



Japan

Administered Account for Selected IMF Activities (JSA)

ANNUAL REPORT Fiscal Year 2009



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

JSA Annual Report Fiscal Year 2009

In 1990, Japan agreed to provide financial support for IMF technical assistance (TA) to its member countries to strengthen their capacity to formulate, implement, and maintain macroeconomic and structural adjustment programs. Since then, Japan has continued to be the largest single contributor to the IMF's technical assistance and training activities. Japan's contributions are provided through the Japan Administered Account for Selected Fund Activities (JSA).¹ In addition, Japan finances two scholarship programs—one under the JSA and another under a separate subaccount.

This report starts with a brief description of the IMF and its activities, focusing in particular on its TA activities. The report then describes in greater detail the JSA—including its scope and objectives, the size and uses of the TA contribution, and assessments of its TA activities and scholarship programs—with a focus on fiscal year (FY) 2009.²

The IMF: Purpose and Activities

The IMF, which currently has 186 member countries,³ was established in 1946 to promote international monetary cooperation, exchange stability, and orderly exchange arrangements; to

provide temporary financial assistance to countries with balance of payments difficulties; and to foster sustainable economic growth. To achieve these objectives, the IMF undertakes three main functions: surveillance, financial assistance, and technical assistance.

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

Financial assistance includes providing credits and loans to member countries with balance of payments problems so that they can restore conditions for financial and macroeconomic stability and sustainable economic growth. The financial assistance provided by the IMF enables countries to rebuild their international reserves, stabilize their currencies, and continue paying for imports without having to impose trade restrictions or capital controls. The IMF makes its financial resources available to its members through a variety of financial facilities, including concessional assistance and debt relief targeted at low-income members.⁴

¹In this report, unless a distinction is made, the term "JSA" also includes its predecessor, the JAA (Japan Administered Technical Assistance Account).

²The reference to fiscal year in this report is to the IMF fiscal year, which runs from May 1 through April 30. This report thus covers the period May 1, 2008–April 30, 2009. Reports on FY2000–FY2008 can be found on the IMF website, under www.imf.org/external/pubs/ft/ta/index.asp.

³As of the end of the period covered by this report, there were 185 member countries. Kosovo, the IMF's 186th member, joined in June 2009.

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

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

IMF Technical Assistance: Demand and Supply

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

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

assistance had substantially increased. As a result of the expansion of the IMF's membership and the adoption of market-oriented economies by a large number of countries worldwide, IMF TA activities grew even more rapidly in the early 1990s. Demand increased further in the late 1990s as significant TA resources had to be directed to countries affected by financial crises and to meet the needs of countries emerging from conflict.

Over the years, the IMF's TA program has had to respond to a number of new initiatives that have changed the overall demand on its resources. As part of this evolution, resources have been devoted to helping countries build capacity for their anti-money laundering and combating the financing of terrorism (AML/CFT) efforts; helping countries adopt and adhere to international standards and codes for financial, fiscal, and statistical man-

Box 1. Core Areas of IMF Technical Assistance

Fiscal Policy and Management

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

Macroeconomic and Financial Statistics

- Multisector statistical issues
- Balance of payments and external debt statistics
- Government finance statistics
- Monetary and financial statistics
- National accounts and price statistics
- Data dissemination standards

Monetary Policy and Financial Systems

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

- Bank supervision and regulation
- Bank restructuring and banking safety nets

Anti-Money Laundering/Combating the Financing of Terrorism

agement; helping low-income countries formulate and implement poverty reduction strategies; and helping heavily indebted poor countries (HIPCs) design and manage debt reduction programs and strengthen public expenditure management for effective tracking of poverty-reducing expenditures.

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

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

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

Box 2 describes JSA-funded IMF training in FY2009.

Since 1993, the IMF has provided an increasing amount of its technical assistance through Regional Technical Assistance Centers (RTACs). Currently, there are seven RTACs; the latest, the Central America, Panama and Dominican Republic Regional Technical Assistance Center (CAPTAC-DR) in Guatemala City, Guatemala, was inaugurated in June 2009.⁷ Experience with this regional approach to TA delivery has been very positive and the IMF plans to establish three additional regional TA centers in the near future—two more in Africa, and one in Central Asia.

The IMF directly finances technical assistance with a quarter of its annual operating budget allocated to TA work and training. Although a large part of TA continues to be financed from the IMF's internal resources, external financing from bilateral and multilateral partners has become increasingly important in recent years—particularly in financing TA field delivery. In FY2009, external financing from bilateral and multilateral donor partners accounted for more than two-thirds of TA

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

Box 2. JSA-Financed Training

The JSA provided about \$2.2 million in support of the IMF Institute training program in FY2009. This funding helped cover the costs of the participants attending Institute training and of the experts delivering the training. Through these channels, the JSA contributed to the implementation of 42 training courses, of which 31 were delivered by Institute staff and consultants and 11 by other IMF departments. In total, 818 participants benefited from this JSA funding, receiving a total of 1,528 participant-weeks of training. Eighty-two percent of this training went to Asian participants, with the balance to officials from Africa.

The training delivered by the Institute fell into two broad categories:

- Seven courses were on financial programming and policies or similar topics. Such courses have long been a central feature of the Institute curriculum and aim at extending participants' understanding of the design and implementation of macroeconomic and financial policies, drawing on IMF experience in economic surveillance, the design of financial programs, and the provision of technical advice to member countries.
- The remaining 24 courses were more specialized macroeconomic courses developed in recent years to address the evolving training needs of

member countries. These included courses on macroeconomic management and fiscal policy, macroeconomic management and financial sector issues, macroeconomic forecasting, macroeconomic and debt issues, macroeconomic diagnostics, financial markets analysis, financial markets and new financial instruments, monetary and exchange rate policy, and external vulnerabilities.

The courses delivered by other IMF departments included

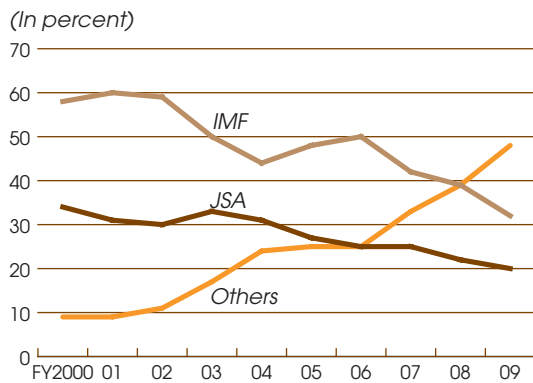
- Five delivered by the Statistics Department, focusing on balance of payments statistics, government finance statistics, monetary and financial statistics, price statistics, and quarterly national accounts.
- One delivered by the Finance Department on safeguards assessments of central banks.
- One delivered by the Monetary and Capital Markets Department on reserve management.
- Four delivered by the Legal Department: courses on (1) financial transactions for lawyers and (2) legal aspects of international financial institutions, and AML/CFT workshops on (3) Financial Intelligence Units (FIUs) for financial analysis and (4) FIU cooperation and exchange of information.

delivered in the field.⁸ Although the number of bilateral and multilateral partners has increased significantly in recent years, Japan

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

continues to be the largest single source of external financing. In FY2009, JSA financing accounted for about one-third of total external financing and more than one-fifth of IMF TA delivered in the field. Figure 1 shows the JSA's share of the financing of IMF field-delivered technical assistance over FY2000–FY2009.

Figure 1. JSA Share of Financing of Capacity Building Delivered in the Field, FY2000–FY2009



The Japan Administered Account for Selected Fund Activities

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

Japan has provided grant contributions to support IMF technical assistance to member countries since 1990. In 1997, the scope of the administered account was widened to allow for financing 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 also include support of various regional policy forums, such as Asia-Pacific Economic Cooperation, the Association of Southeast Asian Nations, and the

Pacific Islands Forum. The office also undertakes TA 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 and 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 IMF employment and by supporting IMF recruitment efforts through interviews and informational seminars. In addition, Japan provides grant contributions for two scholarship programs—the Japan-IMF Scholarship Program for Advanced Studies and the Japan-IMF Scholarship Program for Asia.

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



Mr. Akira Ariyoshi, Director (seated second from left), and staff of the IMF Regional Office for Asia and the Pacific (OAP) in Tokyo. OAP activities are financed by the JSA.

Table 1. Contributions by Japan, FY1990–FY2009*(In millions of U.S. dollars)*

	FY1990– FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	Total FY1990– FY2009
JSA	138.5	15.1	25.0	25.5	20.4	20.8	22.1	19.3	18.2	20.9	325.9
Technical Assistance ¹	131.9	13.7	22.6	22.8	17.6	18.3	19.4	16.9	15.6	18.6	297.5
Asia Scholarship Program	6.6	1.4	2.3	2.7	2.7	2.6	2.7	2.4	2.6	2.3	28.4
Advanced Scholarship	5.6	1.4	1.4	1.5	1.5	1.5	1.6	1.5	1.5	1.6	19.2

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

Institute, was established in 1996. It supports nationals of Asian member countries of the IMF who undertake doctoral studies in economics in North America to pursue a career either in international financial institutions such as the IMF or in their respective governments. The Japan-IMF Scholarship Program for Asia, established in 1993, supports 12- and 24-month courses of graduate study 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 about \$326 million, of which \$298 million has been for TA projects and the activities of the Regional Office for Asia and the Pacific and \$28 million has been for the Asia Scholarship Program. In addition, since

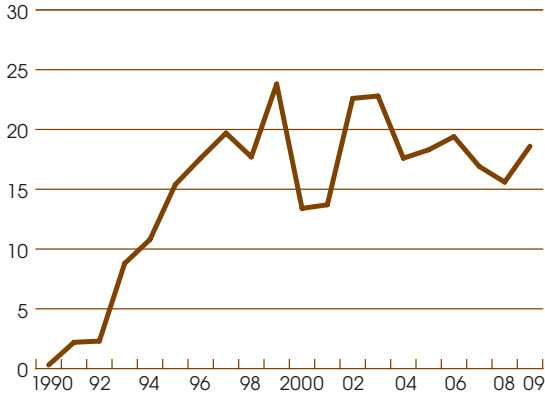
1996, Japan has contributed more than \$19 million to the Japan Advanced Scholarship Program. Annual contribution figures for technical assistance and the two scholarship programs, for FY1990–FY2009, are provided in Table 1. Figure 2 shows the annual contributions for technical assistance under the JSA since its inception.

Japan-IMF Consultations

Regular consultations are held between the IMF and the Japanese authorities; the most recent formal meeting took place in April 2009. Consultations cover (1) the effectiveness of the assistance provided with JSA funding, (2) the expected regional and subject area use of JSA resources in the current fiscal year and the targets for the following fiscal year, (3) the likely costs of project inputs, (4) the anticipated level of Japan's future contribution to the JSA, (5) the organization of joint field

Figure 2. Annual Contributions by Japan for Technical Assistance, FY1990–FY2009

(In millions of U.S. dollars)



visits by the Japanese authorities and the IMF, and (6) any issues that may arise in the upcoming period. The consultations also provide a venue to discuss developments regarding the IMF TA program as a whole. IMF staff also visit Tokyo from time to time for more detailed discussions with the Japanese authorities on the JSA and related matters.

Technical Assistance Funded by the JSA

The use of JSA resources is flexible. JSA funds can be used to cover the cost of short- and long-term TA experts and other costs associated with conducting seminars and workshops, such as room rental fees. While JSA funds are not conditional on the use of Japanese nationals, Japanese experts are considered for assignments wherever possible. The Japanese authorities place highest priority on funding TA activities in Central Asia and in Asia and the Pacific, but JSA-financed TA

activities take place in all regions. Consistent with IMF TA policy, the Japanese authorities place high priority on assistance for countries that have demonstrated strong efforts and good track records in implementing economic reform policies.

The main focus of the JSA TA program has been to support low- and lower-middle-income countries as they build the institutions and capacity needed to implement growth-enhancing policies. In terms of subject areas, the use of JSA resources reflects the priorities of IMF TA. Examples of JSA-supported activities are given in Boxes 3–6.

Project submission and approval

Activities to be funded from the JSA are tightly integrated within the overall IMF TA planning process to ensure close alignment between IMF surveillance and lending activities and the key priorities of each country. At the beginning of each fiscal year, the IMF provides Japan with an indicative list of projects that it intends to submit for consideration in the course of the year. The indicative list contains projects that reflect the shared reform objectives of beneficiary countries and the IMF. Thereafter, individual projects are submitted for approval on a monthly basis through the Office of Japan’s Executive Director at the IMF. Going forward, and fully consistent with the evolving IMF TA strategy, Japan is giving increased emphasis to the development of TA programs that have longer-term objectives.

IMF TA is provided upon the request of member countries. These requests are evaluated

Box 3. Liberia: Reform of the Public Financial Management System

Concerted and sustained technical assistance is helping post-conflict Liberia reestablish order in its public financial management system.

Liberia's public financial management (PFM) system had suffered from neglect prior to and during the long years of civil war. Following the peace accords in 2003, an IMF Fiscal Affairs Department (FAD) mission, in collaboration with the World Bank and other donors, recommended urgent measures to regain control over public finances. Weak staff capacities and continued corruption during the transitional government period led donors, including the IMF, to institute cosignatory arrangements at key stages of the budget execution process, as well as in key public corporations. A follow-up mission in 2006 reviewed progress and recommended further short-term measures to strengthen commitment control and cash management. The first post-conflict, democratically elected government placed high importance on strengthening fiscal institutions.

In 2007, a further FAD mission, in collaboration with the World Bank, made a comprehensive review of Liberia's PFM system and set out a comprehensive three-year reform plan for PFM. The key challenges included a weak and fragmented legal framework, a basic accounting system, a non-performing internal audit service, serious shortcomings in the management of the payroll, and an absence of external audits. The mission recommended drafting a new legal framework as a top priority. The recommendations of the mission were endorsed by the World Bank's Public Expenditure Management and Financial Accountability Review (issued in 2009).

During 2008, the authorities, with technical assistance provided by FAD through JSA funding, drafted a new Public Finance Management Law, which is currently in the final stages of adoption by the legislature. Follow-up technical assistance was provided to help draft the financial regulations required to implement the new law. A JSA-funded

by the relevant functional and area departments of the IMF and prioritized using Regional Strategy Notes (RSNs). These strategy notes are developed by each area department in consultation with the functional departments and country authorities.⁹ The RSNs set out the IMF's medium-term TA strategy for both countries and regions. RSNs are a key input to planning and help optimize resource allocations, plan

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

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

Project assessment and evaluation

Within four weeks of a project's completion, or upon a request for an extension of a project, the IMF submits a project assessment to the Japanese authorities. Following project com-

regional PFM advisor was also placed in Monrovia, with 70 percent of his time devoted to Liberia. The advisor, a Rwandan national, provides valuable practical advice in key areas of budgetary management, working closely with the Minister of Finance and his senior staff.

Since 2006, the authorities have successfully negotiated debt relief on Liberia's nonperforming loan portfolio with both official and commercial external creditors, and Liberia is on track to reach its completion point under the HIPC Initiative in 2010. Furthermore, they have concluded agreements on initial budget support arrangements with the World Bank, the African Development Bank, and the European Commission. Further strengthening of PFM systems, however, remains critical to reaching the HIPC completion point, as well as to any significant increases in the use of budget support. The authorities have adopted a poverty-reduction strategy and have started to develop a medium-

term framework for the budget. They have also taken a number of measures to strengthen revenue administration and to modernize legislation governing mining and forestry concessions. Finally, external audits are being undertaken again and are helping to identify areas of continued weakness in fiscal management.

More remains to be done and continued JSA-finance technical assistance will be important.

A further FAD mission in 2009 prepared a revised reform strategy for 2009-12 that focuses on six components: implementing the new legal framework, modernizing the accounting system, improving and securitizing the payroll, strengthening cash management, establishing a modern internal audit service, and implementing an integrated financial management information system. The authorities are committed to adopting the new plan, and several donors have indicated their readiness to assist in its implementation.

pletion, the IMF solicits feedback from TA recipient institutions through a questionnaire. The feedback from these questionnaires is reviewed by the IMF to identify lessons for improving the effectiveness of IMF TA, and is also provided to the Japanese authorities.

In addition, two or three countries are visited each year by a joint Japan-IMF mission to review JSA projects. These visits provide Japan with a firsthand view of the effect of JSA funding in the field. During the visits, partici-

pants assess how the local authorities view the work of the experts funded by the JSA. The visits are also used to review whether the local authorities are making effective use of the TA and whether it is contributing to the reform process.

Commitments and disbursements

Between FY1993 and FY2009, cumulative commitments for technical assistance under the JSA totaled more than \$263 million for 1,852 projects, of which some \$251 million has

Box 4. Reforming Customs Administration in Nepal

During fiscal year 2009 JSA project financing enabled an IMF customs expert to provide an extended program of technical assistance to the Department of Customs in Nepal, resulting in the approval and adoption of a comprehensive reform and modernization plan that identifies seven critical reforms that the department intends to achieve between 2009 and 2013, and enabling work to begin on implementing the plan.

Development of the plan was a milestone achievement for the department. While the department had been making progress in customs reforms, most notably the promulgation of a new Customs Act and the upgrade and extension, with the assistance of the United Nations Conference on Trade and Development, of the Asycuda computer system, it lacked a comprehensive plan of action bringing together all the important measures necessary in the years ahead. Such a plan is critical both for departmental management purposes and for clarifying the highest-priority reforms that will require the future support and technical assistance of donors for their implementation.

An important factor in successfully developing the plan was the JSA financing of a series of visits by the expert, enabling him to work in a team relationship with his Nepalese counterparts and the senior management of the department and, in this way, to develop a strong shared understanding of the most important issues that needed to be addressed and the options available to address them. As a result, the department now has a high level of ownership of the reform plan, and a strong commitment to the actions necessary for its implementation.

A new Reform and Modernization Division will spearhead implementation of the reform plan.

This division, headed by an experienced customs manager, worked closely with the IMF expert during the development of the plan, and will be responsible for managing all aspects of its implementation. This will be achieved by using a project management methodology that was designed by the expert and the customs team together during their preparation of the reform plan. The methodology will ensure that implementation actions, timeframes, and accountabilities are explicit; that

been disbursed.¹⁰ During FY2009, \$14.8 million was committed for 104 projects.¹¹ Table 2 and Figure 3 show commitments and disbursements, as well as the number of

¹⁰Because of the time required for the contracting and fielding of experts, and for payment of invoices, there is a time lag between commitment and disbursement. The duration of a JSA-funded TA project is typically 6 to 12 months.

¹¹This represents an 11 percent increase in the amount approved and a 22 percent increase in the number of projects funded compared with FY2008 (see Table 2).

approved TA projects, between FY1993 and FY2009.¹² A brief description of each of the projects approved in FY2009 is provided in Annex 1.

¹²The IMF arranges for an annual audit of the JSA to be undertaken by its external auditors in connection with the annual audit of the IMF's own accounts, and for a separate certificate of completion to be provided to the Japanese authorities. See Annex 3 for the audited financial statements of the JSA and the Japan Advanced Scholarship Program for FY2009.

the linkages and interdependencies between actions are clear; and therefore, that progress and achievements can be readily measured.

Implementation of the 2009–13 reform and modernization plan has already begun. Reflecting the strong commitment of the customs department’s senior management to the reform plan, a start was made immediately on two initiatives. The first of these was designed to streamline air cargo clearance procedures at the Katmandu airport and railway cargo clearance procedures at the inland office of Birgunj. These locations were selected as pilot sites to test the streamlined clearance procedures developed under the project before adopting them for implementation at other cargo clearance offices. Additionally, work was begun on the techniques to be used in assessing the risks of consignments as the basis for their selection for physical inspection by customs, which, when implemented, will reduce cargo clearance times and lower the costs incurred by traders.

The reform and modernization plan now provides the “blueprint” for improving the efficiency and performance of the department

of customs over the medium-term future. The process used to prepare the reform and modernization plan enabled the Department of Customs to synthesize the many recommendations made by donors and technical assistance providers over the years into a comprehensive “blueprint” for sustainable improvements in efficiency and performance.

These improvements include both the procedural changes made possible by the new Customs Act and upgraded Asycuda computer system, and the more complex and difficult institutional reforms that the department wishes to achieve, such as changes in the structure of headquarters and the development of management systems for planning and monitoring organizational performance.

The key to the successful outcome of this project was the extended period of time (five visits of approximately three weeks each) during which the IMF expert was able to work very closely in a team relationship with his local counterparts, developing their skills in planning and project management, which will be critical to success of the reforms over the next five years.

Geographical distribution of funds

To date, 124 member countries of the IMF as well as the 13 RTACs and IMF regional training centers have been beneficiaries of JSA-funded technical assistance.¹³ Countries in the Asia and Pacific region received more than \$90 million

¹³As of the end of FY2009, there were seven regional training centers and six RTACs. A seventh RTAC was established in June 2009.

from the JSA for approved TA projects during FY1993–FY2008, which represents 37 percent of TA projects approved during this period.¹⁴ Countries in Africa received the next-largest share, totaling almost \$60 million, or 24 percent, of total approvals during the same period. Of the remaining amount approved during this period, 16 percent was for countries in Central

¹⁴This reflects the priority given to the countries of this region under JSA financing guidelines.

Box 5. Asia—Successful Capacity Building in Financial Supervision

Cambodia, Indonesia, the Philippines, and Thailand went through a major transformation of bank supervision in the aftermath of the Asian crisis. At around the turn of the decade, mainly spurred by the crisis, all four countries launched wide-ranging programs to overhaul bank supervision standards and practices. The details varied from country to country, reflecting the level of financial sector development and individual country circumstances. In Cambodia, for example, still suffering the consequences of a protracted war and the civil conflict that followed it, the authorities had to build the legal and regulatory framework from scratch, while at the same time restructuring and relicensing all commercial banks; in contrast, in Thailand the main goal was to introduce risk-based supervision and prepare for Basel II implementation. In all four cases, the programs were marked by the breadth of their scope, and involved a transformation of most aspects of the bank regulatory and supervisory framework.

In some countries, the Financial Sector Assessment Program (FSAP) assessments by the Fund and the World Bank helped identify areas of weaknesses in supervision. Thus, they played an important role in subsequent prioritizations of TA topics and ensured a platform for fostering donor coordination. The Philippines FSAP was completed in 2002, while the Thailand FSAP took place in the first half of 2007.

The four countries requested TA on bank supervision immediately or soon after the end of the Asian crisis. In addition to improving the soundness of the individual banking systems, the countries realized the need to converge and harmonize their supervisory practices with recognized international standards, and to achieve a level playing field within the region to enhance their competitiveness in financial intermediation, given increasing international integration. Indeed, these banking systems have consistently been identified by international rating agencies as having weaker banking systems among East Asian countries.

The TA provided to date is also expected to enhance the countries' participation in the forthcoming FSAP assessments with the Fund and the World Bank. The Philippines FSAP Update will take place in November 2009; the Indonesia FSAP will take place in October 2009; and the Cambodia FSAP has been confirmed for March 2010.

The core method of TA delivery to these four countries has been through the use of long-term experts (LTEs), supplemented by peripatetic TA missions. Notably, a succession of LTEs have been assigned almost continuously since the authorities requested assistance. Since the beginning of the decade, nine different LTEs have been assigned in these four countries, for periods ranging from two to six years each. The total direct cost of these LTE operations has been US\$6.8 million, the bulk of which has been financed through JSA, as were many of the peripatetic missions.

Overall, TA has made a substantial contribution in helping country authorities improve bank supervision. For example, a recent MCM evaluation of TA on bank supervision by LTEs in Asia—which has been largely funded through JSA—confirms that such TA has been very effective in a wide variety of bank supervision topics. The findings suggest that LTEs have been more suitable than other forms of TA in the early stages of the reform process. As the needs of a country become more specialized—and the authorities' capacity to diagnose these needs increases—other vehicles, such as short-term expert visits, become more appropriate.

The result of many years of TA has been evident in the resilience of the banking sectors in the current global financial crisis. It has been especially manifest in Indonesia, the Philippines, and Thailand. In Cambodia, TA in banking supervision has strengthened the enforcement of prudential regulations with troubled banks. That said, the spillovers from the current global financial crisis have highlighted the remaining shortcomings in the banking systems, and more work remains to be done in strengthening supervision and regulation.

Box 6. Support for the Development of an AML/CFT Risks Assessment Framework in Uruguay

Over the past 10 months, JSA financing has made possible the Fund's assistance to the authorities of Uruguay in the development of a framework for identifying and assessing the money laundering (ML) and terrorist financing (TF) risks facing the country, its institutions, and its financial services industry. This risk assessment is a key component of Uruguay's national AML/CFT strategy. With the Fund's guidance, the authorities have been conducting a systemwide assessment of ML and TF threats and vulnerabilities. There is strong political commitment to strengthen the AML/CFT regime in Uruguay at the highest levels. While the authorities have started to remedy a number of deficiencies identified in the 2006 assessment report, insufficient resources hinder their capacity to develop and implement the AML/CFT strategy more effectively. Based on discussions with officials and the information available, the main domestic ML threats are believed

to be associated with drug trafficking, corruption, and tax evasion.

At the conclusion of this assessment, the authorities will use the results to fine tune their national strategy, redefine priorities and action plans, and re-deploy resources as deemed appropriate. In addition, the output of this technical assistance may be the basis for new national legislation and institutional arrangements to address the risks identified. The work has involved designing a methodology for identifying and measuring ML/TF risk events, which Fund staff will further refine for use in other countries. The lessons learned from this project will also help improve and replicate the ML/TF risk assessment methodology and process in other countries consistent with their own AML/CFT frameworks. While the resources provided under this project have been exhausted, additional work on the risk assessment is expected to continue with financing from the AML/CFT topical trust fund, to which Japan is a donor.

Asia and Eastern Europe (mainly the transitional countries of the former Soviet Union), 6 percent was for multiregional projects, 6 percent for projects in Western and Central Europe, 5 percent for projects in Latin America and the Caribbean, and 5 percent for projects in the Middle East.¹⁵

The regional distribution of commitments in FY2009 was as follows: Asia and Pacific coun-

tries, \$5.9 million (40 percent); Africa, \$4.2 million (28 percent); the Middle East and Central Asia, \$2.1 million (14 percent); Europe, \$2 million (13 percent); and Latin America and the Caribbean, \$0.7 million (5 percent).¹⁶ Table 3 shows the annual commitments by region in

¹⁵Multiregional projects are those with beneficiaries from more than one region. Annex 1 includes descriptions of such projects.

¹⁶Starting with the FY2008 report, JSA commitments for countries in Central Asia (Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyz Republic, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan) are included with countries in the Middle East to better align recorded data with the reconfiguration of the IMF's former two European departments and Middle East department into a single European department and a Middle East and Central Asia department.

Table 2. JSA Annual Technical Assistance Commitments and Disbursements, FY1993–FY2009

	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
FY2006	120	18.8	19.7
FY2007	122	20.7	19.4
FY2008	85	13.3	13.5
FY2009	104	14.8	16.5
Total	1,852	262.5	251.9

dollars for FY1993–FY2009, and Figure 4 shows the regional percentage distribution for FY2009.

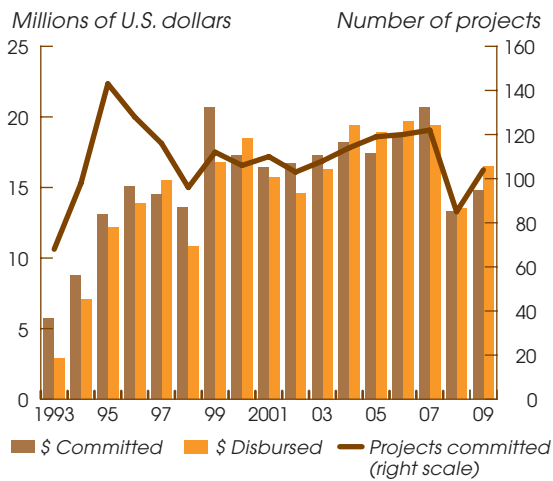
In FY2009, about 50 percent of activities financed using JSA funds were delivered in low-income countries, while a further 36 percent took place in lower-middle-income countries. Regional capacity-building efforts (including support for RTACs) accounted for 6 percent of delivery. Table 4 shows the 10 beneficiary countries or organizations receiving the largest share of JSA assistance during FY1993–FY2009 and in

FY2009. Of the 10 largest beneficiaries in FY2009, 3 were post-conflict countries: Burundi, Cambodia, and Liberia.

Distribution of funds by subject area

The distribution of JSA funds across thematic areas continues to broadly reflect the distribution in the overall use of IMF resources for technical assistance. The past three years have seen a reduction in the relative use of overall IMF resources for TA in the monetary and capital markets area, and an increase in the fiscal policy

Figure 3. JSA Annual Technical Assistance Commitments and Disbursements, FY1993–FY2009



and management area. This has also been the case in the use of JSA resources.

In FY2009, the IMF functional departments delivered some 197 person-years of staff and expert time for capacity-building work in recipient countries, which were distributed as follows: Fiscal Affairs, 35 percent; Monetary and Capital Markets, 33 percent; Statistics, 15 percent; and Legal, 4 percent. The IMF Institute and other departments made up the remaining 12 percent of field delivery.¹⁷ In FY2009, the distribution of JSA commitments was as follows: Fiscal Affairs \$5.8 million (40 percent); Monetary and Capital Markets, \$4.0 million

¹⁷One way the IMF measures its technical assistance is by recording the time spent by IMF staff and experts on such activities. A person-year is equivalent to about 260 working days.



Mr. Dominique Strauss-Kahn, IMF Managing Director, visits a health center in Kinshasa, Democratic Republic of the Congo, where he was impressed by the dedication of the staff and their efforts to help young children and women living with HIV/AIDS. In FY2009, 50 percent of JSA funding was allocated for TA work in low-income countries.

(27 percent); Statistics, \$2.8 million (19 percent); and Legal, \$0.2 million (1 percent). Training activities undertaken by the IMF Institute accounted for the remaining 13 percent of commitments. This represents a 13 percent decrease in the relative amount of JSA funds committed in the monetary and capital markets area and a 10 percent increase in the fiscal area since FY2007.

In FY2009, the proportional allocation of JSA funds by topic within each of the above core areas was as follows: In fiscal affairs, 53 percent of JSA funds were committed to strengthening public expenditure management, 44 percent to revenue administration, and the remaining 3 percent to tax policy. In the monetary and capital markets area, 44 percent of JSA funds

Table 3. JSA Commitments for Technical Assistance by Region, FY1993–FY2009*(Millions of U.S. dollars)*

	FY1993–	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY1993–FY2008		FY2009	
	2000	2001	2002	2003	2004	2005	2006	2007	2008	Total	Percent	Total	Percent	
Africa	20.7	4.1	4.8	4.9	5.1	4.8	4.6	6.0	4.7	59.5	24	4.2	28	
Asia and Pacific	37.1	4.7	6.2	6.6	7.0	7.6	7.9	8.3	5.3	90.7	37	5.9	40	
Europe	6.0	1.4	1.6	1.2	1.0	0.7	1.4	1.3	0.5	15.1	6	2.0	13	
Eastern Europe and Central Asia ¹	528.2	2.7	1.4	1.5	1.4	0.6	1.4	1.8	0.0	38.9	16	0.0	0	
Middle East and Central Asia ¹	2.5	0.7	0.4	1.1	1.6	1.2	2.1	2.4	1.7	13.6	5	2.1	14	
Latin America and Caribbean	6.9	1.1	0.6	0.6	0.6	0.9	1.0	0.9	0.9	13.4	5	0.7	5	
Multiple regions	6.8	1.8	1.7	1.3	1.6	1.7	0.5	0.2	0.2	15.7	6	0.0	0	
Total	108.1	16.4	16.7	17.3	18.2	17.4	18.8	20.7	13.3	247.0	100	14.8	100	

¹Starting in FY2008, data for countries in Central Asia are grouped with data for countries in the Middle East; see footnote 16.

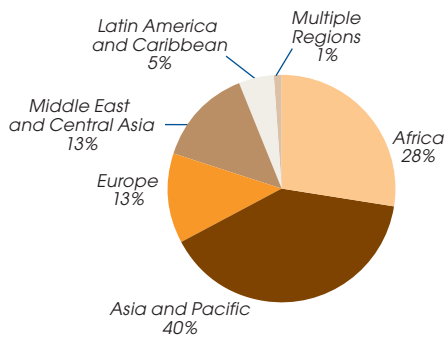
were committed to technical assistance for banking supervision, and 20 percent to central banking operations, including central bank accounting and audit; the remainder was allocated to other work, such as monetary policy and operations, balance of payments and foreign reserves management, and capital markets development and market risk supervision. In the macroeconomic statistics area, 59 percent of JSA funds were committed to national accounts statistics; the remainder was spread across the broad range of statistics including those concerning government finance, monetary and finance, and balance of payments, as well as assistance in adopting the IMF General Data

Dissemination System. Table 5 shows the annual distribution of commitments in dollars by subject area for FY1993–FY2009, and Figure 5 shows the percentage distribution by subject area for FY2009.

Effectiveness of JSA-funded technical assistance

Several approaches are used to gauge the quality and effectiveness of JSA-funded TA activities. In addition to project assessments submitted by the IMF to the Japanese authorities upon completion of each JSA-financed project, since FY2000 beneficiary authorities have also provided their own project assessments through the completion

Figure 4. Distribution of JSA Annual Technical Assistance Commitments by Region, FY2009



of a questionnaire regarding the appropriateness and relevance of the assistance and the JSA-provided expert’s qualifications and experience. The questionnaires also cover the cooperation between the expert and his or her local counterparts, the usefulness of the advice given in terms of the reform efforts, whether adequate attention was paid to skills transfer, and the quality of supervision by IMF headquarters. Overall, the beneficiary authorities have been very positive about the effectiveness of the JSA-funded TA projects. As of January 2009, 97 percent of respondents had indicated they were satisfied with overall project delivery; of these, more than 60 percent were highly satisfied.

Since 1996, 15 joint Japan-IMF review missions have been carried out to assess the effectiveness of JSA-funded TA activities. These visits have covered 21 beneficiary countries in Africa,

Asia and the Pacific, Central Asia, and Central and Eastern Europe; the regional training institutes in Singapore and Vienna; the Pacific Financial Technical Assistance Center; the East Africa Regional Technical Assistance Center; and the Middle East Regional Technical Assistance Center. The joint review teams have reported that TA activities financed by the JSA were highly relevant and consistent with the core mandate of the IMF’s work, were well formulated and implemented, and were appreciated by recipient governments, which in several cases noted that the JSA-funded advisors were instrumental in establishing critically needed capacity. The teams also reported that the JSA-financed training and seminars were well focused, and greatly appreciated by participants. A summary of the findings of the joint review mission for FY2009 is provided in Annex 2.



Finance Ministers meet at a May 2008 symposium to discuss the global financial crisis. This meeting was jointly organized by the IMF Regional Office for Asia and the Pacific and Japan’s Ministry of Finance.

Table 4. Ten Largest Recipients of JSA-Financed Technical Assistance, FY1993–FY2009

(By commitments, in descending order)

FY1993–FY2009	FY2009
Russia	Cambodia
Cambodia	PFTAC ¹
Indonesia	Mongolia
PFTAC ¹	Philippines
Ukraine	Nepal
China	Madagascar
Timor-Leste	Liberia
Mongolia	Burundi
Congo, Democratic Republic of the	Bangladesh
Liberia	METAC ²

¹PFTAC = Pacific Financial Technical Assistance Center.

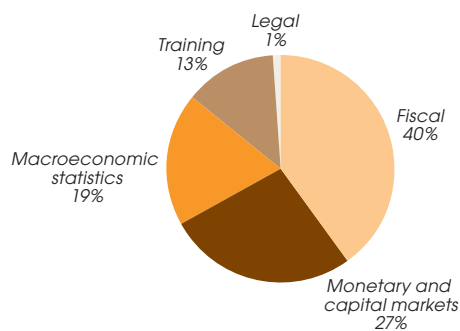
²METAC = Middle East Regional Technical Assistance Center.

Table 5. JSA Annual Commitments for Technical Assistance by Subject Area, FY1993–FY2009

(Millions of U.S. dollars)

	FY1993–	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY1993–FY2008		FY2009	
	2000	2001	2002	2003	2004	2005	2006	2007	2008	Total	Percent	Total	Percent	
Fiscal	31.4	4.7	4.7	3.3	4.3	4.3	4.5	6.0	3.5	66.6	27	5.8	40	
Monetary and capital markets	41.6	6.5	6.6	6.7	6.9	6.6	7.8	8.2	4.7	95.5	39	4.0	27	
Macroeconomic statistics	16.8	2.7	2.7	3.7	3.3	2.8	3.1	3.7	2.3	41.1	17	2.8	19	
Training	12.6	1.9	2.1	2.1	2.2	2.0	2.0	2.1	1.8	28.8	12	2.0	13	
Legal	1.6	0.1	0.2	1.2	1.2	1.2	0.9	0.7	1.0	8.2	3	0.2	1	
Others	4.1	0.6	0.5	0.3	0.2	0.6	0.6	0.0	0.0	6.9	3	0.1	0	
Total	108.1	16.4	16.7	17.3	18.2	17.4	18.8	20.7	13.3	247.1	100	14.8	100	

Figure 5. Distribution of JSA Technical Assistance Commitments by Subject Area, FY2009



In addition to the joint field visits and project-specific assessments, JSA-funded TA activities are also evaluated as part of larger sector-wide, region-wide, or special-topic evaluations of IMF technical assistance. The results of these evaluations are reported to the IMF Executive Board¹⁸ and can be found on the IMF website.¹⁹

Scholarship Programs

Japan-IMF Scholarship Program for Asia

The Japan-IMF Scholarship Program for Asia is a program for graduate studies in macroeco-

¹⁸In FY2003, as part of a larger effort to strengthen monitoring and evaluation of IMF technical assistance, a multiyear program of TA evaluations was introduced under which the results of three to four evaluations covering a mix of topics are presented each year to the IMF Executive Board.

¹⁹See “Technical Assistance Evaluation Program: Findings of Evaluations and Updated Program,” available at www.imf.org/external/np/pp/eng/2008/040408.pdf, for a list of completed evaluations, with links to the reports.

nomics or related fields at several leading universities in Japan. The program’s objective is to contribute to institutional capacity building in transition and developing 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.²⁰

For academic year 2008, 30 new scholarships were awarded, and a total of 49 scholars were studying in Japan under the program.²¹ There are two forms of scholarships. Scholars accepted

²⁰The scholarship program targets candidates from Cambodia, China, Indonesia, Kazakhstan, the Kyrgyz Republic, Lao People’s Democratic Republic, Mongolia, Myanmar, the Philippines, Tajikistan, Thailand, Turkmenistan, Uzbekistan, and Vietnam, as well as the Pacific Island countries.

²¹Under the Japan-IMF Scholarship Program for Asia, an academic year refers to the period October 1–September 30. Thus, academic year 2008 refers to the period October 1, 2008–September 30, 2009.



Seminar participants at an April 2009 workshop funded via the Japan-IMF Scholarship Program for Asia.

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

Scholars by Country	Total	Percent	Scholars by Affiliation	Total	Percent
China	75	18	Central Bank	202	48
Vietnam	67	16	Ministry of Finance/Tax Authority	93	22
Uzbekistan	53	13	Others	19	5
Myanmar	38	9	Economic Affairs Ministry	33	8
Mongolia	36	9	Statistics Bureau	11	3
Kyrgyz Republic	34	8	State-Owned Commercial Bank	9	2
Cambodia	33	8	Trade Ministry	52	12
Kazakhstan	31	8	Total	419	100
Indonesia	13	3			
Tajikistan	10	2			
Lao P.D.R.	10	2			
Philippines	9	2			
Thailand	7	1			
Turkmenistan	2	1			
Fiji	1	0			
Total	419	100			

under the “partnership track” participate in specially designed master’s courses offered by one of four partnership universities,²² whereas the “open track” is available to candidates who have already been accepted to a graduate-level program, at either the master’s or doctoral level, in macroeconomics or a related field at any leading university in Japan. The program is currently administered by the IMF Regional Office for Asia and the Pacific in Tokyo.

²²Graduate Institute for Policy Studies, Hitotsubashi University, International University of Japan, and Yokohama National University.

The program also offers skill-refreshing courses (SRCs) to better prepare incoming scholars by offering math and English courses prior to the commencement of their regular studies at the participating universities. In 2008, 27 out of the 30 new scholars participated in the SRC conducted at the International University of Japan.

In November 2008, a committee was convened to review the program. Since the first students were accepted under the Japan-IMF Scholarship Program for Asia in 1993, scholarships have been awarded to a total of 426 scholars, and by the end of the 2007 academic year,

366 scholars had graduated from the partnership universities. Table 6 shows the distribution of graduated scholars by their country and organizational affiliation. Most scholars have expressed a high degree of satisfaction with the program and subsequently with the career opportunities it has opened up to them. A number have taken up mid- to senior-level positions in their respective agencies, and have direct input into policy initiatives. In 2008, an alumni event was organized in the Philippines to provide former scholars with an opportunity to renew acquaintances and to maintain the alumni network.

Japan-IMF Scholarship Program for Advanced Studies

The Japan-IMF Scholarship Program for Advanced Studies (JISP), administered by the IMF Institute, began in 1996 with a class of nine scholars seeking to obtain PhDs in economics in order to pursue a career at the IMF. In each succeeding year through 2008, scholarships were awarded to up to 15 scholars from Asian countries who had independently gained admission to a leading U.S. or Canadian university. The program covers tuition and reasonable costs for two years of study. Scholars are expected to finance the remaining years of study, typically through additional funding from their universities. The rules for awarding the scholarship changed in calendar year 2009. Starting with the 2009–11 group, only Japanese nationals are eligible for the JISP, with up to seven scholars receiving the award annually.

An annual orientation program for each incoming group of scholars is conducted at IMF headquarters in Washington, D.C., to introduce

the scholars to the IMF and to provide them with an opportunity to meet other JISP scholars. At the end of the third or fourth year of study, scholars are expected to complete a 10- to 13-week summer internship in an IMF department, during which they engage in supervised research and other professional work under the guidance of an experienced IMF economist.

Due to the change in the scholarship's rules and other factors, the number of applications received in 2008 for the 2009 program was lower than in the previous years. However, all applicants were of high quality in terms of both their academic record and graduate school examination scores. Additional steps to promote high-quality applicants included requiring two references and candidate interviews by IMF economists. It is expected that enhanced recruitment and application procedures will result in



Staff of the Japanese Ministry of Finance and the IMF Japanese Executive Director's Office meet with IMF staff in April 2009 for the annual JSA consultation.

Table 7. Japan-IMF Scholarship Program for Advanced Studies: Number of Scholars Accepted by Country, 1996–2009

Country	Number of Scholars														Total Scholars per Country (1996–2009)	Total Percent Representation per Country (1996–2009)
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009 ¹		
Bangladesh	0	0	2	0	1	1	1	0	0	0	0	0	1	0	6	3
Cambodia	0	0	0	0	0	0	0	0	0	0	0	1	1	0	2	1
China (including Hong Kong SAR)	2	5	2	4	2	2	1	1	1	1	1	1	1	0	24	12
Indonesia	0	0	0	0	0	0	0	1	1	0	1	0	0	0	3	2
Japan	3	7	7	7	7	7	5	7	7	7	8	6	3	7	88	46
Kazakhstan	0	0	0	0	1	1	1	1	0	0	0	0	1	0	5	3
Korea	2	3	2	2	2	1	1	1	1	1	1	1	1	0	19	10
Kyrgyz Rep.	0	0	0	0	0	0	1	1	1	0	0	0	0	0	3	2
Malaysia	0	0	0	0	1	0	0	0	0	0	0	0	0	0	1	1
Mongolia	0	0	0	0	0	0	1	0	1	1	1	2	1	0	7	4
Myanmar	0	0	0	0	0	0	0	0	0	1	0	0	0	0	1	1
Nepal	0	0	0	0	0	0	0	0	0	0	0	2	0	0	2	1
Philippines	0	0	0	1	0	0	0	1	0	0	0	0	0	0	2	1
Tajikistan	0	0	0	0	1	0	0	0	0	0	0	0	0	0	1	1
Thailand	2	1	2	0	0	1	2	0	1	2	2	1	1	0	15	8
Uzbekistan	0	0	0	0	0	1	0	1	0	0	0	1	0	0	3	2
Vietnam	0	0	0	1	0	1	2	1	2	2	1	0	1	0	11	6
Total	9	16	15	15	15	15	15	15	15	15	15	15	11	7	193	100

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

an increase in the number of quality applications received in future years.

While participating in the scholarship program, scholars are required to maintain

high grades and good academic standing. The high academic standards of the program are now widely recognized, as evidenced by many distinguished universities in Japan and North America recommending that their students

Scholarship Programs

Table 8. Japan-IMF Scholarship Program for Advanced Studies: Number of Scholars by University, 1996–2009

University	Number of Scholars														
	Total	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
United States															
1. Brandeis University	1	1													
2. Brown University	11	1	2		1	2	1		1	1		1	1		
3. Boston University	8			1				2		1		2		2	
4. Columbia University	16			2	3	1	1	1		5	2	1			
5. Cornell University	6		1	2			1					1		1	
6. Duke University	6	2			1	1		1		1					
7. Georgetown University	7							1	4	1			1		
8. George Washington University	1													1	
9. Harvard University	3			1	1					1					
10. Indiana University	1		1												
11. Johns Hopkins University	5		1					1	1			2			
12. Massachusetts Institute of Technology	1							1							
13. New York University	8			1	2		2	1					2		
14. Northwestern University	3		1										1	1	
15. Ohio State University, Columbus	7					2						2	2		1
16. Princeton University	2										2				
17. Stanford University	10	1	2	3	1	1	1							1	
18. State University of New York	1														1
19. University of California, Berkeley	2						1					1			
20. University of California, Los Angeles	8		1	3	1	1	1					1			
21. University of California, San Diego	4		1				1				1				1
22. University of Chicago	13		1	1		1	2	1	2		2	1	1		1
23. University of Illinois-Urbana-Champaign	2										1				1
24. University of Maryland, College Park	5					1	1			1	1			1	

Table 8 (concluded)

University	Total	Number of Scholars													
		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
25. University of Michigan, Ann Arbor	10		2	1	2			1	1				1	1	1
26. University of Minnesota, Minneapolis	10					1		1	1	1	1	2	2	1	
27. University of Pennsylvania	9	1			2	3	1	1			1				
28. University of Rochester	5	1	1		1				1				1		
29. University of Texas, Austin	2							1			1				
30. University of Virginia	5									1	1		2	1	
31. University of Washington, Seattle	1					1									
32. University of Wisconsin, Madison	10		1				1	1	4	1				2	
33. Vanderbilt University	2	1					1								
34. Yale University	4	1	1								1	1			
Canada															
35. McGill University	1									1					
36. University of British Columbia	1							1							
37. University of Toronto	2										1				1
Total	193	9	16	15	15	15	15	15	15	15	15	15	15	11	7

apply. Table 7 shows the distribution of scholars by country since the beginning of the scholarship program, and Table 8 lists the universities attended by the scholars and the number of scholars at each institution during the program.

A total of 85 scholars have graduated with PhD degrees in economics since the inception of the JISP, 20 of whom have joined the IMF staff. Of those 20 JISP alumni, 18 were hired through the highly competitive IMF Economist Program,

which is the main entry point for economists seeking to join the organization after completion of their studies.

The IMF Institute, with the assistance of the Institute of International Education, has been conducting a yearly tracer study since 2004 to locate and obtain information on the professional career paths and profiles of past scholars, with contact information being updated annually. Table 9 shows the employment of graduates from the first 10 intakes—that is, academic

Table 9. Japan-IMF Scholarship Program for Advanced Studies: Employment of Graduates from the 1996–2005 Programs¹

	1996	1997	1998	1999	2000 ²	2001	2002	2003	2004	2005	Category Total
IMF Economist Program (EP)	0	0	0	0	0	0	1	1	1	1	4
IMF Economists (former EP)	0	4	0	7	2	1	0	0	0	0	14
IMF Mid-career economist	0	1	0	0	1	0	0	0	0	0	2
Government	0	0	2	0	0	0	0	0	0	0	2
Academic position	3	2	7	1	1	2	1	2	2	1	22
Studies in progress (PhD Program)	0	0	0	0	0	0	0	0	8	13	21
Other	6	9	6	7	11	12	12	12	4	0	79
Total	9	16	15	15	15	15	14	15	15	15	144

¹Data based on the results of scholar and alumni annual surveys. Scholars in groups starting after 2005 have not finished their doctoral programs yet.

²One graduate from the 2000 program received a fixed-term appointment at the IMF in 2006.

years 1996–2005.²³ Building on this, modifications were made to the 2007 and 2008 surveys to reach out to the JISP alumni for more up-to-date and accurate information, and to gain further information on how to improve the program. In response, an alumni website is being planned to extend the reach to past and current scholars to more effectively maintain contact information, share knowledge and experiences, and help promote the program to colleagues and friends. The annual JISP survey of past and current scholars continues to convey a high degree of satisfaction (92.6 percent in 2008) with the scholarship program and the internships.

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

In November 2008, for the first time, third- and fourth-year scholars were invited to the IMF's Jacques Polak Annual Research Conference. Fifteen scholars attended the conference. The goal of this new initiative is to increase the contact between the IMF and JISP participants, and to strengthen their knowledge of IMF work and their interest in seeking employment at the Fund. Feedback received from the scholars who attended the conference was very positive and encouraging.

The IMF is pleased with the demonstrated success of the JISP, which is well regarded by officials of leading universities, who continue to report high academic achievements by the JISP scholars. Moreover, participating scholars have expressed great appreciation for the generous support of the government of Japan for their studies.





Annexes

**Annex 1:
JSA TECHNICAL ASSISTANCE PROJECTS APPROVED IN FY2009**

AFRICA REGION

Beneficiary	Subject Area	Committed	Description
Africa—multiple countries	Public Financial Management	\$327,304	Continuation of the Regional Public Financial Management (PFM) Advisor based in Liberia to (1) help the post-conflict country Liberia rebuild a transparent and efficient PFM system; and (2) provide peripatetic assistance to The Gambia, Ghana, and Sierra Leone to carry out their ongoing PFM reforms.
Africa—multiple countries	Sovereign Asset/ Liability Management	\$260,400	Assist the Bank of the Central African States (BEAC) in establishing a regional public debt market in the Economic Community of Central African States, comprising Cameroon, Central African Republic, Chad, Democratic Republic of Congo, Equatorial Guinea, and Gabon. Assistance includes providing training and guidance and developing technical and strategic options for the BEAC's internal unit responsible for managing securities.
Africa—multiple countries	Monetary and Financial Statistics	\$70,000	A two-week seminar on monetary and financial statistics for Lusophone African countries (Angola, Cape Verde, Guinea-Bissau, Mozambique, and São Tomé and Príncipe) and Timor-Leste. The seminar was targeted at midlevel officials employed to compile monetary statistics; it was a follow-up on training provided in 2007. The seminar was held at the Bank of Portugal in Lisbon.

Beneficiary	Subject Area	Committed	Description
Africa—multiple countries	Macroeconomic Management and Debt	\$93,750	Two-week course on Macroeconomic Management and Debt Issues in French at the Joint African Institute in Tunis. The course covered both the conceptual issues and the practical applications on the links between macroeconomics and debt policies, underlining the need for ensuring sustainable debt.
Africa—multiple countries	Balance of Payment External Sector Statistics	\$70,000	To conduct a one-week outreach seminar for senior balance of payments compilers to explain the changes introduced in new <i>Balance of Payments and International Investment Position Manual (BPM6)</i> . The course provides participants the opportunity to comment on any issues related to the implementation of the new methodology prior to the finalization and publication of <i>BPM6</i> at end-2008. The seminar will take place in Accra, Ghana and was offered to twenty Anglophone African countries (Botswana, Eritrea, Ethiopia, The Gambia, Ghana, Kenya, Lesotho, Liberia, Malawi, Mauritius, Namibia, Nigeria, Seychelles, Sierra Leone, Somalia, South Africa, Swaziland, Tanzania, Uganda, and Zambia) and three representatives from the West African Institute for Financial and Economic Management.

Beneficiary	Subject Area	Committed	Description
Africa—multiple countries	Real Sector Statistics	\$294,400	A continuation of a regional advisor based at the West Africa Regional Technical Assistance Center (covering Benin, Burkina Faso, Côte d'Ivoire, Guinea, Guinea-Bissau, Mali, Mauritania, Niger, Senegal, and Togo) to help countries carry out their plans to improve the quality of real sector statistics as described in their General Data Dissemination System metadata. The project helps national statistical agencies develop self-sustaining systems for collecting required data and compiling and disseminating national accounts and price statistics, consistent with internationally accepted methodologies and practices.
Africa—multiple countries	Data Dissemination Standards	\$79,900	A two-day technical assistance workshop (held in Dakar, Senegal) to provide General Data Dissemination System (GDDS) coordinators from 20 Francophone and Lusophone African countries with knowledge about the realignment of data categories and the shift in emphasis to develop and disseminate National Summary Data Pages and Advance Release Calendars. The workshop focused on a subset of all the GDDS coordinators to provide a regional focus.
Africa—multiple countries	National Accounts	\$325,804	Extension of a regional advisor in national accounts statistics (RSA) to Botswana, Mauritius and Namibia, which is a multiyear project. The RSA is stationed at the Central Statistics Office of Botswana and delivers TA to the other two countries through peripatetic missions. An important emphasis in the RSA's work is providing on-the-job training to staff engaged in the compilation of national accounts statistics.

Beneficiary	Subject Area	Committed	Description
Africa—multiple countries	Monetary Statistics	\$93,750	A seminar co-organized by the Southern African Development Community (SADC) and the IMF on monetary and financial statistics will be held in Durban, South Africa. The seminar will be targeted to managers of monetary statistical programs in the SADC area (14 SADC member countries, excluding Zimbabwe), compilers of monetary statistics and officials of the SADC Secretariat dealing with statistical development in the region. The seminar is designed to further promote work in monetary and financial statistics by providing technical assistance that emphasizes the harmonization of compilation in the SADC region. This will both enhance statistical capacity in the individual countries and contribute to the compilation of regional statistics. Over the medium term, this is expected to support the development of the SADC monetary union.
Africa—multiple countries	Macroeconomic Management and Financial Sector (MMF) Issues	\$50,000	A two-week MMF course, jointly offered with West AFRITAC and delivered by the IMF Institute, for Francophone African country officials to examine the policy choices confronting authorities in developing and emerging market economies and the options available to policymakers, with special attention to how financial sector issues interact with macroeconomic management in sub-Saharan Africa.
Africa—multiple countries	External Vulnerabilities	\$93,750	Jointly hosted by the IMF Institute and the Bank of the Central African States in Douala, Cameroon, the two-week course aimed to broaden participants' understanding of external sector vulnerabilities. The course provided the participants with a comprehensive set of analytical tools for assessing these vulnerabilities and appropriate policy responses.

Beneficiary	Subject Area	Committed	Description
Africa—multiple countries	Financial Programming and Policies (FPP)	\$93,750	The FPP course to be held in Dakar, Senegal, in cooperation with the Banque Centrale des États de l’Afrique de l’Ouest, to train participants in how to design an appropriate set of policy measures in the context of a comprehensive macroeconomic adjustment program.
Africa—multiple countries	Financial Programming and Policies (FPP)	\$93,750	The two-week training course, to be held in Ghana in August 2008, aimed at strengthening understanding of the design and implementation of macroeconomic and financial policies among the five West African Institute for Financial and Economic Management member countries (The Gambia, Ghana, Liberia, Nigeria, and Sierra Leone). Specific policies were presented in a comprehensive macroeconomic framework, emphasizing the complementarity of stabilization policies and structural reforms and the importance of policy coordination for sustained growth.
Africa—multiple countries	Financial Programming and Policies (FPP)	\$93,750	The FPP course is aimed at midlevel officials of the five West African Institute for Financial and Economic Management member countries. Held in Abuja, Nigeria, in July 2009, the course trained participants involved with economic or financial analysis in ministries of finance, economy, or planning; central banks; or similar institutions on how to design an appropriate set of policy measures in the context of a comprehensive macroeconomic adjustment program.

Beneficiary	Subject Area	Committed	Description
Africa—multiple countries	Fiscal Law and Policy	\$59,800	Short-term expert visits to strengthen the tax regimes in selected African countries, including the three Lusophone countries (Cape Verde, Mozambique and São Tomé and Príncipe), Burundi, Liberia, Rwanda, Sierra Leone, and Uganda. The projects primarily involve the preparation of draft legislation focused on (1) refashioning tax procedures and individual income and corporate tax regulations; (2) streamlining tax incentives; and (3) introducing or amending the value-added tax code. In Uganda, given its discovery of commercially viable oil and gas reserves, the legal drafting projects are related to the taxation of oil and gas.
Africa—multiple countries	Financial Programming and Policies Course	\$70,000	Two-week course on financial programming and policies, to be held in Uganda for the Macroeconomic and Financial Management Institute of Eastern and Southern Africa for participant countries (Angola, Botswana, Kenya, Lesotho, Malawi, Namibia, Swaziland, Tanzania, Uganda, Zambia, and Zimbabwe). The course program will follow the standard financial programming and policies format and include a mixture of lectures and workshops on accounts, analysis, and forecasting in the four macroeconomic sectors (real, external, fiscal, and monetary), as well as a financial programming exercise.

Beneficiary	Subject Area	Committed	Description
Burkina Faso	Public Financial Management (PFM)	\$62,114	Assist Burkina Faso, a member country of the West African Economic and Monetary Union (WAEMU), through two peripatetic expert missions to Ouagadougou. WAEMU has revised PFM directives for its member countries to introduce modern concepts; therefore, the missions focused on finalizing Burkina Faso's medium-term PFM strategy and implementing an action plan for the introduction of program-based budgeting. The missions were a follow-up to a 2007 mission.
Burundi	Revenue Administration	\$62,114	Burundi's customs department and tax administration needed strengthening with its accession to the East African Community (EAC), its introduction of a value-added tax and its adoption of the EAC common external tariff during the second half of 2009. Two short-term experts were fielded to help the authorities implement required changes.
Burundi	Central Bank Operations	\$285,804	Extension of a long-term resident advisor to assist the Central Bank of Burundi to put in place a modernization strategy with a focus on improved liquidity management and monetary operations; a new data management system; and strengthened management capabilities, organizational structure, and work practices.
Cameroon	Public Financial Management	\$59,800	Assistance to be provided on a pilot basis to two selected ministries in Cameroon in implementing the first phase of performance budgeting through (1) structuring the budget by programs, (2) modernizing budget execution, (3) developing accounting and control rules, (4) clarifying the responsibility structure of budget managers, and (5) improving transparency.

Beneficiary	Subject Area	Committed	Description
Côte d'Ivoire	Revenue Administration	\$59,800	Two short-term experts to help modernize revenue administration to increase revenue mobilization through (1) strengthening compliance and enforcement functions; (2) further rationalizing procedures, including procedures for import valuation, and duty exemption and transit monitoring; and (3) improving technical skills, human resource management and internal audit.
Gabon	Revenue Administration	\$59,800	Two short-term expert visits to help Gabon modernize its tax and customs administration, aimed at helping Gabon's transition from oil revenue dependency to a diversified economy.
Liberia	Central Bank Operations	\$285,804	Long-term advisor to help the Central Bank of Liberia develop a modern national payment system, consistent with international standards. This is needed to meet the growing needs of the country as strong economic and concomitant financial activities emerge after the post-conflict period.
Liberia	Public Financial Management (PFM)	\$89,700	Three expert visits to help prepare PFM reforms (a prerequisite for Liberia meeting the Heavily Indebted Poor Countries Initiative completion point), focused on the legal framework, namely, (1) regulations, (2) instructions, (3) operating guidelines, and (4) civil service training with the new PFM requirements.
Madagascar	Central Banking	\$119,600	Four short-term expert visits to assist the Banque Centrale de Madagascar (BCM) in the context of a three-year audit plan until 2010 in building capacity in internal audit. The visits focused on the application of risk management-based auditing with a view to aligning the BCM audit function with best international practices.

Beneficiary	Subject Area	Committed	Description
Madagascar	Public Financial Management	\$31,057	Two-week follow-up mission aimed at analyzing the progress made since the JSA-financed peripatetic missions in 2007; to consolidate the reforms in cash management, the mission is further to assist the Malagasy authorities in establishing a sound system of commitment planning and train the relevant line ministries' staff.
Madagascar	Revenue Administration	\$119,600	A customs administration expert and a tax administration expert to help the customs and tax departments implement critical initiatives of the reform programs by (1) implementing a customs management information system and improving customs procedures; (2) improving tax operations for medium-sized businesses; and (3) strengthening the management of the overall tax administration reform program.
Madagascar	Monetary and Exchange Regimes	\$124,228	Four short-term expert visits to help the Banque Centrale de Madagascar (1) build capacity for monetary policy research and analysis, the results of which are expected to guide monetary policy; (2) enhance monetary policy formulation and implementation and thus strengthen macroeconomic management; and (3) increase staff skills through hands-on training in monetary analysis.
Mali	Revenue Administration	\$59,800	Two short-term experts to help tax officials (1) establish a medium-sized taxpayer office in Bamako to address serious noncompliance issues from this segment of the taxpayer population, (2) simplify the tax system, (3) improve the organization and management of tax offices, and (4) develop compliance programs for all taxpayers.

Beneficiary	Subject Area	Committed	Description
Mali	Public Financial Management (PFM)	\$124,228	Four short-term missions on program budgeting to advise the Malian authorities on making program budgeting fully operational over the medium to long term to further strengthen PFM. The mission recommended that Mali (1) adapt the legal and regulatory framework in line with the new West African Economic and Monetary Union directives being finalized; (2) increase consistency between line ministries' sectoral plans and the overall budget and medium-term budgetary framework process; (3) redefine the roles and responsibilities of the various actors involved in program budgeting; (4) further improve implementation of program budgeting concepts; (5) strengthen PFM, in particular, accounting, reporting, cash management, and information systems; and (6) undertake training activities to gradually overcome capacity constraints.
Niger	Public Financial Management	\$186,342	A six-month short-term mission to Niamey to help strengthen top-down budgeting and put in place a resident advisor for developing a medium-term budget framework (MTBF) linked to sectoral objectives and the medium-term expenditure frameworks, as outlined in the Poverty Reduction Strategy Paper. The mission laid out a strategy for putting the MTBF at the macro level (total revenues, expenditure and financing, consistent with fiscal sustainability).
São Tomé and Príncipe	Banking Supervision	\$62,114	Two short-term peripatetic missions to help implement a treasury single account and to define a strategy to implement a capital investment unit in the Ministry of Finance in São Tomé.

Beneficiary	Subject Area	Committed	Description
Uganda	Revenue Administration	\$59,800	Short-term experts to help the authorities modernize domestic tax administration. The focal areas included (1) advising the alignment of the integrated tax administration system with best tax administration practices; (2) assisting in establishing a medium-taxpayer office and related compliance strategies; (3) developing plans to administer the small taxpayer segment; (4) providing advice on strengthening national audit planning and quality of taxpayer audits; and (5) reviewing the draft tax procedure code and aligning it with new systems and procedures.
Uganda	Revenue Administration	\$93,171	Three one-month expert visits geared towards (1) providing guidance on effective medium-sized taxpayer management; (2) reviewing the draft tax procedure code and aligning it with new systems and procedures, particularly for oil and other natural resources taxation; and (3) strengthening audit management and quality of domestic taxpayer and import trade audits.
Zambia	Revenue Administration	\$59,800	Peripatetic visits to help the authorities modernize the tax administration. The areas included (1) improving tax operations based on self-assessment systems and introducing risk-management approaches; (2) establishing a strong domestic tax headquarters function; (3) implementing an effective large-taxpayer office; (4) developing medium-sized- and small-taxpayer segment management systems; and (5) assisting in developing a reform and modernization program for the governance structure.

ASIA AND PACIFIC REGION

Beneficiary	Subject Area	Committed	Description
Asia and Pacific— multiple countries	Macroeconomic Management and Structural Adjustment	\$500,000	Continued funding for the training and travel of all Asian participants at the Joint Vienna Institute. Most of these participants come from countries implementing economic programs to redress macroeconomic imbalances or carrying out structural reforms aimed at improving macroeconomic management and promoting transformation to market economies.
Asia and Pacific— multiple countries	Macroeconomic and Financial Management	\$260,400	Continuation for one JSA-financed long-term expert assigned to the IMF-Singapore Regional Training Institute to conduct courses and workshops in macroeconomic and financial management (including financial programming, monetary and exchange rate policy, and public finance) for mid- to high-level officials from the Asia and Pacific region.
Asia and Pacific— multiple countries	Macroeconomic and Financial Management	\$260,400	Continuation for one JSA-financed long-term expert assigned to the IMF-Singapore Regional Training Institute to conduct courses and seminars in various aspects of macroeconomic and financial management (including financial programming, monetary and exchange rate policy, and public finance) and other topical areas of current interest to countries in the Asia and Pacific region.
Asia and Pacific— multiple countries	Tax Policy	\$59,800	The short-term experts will strengthen tax regimes in Bangladesh and Fiji. The project will primarily involve preparing draft legislation and any amendments called for by the authorities, together with explanatory memoranda to ensure that the legislation is well understood.

Beneficiary	Subject Area	Committed	Description
Asia and Pacific— multiple countries	Tax Policy	\$163,000	Two-and-a-half day seminar to be held in Tokyo for 34 Asian and Oceanic countries with the cooperation of the IMF's Regional Office for Asia and the Pacific. The seminar's main theme is how tax incentives could be used from an optimal tax policy perspective for facilitating sustainable long-term growth following the current financial crisis. The seminar is targeted at high-level officials in tax policy departments of the participating countries.
Asia and Pacific— multiple countries	Financial Programming and Policies	\$250,000	The IMF-Singapore Regional Training Institute to conduct a total of eight courses for 85 mid- to high-level officials of the Asia-Pacific countries in FY2009. Courses are to cover 150 participant-weeks and include various aspects of macroeconomic and financial management (financial programming, monetary and exchange rate policy, balance of payments, and public finance).
Asia and Pacific— multiple countries	Real Sector Statistics	\$279,513	This project will finance a series of peripatetic expert missions in Bangladesh and Nepal. In Bangladesh, the expert will focus on improving the quality of annual national accounts estimates, facilitated by a series of new surveys, and improved procedures for using the resulting data. In Nepal, the expert will help produce quarterly GDP data, based on current price and volume data.
Asia and Pacific— multiple countries	Field Visit to JSA- Supported Projects	\$25,000	Funds were allocated under this project for the costs associated with the JSA Joint Japan-IMF field visit to countries supported by the JSA (see Annex 2). In FY2009 the field visit focused on projects in Cambodia and the IMF-Singapore Regional Training Institute.

Beneficiary	Subject Area	Committed	Description
Bangladesh	Central Banking	\$89,700	Three one-month peripatetic expert visits to help the Bangladesh Bank (BB) develop its capacity to implement essential accounting reforms under the International Financial Reporting Standards in (1) upgrading staff skills in the BB's financial management, reporting processes, and systems; and (2) strengthening the accounting information systems used at the BB.
Bangladesh	Macro Fiscal Advisor	\$119,600	A peripatetic advisor to support developing a new macro-fiscal policy unit by (1) defining its functions and internal structure, as well as its work agenda and outputs; (2) building capacity in macro-fiscal projection techniques, policy development, and monitoring through training of staff and development of work manuals; and (3) helping define the coordination between the new unit and related institutions, as well as the integration of the unit's outputs in the overall budget process.
Bangladesh	Bond Market Development	\$89,700	Short-term technical assistance expert to help the authorities promote the development of an active primary and secondary market in government securities to (1) encourage competition, (2) serve as the foundation for the broader development of financial markets in Bangladesh, and (3) further enhance the capacity of the Central Bank to monitor financial market stability and the effectiveness of monetary policy transmission.
Cambodia	Public Financial Management	\$59,800	Two short-term peripatetic visits to consolidate and extend the existing budget classification system to help the Cambodian authorities in recording government investment in the accounts and accurately recording advances in cash that are made by the National Treasury.

Beneficiary	Subject Area	Committed	Description
Cambodia	Public Financial Management	\$217,399	Seven short-term visits until June 2010 to assist the Cambodian government with (1) cash management and short-term cash flow forecasting through the newly established Cash Management Unit; (2) ensuring the operation of a commercial bank pilot project, in which commercial banks could provide government banking services; and (3) establishing a Treasury Single Account through the closing of government bank accounts outside the National Treasury's control.
Cambodia	Banking Supervision	\$59,800	Short-term expert to assist the National Bank of Cambodia (NBC) in strengthening on-site supervision of banks through on-the-job training for a team of NBC bank examiners. In addition to working with the team through all aspects of an on-site examination, the expert will review and make recommendations for improving supervision manuals and guidance notes.
Cambodia	Revenue Administration	\$179,400	Short-term experts for 18 weeks to continue helping the Customs and Excise Department implement its reform and modernization plan, including (1) updating regulations and instructions consistent with the proposed new customs law, (2) preparing the installation of the new Asycuda computerized customs clearance system, and (3) developing and introducing procedures and guidelines for the new automated operational environment.
Cambodia	Banking Supervision	\$260,400	Extension of long-term resident advisor at the National Bank of Cambodia to provide day-to-day advice and assistance for strengthening NBC's institutional capacity, with a continuing focus on enhancing off-site surveillance of banks, strengthening the regulatory framework, and enforcing prudential regulations.

Beneficiary	Subject Area	Committed	Description
China	Macroeconomic Management and Financial Sector Issues Course	\$29,900	The expert will assist two IMF Institute staff in delivering a macroeconomic management and financial sector issues course in Dalian, for officials from the People's Bank of China and data compilers of major commercial banks. The course will focus on IMF methodology (as recommended in its <i>Monetary and Financial Statistics Manual</i>) for collecting, compiling, and reporting monetary data to be used in macroeconomic analysis.
China	Revenue Administration	\$179,400	Short-term experts will conduct six peripatetic visits to support (1) developing a medium- to long-term strategic plan for taxpayer services; and (2) providing advice and assistance in critical areas (e.g., project governance, enterprise architectural design, and project management) during the development and implementation of the Golden Tax Project. This project is expected to provide increased functionality; for example, to incorporate business processing improvements (particularly those piloted in the Jiangsu Province), integrate the functionality of several smaller stand-alone systems, and, for the first time, provide support to the local tax bureau.
Indonesia	Banking Supervision	\$260,400	Extension of long-term bank supervision expert to advise Bank Indonesia (BI) in various areas of banking regulation and supervision with a focus on (1) risk-based supervision; (2) Basel II issues; (3) alignment of supervision with the Basel Core Principles; and (4) further development of stress testing at BI.

Beneficiary	Subject Area	Committed	Description
Lao People's Democratic Republic	Revenue Administration	\$101,700	Extension of short-term expert to help the Customs Department complete preparation of the department's policy and procedures manual, and finalize instructions to fully implement the World Trade Organization customs valuation agreement.
Maldives	Develop Maldives Monetary Authority Research Capacity	\$119,600	Short-term experts to augment Maldives Monetary Authorities (MMA) research capacity and activities to contribute to economic policymaking and discussions, to effectively carry out monetary policy formulation and implementation, and to assert the MMA's autonomy.
Maldives	Public Financial Management (PFM)	\$59,800	Extension of a strategic advisor to the Financial Controller and Minister of Finance up to the first quarter of 2010, to (1) provide quality assurance, (2) assist in redesigning the payment process, and (3) provide guidance on the functionality of appropriate PFM components (the cash management infrastructure and budget reporting formats) in the implementation of Maldives' new government integrated financial management information system (GIFMIS). The GIFMIS would significantly benefit the central government in fiscal reporting and management.
Mongolia	Public Financial Management	\$94,200	Three one-month expert visits to assist Mongolia's Ministry of Finance (MoF) for (1) strengthening budget preparation processes through the integration of the capital budgeting process by enhancing capacities in the MoF and line ministries, and (2) supporting the roll-out of second-generation budget preparation reforms (program budgeting and medium-term budget).

Beneficiary	Subject Area	Committed	Description
Mongolia	Capital Market Development	\$209,300	Two experts to provide peripatetic support over twelve months to facilitate capacity building in the Financial Regulatory Commission (FRC) in Mongolia through (1) training FRC staff to supervise the Savings and Credit Cooperatives, insurance companies, capital markets, and other non-banking financial institutions; (2) reviewing the FRC's funding model; (3) producing industry statistics; (4) introducing risk management and risk-based supervision for non-banking financial institutions; (5) developing capital market regulations; (6) strengthening market infrastructure; and (7) improving the legal environment.
Mongolia	Public Financial Management	\$305,804	One-year Budget Planning Advisor to be placed in Mongolia's Ministry of Finance (MoF) to support (1) implementing second-generation budget preparation reforms, including program budgeting and medium-term expenditure frameworks/forward estimates; (2) improving existing budget processes, including capital budgeting reforms and relations with the new National Development and Reform Agency; and (3) enhancing capacity in MoF and line ministries, through methodological development, manuals and instructions, training, and, where needed, restructuring existing capacities. This work is a build up on three months of peripatetic support provided earlier to the Mongolian authorities.

Beneficiary	Subject Area	Committed	Description
Nepal	Public Financial Management	\$302,084	One long-term (10 months) and two short-term expert visits to support Nepal in the first phase of implementation of a Treasury Single Account (TSA) in the central administration. A TSA is a banking arrangement that enables daily consolidation of financial balances at the central bank to facilitate active treasury control over cash flows and stock. TSA will optimize the financial management of government resources while minimizing the cost of government financing. The expert will also translate documents and regulations from Nepalese to English.
Nepal	Revenue Administration	\$209,300	Seven short-term technical assistance missions will help strengthen the revenue administration with a focus on large taxpayers and customs operations, including its audit capacity. The objective is to develop and implement a comprehensive customs reform strategy and to adequately use the Asycuda computer system and network by implementing operational procedures based on best international practices.
Papua New Guinea	Central Banking	\$155,285	Eighteen weeks of short-term expert visits to assist the Bank of Papua New Guinea (BPNG) with (1) improving its reserve management, through the acquisition and installation of software for the management of investment portfolios and risks, and through enhancing the BPNG's monitoring of the performance of both internally managed funds and funds placed with external managers; and (2) strengthening BPNG's financial accounting, by upgrading financial management and reporting systems and related internal controls to ensure financial statements are in full compliance with international standards.

Beneficiary	Subject Area	Committed	Description
Pacific Financial and Technical Assistance Center (PFTAC)	Revenue Policy and Administration	\$310,400	A PFTAC long-term advisor's contract was extended to continue helping to implement short- and medium-term programs to reform tax and customs policy and administration, based largely on prior PFTAC technical assistance. The expert will provide diagnostic missions, hands-on TA follow-up missions, and manage and backstop short-term expert assignments of tax and customs experts. Training, seminars, and organization of attachments of Pacific Island country officials to other countries will continue. The advisor will continue to develop PFTAC's efforts to coordinate with donors and other TA providers, to help ensure uniformity and consistency of approach across the region.
Pacific Financial and Technical Assistance Center (PFTAC)	Multisector Statistics Advisor	\$305,400	A PFTAC long-term advisor's contract was extended to continue providing advice and assistance to PFTAC member countries in a broad range of economic and financial statistics, including national accounts, price, employment and salaries, government finance, balance of payments, and monetary and financial statistics, as well as management, infrastructure, and priority setting. The advisor will provide this assistance through various modalities, including advisory visits, training courses and seminars, and facilitating the secondment of officials from the statistical agencies of one PFTAC member country to that of another. The advisor will act as liaison with other regional technical assistance providers. In addition to the delivery of hands-on technical expertise, the PFTAC advisor will continue to use the General Data Dissemination System as the framework for developing projects in the statistics area.

Beneficiary	Subject Area	Committed	Description
Philippines	Strengthening Bank Supervision	\$260,400	The long-term advisor will build on achievements to date and drive further improvement in the overall condition of the banking sector by supporting the sustained implementation and ongoing development of the bank supervision program, while continuing to provide day-to-day advice and assistance to the Bangko Sentral ng Pilipinas in the development of a central point of contact function, and in facilitating the reorganization of the Supervision and Examination Sector.
Philippines	Financial Supervision and Regulation	\$89,700	Three short-term missions assisted the Bangko Sentral ng Pilipinas in strengthening its examination and surveillance framework through (1) the assessment of the likely level of compliance with Basel Core Principles; and (2) the assessment and rewriting of the regulations covering credit-risk management and the granting of credit.
Philippines	Financial Supervision and Regulation	\$186,342	Two peripatetic experts (each for 12 weeks) focused on increasing the internal processing efficiency of banking supervision activities at Bangko Sentral ng Pilipinas. Specifically, the mission strengthened the quality of surveillance by focusing critical human resources on higher-priority matters by supporting an enhanced, standardized training by which new bank examiners are instructed in risk-focused methodologies.
Thailand	Financial Supervision and Regulation	\$62,114	One short-term expert (in January 2009) to help the Bank of Thailand (BOT) implement Basel II. Under BOT's banking supervision reform, the expert focused on meeting two key challenges for successfully implementing Basel II: (1) strengthening capacity to assess market risk, and (2) implementing Pillar 2 of Basel II.

Beneficiary	Subject Area	Committed	Description
Vietnam	Financial Supervision and Regulation	\$260,400	Long-term resident banking supervisor expert to help the State Bank of Vietnam (SBV) in its ongoing effort to strengthen banking regulation and supervision. The expert will focus on (1) upgrading the SBV's capacity to supervise and regulate banks; (2) providing guidance to SBV staff in implementing major institutional and regulatory reforms to banking supervision; (3) identifying appropriate external training courses to upgrade SBV staff capacity to supervise banks; and (4) helping coordinate donor assistance in the area of banking supervision, with the aim of ensuring consistency and prioritization of reform efforts by donors in this area.

EUROPEAN REGION

Beneficiary	Subject Area	Committed	Description
Europe—multiple countries	Regional Workshop on Contingency Planning and War Games	\$50,000	The regional workshop on contingency planning and war games to be held in Vienna was to (1) discuss the key elements of a comprehensive contingency planning framework for financial market crises, (2) elaborate on the conceptual and practical difficulties in establishing and implementing such frameworks, (3) discuss how to organize and carry out “crisis simulations or war games” in a regional context, and (4) create a platform for national supervisory and monetary authorities and experts to exchange views and share experiences. Participants from emerging European countries (Belarus, Bosnia, Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Kosovo, Macedonia, Moldova, Poland, Romania, Russia, Serbia, Slovak Republic, Turkey, and Ukraine), and representatives from more developed European countries (Austria, Spain, France, Germany, Iceland, Ireland, Italy, United Kingdom, Greece, and Slovenia) provided perspectives from their experience in this area.

Beneficiary	Subject Area	Committed	Description
Europe— southeast Europe	Public Financial Management (PFM)	\$203,100	Long-term PFM advisor posted at the Center of Excellence in Finance to selected member countries (Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Kosovo, Moldova, Romania, Serbia, and Slovenia). The advisor focused on (1) ensuring fiscal control and financial discipline, and (2) promoting efficient resource allocation and cost-effective service delivery.
Albania	Tax Administration	\$75,274	Short-term expert visits to help the General Directorate for Taxation design an information technology (IT) strategy that outlines the requirements for a new IT system and identifies required changes to tax administration business processes.
Belarus	Medium-Term Budgeting	\$65,800	Two expert visits to Minsk to focus on medium-term budgeting (MTB) to help transition the Belarusian authorities from their Soviet-style budget planning system. Belarus' exposure with international good practice in MTB has been limited, and the visits will help develop an appropriate model of MTB that will focus on (1) definitions of key concepts, (2) specification of the MTB model, (3) specification of the procedure for the development of the MTB and the manner of its approval, (4) allocation of responsibilities between ministries, and (5) roles and responsibilities of budget managers in the spending ministries.

Beneficiary	Subject Area	Committed	Description
Kosovo and Montenegro	National Accounts and Price Statistics	\$310,400	The regional advisor is to concentrate on improving the national accounts statistics compiled by the statistical agencies and in building statistical capacity within the framework of General Data Dissemination System. The advisor is to follow up on the implementation of the project framework summary and review the existing work programs with the authorities. He or she will also assist in establishing an agreed timetable for their implementation and will provide training to the staff in the form of seminars as well as on-the-job training. The advisor is to work with the authorities to further increase cooperation and coordination in statistics among government agencies.
Kosovo	Central Banking	\$260,400	The senior advisor will assist the Managing Director of the Central Banking Authority of Kosovo (CBAK) in (1) overseeing the central banking operations performed by the CBAK and the smooth functioning of the payment system; (2) developing regular economic and monetary analysis of the Kosovo economy, and improving related statistical reporting; (3) setting up appropriate internal proceedings, namely regarding general administration, human resources, and internal control; (4) acting as liaison with the relevant authorities having competencies in financial matters; and (5) participating as necessary in drawing up regulations covering fields under the competencies of the CBAK.

Beneficiary	Subject Area	Committed	Description
Moldova	Tax Administration	\$119,600	Short-term experts will assist the State Tax Inspectorate (STI) in developing a comprehensive information technology (IT) Strategic Plan. This will be in the context of broader tax administration reforms in accordance with past and current Fund recommendations. The experts will address the significant business process reengineering challenges that lay ahead, and their visits will be timed to coincide with major milestone activities, such as (1) defining the current IT state; and (2) articulating and confirming a future IT state, with a gap analysis. The technical assistance provision is built on the expectation that the STI will adopt a policy to acquire rather than build software.
Montenegro	Cash and Debt Management	\$65,800	Two short-term visits to focus on issues related to the reorganization of the Debt and Cash Management Department (DCMD) of Montenegro. This would be followed by activities designed to improve capacity in the front, middle, and back offices of the DCMD.
Turkey	Revenue Administration	\$185,500	Five short-term expert visits will assist the authorities in (1) expanding the 2008 strategic management processes by strengthening functional office capacities for business plan development, oversight of tax directorate performance, and linkage of day-to-day activities to achievement of the strategic plan; and (2) establishing a pre-credibility system for value-added tax input credit claims (both cash and offsets) built around taxpayer risk.

IMF—MULTIPLE REGIONS

Beneficiary	Subject Area	Committed	Description
IMF— multiple regions	JSA Annual Report	\$29,000	Funding for the costs associated with the preparation and publication of the English and Japanese versions of the JSA Annual Report and posting it on the IMF public website.

MIDDLE EAST AND CENTRAL ASIA REGION

Beneficiary	Subject Area	Committed	Description
Middle East Technical Assistance Center (METAC)	Revenue Administration	\$296,400	The METAC resident advisor will focus on (1) designing revenue administration reform strategies for METAC countries, (2) following up and directly supporting the implementation of reforms and capacity building, (3) organizing short-term expert visits and backstopping the experts' work, and (5) organizing workshops to disseminate best practices.
Middle East and Central Asia—multiple countries	Real Sector Statistics	\$320,804	An extension of a long-term advisor in three countries in Central Asia—Uzbekistan, Turkmenistan, and Tajikistan. The project will concentrate on improving macroeconomic statistics compiled by the statistical agencies in the three countries and build statistical capacity within the framework of the IMF General Data Dissemination System. A significant element of this project involves improving compilation procedures for Uzbekistan's Consumer Price Index.

Beneficiary	Subject Area	Committed	Description
Middle East and Central Asia—multiple countries	Public Financial Management	\$292,700	A regional public financial management advisor to selected central Asia countries will provide assistance in (1) implementing Uzbekistan's Public Financial Management Reform Strategy 2007–18, (2) developing the treasury component of Tajikistan's public financial management modernization project, (3) modernizing budget classification in Armenia, and (4) moving to accrual accounting in Azerbaijan. The regional expert is to be based in Uzbekistan.
Middle East and Central Asia—multiple countries	National Accounts Statistics	\$300,804	An extension of a long-term expert based in the Syrian Arab Republic. The project aims to help the statistical agencies in Syria and Lebanon improve their national accounts statistics in line with the IMF General Data Dissemination System. In Syria, the expert's work is intended to strengthen the collection of source data for the compilation of national accounts, while in Lebanon the work program will focus on the compilation and dissemination of annual GDP estimates.
Afghanistan, Islamic Republic of	Monetary and Finance Statistics	\$59,800	Two short-term expert visits to assist the Central Bank of Afghanistan in strengthening its capacity to collect and compile monetary and financial statistics in accordance with the methodologies set out in the IMF Monetary and Financial Statistics Manual.
Afghanistan, Islamic Republic of	Financial Supervision and Regulation	\$93,750	Course on Macroeconomic Management and Fiscal Policy for officials of the Ministry of Finance, Da Afghanistan Bank, and other government ministries involved in economic and financial issues. The course aims at deepening participants' knowledge of the design and implementation of macroeconomic and fiscal policies, including such issues as fiscal adjustment, fiscal vulnerability, tax administration and reform, public expenditure management, debt management, civil service reform, and privatization.

Beneficiary	Subject Area	Committed	Description
Algeria	Banking Supervision	\$93,171	Three short-term expert visits to assist the Banking Commission in building capacity to enforce prudential regulations, in light of the 2007 update to the Financial Sector Assessment Program for Algeria. Assistance will aim to improve the decision-making capacity at the Banking Commission, enhance Supervisory Capacity, strengthen macro-prudential analysis and stress testing, and develop procedures for off-site supervision.
Algeria	Modernization of Revenue Administration	\$59,800	Two short-term expert visits to develop the tax administration's capacity to analyze the revenue cost of tax exemptions and implement a tax expenditures analysis.
Djibouti	Public Financial Management	\$59,800	Two short-term experts assisted the Djiboutian authorities in their reform program to attain fiscal stability. Technical assistance focused on budget classification, which included an appropriate codification system to allow users to identify and monitor public expenditure, including poverty-reducing spending. The experts also assisted with drafting and implementing necessary changes to the existing regulations, procedures, and instructions to help ensure that the new classification system is used in budget preparation and execution.
Djibouti	Revenue Administration	\$59,800	With Djibouti's introduction of a value-added tax (VAT) in January 2009, two one-month peripatetic expert visits in FY2009 further assisted the authorities in (1) developing the VAT communication campaign, (2) designing VAT procedures, (3) strengthening the large-taxpayer office, and (4) fine tuning VAT operations.

Beneficiary	Subject Area	Committed	Description
Djibouti	Public Financial Management	\$62,114	Two short-term expert visits to assist in (1) designing and implementing new budget and accounting classifications; and (2) developing a medium-term budget framework to be introduced in the annual budget process starting from FY2010.
Djibouti	Financial Supervision and Regulation	\$93,171	A series of missions totaling 12 weeks between May 2009 and April 2010, aimed at strengthening Djibouti's Central Bank oversight committee, against the backdrop of entry of several foreign banks under the ongoing financial sector liberalization program.
Kyrgyz Republic	Banking Supervision and Early Warning System	\$93,171	Three short-term expert missions aimed at strengthening the National Bank of Kyrgyz's supervisory framework. The experts will further develop the bank's stress testing and early warning capabilities. An expected outcome of this assistance is that the bank will be empowered to implement remedial action against problem banks.
Mauritania	Revenue Administration	\$59,800	Two one-month expert visits to help the customs administration in Nouakchott strengthen its capacity in the ongoing modernization process through (1) establishing an effective full-time project team and strengthening senior management oversight; and (2) developing a comprehensive and costed modernization plan for 2008-09 that integrates the information technology (IT) reform initiatives, the new pre-shipment inspection and the legislative changes, and is consistent with a longer-term organizational strategy for customs.

Beneficiary	Subject Area	Committed	Description
West Bank and Gaza	Foreign Reserves Management	\$62,114	Two short-term expert visits form a component of a wide-ranging program to institute a wholesale transformation of the Palestinian Monetary Authority into a fully fledged Central Bank. Specifically, these missions will focus on the reorganization of the Reserve Management function consistent with IMF guidelines. This will involve the development of an appropriate structure, investment policy, and a strategy to address infrastructure requirements.

WESTERN HEMISPHERE REGION

Beneficiary	Subject Area	Committed	Description
Western Hemisphere— Multiple Countries	Revenue Administration	\$62,114	Two one-month expert visits to assist in improving the quality of audit in both countries. This includes (1) the use of risk management tools to address compliance problems, specifically the assessment of the current audit strategy and procedures; and (2) a proposal for a comprehensive, modern audit policy including audit planning, risk assessment, and performance improvement.
Western Hemisphere— Central America	Harmonization of Monetary and Financial Statistics	\$30,000	A seminar in Costa Rica with participation from El Salvador, Guatemala, Honduras, Nicaragua, Panama, and the Dominican Republic focused on assessing results achieved from cross-country comparison and regional analysis under the Project on Harmonization of Monetary and Financial Statistics and establishing a work program.

Beneficiary	Subject Area	Committed	Description
Western Hemisphere— Central America	Harmonization of Government Finance Statistics	\$89,700	Three short-term expert visits will help the authorities harmonize the compilation and dissemination of government finance statistics across countries, using the <i>Government Finance Statistics Manual 2001</i> framework, to permit comparative analysis of fiscal developments and facilitate the regional policy dialogue.
Western Hemisphere— Latin America	Regional Standard National Accounts Seminar	\$93,750	Seminar on services statistics for national accounts, co-organized by the Brazilian Institute of Geography and Statistics, in Rio de Janeiro, Brazil. Participants were from 17 Latin American countries: Argentina, Bolivia, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay, and Venezuela. The seminar is to impart conceptual and working knowledge of international best practices in compiling source data on services statistics and national accounts on services activities through presentations and discussions on country-specific issues.
Central America Region	Statistical Harmonization	\$30,000	Seminar targeted at coordinators of the Government Finance Statistics (GFS) Initiative in Central American countries. The seminar is intended to facilitate coordination of the initiative implemented by the Central American Monetary Council. The GFS project is intended to assist the harmonization of real sector, monetary, and external statistics.

Beneficiary	Subject Area	Committed	Description
Paraguay	Strengthening Public Investments	\$93,171	Three short-term peripatetic expert visits. The first visit will build on the recent technical assistance mission and provide a detailed analysis of the current system for investment planning and execution, including a prioritized list of key weaknesses in the system. The second visit will develop a set of options to address the identified weaknesses, including changes in procedures and regulations, decision-making, oversight and evaluation arrangements, as well as possible information system enhancements. The third visit will work with the authorities to develop a concrete, medium-term action plan for strengthening the public investment process in Paraguay.
Paraguay	Revenue Administration	\$89,700	Three short-term peripatetic expert visits to continue support for the National Customs Directorate to maintain the customs reform momentum. The expert will also assist with coordinating donor assistance and strengthening the Directorate's change-management structure.
Trinidad and Tobago	Financial Sector Supervision	\$260,400	Extension of a long-term advisor to help the Central Bank of Trinidad and Tobago strengthen its capacity for financial supervision. The advisor will assist with, and provide training on, consolidated supervision and cross-border risk assessment, including upgrading the reporting framework.
Uruguay	Anti-Money Laundering and Combating of Terrorism (AML/CFT)	\$59,800	Two short-term expert visits will help develop a framework for identifying and assessing the money laundering (ML) and terrorist financing (TF) risks facing Uruguay, its institutions, and its financial services industry. The risk assessment is a key component of Uruguay's national AML/CFT strategy. With this assistance the authorities will conduct a systemwide assessment of ML and FT threats and vulnerabilities.

Annex 2: JSA JOINT JAPAN-IMF FIELD VISITS

Purpose

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

Format

A joint mission usually includes two Japanese officials (a representative of the Ministry of Finance and a representative of the Japanese Executive Director's Office) and an IMF staff member. Countries and projects are selected for review by the Japanese authorities based on a number of considerations to reflect different levels of economic development and structural reform and variation between regions and subject areas.

Once mission members receive briefing notes or are briefed at IMF headquarters, they visit recipient countries where TA is provided and, when possible, meet separately with the senior representatives of the host institution (usually the minister of finance, governor of the central bank, or chairman of the central statistical organization), the immediate counterparts to the expert (usually department heads), and the expert in question. In the case of seminars or training courses, meetings are also held with participants in the respective sessions or courses, as well as with officials in charge of human resources development at the relevant training institutions. Meetings are typically also held with any other concerned donor partners to seek their views.

Findings

To date, 15 missions have been carried out (covering 21 countries, two regional training institutes, the Pacific Financial Technical Assistance Center, the East Africa Regional Technical Assistance Center, and the Middle East Technical Assistance Center) since this practice was introduced in FY1996. The field visits have found that JSA funding is well administered and effectively used. In all the visits, the local authorities were well aware of, fully recognized the importance of, and expressed their appreciation for Japan's financial support for the IMF TA program. The positive firsthand view gained by the Japanese authorities has contributed to Japan's continued strong support, through its financing of the JSA, for the IMF TA program. A list of all field visits and a summary report of the field visit that took place in FY2009 are provided below. Reports on earlier field visits can be found in previous JSA Annual Reports.

Joint Field Visits in FY1996–FY2009¹

1. Fiji (Pacific Financial Technical Assistance Center) and Western Samoa, March 1996
2. Kazakhstan and the Kyrgyz Republic, June 1996
3. Zambia and Zimbabwe, December 1996
4. Russian Federation, July 1997
5. Bulgaria and Lithuania, June 1998
6. Indonesia, IMF-Singapore Regional Training Institute, and Thailand, June/July 1999
7. Belarus and Slovenia, June 2000
8. Azerbaijan and the Joint Vienna Institute, June 2001
9. Cambodia and the IMF-Singapore Regional Training Institute, June 2002
10. Mongolia and Timor-Leste, September 2002
11. Indonesia and Fiji, December 2003
12. Botswana and the East Africa Regional Technical Assistance Center, December 2005
13. Cambodia, the IMF-Singapore Regional Training Institute, and the Philippines, March 2007
14. Middle East Regional Technical Assistance Center, May 2008
15. Cambodia, and the IMF-Singapore Regional Training Institute, January 2009

Joint Field Visits in FY2009

In FY2009, two projects were selected by the Japanese government to be visited by the joint mission:² a long-term resident advisor at the National Bank of Cambodia (NBC); and support for macroeconomic training at the IMF-Singapore Regional Training Institute (STI). Overall, the mission was satisfied with the outcome of the visits, and impressed with the work of the Fund's TA program as demonstrated by the two projects. It was pleased with the projects' (1) significance to the country/region, (2) ownership by the authorities, and (3) progress. The mission heard strong statements of support from the authorities on the work of the banking supervision advisor in Cambodia, and was given an opportunity to assess the quality of the two consultants at the STI. In both projects, there was a clear acknowledgement

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

²The joint Japan-IMF review team consisted of Mr. Hiromi Yamaoka, IMF Alternate Executive Director for Japan; Mr. Hironori Shouji, International Organizational Division, Ministry of Finance; and Mr. Harish Mendis, Senior Technical Assistance Officer, IMF Office of Technical Assistance Management.

of Japan's contribution to the country or the region through its JSA funding, and a call for extended support of the two specific projects, as well as more broadly for Fund TA. The Japan team acknowledged the value of the Fund's JSA-financed TA work, but noted the difficulties in conveying the value of the projects to the public at large. Questions from the Japan team to the experts and the authorities were technical in nature. Some of the discussions reflected the team's interest in disseminating Japan's historical experience and expertise to recipient countries.

Cambodia, January 12-14, 2009

In Cambodia, the JSA has since 1994 supported TA activities at the NBC in banking supervision, restructuring the banking system, balance of payments and monetary statistics, foreign exchange operations, international reserves management, and information and computerization systems; at the Ministry of Finance in fiscal policy and macrofiscal management; at the Customs and Excise Department in strengthening customs administration; at the Ministries of Justice and Commerce in the preparation of bankruptcy laws; and at the Ministry of Planning and National Statistics Institute in national accounts, price, and government finance statistics. As of this date, almost \$6.4 million in JSA financing had been provided for IMF TA in Cambodia, which has contributed significantly to the overall IMF TA for that country.

The FY2009 field visit to Phnom Penh (January 12-14, 2009) was to inspect the work of the JSA-financed resident advisor on banking supervision based in the NBC. The team met with the resident advisor; the Fund Resident Representative in Cambodia; and senior staff of the NBC, including the Governor, the Deputy Governor, and the Director for banking supervision. The team also met with the Ambassador and other senior staff from the Japanese embassy in Phnom Penh, as well as the Director of the Japan International Cooperation Agency (JICA) office in Phnom Penh.

The Governor noted the importance of the continuous banking reforms made possible by multiple long-term advisors funded by the JSA and IMF. The authorities at all levels were familiar with the substance of the advisor's work and appreciative of the roles of Japan and the IMF in making the TA possible. The authorities praised the quality of the advisor's work, as well as his ability to integrate with the staff in the central bank. Recognizing the low human-resource capacity at the bank, the authorities were grateful for the weekly training conducted by the advisor for bank supervisors. The Governor and the Deputy Governor made a strong call for continued support from the JSA and the Fund for banking supervision work in Cambodia.

The team reviewed recent written work of the advisor. The Japan team's technical focus included a discussion of bank supervision in Japan, particularly during the Japanese financial crisis in the 1990s. The team noted some of the similarities between the challenges faced by Japan in rebuilding its economy after World War II, and the rebuilding necessary in Cambodia. The team noted that the authorities may benefit by a close liaison with the Bank of Japan.

The team meetings with JICA and the Japanese embassy focused on the extensive involvement of Japan in Cambodian development programs, as well as a confirmation that these entities were familiar with and supported the TA work of the Fund.

The IMF-Singapore Regional Training Institute, January 15–16, 2009

The IMF-Singapore Regional Training Institute, established in Singapore in May 1998 as a joint venture of the IMF and Singapore, provides training on macroeconomic and financial management and related legal and statistical issues to government officials from countries in the Asia and Pacific region to enhance the economic and policymaking capacities of these countries.

From its establishment in 1998 through end-FY2009, the STI has trained about 6,900 officials. Participants are drawn mainly from central banks, ministries of finance, and national statistical agencies. Since its first year, when the STI offered 15 courses to about 450 participants (about 620 participant-weeks), its training has expanded considerably. In FY2009, 20 training events for almost 600 officials were held (about 1,045 participant-weeks). The JSA has contributed some \$5.7 million in financing for experts and participant costs since the STI's inception.

During its visit, the mission team reviewed the work of two JSA-financed consultants who conduct STI courses. The team also held discussions with the STI Director and other IMF staff, participated as observers in a lecture and a tutorial session of the Financial Programming and Policies course, and interacted with participants during the breaks.

The team was interested in the process of selecting course participants and the basis for course design. The STI Director responded that the STI works closely with the training managers of the agencies seeking training, IMF Resident Representative offices, and IMF area departments to ensure qualified candidates. Selection factors include the relevance of the course to the candidate's job, the candidate's readiness to take advantage of the course (based on experience and qualifications), and geographical balance to ensure cross-country perspectives. The training program consists of courses addressing the key facets of macroeconomic management, including training in associated areas such as data collection and statistical systems, public finance, financial regulation and supervision, and developing sound legal frameworks for macroeconomic and financial policy. The curriculum is anchored firmly in the IMF's expertise and continually updated to address the key analytic and policy issues facing the region. Drawing on a range of feedback and evaluation mechanisms, it reflects input from national agencies, course participants, and other stakeholders in the region. The delivery model is quite different from the typical graduate school, balancing rigorous analytical lectures with practical workshops for hands-on training.

Some other aspects of the STI's work were also discussed, in response to questions from the team. STI staff noted that training was a way of strengthening the basis for communication and dialogue between the IMF and national authorities, and they also observed that case studies reflect the impor-



tant economic links between Japan and other countries in the region, given that Japan is a key player in trade and capital markets of the region.

The Japan team members indicated that they were impressed with the work of the STI, recognized the additional demand for training, and urged STI staff to explore possible ways by which Japan could contribute intellectually to STI, including through guest lecturers from the Bank of Japan.

Annex 3: ADMINISTERED ACCOUNTS—JAPAN FINANCIAL STATEMENT FY2009

	Administered Account for Selected Fund Activities—Japan		Framework Administered Account for Technical Assistance Activities— Subaccount for Japan Advanced Scholarship Program	
	2009	2008	2009	2008
<i>(Thousands of U.S. dollars)</i>				
Balance Sheet as of April 30, 2009 and 2008				
Assets				
Cash and cash equivalents	22,442	20,509	1,137	1,025
Total assets	22,442	20,509	1,137	1,025
Resources				
Total resources	22,442	20,509	1,137	1,025
Income Statements and Changes in Resources for the Years Ended April 30, 2009 and 2008				
Balance, beginning of the year	20,509	22,638	1,025	1,245
Income earned on investments	290	1,097	20	60
Contributions received	20,963	18,244	1,586	1,520
Payments to and on behalf of beneficiaries	(19,320)	(21,470)	(1,494)	(1,800)
Net changes in resources	1,933	(2,129)	112	(220)
Balance, end of the year	22,442	20,509	1,137	1,025

Note: The IMF arranges for an annual audit of the JSA to be undertaken by its external auditors, in connection with their annual audit of the IMF's own accounts, and for a separate certificate of completion to be provided to the Japanese authorities.

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