

Japan Administered Account for Selected IMF Activities (JSA)

Annual Report
Fiscal Year 2005

International
Monetary
Fund

A stylized graphic of a globe, composed of several overlapping orange arcs that form a grid-like pattern, representing latitude and longitude lines. The globe is positioned in the lower half of the page, partially overlapping the IMF logo.

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Contents

JSA Annual Report Fiscal Year 2005	1
The IMF: Purpose and Activities	1
IMF Technical Assistance: Demand and Supply	2
The Japan Administered Account for Selected Fund Activities (JSA)	4
Activities Funded: Technical Assistance, the Regional Office for Asia and the Pacific, and Scholarship Programs	4
Level of Funding	5
Japan-IMF Consultations	6
Technical Assistance Funded by JSA	6
Project submission and approval	6
Project assessment and evaluation	12
Commitments and disbursements	12
Geographical distribution of funds	12
Distribution of funds by subject area	15
Effectiveness of JSA-funded technical assistance	17
Scholarship Programs	18
Japan-IMF Scholarship Program for Asia	18
Japan-IMF Scholarship Program for Advanced Studies	20
Annexes	
1. JSA Technical Assistance Projects Approved in FY2005	26
2. JSA Joint Japan-IMF Field Visits	56
3. Results of Evaluations of Technical Assistance Projects	58
4. Administered Accounts—Japan Financial Statement FY2005	60
Tables	
1. Contributions by Japan, FY1990–FY2005	5
2. JSA Annual Technical Assistance Commitments and Disbursements, FY1993–FY2005	13
3. JSA Annual Commitments for Technical Assistance by Region, FY1993–FY2005	14
4. The 10 Largest Recipients of JSA-Financed Technical Assistance, FY1993–FY2005	15
5. JSA Annual Commitments for Technical Assistance by Subject Area, FY1993–FY2005	16
6. Japan-IMF Scholarship Program for Asia: Distribution of Scholars by Country and Affiliation, 1993–2004	20

7. Japan-IMF Scholarship Program for Advanced Studies: Number of Scholars by Country, 1996–2004	22
8. Japan-IMF Scholarship Program for Advanced Studies: Number of Scholars by University, 1996–2004	23
9. Japan-IMF Scholarship Program for Advanced Studies: Employment of Graduates from the 1996–2002 Programs	24
10. Results of Evaluations of Technical Assistance Projects	59

Figures

1. IMF Technical Assistance Delivery	3
2. JSA Share of Financing of Technical Assistance Delivered in the Field	4
3. Annual Contributions by Japan for Technical Assistance, FY1990–FY2005	6
4. JSA Annual Technical Assistance Commitments and Disbursements	13
5. Distribution of JSA Technical Assistance Commitments by Region, FY1993–FY2005	14
6. Distribution of JSA Technical Assistance Commitments by Region, FY2005	14
7. Distribution of JSA Technical Assistance Commitments by Subject Area, FY1993–FY2005	17
8. Distribution of JSA Technical Assistance Commitments by Subject Area, FY2005	17
9. Results of Evaluations of Technical Assistance Projects	18

Boxes

1. Core Areas of IMF Technical Assistance	2
2. Building the Capacity of the Central Bank of the Democratic Republic of the Congo	7
3. Vietnam: Strengthening Tax Administration	8
4. Republic of Congo: Rebuilding a National Statistics System	9
5. Modernization of a Banking Law in the Maldives	10
6. Middle East Technical Assistance Center (METAC)	11

Photographs

1. AFRITAC Seminar on Integrated Financial Information Systems, Dakar, Senegal, December 13–16, 2004	19
2. International Conference and Training Center, Dalian, China	19
3. METAC Staff	21
4. PFTAC Regional Training Course on Balance of Payments and International Investment Position, Suva, Fiji, April 11–22, 2005	21

JSA Annual Report Fiscal Year 2005

In 1990, Japan agreed to provide financial support for the IMF's technical assistance to its member countries to strengthen their capacity to formulate, implement, and maintain macroeconomic and structural adjustment programs. Since then, Japan has been, and continues to be, the largest contributor to the IMF's technical assistance (TA) activities.¹ Japan's contributions are provided through the "Japan Administered Account for Selected Fund Activities" (JSA).² In addition, Japan also finances two scholarship programs, one under the JSA and the other under a separate account, the "Subaccount for Japan Advanced Scholarship Program."

This report starts out with a brief description of the IMF and its activities, particularly focusing on its technical assistance activities. The report then describes in greater detail the JSA—including its objectives, size, scope, and use, as well as assessments of its activities, with a focus

on fiscal year 2005—and the TA activities and scholarship programs that it finances.³

The IMF: Purpose and Activities

The IMF, an international organization of currently 184 member countries, was established in 1946 to promote international monetary cooperation, exchange stability, and orderly exchange arrangements; to provide temporary financial assistance to countries with balance of payments difficulties; and to foster economic growth and high levels of employment. To achieve these objectives, the IMF carries out three types of operational activities: surveillance, financial assistance, and technical assistance.

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

Financial assistance includes credits and loans extended by the IMF to member countries with

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

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

³The reference to fiscal year (FY) in this report is to the IMF's fiscal year, which runs from May 1 through April 30. This report thus covers the period May 1, 2004–April 30, 2005. Reports on FY2000–FY2004 can be found on the IMF's website, www.imf.org/JSA.

balance of payments problems so that they can restore conditions for sustainable economic growth. The financial assistance provided by the IMF enables countries to rebuild their international reserves, stabilize their currencies, and continue paying for imports without having to impose trade restrictions or capital controls. The IMF makes its financial resources available to its members through a variety of financial facilities—for example, Stand-By Arrangements and the Extended Fund Facility. It also provides concessional assistance under its Poverty Reduction and Growth Facility (PRGF) and debt relief under the Heavily Indebted Poor Countries (HIPC) Initiative.

Technical assistance consists of expertise and training provided by the IMF to help member countries strengthen their human and institutional capacity and design and implement effective

macroeconomic and structural policies. Technical assistance is offered in several broad areas—namely, fiscal policy and management, monetary policy and financial systems, and macroeconomic and financial statistics. See Box 1 for a list of the core areas of IMF technical assistance.⁴

IMF Technical Assistance: Demand and Supply

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

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

Box 1. Core Areas of IMF Technical Assistance

Fiscal Policy and Management

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

Macroeconomic and Financial Statistics

- Multisector statistical issues
- Balance of payments and external debt statistics
- Government finance statistics
- Monetary and financial statistics

- National accounts and price statistics
- Data dissemination standards

Monetary Policy and Financial Systems

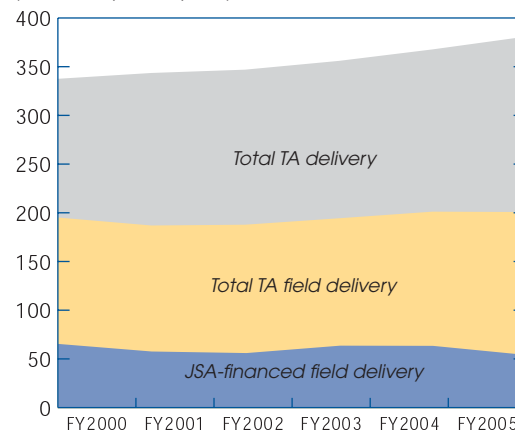
- Central banking and currency arrangements
- Monetary and exchange policy operations, and public debt management
- Financial market development, focusing particularly on money, government debt, and foreign exchange markets
- Exchange systems and currency convertibility
- Payment systems
- Bank supervision and regulation
- Bank restructuring and banking safety nets

the IMF's membership and the adoption of market-oriented economies by a large number of countries worldwide, IMF technical assistance activities grew even more rapidly in the early 1990s. The demand increased further in the late 1990s as significant technical assistance resources had to be directed to countries hit by financial crisis. In addition, in recent years, the IMF has had to mount significant efforts to provide prompt policy advice and operational assistance to countries emerging from conflict situations. In FY2005, the IMF devoted over 380 person years to technical assistance activities—a 4 percent increase from FY2004 and 80 person years more than a decade ago.⁵ The delivery of IMF technical assistance over the period FY2000–FY2005 is shown in Figure 1.

During the past four to five years, the IMF's technical assistance program has had to respond to a number of new initiatives that have changed the overall demand on its resources. As part of these initiatives, resources have been devoted to help countries build capacities for their anti-money laundering efforts and for combating the financing of terrorism (AML/CFT); to adopt and adhere to international standards and codes for financial, fiscal, and statistical management; to help low-income countries formulate and implement poverty reduction strategies; and to help heavily indebted poor countries (HIPC) design and manage debt reduction programs and strengthen public expenditure management for

Figure 1. IMF Technical Assistance Delivery

(Annual, in person years)



an effective tracking of poverty reducing expenditures.

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

Technical assistance is delivered in a variety of ways. IMF staff may be sent to member countries to advise government officials on specific issues, or the IMF may provide specialists on a short- or long-term basis. Training is provided by the IMF Institute, in collaboration with other IMF departments, at headquarters, in recipient coun-

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

tries, and through regional training institutes.⁶ Since 1993, the IMF has provided a small but increasing part of its technical assistance through regional technical assistance centers. With the opening of a new center for the Middle East (METAC) in Beirut, Lebanon, in October 2004, five such regional technical assistance centers have now been established.⁷

The IMF finances its technical assistance for its member countries mainly from its own budgetary resources, but also receives external financing from bilateral and multilateral partners. The IMF currently spends about 25 percent of its annual administrative expenditures on technical assistance work. Of this, approximately 50 percent is spent on technical assistance delivered in the field by IMF missions or by experts, and the rest is spent on technical assistance–related work at IMF headquarters in Washington. In FY2005, external financing from bilateral and multilateral donor partners accounted for 26 percent of total

technical assistance and over half of technical assistance delivered in the field. Although the number of bilateral and multilateral partners have increased significantly in recent years, Japan continues to be the largest source of external financing. In FY2005, JSA financing accounted for 14 percent of total IMF technical assistance, 27 percent of the assistance delivered in the field, and 54 percent of the total external financing. The JSA's share of financing of the IMF's field-delivered technical assistance over the period FY2000–FY2005 is shown in Figure 2.

The Japan Administered Account for Selected Fund Activities (JSA)

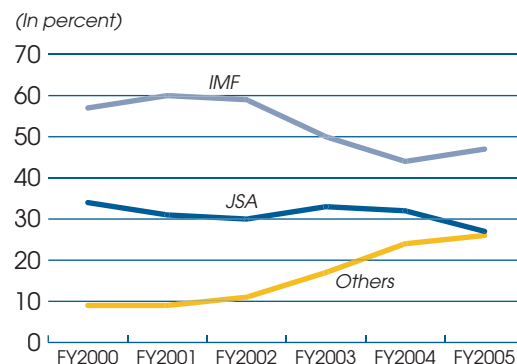
Activities Funded: Technical Assistance, the Regional Office for Asia and the Pacific, and Scholarship Programs

Japan has provided grant contributions to support the IMF's technical assistance to member countries since 1990. In 1997, the scope of the administered account was widened to allow for

⁶There are currently six regional training institutes/programs that the IMF co-sponsors with other donors and host governments: the Joint Vienna Institute in Austria; the IMF-Singapore Regional Training Institute in Singapore; the IMF-Arab Monetary Fund Regional Training Program in the United Arab Emirates; the Joint Africa Institute, temporarily located in Tunisia; the Joint China-IMF Training Program in Dalian; and the Joint Regional Training Center for Latin America in Brazil.

⁷These five IMF regional technical assistance centers include two Africa Regional Technical Assistance Centers (East AFRITAC, based in Dar es Salaam, Tanzania, and West AFRITAC, based in Bamako, Mali); the Caribbean Regional Technical Assistance Center (CARTAC), based in Bridgetown, Barbados; the Middle East Technical Assistance Center (METAC), based in Beirut, Lebanon; and the Pacific Financial Technical Assistance Center (PFTAC), based in Suva, Fiji.

Figure 2. JSA Share of Financing of Technical Assistance Delivered in the Field



the financing of other IMF activities in Asia and the Pacific, carried out through the IMF Regional Office for Asia and the Pacific in Tokyo.

The responsibilities of the Regional Office in Tokyo include collaborative efforts between the IMF and Japan that strengthen economic prospects in the Asia-Pacific region and include support of various regional policy forums, such as the Asia-Pacific Economic Cooperation (APEC), the Association of South East Asian Nations (ASEAN), and the Pacific Islands Forum. The office also undertakes technical assistance activities benefiting countries in the region, including conferences on macroeconomic policy and on financial sector reform. The Regional Office helps to improve understanding of the international financial system in Japan and the region through public relations events as well as by releasing Japanese-language publications. It also seeks to increase the representation of Japanese and other Asian nationals on the staff of the IMF by encouraging qualified applicants to apply for employment and by supporting IMF recruitment efforts through interviews and informational seminars.

In addition, Japan also provides grant contributions for two scholarship programs. In 1996, the Japan-IMF Scholarship Program for Advanced Studies, which is administered by the IMF Institute, was established. It supports nationals of Asian member countries of the IMF who undertake doctoral studies in economics in North America in order to pursue a career in international financial institutions, such as the IMF, or in their home administration.

The Japan-IMF Scholarship Program for Asia, which was established in 1993, supports 12- and 24-month courses of graduate studies in Japan in macroeconomics or related fields for students from Asia, Central Asia, and the Pacific, and is administered by the Regional Office in Tokyo.

Level of Funding

Since 1990, Japan has made annual contributions totaling some \$244 million, of which almost \$226 million has been for technical assistance projects and the activities of the Regional Office for Asia and the Pacific and \$18 million for the Asia Scholarship Program. In addition, starting in 1996, Japan has also contributed \$13 million for

Table 1. Contributions by Japan, FY1990–FY2005

(Millions of U.S. dollars)

	FY1990– FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	Total FY1990–2005
JSA	99.5	15.1	24.9	25.5	20.4	19.6	244.1
Technical Assistance ¹	132.0	13.7	22.6	22.8	17.6	17.1	225.87
Asia Scholarship Program	6.5	1.4	2.3	2.7	2.7	2.6	18.23
Advanced Scholarship	5.6	1.4	1.5	1.5	1.5	1.5	13.0

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

the Advanced Scholarship Program. Annual contribution figures for technical assistance and the two scholarship programs, for the period FY1990–FY2005, are provided in Table 1. Figure 3 shows the annual contributions for technical assistance under the JSA since its inception.

Japan-IMF Consultations

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

used to discuss developments regarding the IMF’s technical assistance program as a whole.

Technical Assistance Funded by JSA

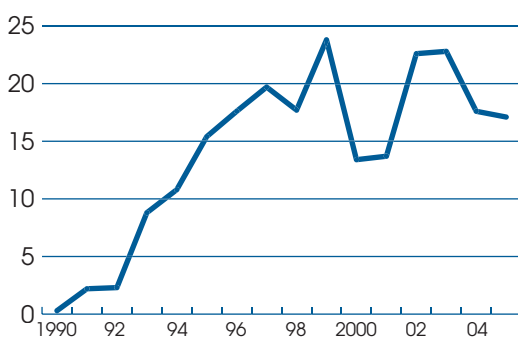
JSA resources can be used to cover the costs of short- and long-term technical assistance experts and other costs associated with providing seminars and workshops, such as room rental fees. JSA funds may not be used to finance IMF staff costs (including salaries, per diem, or travel expenses). JSA funds are not tied to the use of Japanese nationals, but Japanese nationals are considered for expert assignments whenever possible.

While technical assistance activities financed by the JSA can be in all areas of the world, the Japanese authorities place high priority on funding technical assistance activities in Asia and the Pacific, Central Asia, Central and Eastern Europe, and countries of the former Soviet Union. Consistent with the IMF’s technical assistance policy, the Japanese authorities also place high priority on assistance for countries that have demonstrated strong efforts and good track records in the implementation of economic reform policies. Examples of JSA-supported activities selected from the four main technical assistance subject areas, as well as the activities of the newly established Middle East Technical Assistance Center, are provided in Boxes 2–6.

Project submission and approval

Activities to be funded from the JSA, as well as all other IMF technical assistance activities, are planned in advance each year. At the beginning of each fiscal year, the IMF provides Japan with an indicative list of projects that it intends to submit for consideration in the course of the year.

Figure 3. Annual Contributions by Japan for Technical Assistance, FY1990–FY2005
(In millions of U.S. dollars)



Box 2. Building the Capacity of the Central Bank of the Democratic Republic of the Congo

In 2001, the authorities of the Democratic Republic of the Congo (DRC) embarked on major economic reforms aimed at stabilizing and rebuilding the economy, which had been crippled by civil war and economic mismanagement. These reforms were carried out in the context of an IMF Staff Monitored Program (SMP) spanning June 2001–March 2002, and then a program under a three-year Poverty Reduction and Growth Facility (PRGF) arrangement approved in June 2002.

In support of reforms in the exchange and financial areas, the IMF's Monetary and Financial Systems Department (MFD) has provided extensive technical assistance (TA) to the Central Bank of Congo (BCC) within the framework of a multiyear TA program. This assistance is being delivered in the form of: (1) two long-term experts—a General Advisor to the BCC Governor and an information technology expert to advise the BCC on policies about the computerization of foreign exchange and accounting operations among other issues; (2) several short-term expert visits in several areas of central banking operations and support functions; and (3) annual multitopic missions by MFD. The financing of the long-term experts' assistance is made possible by grants from the JSA. Other donors providing technical assistance include the World Bank in bank restructuring; the National Bank of Belgium; and the Canadian International Development Agency (CIDA) in organization and methods.

Owing to assistance from the IMF and other donors, the BCC has made much progress toward strengthening its key central banking operations and support functions since the inception of MFD's TA program in 2001. Through technical assistance provided by the IMF, which the JSA has helped to finance, the following have so far been achieved:

Currency issue reform. BCC is now able to meet banks' cash withdrawals on demand. It is also improving the quality and management of the stock of currency in circulation, among other things, by introducing higher banknote denominations and putting in place an operational framework for currency forecasting and management.

Foreign exchange reform. The exchange market was unified and a floating exchange regime was adopted. Foreign exchange regulation was liberalized and the DRC accepted Article VIII obligations of the IMF Articles of Agreement. An auction system was introduced as BCC's method of sales of

foreign exchange in the exchange market. An operational framework to guide these market operations was put in place. In the foreign reserve management area, BCC's network of correspondents was streamlined, a draft manual of procedures is being finalized, and institutional capacity is being built through reorganization of the foreign exchange department and computerization of front/back-office operations.

Monetary operations. A framework for liquidity management was put in place in 2004. A reform of monetary instruments, notably rediscount windows, was adopted in early 2005. The study of the recapitalization of BCC is near completion.

Supervision. New prudential norms—in line with international standards and consistent with regional initiatives of the Southern African Development Community (SADC) and the Common Market for Eastern and Southern Africa (COMESA)—have been issued. Implementation of annual programs for onsite inspections also started in 2004. New procedures to formalize offsite examination have been introduced and a framework for looking into and following up on anomalies identified in bank statements has been put in place. The banking supervision department is being reorganized and its main operation computerized.

Internal audit. A methodology for conducting audit and inspection missions and a risk-based audit program was put in place.

Anti-money laundering and combating the financing of Terrorism (AML/CFT). An AML/CFT law was adopted by Parliament in July. Enabling decrees have been drafted. Capacity and infrastructure needs—including the setting up of a financial intelligence unit (CENAREF)—have been identified and will be addressed with IMF assistance.

Despite such extensive TA delivery, BCC capacity remains limited. TA will be needed for several more years in the form of short-term experts' visits to follow up on implementation of recommendations and to address new challenges and of long-term experts to advise the BCC in information technology (IT) reforms and central banking policy. In the former area, assistance is expected to end by March 2006, paving the way for the modernization of foreign reserves management reforms. In latter area, TA is expected to last longer until the position of General Advisor can be undertaken by a Congolese national.

Box 3. Vietnam: Strengthening Tax Administration

Vietnam has made significant progress in introducing tax administration reforms. In 1999 a value added tax (VAT) and a special sales tax (SST) on selected goods were introduced to replace a cascading turnover tax, and the taxation of enterprise profits was reformed with introduction of the enterprise income tax (EIT). However, the multiple-rate VAT deviated significantly from good practice for developing countries during the late 1990s. Faced with a decline in non-oil revenue, the Vietnamese authorities requested technical assistance from the IMF, indicating their intention to address the problem primarily through improvements in tax administration. A technical assistance mission from the IMF's Fiscal Affairs Department (FAD) identified several priority areas for the reform of the tax system and its administration, including improvements to VAT operations, the introduction of a self-assessment system on a pilot basis, computerization, and the implementation of staff training and taxpayer education programs.

Subsequent missions and short-term expert assignments financed by the JSA have focused on the aforementioned areas and, in particular, on preparing for and subsequently reviewing the progress of the self-assessment pilot project (including a phase II) and more recently preparation of the tax department's (GDT) strategic corporate business and reform action plans (2005–2010). In January 2004, legislative changes for all three taxes brought them broadly into line with FAD recommendations and international good practice. JSA financing has provided key assistance by a peripatetic tax advisor.

Self-assessment for the VAT and corporate income tax (CIT) was introduced on a pilot basis in January 2004, covering selected enterprises in two provinces. In January 2005, phase II of the self-assessment was extended to (1) additional taxpayers within the two pilot offices, (2) other provincial offices, and (3) all relevant taxes. By 2007, a review is scheduled to precede the nationwide rollout of self-assessment. To date, the pilot has been a success in five offices (Ho Chi Minh City, Quang Ninh, Hanoi, Ba Ria Vung Tau, and Dong Nai) and the new functional structure and operational procedures have been put in place for the selected taxpayers with significant improvements in revenue and day-to-day operations. The authorities have

planned a further expansion by October 2005. The expansion is intended to include 200 more taxpayers in Ho Chi Minh City and an additional six offices, bringing the total number of pilot offices to 11 and pilot self-assessment taxpayers to around 8,100.

The GDT has significant ownership of the reform program, and its new strategic business plan (2005–2010) was approved in May 2005 by the Minister. The government approved 3,500 new hires bringing GDT's staff levels to 42,000 during the next year and providing a headquarters complement of 5–7 percent of total GDT staff over the next few years. GDT commenced a very significant \$153 million capital program (state budget funded) for major facilities modernization linked to the reform plan. A "Request for Proposals" (RFP) document is being prepared to invite external proposals for a major upgrade of GDT's information technology (IT) systems, linked to the reform program, for which the estimated budget is \$253 million (2005–2010).

Several outstanding issues have been identified and will have to be addressed before full implementation of modern self-assessment procedures can be carried out at the national level. The main issues are: (1) current legislation impedes the enforcement of tax arrears collection and needs to be enhanced; (2) tax administration at headquarters should be function-based (taxpayer services, returns processing, collections, audit), rather than organized along types of tax; (3) staffing levels at headquarters need to be increased; (4) significant training and IT upgrading are required; and (5) GDT should lessen its focus on the "best" taxpayers and increase the number of taxpayers with poor compliance records in the self-assessment pilot.

The authorities have requested further FAD support for the nationwide self-assessment rollout. FAD's continued engagement is expected to focus on the strategic design and development work, with follow-up oversight and coordination through peripatetic missions. Implementation assistance will, for the most part, be conducted by the administration's project team using existing donor funding. Continued JSA financing will be a valuable contribution to these reform efforts.

Box 4. Republic of Congo: Rebuilding a National Statistics System

The Republic of Congo's statistical infrastructure is being slowly rebuilt after the civil strife of 1997 and 1999, during which severe damage was inflicted on the administrative infrastructure and many records were lost.

To assist the authorities to rebuild capacity in statistics, the IMF, with financial support from the JSA, posted a resident statistics advisor in Brazzaville from December 2001 to October 2004. (From November 2004, the advisor has served both the Republic of Congo and the Democratic Republic of the Congo on a shared basis.)

The resident advisor focused initially on assessing the Republic of Congo's post-conflict institutional environment for producing national statistics; laying out a work plan for implementing improvements; assisting with urgent statistical projects; and enlisting the support of government officials and donors in rebuilding the Centre National de la Statistique et des Études Économiques (CNSEE).

In May 2002 the IMF fielded a multisector statistics mission to conduct an assessment of the Republic of Congo's system of macroeconomic statistics, notably the institutional and legal framework, sources and methods, and dissemination practices.

On the basis of its findings, the mission recommended specific priority actions aimed at improving the underlying legal environment and at helping in the formulation of a strategy for statistical development. The mission also made specific recommendations in the various areas of statistics and examined the need for further technical assistance. The resident statistics advisor worked with the local authorities to implement the recommendations of the multisector mission. However, statistics in the Congo are poorly resourced, which hampers efforts to deliver sustainable improvements to the national system. It is evident that significant progress will require strong commitment by the authorities to support the recommended reforms.

A major effort by the advisor was to assist with the elaboration of the Multiyear Program for the Development of Statistics, which was initiated under the World Bank Trust Fund for Statistical Capacity Building. This program provided a framework for the CNSEE to become the primary authority for national statistics with appropriate legislative underpinning, staffing, resources, coordination responsibilities, and autonomy. Implementation will be a major objective of the government in the coming years.

The process of adoption of the statistical law and the Multiyear Program for the Development of Statistics that was drafted in July 2004 is now at an advanced phase. The National Assembly is expected to complete its consideration of the program and pass the enabling legislation by early 2006.

The advisor was able to assist the authorities in their preparation for participation in the IMF's General Data Dissemination System (GDDS), which was realized in November 2003, when statistical metadata for the Republic of Congo were posted to the IMF's website. In so doing, the authorities have accepted a commitment to use the GDDS as a framework for the development of national statistics, and have set out their plans for improvement, thus enabling the IMF and other donors to determine where their support may be most effective.

Despite inadequate resources and an inefficient infrastructure, it is apparent that, by 2005, major advances have been made in several areas of statistics. On national accounts, after a delay of many years, the authorities launched a program to implement the *System of National Accounts 1993*. This includes designing the analytical framework (scope of accounts and classifications); choosing and installing computer facilities for the compilation of accounts (ERETES) and providing associated training; and improving source data with an on-site survey.

For the consumer price index, a nationwide survey on household consumption has been completed and the survey data will facilitate the development of national CPI.

Improvements in the compilation of an industrial production index, foreign trade statistics, and government finance statistics have also been achieved. The advisor assisted the General Directorate of Customs in using the ASYCUDA software to improve trade data and in introducing computer procedures for compiling statistics.

Assistance was given in the preparation of the 2004 statistics yearbook, publication of which had been discontinued several years earlier. In the area of government finance statistics, the resident statistics advisor initiated work with the authorities on the compilation of statistics based on the IMF's *Government Finance Statistics Manual 2001*.

With the support of the JSA, the IMF hopes to continue its program of technical assistance to the Republic of Congo through the provision of a locally based statistics advisor.

Box 5. Modernization of a Banking Law in the Maldives

Before the Indian Ocean tsunami hit the Maldives at the end of 2004, the island had achieved remarkable growth in the preceding decade. Output growth averaged 8 percent and per capita income had nearly doubled. Constrained by limited resources, the island economy is dependent on two main industries—tourism and fisheries. The tourism sector is the major source of fiscal revenue and foreign exchange earnings. However, the openness and lack of diversification of the economy makes the Maldives particularly vulnerable to external shocks. The authorities are aware of this weakness and have promoted the role of the private sector in the economy. A well-functioning financial system is critical to such private sector development and the government has taken several measures to develop the equity market and promote more competition among financial institutions, within a financial sector that is still in its infancy, but growing rapidly.

At present, the Maldives Monetary Authority (MMA) carries out central bank functions and regulatory responsibilities with regard to financial institutions in the Maldives, but there is no comprehensive legislation in place providing for the licensing, supervision, and regulation of financial institutions. To improve banking supervision, the government of the Maldives has requested the IMF's Legal Department (LEG) to help strengthen the legislation governing the central bank, commercial banks, and other financial institutions. LEG suggested several improvements in the governance of the MMA and, with financial support from JSA, hired a short-term expert to assist in drafting a new Banking Law in accordance with best international practices and international standards in the context of a long-term objective to develop a broad framework of financial laws and other legislation.

The project started with the preparation of a memorandum during spring 2005 that was provided

to the authorities. The memorandum contained a first assessment of the financial sector in the Maldives and provided alternatives for enhancing its regulatory framework. It recommended amendments to the MMA Act and a new Banking Law. A mission was undertaken in June 2005 to discuss the memorandum, to have a closer look at the financial sector of the Maldives, and to gather information for the preparation of an aide memoire, which was presented to the authorities after the mission and incorporated a detailed outline for a proposed Banking Law and a plan of action for completion of the Banking Law project.

The authorities agreed with the proposal as presented by the expert, whereupon a draft Banking Law was prepared and sent to the authorities. The objectives of the new Banking Law include the maintenance of stability and confidence in the banking system, the protection of depositors, and the fostering of conditions for the development of a competitive banking industry able to contribute to economic growth. The MMA, as supervisor, will, among other things, have enhanced independence, adequate powers to promulgate regulations without political interference, up-to-date licensing provisions, and a full arsenal of enforcement measures.

In August–September 2005, a second Banking Law mission was carried out, during which intensive discussions with the authorities were held. The conclusion of these discussions was subsequently incorporated into the final draft law and presented to the authorities. The action plan foresees the introduction of the Banking Law to the Assembly of the Maldives and enactment during 2006. It is expected that this law, prepared with JSA support, will contribute to the further enhancement of the institutional development of the Maldives.

Box 6. Middle East Technical Assistance Center (METAC)

The IMF's Middle East Technical Assistance Center (METAC), located in Beirut, Lebanon, was opened in October 2004 to provide technical assistance (TA) and training to 10 IMF member countries and territories in the region—Afghanistan, Egypt, Iraq, Jordan, Lebanon, Libya, Sudan, Syria, West Bank and Gaza, and Yemen—and to help strengthen their capacity for effective macroeconomic and financial management. METAC will give priority to helping post-conflict member countries restore macroeconomic stability and develop essential institutions, such as ministries of finance, central banks, national statistical agencies, and other regulatory agencies. Modeled broadly on the IMF's other regional technical assistance centers in Africa, the Caribbean, and the Pacific, METAC is a collaborative effort between the IMF and a number of multilateral and bilateral donors, including Japan (whose assistance is provided through the JSA). METAC's office space and support and service staff have been provided by the government of Lebanon.

Like other IMF regional TA centers, METAC is staffed by an IMF coordinator and a team of resident experts who deliver advice and training in a range of areas including public expenditure management, revenue administration, bank restructuring,

banking supervision and multisector statistics. The resident experts are supplemented as needed by additional short-term specialists contracted to provide targeted advice and training. The Center's work is guided by a Steering Committee composed of representatives of member countries, donors, and the IMF.

Experience with the other regional TA centers has shown that a decentralized, regional approach to identifying and meeting TA needs enhances beneficiary country ownership and commitment and promotes efficient use of TA resources and accountability. Placing such resources directly in the region also increases the IMF staff's familiarity with the needs of member countries, allows for more flexible and timely response, as well as sustained assistance required for capacity building. The regional approach allows for follow-up, continuity, and consistency over time, including on matters relating to regional harmonization and integration. METAC's location within the region and its close collaboration with regional organizations and other TA providers are also expected to enhance coordination among donors and promote more effective implementation of economic initiatives within the Middle East region.

Thereafter, individual projects are submitted on a monthly basis through the Office of Japan's Executive Director at the IMF for approval.

Requests for technical assistance are received from governments. These are carefully considered by the concerned functional and area departments of the IMF. If requests fall within the core mandate of the IMF's technical assistance

program and otherwise meet the established prioritization criteria, project proposals are prepared. Following the screening process, the IMF's Office of Technical Assistance Management reviews the project proposals for conformity with the JSA Guidelines. The proposals are then considered for approval by the Japanese authorities.

Project assessment and evaluation

Within four weeks of a project's completion, the IMF is required to submit a project assessment to the Japanese authorities. Any request for an extension of a project also requires an assessment. This assessment is complemented by an evaluation of the technical assistance conducted by the recipient institutions through the completion of a questionnaire. The results of these evaluations are reviewed by the IMF and provided to the Japanese authorities.

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

Commitments and disbursements

Between FY1993 and FY2005, cumulative commitments for technical assistance under the JSA totaled almost \$195 million for 1,421 projects, of which over \$182 million has been disbursed. During FY2005, \$17.4 million was committed for 119 projects.⁸ Table 2 and Figure 4 show com-

⁸Because of the time required for the contracting and fielding of experts and payment of invoices, there is a time lag between commitments and disbursements. The duration of a JSA-funded technical assistance project is normally 6–12 months.

mitments and disbursements, as well as the number of approved technical assistance projects, between FY1993 and FY2005. A brief description of each of the projects approved in FY2005 is provided in Annex 1.

Geographical distribution of funds

To date, 123 different member countries of the IMF and 13 regional organizations and training institutions have been beneficiaries of JSA-funded technical assistance. Countries in the Asia and Pacific region, Eastern Europe, and Central Asian countries and the transitional countries of the former Soviet Union have together received some \$105 million from the JSA for approved technical assistance projects during FY1993–FY2005, which represents 54 percent of technical assistance projects approved during this period.⁹ Countries in Africa received the next-largest share, totaling some \$44 million or 23 percent of total approvals during the same period. Of the remaining amount approved during this period, 6 percent were for projects in Western and Central Europe, 5 percent for projects in Latin America and the Caribbean, 4 percent for projects in the Middle East, and 8 percent for multiregional projects.¹⁰

⁹This reflects the priority given to the countries of these regions under JSA financing guidelines, which currently set a target of 50 percent of allocations for countries in the Asia, Central Asia, and Pacific regions combined and 10 percent for the other transitional countries of the former Soviet Union (Armenia, Azerbaijan, Belarus, Estonia, Georgia, Latvia, Lithuania, Moldova, Russia, and Ukraine).

¹⁰Multiregional projects are those with beneficiaries from more than one region. Annex 1 includes a description of such projects.

Table 2. JSA Annual Technical Assistance Commitments and Disbursements, FY1993–FY2005

	Number of Projects Committed	Committed (in millions of U.S. dollars)	Disbursed (in millions of U.S. dollars)
FY1993	68	5.7	2.9
FY1994	98	8.8	7.1
FY1995	143	13.1	12.2
FY1996	128	15.1	13.9
FY1997	116	14.5	15.5
FY1998	96	13.6	10.8
FY1999	112	20.7	16.8
FY2000	106	17.3	18.5
FY2001	110	16.4	15.7
FY2002	103	16.7	14.6
FY2003	108	17.3	16.3
FY2004	114	18.2	19.4
FY2005	119	17.4	18.9
Total	1,421	194.9	182.7

The regional distribution of commitments in FY2005 was as follows: Asia and Pacific countries, \$7.6 million or 44 percent; Africa, \$4.8 million or 27 percent; multiregional projects, \$1.7 million or 10 percent; the Middle East, \$1.2 million or 7 percent; Latin America and the Caribbean, \$0.9 million or 5 percent; Western and Central Europe, \$0.7 million or 4 percent; and Eastern Europe and Central Asia countries and countries of the former Soviet Union, \$0.6 million or 3 percent. Table 3 shows the annual and total commitments by region in dollar terms. Figures 5 and 6 show the regional percentage distribution for FY1993–FY2005 and for FY2005, respectively.

Figure 4. JSA Annual Technical Assistance Commitments and Disbursements

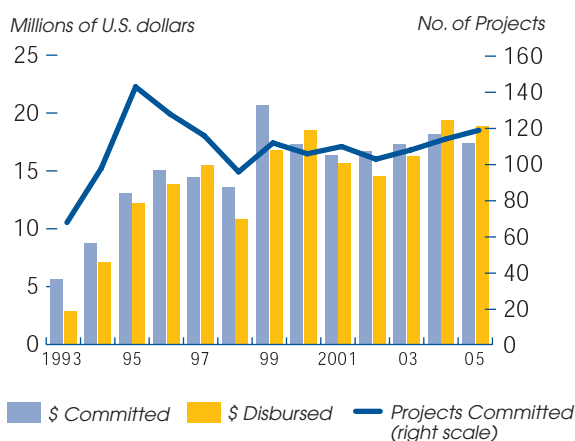


Table 3. JSA Annual Commitments for Technical Assistance by Region, FY1993–FY2005
(Millions of U.S. dollars)

	FY1993– FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY1993–FY2005	
							Total	%
Africa	20.7	4.1	4.8	4.9	5.1	4.8	44.3	23
Asia and Pacific	37.1	4.7	6.2	6.6	7.0	7.6	69.3	36
Western and Central Europe	6.0	1.4	1.6	1.2	1.0	0.7	11.9	6
Eastern Europe and Central Asia	28.2	2.7	1.4	1.5	1.4	0.6	35.8	18
Middle East	2.5	0.7	0.4	1.1	1.6	1.2	7.4	4
Latin America and Caribbean	6.9	1.1	0.6	0.6	0.6	0.9	10.6	5
Multiple Regions	6.8	1.8	1.7	1.3	1.6	1.7	14.8	8
Total	108.1	16.4	16.7	17.3	18.2	17.4	194.2	100

In FY2005, JSA funds were distributed almost equally among four main IMF program areas: low-income countries seeking to implement sustainable debt relief and poverty reduction programs; middle-income countries and transi-

tional economies striving to maintain macro-economic and financial sector stability; the rehabilitation of basic economic and financial institutions in post-conflict situations; and

Figure 5. Distribution of JSA Annual Technical Assistance Commitments by Region, FY1993–FY2005

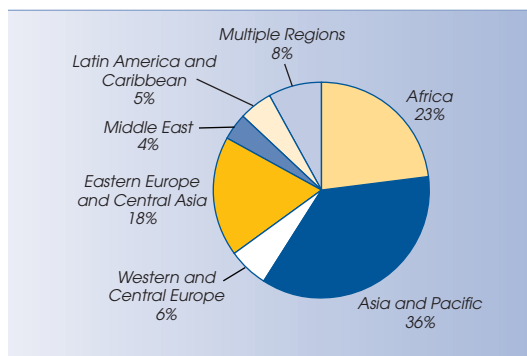
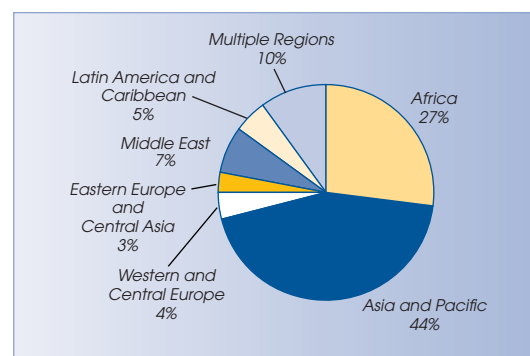


Figure 6. Distribution of JSA Technical Assistance Commitments by Region, FY2005



regional capacity-building efforts (including support for the regional TA centers).

In FY2005, the 10 largest beneficiaries included five post-conflict countries (Cambodia, Democratic Republic of the Congo, Kosovo, Sri Lanka, and Timor-Leste) and the regional technical assistance centers in the Middle East, the Pacific, and West Africa. Table 4 shows the 10 beneficiary countries or organizations receiving the largest share of JSA assistance during FY1993–FY2005 and FY2005, respectively.

Distribution of funds by subject area

In FY2005, the IMF delivered over 380 person-years of staff and expert time for technical assistance work, a 4 percent increase from FY2004. The distribution of the technical assistance by the major IMF functional departments was as

follows: Monetary and Financial Systems (formerly called Monetary and Exchange Affairs), 33 percent; Fiscal Affairs, 26 percent; Statistics, 14 percent; and Legal, 6 percent.

The distribution of the commitment of JSA funds among the subject areas has broadly reflected the foregoing distribution in the overall use of IMF resources for technical assistance. In FY2005, the distribution of JSA commitments was as follows: Monetary and Financial Systems, \$6.6 million (38 percent); Fiscal Affairs, \$4.3 million (25 percent); Statistics, \$2.8 million (16 percent); and Legal, \$1.2 million (7 percent). During FY2005, the level of commitments of JSA funds in the fiscal and legal areas remained consistent with the previous year while there was a slight reduction in commitments in the areas of monetary and financial systems and macroeconomic

Table 4. The 10 Largest Recipients of JSA-Financed Technical Assistance, FY1993–FY2005

(By commitments, in descending order)

FY1993–FY2005	FY2005
Russia	Cambodia
Indonesia	PFTAC: Pacific Financial Technical Assistance Center
PFTAC: Pacific Financial Technical Assistance Center	Timor-Leste
Ukraine	METAC: Middle East TA Center
Timor-Leste	Vietnam
Cambodia	Congo, Democratic Republic of
China	West AFRITAC
Mongolia	Sri Lanka
Kyrgyz Republic	China
Rwanda	Kosovo

statistics. Some \$0.5 million was committed for technical assistance provided by the new International Capital Markets Department.¹¹ Table 5 shows the annual distribution of commitments in dollar terms by subject area. Figures 7 and 8 also show the percentage distribution by subject area for the period FY1993–FY2005 and for FY2005, respectively.

In FY2005, the proportional allocation of JSA funds by topic within the above core areas was broadly consistent with FY2004, although there was a relative increase in technical assistance commitments for strengthening payments and accounting systems, tax and customs administration, and national accounts and price statistics and data dissemination standards. In the monetary and financial systems area, 48 percent of JSA funds were committed

to technical assistance for banking and financial sector supervision, 25 percent for central bank operations, 17 percent for monetary policy and operations, and 9 percent for strengthening payment and accounting systems. In fiscal affairs, 55 percent of JSA funds were committed for strengthening tax and customs administration and 45 percent for public expenditure management. In the macroeconomic statistics area, 40 percent of JSA funds were committed for General Data Dissemination System–related assistance, 39 percent for multisector statistics, 8 percent for national accounts and price statistics, 7 percent for balance of payments statistics, and 6 percent for monetary and financial statistics. In the legal area, 56 percent was committed to technical assistance for Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT), 32 percent for work on central bank and financial sector legislation, and 12 percent on tax and customs legislation.

¹¹The IMF's International Capital Markets Department (ICM) was established in FY2002.

Table 5. JSA Annual Commitments for Technical Assistance by Subject Area, FY1993–FY2005

(Millions of U.S. dollars)

	FY1993– 2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY1993–FY2005	
							Total	%
Fiscal	31.4	4.7	4.7	3.3	4.3	4.3	52.6	27
Monetary and financial systems	41.6	6.5	6.6	6.7	6.9	6.6	74.8	38
Macroeconomic statistics	16.8	2.7	2.7	3.7	3.3	2.8	32.1	17
Training	12.6	1.9	2.1	2.1	2.2	2.0	22.8	12
Legal	1.6	0.1	0.2	1.2	1.2	1.2	5.6	3
Others	4.1	0.6	0.5	0.3	0.2	0.6	6.3	3
Total	108.1	16.4	16.7	17.3	18.2	17.4	194.2	100

Figure 7. Distribution of JSA Technical Assistance Commitments by Subject Area, FY1993–FY2005

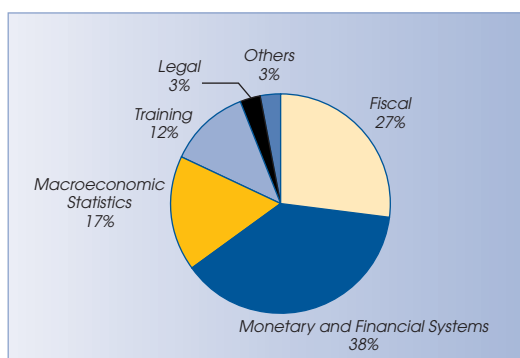
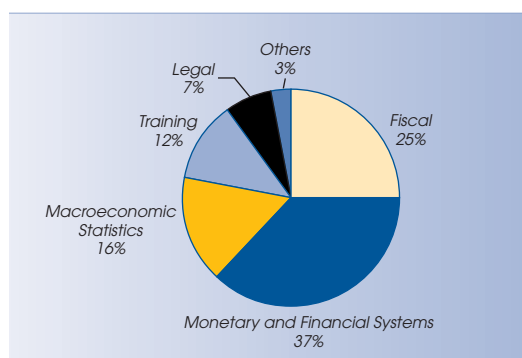


Figure 8. Distribution of JSA Technical Assistance Commitments by Subject Area, FY2005



Effectiveness of JSA-funded technical assistance

Since 1996, 11 joint Japan/IMF evaluation visits have been carried out to gauge the effectiveness of JSA-funded technical assistance activities. These have covered 17 beneficiary countries in Africa, Asia and the Pacific, Central Asia, and Central and Eastern Europe, as well as the regional training institutes in Singapore and Vienna and the Pacific Financial Technical Assistance Center. The joint evaluation teams have reported that technical assistance activities financed by the JSA were highly relevant and consistent with the core mandate of the IMF's work, were well formulated and implemented, and were appreciated by recipient governments, which in several cases noted that the JSA-funded advisors were instrumental in establishing critically needed capacity. The teams also reported that the JSA-financed training and seminars were of high visibility, tightly focused, and high-

ly appreciated by participants. A summary of the findings of these visits is provided in Annex 2.

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

Since 2000, 105 evaluation questionnaires have been received from beneficiary authorities covering 89 projects. Overall, the beneficiary

authorities continue to be very positive about the effectiveness of the JSA-funded technical assistance projects. As shown in Figure 9, 58 percent of the respondents were highly satisfied with the overall progress of the assignments funded and another 40 percent expressed satisfaction. Annex 3 provides greater detail regarding the results of the ongoing evaluations.

Scholarship Programs

Japan-IMF Scholarship Program for Asia

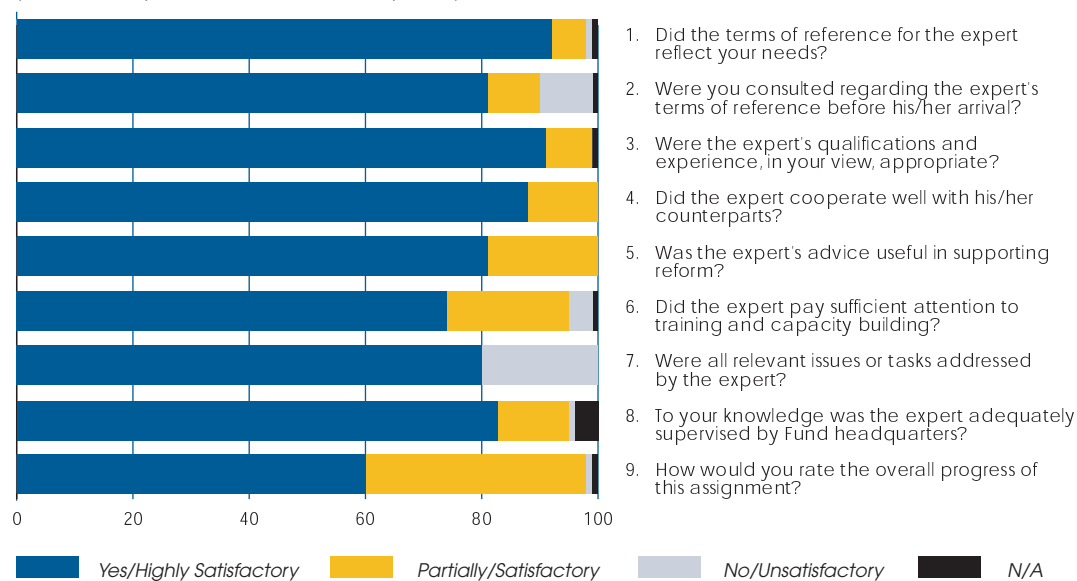
The Japan-IMF Scholarship Program for Asia is a program for graduate studies in macroeconomics or related fields at several leading univer-

sities in Japan. The objective of the program is to contribute to institutional capacity building of transition economies, by providing educational opportunities to promising junior officials in central banks or in ministries of finance, economy, or planning in East and Central Asia and the Pacific region.¹²

¹²The scholarship program targets candidates from the following countries: Cambodia, China, Indonesia, Kazakhstan, the Kyrgyz Republic, Lao P.D.R., Mongolia, Myanmar, the Philippines, Tajikistan, Thailand, Turkmenistan, Uzbekistan, Vietnam, and the Pacific Island countries. Nationals of other countries in the region are also considered on a case-by-case basis.

Figure 9. Results of Evaluations of Technical Assistance Projects

(Percent of respondents, based on 100 responses)



Scholarship Programs

The program, which is operated under the JSA, currently awards up to 55 scholarships a year. For the academic year 2004, 31 new scholarships were awarded, with a total of 48 scholars studying in Japan under the program.¹³ There are two forms of scholarships. Scholars accepted under the “partnership track” participate in specially designed master courses offered by one of four partnership universities,¹⁴ while the “open track” is available to candidates who have already been accepted to a graduate-level program, both at the master’s and PhD levels, in macroeconomics or a related field at any leading university in Japan. The program is currently administered by the IMF’s Regional Office for Asia and the Pacific in Tokyo.

Since the first students were accepted under the program in 1993, a total of 311 scholarships have been awarded, and by the end of the academic year 2003, 206 scholars had graduated from the partnership universities. Table 6 shows the distribution of scholars by their nationality and organizational affiliation. Most scholars have expressed a high degree of satisfaction with the program and subsequently with the career opportunities that have opened to them. A number have taken up mid- to senior-level positions in their respective agencies, and have direct input on policy initiatives.

¹³Under the Japan-IMF Scholarship Program for Asia, academic year refers to the period October 1–September 30. Thus, academic year 2004 refers to the period October 1, 2004–September 30, 2005.

¹⁴Graduate Institute for Policy Studies (GRIPS), Hitotsubashi University, International University of Japan, and Yokohama National University.



AFRITAC Seminar on Integrated Financial Information Systems, Dakar, Senegal, December 13–16, 2004.



The International Conference and Training Center in Dalian, China, was opened in May 2004 and houses the Joint China-IMF Training Program.

**Table 6. Japan-IMF Scholarship Program for Asia:
Distribution of Scholars by Country and Affiliation, 1993–2004**

Scholars by Country	Total	Percent	Scholars by Affiliation	Total	Percent
Vietnam	57	18	Central bank	138	44
China	55	18	Ministry of finance	72	23
Uzbekistan	35	11	Statistics bureau	17	5
Mongolia	30	10	Economic affairs ministry	16	5
Myanmar	28	10	Foreign trade/ Investment bank	10	3
Kyrgyz Republic	27	9	Trade affairs ministry	7	2
Cambodia	24	8	Tax authority	4	1
Kazakhstan	23	7	Others	47	15
Tajikistan	8	3	Total	311	
Indonesia	8	3			
Lao P.D.R.	7	2			
Philippines	5	2			
Thailand	2	1			
Turkmenistan	2	1			
Total	311				

Note: The percent columns do not add up to 100 because of rounding.

Japan-IMF Scholarship Program for Advanced Studies

Japan also provides financial support for a scholarship program for qualified Asian nationals who want to study economics at the doctoral level at one of the leading universities in North America to pursue a career at the IMF or in their home country governments. The program covers reasonable costs for two years of study, while scholars are expected to cover the remaining years of study.

The Japan-IMF Scholarship Program for Advanced Studies, which is administered by the IMF Institute, began with a class of nine scholars

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

A total of 48 scholars have graduated with PhD degrees in economics, seven of whom have joined the IMF's staff. Three scholars were

¹⁵Under the Japan-IMF Advanced Scholarship Program, academic year refers to the period August 1–July 31. Thus, the academic year 2004 refers to the period August 1, 2004–July 31, 2005.

Scholarship Programs

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

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

An annual orientation program for each incoming group of scholars is conducted at the IMF in Washington, D.C. to expose scholars to the IMF and to provide an opportunity to meet other scholars embarking on their studies. At the end of the third year of study, scholars are expected to complete a summer internship at the IMF, during which they engage in supervised research and other professional work under the guidance of an experienced IMF economist in



METAC Staff. From left to right: Olivier Benon, Revenue Administration Advisor; Rita Faddoul, Administrative Assistant; Mark Ahern, Public Expenditure Management Advisor; Zakaa Farhat, Office Manager; Jacques Loubert, Bank Restructuring Advisor; Mona Demian, Administrative Assistant; Sami Geadah, Center Coordinator; Sabir Al-Harbi, Multisector Statistics Advisor; Fadi Mehrez, Support Staff.



PFTAC Regional Training Course on Balance of Payments and International Investment Position, Suva, Fiji, April 11-22, 2005.

**Table 7. Japan-IMF Scholarship Program for Advanced Studies:
Number of Scholars by Country 1996–2004**

	Number of Scholars									Total per Country (1996–2004)	Total Percent Representation per Country (1996–2004)
	1996	1997	1998	1999	2000	2001	2002	2003	2004		
Bangladesh	0	0	2	0	1	1	1	0	0	5	3.8
China (including Hong Kong SAR)	2	5	2	4	2	2	1	1	1	20	15.4
Indonesia	0	0	0	0	0	0	0	1	1	2	1.5
Japan	3	7	7	7	7	7	5	7	7	57	43.8
Kazakhstan	0	0	0	0	1	1	1	1	0	4	3.1
Korea	2	3	2	2	2	1	1	1	1	15	11.5
Kyrgyz Rep.	0	0	0	0	0	0	1	1	1	3	2.3
Malaysia	0	0	0	0	1	0	0	0	0	1	0.8
Mongolia	0	0	0	0	0	0	1	0	1	2	1.5
Philippines	0	0	0	1	0	0	0	1	0	2	1.5
Tajikistan	0	0	0	0	1	0	0	0	0	1	0.8
Thailand	2	1	2	0	0	1	2	0	1	9	6.9
Uzbekistan	0	0	0	0	0	1	0	1	0	2	1.5
Vietnam	0	0	0	1	0	1	2	1	2	7	5.4
TOTAL	9	16	15	15	15	15	15	15	15	130	100

various departments. Thus far, all eligible scholars have completed their internships.

Table 9 shows the employment of the scholars from the first seven intakes—that is, academic years 1996–2002. During 2004, the IMF Institute, with the assistance of the Institute of

International Education, conducted a tracer study to locate and obtain information on the professional career paths and profiles of past scholars. Notably, an increasing proportion of scholars are applying for the IMF’s Economist Program. The study will be updated in 2006.

Scholarship Programs

**Table 8. Japan-IMF Scholarship Program for Advanced Studies:
Number of Scholars by University, 1996–2004**

University	Number of Scholars									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	Total
USA										
1. Brandeis University	1									1
2. Brown University	1	2		1	2	1		1	1	9
3. Boston University			1				2		1	4
4. Columbia University			2	3	1	1	1		5	13
5. Cornell University		1	2			1				4
6. Duke University	2			1	1		1		1	6
7. Georgetown University							1	4	1	6
8. Harvard University			1	1					1	3
9. Indiana University		1								1
10. Johns Hopkins University		1					1	1		3
11. Massachusetts Institute of Technology							1			1
12. New York University			1	2		2	1			6
13. Northwestern University		1								1
14. Ohio State University, Columbus					2					2
15. Stanford University	1	2	3	1	1	1				9
16. University of California, Berkeley						1				1
17. University of California, Los Angeles		1	3	1	1	1				7
18. University of California, San Diego		1				1				2
19. University of Chicago		1	1		1	2	1	2		8
20. University of Maryland, College Park					1	1			1	3
21. University of Michigan, Ann Arbor		2	1	2			1	1		7
22. University of Minnesota, Minneapolis					1		1	1	1	4
23. University of Pennsylvania	1			2	3	1	1			8
24. University of Rochester	1	1		1				1		4
25. University of Texas, Austin							1			1
26. University of Virginia									1	1
27. University of Washington, Seattle					1					1
28. University of Wisconsin, Madison		1				1	1	4	1	8
29. Vanderbilt University	1					1				2
30. Yale University	1	1								2
Canada										
31. McGill University									1	1
32. University of British Columbia							1			1
TOTAL	9	16	15	15	15	15	15	15	15	130

Table 9. Japan-IMF Scholarship Program for Advanced Studies: Employment of Graduates from the 1996–2002 Programs

	1996	1997 ¹	1998	1999	2000 ²	2001	2002
IMF Economist Program (EP)	0	0	0	4	2	1	0
IMF mid-career economist	0	5	0	0	0	0	0
IMF other employment	0	0	0	0	1	0	0
Other international organizations	0	0	0	0	0	0	0
Government	1	0	2	0	0	0	0
Academic position	3	1	5	1	0	1	1
Studies in progress	0	0	0	1	10	12	12
Other	5	10	8	9	2	1	2
Total	9	16	15	15	15	15	15

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

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



Annexes

Annex 1: JSA Technical Assistance Projects Approved in FY2005

AFRICA REGION			
Beneficiary	Subject Area	Committed	Description
Africa—multiple countries	Monetary Policy and Operations	\$257,000	Extension of long-term advisor to assist the central banks of Burundi and Rwanda in strengthening their capacities to analyze monetary developments and manage liquidity.
Africa—multiple countries	Payment Systems	\$273,000	Long-term regional expert to assist the authorities in Botswana, Sierra Leone, and Swaziland with the reform and modernization of their national payment and settlement systems.
Africa—multiple countries	Public Expenditure Management	\$273,000	Long-term regional advisor based in Ghana to assist with the improvement in public expenditure management in Ghana, Liberia, Nigeria, Sierra Leone, and The Gambia, particularly in expenditure control and fiscal reporting.
Africa—multiple countries	Tax Administration	\$310,200	Long-term regional advisor to assist revenue authorities in Kenya, Tanzania, Uganda and other East African countries with structural improvements in tax administration, including integration of administration of income tax and VAT, strengthening of large taxpayers' offices, and enhancing procedures for audit and enforcement.
Africa—multiple countries	Customs Administration	\$155,100	Regional peripatetic advisor to assist authorities in strengthening and modernizing customs administration in East African countries. In Ethiopia, the advisor will focus on customs reform strategy and customs automation, and in Kenya,

Beneficiary	Subject Area	Committed	Description
			Tanzania, and Uganda, on legislative and procedural changes needed to meet the East Africa Community customs union agreement.
Africa—multiple countries	Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT)	\$93,750	Workshop for Criminal Justice Officials on the enforcement of AML/CFT laws for member countries of the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG). Topics to be covered include investigative techniques, prosecutions and preparations of cases, forfeitures, and other powers.
Africa—multiple countries	AML/CFT	\$93,750	Second workshop for Criminal Justice Officials on the enforcement and implementation of AML/CFT laws for member countries of the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG). This workshop builds on the earlier workshop and is designed to provide in-depth training on the practical aspects of investigating and prosecuting money laundering and related financial crimes and confiscating the proceeds from these crimes.
Africa—multiple countries	Data Dissemination Standards	\$462,100	Extension of regional long-term advisor and continued financing for short-term experts and training to assist the four Lusophone African countries (Angola, Cape Verde, Mozambique, and São Tomé and Príncipe) develop their capacities to compile and disseminate macroeconomic

Beneficiary	Subject Area	Committed	Description
			statistics using the General Data Dissemination System (GDDS) as a framework.
Africa—multiple countries	Multisector Statistics	\$257,000	Long-term resident advisor to assist concerned government agencies in the Democratic Republic of the Congo and the Republic of Congo in strengthening institutional structures and capacities to compile and disseminate economic and financial statistics, including participation in the GDDS.
Africa—multiple countries	Data Dissemination Standards	\$70,000	Regional seminar for some 26 officials from African countries who are potential subscribers to the IMF's Special Data Dissemination Standard (SDDS) to familiarize them with the detailed requirements of SDDS (which guides IMF members accessing international capital markets).
Africa—multiple countries	Financial Programming and Policies	\$93,750	Course for some 30 participants from the six member countries of the Central African Economic and Monetary Community (CEMAC) and other countries in the region covering macroeconomic accounts and forecasting techniques and macroeconomic and structural issues.
Angola	Financial Legislation	\$51,700	Short-term expert to assist the Angolan authorities with preparation of a draft financial institutions law more in line with international best practices, for submission to the Parliament of Angola.
Botswana	Macroeconomic Management and Financial Policy	\$129,250	Short-term experts to assist the Bank of Botswana in developing in-house capacity for inflation modeling and forecasting and for use in policy planning.

Beneficiary	Subject Area	Committed	Description
Central African Republic	Tax Administration	\$180,950	Short-term expert to assist Ministry of Finance achieve urgently needed increase in tax revenue by taking priority measures to improve tax compliance, including strengthening audit and collection enforcement, better taxpayer registration, and a better management information system.
Central African Republic	Public Expenditure Management	\$118,500	Long-term expert to assist the Ministry of Finance reestablish and strengthen its budgetary and treasury functions, which were disrupted by domestic upheaval during 2000–2003. The immediate focus will be on budget classification and preparation, cash management, budget execution and control, and reporting.
COBAC—Central Africa Banking Commission	Banking Supervision	\$136,500	Extension of long-term advisor to assist the six member countries of COBAC to further strengthen banking supervision in their countries through improved regulations and staff training in off-site monitoring and on-site inspections.
Congo, Dem. Rep. of	Central Bank Operations	\$237,000	Long-term information technology expert to assist the Central Bank of the Congo (BCC) to computerize its accounting and foreign exchange operations through preparation of a master plan, testing and installation of software, introduction of new procedures, and staff training.
Congo, Dem. Rep. of	Central Bank Operations	\$118,500	Extension of long-term advisor at Central Bank of the Congo (BCC) to strengthen its capacity in key central bank functions (currency, monetary and foreign exchange operations, and banking supervision) as well as support functions (central bank accounting, internal audit, and

Beneficiary	Subject Area	Committed	Description
			information technology systems). The advisor will also coordinate the work of other experts provided by the IMF and other donors to maximize assistance and avoid duplication of effort.
Congo, Dem. Rep. of	Public Expenditure Management	\$237,000	Extension of long-term advisor to continue assisting the budget and treasury departments with reforms to improve budget preparation and execution, and to also assist in the rebuilding of public expenditure management capacity at the provincial level.
Gabon	Anti-Corruption Framework	\$70,000	Short-term experts to assist Gabon's National Commission to Combat Illegal Enrichment in administering the financial disclosure regime in an effective manner through holding a seminar on methods of analyzing, organizing, and filing wealth declarations, and on the administrative aspects of record keeping.
Kenya	Financial Legislation	\$25,850	Short-term expert to assist the Kenyan authorities with redrafting legislation on deposit insurance and reviewing related legislation needed to strengthen the role of the Deposit Protection Fund Board and also to make it an accountable agency independent of the Central Bank of Kenya.
MEFMI— Macroeconomic and Financial Management Institute of Eastern and Southern Africa	Financial Programming and Policies	\$93,750	Regional course on macroeconomic management and structural adjustment, focusing on financial programming, for participants from the 10 member countries of MEFMI.

Beneficiary	Subject Area	Committed	Description
Rwanda	Central Bank Operations	\$118,500	Extension of long-term advisor for another six months to assist the National Bank of Rwanda in developing a modern internal audit unit. Assistance will focus on development of a strategy for the internal audit mechanism and training of staff in auditing concepts, risk-based auditing, evaluation of risks, and impact of risks on operations.
Rwanda	Central Bank Operations	\$118,500	Continued financing of long-term advisor at the National Bank of Rwanda for an additional six months to complete work in modernizing the internal audit unit—in particular to support the internal auditors on basic concepts of audit, risk identification and assessments, and carrying out of audits.
Tanzania	Central Bank and Banking Legislation	\$51,700	Short-term experts to assist the Tanzanian authorities to amend the Bank of Tanzania Act (1995) and the Banking and Financial Institutions Act (1991) in order to have an updated and modernized legal framework for the financial sector that conforms to best practices and international standards.
WAIFEM— West African Institute for Financial and Economic Management	Financial Programming and Policies	\$93,750	Two-week regional course in Accra, Ghana for about 30 participants from the five WAIFEM member countries (The Gambia, Ghana, Liberia, Nigeria, and Sierra Leone) on the analysis of macroeconomic developments and design of policies that promote macroeconomic growth.
WAIFEM	Financial Programming and Policies	\$93,750	Two-week regional course in Abuja, Nigeria for about 30 participants from the five WAIFEM member countries (The

Beneficiary	Subject Area	Committed	Description
			Gambia, Ghana, Liberia, Nigeria, and Sierra Leone) on the analysis of macro-economic developments and design of policies that promote macroeconomic growth.
West AFRITAC	Microfinance Supervision	\$273,000	Extension of long-term regional expert based at West AFRITAC to assist the 10 member states to strengthen supervision of microfinance institutions (MFIs) through the improvement of regulations, training of staff, development of a risk-based supervisory framework, and an MFI performance monitoring system.

ASIA AND PACIFIC REGION

Beneficiary	Subject Area	Committed	Description
Asia and Pacific—multiple countries	AML/CFT Methodology	\$93,750	Workshop for financial sector supervisors from Asia and Pacific countries with focus on practical aspects of supervisory oversight for AML/CFT compliance by financial institutions.
Asia and Pacific—multiple countries	Tax Administration	\$115,000	Regional Seminar on Large Taxpayer Units (LTUs) for tax administrators from 14 countries in Asia and the Pacific to strengthen their skills in managing LTUs and auditing large and multinational taxpayers.
Asia and Pacific—multiple countries	Tax and Customs Legislation	\$155,100	Short-term experts to assist with the drafting of legislation to strengthen and improve tax and customs administration and thereby increase revenue collection in Cambodia, Lao P.D.R., Vietnam, Timor-Leste, and Tonga.

Beneficiary	Subject Area	Committed	Description
Asia and Pacific—multiple countries	Central Bank and Banking Legislation	\$258,500	Short-term experts to assist countries in the Asia and Pacific region to improve financial legislation and to bring it in line with internationally recognized standards and best practices. Guidance will be given on drafting new legislation or redrafting existing legislation in the following areas: central bank acts, banking acts, other financial legislation (insolvency law, payment and settlement legislation, deposit insurance schemes, etc.), and internal central bank and other financial regulations. Initial requests for assistance have been received from Bhutan, Maldives, Nepal, and Sri Lanka.
Asia and Pacific—multiple countries	Balance of Payments and External Debt Statistics	\$70,000	Regional course on Balance of Payments and International Investment Position Statistics for compilers from Brunei Darussalam, Cambodia, Indonesia, Lao P.D.R., Myanmar, and Vietnam. The objective is to improve the accuracy of these statistics through the use of an international transaction reporting system (ITRS) and adherence to the new external debt guide.
Asia and Pacific—multiple countries	Data Dissemination Standards	\$70,000	Regional seminar to potential Special Data Dissemination Standard (SDDS) subscribers in the Asia and Pacific region to improve their knowledge of SDDS and familiarize them with the detailed requirements of the SDDS. About 34 officials from 13 countries and four regional organizations will participate.
Bangladesh	Central Bank Operations	\$77,550	Short-term expert to assist the Bangladesh Bank in implementing basic accounting reforms required for the pro-

Beneficiary	Subject Area	Committed	Description
			duction of reliable financial data needed for financial control and external reporting.
Bangladesh	Bank Restructuring	\$25,850	Short-term expert to assist Bangladesh Bank in strengthening its capability to oversee the restructuring of the four nationalized commercial banks (NCBs), particularly to monitor the NCBs' compliance with the procedures for their privatization.
Bangladesh	Financial Market Development	\$103,400	Short-term experts to assist the Bangladesh Bank (BB) promote active secondary market trading of government debt by a range of financial sector participants. Assistance will focus on delineating the role of BB in overseeing secondary market operations, establishing clearing and settlement arrangements, and drafting market operations guidelines.
Bangladesh	Central Bank Operations	\$25,850	Short-term expert to assist Bangladesh Bank in developing its capacity to carry out risk-based internal audit and to undertake an assessment of staff skills as input for preparation of a staff training and development program in this area.
Bhutan	Exchange Regulations	\$25,850	Short-term expert to assist the Royal Monetary Authority of Bhutan in drafting new Foreign Exchange Regulations and Rules and Procedures, which would involve consolidating existing regulatory elements; modernizing the structure of regulations; streamlining procedures; and creating a framework to facilitate incorporation of future changes.

Beneficiary	Subject Area	Committed	Description
Cambodia	Central Bank Operations	\$77,550	Short-term expert to assist the National Bank of Cambodia (NBC) in implementing its strategic plan to enhance internal audit and internal control, which will include training the staff of NBC's new Internal Audit Department and developing an internal audit procedures manual.
Cambodia	Banking Supervision	\$25,850	Short-term expert to assist the National Bank of Cambodia (NBC) in strengthening its off-site surveillance capabilities through the development of a database to collect financial information provided by banks in their prudential reporting. The database would facilitate NBC prioritizing its surveillance work program and also serve as a cornerstone for an early warning system.
Cambodia	Banking Supervision	\$51,700	Short-term expert to assist the National Bank of Cambodia (NBC) in strengthening its on-site supervision program by providing intense instruction and on-the-job training for a team of NBC bank examiners on all aspects and stages of bank examination; and reviewing and making recommendations for improving manuals and guidelines used by bank examiners.
Cambodia	Central Bank Operations	\$77,500	Short-term expert to assist the National Bank of Cambodia (NBC) in strengthening the operations of its Banking Department. The expert will carry out a diagnostic study of the Banking Department, highlight vulnerabilities and inefficiencies, and assist NBC to draft a strategic plan to modernize the department.

Beneficiary	Subject Area	Committed	Description
Cambodia	Public Expenditure Management	\$240,000	Long-term resident treasury advisor to assist the Ministry of Finance and Economy in implementing Treasury reforms including introduction of a new Chart of Accounts, designing new arrangement for management of nontax revenue, and designing the conceptual stage for Treasury computerization.
Cambodia	Tax and Customs Administration	\$387,750	Short-term experts to assist the Tax Department and the Customs and Excise Department to complete implementation of reform programs initiated under the Technical Cooperation Action Plan in support of the PRGF. In tax administration, the focus will be on improving audit and taxpayers services operations and modernization of computerized information systems. In customs administration, the focus will be on improving clearance procedures to meet requirements of WTO accession, strengthening anti-smuggling operations, and development of a computerized system to be deployed nationwide in 2005.
Cambodia	Public Expenditure Management	\$237,000	Extension of long-term resident treasury advisor at the Ministry of Finance and Economy. Assistance during this extension will focus on implementing the new Chart of Accounts and new budget classification; rationalizing the number of government bank accounts for eventual centralization in a Treasury Single Account; increasing the use of the banking system for government transactions; reducing payment arrears; and improving fiscal reporting.

Beneficiary	Subject Area	Committed	Description
Cambodia	Multisector Statistics Advisor	\$118,500	Extension of long-term advisor to continue assisting concerned government agencies (National Institute of Statistics, Ministry of Planning, National Bank of Cambodia, and the Ministry of Economy and Finance) strengthen their capacity to collect, compile, and disseminate macroeconomic statistics in keeping with international standards. Priority areas for improvement are external trade and direct investment statistics, real sector statistics, and government finance statistics.
China	Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT)	\$308,500	Peripatetic experts to assist Chinese authorities in establishing a sound legal and institutional AML/CFT framework in accordance with international standards and best practices. Assistance will involve working with the authorities on drafting and implementing AML/CFT legislation and establishing a fully operational Financial Intelligence Unit, and will include a one-week training workshop.
China	Monetary and Foreign Exchange Operations	\$70,000	Workshop on Monetary and Foreign Exchange Operations to be held under the Joint China-IMF Training Program in Dalian for staff of the People's Bank of China. The workshop will cover issues of importance to strengthening China's monetary policy framework, including role of interest rate adjustments, inflation forecasting, and central bank communications.

Beneficiary	Subject Area	Committed	Description
China	Financial Programming and Policies	\$50,000	Workshop on Financial Programming and Policies to be held under the Joint China-IMF Training Program at Dalian. The course is designed to provide participants with a better understanding of macroeconomic policies and structural reforms.
China	Fiscal and Macroeconomic Management	\$50,000	Course on Macroeconomic Management and Fiscal Issues to be held under the Joint China-IMF Training Program in Dalian. The course will cover key elements of fiscal policy and macroeconomic management, such as taxation, expenditure policies, fiscal management, public infrastructure and growth, and public enterprise reform and privatization.
Fiji	Financial Sector Supervision	\$77,550	Short-term expert to assist the authorities to assess current weaknesses in insurance supervision; introduce modern approaches for on-site examination and off-site analysis; and identify any potential risks in operations of the Fiji National Provident Fund.
Indonesia	Central Bank Operations	\$155,100	Short-term expert to assist Bank of Indonesia to reorganize its branch offices. Assistance will be provided in four phases: (1) confirming elements and principles of the proposed reorganization; (2) developing a detailed work program; (3) implementation of the restructuring; and (4) follow-up assessment to see whether objectives were achieved.
Indonesia	Public Expenditure Management	\$51,700	Short-term expert to assist Ministry of Finance and Bank of Indonesia (BOI) with the establishment of a Treasury Single Account at BOI through develop-

Beneficiary	Subject Area	Committed	Description
			ing a timetable for consolidation of bank accounts controlled by regional treasury offices; developing a plan to strengthen payment processes at the regional treasury offices; and designing specifications for the proposed automated treasury payment and reporting system.
Indonesia	Treasury Management	\$51,700	Short-term expert to assist authorities with modernization of treasury operations and establishment of a Treasury Single Account through rationalizing government accounts; improving revenue transmittal and payment processing; and reorganizing regional treasury offices. Assistance will also be provided to put in place treasury payment and accounting offices for the disbursement of tsunami donor funds for the reconstruction and rehabilitation of Aceh.
Lao P.D.R.	Banking Supervision	\$155,100	Continued financing of short-term expert assistance to the Bank of the Lao P.D.R. to strengthen banking regulation and supervision with a focus on on-site examination, off-site monitoring, revision and implementation of related regulations, and monitoring of restructuring of state-owned commercial banks.
Maldives	Monetary Policy and Operations	\$51,700	Short-term expert to assist the Maldives Monetary Authorities (MMA) to develop capacity for liquidity forecasting and control so that the MMA will be able to pursue a more effective market-based monetary policy.
Mongolia	Public Expenditure Management	\$155,100	Additional financing for a short-term treasury expert to assist the authorities with running a fully functioning treasury

Beneficiary	Subject Area	Committed	Description
			single account, ensuring that the government financial information system is consistent with the new treasury procedures, drafting required treasury law and regulations, and strengthening internal audit and control in the Treasury.
Nepal	Monetary Policy and Operations	\$77,550	Short-term expert to assist the central bank of Nepal (the Nepal Rastra Bank) to (1) develop capacity to carry out monetary operations to achieve money reserve targets; (2) develop information systems for better monitoring of money market liquidity; and (3) improve coordination of monetary and debt management with the Ministry of Finance.
Nepal	Central Bank Operations	\$25,850	Short-term expert to assist the Nepal Rastra Bank to strengthen its accounting procedures and controls through developing a reporting framework consistent with the International Financial Reporting Standards and designing the needed related staff development plan.
Nepal	Central Bank Operations	\$51,700	Short-term expert to assist the Nepal Rastra Bank (NRB) with strengthening its internal audit through implementation of audit operations that are driven by a risk-based assessment of NRB functions and design of the needed related staff training program.
Nepal	Financial Legislation	\$25,850	Short-term expert to assist the Nepalese authorities to complete the final draft of the Banking and Financial Institution Ordinance that will provide the legal basis for the central bank to effectively supervise commercial banks and other deposit-taking institutions.

Beneficiary	Subject Area	Committed	Description
Pacific island countries	Data Dissemination Standards	\$358,200	Continue financing for the Pacific Regional GDDS Project, which aims to achieve a sustainable improvement in the statistical systems of participating Pacific island countries using the GDDS as a framework. Advisory assistance and training under the project will be managed by the JSA-funded PFTAC regional advisor in economic and financial statistics.
PFTAC—Pacific Financial Technical Assistance Center	Tax Policy and Tax and Customs Administration	\$273,000	Extension of regional advisor based at PFTAC in Fiji to continue assisting member countries in implementing their programs to modernize their tax policy framework and reform tax and customs administration, including, among other things, introduction and/or implementation of VAT in Kiribati, the Solomon Islands, Tonga, and Tuvalu; introduction of a computerized customs information systems for Kiribati, the Marshall Islands, Niue, Palau, the Solomon Islands, Tonga and Tuvalu; and redrafting of tax and customs laws in Fiji, Kiribati, Palau, the Solomon Islands, and Tuvalu.
PFTAC—Pacific Financial Technical Assistance Center	Multisector Statistics	\$273,000	Extension of regional advisor in economic and financial statistics based at PFTAC to continue assisting member countries to strengthen their capacity to collect, compile, and disseminate a broad range of economic and financial statistics. Assistance, provided through advisory visits and training, will cover a broad range of issues including management, infrastructure, and priority setting.
PFTAC—Pacific Financial Technical Assistance Center	Tax Administration	\$70,000	Financing for the participation of 25 Pacific island country (PIC) officials at the Second Annual Conference of the Pacific Island Tax Administration

Beneficiary	Subject Area	Committed	Description
			Association to promote collaboration and cooperation among PIC tax administrators and to share their experiences with, and increase their understanding of, issues in implementing programs to modernize tax administration.
Philippines	Banking Supervision	\$237,000	Extension of long-term resident advisor to continue assisting the Philippines central bank in strengthening banking supervision capacity through implementation of a risk-focused examination approach and the establishment of specialist examiner career streams.
Philippines	Balance of Payments and External Debt Statistics	\$25,850	Extension of peripatetic expert to assist the central bank in improving balance of payments statistics in accordance with the recommendations of the 2003 Report on the Observance of Standards and Codes. Assistance will include, among other things, initiation of valuation studies and surveys of transportation and freight services; development of a direct investment survey; and reconciliation of data from different sources.
Sri Lanka	Financial Sector Supervision	\$237,000	Long-term resident advisor to assist the Insurance Board of Sri Lanka to introduce effective insurance supervision in accordance with international best practices. Assistance will cover policy and regulation, supervision of life insurance and non-life insurance, and supervision of brokers and agents, as well as staff training.
Sri Lanka	Banking Supervision	\$258,500	Peripatetic experts to assist the Central Bank of Sri Lanka to strengthen banking supervision through (1) identifying vul-

Beneficiary	Subject Area	Committed	Description
			nerabilities in the existing banking system; (2) training supervisory staff on techniques of consolidated supervision of banks; and (3) formulating a framework for stress testing for the banking sector.
STI—Singapore Regional Training Institute	Macroeconomic Analysis and Policy	\$237,000	Extension of long-term expert to provide training at STI-sponsored courses and seminars in various aspects of macroeconomic management, statistical methodology, financial sector issues, and other topical areas of current interest to member countries.
STI—Singapore Regional Training Institute	Macroeconomic Analysis and Policy	\$118,500	Extension of long-term expert to provide training at STI-sponsored courses and seminars in various aspects of macroeconomic management, statistical methodology, financial soundness and transparency, and other topical areas of current interest to member countries.
Thailand	Banking Supervision	\$237,000	Extension of long-term resident advisor to continue assisting the Bank of Thailand to improve supervisory policies and procedures to be in keeping with international best practices. The advisor will focus on development and implementation of a consolidated supervisory framework; development of a problem bank supervision manual; enhancements of the early warning system; and redesigning materials/manuals for examiners on offsite supervision.
Timor-Leste	Central Bank Payments	\$59,250	Extension of the Advisor to the Deputy General Manager for Payments of the Banking and Payments Authority (BPA) to support BPA in the development of a

Beneficiary	Subject Area	Committed	Description
			fully functioning domestic payments system and the preparations for the establishment of a central bank that can carry out these functions. Half of the costs will be shared by the United Nations.
Timor-Leste	Central Bank Accounting	\$77,550	Short-term peripatetic expert to advise the General Manager of the Bank and Payments Authority on accounting, audit, and financial reporting issues relating to the establishment of the Petroleum Fund.
Timor-Leste	Central Bank Operations	\$237,000	Long-term resident advisor to the General Manager of the Banking and Payments Authority (BPA). The advisor will assist the newly appointed Timorese General Manager in the broad areas of central banking and the requisite preparations for the transition during 2005 of the BPA to a full-fledged central bank.
Timor-Leste	Central Bank Payments	\$118,500	Six-month extension of long-term resident advisor to the Deputy General Manager for Payments of the Banking and Payments Authority (BPA). This extension is needed to provide additional support to the Timorese Deputy General Manager for Payments particularly with regard to the planned transformation of BPA into a central bank during 2005.
Timor-Leste	Banking Supervision	\$77,550	Peripatetic expert to assist the newly appointed Timorese Deputy General Manager for Supervision of the Banking and Payments Authority (BPA), particularly with regard to the planned transformation of the BPA into a central bank. Assistance will include developing needed procedure manuals.

Beneficiary	Subject Area	Committed	Description
Timor-Leste	Financial Sector Supervision	\$51,700	Peripatetic expert to assist the Deputy Manager for Supervision of the Banking and Payments Authority (BPA) in developing the insurance supervisory function of BPA, including developing BPA's prudential regulatory functions in the insurance area, documenting procedures, and preparing manuals.
Timor-Leste	Central Bank Organization	\$51,700	Peripatetic expert on organization and human resources to assist the newly appointed Timorese Director of Administration of the Banking and Payments Authority (BPA) with ongoing initiatives to strengthen the Administration and Human Resources Department particularly with regard to preparations for BPA to become a central bank in 2005.
Timor-Leste	Treasury Management	\$237,000	Resident treasury advisor to assist the new Timorese Director of Treasury to carry out key functions including expenditure control; payments; managing government bank accounts; maintaining government accounts; preparing fiscal reports; and, in particular, managing oil revenues, which are consolidated in a Petroleum Fund.
Vanuatu	Monetary Policy and Operations	\$77,550	Peripatetic expert to assist the Reserve Bank of Vanuatu in strengthening monetary policy and operations through improved short-term liquidity forecasting, effective reserve management and foreign exchange dealing.
Vietnam	Banking Supervision and Regulation	\$77,550	Peripatetic expert to assist the State Bank of Vietnam in carrying out a diagnostic study of crucial areas for improvement in banking regulation and supervision and in developing a prioritized plan for the implementation of the needed reforms.

Beneficiary	Subject Area	Committed	Description
Vietnam	Monetary Policy and Operations	\$232,650	Peripatetic expert to assist the State Bank of Vietnam to (1) identify prerequisites for adoption of an inflation targeting framework and fully market-based monetary operations; (2) develop a road map and implementation plan; and (3) review the extent of dollarization in Vietnam and its impact on monetary policy.
Vietnam	Tax Administration	\$206,800	Continued financing for peripatetic experts to assist the Tax Department in extending a pilot project on self-assessment to additional regional tax offices, providing additional training of trainers, and enhancing existing computerized system for self-assessment.
Vietnam	Tax Administration	\$103,400	Additional four months of expert services to assist the Tax Department and Ministry of Finance in finalizing strategic, corporate, and reform plans for funding submission to multi-donor trust funds to finance further reform of tax administration and computerization in Vietnam.

CENTRAL AND WESTERN EUROPE

Beneficiary	Subject Area	Committed	Description
Albania	Monetary Policy	\$237,000	Long-term resident advisor to assist the Bank of Albania in strengthening its capacity to adopt inflation targeting as the monetary framework by 2007. Assistance will focus on needed organizational changes, development of a modeling and forecasting framework, choosing an inflation index target, and designing a strategy for communicating monetary policy.

Beneficiary	Subject Area	Committed	Description
Kosovo	Central Bank Operations	\$237,000	Continued financing for the position of the Managing Director of the Banking and Payments Authority of Kosovo (BPK) to ensure continued development of a sound financial system in Kosovo, which would involve BPK maintaining healthy financial institutions and developing the role of banks in retail payments and continued building of local staff capacity to assume managerial positions in BPK.
Kosovo	Multisector Statistics	\$237,000	Extension of long-term advisor to assist the Statistical Office and the Banking and Payments Authority to continue building their capacity to produce national accounts and balance of payments statistics, respectively. Among other things, the advisor will assist with the design and development of collection, compilation and reporting systems in accordance with international standards, and provide training through courses and on-the-job training.

EASTERN EUROPE AND CENTRAL ASIA

Beneficiary	Subject Area	Committed	Description
Azerbaijan	National Accounts Statistics	\$51,700	Continued financing of peripatetic expert to assist the State Committee on Statistics to improve data sources and techniques used in compiling the quarterly national accounts. The expert will also provide on-the-job training in these areas.
Eastern Europe and Central Asia—multiple countries	Treasury Management	\$133,500	Extension of long-term resident treasury advisor at the Russian Federal Treasury to assist with implementation of Russia's treasury reform project, particularly with regard to finalizing the new Chart of

Beneficiary	Subject Area	Committed	Description
			Accounts, establishing a system for financial planning and cash management, establishing a financial management information system, and introducing accrual accounting. The advisor will also continue to serve as a regional treasury advisor in support of ongoing treasury reform projects in Armenia, the Kyrgyz Republic, and Lithuania.
Eastern Europe and Central Asia—multiple countries	Public Expenditure Management	\$136,500	Regional public expenditure management advisor to provide a broad range of assistance to various countries including introduction of a new Chart of Accounts and a mechanism for monitoring non-commercial organizations (Armenia); implementation of a new budget system law and rules for managing the oil revenue (Azerbaijan); establishment of a Treasury Single Account and preparation for an accounting reform project (Georgia); and preparations for the establishment of a National Treasury and revisions to the budget systems law (Uzbekistan).
Eastern Europe and Central Asia—multiple countries	National Accounts Statistics	\$70,000	Two-week regional course in national accounts statistics for some 30 participants from the Commonwealth of Independent States (CIS) countries. The course will comprise both theoretical and practical elements. The course will be organized in cooperation with the Central Bank of the Russian Federation.
Georgia	Banking Supervision	\$237,000	Long-term resident advisor to assist the Bank of Georgia to develop its capacity to carry out more, and more advanced, banking supervision to keep up with the growth in the banking sector. Assistance will focus on problem bank supervision and resolution, bank chartering and

Beneficiary	Subject Area	Committed	Description
			licensing, and preparations for a deposit insurance scheme.
Moldova	Price Statistics	\$103,400	Peripatetic expert to assist the Department for Statistics and Sociology in (1) improving the accuracy of data used in the compilation of the consumer price index (CPI) and the producer price index (PPI), (2) improving the soundness of statistical techniques used in compilation of both indices, and (3) establishing systems for timely reporting.
Russia	Budget Management	\$39,500	Two-month extension of the budget advisor to assist the Ministry of Finance to phase in key budget reforms during the preparation of the 2005 budget, including integration of the new budget classification, introduction of performance budgeting methods, and streamlining the budget process (reduction in number of readings from four to three).
Uzbekistan	Public Expenditure Management	\$39,500	Two-month extension of the long-term advisor to assist the Ministry of Finance to complete drafting of the regulatory framework needed for treasury reform as well as finalize the specifications for the government financial management information system.

IMF—MULTIPLE REGIONS

Beneficiary	Subject Area	Committed	Description
IMF—multiple regions	Balance of Payments and External Debt Statistics	\$30,000	Financing for participation of balance of payments compilers from developing countries in an International Seminar on Remittances to be hosted by the World Bank for data users and compilers from various countries and international organizations.

Beneficiary	Subject Area	Committed	Description
IMF—multiple regions	Data Dissemination Standards	\$70,000	Three-day workshop for officials from small economies with international financial centers (SEIFiCs) that participated (or should have participated because of potential impact) in the Coordinated Portfolio Investment Survey (CPIS). The goal of the workshop is to improve coverage and collection methods and timely reporting to the IMF by these countries of their portfolio investment assets.
IMF—multiple regions	International Capital Market Access	\$77,550	Short-term expert to assist authorities in Angola, Indonesia, and Vietnam in establishing an investor relations program to improve their access to international capital markets.
IMF—multiple regions	Capital Markets Monitoring	\$259,700	A long-term expert and short-term experts to (1) develop a Balance Sheet Risk Indicator (BSRI) model to help governments monitor balance sheet risks; (2) implement the model in two pilot countries; (3) present the model in the form of a workshop to officials from selected countries of systemic importance in Asia, Latin America, and the CIS.
IMF—multiple regions	Macroeconomic Management and Structural Adjustment	\$500,000	Continued funding for the training of Asian participants at the Joint Vienna Institute. Most of these participants come from countries implementing economic programs to redress macroeconomic imbalances or carry out structural reforms aimed at improving macroeconomic management and promoting transformation to market economies.

Beneficiary	Subject Area	Committed	Description
IMF—multiple regions	Macroeconomic Management	\$500,000	High-Level Seminar on “Macroeconomic Management and the Japanese Experience in Economic Development” organized jointly with the Japan Center for International Finance (JCIF) for high-level officials from Asian and CIS countries.

MIDDLE EAST REGION

Beneficiary	Subject Area	Committed	Description
Afghanistan	Multisector Statistics	\$237,000	Continued financing of a long-term advisor, now to be resident in Kabul, to assist the Central Statistical Office, the Afghanistan Bank, and the Ministry of Finance, in developing and improving their institutional structure and operational capacity to compile and disseminate basic macroeconomic statistics that meet international standards. Special emphasis will be placed on developing critical data sources for these statistics.
Jordan	Tax Administration	\$103,400	Continued financing for peripatetic experts to (1) ensure effective operations of the Large Taxpayer Office established in 2004; (2) assist in preparations to establish several medium taxpayer offices; (3) develop plans to simplify small taxpayer administration; (4) finalize the establishment of an integrated function-based tax department headquarters; and (5) assist in development of a management information system.
METAC—Middle East Technical Assistance Center	Banking Supervision	\$273,000	Regional long-term advisor based at METAC to assist member countries in identifying and addressing capacity building and other TA needs in the area

Beneficiary	Subject Area	Committed	Description
			of banking supervision. The advisor's primary focus will be on commercial bank supervision and regulation, including licensing, on-site examination and off-site monitoring, and establishing effective legal and regulatory frameworks. Assistance will be provided through country visits and in-country training and regional workshops. The regional advisor will also facilitate and coordinate assistance to be provided by other short-term experts.
METAC—Middle East Technical Assistance Center	Tax and Customs Administration	\$273,000	Regional long-term advisor based at METAC to assist member countries in the development and implementation of revenue administration reforms (including reforms of the tax system, and development of modern organizational arrangements, administrative procedures, and information systems). In addition to providing assistance directly to member countries, the advisor will facilitate provision of needed assistance by other experts from the IMF and other TA agencies, and support the effective coordination of these efforts.
METAC—Middle East Technical Assistance Center	Capital Markets Development	\$136,500	Long-term expert to assist in strengthening capital markets development in METAC member countries. Initially, assistance will be provided in asset-liability management in Libya and Sudan; in investment climate in Libya, Sudan, and Yemen; and in local capital markets development in Libya, Sudan, and Yemen.

Beneficiary	Subject Area	Committed	Description
Middle East—multiple countries	Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT)	\$50,000	Two short-term experts to assist member countries of the recently established Middle East and North Africa Financial Action Task Force on AML/CFT to (1) become more familiar with current international standards for AML/CFT laws and regulations; (2) assess TA needs with respect to legislative drafting, training and the establishment of FIUs; and (3) complete a TA questionnaire in advance of a TA forum to be held in April 2005.
Syrian Arab Republic	Banking Supervision	\$98,750	Five-month extension of long-term advisor to assist the Central Bank of Syria with the introduction of new draft banking regulations, finalizing a new accounting system in line with international standards, and the training of staff in bank supervision.

WESTERN HEMISPHERE REGION

Beneficiary	Subject Area	Committed	Description
Belize	Banking Supervision and Regulation	\$118,500	Long-term resident advisor to assist the Central Bank of Belize in strengthening banking supervision and regulation required to address some of the main weaknesses detected during the IMF's 2003 Offshore Financial Center (OFC) assessment. Assistance will cover monitoring of systemic risks, consolidation of supervisory responsibilities, review and overhaul of prudential regulations, risk-based supervision, off-site and on-site supervision, anti-money laundering (AML) issues, and staff training and retention.

Beneficiary	Subject Area	Committed	Description
CAMC—Central American Monetary Council	Data Dissemination Standards	\$103,400	Short-term experts to assist CAMC member countries to develop and finalize metadata for the real and fiscal sectors to enable these countries to become full-fledged participants in the GDDS (with metadata posted on the IMF's DSBB). The experts will also assist with initiating action plans in areas identified for improvement.
CEMLA—Center for Latin America Monetary Research	Balance of Payments and External Debt Statistics	\$50,000	Seminar on International Reserves and Foreign Currency Liquidity for participants from SDDS-subscribing and GDDS-participating countries in Latin America. The seminar will provide an understanding of the conceptual principles involved in the compilation and dissemination of statistics on international reserves and foreign currency liquidity and allow for the discussion of practical compilation methods and countries' actual experiences and concerns.
ECCB—Eastern Caribbean Central Bank	Financial Sector Supervision	\$206,800	Peripatetic expert to assist the ECCB in strengthening its banking supervision and its supervision of other financial institutions, including offshore institutions as recommended by the 2004 Financial System Stability Assessment. The expert will also assist the ECCB to strengthen supervisory skills and monitoring capability in agencies in member territories that are responsible for non-bank and offshore institutions.
Nicaragua	Tax Administration	\$237,000	Extension of long-term resident advisor to assist the Tax Administration of Nicaragua (DGI) with the consolidation of achievements made in the reform program (restructured headquarters, new large taxpayer unit (LTU), new proce-

Beneficiary	Subject Area	Committed	Description
			dures) and with the design and implementation of reforms in other key areas, including an electronic filing and payment system through the banks, a new taxpayer identification numbering system, computerized administration with a central database and computerized modules to support audit and enforcement, and a modern human resources policy for tax officials.
Western Hemisphere—multiple countries	Monetary and Financial Statistics	\$70,000	Seminar on the <i>Compilation Guide for Monetary and Financial Statistics</i> for heads of concerned units in the Spanish-speaking member countries in Latin America. In addition to the <i>Compilation Guide</i> , the seminar also covered the IMF's <i>Monetary and Financial Statistics Manual (MFSM)</i> and the standardized reporting forms (SRFs) required for reporting of data for publication in the IMF's <i>International Financial Statistics</i> .
Western Hemisphere—multiple countries	Monetary and Financial Statistics	\$93,750	Three-week regional course on monetary and financial statistics for Spanish-speaking member countries of South and Central America to familiarize participants with the methodology and procedures based on the IMF's <i>MFSM</i> , and to improve their knowledge of linkages among the major macroeconomic statistical systems and of the use of statistics in economic analysis, financial planning, and monetary policy.
Venezuela	Debt Management	\$25,850	Short-term expert to assist the Ministry of Finance in strengthening debt management through designing an optimal portfolio of debt (domestic vs. external, variable vs. fixed, foreign vs. local currency) and recommending steps to reach the optimal portfolio structure.

Annex 2:

JSA JOINT JAPAN-IMF FIELD VISITS

Purpose

The purpose of these visits is to provide the Japanese authorities with a firsthand view as to how JSA funding is being used in the field. These visits are designed to assess (1) how the authorities value the work of experts funded; (2) whether the authorities are making effective use of the assistance; and (3) whether the technical assistance is making a contribution to the reform process. Discussions also sometimes touch on more generic TA policy and operational issues such as (1) the relative effectiveness of long-term and short-term expert assignments; (2) identification of TA needs; (3) integration of TA into IMF-supported programs; and (4) the role of resident representatives and TA experts in coordinating assistance from other donors.

Format

The joint mission usually comprises two Japanese officials (a representative of the Ministry of Finance, and a representative of the Japanese Executive Director's Office) and an IMF staff member.

Countries and projects selected for review are based on a number of considerations to be illustrative of different levels of economic development and structural reform and variation between regions and subject areas.

Following receipt of briefing notes and/or briefing of mission members at IMF headquarters, the mission members visit recipient countries where TA is provided and, where possible, meet separately with the senior representatives of the host institution (usually the Minister of Finance, Governor of the Central Bank, or Chairman of the Central Statistical Organization), the immediate counterparts to the expert (usually department heads), and the expert himself/herself. In the case of seminars or training courses, meetings are also held with participants in the respective sessions or courses as well as officials in charge of human resources development at the relevant training institutions. Meetings are typically held with other concerned donors to seek their views.

Findings

To date, 11 visits have been carried out (covering 17 countries, 2 regional training institutes, and the Pacific Financial Technical Assistance Center) since this practice was introduced in FY1996. The field visits have found that JSA funding is well administered and effectively used. In all the visits, the authorities were well aware and fully recognized the importance of, and expressed their appreciation for, Japan's financial support to the IMF's TA program. The positive firsthand view gained by the Japanese

authorities has contributed to the continued strong support by Japan, through their contributions to the JSA, for the IMF's TA program. A list of all field visits is provided below. Reports on these field visits can be found in previous JSA Annual Reports.

Joint Field Visits FY1996–FY2004¹

1. Fiji and Western Samoa (Pacific Financial Technical Assistance Center – PFTAC), March 1996
2. Kazakhstan and the Kyrgyz Republic, June 1996
3. Zambia and Zimbabwe, December 1996
4. Russian Federation, July 1997
5. Bulgaria and Lithuania, June 1998
6. Indonesia, Singapore Training Institute, and Thailand, June/July 1999
7. Belarus and Slovenia, June 2000
8. Azerbaijan and the Joint Vienna Institute, June 2001
9. Cambodia and the IMF-Singapore Regional Training Institute, June 2002
10. Mongolia and Timor-Leste, September 2002
11. Indonesia and Fiji, December 2003

¹Due to scheduling difficulties, joint field visits were not carried out in FY2005.

Annex 3:

RESULTS OF EVALUATIONS OF TECHNICAL ASSISTANCE PROJECTS

Following the introduction of a formal process of evaluation of JSA-funded technical assistance projects by the beneficiaries, evaluation questionnaires have been returned by beneficiary authorities for a total of 89 projects. This represents a response rate of 70 percent, which is considered good. Because questionnaires in a number of cases are sent to more than one agency or country, reflecting the institutional realities of the individual projects, more than one questionnaire per project is sometimes received. To date, the number of received questionnaires totals 105.

Overall, the responses show that the authorities are highly satisfied with JSA-funded technical assistance. As shown in Table 10, answers indicate that the beneficiary authorities are satisfied with the terms of reference for the expert. Although 92 percent of respondents expressed that the terms of reference reflected their needs, 19 percent indicated that they were not or not fully consulted on the terms of reference prior to arrival of the expert. Beneficiaries were also satisfied with the selection of the expert used under the project. Almost all respondents (91 percent) viewed the qualifications and experience of the expert as appropriate. Cooperation between the expert and counterparts was also considered good by 87 percent of respondents. The responses were slightly lower (82 percent) regarding the usefulness of the expert's advice in terms of the reform efforts. On a question regarding skills transfer, 73 percent of respondents indicated that the expert paid sufficient attention to training and capacity building, leaving 22 percent who indicated that skills transfer was only partially sufficient and another 4 percent who felt it had been inadequate. Respondents were satisfied (82 percent) with the ongoing supervision by IMF headquarters. Not surprisingly, given the tasks at hand in most countries and the complex realities of reforming economic and financial management practices and building institutional and human capacities, as well as constraints on TA resources, 20 percent of respondents felt that there were relevant issues or tasks that were not addressed by the expert. Overall, 58 percent of respondents indicated that they were highly satisfied with the overall progress made during the project and another 40 percent were satisfied. Only one respondent was unsatisfied with progress.

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

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

Note: Based on 100 responses.

Annex 4:
ADMINISTERED ACCOUNTS—JAPAN FINANCIAL STATEMENT FY2005

	Administered Account for Selected Fund Activities—Japan		Framework Administered Account for Technical Assistance Activities—Subaccount for Japan Advanced Scholarship Program	
	2005	2004	2005	2004
<i>(In thousands of U.S. dollars)</i>				
Balance Sheet as at April 30, 2005 and 2004				
Assets				
Cash and cash equivalents	21,691	22,699	1,395	1,686
Total Assets	21,691	22,699	1,395	1,686
Resources				
Total Resources	21,691	22,699	1,395	1,686
Income Statements and Changes in Resources for the Years Ended April 30, 2005 and 2004				
Balance, beginning of the year	22,699	25,031	1,686	1,844
Income earned on investments	562	290	38	19
Contributions received	20,849	20,374	1,521	1,521
Payments to and on behalf of beneficiaries	(22,419)	(22,996)	(1,850)	(1,698)
Net changes in resources	(1,008)	(2,332)	(291)	(158)
Balance, end of the year	21,691	22,699	1,395	1,686

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.

Japan Administered Account for Selected IMF Activities (JSA)
Annual Report
Fiscal Year 2005

