

# JAPAN-IMF PARTNERSHIP ON CAPACITY DEVELOPMENT



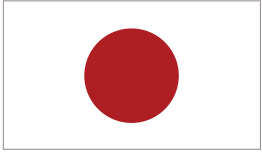
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# ANNUAL REPORT 2021

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# **JAPAN-IMF PARTNERSHIP ON CAPACITY DEVELOPMENT**

Japan Administered Account  
for Selected IMF Activities

ANNUAL REPORT  
FINANCIAL YEAR 2021

# ACRONYMS AND ABBREVIATIONS

<b>AAA</b>	World Bank's Analytical and Advisory Activities	<b>EP</b>	IMF Economist Program
<b>ABP</b>	Annual Borrowing Plan	<b>ESS</b>	External Sector Statistics
<b>ABP-AT</b>	Annual Borrowing Plan (World Bank-IMF) Analytical Tool	<b>FAD</b>	IMF's Fiscal Affairs Department
<b>AFRITAC</b>	Africa Regional Technical Assistance Center	<b>FAA</b>	Framework Administered Account for Selected IMF Activities
<b>AFW</b>	Africa Regional Technical Assistance Center – West Africa	<b>FMIS</b>	Financial Management Information System
<b>AML-CFT</b>	Anti-Money Laundering/Combating the Financing of Terrorism Thematic Fund	<b>FPAS</b>	Forecasting and Policy Analysis System
<b>APD</b>	IMF's Asia and Pacific Department	<b>FX</b>	Foreign Exchange
<b>ASEAN</b>	Association of South East Asian Nations	<b>FY</b>	Fiscal Year (FY2021: May 1, 2020 – April 30, 2021)
<b>BOM</b>	Bank of Mongolia	<b>G20</b>	The Group of Twenty
<b>CAR</b>	Central African Republic	<b>GDDS</b>	General Data Dissemination System
<b>CBM</b>	Central Bank of Myanmar	<b>GFC</b>	Global Financial Crisis
<b>CBDC</b>	Central Bank Digital Currencies	<b>GFS</b>	Government Finance Statistics
<b>CD</b>	Capacity Development	<b>GST</b>	Goods and Services Tax
<b>CDMAP</b>	Capacity Development Management and Administration Program	<b>HQ</b>	IMF Headquarters
<b>CDOT</b>	IMF Capacity Development Office in Thailand	<b>IA</b>	Internal audit
<b>CEMAC</b>	Central African Economic and Monetary Community	<b>I/B</b>	Interbank
<b>CLMV</b>	Cambodia, Lao P.D.R., Myanmar, and Vietnam	<b>ICD</b>	IMF's Institute for Capacity Development
<b>CoA</b>	Chart of Accounts	<b>IFMIS</b>	Integrated Financial Management Information System
<b>COVID-19</b>	Coronavirus disease 2019	<b>IFRS</b>	International Financial Reporting Standards
<b>D4D</b>	Data for Decisions Fund	<b>IG</b>	Infrastructure Governance
<b>DMS</b>	Debt Management Strategy	<b>IT</b>	Information technology
<b>DNTCP</b>	National Treasury and Public Accounting Department	<b>IMF</b>	International Monetary Fund
<b>EAC</b>	East African Community	<b>IMFx</b>	IMF online courses
<b>EFA</b>	Externally Financed Appointee	<b>IPSAS</b>	International Public Sector Accounting Standards
		<b>JAA</b>	Japan Administered Account for Selected IMF Activities
		<b>JSA</b>	Japan Subaccount

<b>JICA</b>	Japan International Cooperation Agency	<b>PIMA</b>	Public Investment Management Assessments
<b>JISP</b>	Japan-IMF Scholarship Program for Advanced Studies	<b>PPP</b>	Public Private Partnership
<b>JISPA</b>	Japan-IMF Scholarship Program for Asia	<b>PSDS</b>	Public Sector Debt Statistics
<b>JISPA-CE</b>	Japan-IMF Scholarship Program for Asia Continuing Education	<b>Q &amp; A</b>	Question and answer
<b>KHR</b>	Cambodian Riel currency	<b>RA</b>	Resident Advisor
<b>LIC DSF</b>	Debt Sustainability Framework for Low Income Countries	<b>RBS</b>	Risk-based Supervision
<b>LTX</b>	Long-term Expert	<b>SARTTAC</b>	IMF South Asia Regional Training and Technical Assistance Center
<b>MAC</b>	Monetary Affairs Committee Meeting	<b>SBV</b>	State Bank of Vietnam
<b>MCD</b>	IMF's Middle East and Central Asia Department	<b>SDDS</b>	Special Data Dissemination Standard
<b>MCM</b>	IMF's Monitoring Capital Markets Department	<b>SDGs</b>	Sustainable Development Goals
<b>MDS</b>	Macroeconomic Diagnostics	<b>SDMX</b>	Statistical Data and Metadata eXchange
<b>MDSx</b>	Macroeconomic Diagnostics online course	<b>SEE</b>	State-Owned Economic Enterprise
<b>MOF</b>	Ministry of Finance	<b>SFA</b>	Framework Administered Account for Selected Fund Activities
<b>MOOCs</b>	Massive Open Online Courses	<b>SOE</b>	State-Owned Enterprise
<b>MPAF</b>	Monetary Policy Analysis and Forecasting	<b>SPR</b>	IMF's Strategy, Policy, and Review Department
<b>MTDS</b>	Medium-term Debt Management Strategy	<b>STA</b>	IMF's Statistics Department
<b>NBC</b>	National Bank of Cambodia	<b>STI</b>	IMF - Singapore Regional Training Institute
<b>NRA</b>	National Risk Assessment	<b>STX</b>	Short-term Expert
<b>NSDP</b>	National Summary Data Page	<b>TA</b>	Technical Assistance
<b>OAP</b>	IMF Regional Office for Asia and the Pacific	<b>TADAT</b>	Tax Administration Diagnostic Assessment Tool
<b>OBP</b>	IMF's Office of Budget and Planning	<b>TSA</b>	Treasury Single Account
<b>OJK</b>	Indonesian Financial Services Authority, <i>Otoritas Jasa Keuangan</i>	<b>V-GFSM</b>	Vietnam Government Finance Statistics Manual
<b>PFM</b>	Public Financial Management	<b>VST</b>	Vietnam State Treasury
<b>PFTAC</b>	Pacific Financial Technical Assistance Center	<b>VTC</b>	Video Teleconferencing
<b>PIM</b>	Public Investment Management		

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# MESSAGE FROM THE JAPANESE GOVERNMENT

The Coronavirus disease 2019 (COVID-19) pandemic has caused unprecedented economic and social damages. Developing countries have been especially severely affected, reversing some of their developing gains. The global economy is recovering, however, the pace of the recovery is uneven and near- and medium-term prospects remain highly uncertain. Tasks for the country authorities are to navigate their economy to a sustainable development path at the recovery phase. In such a difficult situation, the role of the International Monetary Fund (IMF) Capacity Development (CD) is more important than ever.

We commend the efforts to provide CD under the COVID-19 pandemic. Many missions have been conducted remotely to support countries in meeting their critical and urgent needs. As the pandemic eventually ends thanks to our collective efforts, a gradual normalizing process of getting back to face-to-face CD should be implemented in an orderly manner.

One of the biggest challenges the COVID-19 has brought about is a rapid accumulation of debt. To cope with the pandemic, countries increased public spending. The authorities must face this fiscal challenge of elevated debt, which calls for CD to help countries properly manage their debt. Against such background, Japan contributed \$10 million to the newly launched IMF COVID-19 Crisis Capacity Development Initiative to address immediate and emerging needs arising from the pandemic with a particular focus on debt management.

As the longest-standing partner in the IMF's CD efforts, the Government of Japan continues to support the IMF's CD activities going forward.

We look forward to further cooperating with the IMF.

**Masaaki Iizuka**

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

# JAPAN-IMF PARTNERSHIP AT A GLANCE

The Government of Japan is the longest standing partner in IMF capacity development (CD) efforts, with \$730 million in funding to date. More than 100 IMF member countries have benefited from Japan-funded CD activities. Since 2017, Japan has supported the development and delivery of IMF online learning and in 2021, Japan contributed \$10 million to the COVID-19 Crisis Capacity Development Initiative.

In fiscal year 2021 (FY2021), the Government of Japan provided a new contribution of \$44 million, of which \$38 million financed a large portfolio of 26 bilateral programs.<sup>1</sup> In the past five years, Japan has consistently been responsible for about one-fifth of all external financing to IMF CD.

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

Japan has committed resources to selected multi-partner thematic initiatives, such as the Anti-Money Laundering/

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

The remaining \$6 million from the FY2021 contribution supports two scholarship programs: the Japan-IMF Scholarship Program For Asia (JISPA), and the Japan-IMF Scholarship Program for Advanced Studies (JISP), as well as the IMF's Regional Office for Asia and the Pacific (OAP).

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

<sup>1</sup> The contribution of \$38 million includes contributions received in FY2021 to both the JSA and the COVID-19 Initiative. However, the number of bilateral projects includes projects active in FY2021. The COVID-19 projects will be active in FY2022.

# INTRODUCTION AND BACKGROUND

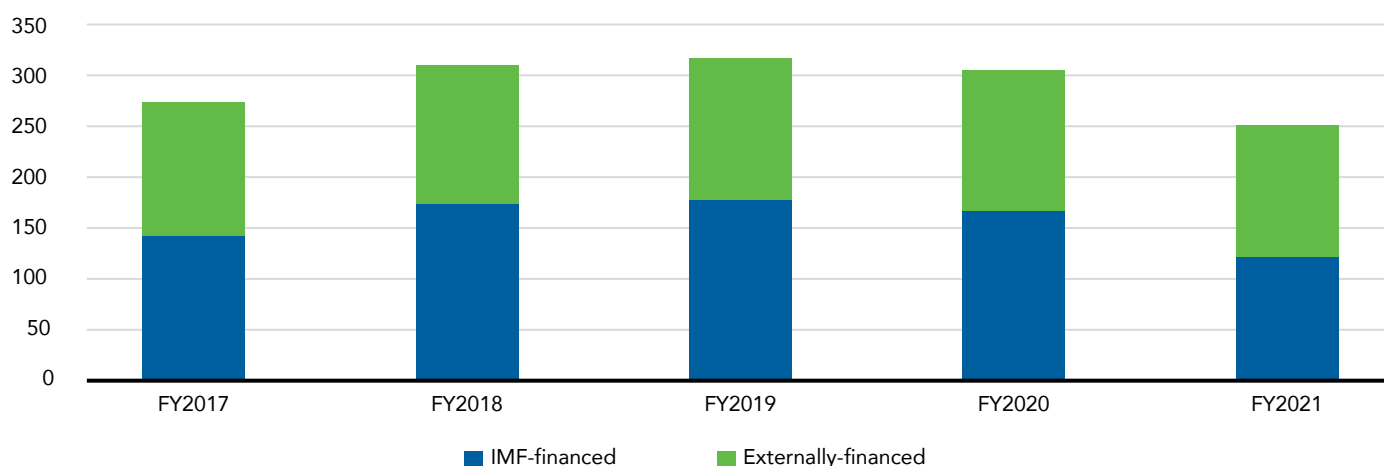
The IMF provides CD, comprised of hands-on technical assistance (TA) and training, to help countries build effective economic institutions that can implement more effective policies. These CD efforts help countries achieve their growth and development objectives and are an important contribution to countries'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

CD is fully integrated with the IMF's lending and surveillance activities. It accounts for about one-third of the IMF's spending. Although internal resources finance a considerable amount of CD, financial support from partners helps the IMF deliver high-quality CD that responds to member country needs and aligns with IMF's and global development

priorities. External partners such as Japan play an important role, including through support to thematic funds, regional capacity development centers, development priorities, and bilateral projects.

Although internal resources finance a considerable amount of it, external partners have contributed steadily over the years (Figure 1) to allow the IMF to respond effectively to rising demand. The externally funded component amounted to \$120 million in FY2021, stabilizing at about 50 percent of the total. Lower CD delivery and spending reflect the impact of the COVID-19 crisis.

**FIGURE 1. IMPLEMENTATION OF IMF CAPACITY DEVELOPMENT, FY2017-21<sup>1</sup>**



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

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

# IMF CAPACITY DEVELOPMENT

Strong economic institutions foster effective policies that lead to economic stability, inclusive growth, and job creation. That is why, for more than 50 years, the IMF has provided CD – comprised of hands-on TA and training – to central banks, finance ministries, tax authorities, and other economic institutions ([IMF.org/en/Capacity-Development](https://www.imf.org/en/Capacity-Development)).

IMF CD helps countries raise public revenues, modernize banking systems, develop strong legal frameworks, improve governance, and tackle major challenges such as gender inequality, poverty, and climate change. These CD efforts help countries achieve their growth and development objectives, including the SDGs.

IMF CD is delivered to countries through remote and in-person visits; in-country placements of long-term resident advisors; a network of regional CD centers; virtual and face-to-face training; and free online learning courses.

In response to the COVID-19 pandemic crisis, IMF CD had to quickly adjust and transition to a virtual format. Immediate and real-time policy advice and CD were provided virtually to 160 countries on topics ranging from debt sustainability frameworks and fiscal transparency to direct cash transfers and fiscal policy for inclusive growth. CD tackled countries' immediate needs as they steered their economies through the crisis and progressively moved from crisis to recovery. It also assisted countries in transforming their economies and continuing their efforts in making progress towards SDGs.

Despite connectivity limitations, most of these virtual engagements were in fragile and conflict-affected states, low-income countries, and small states. IMF online learning continued to grow at rapid pace during the pandemic, with now more than 110,000 active learners. A new Regional Capacity Development Center opened virtually in February 2021 for the Caucasus, Central Asia and Mongolia.

The surge in demand for CD support will continue, and an integrated approach provides the foundations countries need for a strong and sustainable recovery. To help meet this surge, the IMF launched the COVID-19 Crisis CD Initiative in 2019 with the objective to raise \$100 million.

# Capacity Development under COVID-19

## WHO?

### The IMF and its partners

The IMF, 40+ partners, a network of 17 regional development centers, and a dozen thematic funds, help cover the crisis response and recovery. The COVID-19 Crisis Capacity Development Initiative will ensure we meet countries' urgent capacity development needs, and boost our response to the crisis.

### C-19 Initiative Partners



JAPAN



GERMANY



CHINA



KOREA



CANADA



SPAIN



SINGAPORE



SWITZERLAND

**\$100 million**

The IMF seeks to raise USD 100 million to meet the unprecedented demand for capacity development. So far, our external donors have pledged more than **1/3rd of this amount.**

[IMF.org/CapacityDevelopment](https://www.imf.org/CapacityDevelopment)

CD is an essential complement to the IMF's financial support through emergency assistance and our regular programs, significantly increasing the impact of our engagement. Nearly all countries that have requested IMF financial assistance during the pandemic crisis have also received support in the form of technical advice, practical tools, and policy-oriented training to build institutional capacity and staff skills to manage the crisis.



JAPAN-IMF  
PARTNERSHIP  
ON CAPACITY  
DEVELOPMENT

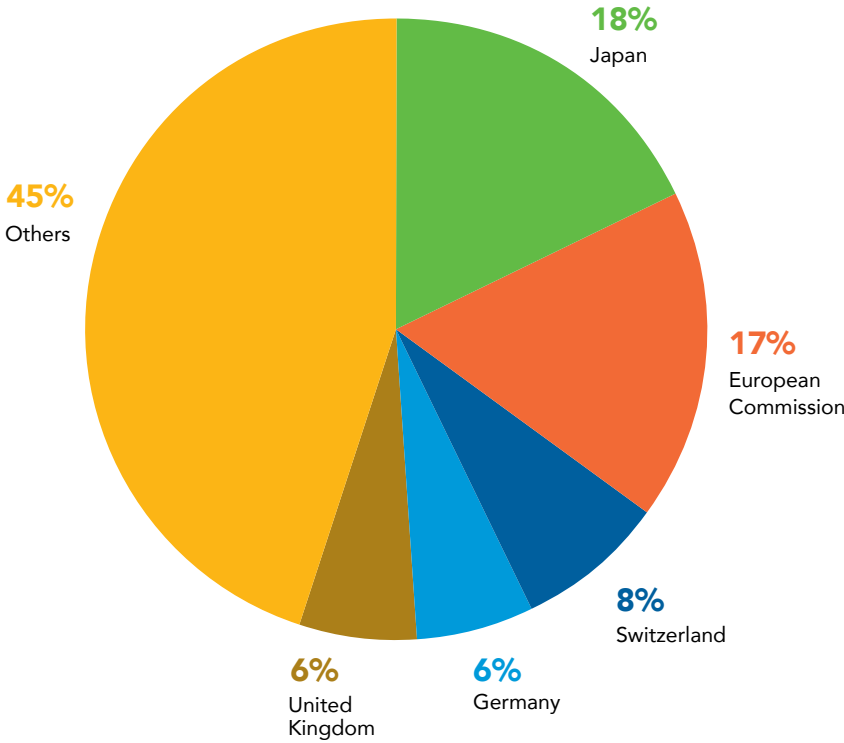


# JAPAN'S CONTRIBUTIONS

The vehicle for the Government of Japan's support to the IMF's CD operations is the JSA of the SFA. Its contributions to the IMF since FY1990 total \$730 million, of which about \$594 million has provided support for IMF CD projects, \$41 million for activities of the OAP, and \$94 million for the Japan-IMF Scholarship Program for Asia and the JISP (Table 1 and Figure 3). In the period FY2017-21, Japan alone was responsible for almost 20 percent of external financing for IMF CD (Figure 2).

In FY2021, Japan contributed \$44 million, of which \$38 million was to support a portfolio of 26 bilateral programs<sup>1</sup> and the COVID-19 CD Initiative. Several programs are implemented through CDOT and STI. Japan also contributed to the D4D Fund, the TADAT, AML/CFT, and the Externally Financed Appointees (EFA) Program.<sup>2</sup> Contributions also support the OAP and to two scholarships programs.

**FIGURE 2. EXTERNAL PARTNER CONTRIBUTIONS FOR CAPACITY DEVELOPMENT, FY2017-21<sup>1</sup>**



Source: Capacity Development Information Management System (CDIMS).

<sup>1</sup> Excludes in-kind contributions. Funds received during FY2017-21, not adjusted for Regional Training Centers cost recovered directly.

<sup>1</sup> Appendix 1 presents a summary of all JSA programs.

<sup>2</sup> Details on Japan's participation in multi-partner initiatives in Table 2.



**TABLE 1. CONTRIBUTIONS BY JAPAN, FY1990-2021**

(In millions of U.S. dollars)

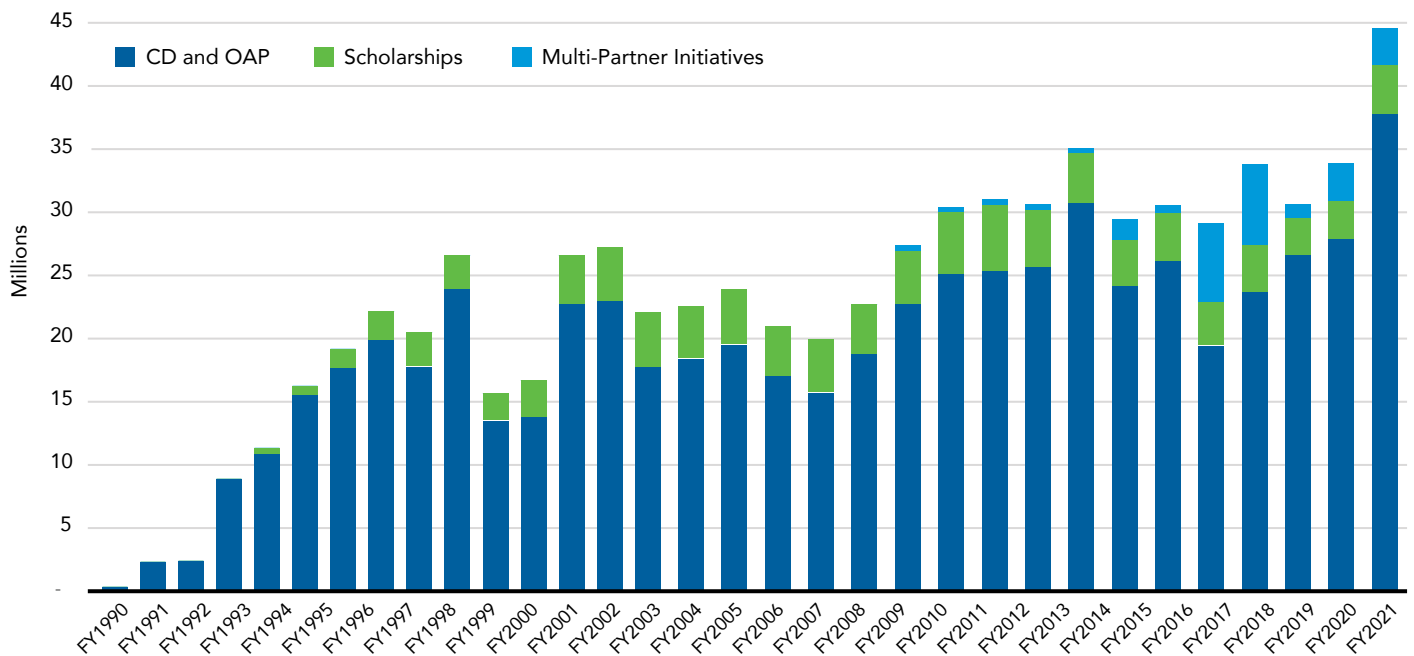
	FY1990-2016	FY2017	FY2018	FY2019	FY2020	FY2021	Total FY1990-2021
<b>Japan's Contributions<sup>1</sup></b>	<b>558.4</b>	<b>28.9</b>	<b>33.7</b>	<b>30.4</b>	<b>33.7</b>	<b>44.3</b>	<b>729.5</b>
<i>of which</i>							
<b>Capacity Development<sup>2</sup></b>	<b>449.9</b>	<b>23.8</b>	<b>27.9</b>	<b>25.5</b>	<b>28.6</b>	<b>38.3</b>	<b>594.1</b>
<i>of which, COVID-19 Initiative Window</i>	-	-	-	-	-	10.0	10.0
<b>Regional Office for Asia and the Pacific</b>	<b>30.8</b>	<b>1.7</b>	<b>2.1</b>	<b>2.0</b>	<b>2.1</b>	<b>2.2</b>	<b>41.1</b>
<b>Scholarships</b>	<b>77.6</b>	<b>3.4</b>	<b>3.7</b>	<b>2.9</b>	<b>3.0</b>	<b>3.8</b>	<b>94.3</b>
The Japan-IMF Scholarship Program for Asia	51.2	2.5	2.8	2.4	2.4	3.0	64.3
Japan-IMF Scholarship Program for Advanced Studies	26.4	0.9	0.8	0.5	0.6	0.8	30.0

Source: Institute for Capacity Development, IMF.

<sup>1</sup> Until FY2010, contributions to the JSA and the Japan-IMF Scholarship Program for Advanced Studies were administered under the JAA and the FAA, respectively. New contributions are now administered under the JSA under the IMF Framework Administered Account for Selected Fund Activities (SFA). The JAA and the FAA accounts are closed, with the remaining funds transferred under JSA under SFA.

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

**FIGURE 3. JAPAN ANNUAL CONTRIBUTIONS TO CAPACITY DEVELOPMENT BY ACTIVITY, FY1990-2021<sup>1</sup>**



Source: Institute for Capacity Development, IMF.

<sup>1</sup> Includes \$154,603 transferred to finance the operations of the Office of the Executive Director for Japan in FY2011, and \$324,344 transferred to SPR and OBP to cover expenses in support to Japan's G20 Presidency in FY2019-20.

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

(In millions of U.S. dollars)

<b>FY2021 Contributions to Multi-Partner Vehicles<sup>1</sup></b>	<b>2.9</b>
Anti-Money Laundering and Combating the Financing of Terrorism Subaccount (AML/CFT) - Phase III	0.4
Data for Decisions Fund Subaccount (D4D)	1.0
Externally Financed Appointee Subaccount (EFA) - Cohort III	1.0
Tax Administration Diagnostic Assessment Tool Subaccount (TADAT) - Phase II	0.5

<sup>1</sup> Japan also participates in the joint IMF-World Bank Debt Management Facility (DMF) with a \$0.5 million contribution through the World Bank.

**Box 1. The New IMFx on Inclusive Growth**

The new IMFx on [Inclusive Growth](#), financed through the generous support of the Government of Japan, was launched on May 26, 2021. It is the culmination of over a year’s work by over ten economists and a large team of technical experts. The inaugural run is being offered as an eight-week Massive Open Online Course (MOOC), freely available to government officials and the general public, and was supported by an innovative marketing and communications plan.

To raise interest in the course, a [“Peek-into-Training”](#) event was organized virtually during the Spring Meetings 2021, which has registered thousands of views. The [promotional video](#) prepared for the course was advertised through boosting social media content on the IMF’s Institute for Capacity Development’s (ICD) platforms such as LinkedIn, YouTube, Facebook, and Twitter, and had over 100,000 views. At launch, over 1,500 members of the general public and nearly 450 government officials have registered for the course.

## IMFx


### Free online courses from The International Monetary Fund

The International Monetary Fund (IMF) is an international organization of 189 countries, working to foster global monetary cooperation, secure financial stability, facilitate international trade, and promote high employment and sustainable economic growth. The IMF supports its membership by providing: policy advice to governments and central banks; research, statistics, forecasts, and analysis; loans to help countries overcome economic difficulties; and technical assistance and training to officials to help countries improve the management of their economies.

The IMF training program includes topics spanning macroeconomic analysis, monetary and fiscal policy, macro-financial linkages, balance of payments issues, financial markets and institutions, as well as statistical and legal frameworks in these areas.

The IMF’s online learning program receives financial support from the Government of Japan.

*We gratefully acknowledge the financial support of the Government of Japan for the development and continuation of this course. We hope that this course will serve as an important training opportunity for government officials and the general public.*



FOLLOW US ON

### Acknowledgment

We are grateful to Japan, the longest-standing partner for IMF capacity development. Their partnership makes delivery of IMF online learning possible, including the Learning Channel on YouTube. Many partners provide financial support to develop specific online learning courses. We are appreciative of all partnerships in support of this innovative platform to share knowledge globally.

**IMF Institute Learning Channel**

3.42K subscribers

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Description

For over six decades, the IMF has been working with its member countries to build institutions and capacity necessary to formulate and implement sound macroeconomic and financial policies.

The IMF Institute offers online training to both member countries officials and the general public. On this channel, you can learn about the IMF’s online learning program and experience “bite-size” learning on a broad range of economic and financial issues. Microlearning videos give you, our viewers, the flexibility to focus on specific topics, to fill gaps, and to improve job skills.

New content will be posted on a biweekly basis on Tuesdays beginning April 28, 2020.

Come and grow with us!

The IMF’s online learning program receives financial support from the Government of Japan.

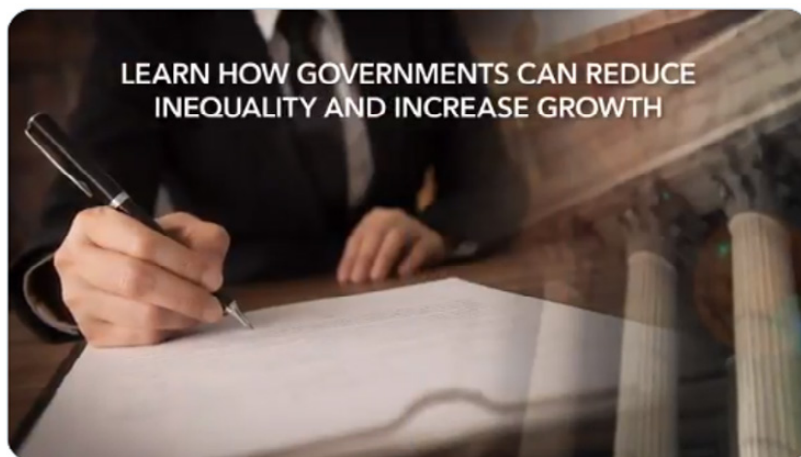
The six-module course is designed to increase participants' understanding of the concepts of inclusive growth and provides analytical and operational tools to evaluate, measure, and monitor how macroeconomic policies can affect growth, poverty, inequality, and job creation. It also contains specialized modules on fiscal policy, labor markets, gender, technology, governance and corruption, and climate change. Following the inaugural offering, these topical modules will also be offered as independent learning modules. The course provides participants the opportunity to learn from examples and case studies of countries around the world. Specific videos from the course will be hosted on the [IMF Institute Learning Channel](#) on YouTube and as part of the IMF Summer School, a new initiative where learners can experience IMFx during the summer through livestreaming and briefings by IMF staff.



**IMF Capacity Development** @imfcapdev · May 14

In our new #IGx course, IMF economists will introduce you to the roles of the private sector and government in fostering inclusive growth.

Register by May 24: [edx.org/course/inclusi...](https://edx.org/course/inclusi...) @edXOnline @IMFNews





**SPRING MEETINGS**  
2021 | VIRTUAL  
WORLD BANK GROUP  
INTERNATIONAL MONETARY FUND

INTERNATIONAL MONETARY FUND  
**CAPACITY DEVELOPMENT**  
EVENTS

## A Peek Into Training: Achieving Inclusive Growth



**Valerie Cerra**  
IMF Institute for Capacity Development



**Maksym Ivanyna**  
IMF Institute for Capacity Development



**Antoinette M. Sayeh**  
IMF Deputy Managing Director



**Nathalie Pouokam**  
IMF Institute for Capacity Development



**Nikola Spatafora**  
IMF Institute for Capacity Development

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**#IMFCapDev**

## Box 2. Supporting the Debt Management Strategy (DMS) Implementation at AFRITAC West Countries During the COVID-19 Pandemic

In recent years, AFRITAC West (AFW) member countries<sup>1</sup> have received substantial TA on the formulation and implementation of medium-term debt management strategy (MTDS). While some countries have improved their debt management practices, further improvements had been needed even before the COVID-19 pandemic. DMS implementation had been one such area, the importance of which has been further heightened by AFW countries' crisis responses to the pandemic.

Some AFW countries continue to struggle to translate their MTDS into annual borrowing plans (ABP) consistent with chosen strategies. For others, there are significant deviations between borrowing plans implemented and the respective strategies. The persistent challenges are due to weaker cooperation between different departments involved in the debt management function and/or domestic issuance plans not fully being accounted for in cash management plans.

In this context, a virtual 5-days joint IMF/World Bank workshop supported by the JSA on the IMF side, delivered an advanced regional training in February 2021. Its goal was to (i) enhance the capacity of participants in developing ABPs consistent with chosen strategies, and (ii) strengthen their knowledge on key practical steps to improve coordination for a successful implementation of the chosen strategy. Participants had also been trained on the new annual borrowing plan World Bank-IMF Annual Borrowing Plan analytical tool (ABP-AT) for developing an issuance calendar consistent with MTDS targets.

The workshop was attended by 35 officials from the debt and treasury offices of the eight West African Economic and Monetary Union countries (Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal, and Togo), together with participants from Mauritania, Guinea, and Madagascar and representatives from Agence UMOA Titres. The training contributed to improving the participants' capacity to prepare an ABP consistent with the chosen debt strategy and to the efficiency of debt management and coordination with cash management.

Participants found the workshop very relevant for their work. The importance of elaborating a good ABP and how challenging it is for them to implement an MTDS were mentioned in the post-training evaluation. In particular, participants considered the new tool very helpful in implementing MTDS and drawing out the Treasury Plan in the elaboration of the ABP. Participants from Togo and Côte d'Ivoire tested the ABP-AT with their own data and had been keen to use it for the elaboration of their next ABPs.

A follow-up national training on the ABP-AT using authorities' country data will be delivered once travel resumes. It will ensure that the authorities are using the tool appropriately. Improvements due to the use of the new tool are expected to translate into the ABPs drawn up by the countries from year 2022 onwards.

	Volume at Auction Min/Order LTP	Volume at Auction Max Offer	Frequency Times Per Year	Tolerance Against MTDS Value (%)	Percentage Based on Strategic Workbooks Year 2021	2022	Type	Fixed / Yield / % bid	Frequency of Coupons Payments	Maturity months/years	Maturity (Years for bonds)	Maturity (months)	MTDS Volume 2021	MTDS Volume 2022
6	100	200	12	0%	10%	10%	T-bills	T-bills	0	3	0	3	233	181
7	100	200	12	0%	10%	10%	T-bills	T-bills	0	6	0	6	156	95
8	100	200	12	0%	20%	20%	T-bills	T-bills	0	12	0	12	156	95
9	100	200	6	0%	10%	10%	Bonds	Variable	2	2	2	24	156	95
10	100	200	6	0%	10%	10%	Bonds	Variable	2	3	3	26	156	95
11	100	200	4	0%	10%	10%	Bonds	Fixed	2	3	3	66	174	136
12	100	200	4	0%	10%	10%	Bonds	Fixed	2	7	7	84	174	136
13	100	200	4	0%	10%	10%	Bonds	Fixed	2	10	10	120	174	136
14	100	200	2	0%	10%	10%	Bonds	Fixed	2	20	20	240	348	272
15	100	200	2	0%	0%	0%	B	B	0	0	0	0	0	

Day 3 of 5-days virtual training (February 22-26, 2021). On the screen are Chaker Soltani (IMF AFW Resident Advisor), Luc Razafimandimby and Diego Rivetti (World Bank), and workshop participants.

<sup>1</sup> Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal, Togo, Mauritania, and Guinea.

### Box 3: Virtual Technical Assistance to the State Bank of Vietnam (SBV)

Following the suspension of IMF mission travel due to COVID-19, and in view of strong momentum in early implementation of the TA project on developing forecasting and policy analysis system (FPAS) at the SBV, an STI-led mission team scaled up virtual TA support to the SBV. This support, delivered starting from February 2020, was split into multiple virtual TA missions. The mission team held regular Video Teleconferencing (VTC) calls with the core group to consult on issues that are relevant to the ongoing model-building FPAS TA support. Combining the online course (MPAFx) with VTC calls served as an efficient way to discuss more general questions on economic theory and practice, including in the context of the COVID-19 crisis. Such issues covered the nature of the shocks and what these imply for monetary policy decision-making. The mission team also provided virtual training on adapting an IMF pandemic-impact toolbox to Vietnam data in order to help gauge the impact on Gross Domestic Product based on sectoral-level assessment of the lockdown measures.



SBV's core FPAS group participating in the first virtual TA mission using Cisco Webex Meetings

#### Box 4: Remote CD Under the COVID-19 Lock-down: Case of Cambodia Customs CD project

Due to the COVID-19 pandemic, all the CD activities were provided remotely throughout FY2021. Containment policy was applied to not only the IMF staff and experts but also staff of beneficiary countries. At the beginning of FY2021, Cambodia Customs Administration was operating in the headquarters with full staff: CD video conferencing took place between the homes of the Fund staff and experts and Cambodia Customs' staff in the Customs' conference room. The situation changed in mid-FY2021 with second and third waves of COVID-19 that were much more serious: customs headquarters were locked down several times and most Customs staff worked from their homes. Under such difficult circumstances, and thanks to the leadership of Director General and senior management, Cambodia customs was committed to continuing the reform and modernization program and to receiving IMF's Fiscal Affairs Department (FAD) virtual CD support. Virtual customs working groups were set up on customs law revision and business process reengineering, and thematic CD support was delivered through regular video conferences. By late FY2021, national customs staff were able to join video conferences from their homes and their individual offices giving greater flexibility as they were no longer limited to using the conference room. Although remote missions cannot fully substitute for all the benefits of in person missions, when they are well prepared and narrowly scoped to address targeted topics, remote missions can generate satisfactory service and results without causing undue stress for the beneficiary administration. Nevertheless now, 98 percent of Cambodia Customs Administration have been vaccinated, they are now anticipating a mixture of mission in person and remote missions in FY2022 to add value to the lessons learned from FY2021 CD support.



Cambodia customs administration CD mission from January 12, 2021 to May 20, 2021  
(Maryland, USA; Tirana, Albania; Adelaide, Australia; and Phnom Penh, Cambodia)

## Box 5: Vietnam Adopts Government Finance Statistics (GFS) Reporting Standards

Since the inception of the successive GFS projects under JSA, Vietnam has taken a cautious approach to implementing the modernization of its fiscal reporting, largely because it was seeking to introduce such a transition in tandem with other fiscal systems reforms. Engagement on GFS CD with the Ministry of Finance (MOF) and the Vietnam State Treasury (VST) continued under the JSA projects to facilitate a gradual migration to GFS standards. Subsequently, a series of interconnected public financial management (PFM) reforms were being implemented by Vietnam in budget classification, accounting standards, charts of accounts, public debt management, and asset management. Several laws were enacted—The Revised State Budget Law (2015), Accounting Law (2016), Public Debt Management Law (2017), and the Public Asset Management Law (2017). The MOF views the GFS framework as a means of highlighting the inter-relationships between these various reforms and requested the compilation of a *Vietnam GFS Manual* (V-GFSM). CD from the JSA project in coordination with funding from the World Bank’s Analytical and Advisory Activities (AAA) program assisted in the development of the manual.

The V-GFSM was written by the GFS expert under the project. It has taken over 3 years to finalize with the MOF and it provides a detailed description of the IMF GFSM 2014 framework as applied to the system in Vietnam. The purpose of the V-GFSM is to set out the scope, coverage and applications of GFS and provide technical guidance for Vietnam in its transition to GFS reporting. It also provides summaries of current fiscal statistical practices in Vietnam. The V-GFSM was approved by MOF management and was formally launched during a workshop held at Ha Long city on December 28-29, 2020 (*photo*) in coordination with several MOF departments and stake holders in support of the Manual. Participants included representatives of the State Budget Department, the General Statistics Office, the Ministry of Planning and Investment, the Accounting and Auditing Supervisory Agency, the Public Asset Management Department, and the State Treasury.

At the occasion of the V-GFSM launch, presentations were made by the relevant MOF departments on their fiscal systems reforms to ensure synergy of accounting, budgeting, and treasury management, with the GFS reporting system. The CDOT Director opened the workshop and provided briefings on the uses of fiscal data for macro-fiscal and debt management. The IMF GFS expert made presentations of the V-GFSM, and presentations were made by the CDOT-based Treasury advisor and his team on synergies of GFS with the accounting and budgeting systems.

The project continues to work with the MOF and VST to implement the GFS system and has produced pilot GFS data compilations from detailed chart of accounts (CoA) from VST for gradual adoption by Vietnam going forward. As the PFM reforms continue evolving, coordination with V-GFSM will continue as the manual is viewed as a ‘living document’ and should be regularly updated. Through IMF CD, the adoption of the V-GFSM represents a breakthrough in modernizing the fiscal reporting system in Vietnam.



## Box 6: Microlearning and the IMF Institute Learning Channel

The [IMF Institute Learning Channel](#) was launched by the online learning program in response to the COVID-19 crisis with the support of our strategic partner, the Government of Japan. The channel offers free, bite-sized, on-demand microlearning videos on key issues related to the IMF's work. The videos, hosted on YouTube, are easily accessible for both government officials and members of the general public. Since its introduction during the virtual Spring Meetings in April 2020, the channel has gained over 4,930 subscribers and over 242,400 individual views; the interest of the public continues to grow.

In addition to the typical benefits of microlearning, including the flexibility to focus on specific topics of interest and greater accessibility,<sup>1</sup> the Learning Channel is helping connect online learning more effectively with other CD modalities (i.e., classroom training and TA), and potentially with core surveillance activities. Microlearning videos are now commonly integrated into multi-country training courses delivered by the IMF's Statistics Department (STA), for example the regular workshops on Public Sector Debt Statistics (PSDS) for countries from the Asia and Pacific Region, the workshop for the Philippines under the GFS/PSDS project, training events in Central America and in Anglophone Africa.

The IMF Institute Learning Channel has published 137 videos and 46 playlists, in various areas of Fund work. For example: the playlist [GFS Framework: Overview](#) presents the fundamental building blocks of the GFS framework, stocks, and flows, and how, together, they make up a framework that is integrated vertically and horizontally; the playlist [The Debt, Investment, and Growth \(DIG\) and Debt, Investment, Growth, and Natural Resources \(DIGNAR\) Models](#) illustrates two IMF models to analyze the effects of public investment plans on growth and debt dynamics; the playlist [Introducing two Fiscal Frameworks to Cope with Commodity Price Volatility](#) shows what governments can do to insulate their economies from the consequences of commodity prices; the playlist [What is financial inclusion/Promoting financial inclusion](#) illustrates key concepts of financial inclusion.

In recognition of this innovative way of sharing the IMF's knowledge and experience with the broader public, the channel has been cited by Bloomberg as one of the recent achievements of Fund (<https://www.bloomberg.com/features/2020-bloomberg-50/>). Furthermore, in February 2021, The IMF Institute Learning Channel was the winner of the "COVID-19 Crisis: Call for Ideas", a Fund-wide competition organized by the IMF Innovation Lab to seek ideas on how to collectively support our staff and membership during the pandemic. Going forward, our plan is to develop a learning application that integrates interactive microlearning videos with learning podcasts.



<sup>1</sup> The use of keywords and video descriptions enhances the searchability of the videos and boost the visibility in search engines.



## Box 7: Financial Management Information Systems (FMIS)

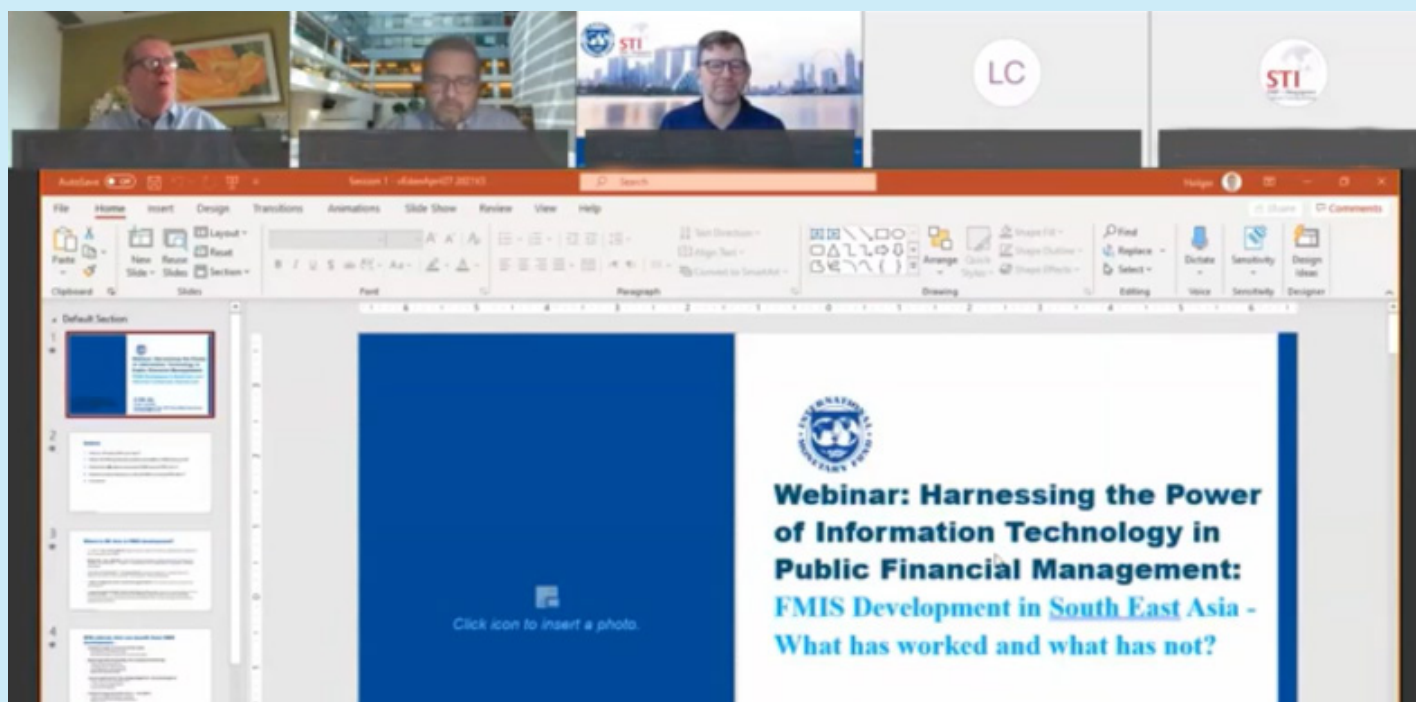
FMIS are a powerful digital tool to enable governments to plan, execute, and monitor the budget. FMIS plays a key role in the digitalization of PFM. Building on its innovative modular approach to implement FMIS, FAD has provided extensive CD on FMIS development in South East Asia, especially in Cambodia and Myanmar. The webinar was, therefore, aimed at taking stock and discussing the lessons from the past 15 years of CD and FMIS implementation in South East Asia.

The webinar comprised two sessions on: (i) how countries in South East Asia can ensure that FMIS development and roll-out processes successfully deliver on promised improvements in PFM; and (ii) how new technologies and design approaches are supporting improvements to FMIS in terms of flexibility, development cost, connectivity, and enhanced PFM functionality, especially with regard to transparency of fiscal reporting.

Some of the key messages from the first session were that FMIS development needed to go hand in with a full PFM reform agenda. FMIS often run into difficulties by underestimating the complexities of system design and the needed change management in the MOF and line ministries/agencies for using FMIS functionalities. Presentation of experiences in Cambodia and Vietnam highlighted the need for strong leadership at the political level, a sound governance framework, full participation of line ministries, and accommodation of their budget management and reporting needs, and a well-sequenced PFM reform action plan.

The second session highlighted FAD's work on modular approach that can help achieve faster FMIS implementation in a more cost-efficient manner. Malaysia showcased such an approach in the development of their new country-wide Government Financial Management Accounting System (GFMAS) that combines several modules and a multitude of interfaces with existing applications. The presenter from Estonia showcased a public sector data highway innovation that is connecting a wide range of government applications across different ministries, agencies, and levels of government. Citizens' interaction with government is moving to the internet, a trend that is just starting in South East Asia, but is accelerating by the COVID-19 pandemic in some areas, such as the payment of social benefits.

The webinar was very well attended with 119 participants from ministries of finance and central banks from the Asia Pacific region. This sharing of experience among developing, emerging, and advanced countries helped highlight common challenges and possible solutions that will inform the advice and CD by FAD and CDOT to FMIS reform projects in the region.



From left: Holger van Eden (FAD), Gerardo Una (FAD), Stephan Danninger (STI), April 27, 2021

### Box 8: COVID-19 IMF Expert Webinars

Beginning June 2020, the STI has started to offer COVID-19 IMF Expert Webinars. These webinars allowed virtual access to renowned practitioners who could not travel during the pandemic. Speakers have been drawn from a pool of IMF and international experts. Authors of a Special IMF Series on COVID 19 have discussed their findings in the context of international best practice and engaged through question and answer (Q &A) sessions with the audience. Most sessions attracted more than 100 participants from all over Asia. The topics included “IMF Proposal for an International Carbon Price Floor,” “Policies to Offset U.S. Monetary Policy Spillovers,” or “Tax Policy for Inclusive Growth after the Pandemic.”



COVID-19 IMF Expert Webinars logo

## Box 9: Cash Management and Treasury Single Account (TSA) in Mali

In the context of the COVID-19 pandemic and the resumption of assistance to Mali after the coup (August 2020), a CD mission from the FAD in December 2020 provided support to the MOF to modernize cash management and continue the implementation of the TSA.

Cash management in Mali have had many deficiencies adversely impacting the efficiency of budget execution. In order to address these weaknesses, the project was built around the following objectives: (i) addressing the fragmentation of government liquidity in commercial banks through the progressive integration of public entities into the TSA; and (ii) modernizing the cash management framework and tools for synergy among stakeholders.

IMF CD in this area was led by the resident advisor (RA) and an FAD expert, starting with a diagnosis of the cash management system and tools. They proposed operational and organizational measures in line with international practices, and provided methodological support to modernize the cash management framework and centralize public funds in the TSA held at the Central Bank of West African States. High-level exchanges (including with the Minister of Economy and Finance of the Transitional Government) and further technical support to the main counterparts (in the National Treasury and Public Accounting Department (DNTCP)) during the December 2020 FAD mission helped accelerate progress. To strengthen the capacities of 70 executives from the MOF and the banking sector, the mission conducted two workshops on: (i) the strategy for implementing the TSA; and (ii) the need for a sound articulation between cash management and public debt management. In addition, the mission provided material to update the DNTCP's multi-year action plan for the period 2020-22.

Following the mission, the authorities have issued instructions to operationalize the centralization of public funds. In the coming months, the authorities plan to implement the e-payment system for taxes and a new electronic payment instrument for expenditures. A comprehensive cash management module within the DNTCP's main IT system is also expected to be operational by end 2021. Regarding the expansion of the scope of the TSA, 50 national public institutions will be included in this scheme in 2021, then all of them by mid-2022. All these developments are closely aligned with the Malian authorities' commitments under the ongoing IMF-supported Extended Credit Facility program.



## Box 10: MDSx French Expands into Francophone Countries

The course on Macroeconomic Diagnostics (MDS) is one of the core training courses of the ICD. It is designed to strengthen participants' ability to assess a country's macroeconomic situation, presenting practical tools for use in day-to-day macroeconomic analysis, and how they can contribute to policymaking. Since the launch of the online version of MDS in FY2018, the course (MDSx) attracted 8,735 active learners, of whom 3,110 government officials have successfully completed the course. Given the high interest in this IMF core area of expertise, the course was translated in French in 2021, becoming available as Diagnostic macroéconomique.

The new MDSx French currently has 667 participants enrolled, of which 209 are active participants.<sup>1</sup> Most active government officials are from the Africa and the Middle East and Central Asia regions (80 percent and 16 percent, respectively). About 45 percent of the active officials in the French course are from low income countries and 43 percent are from fragile or conflict affected states.

In FY2022, the MDS classroom training version will be the course with the largest number of offerings in IMF Regional Training Centers, accounting for about a quarter of the 45+ macro and fiscal trainings. This opens opportunities to combine interactive virtual or face-to-face training with asynchronous learning materials from MDSx, replicating the successful blended courses offered at the STI and at the IMF South Asia Regional Training and Technical Assistance Center (SARTTAC). By combining synchronous lectures with online videos and excel based workshops, the courses provide a comprehensive learning experience for country economists to succeed in their policy-making roles.



**Nous remercions chaleureusement le soutien financier du gouvernement du Japon pour l'ensemble du programme de formation en ligne du Fonds et pour avoir permis de continuer à donner ce cours. Le gouvernement du Japon espère que ce cours constituera une opportunité importante de formation pour les représentants des gouvernements ainsi que pour le grand public.**

We warmly thank the financial support of the Government of Japan for the Online Training Program of the Fund and for making it possible to continue to provide these courses. The Japanese Government hopes that these courses will provide an important training opportunity for government officials and the general public.

<sup>1</sup> A passed participant is any participant who answers at least 60% of all graded questions correctly (minimum standard to pass the course). An active participant is any participant who answers at least one graded question correctly.

### Box 11: Strengthening Public Investment Management (PIM) in Uzbekistan

Public investment in Uzbekistan plays an important role in facilitating economic development and promoting higher and more inclusive growth. However, the system for planning capital investment historically has been fragmented and not well aligned with the budget. The government recognized the scope for improvement in its 2020–24 PFM Reform Strategy, where it committed to undertaking a PIM diagnostic. At the government’s request, a team from FAD conducted a Public Investment Management Assessment (PIMA) in September 2020 to assess the strength and effectiveness of PIM institutions; identify the main gaps and weaknesses; and assist the authorities to prepare a prioritized plan for addressing them. The Uzbekistan PIMA was the first PIMA conducted remotely due to the COVID 19 pandemic.

The PIMA found that areas for improvement included better integrating capital planning and budget processes; establishing mechanisms to assess the fiscal costs and risks of a growing pipeline of public private partnership (PPP) projects; and establishing mechanisms to better prioritize, maintain and evaluate projects following their implementation. Detailed recommendations based on the findings of the PIMA were included in a sequenced action plan provided to the government.

A December 2020 outreach meeting on the PIMA included approximately 50 representatives from the government and international partners. The meeting allowed the government to coordinate donor support to implement the PIMA recommendations and allowed them to demonstrate the progress they had already made in implementing the recommendations. The government has taken initial steps, including developing selection criteria to help prioritize budget funded projects, incorporating the cost of externally funded projects into the fiscal aggregates, and establishing a limit on public and publicly guaranteed debt to ensure investments are sustainable. Follow-up support from the IMF is expected to be delivered in 2021.



A photograph from the IMF’s infrastructure governance page for Uzbekistan

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

## Box 12: Improving External Sector Statistics (ESS) in the Asia-Pacific Region – Participants Adjusted to Remote Mode Workshop; Training to Address Current Practical Challenges

A three-day CDOT-SARTTAC remote intermediate level training on Recording COVID-19 Related Transactions in Analytical Balance of Payments: Compilation Challenges was delivered in July 2020. The objective was to enhance countries' capabilities to compile a reliable analytical balance of payments presentation and to understand its role for analysis of the crisis impact and for formulation of the necessary policy responses. The training was attended by more than 60 participants from six SARTTAC and eight ESS CDOT countries, with several countries exercising the collective connections with 3-10 people in the conference room (Cambodia, Lao P.D.R., Myanmar, Papua New Guinea, Samoa, and Timor-Leste).

According to the survey, participants adjusted well to remote mode and commended the interactive manner of the workshop delivery, commenting that the moderator provided enough space for participants to freely express their views and ask questions. The participants also appreciated that the topic of the training was narrowly defined and closely linked to the current practical challenges. All training materials were provided in advance, as well as access to the recording, which were deemed to be essential.

The screenshot shows a Zoom meeting interface with a presentation slide. The slide title is "Example: DSSI-Related Transactions". The table below compares the standard and analytic presentations of the balance of payments.

	Balance of payments standard presentation		Balance of payments analytic presentation	
	Credit	Debit	Credit	Debit
<b>Current account</b>				
Primary income				
Investment income				
Portfolio investment, interest		60		60
Investment income				
Other investment, interest		15+25		40 = (15+25)
	Net acquisition of financial assets	Net incurrence of financial liabilities	Net acquisition of financial assets	Net incurrence of financial liabilities
<b>Financial Account</b>				
Portfolio investment				
Debt securities		120= (60+10-10+25+35)		-10
General government				
Other investment				
Loans		-20=(15+40-40+25-25-35)		-75= (-40-35)
General government				
<b>Below the line</b>				
Exceptional financing		Not applicable		185
Portfolio investment liabilities				130= (60+10+25+35)
Other investment liabilities				
Rescheduling of existing debt				55 = (15+40)

# B

## A PROGRAMMATIC APPROACH TO CAPACITY DEVELOPMENT

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

### REGIONAL COVERAGE

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

government officials. During the period FY1993-2021, CD programs totaling \$279.4 million focused on countries in the Asia and Pacific region, equivalent to over 50 percent of approved JSA TA and related activities.

### SECTORAL PRIORITIES

Fiscal topics represented the largest share, with 48 percent of yearly commitments in FY2021. Monetary and capital markets topics represented 21 percent, and followed by training (18 percent), which reflects Japan's strong support for the IMF Online Training Program, as well as the STI. Table 4 shows annual commitments by sector for the period FY1993-2021.

### JAPAN'S VISIBILITY

IMF staff understand the value of the contributions provided by Japan and strive to provide visibility to Japan and all development partners. Previous external evaluation of Japan's support through the IMF highlighted that JSA-funded IMF TA provides high visibility to Japan as well as a positive image. In addition to highlighting Japan's contribution in print and digital media, one venue for increased outreach and visibility are the joint IMF-Japan visits to countries that

benefit from JSA-funded CD. These missions allow for fruitful discussions with local authorities to learn firsthand about their experiences, challenges, and future needs. FY2021 visits were cancelled due to COVID-19. Japan was proximately featured in the last year through annual publications, relevant promotional brochures, and digital media—such as the IMF's website and online learning platform, social media, and videos—all contribute to publicly acknowledge and express appreciation for Japan's partnership with the IMF on CD. The IMF Executive Director for Japan participated in a high-level video with the IMF Managing Director to promote and highlight our partnership with the IMF on CD.

### MONITORING AND EVALUATION OF THE JSA

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

During this fiscal year, the Capacity Development Management and Administration Program (CDMAP) was launched. CDMAP is an integrated

information system to manage IMF CD and all IMF CD operations are now managed in this system. CDMAP allows to link financing from multiple partners to the achievement of specific CD objectives in recipient countries.

CDMAP also brings a key shift toward a country-focused approach to CD projects by mobilizing and optimizing resources within a CD

project to achieve an agreed objective, recognizing that financing from multiple partners is often required to achieve expected results with an country, and optimizing the use of multiple partnerships to improve efficiency and reduce the risk of overlap.

IMF staff share an interim self-assessment with Japan of each JSA program towards the end of the fiscal

year. Self-assessments help evaluate projects' implementation progress and results, as well as highlight challenges encountered. In addition, an independent external evaluation, which will now take place every five years, examines Japan-funded programs. The next evaluation of the JSA will commence in FY2022.

**TABLE 3. JSA ANNUAL COMMITMENTS FOR CAPACITY DEVELOPMENT BY REGION, FY1993-2021<sup>1, 2, 3</sup>**

(In millions of U.S. dollars)

Region	FY1993-2016	FY2017	FY2018	FY2019	FY2020	FY2021		FY1993-2021	
						Total	%	Total	%
Africa	93.9	5.4	3.2	4.0	2.4	3.1	12%	111.0	21%
Asia and Pacific	200.0	13.5	15.8	17.6	17.3	15.2	60%	279.4	51%
Eastern Europe <sup>4</sup>	38.9	-	-	-	-	-	0%	38.9	7%
Europe	30.4	-	-	-	-	-	0%	30.4	6%
Latin America and Caribbean	15.5	-	-	-	-	-	0%	15.5	3%
Middle East and Central Asia <sup>4</sup>	27.8	0.7	1.8	1.7	-	-	0%	32.0	6%
Multiple Regions	22.9	0.5	1.5	1.5	2.8	7.3	28%	37.5	7%
<b>Total</b>	<b>429.5</b>	<b>20.0</b>	<b>22.4</b>	<b>24.9</b>	<b>23.4</b>	<b>25.5</b>	<b>100%</b>	<b>545.8</b>	<b>100%</b>

Source: Institute for Capacity Development, IMF.

<sup>1</sup> Budgets approved by Japan. Not adjusted for projects completed below approved budgets.

<sup>2</sup> Does not include commitments from Japan to multi-partner vehicles.

<sup>3</sup> Commitments for programs from FY2011 onwards include the trust fund management fee.

<sup>4</sup> Starting in FY2008, data for countries in Central Asia are classified under Middle East, and prior to that were classified under Eastern Europe.



**TABLE 4. JSA ANNUAL COMMITMENTS FOR CAPACITY DEVELOPMENT BY TOPIC, FY1993-2021<sup>1, 2, 3</sup>**

(In millions of U.S. dollars)

Topic	FY1993-2016	FY2017	FY2018	FY2019	FY2020	FY2021		FY1993-2021	
						Total	%	Total	%
Fiscal	144.2	7.6	9.6	10.9	11.1	12.1	48%	195.6	36%
Monetary and Capital Markets	138.7	4.9	4.1	7.0	4.6	4.6	21%	164.6	30%
Macroeconomic Statistics	75.7	3.1	3.5	2.4	2.4	2.4	9%	89.4	16%
Training	46.7	2.3	3.8	4.1	4.3	4.3	18%	65.8	12%
Legal	10.7	0.6	0.2	-	-	-	0%	11.5	2%
Others	13.5	1.6	1.1	0.5	1.1	1.2	5%	19.0	3%
<b>Total</b>	<b>429.5</b>	<b>20.0</b>	<b>22.4</b>	<b>24.9</b>	<b>23.4</b>	<b>25.5</b>	<b>100%</b>	<b>545.8</b>	<b>100%</b>

Source: Institute for Capacity Development, IMF.

<sup>1</sup> Budgets approved by Japan. Not adjusted for projects completed below approved budgets.<sup>2</sup> Does not include commitments from Japan to the multi-partner vehicles.<sup>3</sup> Commitments for programs from FY2011 onwards include the trust fund management fee.



# REGIONAL OFFICE FOR ASIA AND THE PACIFIC

## **REGIONAL OFFICE FOR ASIA AND THE PACIFIC**

OAP was established in Tokyo in 1997. It operates as the IMF's interface with Asia and the Pacific, promotes and undertakes CD activities, engages in public relations and outreach in Japan and abroad, collaborates with regional organizations and forums, contributes to IMF surveillance and research activities, and supports the work of the IMF in Japan and the region. In FY2021, OAP's work shifted successfully and almost exclusively to virtual delivery in light of the COVID-19 pandemic, which also resulted in substantially larger audiences for conferences and outreach events.

## **PUBLIC RELATIONS AND OUTREACH**

In FY2021, OAP organized a range of virtual conferences, seminars, and workshops for participants in Japan and from throughout the region to enhance public understanding of the IMF's operations and policy recommendations. Many of these events were carried out in collaboration with universities, think tanks, central banks, finance ministries, and other government and international organizations.

In November and December 2020, OAP and The University of Tokyo jointly hosted an international policy conference and an accompanying set of closed-door workshops on "Lessons from the Global Financial Crisis (GFC) in the Age of COVID-19". The conference brought together leading experts from academia, central banks, financial services agencies, the IMF, and think-tanks from around the world to discuss how best to manage financial risks during the COVID-19 and future crises, and how to secure financial stability, including through drawing on lessons learned during the GFC. The discussions and workshops covered in detail past lessons from international crisis management and how they apply to the pandemic crisis, how best to bolster international cooperation and manage financial stability risks, how to adapt and modernize crisis management tools to a changing financial landscape, and the role of financial regulation in crisis management. The conference and the closed-door workshops provided strong learning opportunities for policy makers from a broad range of economies throughout Asia and the Pacific. The public conference sessions were livestreamed, including on OAP's



Macroeconomist Training Program offered to university students interested in learning more about the IMF taught by a Japanese national Fund retiree.

and the IMF’s social media accounts, and drew nearly 10,000 views.

Among other policy outreach events are the Economic Issues Seminars/ Asia Pacific Regional Seminars on the global economic outlook and other key thematic issues. In FY2021, OAP held five such seminars for public audiences in Japan and throughout Asia and the Pacific. To foster future generations of macroeconomists, OAP held three virtual Macroeconomist Training Program courses for university students in Japan and elsewhere in Asia; participants in these courses learn basic analytical tools and methods used for economic surveillance. Since 2017, a total of 234 students from 36 different countries, as well as 59 audit students, have learned from these courses, which benefited greatly from collaboration with the Japan International Cooperation Agency (JICA).

To bolster its outreach efforts, OAP has accelerated the digitalization of its communications. In addition to maintaining two websites (OAP and

JISPA) to share data and information, OAP now has a monthly newsletter that reports on OAP’s CD and outreach events and highlights key IMF messages. And in late 2020 OAP launched its own social media accounts to help promote the work of OAP and the IMF. In addition, the regional office engages with the media, businesses and think tanks in Japan and elsewhere in the Asia-Pacific region to make the IMF’s work more visible, and provides briefings on the IMF’s role, its operations and career opportunities upon request.

#### **MANAGING RELATIONS IN THE REGION**

OAP coordinates IMF relations with regional forums, including Asia-Pacific Economic Cooperation (APEC), the Association of South East Asian Nations (ASEAN and ASEAN+3/AMRO), the Executives’ Meeting of East Asia-Pacific (EMEAP) Central Banks, the South-East Asian Central Banks (SEACEN), the Asia-Europe Meeting (ASEM), and the Pacific Island Countries Central Bank

Governors’ Meeting. OAP participates on invitation in these meetings, offers presentations on global and regional economic developments and other topical issues, and keeps IMF headquarters (HQ) informed as regional views and initiatives unfold. OAP also maintains close contacts with other international organizations and with diplomatic missions in Tokyo and throughout the region.

#### **SURVEILLANCE AND RESEARCH WORK**

OAP staff monitor and report regularly to IMF HQ on developments in the region and participate in selected IMF annual consultation missions; during FY2021 these included Article IV Consultation missions and related work for Japan, Federated States of Micronesia, Lao PDR, Myanmar, and Vietnam. OAP economists also provide inputs to the IMF’s Asia and Pacific Department (APD) Regional Economic Outlook and regularly carry out research on various economic policy issues of regional interest.

## **DELIVERING CAPACITY DEVELOPMENT**

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

OAP administers the JISPA, in which about 65 junior officials from Asia pursue each year in Japan graduate studies in macroeconomics and related fields. There are 774 alumni of the scholarship program since it started in 1993 and many of these graduates now hold high policy positions in their own countries. Through the

JISPA-Continuing Education Program (JISPA-CE), these alumni have an opportunity to learn about more topical and specialized issues from experienced instructors from ICD and STI. This helps the alumni to refresh their networks throughout the region and to reconfirm their ties with the IMF and with Japan.

The regional office also offers highly valued programs for senior officials in the region. These include the Japan-IMF Macroeconomic Seminar for Asia, a week-long executive training course on macroeconomics at the graduate level brush up their knowledge of macroeconomic policymaking. This program, along with the JISPA-CE, provides senior officials

with opportunities to discuss current macroeconomic issues and exchange views with regional peers.

OAP organizes and sponsors peer-to-peer CD seminars and conferences to enhance policymaking skills of officials in the region. In FY2021 and recent years, these included conferences on financial crisis management and prevention (discussed above), inflation targeting—organized with the Reserve Bank of New Zealand, promoting financial stability in the Asia-Pacific Region—organized with the National Bank of Cambodia (NBC), and the FAD-OAP regional seminar on Journey Towards the SDGs—Key Fiscal Issues.

# D

## JAPAN-IMF SCHOLARSHIP PROGRAM FOR ASIA

The JISPA was established in 1993 and supports graduate studies in macroeconomics or related fields in leading universities in Japan. It provides educational opportunities to promising junior officials from economic agencies in countries in the Asia and Pacific region, and in Central Asia.<sup>1</sup>

JISPA offers a partnership track with tailored master's programs in four partner universities and an open track with graduate programs (including Ph.D. degrees) in any university in Japan.<sup>2</sup> A two and a half month orientation program helps new incoming scholars prepare for their studies and life in Japan. Throughout the duration of their scholarship, JISPA scholars are invited to seminars and

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

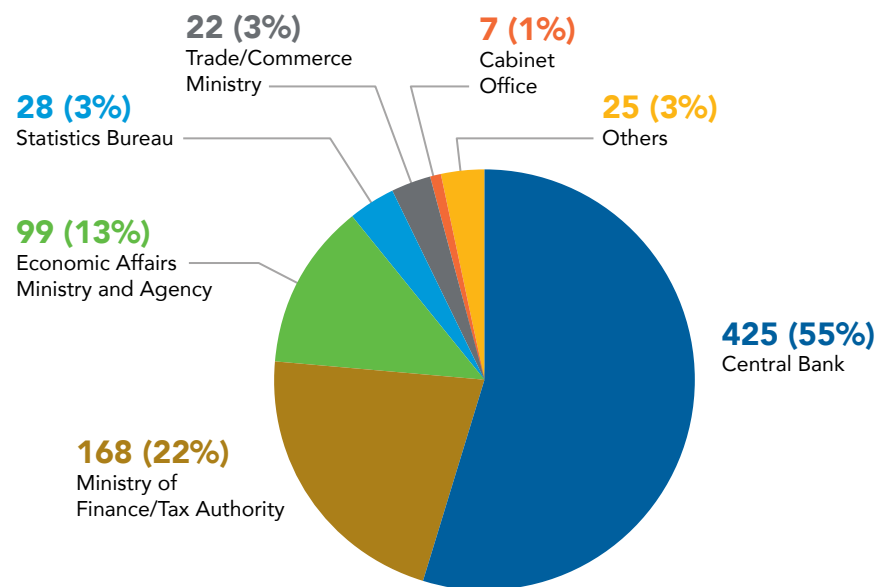
<sup>2</sup> The four partnership universities are the National Graduate Institute for Policy Studies, Hitotsubashi University, International University of Japan, and The University of Tokyo.

events organized by OAP, providing further opportunities to learn about current economic and policy issues and to build a network among themselves and with others. Because of the COVID-19 situation, all these activities were conducted online during FY2021, and they were successfully delivered.

For the 2021 academic year, JISPA awarded 38 new scholarships and supported 67 scholars in total, including seven Ph.D. candidates.<sup>3</sup>

<sup>3</sup> The 2021 academic year of JISPA runs from October 1, 2020 to September 30, 2021

**FIGURE 4. JISPA ALUMNI BY AFFILIATION, FY1993-2021**





JISPA welcome event in FY2021

OAP’s special attention to JISPA scholars helps foster their identity as “Japan-IMF” scholars and strengthen their ties with the program after their graduation. The third JISPA Summer Workshop was conducted virtually in September 2020 for 26 scholars, representing 12 countries, who were continuing to their second year of

studies. It helped the scholars better understand the IMF’s work and analysis through lectures and group discussions and presentations. OAP also organized several activities for the scholars, including the seminar sessions with the Japanese MOF and the Bank of Japan as well as the annual thesis presentations.

The community of “Japan-IMF” scholars has been growing. Since 1993, the program has awarded 862 scholarships and 774 scholars have graduated (see Table 5 and Figure 4). Graduates have successfully advanced in their policymaking careers, with some attaining roles such as Minister and Governor.

**TABLE 5: JAPAN-IMF SCHOLARSHIP PROGRAM FOR ASIA DISTRIBUTION OF SCHOLARS BY COUNTRY AND AFFILIATIONS, 1993-2021<sup>4</sup>**

Scholars by Country	Number	Percent	of which graduates
China	102	11.8%	102
Vietnam	100	11.6%	95
Uzbekistan	94	10.9%	87
Cambodia	76	8.8%	65
Myanmar	75	8.7%	68
Mongolia	61	7.1%	44
Kyrgyz Rep.	51	5.9%	48
Thailand	47	5.5%	45
Kazakhstan	42	4.9%	34
Indonesia	41	4.8%	31
Bangladesh	41	4.8%	39
Philippines	33	3.8%	29
Lao P.D.R.	27	3.1%	21
India	22	2.6%	22
Nepal	13	1.5%	10
Tajikistan	10	1.2%	9
Sri Lanka	6	0.7%	4
Bhutan	6	0.7%	6
Malaysia	4	0.5%	4
Maldives	4	0.5%	4
Fiji	3	0.3%	3
Turkmenistan	2	0.2%	2
Timor-Leste	1	0.1%	1
Tonga	1	0.1%	1
<b>Grand Total</b>	<b>862</b>	<b>100.0%</b>	<b>774</b>

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



# JAPAN-IMF SCHOLARSHIP PROGRAM FOR ADVANCED STUDIES

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

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

After they graduate, scholars are required to apply to the IMF Economist Program (EP), the entry-level employment program for economists, and accept an EP position if offered. Since the program's inception, 35 JISP alumni, 16 of whom were Japanese, have joined the IMF. Twenty-six are still working at the IMF as of May 2021. The most recent scholar joined the Fund in September 2018 as an EP. Of the 26 former JISP alums currently on staff, 22 were hired as staff members through the EP (1 is a current EP and 21 are former EPs) and the remainder joined at the mid-career level.

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





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

**TABLE 6. JAPAN-IMF SCHOLARSHIP PROGRAM FOR ADVANCED STUDIES**

Number of Japanese Scholars Accepted to JISP and to the IMF, 2009-2021

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	TOTAL
Applicants	12	11	18	12	9	6	16	13	14	12	17	14	15	<b>169</b>
Scholars Who Accepted Award	7	7	7	5	5	3	4	3	3	4	4	4	6	<b>62</b>

Source: ICD

<sup>1</sup> Up to seven scholars accepted annually.

<sup>2</sup> For SP20.05, five scholars accepted the JISP scholarship. However, due to the global health pandemic, one of the scholars deferred his PhD offer and the JISP until 2021. This scholar is now part of cohort 2021-23.



# APPENDICES

APPENDIX I.

# JSA Technical Assistance and Training— FY2021 Portfolio Summary

Region	Topic	Project Description	Overall Program Budget
<b>Fiscal Year 2021 Program</b>			
APD	FAD	Supporting for Improved Treasury Management and Modernization of Financial Systems - II	5.0
APD	FAD	Twelfth IMF - Japan High Level Tax Conference for Asian Countries in Tokyo	0.2
APD/AFR	FAD	Strengthening and Modernizing Customs Administration in Asia and West Africa	8.5
Global	Training	The Japan-IMF Flagship Partnership on Online Learning	7.4
AFR	MCM	Strengthening Debt Management Operational Frameworks in Africa	3.7
APD	MCM	Strengthening Debt Management Operational Frameworks in Asia-Pacific	4.4
Global	STA	Improving Data Dissemination for Globally Selected Countries	1.3
<b>Fiscal Year 2020 Program</b>			
APD	FAD	Strengthening PFM in selected South-East Asian Countries	6.0
APD	FAD	Eleventh IMF - Japan High Level Tax Conference for Asian Countries in Tokyo	0.2
Global	FAD	JSA Program for Strengthening Global Infrastructure Governance (IG)	7.5
APD	STA	Regional Government Finance Statistics	3.5
<b>Fiscal Year 2019 Program</b>			
APD	Other	Project Proposal to Integrate Macro-Financial Analysis into Macroeconomic Management	3.5
AFR	FAD	Strengthening Fiscal Sustainability Through Core Budget Functions in Fragile States in Sub-Saharan Africa	6.8
APD	FAD	Supporting Tax Administration Reforms in Selected Asian Countries	4.5
APD	Training	Singapore Training Institute Continuing Training on Economic and Financial Policy Analysis in Asia	8.2
APD	MCM	Indonesia - Banking, Non-Bank Financial Institution and Conglomerate Supervision	2.8
APD	MCM	Cambodia - Strengthening Risk-based Banking Supervision	2.0
APD	MCM	Cambodia - Systemic Financial Stability Analysis	0.9

Region	Topic	Project Description	Overall Program Budget
<b>Fiscal Year 2018 Program</b>			
APD	MCM	Supporting Monetary and Foreign Exchange (FX) Operations in Cambodia, Myanmar and Vietnam	3.2
APD	MCM	Myanmar: Building Comprehensive Bank Supervision and Regulation	2.1
APD	MCM	Strengthening Financial Supervision in Mongolia	2.7
APD	STA	Improving External Sector Statistics in the Asia-Pacific Region	3.3
<b>Fiscal Year 2017 Program</b>			
MCD	FAD	Fiscal Risk Analysis & management, public investment management, budget preparation, and fiscal reporting in Caucasus and Central Asian countries and Iran	5.2
APD	MCM	Strengthening Modernization of the Central Bank of Myanmar	4.2
<b>Fiscal Year 2016 Program</b>			
APD	LEG	National Risk Assessment / National Strategy and Continued Development of AML/CFT Framework in Myanmar	1.3
<b>Fiscal Year 2012 Program</b>			
AFR	MCM/ STA	Supporting Preparations for Monetary Union in the East Africa Community	5.0

## APPENDIX II.

# Joint Japan-IMF Field Visits, FY1996–FY2021<sup>1</sup>

- (1) The Pacific Financial Technical Assistance Center (PFTAC) in Fiji and Western Samoa, March 1996
- (2) Kazakhstan and the Kyrgyz Republic, June 1996
- (3) Zambia and Zimbabwe, December 1996
- (4) Russian Federation, July 1997
- (5) Bulgaria and Lithuania, June 1998
- (6) Indonesia, STI, and Thailand, June/July 1999
- (7) Belarus and Slovenia, June 2000
- (8) Azerbaijan and the Joint Vienna Institute (JVI), June 2001
- (9) Cambodia and STI, June 2002
- (10) Mongolia and Timor-Leste, September 2002
- (11) Indonesia and Fiji, December 2003
- (12) Botswana and the East Africa Regional Technical Assistance Center (AFRITAC East) in Tanzania, December 2005
- (13) Cambodia, STI, and the Philippines, March 2007
- (14) Middle East Regional Technical Assistance Center (METAC) in Lebanon, May 2008
- (15) Cambodia and STI, January 2009
- (16) Philippines and Fiji (PFTAC), May 2010
- (17) Vietnam and Nepal, May 2011
- (18) Cambodia, June 2012
- (19) Lao PDR, Indonesia, and Thailand, March 2014
- (20) Cambodia, Lao PDR, STI, and CDOT, May 2016
- (21) SARTTAC in India, and Nepal, February 2017
- (22) Cambodia and Sri Lanka, February 2018
- (23) Cambodia and Myanmar, March 2019

<sup>1</sup> Because of scheduling difficulties, joint field visits were not carried out in FY2005 and FY2015. Field visits were cancelled in 2020 and 2021 due to the COVID-19 pandemic.

## Externally Financed Appointee Program

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

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

A total of ten Japanese officials have been hired under the program. Three

officials currently participate in the program; two of them are economists and one is a legal expert. One official will conclude his assignment and will return to Japan this summer. The experience and knowledge gained at IMF will enable the returned officials to contribute more effectively to the Japanese government's economic policy agenda.

APPENDIX IV.

# JSA Financial Statement

Administered Accounts–Japan Financial Statement FY2021  
(In Thousands of U.S. Dollars)

	2021	2020
<b>Balance Sheet as of April 30, 2020 and 2019</b>		
<b>Assets</b>		
Cash and cash equivalents <sup>1</sup>	82,854	60,428
Total assets	82,854	60,428
<b>Resources</b>		
Total resources	82,854	60,428
<b>Income Statements and Changes in Resources for the Years Ended April 30, 2021 and 2020</b>		
<b>Balance, beginning of the year</b>	<b>60,428</b>	<b>55,211</b>
Income earned on investments	6	1,021
Contributions received	44,349	33,707
Contributions transferred (net)	(2,900)	(3,109)
Operating expenses	(19,030)	(26,403)
Net changes in resources	22,426	5,217
Balance, end of the year	82,854	60,428

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

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



# ANNEX

## JSA Technical Assistance and Training—FY2021 Portfolio Detailed

(in millions of U.S. dollars)

Project ID	Japan ID	Program	Region	Topic	Project Description	Status	Overall Program Budget	Approved Budget through FY2021	Expenses through FY2021
FAD_APD_2021_03	JPN129	FY2021	APD	FAD	Supporting for Improved Treasury Management and Modernization of Financial Systems - II	Approved	5.0	1.6	0.9
FAD_IMF_2021_03	JPN130	FY2021	APD/ AFR	FAD	Strengthening and Modernizing Customs Administration in Asia and West Africa	Approved	8.5	2.7	1.1
ICD_IMF_2021_02	JPN206	FY2021	Global	Training	The Japan-IMF Flagship Partnership on Online Learning	Approved	7.4	1.7	1.6
MCM_APD_2021_01	JPN420	FY2021	APD	MCM	Strengthening Debt Management Operational Frameworks in Asia-Pacific	Approved	4.4	1.5	0.1
MCM_AFR_2021_02	JPN421	FY2021	AFR	MCM	Strengthening Debt Management Operational Frameworks in Africa	Approved	3.7	1.2	0.5
STA_IMF_2021_01	JPN508	FY2021	Global	STA	Improving Data Dissemination for Globally Selected Countries	Approved	1.3	0.4	0.0
FAD_APD_2021_04	Seminar	FY2021	APD	FAD	Twelfth IMF - Japan High Level Tax Conference for Asian Countries in Tokyo	Approved	0.2	0.2	0.0
FAD_APD_2020_02	JPN127	FY2020	APD	FAD	Strengthening PFM in selected South-East Asian Countries	Approved	6.0	4.3	2.7
FAD_IMF_2020_01	JPN128	FY2020	Global	FAD	JSA Program for Strengthening Global Infrastructure Governance	Approved	7.5	5.8	3.3
STA_APD_2020_01	JPN513	FY2020	APD	STA	Regional Government Finance Statistics	Approved	3.5	3.1	1.6
FAD_APD_2020_04	Seminar	FY2020	APD	FAD	Eleventh IMF - Japan High Level Tax Conference for Asian Countries in Tokyo	Approved	0.2	0.2	0.0
FAD_AFR_2019_01	JPN125	FY2019	AFR	FAD	Strengthening Fiscal Sustainability Through Core Budget Functions in Fragile States in Sub-Saharan Africa	Approved	6.8	6.8	4.0

Project ID	Japan ID	Program	Region	Topic	Project Description	Status	Overall Program Budget	Approved Budget through FY2021	Expenses through FY2021
FAD_APD_2019_01	JPN126	FY2019	APD	FAD	Supporting Tax Administration Reforms in Selected Asian Countries	Approved	4.5	4.5	2.9
ICD_STI_2019_01	JPN205	FY2019	APD	Training	Singapore Training Institute Continuing Training on Economic and Financial Policy Analysis in Asia	Approved	8.2	8.2	6.0
MCM_KHM_2019_01	JPN417	FY2019	APD	MCM	Cambodia - Strengthening Risk-based Banking Supervision	Approved	2.0	1.8	1.0
MCM_IDN_2019_01	JPN418	FY2019	APD	MCM	Indonesia - Banking, Non-Bank Financial Institution and Conglomerate Supervision	Operationally closed	2.8	2.8	0.3
MCM_KHM_2019_02	JPN419	FY2019	APD	MCM	Cambodia - Systemic Financial Stability Analysis	Closed	0.9	0.9	0.7
APD_TTA_2019_01	JPN604	FY2019	APD	Other	Project Proposal to Integrate Macro-Financial Analysis into Macroeconomic Management	Approved	3.5	1.5	1.4
MCM_APD_2018_01	JPN414	FY2018	APD	MCM	Supporting Monetary and Foreign Exchange Operations in Cambodia, Myanmar and Vietnam	Approved	3.2	3.2	1.6
MCM_MMR_2018_02	JPN415	FY2018	APD	MCM	Myanmar: Building Comprehensive Bank Supervision and Regulation	Operationally closed	2.1	2.1	1.6
MCM_MNG_2018_04	JPN416	FY2018	APD	MCM	Strengthening Financial Supervision in Mongolia	Operationally closed	2.7	2.7	0.7
STA_APD_2018_02	JPN512	FY2018	APD	STA	Improving External Sector Statistics in the Asia-Pacific Region	Approved	3.3	3.3	2.4
FAD_MCD_2017_01	JPN121	FY2017	MCD	FAD	Fiscal Risk Analysis & management, public investment management, budget preparation, and fiscal reporting in Caucasus and Central Asian countries and Iran	Approved	5.2	5.2	5.2
MCM_MMR_2017_01	JPN413	FY2017	APD	MCM	Strengthening Modernization of the Central Bank of Myanmar	Approved	4.2	4.2	2.7
LEG_MMR_2016_01	JPN302	FY2016	APD	LEG	National Risk Assessment / National Strategy and Continued Development of AML/CFT Framework in Myanmar	Closed	1.3	1.3	1.2
MCM_EAC_2019_01*	JPN404b	FY2012	AFR	MCM/STA	Supporting Preparations for Monetary Union in the East Africa Community	Operationally closed	5.0	5.0	3.9

\* Formerly MCM\_EAC\_2012\_01. Budget and expenses shown cumulative from FY2012 through FY2021.

## JSA CAPACITY DEVELOPMENT PROGRAMS APPROVED IN FY2021

**PROJECT:** Supporting Improved Treasury Management and Modernization of Financial Management Systems II

**JSA#:** JPN129  
**IMF ID:** FAD\_APD\_2021\_03

**TARGET COUNTRIES:** Cambodia, Lao P.D.R., Myanmar, and Vietnam (CLMV)

**IMPLEMENTATION PERIOD:**  
from May 2020 to April 2023

### Key Highlights

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

Although the COVID-19 pandemic has restricted IMF official travels and made field-based CD activities challenging, new modalities of CD delivery, including remote missions, virtual workshops, and webinars, have been successfully applied. Considerable progress has been made. The regional Treasury Advisor based in the CDOT played an instrumental role in achieving the project objectives.

In Cambodia, significant progress was made in improving government accounting. Public accounts based on cash basis international public sector accounting standards (IPSAS) were generated. A detailed roadmap for the Phase 2 Modified Cash Basis, tying in with the Draft Strategy for the implementation of Accruals Basis Cambodia Public Sector Accounting Standards, was developed. Work was also undertaken in the field of information technology (IT) based IA and continues apace through extensive and interactive sessions. Further work is now underway using a modality of presentations, Q & A session and online and offline information exchanges.

In Lao P.D.R., the support to the Phase II of the CoA modernization project continued. The program funded a peripatetic expert with the guidance of HQ and the Regional PFM Advisor under another JSA program FAD\_APD\_2020\_02. A tentative set of new economic classification was produced.

In Myanmar, before all CD activity came to a stop due to political developments, work was underway in a number of areas. An extensive review of CoA was in progress with the administrative classification in its penultimate stage and the economic classification at an advanced stage of development. The IA Manual was under extensive review by all stake holders and several updates to the IA Manual had been provided by the authorities. COVID-19 expenditure recording, and reporting formats were developed in close coordination with the World Bank. Extensive work on cash management was undertaken to develop three COVID-19 response notes on Timely Information, Timely Disbursements, and Efficient and Effective Cash Management followed by the development of a Cash Planning model. Lectures had started with the new PFM Academy on broad PFM areas, with 105 ministry staff attending.

In Vietnam, following the finalization of the State Treasury reform strategy 2021-30, work was started in 4 areas of cash management, IA, CoA and business process reengineering, and debt recording and reporting. Extensive sessions on IA, using a modality of presentations, Q & A session and online and offline information exchange were deployed successfully in June-July 2020 and January 2021, leading to a planned pilot IA. In cash management area, support was provided on market infrastructure, operational procedures and repo and reverse repo contracts with commercial banks. Assistance was also provided on commitment and budgetary control, CoA reform and on the relationship between GFS and the CoA. Support was also provided on external debt accounting and reporting.

## FY2021 (CONTINUED)

**PROJECT:** Strengthening and Modernizing Customs Administration in Asia and West Africa

**JSA #:** JPN130

**IMF ID:** FAD\_IMF\_2021\_03

**TARGET COUNTRIES:** Cambodia, Lao People's Democratic Republic, Mongolia, Myanmar, Benin, Côte d'Ivoire, Guinea, Guinea-Bissau, Liberia, Nigeria, Sierra Leone, and Togo

**IMPLEMENTATION PERIOD:**

from May 2020 to April 2023

### Key Highlights

The main purpose of the project is to enhance customs administrations' capacity to collect revenue and control revenue leakage in selected Asian and West African countries. This will be achieved through reforming and modernizing the organizational structure, improving management and procedures of customs administrations, and enhancing the application of the rule of law without impeding trade. In the context of the COVID-19 pandemic, desk diagnostic assessments reviewed the work arrangements of the customs administration and the COVID-19 related government policies. In several cases, the diagnostic reprioritized or specified the planned activities.

All Asian countries received FAD's CD support remotely, except Myanmar for which CD activities have been suspended. The Cambodia and Mongolia customs administrations assessed the impact of COVID-19 and associated government policy changes that resulted in updated and reprioritized strategic plans. Based on these revised plans, Cambodia customs administration formally set up working groups on customs law revision and business process reengineering. CD on special economic zone management and fraud investigation started. The Mongolian customs administration put high priority on organizational risk management and compliance risk management for which CD support has started. The CD support to these areas will continue in FY2022 together with customs laboratory on mining exports and post clearance audit. CD support for Lao has been limited due to technological challenges and the impact on customs staff during pandemic-induced lockdowns. Nevertheless, preparatory CD support began on a composite revenue mobilization plan. The regional LTX was recruited and commenced activities in August 2021. He is currently operating remotely from his home country and will be based in Phenom Penh, Cambodia, when circumstances permit.

All West African recipient countries also received FAD's CD support remotely. Benin, Côte d'Ivoire, Sierra Leone, and Togo customs administrations achieved further progress in analyzing trade data to assess non-compliance risks, thus improving targeting of inspection and audit. Benefiting from advice on digitalization of procedures, Côte d'Ivoire Customs submitted their digitalization plan to the authorities in February 2021, and Nigeria Customs Service has started developing its broad E-Customs project. Liberia and Togo completed an inventory of import duty exemptions with the view to enhance control to limit revenue leakage (and inform tax policy decisions). In November 2020, Guinea-Bissau Customs prepared a draft Customs Code aligned to international standards, which is expected to be submitted to parliament this year. Lastly, Guinea and Nigeria authorities benefited from strategic advice to update their customs administration modernization plan, including reforms to boost trade revenue in the short-term.

**PROJECT:** Twelfth IMF-Japan High-Level Tax Conference for Asia45n Countries

**JSA #:** N/A

**IMF ID:** FAD\_APD\_2021\_04

**TARGET COUNTRIES:** 22 countries in East, Southeast, and South Asia and Oceania

**IMPLEMENTATION PERIOD:**

from May 2020 to April 2022

### Key Highlights

The twelfth conference will further build on the achievements of previous conferences, aimed at helping Asian countries enhance their revenue mobilization strategies in light of the pressing challenges posed by the COVID-19 pandemic. FAD originally planned to co-host the conference jointly with Japan's MOF in April 2021. However, due to the ongoing pandemic, the event is delayed until April 2022.

## FY2021 (CONTINUED)

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

### Key Highlights

Since its launch in 2013, the online learning program has attracted over 112,000 learners and more than 31,000 government officials have successfully completed an IMFx. While the role of online learning has increased steadily in recent years, the COVID-19 crisis has further reinforced its importance in ensuring continuity of access to the knowledge and expertise of the IMF for both government officials and members of the general public. In FY2021 nearly 24,000 actively engaged learners and over 4,600 government officials successfully completed an IMFx (of which about 15 percent are from low income countries and 16 percent are from fragile and conflict-affected states).

In FY2021 the online learning program launched six new MOOCs: Government Finance Statistics (GFSx), Balance of Payments and International Investment Position Statistics (BOPx), Debt Sustainability Framework for Low Income Countries (LIC DSFx), Medium-Term Debt Management Strategy (MTDSx), Public Debt Dynamics and Debt Sustainability (DIGx), and VITARA – Part I; and six translations of existing courses (also MOOCs): MDSx in French, Public Sector Debt Statistics (PSDSx) in French and Spanish, Revenue Administration-Gap Analysis Program Value Added Tax (RA-GAP VAT) Gap Estimation Model (VGAPx) in French and Spanish, and Macroeconomic Management in Natural Resource-Rich Countries (MRCx) in Russian. To ensure that online content is available “anytime, anywhere”, 41 course re-runs were offered. The program continued to enjoy great results: A high average completion rate, with 50 percent overall and 68 percent for government officials; significant learning gains, of about 20 percentage points on average for all courses (with the debt courses registering record learning gains of 28 percent on average)<sup>1</sup>; and high satisfaction ratings (94 percent of survey respondents agree that the course enhanced their understanding of the topic).

A notable initiative introduced by the online learning program in response to the COVID-19 crisis, with the support of our strategic partner, was the launch of microlearning through the [IMF Institute Learning Channel](#) on YouTube. Since its introduction during the virtual Spring Meetings in April 2020, the channel has gained over 4,980 subscribers and over 243,000 individual views, and the audience and interest of the public continue to grow. The new IMFx on [Inclusive Growth](#) (IGx) was open for registration in April 2021, when a highly successful [Peek-into-Training](#) event during the Spring Meetings attracted hundreds of participants, and was formally launched in May 2021.

During the past year, when all IMF CD services were delivered virtually, the online program was quick to respond by supporting blended CD deliveries, where already-available online content was combined with virtual interactions. For example: the remote training course on Maintaining Financial Stability, conducted at the STI used a combination of videos from the IMFx on MDSx, lectures, panelist discussions, and live demos of Excel exercises. The course on Financial Programming and Policies, conducted at the STI used course materials from the online version FPP.2x. Similarly, the Debt Sustainability Analysis and IMF Policies Workshop, offered at the China IMF CD Center used a “flipped classroom” course delivery, encouraging participants to go through the relevant microlearning videos on debt available on the IMF Institute Learning Channel and other online materials ahead of the live lectures. The delivery of the Monetary Policy Analysis and Forecasting course, offered at the JVI was conducted as a blended version of the edX course (MPAFx), pre-recorded lectures, and daily online interactive workshop sessions. One of the program’s strategic priorities is the adoption of a more flexible, modular approach in content development and delivery that will enable personalized learning paths based on learners’ knowledge and interests.

<sup>1</sup> Learning gains measure improvement between end-of-course and pre-course knowledge tests.

## FY2021 (CONTINUED)

<b>PROJECT:</b> Strengthening Debt Management Operational Frameworks in Africa	<b>JSA #:</b> JPN421 <b>IMF ID:</b> MCM_AFR_2021_02
<b>TARGET COUNTRIES:</b> Benin, Burkina Faso, Côte d'Ivoire, Guinea, Guinea-Bissau, Mali, Mauritania, Niger, Senegal, Togo, Equatorial Guinea, Gabon, Botswana, Eswatini, and Namibia.	<b>IMPLEMENTATION PERIOD:</b> from May 2020 to April 2023
<p><b>Key Highlights</b></p> <p>The project aims to strengthen the key operating framework to facilitate implementation of DMS, help to diversify market borrowings in the beneficiary countries and to further deepen the institutional capacities at debt management offices/departments in a number of countries from Central, Southern and West Africa.</p> <p>TA has been provided through virtual bilateral engagements modelled on traditional missions and regional workshops, complemented by regional webinars. During the first year of the project, TA provided in West Africa has helped to:</p> <ul style="list-style-type: none"> <li>• Improve debt managers' capacity to prepare an annual borrowing plan consistent with the chosen debt strategy and to the efficiency of debt management and coordination with cash management.</li> <li>• Provide guidance on areas where sovereign debt managers may have to take action to address challenges stemming from the COVID-19 pandemic.</li> <li>• Review the legal framework of the domestic market for government securities in Guinea and assist country authorities draw up medium-term reform plan for its development.</li> <li>• Strengthen capacities in preparing and implementing credible MTDS and annual borrowing plan (Togo, Mali, Niger, and Guinea).</li> <li>• Improve management of guaranteed debt and contingent liabilities and coordination between debt management and cash flow management in Burkina Faso.</li> <li>• Strengthen capacities in risk analysis and debt portfolio management and improving debt audit (Mali and Benin).</li> </ul>	

<b>PROJECT:</b> Strengthening Debt Management Operational Frameworks in Asia-Pacific	<b>JSA #:</b> JPN420 <b>IMF ID:</b> MCM_APD_2021_01
<b>TARGET COUNTRIES:</b> PFTAC Member Countries (Cook Islands, Fiji, Federated States of Micronesia, Kiribati, Marshall Islands, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Timor-Leste, Tokelau, Tonga, Tuvalu, Vanuatu), Indonesia, Malaysia, Philippines, and Thailand.	<b>IMPLEMENTATION PERIOD:</b> from May 2020 to April 2024
<p><b>Key Highlights</b></p> <p>The project aims at assisting the PFTAC member countries to strengthen their debt management by: (i) building capacity on debt-related analyses and reporting; (ii) building capacity to implement their debt and risk management strategy; (iii) strengthening the institutional arrangements for debt management; and (iv) improving the functioning of domestic debt markets to deepen the debt market. The project also aims at assisting South East Asian member countries by: (i) improving debt management framework and the implementation of DMS; (ii) improving their secondary markets for government securities market; and (iii) strengthening integration of the debt market with other segments of financial markets including the development of derivatives market.</p>	

## FY2021 (CONTINUED)

Two activities were undertaken in FY2021. In February and March 2021, a joint IMF-World Bank virtual mission to the Solomon Islands supported the development of a DMS and training officials on the updated Medium-Term Debt Management Strategy Analytical Tool (MTDS AT). Authorities demonstrated their understanding of the Tool, interpretation of results, and will work to develop the a DMS for approval by Cabinet. A virtual mission was also conducted in the Philippines during February 2021 to enhance the capacity of officials in producing a DMS using the MTDS AT and evaluating new sources of financing. The mission highlighted opportunities to strengthen debt management including the consolidation of debt management institutional structure in line with international sound practice; strengthening the legal framework to require the production and approval of a formal DMS; revision of bilateral loans under LIBOR/ EURIBOR terms; CD for dynamic management of FX risk within the debt portfolio; and revision of international sound practice for retail finance programs.

The reduction of activities undertaken in FY2021 from planned activities was due to a number of factors including the delay in the placement of the LTX at PFTAC, COVID-19 related travel restrictions across the world, pre-occupation of countries to deal with the economic shock, and the lack of adequate country engagement on a regional project through remote assistance. Timing difference with HQ for necessary backstopping was another factor that complicated CD delivery. Given these circumstances, a one-year extension to the project implementation period was granted by JSA. Following this, a further highlight for FY2021 was the onboarding of the LTX at PFTAC in March 2021. This is a significant step in the implementation of the project in the Pacific region.

<b>PROJECT:</b> Improving Data Dissemination for Globally Selected Countries	<b>JSA #:</b> JPN508 <b>IMF ID:</b> STA_IMF_2021_01
<b>TARGET COUNTRIES:</b> Comoros, Guinea-Bissau, Palau (all e-GDDS), and Uzbekistan (SDDS)	<b>IMPLEMENTATION PERIOD:</b> from May 2020 to April 2023

### Key Highlights

The project aims to provide technical support to 15 countries, from a pool of 45 eligible countries, to enhance their data dissemination practices, as envisaged under the IMF's Data Standards Initiatives. The project focuses on the first and the second tier of the initiatives—the enhanced General Data Dissemination System (e-GDDS) and the Special Data Dissemination Standard (SDDS), aiming to promote data transparency and facilitate public access to an essential set of macroeconomic and financial statistics through publication of National Summary Data Page (NSDP) –a centralized data portal.

STA staff provides technical support through: (i) an e-GDDS mission to help authorities adopt standardized dissemination practices and set up/maintain NSDP; (ii) *peer-learning workshops* to share experience and help countries develop action plans for implementing the e-GDDS or advancing to the SDDS; and (iii) *remote technical support* for countries wishing to advance to the SDDS. In parallel with this technical support, STA also monitors timeliness of data dissemination and sends each country a monthly report of their performance with respect to e-GDDS commitments or SDDS requirement. Such monitoring, and related corrective actions, help sustain timeliness of data dissemination.

While the start of the project in May 2020 coincided with the first wave of the COVID-19 pandemic, progress was made for two of the four target countries in FY2021. For Comoros, a remote e-GDDS mission took place in November 2020 but technological and resource constraints delayed completion of technical work, and NSDP launch date is yet to be set. For Uzbekistan, STA staff participated in a remote multi-topic diagnostic mission in March 2021 to assess the country's practices relative to the SDDS requirements and prepared a joint action plan of subscribing to SDDS. For Guinea-Bissau and Palau, STA staff-initiated engagement and continues exploring the feasibility of remote missions during FY2022. In addition, STA has engaged with other JSA eligible countries, in consultation with IMF area departments, with the work planned to continue in FY2022, including Bahrain, Chad, Rwanda, Somalia, and Zimbabwe.



## JSA CAPACITY DEVELOPMENT PROGRAMS APPROVED IN FY2020

<b>PROJECT:</b> Strengthening Public Financial Management in Selected South East Asian Countries	<b>JSA #:</b> JPN127 <b>IMF ID:</b> FAD_APD_2020_02
<b>TARGET COUNTRIES:</b> Cambodia, Indonesia, Lao P.D.R., Malaysia, Mongolia, Myanmar, the Philippines, Thailand, and Vietnam	<b>IMPLEMENTATION PERIOD:</b> from May 2019 to April 2022

### Key Highlights

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

COVID-19 adversely affected the pace and depth of CD delivery. However, the strong network established by the Regional PFM Advisor showed resilience in continued execution of the ongoing activities. The ability to extend support from CDOT—being in the same time zone—came handy. The crisis itself posed several PFM challenges, which led to some fresh requests for support on urgent basis. Of these, particularly noteworthy is the support provided by the Regional PFM Advisor during the initial phase of the crisis on tracking COVID-related expenditure—to Cambodia, Lao and Myanmar—to enable the monitoring of health and stimulus measures and to protect against misuse of funds, and CDOT-led regional seminars on “Digital Solutions for Supporting the COVID-19 response” and “Harnessing the Power of Information Technology for PFM”. Countries also benefitted from a series of guidance notes published by the IMF HQ on topical issues, such as PIM, fiscal risk management, budget planning, and using government IT systems, etc., to support a response to the COVID-19 crisis.

In Cambodia, the project continued delivering advice on the design and rollout strategy for the new FMIS. Success factors for the next phase of rollout were identified. Advice was provided on the configuration of the new budget module and improvements to the reporting functionalities. In addition, a newly installed PFM advisor—working remotely—supported the General Department of Budget in their reform efforts. The project also provided advice to the authorities on the development of a new organic budget law.

In Lao P.D.R., work continued on the modernization of the CoA, which will further align Lao’s fiscal reporting with international best practices. A tentative new classification of expenditures, revenues and balance sheet accounts was produced. In Vietnam, a workshop deepened the authorities understanding of fiscal risks related to government on-lending and credit guarantees and provided inputs to the process of updating the relevant regulatory framework. In addition, a project was launched to aid on the development of a PPP law.

In Indonesia and the Philippines, projects were interrupted for several months due to the pandemic but resumed later in the fiscal year. In Indonesia, the project continued its work on developing a transparent budget baseline methodology and a budget analysis toolkit. In the Philippines, building on the previous work, a workshop presented a series of IMF tools to support better analysis and oversight of fiscal risks from state-owned enterprises (SOEs).

In Myanmar, the progress halted due to political developments. Until then, workshops focused on fiscal risk management and PPPs were provided to support the newly established Myanmar Public Finance Academy. In Malaysia, the ongoing efforts to develop a fiscal responsibility legislation were put on hold as crisis management occupied centerstage.

## FY2020 (CONTINUED)

<b>PROJECT:</b> Infrastructure Governance Facility	<b>JSA #:</b> JPN128 <b>IMF ID:</b> FAD_IMF_2020_01
<b>TARGET COUNTRIES:</b> Primary beneficiaries: Low Income Developing Countries and emerging market economies in Asia (including Central Asia and the Pacific), and Africa.	<b>IMPLEMENTATION PERIOD:</b> from May 2019 to April 2022
<p><b>Key Highlights</b></p> <p>The funding program aims to strengthen IG through stronger public investment institutions to achieve sustainable and inclusive growth. The program provides CD support to help countries improve infrastructure investment efficiency and to promote good decisions on infrastructure spending with due consideration to debt sustainability. It also aims to raise awareness of the importance of strong IG and good practices.</p> <p>In FY2021 the program funded six HQ missions, STX missions and five PIMA workshops (three for individual countries and two regional workshops respectively for South East Asia and Pacific Island countries). CD activities supported by the project have included the delivery of PIMAs in Nepal and Uzbekistan, and PIMA follow-up/ PIM missions (Armenia, Burkina Faso, Eswatini, Madagascar, Mali, and Uganda). These activities have provided tailored action plans, recommendations, and implementation support to improve PIM across the eight countries.</p> <p>COVID-19 led to the deferment of some mission activities though demand for support under the funding program is strong in the year ahead. The Global IG LTX and HQ-based Asia IG Advisor have continued to provide CD support to IG missions, lead workshops, and help raise awareness on quality infrastructure investment in international fora.</p> <p>The IG Secretariat function was fully established in FY2021, culminating in the launch of the new IG web portal in December 2020. Another important achievement is the publication of the IMF's "Well Spent" book, which examines how strong infrastructure governance can end waste in public investment and contains a Foreword by Japan's then Deputy Prime Minister and Minister of Finance, Mr. Aso Taro. Work also continues on the PIMA Handbook that will provide practical guidance on public investment institutions to practitioners and will be published in 2021.</p>	

<b>PROJECT:</b> Eleventh IMF-Japan High-Level Tax Conference for Asian Countries	<b>JSA #:</b> N/A <b>IMF ID:</b> FAD_APD_2020_04
<b>TARGET COUNTRIES:</b> 22 countries in East, Southeast, and South Asia and Oceania	<b>IMPLEMENTATION PERIOD:</b> May 2019 to July 2021
<p><b>Key Highlights</b></p> <p>The conference aims to help Asian countries enhance their revenue mobilization by strengthening the capacity of senior tax policymakers and tax administrators to address challenges in tax policy and administration. FAD originally planned to co-host the conference with Japan's MOF in April 2020. Due to the COVID-19 pandemic, the event was postponed to June 16-18, 2021 and changed its format to a virtual event. The virtual conference will feature a wide range of emerging issues, including international taxation, health taxes, carbon tax, as well as will cover gender inequities through tax policy and administration.</p>	

## FY2020 (CONTINUED)

<b>PROJECT:</b> Regional Government Finance Statistics	<b>JSA #:</b> JPN513 <b>IMF ID:</b> STA_APD_2020_01
<b>TARGET COUNTRIES:</b> Cambodia, Indonesia, Lao PDR, Malaysia, Mongolia, Myanmar, Philippines, Thailand, and Vietnam	<b>IMPLEMENTATION PERIOD:</b> from August 2019 to July 2022

### Key Highlights

The purpose of this project is to provide CD to compile, analyze, and disseminate timely and comprehensive GFS and PSDS for evidence-based fiscal policy making and surveillance. With the risks to fiscal sustainability from the pandemic, this has become highly relevant to guide policy decisions towards the economic recovery. CD is also coordinated with JSA-supported activities in PFM through CDOT. Remote consultations were initiated in FY2021 with the project countries for adapting their workplans to the challenges of measuring and monitoring their fiscal responses to COVID-19 and continuing to ensure project delivery using different modalities while working remotely with CD missions. The fast-paced performers (Indonesia and Thailand) continued to produce timely GFS with high-frequency and broad coverage, including general government and SOEs; and Indonesia meets the Group of Twenty Data Initiative Standards. Participants from Indonesia and Thailand contributed in peer-to-peer presentations in remote webinars on (1) Classification of COVID-19 fiscal response; (2) GFS compilation for SOEs. These countries presented debt data gaps heatmaps in a remote PSDS workshop.

In the group of medium-paced reformers, the Philippines published improved GFS and PSDS and advanced preparations to further expand. Malaysia continued to implement GFS in line with accrual-accounting reforms and produced GFS statements from accrual accounting source data. Despite the pandemic, continuous progress was achieved among the slower-paced reformers thanks to sustained peripatetic remote CD. Cambodia improved compilation and reporting of budgetary central government GFS and PSDS, utilizing CD and synergies with PFM to capture high-frequency source data and to enhance the functional classification; it also widened GFS coverage. In Vietnam, the launch of the Vietnamese GFS Manual was a major achievement. A high-level workshop, organized jointly with the World Bank, ensured that senior policy makers are aware of the benefits of the new GFS manual for Vietnam and the need for close coordination with ongoing system-wide PFM reforms. Finally, Vietnam also produced GFS bridge tables on pilot basis. Lao PDR continued to improve accuracy of GFS and expanded coverage to include social security funds, started regular dissemination of GFS in line with e-GDDS guidelines and initiated PSDS compilation. Thanks to intensive CD support, Myanmar continued to refine its annual GFS covering the nonfinancial public sector. Also, quarterly GFS were being compiled systematically; thanks to close coordination between CD on GFS and PFM through CDOT, a functional classification template was introduced to track COVID-19 spending by sector to enhance fiscal monitoring of response to the pandemic. However, all CD for Myanmar was paused in February 2021 due to the military coup.

## JSA CAPACITY DEVELOPMENT PROGRAMS APPROVED IN FY2019

<b>PROJECT:</b> Integrating Macro-financial Analysis in Macroeconomic Management (MAC)	<b>JSA #:</b> JPN604 <b>IMF ID:</b> APD_TTA_2019_01
<b>TARGET COUNTRIES:</b> Cambodia, Lao P.D.R., Myanmar, Vietnam (core) and Mongolia, Papua New Guinea, Timor-Leste (regional training only)	<b>IMPLEMENTATION PERIOD:</b> from November 2018 to October 2022

### Key Highlights

MAC has been especially active in Cambodia, where a team composed of a CDOT LTX, STX (an ICD staff member), and a CDOT economist are working with staff from the Ministry of Economy and Finance, the NBC, and the National Institute of Statistics to build a spreadsheet on Cambodia's macroeconomic framework. MAC work with this inter-agency core group exhibits strong synergies with the Asia Pacific Department's Cambodia Article IV work and with related macro-fiscal TA provided by the ICD. It is also supported by continued commitment by senior management in Cambodia's economic agencies. It is expected that the Cambodians will take full ownership of the tool and maintain the data and spreadsheet starting in October 2021. MAC is also contributing to the Vietnam FPAS TA provided by ICD that aims to modernize the monetary policy framework of the SBV.

On the training side, a series of joint CDOT-STI *webinars* for CLMV is focusing on core macro-financial areas in the context of COVID-19, drawing on the IMF's extensive recent work. *Fiscal Analysis, Debt Sustainability and Risks* featured presentations on Asia's fiscal response to COVID-19 and a roundtable with CDOT experts discussing adaptations of fiscal CD to the pandemic. *Macro-Financial Linkages in the Time of COVID-19* innovated by allowing more time for interactive workshops, prerecorded lectures, and featuring three national groups working on (and making presentations) using their own country data. Additional MAC webinars responded to requests from beneficiary countries for webinars on emerging and/or challenging core macro issues, including measurement challenges, and financial issues, including digital money. In response, CDOT organized two highly successful seminars, one with the IMF's Monetary and Capital Markets Department on *Central Bank Digital Currencies* (CBDC), and the second with STA on *Consumer Price Continuity* that presented practical approaches to compiling price indices when surveys are disrupted by lockdowns. Both seminars were extremely successful, with 100 plus participants joining, including from South Asia.

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

### Key Highlights

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

The COVID-19 pandemic has led to inevitable delays and re-scheduling as restrictions on domestic and international travel, and operational working practices have been imposed. The project has been flexible in responding to these restrictions and has adopted alternative delivery modalities to provide continuity of support wherever possible.

In Bhutan, the project has financed an RA to support the GST Implementation Team. The RA has ensured that international good practice is followed in managing the GST implementation and associated risks and has worked closely with the GST Project Manager to plan and oversee additional support from specialists, STX. Project funding has been utilized to support the preparation of the GST law and regulations, define business processes and system requirements, define the organizational and staffing requirements for the new tax, develop and deliver staff training, and prepare an outreach plan to guide stakeholder communication. Where necessary, flexibility has been exercised to ensure the support provided is responsive to changing implementation needs.

## FY2019 (CONTINUED)

In Lao PDR, the financial impact of the pandemic led officials to divert energies to developing a plan to improve revenues. While a Medium-Term Revenue Strategy is the longer-term goal, a short-term Domestic Revenue Mobilization plan is under development with FAD assistance to identify initiatives that would generate revenue quickly. Work has been delayed due to further pandemic lockdowns but will commence as soon as conditions permit. Virtual meetings with officials have been effective and will continue to be used in the near term.

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

### Key Highlights

Overall, there has been good progress in reform implementation despite the disruptions caused by the global pandemic. In most cases, support has continued through remote means, though in some cases lack of IT capacity in countries has created some limitations. In-country LTX support has provided practical, hands-on support that has led to the improvement of financial reporting and accounting in CAR, Congo, and Malawi. Targeted missions and LTX support have also helped to improve cash forecasting and lay the groundwork for developing or improving TSAs in Burkina Faso, CAR, Congo, Liberia, Malawi, and Mali.

In Congo, the project assisted in (i) designing a draft organizational chart for the MOF, which aims to ensure more effective support for the implementation of ongoing PFM reforms including on fiscal reporting and accounting; and (ii) reviewing and aligning the accounting standards with regional and international good practices. In CAR, in addition to practical advice to the authorities on the management of COVID-19 spending, the project assisted in (i) strengthening the “banking function” of the national treasury to facilitate its access to the modern regional platform of payment, including for public agencies; and (ii) setting out modalities for the interconnection of the national treasury IT application (GESCO) with those of the tax and customs administrations (SYNTAX and SYDONIA).

In Chad, the project provided support on the following areas: (i) designing a draft PFM reform strategy and enhancing the implementation of the 2014 legal framework derived from the Central African Economic and Monetary Community (CEMAC) directives; and (ii) strengthening of wage bill management. The official endorsement and implementation of the PFM reform strategy remains critical to encourage a more inclusive approach as well as more effective monitoring and coordination with the CEMAC directives; there has been very little progress so far in this area (only about 50 percent of the reform has been implemented according to the CEMAC Commission). In Liberia, the JSA10 has supported progress in the closure of excess bank accounts and has significantly strengthened cash forecasting. The TSA implementation remains the top priority, but the COVID-19 suspension of travel has led to the delay of missions planned in FY2021 to support this activity. Moreover, it has been very difficult to provide remote assistance in Liberia during the COVID-19 crisis.

In Malawi, the LTX assisted officials to (i) critically appraise and formulate lessons learned from New Integrated Financial Management Information System (IFMIS) project activities leading up to the commencement of the piloting phase; (ii) assess the efficacy of the banking arrangements as configured in the New IFMIS and agree on strengthening measures; (iii) develop New IFMIS strategies for data migration, training, business continuity and the system rollout; (iv) develop and manage the New IFMIS implementation plan, identify and monitor risks and their mitigating actions; and (v) review the PFM legal framework to ensure its support for ongoing and intended reforms. The project also supported a review of the year-end financial reporting practices, and an assessment of the impact of COVID-19 on fiscal risks, particularly those posed by SOEs and PPPs.

In Mali, the project enabled the development of effective commitment plans for eight pilot ministries, with plans to further extend it to all ministries in 2021. The project also supports the design and deployment of the new version of the integrated application of the State’s accounting system AICE2 (full deployment in 2020), the strengthening of internal controls, and the modernization of the accounting framework. Cash management is being progressively modernized, with the gradual implementation of the TSA and the adoption of associated regulatory framework. In Burkina Faso, the project helped the authorities progressively implement a TSA, particularly with a modernized regulatory framework and the adoption of a clear reform timeline. In Zimbabwe, the JSA10 has supported progress on assessing and managing fiscal risks, developing a public sector balance sheet, and implementing tools to evaluate risks related to SOEs. During FY2021 and the COVID-19 crisis, a remote HQ-led mission working with officials to assess the fiscal risks and fiscal implications of the crisis. A follow-up activity assisted officials with the management of fiscal risks from SOEs.

## FY2019 (CONTINUED)

<b>PROJECT:</b> Singapore Training Institute Continuing Training on Economic and Financial Policy Analysis in Asia	<b>JSA #:</b> JPN205 <b>IMF ID:</b> ICD_STI_2019_01
<b>TARGET COUNTRIES:</b> Asia Region	<b>IMPLEMENTATION PERIOD:</b> from June 2019 to June 2021
<p><b>Key Highlights</b></p> <p>The objective of the STI program is to help build the capacity of Asian countries to implement sound and effective macroeconomic and financial policies through the delivery of high-quality, interactive and customized face-to-face training and workshops in Singapore and throughout Asia. The purpose of this project is to continue to provide high-quality training while also increasing STI’s training activities in the region in line with rising demand.</p> <p>The STI (1) provides training on macroeconomic analysis and policies, financial sector supervision and regulation, and related legal and statistical issues to government officials and (2) engages in IMF’s TA in the area of macroeconomic frameworks. Prior to the pandemic, each year more than 1,000 officials have participated in STI events, organized either in Singapore or in the region, with about 200 and 300 participants via regional courses and collaborations with other primary IMF centers in the region. To better connect IMF training with policy priorities identified during IMF country consultations, the STI started in 2017 a high-level dialogue between IMF staff, senior officials, and international experts. These peer-to-peer exchanges have helped identify common challenges and capacity gaps and allowed the STI to tailor training and workshops to emerging needs. In mid-2020 all deliveries gradually switched to virtual mode due to the pandemic and starting from March 2021 STI runs at full training capacity in terms of participation and lecturing resources. In addition, offerings were expanded to include IMF Expert Webinars, of which about 30 were delivered from the STI, many of which with more than 300 participants per event. The STI also introduced blended virtual classroom training that combined online self-study with live lectures, workshops, and Q&amp;A sessions.</p> <p>Similarly, STI TA has switched to remote deliveries. Macro TA work was added as a natural extension of STI macroeconomic training and initially labelled customized training. More recently, STI has delivered macro TA for the central bank of Vietnam, and for the Ministry of Finance and Economy in Cambodia in close coordination with CDOT. It also contributed to macro TA for the MOF in Bhutan. Several other ASEAN and Pacific Island countries expressed interest in STI support in macroeconomic framework development.</p>	

<b>PROJECT:</b> Cambodia - Strengthening Risk-Based Banking Supervision	<b>JSA #:</b> JPN417 <b>IMF ID:</b> MCM_KHM_2019_01
<b>TARGET COUNTRIES:</b> Cambodia	<b>IMPLEMENTATION PERIOD:</b> from July 2018 to December 2021
<p><b>Key Highlights</b></p> <p>The objective of this project is to assist the NBC in improving its supervisory and regulatory capacity. The project supports the NBC’s efforts in modernizing the regulatory framework for banks, improving the scope and quality of the regulatory data, and moving to an effective risk-based supervision (RBS). The RA at NBC plays the central role in the project’s implementation. Periodic STX visits on specific topics complement the work of the RA.</p> <p>Although the TA project was significantly affected by the COVID-19 pandemics, good progress has been achieved in several areas. In particular, the TA has been critical to supporting the NBC’s regulatory response to the COVID-19 crisis. The NBC’s bank supervision structure was re-organized in line with the TA advice. The effectiveness of regulations has been improved through the preparation and dissemination of several guidelines.</p>	

## FY2019 (CONTINUED)

<b>PROJECT:</b> Cambodia - Systemic Financial Stability Analysis	<b>JSA #:</b> JPN419 <b>IMF ID:</b> MCM_KHM_2019_02
<b>TARGET COUNTRIES:</b> Cambodia	<b>IMPLEMENTATION PERIOD:</b> from July 2018 to September 2020
<p><b>Key Highlights</b></p> <p>The objective of this project was to assist the NBC in strengthening its capacity for systemic financial risk analysis and enhancing the effectiveness of monetary policy and FX operations. The project helped improving the NBC’s practices on data collection and analysis as well as the use of risk-assessment tools and methodologies to analyze financial sector risks. With the help of the RA, NBC has launched its first publication of the Financial Stability Review in April 2019.</p> <p>In the areas of monetary and FX operations, the project assisted NBC with improving liquidity forecasting methodology and process as well as ensuring adequacy and appropriateness of the central bank’s operational instruments and strategies. In particular, the practical procedures for conducting liquidity analysis and forecasting have been enhanced, and a revised version of the liquidity report—illustrating more analytical information—was drafted. Guidelines on establishing the marginal lending facility and recommendations on the use of FX swaps by the central bank were prepared, and some refinements to the monetary operations framework have been initiated.</p>	

<b>PROJECT:</b> Indonesia - Banking, Non-Bank Financial Institution and Conglomerate Supervision	<b>JSA #:</b> JPN418 <b>IMF ID:</b> MCM_IDN_2019_01
<b>TARGET COUNTRIES:</b> Indonesia	<b>IMPLEMENTATION PERIOD:</b> from May 2018 to April 2021
<p><b>Key Highlights</b></p> <p>The project aimed to support the Indonesian Financial Services Authority, <i>Otoritas Jasa Keuangan</i> (OJK), in strengthening banking, non-bank financial institutions, and capital markets, as well as conglomerate supervision.</p> <p>MCM provided TA to OJK on consolidated supervision of the banking, insurance and capital market for several years as part of a JSA-funded TA project through the LTX on Banking Supervision who was appointed in April 2019. The advisor resigned in January 2020 due to personal reasons.</p> <p>During FY2021, MCM and APD organized three virtual workshops discussing the impact of COVID-19 pandemic in the financial system. The workshops covered: (i) a macroeconomic update and outlook (global, regional, and Indonesia—managed by APD); (ii) supervision in the context of COVID-19 (MCM), and (iii) International Financial Reporting Standards 9 (IFRS 9) implementation and supervisory treatment under COVID-19 (MCM). There were between 140 and 150 participants for each of the three seminars—including non-Jakarta-based OJK staff. We also gathered some on-the-ground knowledge of the pandemic realities facing regulators and supervisors. Overall, the event was highly successful in engaging the authorities at an important juncture and paved the way for similar engagements in the future. OJK has already expressed interest in additional TA on nonbanks financial institution supervision and other topics.</p>	

## JSA TECHNICAL ASSISTANCE PROGRAMS APPROVED IN FY2018

<b>PROJECT:</b> Supporting Monetary and Foreign Exchange Operations in Cambodia, Myanmar and Vietnam	<b>JSA #:</b> JPN414 <b>IMF ID:</b> MCM_APD_2018_01
<b>TARGET COUNTRIES:</b> Myanmar, Cambodia, and Vietnam	<b>IMPLEMENTATION PERIOD:</b> from September 2017 to September 2022

### Key Highlights

The project provides TA through CDOT to the central banks of Cambodia, Myanmar, and Vietnam on monetary and FX operations. The TA is being provided by an RA assigned to CDOT from September 2017, whose main function is to work with the staff of the central banks of Cambodia, Myanmar and Vietnam. Limited assistance is provided to the Lao P.D.R. through regional events. The CDOT RA's 3-year term ended in September 2020. As there remains substantial need for monetary operations TA in the CLMV region, the project was extended for two years, until September 2022, and the new RA started his assignment on January 17, 2020.

In Myanmar, the CDOT advisor focused on upgrading the CBM monetary operations and interbank (I/B) market development. Notable progress has been made on various fronts: (i) the CBM is in the process of introducing interest on excess reserves (currently on hold due to the pandemic), and work is underway to upgrade the CBM's credit facility; and (ii) in close collaboration with JICA, the CBM introduced a new I/B data reporting platform and has already started publishing I/B interest rates and transaction amounts of key durations on a monthly basis, following the consultation process with banks. With the project support to the CBM in publishing reserve conditions by bank types, both the CBM and commercial banks in Myanmar can now do their own analyses on liquidity conditions. In addition, the CDOT LTX reacted very flexibly to the changing TA needs of Myanmar generated by the pandemic. The country received emergency financial support from the IMF in the form of a Rapid Credit Facility and the central bank had quickly taken measures to ease monetary policy, provide liquidity and extend regulatory forbearance. During this intense period of monetary and supervisory policy measures, the MCM RAs working on Myanmar, including the CDOT LTX, were heavily involved in advising their CBM counterparts. With the military takeover on February 1, 2021, TA activity in Myanmar has been reduced to fact finding, until a decision on the nature of further engagement with Myanmar is made by the Fund's membership.

In Cambodia, the RA focuses on upgrading the NBC's reserve requirement framework, tracking the ten percent local Cambodian Riel currency (KHR) loan-share requirement and I/B market developments, and improving the NBC's monetary operations, including liquidity monitoring/forecasting. The advisor coordinated his work with the in-country RA under another JSA-funded TA project (whose term ended in July 2020). The project also advised on efforts by the NBC to utilize the Liquidity Providing Collateralized Operations to provide liquidity for banks to achieve the KHR loan share requirement and to introduce the Marginal Lending Facility, recommended by past IMF missions.

In Vietnam, the SBV is still considering MCM recommendations on modernizing the monetary operations framework—an objective this project originally aimed to help implement. Accordingly, achievements in Vietnam so far were limited to knowledge-sharing events. In response to a recent request by the SBV, the new CDOT RA organized a regional webinar on CBDCs, which was well received and attended by more than 100 participants. Together with the MCM expert, the Bank of Thailand presented its work on wholesale CBDC, and the NBC presented its digital payment project called "Bakong".



## FY2018 (CONTINUED)

<b>PROJECT:</b> Mongolia - Strengthening Financial Supervision	<b>JSA #:</b> JPN416 <b>IMF ID:</b> MCM_MGN_2018_04
<b>TARGET COUNTRIES:</b> Mongolia	<b>IMPLEMENTATION PERIOD:</b> from April 2018 to April 2021

### Key Highlights

This project supported the Mongolian authorities in enhancing financial regulation and supervision and restructuring and stabilizing the financial sector. The project assisted the Bank of Mongolia (BOM) in establishing a risk-based approach to supervision of financial institutions within an updated regulatory framework. The STX visits assisted in drafting and amending prudential regulations, upgrading the BOM's supervisory toolkit, offsite monitoring, and onsite examinations process. In particular, the project assisted BOMs in revising the capital framework, conducting Business Plan Assessment exercise, analyzing banks' strategies to deal with nonperforming loans, drafting/revising regulations on asset classification and provisioning and credit origination and risk management. This work resulted in important progress on supervisory tools and capacity building.

<b>PROJECT:</b> Myanmar: Building Comprehensive Bank Supervision and Regulation	<b>JSA #:</b> JPN415 <b>IMF ID:</b> MCM_MMR_2018_02
<b>TARGET COUNTRIES:</b> Myanmar	<b>IMPLEMENTATION PERIOD<sup>1</sup>:</b> from February 2018 to April 2021

### Key Highlights

The project's objective was to assist the CBM in bringing the regulation and supervision of banks in Myanmar closer to compliance with the Basel Core Principles, reinforcing and consolidating the modernization and professionalization of banking supervision, and beginning to establish a risk-based approach to supervision. This TA was facilitated by an RA based in the Yangon headquarters of the CBM, combined with peripatetic MCM STX and staff visits on topics complementary to the RA's area of expertise. The RA's assignment ended in November 2020. Further short-term missions were planned until the project's end in April 2021. However, these eventually did not take place as the Fund's TA activities were suspended after the military takeover in February 2021.

The essence of the TA work in FY2021 (until the military takeover) continued to be the transition from compliance-based to RBS. With the onset of the pandemic and the ensuing financial stability risks, the RA also focused on tailor-made advice on supervisory responses to the pandemic's impact on the financial sector, based on MCM's COVID-19 policy notes. The advisor provided a series of webinars on Operational Risk Management, Market Risk Management, and Liquidity Risk Management to CBM staff. In addition, up until the end of his assignment in November 2020, the advisor supported the intensified policy dialogue between the IMF and Myanmar on emergency measures to counter the pandemic impact on the economy and financial sector.

<sup>1</sup> Original approved project dates. Delivery to Myanmar on hold since February 2021.

## FY2018 (CONTINUED)

<b>PROJECT:</b> Improving External Sector Statistics (ESS) in the Asia-Pacific Region	<b>JSA #:</b> JPN512 <b>IMF ID:</b> STA_APD_2018_02
<b>TARGET COUNTRIES:</b> Asia ( <i>Cambodia, Lao P.D.R, Myanmar, and Vietnam</i> ) and Pacific Island Countries ( <i>Nauru, Papua New Guinea, Samoa, Timor-Leste, and Tonga</i> )	<b>IMPLEMENTATION PERIOD:</b> from May 2017 to October 2021

### Key Highlights

The objective of this four-year project is to improve the accuracy, availability, comparability, and timeliness of ESS to support macroeconomic policymaking. Since the outbreak of the pandemic, implementation under the project has shifted to assisting countries with immediate business continuity challenges and surveillance needs.

The TA adjusted to remote mode of delivery and toward addressing immediate COVID-19 related ESS needs, which included: (i) helping countries to properly record the IMF emergency financing and other exceptional financial transactions – all countries; (ii) ensure continuity of data collections during COVID-19 pandemic (remittances model – Tonga, Myanmar, Lao, and Nauru; travel model – Tonga and Samoa; direct investment – Myanmar, Nauru, and Papua new Guinea; and external debt restructuring transactions – all countries); (iii) advice on temporary adjustments to the ESS compilation programs to mitigate shortages in source data. Despite challenges from the pandemic, all countries marginally improved ESS dissemination formats and data provision, with balance of payments periodicity and timeliness improved by Tonga and international investment position data disseminated by Samoa for the first time. Institutional settings were strengthened via (i) top management engagement with the support of IMF country teams (Cambodia, Myanmar, Nauru, Tonga, and Papua New Guinea), (ii) encouraging inter-agency collaboration and data-sharing (Cambodia, Myanmar, Samoa, Nauru, and Tonga), as well as (iii) better communication across units within the data-producing agency (Myanmar). These achievements also reflect close coordination with the IMF area department, including participation in surveillance and program negotiation activities to support the provision of external sector data in the discussions about policy measures.

## JSA TECHNICAL ASSISTANCE PROGRAMS APPROVED IN FY2017

<b>PROJECT:</b> Fiscal Risk Analysis and Management, Public Investment Management, Budget Preparation, and Fiscal Reporting in Caucasus and Central Asian Countries and Iran	<b>JSA #:</b> JPN121 <b>IMF ID:</b> FAD_MCD_2017_01
<b>TARGET COUNTRIES:</b> Armenia, Azerbaijan, Georgia, Iran, Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan	<b>IMPLEMENTATION PERIOD:</b> from May 2016 to May 2021

### Key Highlights

The objectives of this project are to improve PFM in nine countries in the Caucasus and Central Asia region in support of macroeconomic stability and growth. CD delivered with support of the project has helped countries to strengthen fiscal reporting and transparency, expenditure control, medium-term budgeting, fiscal risk management, and PIM.

During the past year, Uzbekistan, Kazakhstan, and Armenia made further progress in strengthening their budget processes. To help ensure fiscal sustainability and improve budget planning, Uzbekistan included limits on public and publicly guaranteed debt in its State Budget law, further improved the comprehensiveness of the budget, revised its budget calendar to incorporate a strategic planning phase, and produced and published its first fiscal strategy document. Kazakhstan compiled and published prospective consolidated central government financial statements for 2021–23, as the first step to the introduction of accrual budgeting. While, Armenia improved and streamlined its medium-term fiscal strategy document in line with the recommendations of a 2018 Fiscal Transparency Evaluation and has developed a PIM system to help prioritize projects and better inform decision making during the budget process.

Countries in the region have also been upgrading their accounting and reporting systems to improve fiscal transparency. Georgia is implementing a revised CoA and accounting and reporting instructions and aim to compile and publish IPSAS-based consolidated central government financial statements for 2020, while Kazakhstan, for the first time, published ex-post consolidated central government financial statements for 2019 fiscal outcomes.

Georgia, Armenia, Uzbekistan, and Tajikistan have taken further steps to strengthen fiscal risk management. Georgia reviewed the sectorization of SOEs in line with international standards, has strengthened the control of fiscal risks from power purchase agreements and SOEs, and made further improvements to its annual fiscal risk statement. Armenia has also improved disclosure of fiscal risks and approved a methodology for estimating contingent liabilities from PPP and Tajikistan is developing its second medium-term SOE fiscal risk management strategy. While Uzbekistan established a new Macroeconomic Analysis Department with responsibility for monitoring, assessing, and managing fiscal risks, developed guidelines for fiscal risk analysis and management, and published a statement on fiscal risks in its first fiscal strategy document.

## FY2017 (CONTINUED)

<b>PROJECT:</b> Strengthening Modernization of the Central Bank of Myanmar	<b>JSA #:</b> JPN413 <b>IMF ID:</b> MCM_MMR_2017_01
<b>TARGET COUNTRIES:</b> Myanmar	<b>IMPLEMENTATION PERIOD<sup>1</sup>:</b> from May 2016 to September 2021

### Key Highlights

The project aims to support the CBM in (i) building capacity in monetary and FX operations, including liquidity management, implementation of the agreed exchange rate mechanism, and development of interbank market and monetary instruments; and (ii) strengthening central bank accounting, auditing, systems deployment, and financial management generally. Both of these workstreams have been facilitated by RAs based in the CBM. The first RA has covered FX operations until the end of his 3-year assignment in January 2021. The second RA has been providing support on central bank financial management, accounting and IA until February 1, 2021, when a military takeover took place in Myanmar. Since the military takeover, TA activity has been reduced to fact finding and the development of materials for future TA work (e.g., trainings, workshops), until a decision on the nature of further engagement with Myanmar is made by the Fund's membership.

**FX Operations.** Since the appointment of the resident advisor on FX operations in January 2018, the CBM has: (i) moved to a market-based Reference Exchange Rate; (ii) removed trading band limitation; (iii) moved to a rules-based intervention framework; (iv) allowed foreign bank branches for the first time to participate in the CBM FX auctions; (v) eliminated the multiple currency practice; (vi) streamlined regulation of FX Net Open Position; (vii) started to compile and publish monthly Nominal and Real Effective Exchange rates, and daily FX market data on the CBM website; (viii) improved internal analysis and decision-making process; and (ix) improved communication with commercial banks by introducing regular meetings. The advisor's three-year assignment ended on January 17, 2021, with all the objectives of his part of the project achieved.

**Central Bank Accounting and IA.** After the onset of the COVID-19 pandemic, the advisor has assisted CBM with its emergency financing arrangements with the Fund by providing guidance on: (i) accounting treatments of the related financial transactions; (ii) the analysis of the financial impact on CBM's balance sheet and the implication on its adoption of IFRS; and (iii) the preparation for Fund's safeguard assessment if/when the emergency financial arrangement turns into a regular loan program. More importantly, leveraging the possibility of a safeguard assessment, the advisor has renewed CBM's interest and engagement on the following governance issues: (i) the establishment of an audit committee under the proposed audit committee charter; and (ii) strengthening the independence and objectivity of the IA function with a standard-based IA charter. As a result, an audit committee was established in March 2021, which paves the way for future capacity building and growth.

<sup>1</sup> Original approved project dates. Delivery to Myanmar on hold since February 2021.

## JSA TECHNICAL ASSISTANCE PROGRAMS APPROVED IN FY2016

<b>PROJECT:</b> National Risk Assessment/National Strategy and Continued Development of AML/CFT Framework in Myanmar	<b>JSA #:</b> JPN302 <b>IMF ID:</b> LEG_MMR_2016_01
<b>TARGET COUNTRIES:</b> Myanmar	<b>IMPLEMENTATION PERIOD:</b> from May 2015 to October 2020

### Key Highlights

Myanmar has been under monitoring by the Financial Action Task Force in 2012 due to strategic deficiencies in its AML/CFT framework. This project supported the authorities in completing a National Assessment of ML/TF risks (NRA) in October 2017. The NRA findings were distributed to a wide range of AML/CFT stakeholders and served as key inputs in the development of a national strategy, which was adopted by the Cabinet in May 2019.

The project assisted the CBM in completing its offsite and onsite supervisory tools for risk-based AML/CFT supervision and provided training and mentoring of CBM supervisors on the use of these tools. Banks subsequently submitted to the CBM ML/TF risk-sensitive data using the offsite data collection tool, as well as a questionnaire on risk management. The collected data was analyzed and used by the CBM to identify its AML/CFT supervisory priorities. The CBM also used the onsite inspection procedures developed under the project to inspect banks.

The project also supported the authorities' efforts to draft legal and regulatory amendments to strengthen the AML law, CFT provisions of the Counter Terrorism Law, the AML Rules, and the CFT Rules. Staff provided comprehensive comments on the drafts produced by authorities between October 2018 and March 2020. However, presidential AML/CFT orders were issued in November 2019 and in 2020 without consulting with staff to address some deficiencies of the existing legal framework until a new law is in place.

## JSA TECHNICAL ASSISTANCE PROGRAMS APPROVED IN FY2012

<b>PROJECT:</b> Supporting Preparations for Monetary Union in the East African Community (EAC)	<b>JSA #:</b> JPN404 <b>IMF ID:</b> MCM_EAC_2019_01 formerly MCM_EAC_2012_01
<b>TARGET COUNTRIES:</b> EAC member countries (Burundi, Kenya, Rwanda, South Sudan, Tanzania, and Uganda)	<b>IMPLEMENTATION PERIOD:</b> from May 2011 to April 2021

### FY2021 Key Highlights

The objective of this project was to assist the EAC and its Partner States—Burundi, Kenya, Rwanda, South Sudan, Tanzania, and Uganda—in their preparations for and the transition to a monetary union, which has been postponed to 2024. Its focus has been on strengthening the capacity of the national central banks to address the challenges associated with the regional integration process in two principal areas: monetary policy and operations and financial stability. The project worked closely with the Monetary Affairs Committee (MAC) and the Crisis Management (CM-WG) and the Macroprudential Analysis, Stress Testing, and Statistics Working Groups of the EAC. While the COVID-19 pandemic affected the pace of activities in FY2021, the project which ended on April 30, 2021 had the following overall achievements:

- On the **monetary policy and operations front**, the project provided training to EAC members on the reserve requirement maintenance period, standing facilities for payments and monetary policy purposes, the cost of draining reserves as well as collateral policy and collateral pooling projects. A stocktaking on the regulation, supervision and user protection of mobile money was also undertaken in the EAC region. A virtual webinar held in September 2020 also brought EAC partner member countries together to discuss, compare and share experiences on monetary policy responses to the COVID-19 pandemic. Partner State central banks also made progress in adopting the IFRS 9 in their accounting frameworks.
- On the **financial stability front**, the project helped the EAC to (i) develop a framework for identifying domestic systemically important banks (D-SIBs); (ii) build an interactive systemic risk dashboard; (iii) strengthen member countries' capacity to conduct network analysis for mapping cross-border interconnectedness; (iv) undertake a regional stress-testing exercise and (v) prepare a Regional Financial Stability Risk Assessment Report to inform meetings of the Monetary Affairs Committee (MAC). Work also progressed on the development of EAC regional financial stability indices.



**Japan-IMF Partnership  
on Capacity Development**

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