIONS, 1993-2022*4

Scholars by Country	Number	Percent	of which graduates
China	102	11.3%	102
Vietnam	101	11.2%	96
Uzbekistan	98	10.9%	91
Myanmar	81	9.0%	71
Cambodia	77	8.6%	70
Mongolia	64	7.1%	46
Kyrgyz Republic	51	5.7%	50
Indonesia	47	5.2%	38
Thailand	47	5.2%	45
Bangladesh	45	5.0%	34
Kazakhstan	42	4.7%	41
Philippines	35	3.9%	32
Lao PDR	31	3.4%	23
India	22	2.4%	22
Nepal	16	1.8%	12
Tajikistan	10	1.1%	9
Bhutan	7	0.8%	5
Sri Lanka	6	0.7%	6
Maldives	5	0.6%	4
Malaysia	4	0.4%	4
Fiji	3	0.3%	3
Turkmenistan	3	0.3%	2
Timor-Leste	1	0.1%	1
Tonga	1	0.1%	1
Grand Total	899	100.0%	808

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

OAP's special attention to JISPA scholars helps foster their identity as "Japan-IMF" scholars and strengthen their ties with the program after their graduation. During FY2022, a new series of policy dialogues with policymakers was launched, including the ones initiated in collaboration with the Policy Research Institute of the Japanese Ministry of Finance (MoF/PRI). The representatives of the Japanese MoF spoke about various policy issues, such as regional financial cooperation and international taxation. Starting this year, the seminars hosted by the Bank of Japan (and the MoF) for the graduating scholars were incorporated

into, and conducted under, this new policy dialogue series.

The JISPA Summer Workshop continues to be offered to the scholars who are just finishing their first-year studies. It helps the scholars to understand better the IMF's work and analysis through lectures and group discussions and presentations. OAP also organized the annual thesis presentations, and the JISPA scholars were invited to the Asia-Pacific Regional Seminar Series organized by OAP, at which economic policy issues and thematic topics are discussed with audiences from across Asia and around the world.

The community of "Japan-IMF" scholars has been growing. Since 1993, the program has awarded 899 scholarships and 808 scholars have graduated (see Table 5 and Figure 5). Graduates have successfully advanced in their policymaking careers, with some attaining roles such as Deputy Minister and Deputy Governor. The JISPA CE, which brings mid-career JISPA alumni back to Japan to refresh their knowledge and reconnect, helps strengthen and cement relations among JISPA alumni throughout Asia and the Pacific as they advance in their careers.



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 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, the IMF/World Bank Spring and Annual meetings and other conferences.

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 2022. The most recent scholar joined the Fund in September 2018 as an EP, and it is expected that a new scholar will join the EP in September 2022. Of the 26 former JISP alums currently on staff, 22 were hired as staff members through the EP and the remainder joined at the mid-career level. JISP is administered by the IMF in collaboration with the Institute of International Education (IIE). Table 6 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 Applicants and Scholars who Accepted Award, 2009-2022)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	TOTAL
Applicants	12	11	18	12	9	6	16	13	14	12	17	14	15	9	178
Scholars Who Accepted Award	7	7	7	5	5	3	4	3	3	4	4	4	6	3	65

APPENDICES

APPENDIX I.

JSA Technical Assistance and Training— FY2022 Portfolio Summary*

Region	Topic	Project Description	Overall Program Budget
Fiscal Year 2022 Program			
Global	FAD	Revenue Administration COVID-19	2.3
Global	FAD	PFM COVID-19	3.8
Global	MCM	Strengthen Capacity on CBDC in selected Low-Income Developing Countries (LIDCs) and Emerging Market and Developing Economies (EDMEs)	1.3
AFR	FAD	FAD AFR Customs Administration	1.7
Global	Training	Macroframeworks	2.6
Global	LEG	Anti-Corruption and Rule of Law Capacity Building Project	1.2
AFR/APD	MCM	Monetary Policy in Cambodia	1.4
AFR/APD	Training	STI - Continuing Training and TA on Economic and Financial Policy Analysis in Asia	8.2
AFR/APD	STA	Improving ESS in the Asia-Pacific Region	2.2
Fiscal Year 2021 Program			
AFR	MCM	Strengthening Debt Management Operational Frameworks in Africa	3.7
AFR/APD	FAD	Supporting for Improved Treasury Management and Modernization of Financial Systems - II	5.0
AFR/APD	FAD	Twelfth IMF - Japan High Level Tax Conference for Asian Countries in Tokyo	0.2
AFR/APD	MCM	Strengthening Debt Management Operational Frameworks in Asia-Pacific	4.4
Global	FAD	Strengthening and Modernizing Customs Administration in Asia and West Africa	8.5
Global	Training	The Japan-IMF Flagship Partnership on Online Learning	7.4
Global	STA	Improving Data Dissemination for Globally Selected Countries	1.3
Fiscal Year 2020 Program			
AFR/APD	STA	Regional GFS	3.5
AFR/APD	FAD	Strengthening PFM in selected South-East Asian Countries	7.1
AFR/APD	FAD	Eleventh IMF - Japan High Level Tax Conference for Asian Countries in Tokyo	0.2
Global	FAD	JSA Program for Strengthening Global IG	7.5

*List includes programs under the regular JSA and COVID-19 windows

Region	Topic	Project Description	Overall Program Budget
Fiscal Year 2019 Program			
AFR/APD	Other	Project Proposal to Integrate Macro-Financial Analysis into Macroeconomic Management	5.0
AFR/APD	Training	Singapore Training Institute Continuing Training on Economic and Financial Policy Analysis in Asia	8.2
AFR/APD	MCM	Cambodia - Strengthening Risk-based Banking Supervision	2.0
AFR	FAD	Strengthening Fiscal Sustainability Through Core Budget Functions in Fragile States in SSA	6.8
AFR/APD	FAD	Supporting Tax Administration Reforms in Selected Asian Countries	4.5
Fiscal Year 2018 Program			
AFR/APD	MCM	Supporting Monetary and FX Operations in Cambodia, Myanmar, and Vietnam	3.2
AFR/APD	STA	Improving ESS in the Asia-Pacific Region	3.3
Fiscal Year 2017 Program			
AFR/APD	MCM	Strengthening Modernization of the Central Bank of Myanmar (CBM)	4.2
MCD	FAD	Fiscal Risk Analysis & management, PIM, budget preparation, and fiscal reporting in Caucasus and Central Asian countries and Iran	5.2

APPENDIX II.

Joint Japan-IMF Field Visits, FY1996–2022¹

- (1) 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, 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 STI, June 2002
- (10) Mongolia and Timor-Leste, September 2002
- (11) Indonesia and Fiji, December 2003
- (12) Botswana and AFRITAC East in Tanzania, December 2005
- (13) Cambodia, STI and the Philippines, March 2007
- (14) Middle East Regional Technical Assistance Center (METAC) in Lebanon, May 2008
- (15) Cambodia, and STI, January 2009
- (16) Philippines and Fiji (PFTAC), May 2010
- (17) Vietnam and Nepal, May 2011
- (18) Cambodia, June 2012
- (19) Lao PDR, Indonesia, and Thailand, March 2014
- (20) Cambodia, Lao PDR, STI, and CDOT, May 2016
- (21) 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 through 2022 due to the COVID-19 pandemic.

Externally Financed Appointee Program

The 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 CD in order to broaden their exposure to IMF operational work. EFA appointees are supervised by IMF senior staff. To date, ten countries, including Japan, participate in the EFA and have made corresponding financial contributions to the program. A total of ten Japanese officials have been hired under the program. Three officials currently participate in the program;

one economist, one financial expert and one legal expert. Two officials will conclude their assignments and will return to Japan in summer 2022. 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 FY2022
(In thousands of U.S. dollars)

	2022	2021	2020
Balance Sheet as of April 30, 2022, 2021 and 2020			
Assets			
Cash and cash equivalents ¹	116,525	82,854	60,428
Total assets	116,525	82,854	60,428
Resources			
Total resources	116,525	82,854	60,428
Income Statements and Changes in Resources for the Years Ended April 30, 2022, 2021 and 2020			
Balance, beginning of the year	82,854	60,428	55,211
Income earned on investments	69	6	1,021
Contributions received	59,446	44,349	33,707
Contributions transferred (net)	(1,400)	(2,900)	(3,109)
Operating expenses	(24,444)	(19,030)	(26,403)
Net changes in resources	33,671	22,426	5,217
Balance, end of the year	116,525	82,854	60,428

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 Technical Assistance and Training—FY2022 Portfolio Detailed

(in millions of U.S. dollars)

Project ID	Japan ID	Program	Region	Topic	Project Description	Status	Overall Program Budget	Approved Budget through FY22	Expenses through FY22
FAD_IMF_2021_09	S_JPNCOV	FY22	Global	FAD	Revenue Administration COVID-19	Approved	2.3	0.9	0.6
FAD_IMF_2021_10	S_JPNCOV	FY22	Global	FAD	Public Financial Management COVID-19	Approved	3.8	1.6	0.8
MCM_IMF_2022_07	S_JPNCOV	FY22	Global	MCM	Strengthen Capacity on Central Bank Digital Currency (CBDC) in selected LIDCs and EMDEs	Approved	1.3	0.3	0.1
FAD_AFR_2021_02	JPN131	FY22	AFR	FAD	FAD AFR Customs Administration	Approved	1.7	0.3	0.2
ICD_IMF_2021_05	S_JPNCOV	FY22	Global	Training	Macroframeworks	Approved	2.6	1.1	0.7
LEG_IMF_2022_04	JPN303	FY22	Global	LEG	Anti-Corruption and Rule of Law Capacity Building Project	Approved	1.2	0.6	0.2
MCM_KHM_2021_01	JPN422	FY22	AFR/APD	MCM	Monetary Policy in Cambodia	Approved	1.4	0.5	0.0
ICD_APD_2022_01	JPN207	FY22	AFR/APD	Training	Singapore Regional Training Institute (STI) - Continuing Training and Technical Assistance on Economic and Financial Policy Analysis in Asia	Approved	8.2	2.6	1.3
STA_APD_2021_01	JPN514	FY22	AFR/APD	STA	Improving External Sector Statistics in the Asia-Pacific Region	Approved	2.2	0.6	0.2
MCM_AFR_2021_02	JPN421	FY21	AFR	MCM	Strengthening Debt Management Operational Frameworks in Africa	Approved	3.7	1.9	1.2
FAD_APD_2021_03	JPN129	FY21	AFR/APD	FAD	Supporting for Improved Treasury Management and Modernization of Financial Systems - II	Approved	5.0	3.3	2.1
FAD_APD_2021_04	Seminar	FY21	AFR/APD	FAD	Twelfth IMF - Japan High Level Tax Conference for Asian Countries in Tokyo	Approved	0.2	0.2	0.0
MCM_APD_2021_01	JPN420	FY21	AFR/APD	MCM	Strengthening Debt Management Operational Frameworks in Asia-Pacific	Approved	4.4	2.9	0.5
FAD_IMF_2021_03	JPN130	FY21	Global	FAD	Strengthening and Modernizing Customs Administration in Asia and West Africa	Approved	8.5	5.3	2.4

Project ID	Japan ID	Program	Region	Topic	Project Description	Status	Overall Program Budget	Approved Budget through FY22	Expenses through FY22
ICD_IMF_2021_02	JPN206	FY21	Global	Training	The Japan-IMF Flagship Partnership on Online Learning	Approved	7.4	4.3	3.7
STA_IMF_2021_01	JPN508	FY21	Global	STA	Improving Data Dissemination for Globally Selected Countries	Approved	1.3	0.9	0.4
STA_APD_2020_01	JPN513	FY20	AFR/APD	STA	Regional Government Finance Statistics	Approved	3.5	3.5	2.6
FAD_APD_2020_02	JPN127	FY20	AFR/APD	FAD	Strengthening PFM in selected South-East Asian Countries	Approved	7.1	6.0	4.0
FAD_APD_2020_04	Seminar	FY20	AFR/APD	FAD	Eleventh IMF - Japan High Level Tax Conference for Asian Countries in Tokyo	Closed	0.2	0.2	0.1
FAD_IMF_2020_01	JPN128	FY20	Global	FAD	JSA Program for Strengthening Global Infrastructure Governance	Operationally Closed	7.5	7.5	5.6
APD_TTA_2019_01	JPN604	FY19	AFR/APD	Other	Project Proposal to Integrate Macro-Financial Analysis into Macroeconomic Management	Approved	5.0	2.6	2.1
ICD_STI_2019_01	JPN205	FY19	AFR/APD	Training	Singapore Training Institute Continuing Training on Economic and Financial Policy Analysis in Asia	Closed	8.2	8.2	6.2
MCM_KHM_2019_01	JPN417	FY19	AFR/APD	MCM	Cambodia - Strengthening Risk-based Banking Supervision	Operationally Closed	2.0	2.0	1.5
FAD_AFR_2019_01	JPN125	FY19	AFR	FAD	Strengthening Fiscal Sustainability Through Core Budget Functions in Fragile States in Sub-Saharan Africa	Operationally Closed	6.8	6.8	5.6
FAD_APD_2019_01	JPN126	FY19	AFR/APD	FAD	Supporting Tax Administration Reforms in Selected Asian Countries	Operationally Closed	4.5	4.5	4.0
MCM_APD_2018_01	JPN414	FY18	AFR/APD	MCM	Supporting Monetary and FX Operations in Cambodia, Myanmar and Vietnam	Approved	3.2	3.2	2.0
STA_APD_2018_02	JPN512	FY18	AFR/APD	STA	Improving External Sector Statistics in the Asia-Pacific Region	Closed	3.3	3.3	2.7
MCM_MMR_2017_01	JPN413	FY17	AFR/APD	MCM	Strengthening Modernization of the Central Bank of Myanmar	Closed	4.2	4.2	2.8
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	Closed	5.2	5.2	5.2

* List includes programs under the regular JSA and COVID-19 windows.

JSA CAPACITY DEVELOPMENT PROGRAMS APPROVED IN FY2022

PROJECT: FAD AFR Customs Administration	JSA#: JPN131 IMF ID: FAD_AFR_2021_02
TARGET COUNTRIES: Comoros, Madagascar, and Zimbabwe	IMPLEMENTATION PERIOD: from May 1, 2021 to April 30, 2024

Key Highlights

The main purpose of the project is to enhance customs administration capacity in three fragile countries of Southern Africa. The Union of Comoros, Madagascar, and Zimbabwe must increase government revenue to finance their basic needs and development objectives. Reducing the compliance gap in taxation of international trade through a more efficient customs administration is part of this effort. Customs reforms are also key to improve transparency and apply the rule of law, thus promoting governance and facilitating trade and investment.

During the first year of this project, the three recipient countries' authorities demonstrated strong interest in FAD's advice and critical customs functions were addressed. All customs administrations received advice and guidance to strengthen data analytics for operational purposes. This included the use of mirror data (matching of world exports with the country's customs import data) for enhanced risk management and audit selection. Comoros Customs designed key performance indicators with expert input for implementation in 2022-23. The Zimbabwe Revenue Authority was able to outline a comprehensive revised framework for the administration of excise duties on goods. Madagascar Customs identified existing gaps in customs procedures for the monitoring of economic free zones, which will lead to preparation of legal amendments in FY2023 and developed standard operating procedures for import to be published online. FY2023 work under the project will continue supporting targeted areas which are key to revenue mobilization, beginning with customs examination techniques and procedures (Comoros), missing customs clearance directives and security steps for the customs processing system (Madagascar), and exemption monitoring and control (Zimbabwe). In the current international context, close attention will be paid to the supply chain and urgent revenue mobilization needs.

FY2022 (CONTINUED)

PROJECT: Strengthening Revenue Administration to Address COVID-19 Challenges	JSA#: JPNCOV IMF ID: FAD_IMF_2021_09
TARGET COUNTRIES: Cameroon, Nigeria, South Sudan, Republic of Togo, Uganda, Cambodia, Lao People’s Democratic Republic, Mongolia, Myanmar, and Vietnam	IMPLEMENTATION PERIOD: from May 1, 2021 to April 30, 2023

Key Highlights

This program aims to assist revenue administrations in selected countries in Asia and SSA in managing the fiscal challenges of the COVID-19 pandemic and the recovery phase. The program was designed to help selected countries develop and implement post-COVID-19 revenue recovery action plans, strengthen business processes, especially digitalized processes, and revise compliance improvement plans with the overall objective of helping countries recover revenues lost during the COVID-19 crisis.

In **Asia**, the program focuses on customs and tax information sharing to improve information management and enable evidence-based collaborative revenue recovery programs. All the activities were delivered remotely because of the IMF’s suspension of non-essential travel instituted to mitigate the effects of the COVID-19 pandemic. During FY2022, FAD supported beneficiary countries in various areas of customs and tax administration. A regional webinar for officials from Cambodia, Lao PDR, Mongolia, and Vietnam customs and tax administrations, introduced and promoted the importance of sharing data between tax and customs administrations and sharing national challenges and lessons learned. In FY2023, these countries will benefit from FAD advice on enhancing customs and tax collaboration, including data exchange, joint risk management and joint audits.

In **Africa**, the project focuses on enhancing capacity to manage reforms, supporting development and implementation of digitalization strategies including implementation of new ITAS; and improving core customs and tax operational procedures. In FY2023, the project will be focusing on these key themes to support revenue recovery from COVID-19.

Support to each of the African beneficiary countries in FY2022 is highlighted below.

Cameroon: FAD organized two virtual missions and one in-country mission to assist the Cameroon Tax Administration (DGI). The virtual missions focused on: (i) designing a target Information Technology (IT) architecture and data management strategy, considering current applications (Fiscalis, Mesure, and Fusion) and the Harmony application planned for the short term; (ii) developing a roadmap to implement it; and (iii) providing advice to improve the DGI’s IT department performance. In addition, the in-country mission reviewed the DGI reforms, assessed progress in digitalizing DGI core procedures, and, assisted in the refinement of the DGI reform and digitalization plans for 2022-24.

Nigeria: A resident revenue administration advisor was recruited and started working in January 2022; he is due to be installed in country in June 2022. In the meantime, his workplan for CD support to the Federal Inland Revenue Service has been agreed with the authorities.

Togo: The project assisted on several fronts including: (i) reinforcing initiatives to detect businesses and individuals who are required to register but fail to do so; (ii) strengthening the use of data to improve tax compliance and tax revenue; and (iii) implementing an analysis of the use of information to assess its impact on taxpayer behavior and on tax audit results.

South Sudan: The project assisted the National Revenue Authority to develop reengineered business processes and developed systems specification requirements for a new ITAS. The project also helped the customs department of South Sudan to develop new customs clearance procedures. In FY2023, the project will continue work on ITAS implementation, customs control procedures, and reforms management.

Uganda: No missions were delivered to the country in FY2022. However, meetings were held with the Uganda Revenue Authority (URA) Commissioner General and his team, together with other development partners under a donor coordination team called “Friends of URA” to discuss support for Uganda’s Domestic Resource Mobilization Strategy (DRMS). A staff visit to assess progress with implementation of the DRMS is planned for FY2023.

<p>PROJECT: Enhancing Fiscal Sustainability Through Basic Fiscal Functions in the Post-COVID-19</p>	<p>JSA#: JPNCOV IMF ID: FAD_IMF_2021_10</p>
<p>TARGET COUNTRIES: Sub-Saharan African countries, the Middle East and Central Asia, and South-East Asia countries</p>	<p>IMPLEMENTATION PERIOD: from May 1, 2021 to April 30, 2023</p>

Key Highlights

This program aims to assist selected countries in Asia, SSA, and Middle East and Central Asia in managing the fiscal challenges of the COVID-19 pandemic. The program objective is to help countries in addressing immediate needs for the PFM systems and processes most adversely impacted by the crisis, defining and prioritizing adequate PFM reforms in both the short-and medium-term to bolster spending efficiency and increase fiscal transparency in a context of scarcer resources. The program is supported by two long-term expert/advisors (LTXs), who started in December 2021: Mr. Bruno Imbert, the RA for Madagascar and the Comoros, and Mr. Dzingai Francis Chapfuwa, the RA for Anglophone SSA countries.

For **Comoros**, the LTX conducted an onsite mission from April 11 to 22, 2022, to meet the main stakeholders and to identify the specific activities to be carried out in the context of the project. An action plan, scheduling activities, was shared with authorities combining various CD modalities (e.g., LTX support, STXs (short-term advisors), seminars). This action plan aims at achieving the following results: (i) the establishment of a framework for the preparation of the quarterly Government Financial Operations Table (TOFE); (ii) the timely preparation of the quarterly TOFE; (iii) the gradual enhancement of the quality and coverage of the TOFE; and (iv) the strengthening of the supervision capacities and the update of the legal framework on public enterprises. During his stay, the LTX also worked on revamping the committee in charge of the TOFE and formulated a draft decree to organize timeframes, collaborations, and responsibilities.

For **Madagascar**, the LTX’s work focused mostly on the modernization of the budget classification. A seminar was organized in Antananarivo in March 2022 to identify the main weaknesses in the budget classification structure and formulate a detailed action plan to address those weaknesses. This document also identifies responsibilities, collaboration, and cross-cutting activities. The implementation of this action-plan has already started with the activities relating to the introduction of the functional classification, in compliance with COFOG standards. This work will be critical to enhance the monitoring of public expenditure, especially those related to social spending in the context of the on-going Extended Credit Facility program. Functional classification will be used to monitor FY2022 budget execution as a first step, which will then pave the way towards a functional presentation of public expenditure in the annual budget.

A virtual mission co-financed by JSA COVID-19 and IMF AFRITAC South Technical Assistance Center (AFRITAC South) in March 2022 took stock of existing practices in the field of fixed assets management, notably in the field of real estate and vehicle fleet. It also discussed prospects for transition to accrual accounting. Meetings with stakeholders in MoF and in line ministries enabled the mission to develop tailored recommendations, which were broadly welcomed by interlocutors, notably during the exit meetings at technical level and at the level of the General Secretary of the MoF. Discussions are ongoing with the authorities which have requested from FAD and AFRITAC South follow-up assistance for implementation of the recommendations during the recently held Spring Meetings with FAD.

In **Mali**: The project financed a HQ mission (December 2021-January 2022), which focused on presenting the Fiscal Risk Analysis Tool and the State Owned Enterprise (SOE) Health Check Tool developed by FAD. The mission helped increase the authorities’ capacity to identify and manage fiscal risks, which is especially relevant in the post-COVID-19 context. It also provided recommendations on how to improve the institutional framework for fiscal risks management.

In **Kenya**: In collaboration with the IMF AFRITAC East Technical Assistance Center (AFRITAC East), the Sub-Saharan Africa (SSA) advisor provided hands on support to the Government Investment and Public Enterprises Department to undertake detailed budget analysis for the FY2022-23 budget review process, using Kenya Power and Lighting Company as a worked example.

In **Rwanda**: In collaboration with the AFRITAC East, the SSA advisor provided in-person support to the Government Portfolio Management Unit (GPMU) of the Accountant General’s Department (AGD) on expanding the scope of Public Enterprises in the SOE Health and Stress Test tools and analysis and expanding coverage of risks arising from SOEs. The mission directly responded to the inclusion of reform targets during recent Reviews under the Policy Coordination Instrument aimed at the close monitoring of fiscal risks from high-risk SOEs.

FY2022 (CONTINUED)

In **Gambia**: One STX participated in an FAD AFRITAC West 2 Technical Assistance Center (AFRITAC West 2) mission on training of Ministry of Finance and Economic Affairs (MoFEA) officials on the assessment and reporting of fiscal risks in Gambian SOEs. The staff of the Public Private Partnership and Public Enterprises unit within the MoFEA were trained to use the SOE Fiscal Stress Test Tool.

Analytical work: An STX provided analytical support to develop and tailor the FAD fiscal risks analytical tools for practical use in SSA countries.

Regional workshop: peer-learning online workshop with 46 government officials from 9 SSA countries in collaboration with AFRITAC East, AFRITAC South, and AFRITAC West 2 was organized. The workshop addressed the most important sources of fiscal risks from SOEs, especially those arising from the COVID-19 pandemic. The workshop combined presentations from the IMF staff (including from the IMF Africa department), regional advisors and a short-term expert with country presentations about national experiences in the above-mentioned areas.

Desk Review: Benefiting from the long experience in SOE reforms, the SSA advisor reviewed the Eswatini government SOE reform documents and Zambia's proposed SOE policy document and provided comments and recommendations.

<p>PROJECT: The Japan-IMF Flagship Partnership on Online Learning</p>	<p>JSA#: JPN206 IMF ID: ICD_IMF_2021_02</p>
<p>TARGET COUNTRIES: Global program</p>	<p>IMPLEMENTATION PERIOD: from May 1, 2020 to April 30, 2023</p>

Key Highlights

The Japan-IMF Initiative on Online Learning involves sponsorship of the IMF’s online learning operations for three years (2021-23). Since its launch in 2013, the online learning program has attracted over 140,000 active learners and more than 39,000 government officials have successfully completed an IMF online course. While the role of online learning has increased steadily in recent years, the COVID-19 crisis has further reinforced its importance in ensuring continuity of access to the knowledge and expertise of the IMF for both government officials and members of the general public. In FY2022, over 26,000 actively engaged learners and close to 8,500 government officials successfully completed an IMF online course.

In FY2022, the online learning program launched 17 new MOOCs: Inclusive Growth (IGx), Revenue Forecasting and Administration (RFax), National Accounts Statistics (NASx), Consumer Price Index (CPIx), Bank Resolution Online Course (BROC); modular courses on Debt Dynamic Tool (DDTx) and Public Debt Dynamics Under Uncertainty (DDUx), new Virtual Training to Advance Revenue Administration (VITARA) modules on the Reform Management Fundamentals (Setting Up a Reform Program and Managing a Reform Program), Institutional Governance and Organization; and a modular rollout of Inclusive Growth on Concepts and Indicators (IGx-CI), Fiscal Policy (IGx-FP), Governance (IGx-GOV), Climate Change (IGx-CC), and Labor Markets, Gender, and Technology (IGx-LMGT); and the new modular course on the Macroeconomics of Climate Change (MCCx). Nine new translations of existing courses have further expanded the curriculum in languages other than English: Financial Programming and Policies, Part 2 (FPP.2x) in Spanish, Financial Development and Financial Inclusion (FDFIx) in French; Government Finance Statistics (GFSx) in French and Spanish, Balance of Payments and International Investment Position (BOP-IIPx) in French and Spanish, Debt Sustainability Framework for Low-Income Countries (LIC-DSFx) in French, and the VITARA module on Strategic Management in French and Spanish). To ensure that online content is available “anytime, anywhere,” 82 course re-runs were offered.

The program continued to enjoy great results: A high average completion rate, with 50 percent overall and 68 percent for government officials; significant learning gains, of about 19 percentage points on average for all courses¹; and high satisfaction ratings (95 percent of survey respondents agree that the course enhanced their understanding of the topic). Launched with the support from the program’s strategic partnership with Japan in response to the COVID-19 crisis and hosted on YouTube, the [IMF Institute Learning Channel](#) has gained over 10,000 subscribers and over a million individual views, as the audience and interest of the public continue to grow. The success of the channel has prompted the development of interactive videos and learning podcasts that are expected to enrich the microlearning curriculum in the coming months. The IMF’s new modular online course on [Macroeconomics of Climate Change](#) (MCCx), launched in April 2022, was the focus of the highly successful [Peek-into-Training](#) event during the 2022 Spring Meetings. Furthermore, the online program was at the center of the [“Online Learning 360”](#) event during the 2021 Annual Meetings that focused on the impact of online learning on the global community of learners and featured testimonials and discussions from diverse perspectives, including country authorities, IMF experts, and policymakers from several countries.

The past year has seen an accelerating move towards blended approaches to CD. The online learning program was quick to respond to this trend not only by further supporting blended CD deliveries, but also by developing a systematic approach to designing and delivering blended CD. New blended learning courses on the topics of government finance and national accounts statistics were offered in February and March 2022, having benefitted from hands-on instructional design, and included tailored case studies, structured office hours, and engaging interactive workshops. High levels of learner engagement, learning gains, and participants’ satisfaction with the courses have prompted further expansion of the blended learning curriculum in macroeconomic statistics. Similar blended learning design practices were introduced for the Model-Based Monetary Policy Analysis and Forecasting course (MPAF) and Public Debt Dynamics training and TA, also offered in February and March 2022. To further establish blended learning as a CD modality, the online learning team has developed a blended learning toolkit for delivery teams, which includes a compilation of IMF-specific recommendations for the design, delivery, and evaluation of blended engagements. The team is also rolling out a series of in-reach initiatives to disseminate the toolkit and ensure consistency in the design and implementation of blended learning across the institution and offers hands-on instructional design for specific blended learning projects on various topics.

¹ Learning gains measure improvement between end-of-course and pre-course knowledge tests.

<p>PROJECT: Anti-Corruption and Rule of Law Capacity Building Project</p>	<p>JSA#: JPN303 IMF ID: LEG_IMF_2022_04</p>
<p>TARGET COUNTRIES: Zambia, Sudan, PNG, and Republic of Congo.</p>	<p>IMPLEMENTATION PERIOD: from July 6, 2021 to July 5, 2023</p>

Key Highlights

The Anti-Corruption and Rule of Law program continues to make progress in Zambia. The main mission for the comprehensive Governance Diagnostic Assessment took place in April 2022. The Assessment, which will identify key corruption vulnerabilities and governance weaknesses and define an action plan for improving governance, will be completed in July 2022. The recommendations will form the basis for the Government of Zambia plan for addressing corruption and trigger the other aspects of the program.

Political issues have prevented progress from being obtained in Sudan and PNG. The governance crisis in Sudan has ruled out continued engagement on implementing reforms. Upcoming elections in PNG have caused a pause in the dialogue with the Government until after the elections have concluded.

The IMF expects a substantial increase in activities and progress in the next quarter due to the completion of the Governance Diagnostic Assessment in Zambia, and initiation of work in the Republic of Congo.

<p>PROJECT: Improving External Sector Statistics in the Asia-Pacific Region</p>	<p>JSA#: JPN514 IMF ID: STA_APD_2021_01</p>
<p>TARGET COUNTRIES: Cambodia, Lao P.D.R., Vietnam, Nauru, PNG, Samoa, Timor-Leste, and Tonga</p>	<p>IMPLEMENTATION PERIOD: from November 1, 2021 to October 31, 2023</p>

Key Highlights

The objective of this two-year project is to build on achievements of the preceding ESS project to further advance reliability and timeliness of data that feed into economic policymaking, and to extend the scope of ESS by developing compilation of cross-border position data.

TA was performed remotely and supported country authorities in addressing challenges to business continuity during the pandemic. In particular, the following countries received support with data collection problems:

- Direct investment: Nauru, PNG, Timor-Leste, Tonga, and Vietnam;
- External debt restructuring and other emergency financing transactions: Tonga and Samoa;
- Reserve transactions and recent allocation of special drawing rights: Lao P.D.R., Samoa, Tonga, and Vietnam.

In parallel to these urgent challenges to data compilation from the pandemic, the project continued to deliver CD on medium-term objectives to enhance ESS.

- **Validation procedures** within the balance of payments compilation workbooks were improved in Lao P.D.R., Nauru, PNG, and Tonga.
- Several **crucial data gaps** were addressed in Timor-Leste, Tonga, and Vietnam and new data sources were introduced (e.g., enterprise surveys, administrative data) in Lao P.D.R., Nauru, PNG, Samoa, and Tonga.
- The **scope of data** was marginally improved, with Tonga resuming compilation and dissemination of international investment position, and all countries advancing compilation of external debt statistics with proper recording debt reorganization initiatives and recent SDR allocation.
- **Institutional settings** were strengthened to enhance country ownership and cooperation between agencies, which are serious obstacle for compilation of ESS source data via: (i) top management engagement with the support of IMF country teams (Lao P.D.R., Nauru, Samoa, and PNG) and (ii) encouraging inter-agency collaboration and data sharing (Samoa, Nauru, and Tonga).

Two training activities were geared towards enhancing knowledge in critical cross-border positions and transactions statistics, reflecting their prominence for macroeconomic analysis.

JSA CAPACITY DEVELOPMENT PROGRAMS APPROVED IN FY2021

PROJECT: Strengthening and Modernizing Customs Administration in Asia and West Africa	JSA#: JPN130 IMF ID: FAD_IMF_2021_03
TARGET COUNTRIES: Cambodia, Lao People’s Democratic Republic, Mongolia, Myanmar, Benin, Côte d’Ivoire, Guinea, Guinea-Bissau, Liberia, Nigeria, Sierra Leone, and Togo	IMPLEMENTATION PERIOD: from May 1, 2020 to April 30, 2023

Key Highlights

The main purpose of the project is to enhance customs administrations’ capacity to collect revenue and control revenue leakage in selected Asian and West African countries. This will be achieved through reforming and modernizing the organizational structure, improving management and procedures of customs administrations, and enhancing the application of the rule of law without impeding trade. The implementation of the project considers the uncertainty of the COVID-19 development, international supply chain disruption and fragile economic recovery.

As of May 2022, all **Asian** countries received FAD’s CD support remotely, except Myanmar for which CD activities have been suspended. The project’s regional advisor started working based in Phnom Penh, Cambodia. The Cambodia customs administration firmly progressed the strategic planning, customs law revision, and business process reengineering. FY23 CD support will focus on special economic zone management and fraud investigation, including customs role in anti-money laundering. The Mongolian customs administration has put high priority on organizational risk management and compliance risk management (CRM) which attracts much attention after the merger with the border inspection agency. The CD support to these areas will continue in FY2023 together with customs law revision, customs laboratory and post clearance audit. CD support for Lao has been limited due to technological challenges and the impact on customs staff during pandemic-induced lockdowns. Preparatory CD support has begun with a strong leadership of MoF, though active customs engagement is still challenging.

All **West African** recipient countries also received FAD’s CD support remotely. Benin, Côte d’Ivoire, Sierra Leone, and Togo customs administrations achieved further progress in analyzing trade data to assess non-compliance risks, thus improving targeting of inspection and audit. Benefiting from advice on digitalization of procedures, Côte d’Ivoire Customs submitted their digitalization plan to the authorities in February 2021. Liberia and Togo completed an inventory of import duty exemptions with the view to limit revenue leakage through enhanced control (and inform tax policy decisions). Based on the Customs Code prepared in 2020 with project CD input and adopted in 2021, Guinea-Bissau is steadily strengthening its core customs functions. Lastly, five recipients—Benin, Côte d’Ivoire, Guinea, Liberia, and Nigeria—benefited from strategic advice to update their customs administration modernization plan. The focus of FY2023 CD will consider the need to further boost trade revenue in the short-term urgent (guided, in two countries at least, by medium-term revenue strategies under development), and the key role of customs in facilitating a smooth international supply chain, in the context of the risk of a food crisis in Africa.

<p>PROJECT: Supporting Improved Treasury Management and Modernization of Financial Management Systems II</p>	<p>JSA#: JPN129 IMF ID: FAD_APD_2021_03</p>
<p>TARGET COUNTRIES: Cambodia, Lao P.D.R., Myanmar, and Vietnam</p>	<p>IMPLEMENTATION PERIOD: from May 1, 2020 to April 30, 2023</p>

Key Highlights

The project aims to further strengthen the treasury management, budget execution, government accounting, fiscal and financial reporting functions of the four beneficiary countries. The program has focused on modernizing CoA, improving public accounting and fiscal reporting, strengthening IA, and enhancing cash management in the first year of implementation.

In **Cambodia**, the project is supporting accounting and budget execution reforms that will enable the government to enhance fiscal transparency and strengthen internal control. A noteworthy accomplishment has been the implementation of the Cash-based International Public Sector Accounting Standards (IPSAS). The government’s financial statements are now largely compliant with the Cash-based IPSAS. The Government has also progressed on transition to an accrual-based reporting, in coordination with the Accounting and Auditing Regulator (ACAR). A roadmap to accrual accounting has been approved by the Deputy Prime Minister. The risk-based methodology for planning for conducting IA was accepted by the authorities. Further work is underway for a pilot IT IA, to be conducted for the first time in Cambodia. FAD assisted the MEF authorities in conducting a Public Expenditure and Financial Accountability (PEFA) self-assessment at the subnational level. A workshop was provided with a focus on analyzing and managing the uncertainties of cash flows post-COVID-19.

In **Lao**, year-round remote assistance was provided to the authorities to revamp the CoA. A series of technical notes were prepared to respond to the various questions raised by the MoF counterparts. A desk-review of the revised economic classifications prepared by the MoF was conducted. The review revealed persisting issues that the MoF is expected to address before the end of the fiscal year.

In **Vietnam**, the State Treasury Development Strategy by 2030 was approved by the Prime Minister. The strategy aims to guide the treasury reforms in the next decade to develop a fully modern Treasury by 2030. Cash management has been improved with the TA on the short-term investment of temporary cash surpluses. The legal regulations and techniques for developing a cash buffer have been reviewed. The operational procedures for Repo have been developed, and Repo is now operationalized. Following an innovative method to deliver a five-module remote program for the VST, the authorities have now planned to conduct a pilot IA later in 2022. Support was also provided to develop a new CoA that will cater to all general government entities.

CD activities continued to remain suspended in Myanmar due to the prevailing political situation.

FY2021 (CONTINUED)

PROJECT: Twelfth IMF-Japan High-Level Tax Conference for Asian Countries	JSA#: Seminar IMF ID: FAD_APD_2021_04
TARGET COUNTRIES: 22 countries in East, Southeast, and South Asia and Oceania	IMPLEMENTATION PERIOD: postponed to FY2023
<p>Key Highlights</p> <p>The twelfth conference aims to help Asian countries enhance their revenue mobilization capacity in both tax policy and tax administration, building on the achievements of previous conferences. FAD originally planned to co-host the conference jointly with Japan's MoF in April 2021. However due to the pandemic, the event was postponed to April 2022. Given the participating countries' strong preference for an in-person event, the conference is postponed to October 2022.</p>	

PROGRAM NAME: Strengthening macrofiscal frameworks to address the COVID-19 shock	JSA#: IMF ID: ICD_IMF_2021_05
TARGET COUNTRIES: Chad, Mongolia, PNG, and Philippines	IMPLEMENTATION PERIOD: from February 1, 2021-April 30,2023
<p>Key Highlights</p> <p>This program aims to build capacity to develop and implement consistent, flexible and easily adaptable macroeconomic frameworks, with a view to enhance forecasting and model-based policy analysis in countries severely affected by the COVID-19 pandemic and/ or its impact on global economic uncertainty. The targeted countries benefitted from 6 CD activities during FY2022: 3 in Chad, 2 in Mongolia, 1 in PNG, and 1 in Philippines.</p> <p>In Chad, the risk of external debt distress remained high before 2020 and was subsequently impacted by the twin pandemic and terms of trade shocks, leading to a deterioration of its outlook. Thanks to this JSA-financed TA, the analysis and forecasting of public debt have been strengthened by means of the development and implementation of a DDT at the MoF. Progress has been substantial in the elaboration of a debt baseline and risk scenarios, as well as the integration of solvency and liquidity indicators in the analysis. The second year of the project will focus on the full integration of the DDT into the fiscal policy decision-making process, which is expected to benefit the budget and debt policy decisions, including within the G20 Common Framework Debt Treatment.</p> <p>In Mongolia, a relatively high debt level makes the country vulnerable to external shocks, especially shifts in commodity demand due to its dependence on commodity exports. With the outbreak of the pandemic, the economic outlook deteriorated sharply. Two CD activities in FY2022 aimed at introducing and customizing the DDT made it possible that local staff populated the tool with their own data, developed a report based on the tool's output and incorporated it to their budget process (see figure extracted from the budget document: (http://forum.parliament.mn/projects/11171, p. 151).</p> <p>In PNG, a scoping and training mission in May 2021 set up an Action Plan including the enhancement of short-run forecasting and nowcasting, the refinement of the existing model calibration and the integration of scenario analysis into the policy process. Although the start of the Plan has been delayed by a number of domestic factors, including the strong outbreaks of COVID-19, the authorities have reiterated their interest and CD activities are expected to resume soon.</p> <p>In Philippines, the Central Bank requested TA to improve its in-house model-based macroeconomic framework in an environment of highly volatile financial conditions and rising international food prices. Thus, in April 2022 an ICD mission reviewed the structure and suitability of the Policy Analysis Model for the Philippines (PAMPh1.0) to capture the macro-fiscal impact of this type of shocks. The findings of the mission pointed to the need to modify the core PAMPh analytical framework, including by introducing a fiscal block and a more detailed balance of payments analysis. A gradual approach to expanding the model's structure is planned in future missions.</p>	

FY2021 (CONTINUED)

PROJECT: Cambodia - Monetary Policy	JSA #: JPN422 IMF ID: MCM_KHM_2021_01
TARGET COUNTRIES: Cambodia	IMPLEMENTATION PERIOD: from May 1, 2021 to April 30, 2024
<p>Key Highlights</p> <p>The TA project supports the NBC in strengthening the effectiveness of its monetary operations in the context of the ongoing de-dollarization efforts. While the project was launched in May 2021, no TA activities have taken place so far due to a delay in hiring an RA. As the project is centered around the work of the RA, there has been no activities implemented under the project so far. In the meantime, the Cambodian authorities continued to receive substantial amount of TA on monetary and FX operations from the CDOT Resident Advisor, also funded by JSA.</p>	

PROJECT: Strengthening Capacity on Central Bank Digital Currency	JSA #: COVID MCM IMF ID: MCM_IMF_2022_07
TARGET COUNTRIES: selected LIDCs and EMDEs	IMPLEMENTATION PERIOD: from December 1, 2021 to April 30, 2023
<p>Key Highlights</p> <p>The project aims to strengthen the analytical framework and provide TA and training on CBDC to selected LIDCs and EMDEs who are striving to avoid a digital divide exacerbated by the COVID-19 pandemic. The capacity building helps these countries to analyze the feasibility of CBDC before pilots and/ or review any risks arising from pilots before launching CBDC. CD has been provided through virtual bilateral engagements and regional workshops/conferences during the first half year of the project:</p> <ul style="list-style-type: none"> • Bilateral CD missions to Egypt, Haiti, Honduras, and Jordan helped assess CBDC feasibility, pros and cons, design options; evaluate the capacity (including institutional set-up, skills, and internal processes needed) to complement the analysis and deployment of CBDC; evaluate the legal and regulatory frameworks needed to support the potential deployment of CBDC; assess risks (including cyber security and operational risks); and assess macro-financial implications of CBDC issued domestically or abroad. • Regional conferences, workshops, and training courses in Central America, SSA, and Caribbean region provided the platform for the participating countries to share and discuss their knowledge and experiences in CBDC design and implications, cross-country experiences, and lessons; discuss and collect themes, priorities, and questions for the IMF to raise in international working groups on the behalf of member countries. • Analytical work is now being developed as CBDC Handbook chapters for the theoretical underpinnings, policy views, and analytical frameworks on the following topics: assessing feasibility, readiness, and suitability through application of decision tree and toolkits; considering capital flow management; evaluating the implications for monetary policy; and managing CBDC project. These four chapters are expected to be finalized in the remaining life of the project. 	

<p>PROJECT: Improving Data Dissemination for Globally Selected Countries</p>	<p>JSA#: JPN508 IMF ID: STA_IMF_2021_01</p>
<p>TARGET COUNTRIES: Burundi, Chad, Comoros, Palau, and Somalia (all e-GDDS); Rwanda and Uzbekistan (both SDDS)</p>	<p>IMPLEMENTATION PERIOD: from May 1, 2020 to April 30, 2023</p>

Key Highlights

The project aims to provide CD to 15 countries, from a pool of 45 eligible countries, to enhance their data dissemination practices, as envisaged under the IMF Data Standards Initiatives. The project focuses on the first and second tiers of the Initiatives –the enhanced e-GDDS and the Special Data Dissemination Standard (SDDS). The objective is to promote data transparency and facilitate public access to an essential set of macroeconomic and financial statistics through publication of the National Summary Data Page (NSDP), a centralized data portal which facilitates data dissemination and public access.

STA staff provides technical support through: (i) e-GDDS missions to help authorities adopt standardized dissemination practices and set up/maintain their NSDP; (ii) peer-learning workshops to share experiences and help countries develop action plans for implementing the e-GDDS or advancing to the SDDS; and (iii) remote technical support for countries wishing to advance to the SDDS. STA monitors timeliness of data dissemination and sends each country a monthly report on their performance with respect to e-GDDS commitments or SDDS requirements. This also helps ensure that the CD delivered leads to sustainable results.

Despite challenges from the pandemic, which strained already limited absorptive capacity in recipient countries, progress was made for several countries, including small states and FCS through remote missions and engagement during FY2022.

With STA mission support, Palau implemented the e-GDDS and launched its NSDP in February 2022. Missions were conducted for Burundi (March 2022) and Chad (November 2021 and April 2022), both FCS; STA staff provided training and helped the authorities finalize preliminary NSDPs, which are expected to be launched in early FY2023. For Somalia, also an FCS and one of only six IMF member countries that do not yet participate in the Data Standards Initiatives, STA developed a preliminary NSDP during remote engagement with the authorities, and following a remote mission in May 2022, the authorities intend to implement the e-GDDS and launch the NSDP in the near future. For Comoros, an FCS, discussions continued to address technological and resource constraints affecting the launch of the NSDP (following the mission in FY2021). STA staff continued to support the authorities of Uzbekistan to implement the jointly developed Action Plan for subscribing to SDDS and have been working with the authorities of Rwanda to develop an action plan to subscribe to SDDS.

To prepare a workplan for FY2023 with strong ownership from country authorities, STA has engaged with other JSA-eligible countries, in consultation with IMF area departments, including Bahrain and Zimbabwe, and is organizing an e-GDDS peer-learning workshop in the Africa region. Meanwhile, the IMF continues to collaborate with the African Development Bank in implementing the e-GDDS in Africa.

JSA CAPACITY DEVELOPMENT PROGRAMS APPROVED IN FY2020

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, Timor-Leste, and Vietnam	IMPLEMENTATION PERIOD: from May 1, 2019 to July 31, 22

Key Highlights

This program focuses on 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.

Despite the constraints of virtual environment, FAD successfully sustained engaged with the countries by blending TA with a set of virtual training programs and webinars—combining both core PFM topics and emerging themes, such as climate change, digitalization, and gender budgeting. The presence of the CDOT-based regional PFM Advisor in the same time zone as counterparts has proven critical in facilitating communication and work program execution.

Among the LIC, progress was particularly strong in **Cambodia**. The work on the FMIS) roll-out was further advanced, preparing the ground for the next phase of FMIS development. With support of an FAD Resident PFM Advisor, the General Department of Budget (GDB) has advanced in implementing a medium-term budget framework and improving its PIM practices. In **Timor-Leste**, FAD assisted in preparing a medium-term PFM reform strategy, laying out a roadmap for sequencing further reforms. In Vietnam, support to enhance the capacity of the MoF in fiscal risk analysis and management continued. In Lao PDR, progress continued in aligning fiscal reporting with international good practices through the modernization of the CoA, albeit at slower than expected pace due to capacity constraints.

Among emerging economies, **Malaysia** continued to make progress in its efforts to introduce a Fiscal Responsibility Act by end-2022. In Indonesia, the “budget planning cooperation program”, launched in December 2019 with the Directorate of the Budget of the MoF, was completed. The program supported CD for a core group of 30 budget analysts in budget planning and policy costing. In **Philippines**, staff in the Department of Finance was exposed to a number of IMF tools to support better analysis of fiscal risks from government-owned and controlled corporations (GOCCs). They are now better prepared to analyze the cost of different modes of financial support to GOCCs.

The progress remained halted in **Myanmar** due to the political situation in the country and in **Mongolia** due to the authorities’ preference for in-person missions.

FY2020 (CONTINUED)

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 May 1, 2019 to April 30, 2022

Key Highlights

The funding program aims to strengthen IG through stronger public investment practices for countries to achieve sustainable and inclusive growth. The program provides CD to support countries improve infrastructure investment efficiency and promote sound decisions on infrastructure spending with due consideration to debt sustainability. It also aims to raise awareness of the importance of strong IG and good practices in line with Japan's quality of infrastructure agenda.

In FY2022 the program funded 12 HQ missions, STX missions and 2 PIMA workshops (two regional workshops respectively for Central American and the Caucasus and Central Asia countries). CD activities supported by the project have included the delivery of PIMAs in Costa Rica, Democratic Republic of Congo, Grenada and Rwanda, and PIMA follow-up/PIM missions (Eswatini, Gabon, Ivory Coast, Mongolia, Philippines, Togo, and Uzbekistan). These activities have provided tailored action plans, recommendations, and implementation support to improve PIM across the 11 countries.

The C-PIMA module, which aims to integrate climate-related concerns and risks in the public investment cycle, was developed, and applied in 11 countries. A C-PIMA paper was also submitted to the Board in December 2011 highlighting the key features and objectives of the C-PIMA module.

The Global IG LTX and HQ-based Asia Advisor have continued to provide CD support to IG missions, lead workshops, and help raise awareness on quality infrastructure investment in international fora. The IG Secretariat function was fully established in FY2021 and its work in 2022 culminated in the inclusion of a new C-PIMA web page and related resources in the IG web portal and the preparation of 15 PIMA videos that will be posted in the IG portal in 2022. The PIMA Handbook was also finalized and will be published in the summer of 2022.

FY2020 (CONTINUED)

PROJECT: Strengthening Debt Management Operational Frameworks in Africa	JSA#: JPN421 IMF ID: MCM_AFR_2021_02
TARGET COUNTRIES: Benin, Burkina Faso, Ivory Coast, Guinea, Guinea-Bissau, Mali, Mauritania, Niger, Senegal, Togo, Equatorial Guinea, Gabon, Botswana, Eswatini, and Namibia.	IMPLEMENTATION PERIOD: from May1, 2020 to April 30, 2024
<p>Key Highlights</p> <p>The project aims to strengthen the key operating framework to facilitate implementation of DMS, help to diversify market borrowings in the beneficiary countries and to further deepen the institutional capacities at debt management offices/departments in a number of countries from Central, Southern, and West Africa.</p> <p>TA has been provided through virtual bilateral engagements modelled on traditional missions and regional workshops, and complemented by regional webinars. During the second year of the project, TA provided to West African countries and Gabon has helped to:</p> <ul style="list-style-type: none"> • Provide guidance to country authorities on areas where sovereign debt managers may have to take action to address challenges stemming from the COVID-19 pandemic; • Assist country authorities draw up medium-term reform plan for development of the domestic market for Guinean government securities and support the Treasury in preparing and setting up the first Treasury bond auction carried out in April 2022; • Strengthen capacities of Benin; Mali, Mauritania, Burkina Faso; Niger and Gabon in preparing and implementing credible MTDS and annual borrowing plans. Improve elaboration and implementation of domestic issuance calendar of T-bonds and T-Bills and the integration between debt and treasury management; • Assist the West African Economic Monetary Union (WAEMU) Regional Council for Financial Markets to explore alternatives for developing single issuer yield curves for the WAEMU regional bond market; • Provide guidance and support to the Guinea-Bissau’s authorities to improve the institutional and organizational framework for debt management; and • Strengthen capacities of Togo, Mali, and Equatorial Guinea in risk analysis, debt portfolio management and debt reporting. 	

<p>PROJECT: Strengthening Debt Management Operational Frameworks in Asia-Pacific</p>	<p>JSA#: JPN420 IMF ID: MCM_APD_2021_01</p>
<p>TARGET COUNTRIES: PFTAC Member Countries (Cook Islands, Fiji, Federated States of Micronesia, Kiribati, Marshall Islands, Nauru, Niue, Palau, PNG, Samoa, Solomon Islands, Timor-Leste, Tokelau, Tonga, Tuvalu, Vanuatu), Indonesia, Malaysia, Philippines, and Thailand.</p>	<p>IMPLEMENTATION PERIOD: from May 1, 2020 to April 30, 2024</p>

Key Highlights

The project aims to assist PFTAC member countries to strengthen their debt management by: (i) building capacity on debt related analyses and reporting; (ii) building capacity to implement their debt and risk management strategy; (iii) strengthening the institutional arrangements for debt management; and (iv) improving the functioning of local currency bond markets. The project also aims to assist Southeast Asian member countries by: (i) improving debt management framework and the implementation of debt management strategy, (ii) improving their secondary markets for government securities market; and (iii) strengthening integration of the debt market with other segments of financial markets including the development of derivatives market. TA has been provided through virtual bilateral engagements and regional workshops.

In FY2022, TA in the Pacific has helped to:

- Develop capacity in debt reporting and monitoring best practice (Tonga and regional workshop) and assisted in the development of a regular debt bulletin to enhance debt transparency (Tonga);
- Strengthen capacity in the preparation and implementation of a medium-term debt management strategy and in the use of the MTDS Analytical Tool and framework (Cook Islands);
- Review the institutional arrangements for debt management in PNG and provided a plan to strengthen the organization structure and supporting institutional arrangements;
- Develop a debt management policy in Palau, establishing a formalized framework for debt management that is based on best practices; and
- Strengthen capacity in loan and financial analysis in PNG.

<p>PROJECT: Regional Government Finance Statistics (JSA3)</p>	<p>JSA#: JPN513 IMF ID: STA_APD_2020_01</p>
<p>TARGET COUNTRIES: Cambodia, Indonesia, Lao P.D.R., Malaysia, Mongolia, Myanmar, Philippines, Thailand, and Vietnam</p>	<p>IMPLEMENTATION PERIOD: from August 1, 2019 to July 31, 2022</p>

Key Highlights

The purpose of the project is to provide CD in compiling and disseminating timely and comprehensive GFS and public sector debt statistics (PSDS) for evidence-based fiscal policymaking and surveillance. STA CD was coordinated with JSA-supported activities in PFM through CDOT to maximize synergies. In response to the challenges of the COVID-19 pandemic, CD delivery was done through flexibly scheduled remote missions in FY2022.

- **Fast-paced performers:** Indonesia continued to meet the commitments under the G-20 Data Gaps Initiative, especially in producing timely GFS with high frequency and broad coverage. Thailand is also producing high-frequency GFS and received CD support to expand the data coverage for macro-critical SOEs that reached 90 percent of the non-financial SOE sector by asset size. Moving forward, both countries aim to include data on newly established extra-budgetary funds (EBFs).
- **Medium-paced performers:** The Philippines published the improved GFS and PSDS and further expanded the data coverage to include two large entities – Railways and Irrigation, which are fully controlled by the CG and account for about 1.3 percent of CG revenues. The country also included data on local governments, which absorbed 28 percent of CG revenues in the form of grants. Malaysia has recently made significant progress in the preparation of accrual-based GFS for the CG, and initiated expansion of GFS coverage through survey data from all other levels of government and nonfinancial SOEs. Future CD will build on these improvements.
- **Slow-paced performers:** Steady progress was achieved with sustained peripatetic remote CD in FY2022. Cambodia is utilizing synergies with PFM reforms to capture high-frequency source data for compiling GFS, which are published together with metadata that explains derivation from the national GFS presentation. The compilation of functional classifications for local governments provides more insights on spending composition while expanding coverage to EBFs will offer a more comprehensive monitoring of fiscal risks. In Vietnam, the launch of the Vietnamese GFS Manual with CD support ensured the awareness of senior policy makers about the pivotal role of GFS in close coordination with ongoing system-wide PFM reforms, thus allowing Vietnam to progress in producing more detailed GFS tables (which are pending official approval for dissemination). Lao P.D.R. continued to improve the accuracy of its GFS and expanded coverage to include social security funds and two EBFs for poverty reduction and environmental protection. The recently established dissemination of detailed GFS in line with e-GDDS guidelines has been a major step forward in fiscal data dissemination. Nevertheless, Lao P.D.R. and Vietnam continue to face challenges with compiling PSDS, and Cambodia is reporting PSDS but with uneven frequency and lags. Therefore, additional CD support will be provided in the future to improve GFS accuracy and coverage and to concurrently enhance PSDS compilation and dissemination. In the meantime, ongoing reforms in Lao P.D.R and Vietnam on the CoA and debt management systems will help to provide prerequisites for PSDS reporting.

JSA CAPACITY DEVELOPMENT PROGRAMS APPROVED IN FY2019

PROJECT: Integrating Macro-financial Analysis in Macroeconomic Management (MAC)	JSA#: JPN604 IMF ID: APD_TTA_2019_01
TARGET COUNTRIES: Cambodia, Lao P.D.R., Myanmar, Vietnam (core) and PNG and Timor-Leste (regional training only)	IMPLEMENTATION PERIOD: from November 1, 2018 to April 30, 2024

Key Highlights

The MAC project covers three types of CD: on the Macroframework (sometimes called Financial Programming), on the FPAS, and seminars on macroeconomic and financial topics. In person workshops and seminars became possible again in April 2022, with the opening up of Cambodia, Laos, and Vietnam (CLV) to international travel. This triggered a surge in CD delivery in response to pent-up demand as the hand-on training that can be done much more effectively in person. However, until recently CD was virtual with CDOT support concentrated on two projects: Macroframework CD in Cambodia and FPAS CD to the State Bank of Vietnam (SBV). Both were facilitated by CD relationships established before the pandemic. With the transition back to in-person CD, CDOT is starting two new projects: Macroframework CD in Laos, and CD on Forecasting for Monetary Policy with the NBC.

Cambodian Macroframework CD is delivered by a CDOT Long Term Expert (the CDOT Macroeconomic Advisor), a Short Term Expert (an ICD staff member), and a CDOT economist (seconded by the Bank of Thailand). The virtual delivery of CD focused on making the Macroframework into an operational tool for macroeconomic and policy analysis owned and operated by an Interagency Core Group composed of staff from the MEF, the NBC and the National Institute of Statistics (NIS). This Macroframework was used to run scenarios of the persistence of the COVID-19 Pandemic and the fiscal policy response. In May 2022, the first in-person workshop updated Macroframework data and forecasts and analyzed the drivers of Cambodia's large current account deficit and policies to restore external balance. Workshops in July and September 2022 cover fiscal policy and the transition to a green economy, respectively.

The Vietnam FPAS CD is led by ICD with CDOT providing a STX. This project aims to modernize the monetary policy framework of the SBV. It achieved an important milestone on its first in-person mission in April 2022 where the SBV transitioned to Phase II of FPAS. This aims to develop organizational FPAS processes, including the integration of model-based forecast and analysis into the monetary policy decision-making process. In this phase, the FPAS core group takes full ownership of the Quarterly Projection Model and uses it to produce monthly Nowcasts that are reported to SBV management.

CDOT delivered two types of virtual seminars and was able to resume in-person seminars in June 2022. The first type are standard IMF courses delivered to just CLV but with the content tailored to the situation in these countries and using their own data. This included seminars in Debt Dynamics and Sustainability and on Exchange Rate Policy. CDOT resumed in-person seminars as soon as feasible owing to the strong preference of authorities using sequential training (i.e., by delivering the same course in each country as country officials can't travel), starting with courses in Nowcasting Fundamentals and Macroeconomic Diagnostics. The second type is virtual high-level, peer-learning workshops open to a wider group of Asian countries. These addressed new emerging topics of high interest—CBDC, the Crypto Ecosystem and Financial Stability Challenges, and the Digital Economy and its Measurement—drawing on the expertise of IMF Headquarters staff and invited country experts. These will continue to be done virtually.

<p>PROJECT: Supporting Tax Administration Reforms in Selected Asian Countries</p>	<p>JSA#: JPN126 IMF ID: FAD_APD_2019_01</p>
<p>TARGET COUNTRIES: Bhutan, Lao P.D.R., and Vietnam (only in FY2022)</p>	<p>IMPLEMENTATION PERIOD: from May 1, 2018 to April 30, 2022</p>

Key Highlights

The purpose of the project is to strengthen tax administration in Lao and Vietnam, and 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, there is an additional objective of strengthening tax policy and improving the efficiency of the tax system.

The COVID-19 pandemic led to delays and travel restrictions; however, the project was flexible in responding to these realities and adopted alternative delivery modalities to provide continuity of support.

In Bhutan, the project financed a Resident Advisor to support the GST Implementation Team. The RA guided officials on international good practice in managing GST implementation preparedness and associated risks and worked closely with the GST Project Manager to plan for short-term experts. Project funding was expended to support the preparation of the GST law and regulations, define business processes and system requirements, define the organizational and staffing requirements for the new tax, develop and deliver staff training, prepare an outreach plan for stakeholder communication, and provide an assessment on administrative readiness. Despite the anticipated delay of GST implementation beyond the July 1, 2022 application date, FAD remains committed to providing CD support for the wider Bhutan revenue reform program. In Lao P.D.R., revenue declines resulting from the COVID-19 pandemic led to an interest in boosting revenues. Through collaboration with the Tax Department, FAD led the development of a Revenue Mobilization plan that identified initiatives that would generate revenue quickly. Implementation support for these initiatives was provided through peripatetic assistance and short-term expert support. In Vietnam, guidance was provided to strengthen CRM through better oversight and governance and introduced CRM reforms that could be piloted with large private sector enterprises.

<p>PROJECT: Strengthening Fiscal Sustainability Through Core Budget Functions in FCS</p>	<p>JSA#: JPN125 IMF ID: FAD_AFR_2019_01</p>
<p>TARGET COUNTRIES: Burkina Faso, Republic of Congo, Central African Republic, Chad, Liberia, Malawi, Mali, and Zimbabwe</p>	<p>IMPLEMENTATION PERIOD: from May 1, 2018 to April 30, 2022</p>

Key Highlights

Note that CD delivery to Burkina Faso was suspended in FY2022 and now the country is excluded from the JSA successor project.

In **Liberia**, the project provided in-country assistance to rebuild the Medium-Term Expenditure Framework, offering practical and achievable recommendations to better link the fiscal framework with the budgetary processes of the government. The project also supported ongoing and high-priority work to establish a TSA and to improve cash management. This assistance was coordinated with the assistance also provided through AFRITAC West 2.

In **Malawi**, the project provided ongoing support through a resident adviser. In the most recent term, the advisor’s activities supported the Account General’s Department in (i) analyzing progress on the new Integrated Financial Management Information System and readying functional areas (in addition to the currently used payments module) for implementation, notably regarding revenues, assets, and projects; (ii) reviewing the bank account arrangements and proposing a revised structure for enhancing the monitoring and control of bank balances; (iii) data migration and change management (including for the alteration of the fiscal year effective from FY2022-23); and (iv) providing comments on the draft PFM Bill, which was approved by the parliament in March 2022.

In **Mali**, the project contributed to the improvement of the main areas of reform: (i) the preparation of the organizational and institutional reform of the National Treasury and Public Accounting Department for better performance and efficiency in the implementation of the accounting reform (accrual accounting); (ii) the ongoing modernization of the IT system Integrated State Accounting Application (AICE2), in support of the modernization of cash management (by strengthening the interfaces with the IT system of public expenditure and revenue management), and (iii) the improvement of the quality of public accounts, the implementation of the new financial statements and update of the operational texts of the accounting reform.

The main risks are related to the context resulting from the sanctions adopted in January 2022 by Economic Community of West African States (ECOWAS) ; however, the technical work continues thanks to the mobilization of the management and technical services.

The continuation of FAD TA within the framework of the next project will make it possible to consolidate the achievements and resume the reforms that have been affected by the institutional context (e.g., further implementation of the TSA and the modernization of cash management), in coordination with other partners.

In **Central African Republic**, the project contributed to (i) enhancing fiscal reporting by continuing to improve accounting quality and developing a matrix of priority actions for implementing stocks and fixed assets accounting; (ii) providing technical advice to speed up interfacing between the new IT Budget and Accounting Management Software (SIM ba), and other existing software; (iii) strengthening cash management by specifying the scope of the TSA and drafting a new convention to enhance relations between the Central Bank and the National Treasury. The next steps include accelerating the preparation of the prerequisites for the transition to accrual accounting by clearing up the general balance sheet and implementing the stock and fixed assets accounting, gradually expanding the TSA perimeter, strengthening the linkage between cash management and debt management, and advising on upgrading the organizational chart of the National Treasury. However, this dynamic is likely to face several challenges related to the unstable political and economic context (e.g. law for legalizing cryptocurrencies) and the weak absorptive capacity of the main TA recipients.

In **Republic of Congo**, the project contributed to (i) stabilizing the new IT system (SIGFIP) and improving its governance framework; (ii) gradually achieving the prerequisites for transition to accrual accounting and the subsequent certification of accounts by the Court of Auditors; (iii) strengthening the linkage between the procurement, commitment and cash flow plans; (iv) drafting a convention to enhance the relations between the National Treasury and the Central Bank; and (v) putting in place and activating a steering committee for the TSA. In addition, the project assisted with drafting of a new PFM reform strategy that has been approved by the authorities.

The next steps include enhancing cash management and debt management functions, implementing the stock and fixed assets accounting, clearing up the general trial balance and preparing the opening balance sheet, consolidating the new IT system, widening the scope of TSA by transferring the funds of public entities from commercial banks to the Central Bank.

In **Chad**, the project helped achieve the following: (i) a final 2022-27 PFM strategy and its corresponding bi-annual action plan, as well as an operational activity program for its first year 2022; and (ii) a specific action plan for the budgeting for, execution and control of, and reporting on wage bill. The PFM strategy is expected to be adopted in June 2022, as part of the Chadian economic and financial program supported by the IMF. The PFM strategy also proposed revamping the PFM Monitoring Committee, its Technical Support Unit, as well as introducing several operational units within the main directorates tasked with reforms implementation. The strategy also suggested the restoration of a coordinating unit to enhance collaboration with donors. To improve ownership of the PFM strategy, workshops were organized, well attended, and well appreciated by both the key Senior Officials within and outside the Ministry of Finance and Budget, including the Court of Accounts. On the wage bill, the proposed specific action plan is being implemented. Since June 2021, wage bill management has moved from an outdated and inefficient system (known as SYSGAPE) to a new and modernized system, the so-called SIGFIP. The latter is being developed to cover other PFM aspects. While progress has been achieved to date, activity was slowed due to COVID-19 crisis and the political instability following the death of the Chad President in April 2021.

The next steps include the installation of the selected LTX (who will split his time between Chad and Mali) and a HQ mission to support the budgeting for wage bill. LTX key workstreams are as follows: (i) strengthening PFM institutions to successfully implement the PFM strategy, including supporting the SIGFIP development; (ii) improving budget execution and controls; and (iii) improving coverage and quality of fiscal reporting.

In **Zimbabwe**, significant progress has been made on the assessment and management of fiscal risks with the support of the project. A remote capacity development mission worked with the MoF and Economic Development and the Macro-Fiscal Working group to draft a new Fiscal Risk Statement for 2022. The draft included, for the first time, new SOE analysis drawing on FAD's SOE Health Check Tool, drawing on the gains from assistance provided in previous years of the program. This then culminated in the significant achievement of the publication of Zimbabwe's first ever Fiscal Risk Statement as part of the 2022 Budget Statement.

FY2019 (CONTINUED)

PROJECT: STI Continuing Training on Economic and Financial Policy Analysis in Asia	JSA#: JPN205 IMF ID: ICD_STI_2019_01
TARGET COUNTRIES: Asia Region	IMPLEMENTATION PERIOD: from June 30, 2019 to June 26, 2021
<p>Key Highlights</p> <p>The objective of STI’s program is to help build the capacity of Asian countries to implement sound and effective macroeconomic and financial policies through the delivery of high-quality, interactive and customized face-to-face and virtual training, workshops, and TA in Singapore and throughout Asia. The purpose of this project is to continue providing high-quality CD while increasing STI’s training, TA, and outreach activities in the region in line with rising demand.</p> <p>STI (1) provides training on macroeconomic analysis and policies, financial sector supervision and regulation, and related legal and statistical issues to government officials; (2) engages in IMF TA in the area of macroeconomic frameworks; (3) organizes virtual IMF Expert Webinars that feature cutting-edge IMF policy-oriented and research papers; and (4) organizes peer-learning events, both virtual and in-person, that bring together participants from all over Asia and beyond. Prior to the pandemic, each year more than 1,000 officials participated in STI events, organized either in Singapore or in the region, with additional participants via regional courses and collaborations with other primary RCDCs in the region. Due to the pandemic, from mid-2020 until May 2022 all deliveries switched to virtual mode and, at the same time, STI was able to continue running at full capacity. During the virtual delivery STI maintained similar enrollments for courses and dramatically increased its regional reach with TA projects and expert webinars.</p> <p>To better connect the IMF training with policy priorities identified during the IMF country consultations, STI started in 2017 a high-level dialogue between the IMF staff, senior country officials, and international experts. These peer-to-peer exchanges have helped identify common challenges and capacity gaps and allowed STI to tailor training and workshops to emerging needs. The high-level event in September 2021 focused on monetary policy challenges during the pandemic and beyond. TA on developing macroeconomic frameworks was added as a natural extension of STI training in the area of financial programming and economic modeling. STI has delivered such TA to finance ministries in Bhutan, Cambodia, Timor-Leste, and Vanuatu, as well as the Solomon Island’s Central Bank. With increased vaccination rates in recipient countries travel restrictions were gradually removed and STI led its first in-person TA mission to Cambodia in January 2022.</p>	

PROJECT: Cambodia - Strengthening Risk-Based Banking Supervision	JSA #: JPN417 IMF ID: MCM_KHM_2019_01
TARGET COUNTRIES: Cambodia	IMPLEMENTATION PERIOD: from July 1, 2018 to May 31, 2022
<p>Key Highlights</p> <p>The objective of this project was to assist the NBC in improving its supervisory and regulatory capacity. The project supported the NBC’s efforts in modernizing the regulatory framework for banks, improving the scope and quality of the regulatory data, and moving to an effective RBS. The RA at NBC played the central role in the project’s implementation. Periodic short-term expert visits on specific topics complemented the work of the RA.</p> <p>Although the TA project was significantly affected by the COVID-19 pandemics, good progress has been achieved in several areas. The NBC’s bank supervision structure was re-organized in line with the TA advice. Several new banking regulations were drafted with the assistance of the RA and implemented. The new methodology for assessing financial institutions in line with the risk-based methods was developed. The data reporting templates have been streamlined and adapted to the new accounting standards. In addition, the RA assisted NBC in designing extraordinary policy measures to deal with the effects of the COVID 19 crisis.</p>	

JSA TECHNICAL ASSISTANCE PROGRAMS APPROVED IN FY2018

PROJECT: CDOT Supporting Monetary and FX Operations in Cambodia, Lao PDR, Myanmar, and Vietnam	JSA #: JPN414 IMF ID: MCM_APD_2018_01
TARGET COUNTRIES: Myanmar, Cambodia, Lao PDR, and Vietnam	IMPLEMENTATION PERIOD: from September 1, 2017 to April 30, 2024

Key Highlights

The project provides TA and training through CDOT to the central banks of Cambodia, Myanmar, and Vietnam on monetary and FX operations since 2017. The program also engages the central bank of Lao PDR in capacity building through regional workshops and training. The TA and training are being provided by a sequence of RA. The first CDOT RA's 3-year term ended in September 2020. As there remains substantial need for monetary and foreign operations TA and training in these countries, the project was extended twice, with the last extension until April 2024. The second RA started his assignment remotely in January and on-site in Bangkok in March 2021.

In **Cambodia**, in FY2022, with the advisor's support, the NBC continued focusing on improving its monetary operations, including development of Interest Rate Corridor, liquidity monitoring and forecasting, and developing a market-based benchmark exchange rate. Specifically, the NBC implemented two important recommendations—(i) introducing Marginal Lending Facility (overnight facility) in September 2021 and (ii) starting the collection of interbank money market data in May 2022. As a result of the former, the NBC now has in place a partial Interest Rate Corridor and the one-week Negotiable Certificate of Deposits (NCDs) in Cambodian Riel (KHR)—issued weekly through fixed rate and full allotment auctions—that plays a role of the Interest Rate Floor. Furthermore, the NBC has started collecting bank-customer FX transactions data from ten largest financial institutions, currently in the test mode. This will allow the NBC to start publishing daily interbank market volume and weighed average exchange rate on the NBC platform for financial institutions, which will be a first step in disclosing FX market data. Once the collection bank-customer market data is established on a regular basis, the NBC can start using the data for the reference exchange rate calculation. Last but not least, the NBC has made all necessary adjustments to move its FX auctions to the NBC system platform, which has been used for monetary operations.

In **Myanmar**, With the military takeover on February 1, 2021, the advisor has paused all TA activities with the CBM and kept regular contact only for fact-finding. The advisor is providing regular reports of developments in FX markets, and banking and monetary policies in Myanmar to MCM and the APD Article IV team. The project thus makes a valuable contribution to integration of IMF CD and surveillance. It also helps to be ready for resumption of TA work as soon as a decision on the nature of further engagement with the country is made by the Fund's Board.

In **Lao PDR** and **Vietnam**, in FY2022, CD has been provided to the Bank of Laos (BoL) and the SBV through regional events and ad hoc knowledge sharing.

FY2022 Regional Events included: (i) the regional course on monetary policy implementation jointly organized by CDOT and SARTTAC in August 2021 to April 2022, and (ii) the regional webinar on CBDCs for CDOT countries in April 2021. All the segments of the former event were open to all central banks of the two regional centers' member countries plus the Philippines.



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