

INTERNATIONAL MONETARY FUND

FY 2000 Annual Report on Technical Assistance

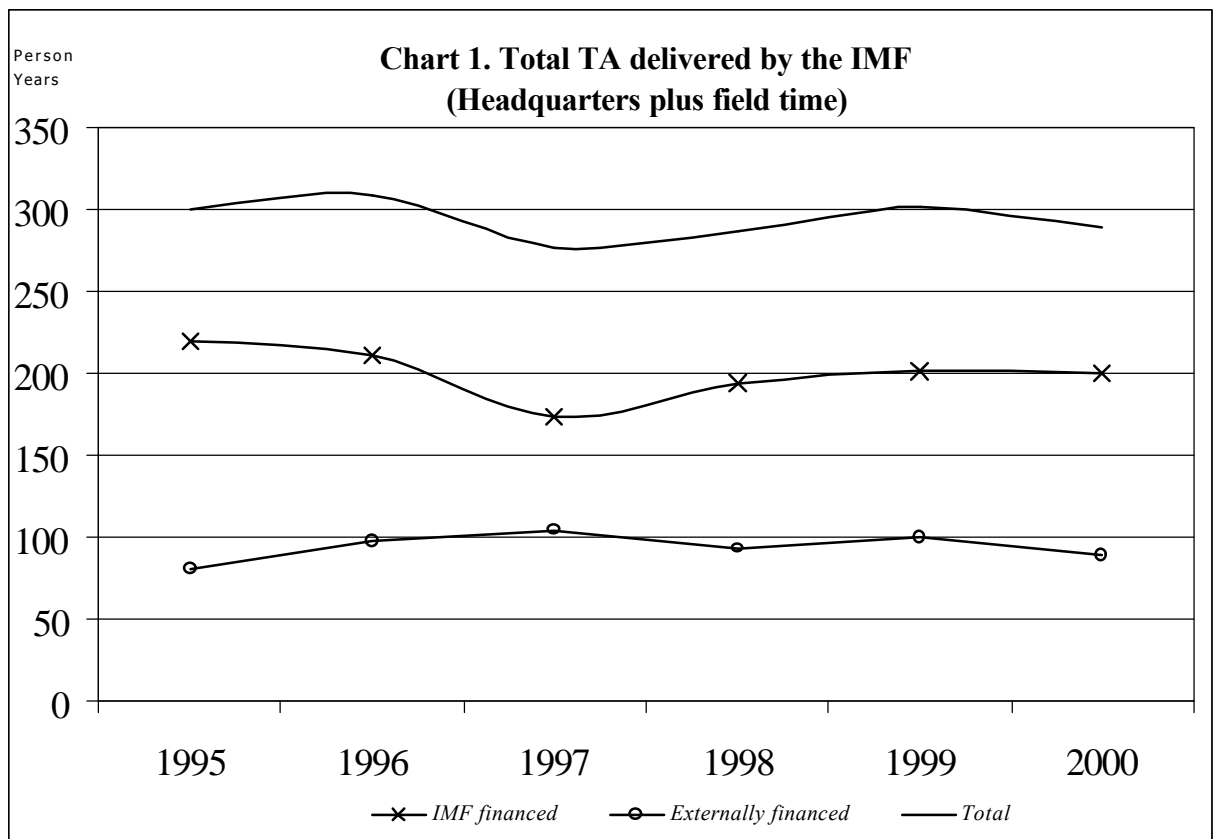
Supplementary Paper: Recent Developments

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I. OVERALL DEVELOPMENTS¹

1. Resources devoted to TA in FY 2000, at almost 290 person years, would have been some 20 person years higher if it had not been for the temporary reallocation of staff and expert resources from TA to FSAP work by MAE, and a drop off in external financing. The FY 2001 budgetary resources approved by the Board, will help to restore MAE's TA to its previously planned level and, to a limited extent, help replace the decline in external financing. TA delivered to the field in FY 2000 dipped to 187 person years (see Chart 2), a lower level than in 1995. Ninety (90) person years of this TA was externally financed compared to around 100 person years in the four previous years.

2. About half of MAE's and FAD's resources are devoted to TA work and they each account for about one third of total Fund TA, with STA accounting for 14 percent and INS 9 percent. As Charts 5, 8, and 11 show, FAD's and STA's share have increased modestly over the last five years while MAE's has declined somewhat. Training by the Institute (INS) rose significantly in FY 2000—by 15 percent in headquarters and by 26 percent overseas for regional- and country-based courses. Appendix V gives a full descriptive listing of TA by country and region in FY 2000.



¹ Text references in this Supplementary Paper refer to the main paper SM/00/227.

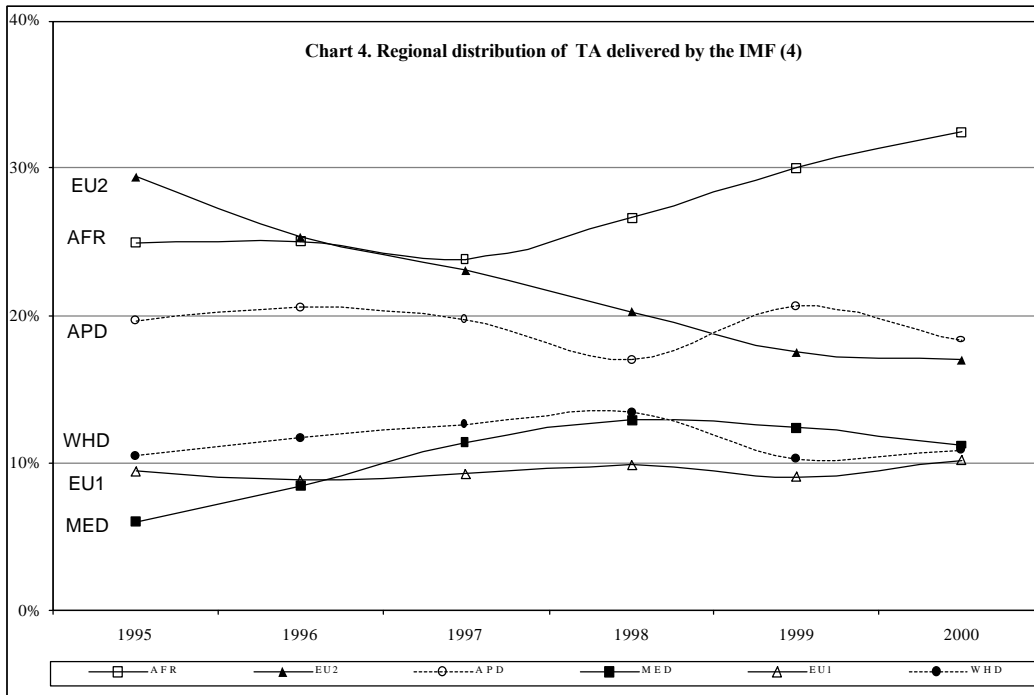
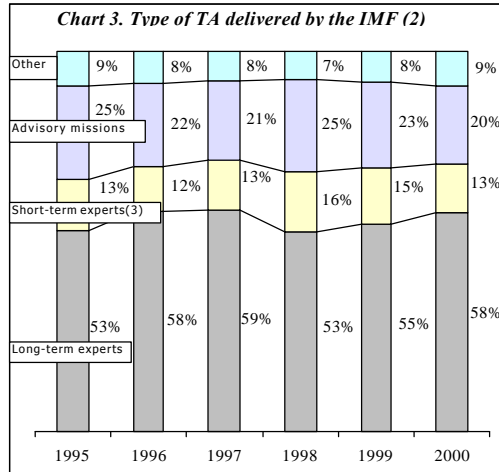
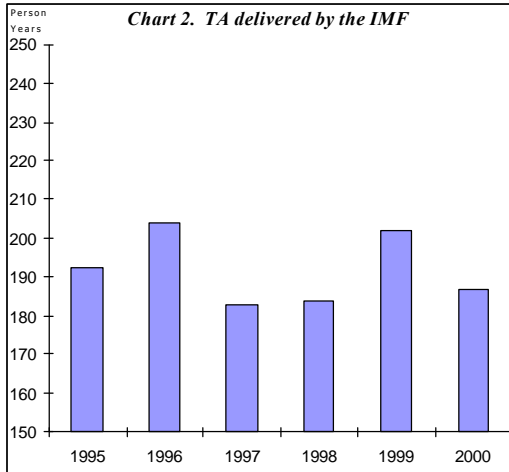
IMF TA DELIVERY IN THE FIELD⁽¹⁾

Table1.

Top 10 countries, in missions		FY2000
1	Indonesia	64
2	Ukraine	35
3	Bolivia	34
4	Azerbaijan	30
5	Liberia	29
6	Russia	28
7	Yemen, Republic of	27
8	Bulgaria	27
9	Georgia	24
10	Thailand	24
Total		322

Table2.

Top 10 countries, in days		FY2000
1	Indonesia	1,689
2	Liberia	1,594
3	Ukraine	1,416
4	Tajikistan	1,105
5	Yemen, Republic of	1,077
6	PFTAC-Pacif. Finan'l Tech.As	1,022
7	Russia	1,009
8	Bosnia/Herzegovina	949
9	Haiti	915
10	Thailand	870
Total		11,646



- (1) Field time excludes travel and adjustment days.
- (2) In this chart, "Other" includes training, briefing, and recruitment. Peripatetic experts are with short-term experts.
- (3) Short-term experts cover individual assignments. Expert time on workshops and missions covered under Advisory missions and training (Other).
- (4) See Appendix IV for regional groupings.

3. The AFR, APD, and the EU2 group of countries¹ together absorb almost 70 percent of TA resources applied in the field. Africa accounted for 33 percent of the total in FY 2000. It absorbed 35-36 percent of MAE's and FAD's TA resources, with emphasis on bank supervision and restructuring and general financial advice, tax and customs administration and public expenditure (see below). Regional shares of field-time TA have been reasonably stable over the past five years (Chart 4), apart from the large—12 percentage point—decline in TA to EU2, most of which was taken up by Africa. The shift of resources occurred as the need for basic capacity-building in the transition countries became less urgent and demands in Africa more so, including for post-conflict work (see below and SM/00/227, Section V, for a discussion of assistance to post-conflict countries).

4. About 70 percent of the Fund's TA work is in countries that have macroeconomic difficulties or are emerging from severe crises, reflecting the urgency of capacity-building in these cases. Almost 60 percent of the Fund's field TA resources in FY 2000 was absorbed by members with Fund-supported programs, and a further 11 percent went to post-crisis countries. Whereas TA to program countries may be more effective (see below, especially under developments in FAD), TA to post-conflict countries may well be riskier.

5. Long-term experts were responsible for more than half the TA provided in the field by the Fund in FY 2000, with FAD and MAE using this mode of delivery the most often (Chart 3). Such experts are used particularly for public expenditure management, and customs and tax administration work (in FAD) and banking supervision/restructuring and general advisory work (in MAE), largely, as noted above, in Africa. Departments are increasingly using long-term experts in combination with successive missions to deepen and maintain the momentum for reforms, especially of institutions.

6. Most important among the top 10 users of TA, in terms of TA time spent in FY 2000, have been the transition and post-conflict/crisis countries. (Tables 1 and 2). Time spent is heavily influenced by the posting of long-term experts, which explains why this classification shows post-conflict/crisis countries to be so important, since these use experts intensively, particularly after the initial stages. This group does not figure so prominently among the top 10 recipients of TA missions where transition countries are the most important group. Availability of external financing has a significant impact on which countries are major TA recipients.

7. The Fund's TA is financed partly from its own resources and partly from external financing, mainly from the Japanese Government, UNDP and Switzerland. Other sources of financing for TA, including training, in FY 2000, included Australia, the Asian Development Bank, Denmark, France, New Zealand, and the U.K. External financing has accounted for about 30-40 percent of total TA, and about 50 percent of field TA in recent years, although due to the budgetary constraints of the two largest contributors, this share has declined since 1997.

¹ See Appendix IV for country listings by regional group.

8. As the following discussion shows, TA from the Fund is evolving with the needs of member countries. Most of the TA-providing departments have begun to provide assistance arising out of members' responses to the Fund's recent policy initiatives. FAD, MAE and STA have already begun to provide assistance related to transparency and compliance with international standards and codes of good practice. FAD notes the increasing importance of poverty-related work, and MAE records the continued shift of TA resources toward financial system strengthening. FAD, MAE and STA all believe that this work will absorb more and more TA resources. For FAD, assistance is likely to increase for work related to poverty reduction—to help countries demonstrate the links between resources freed by debt relief and additional spending on program to reduce poverty—and fiscal transparency and fiscal data quality issues. For MAE, TA to address vulnerabilities identified in Financial Sector Assessment Programs (FSAPs) is expected to increase, while for STA the work on data standards and quality will provide the organizing framework for much of its TA program.

9. As new trends are joined with excess demand for “traditional” TA, departments expect pressure on TA resources. FAD, MAE and STA have already begun to implement enhanced procedures to ensure TA programs are managed, monitored and evaluated more tightly, with closer involvement of the authorities of recipient countries to help ensure ownership, effectiveness and sustainability of TA. Departments are pursuing pilot schemes for regional TA that maximize the cost-effective use of TA resources and expect to coordinate more effectively with other TA providers to ensure effective and efficient TA delivery. The IMF Institute is maximizing the efficiency of training of national officials by expanding overseas training (FY 2000 was the first year when participant weeks provided by overseas centers were higher than those given at headquarters) and inaugurating a distance-learning program. Even so, one department expects that TA associated with the recent initiatives will only increase at the expense of traditional TA.

II. Developments in FAD

10. FAD provides TA on fiscal policy and administration, concentrating on supporting the design of appropriate fiscal policies and the institutional capacity to implement them. The Department accounts for over a third of the Fund's field TA (Chart 5). This TA is integrated closely with the Fund's program and surveillance work, with about 60 percent spent on countries with Fund-supported programs, although often TA may occur before countries enter programs and is thus also program driven. The link with programs usually facilitates effective implementation of TA.

11. During FY 2000, about 100 person years in total (including headquarters' time) were spent on TA (compared to about 50 staff years spent on surveillance and program work), about the same amount as in FY 1999. Some 70 percent of this was delivered in the field. About 40 staff years were used on TA by headquarters staff and consultants and about 60 person years by experts in the field. During the year, about 100 countries were served by missions or experts (see Appendix V) and 75 TA reports were produced.

12. In terms of field time, over 60 percent of FAD's TA is supplied by long-term experts, and 22 percent by missions (Chart 6), which are often mutually supportive—see below. Africa was the main recipient of TA (Chart 7), both in the form of mission and expert TA. Africa receives the lion's share of long-term experts for capacity-building in public

expenditure management and tax administration and policy (Table 3). Despite the declining trend of EU2 countries in FAD's TA since 1995 (Chart 7), their share rose somewhat in FY 2000, and transition countries from EU2 figured importantly among the top ten recipients of TA, estimated by number of missions and time spent in FY 2000.

13. FAD's TA in FY 2000 was concentrated primarily in the Fund's traditional core public finance areas—tax policy, and tax and customs administration; budgeting and public expenditure management (PEM) and policy—and fiscal federalism (Table 3). It also provided assistance in assessing ways effectively to rationalize public expenditure budgets and reform public pension systems, typically in coordination with the World Bank. In most cases, these latter efforts were made in countries where problems in these areas threatened to undermine the fiscal adjustment sought under Fund-supported programs. Some TA was delivered in relatively new areas relating to poverty reduction, fiscal transparency and data quality. In addition, substantial resources were devoted to assist cases of post-crisis situations, such as in East Timor, Kosovo, Liberia, and Rwanda.

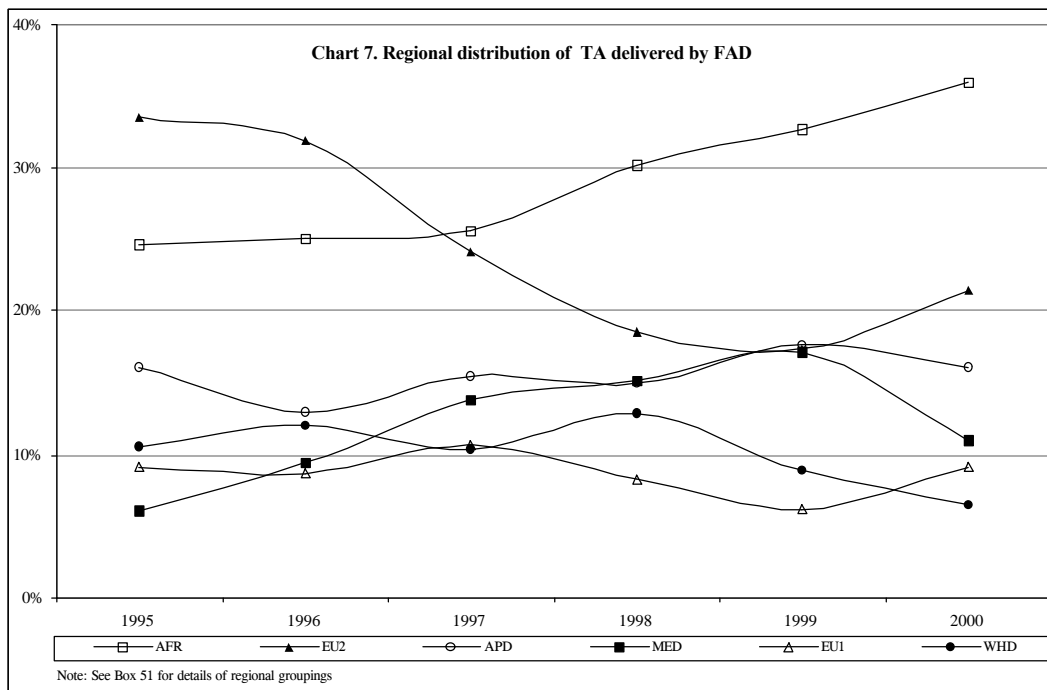
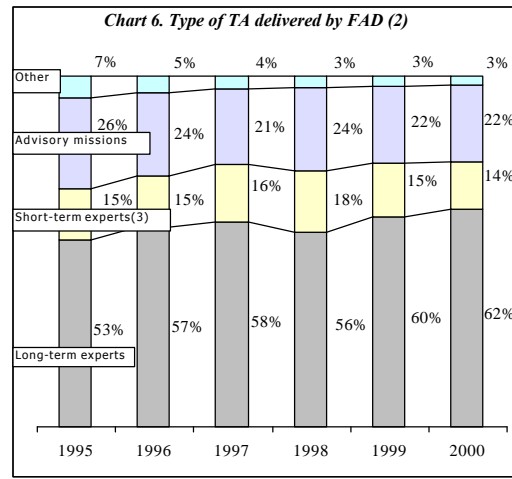
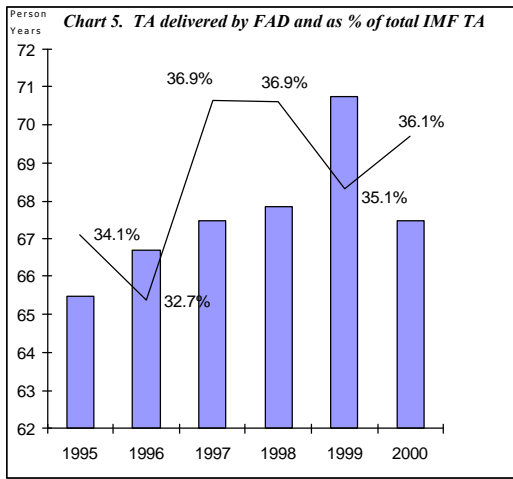
14. During FY 2000, FAD staff prepared 15 notes to support discussions between the authorities and area department missions on TCs. FAD also fielded missions to carry out the fiscal part of TCAP work in Cambodia, Nigeria, West Bank Gaza, and Yemen. This effort involved considerable time by FAD staff.

Tax policy

15. FAD's assistance on tax policy in FY 2000 covered virtually every region, although Africa and Western Hemisphere were the main beneficiaries. TA tax policy missions were about 16 percent of FAD's TA missions, and a modest share of expert assignments (Table 3).

16. The shares may be somewhat understated for two reasons. First, there is overlap between policy and administration work in the tax area; TA for tax and customs administration often includes important elements of tax policy advice—indeed, a major strength of FAD tax policy advice is the careful attention paid to administrative capabilities. The second source of understatement is the large increase in the “informal” TA provided to other Fund departments and increasingly directly in response to requests from member countries. In contrast to “formal” TA (involving missions or resident experts), this TA is not classified as such. It has taken the form of reviews of draft legislation and provision of policy notes and background material on international experiences and approaches in different policy areas. Its enhanced role reflects recent significant improvements in communication technology.

FAD TA DELIVERY IN THE FIELD ⁽¹⁾



- (1) Field time excludes travel and adjustment days.
- (2) In this chart, "Other" includes training, briefing, and recruitment. Peripatetic experts are with short-term experts.
- (3) Short-term experts cover individual assignments. Expert time on workshops and missions covered under Advisory missions and training (Other).
- (4) See Appendix IV for regional groupings.

17. Tax policy TA is provided in all aspects of central government taxation. Sometimes, as part of the work on fiscal federalism, advice is given on regional government taxes, such as in the case of Indonesia. Some missions in FY 2000 were comprehensive in their coverage (as in Eritrea) while others were narrowly focussed (for instance, the advice on natural gas and petroleum taxation provided to Trinidad and Tobago and Nigeria). Tax policy advice is almost always given by missions headed by senior FAD staff. The main focus is on reforming the tax system, and quite often the tax policymaking capacity of the authorities is strengthened significantly as a by-product of the TA. (This was the case, for example, in Thailand.) In a few cases, tax policy missions are followed by expert assignments to help enhance the authorities' tax policymaking capabilities and to help the authorities gain support for tax reform. Again, Thailand may serve as a good example where assistance was given on a number of issues including revenue forecasting and development of a capacity for tax policy analysis. In other countries, for example Kazakhstan, FAD missions were followed by TA work by LEG on actually drafting new laws or amendments.

18. In tax policy missions, the focus is always on ensuring the efficiency and equity of tax systems, but there is also frequently the objective of increasing total revenue collections in the context of a Fund-supported program. FAD has played a major role in the introduction of VAT in many developing countries (see Appendix II). This effort continued in FY 2000 with VAT-related policy design missions to Grenada and Malawi. The introduction of VAT has frequently been part of the strategy to reduce reliance on foreign trade taxes, which distort production and consumption. FAD has provided TA to a number of countries to rationalize and simplify their customs rate structure, to reduce high rates, and to evaluate the associated revenue consequences. The latter received particular attention in the Common Market for Eastern and Southern Africa (COMESA) and Southern African Development Community (SADC) regions as well as in the West African Economic and Monetary Union (WAEMU) countries. In FY 2000 there were also a number of missions providing assistance on sales and excise taxes and personal and corporate income taxes. Advice on excise taxation on tobacco products was informed by the work of WHO and its recent Tobacco Free Initiative.

19. Looking ahead, decentralization, tax incentives, and developments in electronic commerce are potential sources of TA demand.

Tax and customs administration

20. FAD seeks to help members improve revenues by strengthening the capacities of national revenue and customs administrations to administer revenue laws effectively, improve voluntary compliance, and provide efficient and reliable services. In this work, FAD draws upon its wide comparative experience in designing and implementing short- and medium-term reform strategies consistent with best practice. In FY 2000, assistance in tax and customs administration accounted for about 44 percent of FAD TA missions and about 49 percent of FAD expert assistance (Table 3). Almost 30 percent of TA (missions and experts) in this field went to African countries, with Asia and BRO countries the next in importance.

21. TA in tax administration focussed on revenue mobilization through modern tax instruments such as the VAT; securing revenue from major sources (particularly from large taxpayers); and fundamental reforms of organizational structures, systems, and procedures. In FY 2000, TA missions dealt with a broad range of compliance problems arising from weaknesses in members' management of their tax administrations. One prominent problem last fiscal year (particularly in central and eastern Europe and the BRO) was the limited capacity of tax administrations to control VAT refund claims effectively. Without properly targeted, risk-based VAT audit systems, some countries delay—often significantly—the payment of VAT refunds, including to large exporters, effectively causing VAT revenue collections to be overstated. This can cause cash flow problems for putative recipients. Where these are exporters, such problems can affect foreigners, who may then be reluctant to invest. The solution generally involves a combination of legislative reforms (setting out the conditions for, and timing of, refund payments and the sanctions against the tax administration for nonpayment) and administrative reforms (including new risk-based VAT refund audits and prompt payment of refunds to “bona-fide” exporters).

22. Revenue accounting, collection enforcement, and taxpayer audit issues continued to be important for TA in FY 2000. Missions dealt with compliance issues related to the income tax and/or social security liabilities collected on wages, including in a number of countries of central and eastern Europe. Noncompliance with these liabilities is often exacerbated when combined liabilities are high, and where the tax and social security agencies have separate collection responsibilities, do not exchange information, do not have a common taxpayer identification system, and do not conduct any joint compliance enforcement efforts.

23. Assistance in customs administration was concentrated on modernizing control and clearance procedures and organization, and systems to improve revenue collection and facilitate foreign trade. While much of the TA in FY 2000 was provided to African countries, significant new requests for assistance were received from BRO countries, particularly Azerbaijan, Kyrgyzstan, Moldova, and Georgia .

24. Work on the implementation of fiscal reforms continues to be closely coordinated with that undertaken by other multilateral and bilateral TA providers to avoid duplication of effort and conflicting advice. This was especially important in countries where significant TA was provided by other agencies, such as in the countries of the BRO, and in post-conflict situations, such as Kosovo and East Timor (on the latter, see Box 7.1 of the Fund's *Annual Report*).

25. To enhance the efficiency of TA delivery, in FY 2000 a pilot scheme was developed (to be evaluated during 2001) to assign tax/customs administration advisors at a regional level. A regional tax administration advisor has already been posted for Portuguese-speaking African countries—Guinea Bissau and Cape Verde—and, following discussions with authorities in FY 2000, another has been assigned to cover Lesotho, Malawi and Botswana. The assignment of an advisor on a regional basis can not only save resources but also facilitate early identification of common problem issues across countries. A major issue that FAD continues to face in undertaking TA work in tax and customs administration is that revenue mobilization and institutional reform are often complex and

require both sustained political and bureaucratic commitment as well as significant time to complete. Political and institutional instability can seriously impede such efforts.

Public expenditure management (PEM)

26. Assistance on public expenditure management has grown quite rapidly—accounting for about 21 percent of FAD missions and about 40 percent of the assistance provided by experts in the field in FY 2000 (Table 3). This growth reflects the increased recognition of the importance of institution building for the effective implementation of fiscal policies, and the greater weight attached to good governance and fiscal transparency.

27. Significant efforts have been directed generally at improving the institutional capacity of members to prepare and execute budgets. This work was concentrated in Africa, which received almost half of the resources devoted to PEM (often in the context of structural adjustment programs), in former centrally planned economies and in “post-conflict” or newly democratic countries. Specifically, much of the work is on interim systems that secure better control of expenditure commitments, reduce or eliminate payment arrears, and allow more effective planning and delivery of public services.¹ FAD is now seeking to replicate a commitment control system provided in Uganda. More intensive TA was provided to several African countries that were post-conflict or had implemented political reforms—for example Liberia and Rwanda, which received two resident advisors each, and Chad, where the focus was on rehabilitating decayed budget management systems.

28. Most TA to the BRO countries was on developing treasury systems (see Appendix II for a summary of FAD’s self-evaluation of its work in this area). Now that the necessary cash control has been achieved, TA is shifting to setting standards and developing interim control systems to prevent payment arrears.² Future TA on budget management to these countries is expected to be focused on improving budget preparation systems (since Parliaments’ budgets are often unrealistic) and improving fiscal transparency (including eliminating barter and extrabudgetary spending).

29. Looking ahead, FAD advice on PEM globally will continue to be principally at a strategic level, including work with partners such as the World Bank who take the lead in financing the investment necessary to implement GFMIS systems. But several new areas of rising demand will have to be met. First, with the development of the Heavily Indebted Poor Countries (HIPC) initiative and Poverty Reduction and Growth Facility (PRGF), it will become essential to demonstrate the links between resources freed by debt relief and additional spending on poverty reduction. This will require the introduction of far more

¹ In the medium term, many developing countries need to invest in Government Financial Management Information Systems (GFMIS) that integrate budget planning, management, expenditure control, accounting, and financial planning. But such systems take time and are expensive to implement.

² Other TA providers are taking the lead on developing GFMIS systems and collaboration has generally been good (as in Ukraine, Russia, and Kazakhstan, where there has been collaboration with the World Bank).

detailed budget classification systems and medium-term expenditure frameworks to demonstrate the additionality of poverty-related spending from debt relief. It will also be important to create the right institutional framework for poverty funds. Most HIPC countries will require significant and urgent TA to plan for, identify, record, and monitor such poverty-related expenditures. Second, as the pace of the Fund's Reports on the Observance of Standards and Codes (ROSCs) quickens, fiscal transparency assessments will lead to requests for additional TA, not only in government budgeting and accounting, but in more difficult areas such as the treatment of quasi-fiscal activities and contingent liabilities. Third, there has been increasing concern about the quality of fiscal data reported to the Fund in the context of surveillance and programs. This will require more detailed data assessment missions—often at short notice—followed by more active TA to remedy weaknesses in the accounting systems used to report fiscal data .

Public expenditure policy

30. The World Bank has the primary responsibility for providing assistance in the public expenditure policy area. Thus, FAD's work in this area is always carefully coordinated to ensure that the Bank is not already involved, and in some cases, Bank staff participate in FAD TA missions. In FY 2000, FAD sent a limited number of TA missions on public expenditure policy (Table 3) to advise program countries on how to improve the efficiency of government expenditures in the short term, while being mindful of social concerns, with the amount provided substantially above the level of FY 1999. A large share went to BRO countries. In Ukraine, for example, following earlier FAD work, a mission on expenditure reforms advised the authorities on how to align expenditures with budgeted allocations for major ministries over the short term. The advice has focused on policies to curtail unproductive expenditures, target subsidies to the poor, and increase efficient spending on education, health, and infrastructure, to promote human development and sustainable growth. TA has typically been provided to support macroeconomic adjustment programs, with an important focus on achieving budgetary savings in the short to medium run.

31. In addition, in FY 2000, FAD advised on the integration of cost-effective social safety nets in reform programs to shelter the poor and other vulnerable groups from adverse effects of certain measures. In such cases, FAD drew on the work of the World Bank and other agencies. In Indonesia, a TA mission advised on the design of measures to compensate the poor for an increase in energy prices that was part of the Fund-supported program. In some countries, FAD provided TA to modify overly generous pension schemes in order to improve the finances of such schemes and to further fiscal sustainability. In Yemen, following a review of the pension system, two missions advised on its reform, focussing on actuarial analysis, in the context of the ongoing civil service retrenchment.

Macrofiscal management and fiscal federalism

32. Modest TA is given in two other areas: macrofiscal management and fiscal federalism. In the former, TA focussed in FY 2000 on strengthening the capacity of Ministries of Finance to formulate and implement fiscal policy. A new element was the work on setting up, de novo, central fiscal authorities in Kosovo and East Timor capable of carrying out all the functions of a finance ministry. TA has also been provided to help countries prepare fiscal transparency modules in the context of surveillance.

33. Requests for assistance with sequencing reforms in the area of fiscal federalism were intensified in FY 2000. FAD assistance was provided to Indonesia, with advice on the design of intergovernmental grants being implemented with the assistance of a resident advisor. FAD also organized a conference in order to bring international experience to bear on Indonesian problems. The experience in Indonesia illustrates that effectiveness of providing *technical* advice in this sphere is influenced by the highly political nature of the process.

New approaches to TA delivery

34. FAD is increasingly experimenting with different ways to maximize TA effectiveness, in addition to the measures taken to enhance internal management practices that are described in Section VI of SM/00/227. These efforts include having experts provide assistance to more than one country, and has also increased its TA on fiscal coordination at a regional level. In this context, the Pacific Financial Technical Assistance Centre (PFTAC) was instrumental in obtaining regional commitment to adopt the Fund's Code on Fiscal Transparency as a model for the region. In FY 2000, it assisted with the WAEMU common tariff and tax harmonization and with assessing the revenue consequences of implementation of internal free trade proposals in the COMESA and the SADC. FAD is also experimenting with using seminars more frequently to disseminate quickly and extensively the "best practices" derived from comparative experience with revenue collection and budgeting. For instance, a seminar was held on customs modernization for officials from some of the BRO countries and two seminars were given in China on revenue estimation and forecasting and conversion of user fees to taxes. A couple of seminars are planned during FY 2001 on the experience with VAT in Africa to disseminate the main lessons identified in the recent VAT project (see Appendix II).

Box S1. FAD Collaboration with China on Tax Reform¹

Over the last decade, the Fund has collaborated with the UNDP and with China's State Administration on Taxation (SAT) on a number of projects on tax reform. The aim of FAD's efforts has been to support the formulation of tax policy and the modernization of tax administration. In these exercises, Chinese officials are exposed to the tax policies and practices of other countries, while Fund staff and consultants (from FAD and LEG) seek to provide an independent assessment of which international policies and practices are best suited to the unique characteristics of China's social market economy. There have so far been two successive projects, 1992-96 and 1997-2000, and a third has just commenced.

The 1997- 2000 project consisted of a combination of three basic elements relating to tax policy and administration: seminars and workshops at which Fund staff and experts made presentations and/or led discussions on international experience; seminars for Chinese officials at Fund headquarters; and overseas study visits and tours of varying duration by Chinese officials. Fund staff also provided written advice and comments on tax laws and regulations on request.

The results of this collaboration have fed into a number of important tax reforms in China. Improvements in the overall legal framework of the tax system, namely the drafting of the Basic Tax Law and proposed amendments of the law on tax administration and collection, have been supported by Fund work and a study tour by Chinese officials. Seminars, study tours and Fund missions have also fed into proposed improvements in policies on several major taxes. The SAT has improved its training capacity by opening the Beijing International Tax Training Center in September 1997.

For 2000-2003, a major part of the TA will aim at strengthening tax administration. In consultation with SAT officials, an extensive work program has been formulated, including: activities to improve strategic management of the tax system by developing a strategic planning process; the development of improved methods to identify and treat major compliance risks; the rationalization of SAT's organizational structure, network of offices and staffing arrangements; and the strengthening of SAT's computer systems for tax administration objectives.

¹ Both MAE and STA also provide TA to China.

Table 3. FAD TA by function, FY 2000
(In numbers of missions or expert assignments)¹

	Tax and Customs Administration ²	Tax Policy ²	Public Expenditure Management	Expenditure Policy	Multi- Topic	Other ³	Totals
AFR							
Missions	17	6	9	1	2	1	36
Long-term experts ⁴	9	2	14			1	26
Short-term/ peripatetic experts	7		7				14
APD							
Missions	12	3	5		3	2	25
Long-term experts ⁴	4	1	4			1	10
Short-term/ peripatetic experts	6		1				7
EU1							
Missions	7	2	6	2	3	2	22
Long-term experts ⁴	3		2				5
Short-term/ peripatetic experts	5		2				7
EU2							
Missions	8	1	4	4			17
Long-term experts ⁴	4		9			1	14
Short-term/ peripatetic experts	8		4			1	13
MED							
Missions	5	2	5	2	1	1	16
Long-term experts ⁴	6		2				8
Short-term/ peripatetic experts	3		1	2			6
WHD							
Missions	13	8	1	2	1		25
Long-term experts ⁴	1						1
Short-term/ peripatetic experts		1				1	2
Totals							
Missions	62	22	30	11	10	6	141
Long-term experts ⁴	27	3	31	0	0	3	64
Short-term/ peripatetic experts	29	1	15	2	0	2	49

¹ Note that data are not comparable to data shown in Charts. Installation, inspection, and ROSC missions as well as seminars and training courses have been excluded. Missions to a single country by one person for less than five days are excluded from the table, but short visits to a number of countries by one person adding up to a total of more than five days are counted as one mission to the region.

² Seven missions included significant tax policy and tax administration components, and these are shown under each heading.

³ Includes fiscal federalism, fiscal management, and transparency missions.

⁴ Long-term experts defined as in situ for 6 months and over.

III. Developments in MAE

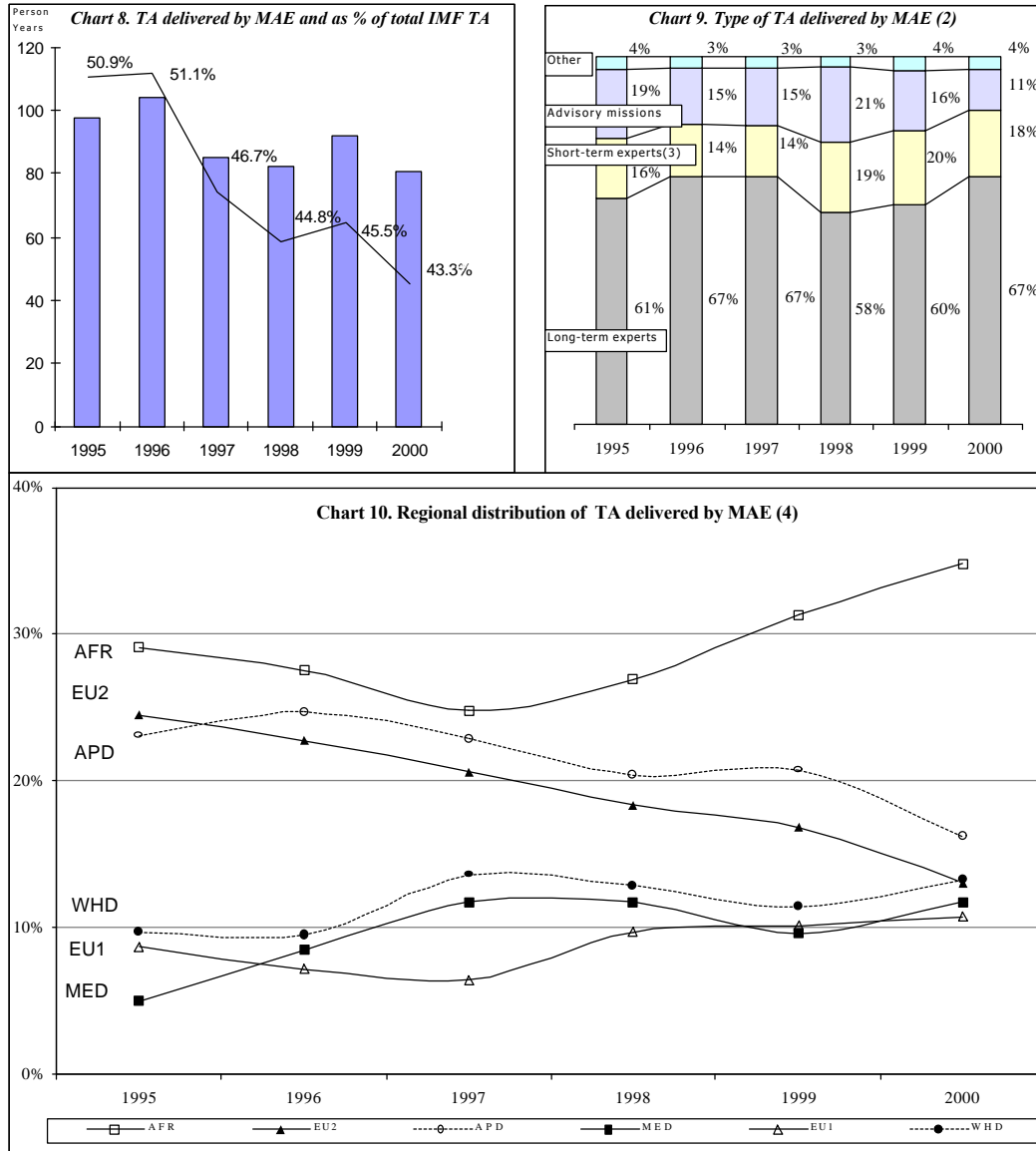
35. MAE's mission is to assist member countries promote sound and efficient banking and financial systems and effective monetary and exchange policies, in order to achieve financial and macroeconomic stability as a foundation for economic growth. This mission is achieved, to a significant extent, by the delivery of TA through advisory missions, short- and long-term expert assignments, and training workshops and seminars. The TA is aimed at strengthening **institutional capabilities** in monetary and exchange market infrastructure and operations; exchange and capital account regulations; payment systems design and operations; bank supervision; and monitoring the health of the financial system.

36. TA continued to be the main activity in MAE, amounting to some 106 person-years during FY 2000 (including headquarters' time), 76 percent of which was in field time. While high, this was still less than the 121 years total TA (76 percent of which was field-time assistance) TA delivered in FY 1999. About 15 person years of total TA had to be redeployed from TA activities to other areas of MAE work, primarily to undertake the pilots for the Financial Sector Assessment Programs (FSAPs) in 12 member countries in FY 2000. In order to cushion the impact of this temporary redeployment, there was increasing reliance on short-term expert assignments and reductions in the number and size of TA advisory missions (by around one third compared to FY 1999). The number of training workshops and seminars delivered by MAE in FY 2000 was 22, compared with 25 in the previous year, a fall of some 12 percent. In terms of field time, MAE provides some 43 percent of total TA delivered by the Fund (Chart 8).

37. All regions, except MED and WHD, experienced absolute reductions in field-delivered TA in FY 2000, and the relative shares of EU2 and APD also fell. AFR and APD together continued to absorb about half of MAE's field assistance, accounting for 35 percent and 16 percent, respectively (Chart 10), reflecting the close support for Fund-supported programs in these two regions. The growth in TA to MED reflected efforts by countries in this region to modernize central banking operations, financial markets and bank supervision. TA to EU2 continued its slow decline with the progressive shift from broad-based support of the transition to modern market oriented policy and capacity-building toward more focussed assistance on strengthening domestic financial systems to achieve systemic stability. Post-conflict cases figured prominently among the top 10 recipients of MAE's field TA in FY 2000 in terms of days spent (40 percent) and missions (30 percent).

38. Long-term experts continued to account for the dominant share of MAE's TA (Chart 9), corresponding to some two-thirds of all field time, followed by workshops and short-term experts on stand-alone missions (24 percent), and staff-led missions (11 percent). There were 55 person-years (about the same as in FY 1999) of long-term assignments in 48 member countries or regional organizations, with AFR (24 person-years) accounting for by far the largest share. Some 40 percent of long-term assignments focussed on bank supervision/restructuring, while another 30 percent were general policy advisors, 11 percent looked at monetary operations/policy, 8 percent the payment system and the rest assisted in other central banking/financial areas.

MAE TA DELIVERY IN THE FIELD⁽¹⁾



- (1) Field time excludes travel and adjustment days.
- (2) In this chart, other includes training, briefing, and recruitment. Peripatetic experts are with short-term experts.
- (3) Short-term experts cover only individual assignments. Short-term expert time on missions and workshops is included in time for Advisory missions and Other (training).
- (4) See Appendix IV for regional groupings.

39. During FY 2000 as in the previous fiscal year, single topic missions continued to represent almost 60 percent of MAE’s advisory missions (Table 4). Some 30 percent of single topic missions covered bank supervision and financial sector issues, 20 percent had a focus on monetary operations and policy instruments, and 8 percent dealt with the payment system topics. Other areas included foreign exchange and capital account topics, and other central banking issues. Of the multitopic missions, some two-thirds covered areas related to bank supervision and the financial sector, monetary operations and policy, and foreign

exchange systems. Around half of multi-topic missions included assistance on modernizing and strengthening the payment system.

40. Of the 22 training workshop/seminars delivered by MAE in FY 2000, almost two thirds were held at the Fund's regional training institutes located in Austria, Singapore, Cote d'Ivoire and UAE. About 20 percent covered bank supervision and financial sector issues, with inflation targeting seminars growing in importance relative to more traditional offerings on monetary operations and policy, foreign exchange, accounting, and payment system issues.

41. TA in MAE began to shift in 1998 away from traditional areas of focus—central banking, foreign exchange system, and payment issues—towards financial system strengthening and compliance with codes, standards and internationally accepted good practices. This shift accelerated in FY 2000. MAE's TA has evolved since it began in the late 1970s. TA from the then Central Banking Service focussed mainly on helping newly independent Fund members establish central banks, introduce currency regimes and the associated foreign exchange system and formulate monetary policy using the required monetary instruments. By the late 1980s, MAE TA had begun to change. First, there was a large jump in assistance to transition countries. Second, there was a shift towards the modernization of central banks and the payment system, including helping central banks enhance their independence and improve the legal framework within which they and the banking system operated. Third, assistance also increasingly focussed on market-oriented monetary policy instruments, and on financial liberalization.

42. With the globalization of transactions in the financial and trade areas, MAE's TA has evolved with the changing needs of the Fund's membership, advising on the appropriate sequencing of financial reforms in an environment of increasing liberalization of the current account and, for some countries, the capital account. In the last three years, this shift has accelerated in the wake of the financial crisis in Asia, Latin America and Russia.

43. While for many countries in AFR, MED and APD, the demand for traditional assistance continues to be substantial (especially for those seeking closer integration with international markets), for some the need for such assistance has become less pressing. For example, there is emerging consensus that in the transition countries of Central Europe, the Baltics, Russia and other BRO countries, and in Asia, reforms establishing market-oriented monetary and financial policy and instruments as well as the associated institutional capacity can be sustained with less TA from MAE (even though in some countries, circumstances continue to be fragile). Similarly, in some more developed AFR and WHD countries, requests for TA to modernize financial systems and the legal framework in which they operate have fallen.

44. In FY 2000, MAE assistance has also been particularly linked to Fund-supported program activities—involving support for the design and monitoring of program prior actions, structural benchmarks and quantitative performance criteria in the monetary and financial sector. In this connection, there have been increasingly stronger connections between purely TA activities and those considered program or even surveillance activities. MAE's initiative on the FSAPs is likely to enhance these links, since it is inevitable that technical advice given in the context of the FSAP mission or later in the context of the

Article IV consultation mission may not be classified as TA. In addition, there is increasing likelihood in the future that national authorities will request MAE TA to address vulnerabilities identified in association with the FSAP exercises, and the related assessment of the Basel Core Principles (BCPs), the Code of Good Practices on Transparency in Monetary and Financial Policies (CMFPs) and other international standards.

45. By way of illustration, in FY 2000 MAE provided assistance to 97 countries (and 7 regional organizations), 66 (or 70 percent) of which had financial programs or were in intensive program discussions with the Fund. In addition, the FSAP pilots for Colombia, Lebanon, and South Africa have given rise to TA requests which are based on the recommendations of those missions.

46. Building upon the positive experience in the PFTAC, in which a long-term advisor in banking supervision based in Fiji provided TA on an agreed timetable on a peripatetic basis to member countries in the Pacific, in FY 2000 MAE expanded the use of regional long-term TA advisors attached to regional agencies of member countries.¹ Three long-term advisors (on monetary operations, bank supervision and the payment system) served in the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI) located in Zimbabwe. Another two advisors (for payment system and monetary operations) worked with SADC based in Zambia and Tanzania. MAE also placed a regional general advisor, based in Trinidad and Tobago, for the Eastern Caribbean area (through the East Caribbean Central Bank (ECCB) and the Caribbean Community and Common Market (CARICOM)). Experience on the effectiveness of the expanded initiative of regional advisors in AFR and WHD has thus far been encouraging, despite some initial problems relating to ineffective coordination and weak ownership at the sponsoring regional agencies. MAE is in the process of reviewing the arrangements under these regional programs to make them more effective.

47. In addition to close coordination with the World Bank and the regional institutions mentioned above, MAE continues to maintain and sustain good working relationships with regional donors or beneficiary groupings to facilitate the delivery of TA. Thus :

- in AFR, in addition to MEFMI and SADC mentioned above, MAE has also worked in close coordination with the African Development Bank, the Banque des Etats de l'Afrique Centrale (BEAC) and the Banque Centrale des Etats de l'Afrique d'Ouest (BCEAO) on TA matters;
- in APD, MAE has worked closely with AsDB and the South East Asian Central bank Research and Training Centre (SEACEN);
- in EU1, a group of donor and beneficiary countries under the leadership of MAE coordinates TA to Central and Eastern Europe and the Baltic countries;
- in EU2, MAE facilitates a parallel grouping from the CIS and G10 central banks to coordinate TA and training activities;
- in MED, there is a close working relationship with the Arab Monetary Fund and the Fund joint regional training institute, including on Islamic banking issues; and

¹ PFTAC was also involved in forging regional cooperation of financial sector regulation and supervision.

- in WHD, MAE has been working with WHD and the Technical Assistance Secretariat (TAS) to coordinate a regional TA center (CARTAC) which is modeled after PFTAC, while close cooperation continues with the IADB, Centre for Monetary Studies (CEMLA) and the Latin American Grouping of Supervisors (ASBA).

48. While the demand for traditional TA is likely to continue to be strong, there will also be increasing requests for TA to strengthen the financial sector, reduce vulnerabilities and work towards compliance with international codes and standards, partly in relation to recommendations stemming from FSAPs and the associated assessments of financial sector codes and standards. It is also anticipated that some TA resources would need to be set aside to assist recovery from post-conflict crises—as occurred in FY 2000 and earlier years, for instance, in Angola, Bosnia and Herzegovina, East Timor, Haiti, Kosovo, Liberia, and Sierra Leone—or to assist countries seeking to carry out fundamental reforms, as has happened in Iran, Nigeria, Pakistan, and Tanzania.

49. The strong demand for TA is likely to put great pressure on MAE's limited resources. To serve the needs of member countries better, MAE is putting considerable effort into further improving coordination with other TA providers, exploring potential sources of additional external funding support and by seeking to strengthen the internal monitoring and evaluation of the effectiveness of its TA efforts.

50. Better coordination with other TA providers is particularly useful for meeting members' needs for traditional TA. For example in EU1 and EU2 countries, there has been increasing emphasis on bilateral TA delivery in central banking operations, the payments system, reserve management and financial supervision. Similar bilateral or twinning arrangements could be organized with MAE's assistance between central banks/supervision agencies of more developed markets and countries in need. In addition, efforts to secure external funding from donors would also help MAE leverage its own resources to coordinate TA delivery.

51. Improvement in the monitoring and evaluation of TA effectiveness (described in Section V of SM/00/227) will help to prioritize the countries or the areas in which MAE should be directing its TA resources. These efforts have already contributed to the observed shift away from long-term resident experts in favor of peripatetic and periodic short-term interventions in a number of countries. As discussed above, MAE is also working on enhancing the efficacy of regional advisors.

52. MAE participated in the pilots on TCs and TCAPs. The department contributed to completed and ongoing TCs in FY 2000 for Angola, Bulgaria, Cameroon, Croatia, the Gambia, Georgia, Guyana, and Macedonia; these were felt to provide a good opportunity for discussing with the authorities and area department mission chiefs TA needs and the strategy for meeting them. A few of the countries chosen had not received much direct MAE assistance in the past few years, but had benefited more from regional TA. MAE staff thought the TCAP was a useful vehicle for discussing with authorities the benefits being derived from the TA delivered and for clarifying future TA needs. The TCAP exercise was also seen as facilitating the coordination among different providers of TA for meeting the needs of the target country.

53. MAE recognizes the risks of any trade-off between a rapid and a more gradual shift away from traditional TA to a greater focus on assistance to strengthen the financial sector and support compliance with standards and codes. It is clear that the two types of TA are mutually supportive; the modernization of central bank operations, improvements in monetary policy implementation and better management of the foreign exchange system have a large impact on the soundness and vulnerability of the financial sector. In particular, weaknesses in the monetary and exchange policy framework could have adverse consequences for management of liquidity risks. Similarly, inconsistencies in efforts to liberalize the financial system and the capital account may expose the financial sector to systemic risk or trigger contagion leading to financial crisis. Within the prevailing resource envelope of around 120 person-years, MAE therefore intends to balance its TA allocation between traditional assistance and support to meet needs arising from FSAPs and work on standards and codes.

Box S2. Coordinating TA to Russia

MAE's TA to Russia has continued to focus primarily on measures to strengthen the banking system in the wake of the financial crisis of 1998. There are two notable aspects to this work: it has proceeded in all instances completely jointly with the World Bank, and it involves the development of a unique mechanism to coordinate TA from a large number of donors. Regarding cooperation with the World Bank, while Fund and Bank teams operate under separate terms of reference, a single report is produced and all meetings with the authorities have been joint. There has been something of a division of labor, with the Fund taking the lead in banking supervision and accounting assistance, and with the Bank taking the lead on legal issues, funding third party due diligence assessments of problem banks (including state banks) and support of the restructuring agency.

TA to Russia is being provided by more than 10 donors. The Fund and Bank arranged for the creation of an Inter-Agency Coordinating Committee (IACC) that is chaired by the Central Bank of Russia and includes as members principal donor agencies and relevant agencies and departments of the Russian government. The Fund and the Bank developed a detailed matrix of TA needs which acts as a master plan for assigning TA projects to various donors. The IACC meets semi-annually to assess progress in delivering TA, and to update the matrix of TA needs and priorities based on reports of various working groups that are responsible for implementing sub-areas of the TA matrix. There is general agreement among key donors that the IACC has been an effective major innovation for coordinating donor work.

Table 4. MAE Technical Assistance, FY 2000
(In numbers of missions, expert assignments/visits, and workshops)¹

	Bank Supervision/ Restructuring	Payment System	Monetary Operations/ Policy	Other Single- Topic	Multi- Topic ²	General Advisor	Totals
AFR							
Advisory missions	2	1	1	4	1		9
Long-term expert assignments ³	12	3	2	2		10	29
Short-term expert visits	10	3	5	13			31
APD							
Advisory missions	1		1	3	5		10
Long-term expert assignments ³	4	1	2	2		2	11
Short-term expert visits	28	7	6	8			49
EU1							
Advisory missions	2	1		2	8		13
Long-term expert assignments ³	2	1	1	2		2	8
Short-term expert visits	10	8	4	12			34
EU2							
Advisory missions	4		1	1	10		16
Long-term expert assignments ³	6					3	9
Short-term expert visits	18	4	5	7			34
MED							
Advisory missions	1		4	4	2		11
Long-term expert assignments ³	3	1	1	2		2	9
Short-term expert visits	12		4	6			22
WHD							
Advisory missions	1	1	1	3	3		9
Long-term expert assignments ³	2		1	1		4	8
Short-term expert visits	20	9	2	20			51
Totals							
Advisory missions	11	3	8	17	29	0	68
Long-term expert assignments ³	29	6	7	9	0	23	74
Short-term expert visits	98	31	26	66	0	0	221
Workshops/Seminars ⁴							22

¹ Inspection missions have been excluded; short-term expert visits are solo visits only (excluding missions and workshops); peripatetic expert counts are by each individual trip, not by contract and have been included under short-term expert visits; missions to a single country by one person for less than five days are omitted from the table.

² Of the 29 multi-topic missions, approximately two-thirds dealt with financial sector issues/bank supervision, monetary operations, and foreign exchange, one-half dealt with payment system, and one-fourth dealt with other issues such as capital accounts.

³ Long-term expert assignments are of six months or more.

⁴ Approximately 20% of TA workshop/seminars dealt with bank supervision/restructuring, 20% with monetary operations, 15% with accounting issues, and the remaining dealt with such issues as foreign exchange, inflation targeting, and payments systems.

IV. Developments in STA

54. TA in statistics plays a crucial role in the Fund's work. It is designed to: help national authorities develop and maintain high-quality macroeconomic databases suitable for publication and analysis and for formulating, implementing, and monitoring national economic policy; to help national authorities subscribe to the SDDS or participate in the GDDS; and to facilitate the development and maintenance of STA databases of internationally comparable macroeconomic data and the dissemination of those data in the Fund's statistical publications. In addition to providing assessments of methodological soundness, accuracy, coverage, and timeliness, TA missions often deliver on-the-job training, help design reporting forms and spreadsheets to facilitate correct classification, and lay out short- and medium-term action plans to strengthen statistical systems.

55. Following sharp growth in the 1990s when its volume more than tripled, TA in STA grew by 8 percent in FY 2000 to reach a new peak at 41 person years of total TA, including headquarters' time, of which over 60 percent was in field time (Chart 11). In FY 2000, the department fielded 196 TA missions to 99 countries, compared to 178 missions to 99 countries in FY 1999 and 164 missions to 85 countries in FY 1998. Ten years ago STA fielded only 50 missions. In terms of field time, STA accounts for some 13-14 percent of TA delivered by the Fund (Chart 11).

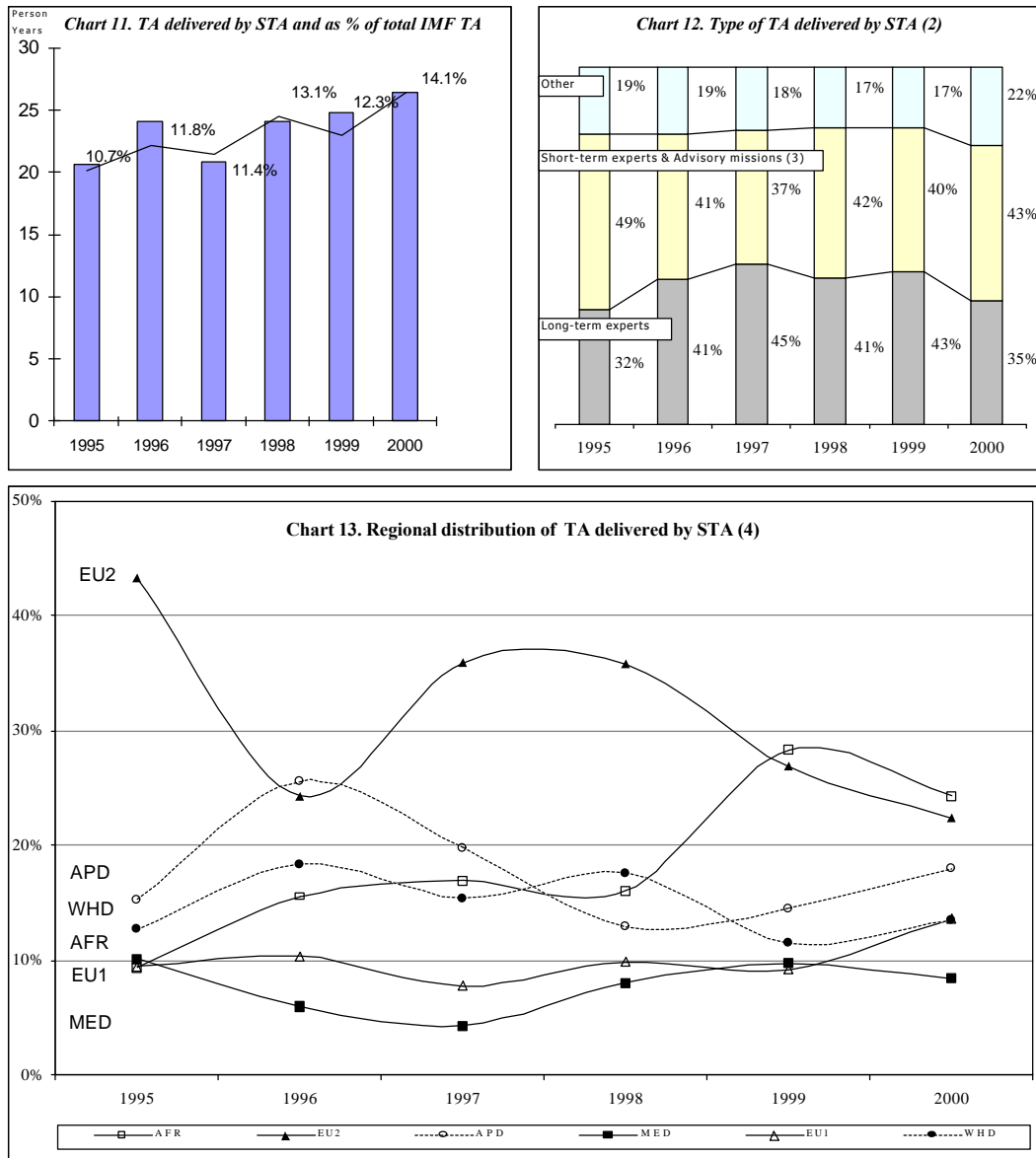
56. The regional allocation of STA's TA delivered in the field has remained broadly stable, given a general trend over the past five years for the high levels of assistance to EU2 countries to be reduced in favor of TA to Africa (Chart 13), as the extremely heavy volume of STA TA to the transition countries during the 1990s has begun to wind down. Statistical systems in most of the EU2 countries have improved, some substantially, and Africa has a great need to build statistical capacity. Transition countries in the BRO, among the top 10 users of STA's mission time and days in the field in FY 2000, nevertheless still outnumber African countries. APD was the third largest recipient in the last two fiscal years, partly owing to increasing demand for TA related to the Asia crisis. Indonesia, Korea, and Thailand received assistance in all areas of macroeconomic statistics.

57. Some 40-50 percent of STA's field TA is delivered by short-term experts/missions (the two are interchangeable for STA), with a somewhat smaller share provided by long-term experts (Chart 12). Long-term expert work focusses on multisector and balance of payments work. As in FAD, STA's TA for capacity-building may be provided by a combination of long-term experts and missions.

58. TA from STA consists—in order of importance—of (a) short-term missions (often including or consisting of externally recruited short-term experts) visiting national statistical offices, central banks, and finance ministries (196 in FY 2000); long-term experts assigned to selected countries (13 in FY 2000); and training courses and seminars held both at headquarters and regional locations abroad (21 in FY 2000). The functional breakdown of TA shows that statistical work on national accounts, balance of payments, and money and banking dominate TA mission work, with 24 percent, 23 percent and 21 percent, respectively, of the total.

59. Several years ago STA adopted a “country project” focus for its TA program in an effort to move away from one-off, firefighting-type missions to a more sustained involvement to ensure lasting improvements. As a result, TA is now in large part capacity- or institution-building, particularly in program countries. Extended courses at headquarters, shorter regional seminars, and on-the-job training transfer knowledge and skills to compilers. Examples of institutional reform during the past year were TA by a resident expert in Bosnia & Herzegovina to help build institutional capacity and coordination among all the statistical agencies in all macroeconomic sectors and by a resident adviser in Ukraine to assist in drafting a modern statistical law that has been enacted.

STA TA DELIVERY IN THE FIELD ⁽¹⁾



- (1) Field time excludes travel and adjustment days.
- (2) In this chart, other includes training, briefing, coordination, and recruitment. Peripatetic experts are with short-term experts under Advisory missions.
- (3) Short-term experts cover individual assignments. Expert time on workshops and missions covered under Advisory missions and training (other). For STA, short-term experts interchangeable with Advisory missions.
- (4) See Appendix IV for regional groupings.

60. TA in statistics has become increasingly linked to surveillance, most recently with the sharp increase in demand for TA related to standards and codes, including data dissemination standards. While demand for STA's TA in the 1970s and 1980s typically arose from publication-related methodological issues, TA requests now frequently originate from the need for accurate and timely statistics in the design and monitoring of Fund-supported programs and in surveillance activities. Close collaboration with area departments ensures that STA TA is effective in supporting sound policymaking; key elements of statistical action plans developed with STA TA are increasingly incorporated into the structural benchmarks of medium-term Fund-supported programs. Program countries absorb the bulk of STA's TA resources.

61. A notable example of STA TA that directly supports surveillance and program activities is the effort underway to help countries develop quarterly national accounts. Surveillance and financial programming often depend critically on assumptions regarding the growth of the real economy, and these programs cannot be effectively monitored with annual GDP data. In the past year, successful projects in developing quarterly national accounts have been completed in Brazil, Croatia, Jordan, Malaysia, and Thailand. Other examples of surveillance-related TA in FY 1999 and FY 2000 were the statistical treatment of new financial instruments in Chile and Korea (by money and banking and balance of payments missions, respectively); and bank restructuring in Malaysia, Philippines, and Thailand (money and banking missions); reconciliation of fiscal and monetary data in Bangladesh and Nigeria (various missions); development of better measures of local government finance statistics in Morocco and Poland; improved measurement of external debt in Korea and Thailand; measurement of the informal sector in Georgia and Romania; and cross-border trade in Latvia and Lithuania.

62. In FY 2000 STA participated in 13 TCs, 4 in EU1, 2 each in AFR, APD, MED, and WHD, and 1 in EU2. All TC work was done at headquarters. The total resource cost was approximately four staff weeks; this was manageable, but it would be quite burdensome if TCs were done for all Article IV consultations.

63. STA participated in two TCAPs in FY 2000—Nigeria and Yemen. In Nigeria, which had had no TA from STA for an extended period, the department fielded an exploratory assessment mission in 1999 followed by a multisector statistics mission. The latter put together, in collaboration with the government and other donors, a comprehensive 3-year action plan. As part of this plan, the General Data Dissemination System (GDDS) is serving as a framework for follow-up TA by STA and other donors in all sectors. In Yemen, which has been a more regular recipient of TA from STA, STA's participation in the TCAP has so far concentrated on balance of payments and national accounts statistics. A multisector statistics mission visited Yemen in the summer of CY2000 to assess the status of overall TA needs in statistics and outline the strategy for the next few years within the framework of the GDDS. In STA, multisector missions (6–8 a year) have always had most of the characteristics of TCAPs, including comprehensive multisector medium-term action plans worked out in consultation with other donors. The only TCAP feature missing from multisector missions is the external financing plan worked out with the UNDP in a multi-departmental context.

64. Although short-term single-topic missions are the main vehicle for delivering TA in STA, they often originate in and are part of a comprehensive medium-term action plan designed by a multisector **statistics** mission. These missions provide overall assessments and recommendations for strengthening institutional arrangements, methodology, collection, compilation, and dissemination practices in the major areas of macroeconomic statistics. They also often address issues related to intersectoral consistency, coordination among statistical compiling agencies, resource requirements, and statistical legislation. Multisector missions require significantly more STA resources than single-topic missions.

65. An important component of the department's TA program has been to complement its short-term missions with long-term statistical advisors. This approach has proven particularly appropriate for the transition countries, where there was an urgent need during the 1990s to build a statistical infrastructure that would buttress the move to market-oriented economic systems. Long-term experts were most effective in situations that required sustained, intensive attention to deep-rooted shortcomings in statistical systems. Multisector statistical advisors have been assigned for several years to countries facing particularly daunting problems in various areas of macroeconomic statistics, including Belarus, the Kyrgyz Republic, Russia, Ukraine, and Bosnia & Herzegovina. In addition, regional statistical advisors (to PFTAC and the Baltic countries, the latter now replaced with a balance of payments advisor) have provided an efficient way to channel TA to groups of countries. Single-topic long-term experts have been assigned to countries in which the focus for sustained, intensive advice was related to one (or sometimes two) specific topics. For example, long-term experts in balance of payments statistics have recently been assigned to Mongolia, Botswana and Yemen, and in real sector statistics to Lesotho and Malawi. STA's long-term expert program is totally funded by external sources, with approximately 80 percent of the financing coming from the Japanese Government and the remainder from UNDP.¹

66. Fundamental to TA and training in statistics are the internationally recognized methodologies which STA has been instrumental in developing. These include the *Fifth Edition of the Balance of Payments Manual*, the *1993 System of National Accounts*, and the forthcoming manuals on *Monetary and Financial Statistics*, *Government Finance Statistics*, and *External Debt Statistics*. These manuals ensure that statistics are meaningful for economic policymakers and are internationally comparable. An example of TA directly flowing from changes in methodology was the assistance provided to Bulgaria and Chile last year to support the change to an accrual basis for government finance statistics. The department offers a number of training courses and seminars for country officials on statistical methodologies and their applications, both at headquarters and at selected regional sites abroad (21 in FY 2000).

67. In designing TA projects in statistics, STA always inquires about the related activities of other TA providers to avoid duplication of efforts and to maximize the benefits of fruitful collaboration. STA's TA has been complementary with that of other providers in many

¹ At the beginning of 1999 a Panel of Experts was established to include those with high-quality experience and qualifications in one or more areas of macroeconomic statistics. This Panel is the basis for all expert assignments.

cases, such as with assistance from the U.K., UNDP, and the World Bank in Nigeria, and from the Netherlands in Yemen. The World Bank is helping in the area of socio-demographic data for the GDDS. Occasionally other donors will supply equipment, such as computers, without which STA TA could not succeed. Other examples of collaboration last year were with Australia, Singapore, and UNCTAD in presenting a regional seminar in Asia on external debt statistics, and with the Bank of Portugal and the Bank of Russia in presenting regional courses in money and banking statistics. STA has worked closely in recent years with the European Central Bank to develop monetary data for the European Monetary Union.

68. Handling the considerable excess demand for STA TA requires careful prioritization and allocation of resources. The TA program of STA is planned each year project-by-project in close collaboration with the area departments. Considerable efforts are made to establish an appropriate regional balance, while focusing on projects with a high probability of sustained positive impact. Occasionally a judgement is made that relatively risky projects should be undertaken for overriding reasons. This was the case of Nigeria in FY 2000, where the track record of implementing TA was not favorable, but a decision was made to participate in a multi-year TCAP in order to support a major international effort and the Fund-supported program to bolster the reform program of the new government. The establishment of a Project Management System in STA, based on the logical framework system employed in many other TA agencies, also serves to improve project choice, as it covers all phases of the project cycle from design to delivery, monitoring, and evaluation. (See Box 3 and Section V in SM/00/227 for more details). Even after a project is started, it may be canceled or modified if monitoring indicates that the project is not on track.

69. Without significant increases in budget allocation and staff, work on recent initiatives will only expand at the expense of traditional bilateral TA. The introduction of more detailed reporting of reserves, new reports on the observance of standards and codes, TC and TCAP work, ROSCs and greater emphasis on TA monitoring, evaluation, and improved operating procedures and administration are all likely to reduce the delivery of traditional TA. Exacerbating the resource constraint is the significant decline in external financing for TA that is forcing reductions in STA's use of experts and capacity for training.

70. STA TA is likely to be provided increasingly within an overall program to assist the implementation of standards, usually in relation to the GDDS and the Special Data Dissemination Standard (SDDS), and sometimes in conjunction with a ROSC. The ROSC program, together with the very limited increase in resources being provided to STA, will require more frequent bundling together of work on GDDS, ROSCs, and TA. Savings from such streamlining is limited, however, and in the absence of additional resources, significant cutbacks in traditional, stand-alone TA will be unavoidable at a time when requests for such assistance are expected to continue to rise rapidly. With the increasing gap between demand and available resources, it will be necessary to postpone accommodating requests that previously would have been satisfied.

V. Developments in LEG

71. The Legal Department (LEG) provides TA in the design and implementation of laws, regulations and international agreements on monetary, financial and economic matters. Assistance is provided particularly in the areas of payments and transfers (including exchange controls and payments systems), central and commercial banking, budget and taxation, bank and corporate insolvency and restructuring, secured transactions and enforcement of contractual claims. TA provided by LEG is often designed to support Fund-supported programs, particularly those components that strengthen the financial sector. In the banking and tax areas, TA provided by LEG is normally delivered in collaboration with TA from other Fund departments, such as MAE and FAD.

72. A significant proportion of the TA provided by LEG during FY 1999 and FY 2000 (10.7 person years and 8 person years, respectively)¹ was directed at supporting the recovery of the financial sector in Asia and, as a consequence, Asian countries have been the major recipient. This trend is expected to continue for at least the next two fiscal years as efforts continue to strengthen legal frameworks in the aftermath of the crisis. In all, LEG delivered TA to 34 countries during FY 2000 (see Appendix I). In that context, the Netherlands recently established a subaccount under the Fund's Framework Administered Account for Technical Assistance, the initial purpose of which will be to finance TA that enhances the legal framework in Indonesia.

73. TA from LEG has been increasingly associated with Fund-supported programs, and in FY 2000 almost 75 percent of its TA (based on field-time data) was delivered in a program context. In many cases, the TA has been associated with specified reform measures in the program and, accordingly, has required close coordination with relevant area departments. In some of these instances, the department has been called upon to provide advice regarding the design and monitoring of the relevant component of the program. In addition, LEG's work in the banking area has been affected by the greater emphasis placed by the Fund on introducing measures—whether legislation or regulations and procedures—that enhance the stability in the financial sector.

Enhancing creditor rights

74. The linkage of LEG's TA with Fund-supported programs has resulted in an expansion of assistance to areas that are now recognized as being of critical importance to the financial sector, most notably corporate insolvency, secured lending and enforcement of contractual claims. Fund arrangements approved to assist Asian countries—particularly Indonesia and Thailand—address their financial crises have all highlighted the need to enhance the ability of creditors to enforce their claims. The design of legislative reform in this area has been critical to strengthening, particularly, the financial sector. The inability of domestic banks or bank restructuring agencies to recover loans from the corporate sector has had a devastating impact on their balance sheets and, because the government has often had to recapitalize the

¹ This data includes headquarters'-based TA, as much of LEG TA is provided from headquarters.

banks, has also weakened the government's fiscal position. Where businesses have incurred debt directly with foreign creditors, strengthening creditor rights by reforming insolvency and secured lending laws has proved important both in restructuring debt overhang and inducing foreign investors to return. More generally, establishing a predictable system that enables creditors to enforce their rights expands a country's access to international capital.

75. Although legislative design is important, experience has demonstrated that creditor confidence will only be enhanced if laws are applied with sufficient predictability by the relevant institutions. Accordingly, those Fund-supported programs that have emphasized the enhancement of creditor rights have often emphasized judicial reform and governance, particularly where there is evidence that problems in these areas have had a direct impact on the enforcement of financial laws. Weaknesses in the judiciary have also meant considerable emphasis on the design and implementation of informal, out-of-court corporate restructuring processes. A key priority of TA in these areas has been to ensure its consistency with—and support of—advice from the development banks, such as the World Bank and the Asian Development Bank, who provide considerable support in building long-term institutional capacity in these areas.

76. The country that received the most comprehensive assistance in the area of creditor rights has been Indonesia, where it was a critical element of the Fund-supported program. Building upon the department's work in the preceding year, LEG provided assistance in connection with proposed revisions to the bankruptcy law, and with the drafting of certain implementing regulations. The department also assisted in designing reforms aimed at improving judicial implementation of the bankruptcy law, including measures related to judicial governance as well as support of training programs focussed on bankruptcy law and general commercial law. Separately, LEG provided wide-ranging and sustained policy advice and TA on the design and implementation of an enhanced out-of-court framework for private sector debt restructuring.

77. TA has also been provided to Thailand in the area of insolvency, corporate restructuring and secured lending reform, again in the context of a Fund-supported program. LEG's work in Lithuania concentrated on insolvency law reform, covering both the design of the law and its implementation. In Mexico, assistance was provided on the design of the new insolvency law, a reform measure that also formed an important part of its Fund-supported program. Moreover, assistance is currently being provided to strengthen the legal framework and infrastructure in Mexico that relates to the enforcement of commercial claims.

Banking

78. LEG has traditionally provided advice in the area of central banking and commercial banking, covering both the design of legislation and the implementation of the relevant rules and regulations. This TA is often delivered in collaboration with MAE. As in the area of creditor rights, much of this advice has been delivered in a program context. In addition, the nature of the department's work in this area has been shaped by the following factors.

- A significant amount of assistance in the banking area has been provided to post-crisis/emerging states, such as Bosnia and Herzegovina, Kosovo and East Timor. This has involved providing assistance in the design and implementation of entirely new legal and administrative frameworks, from the design of the relevant enabling legislation to the implementation of licensing and supervisory requirements. In carrying out this work, major challenges have been to pay due regard to the limited institutional capacity of the country or territory and to take into account possible developments in an environment that is evolving at a significant pace.
- TA design has also been affected by the Fund's growing recognition that the prevention and resolution of financial crises requires measures to ensure financial stability. Accordingly, LEG's TA has increasingly emphasized governance issues (as in the work on creditor rights), including the role of directors and management, the effective implementation of prudential rules and supporting audit requirements.

79. TA to the Western Hemisphere region in FY 2000 included TA to Central American countries in the process of modernizing their banking legislation. This included reviewing commercial banking, central bank and banking supervision legislation (as in Nicaragua) and drafting financial institution and banking supervision laws (as in Guatemala). In Ecuador, in the context of overall reforms that eventually led to the dollarization of the economy, TA was provided through an assessment of the adequacy of its existing legal framework relating to central banking and commercial banking, and in drafting emergency legislation that address matters such as bank restructuring. Assistance was also provided to Jamaica concerning legal aspects of the payments system.

Taxation

80. LEG provided assistance in the substantial revision of tax laws of a number of countries, with particular emphasis on Central and Eastern Europe and Africa, with these revisions in many cases linked to Fund-supported programs. This assistance is often designed and delivered in close collaboration with FAD. As in the case of banking, assistance in this area was also provided to Kosovo and East Timor.

81. In most cases, TA on taxation involved the wholesale revisions of the income tax law, introduction of a new VAT law, or—in countries such as Azerbaijan and Ukraine—the introduction of an entirely new tax code (covering all taxes and tax administration provisions). Indeed, over the past six years almost all of the countries of the Commonwealth of Independent States have either adopted or are close to adopting a comprehensive tax code, in many cases with the assistance of TA from the Fund.

82. While there is still demand for such wholesale revision of tax laws, the department's work has started to shift toward supporting the next stage of reform. This involves assistance in the drafting of more detailed and sophisticated legislation, in some cases involving more narrowly targeted amendments in response to specific problems in implementing the law or driven by external factors such as the need for harmonization with EU legislation. It has also involved preparation of regulations to implement the laws passed.

Exchange System

83. LEG's work in exchange system reform has also been affected by the priority given to program-related work and is often delivered jointly with MAE. Most notably, LEG and MAE jointly provided TA to the Central Bank of Russia on ways to streamline and improve the Russian system of exchange controls. This assistance also focused on means by which enforcement could be enhanced.

VI. Developments in the IMF Institute

84. The IMF Institute provides training for member country officials on a range of topics relating to macroeconomic and financial policies. The training takes the form of seminars and short courses offered at Fund headquarters and at various locations overseas. Courses are organized and presented by Institute staff or by staff of other Fund departments, with occasional assistance from academics or other experts hired as consultants. In FY 2000, the Institute's 21 courses and seminars at headquarters provided 3,555 participant-weeks of training to 749 country officials, while 77 overseas courses and seminars provided 4,242 participant-weeks of training to 2,386 officials (Charts 14 and 15). The number of officials trained at headquarters was 15 percent higher than in FY 1999, and for those trained overseas the number was 26 percent higher. As can be seen in Charts 16 and 17, participants were drawn from all regions.

85. IMF Institute training is open to officials of all member countries, although those from developing and transition countries are given some preference in the selection process. Demand for training far exceeds the amount the Institute can supply with the staff and financial resources available. It has therefore sought cost-effective methods of expanding its training—by increasing its activities at overseas training centers, and through the recently-launched distance learning program.

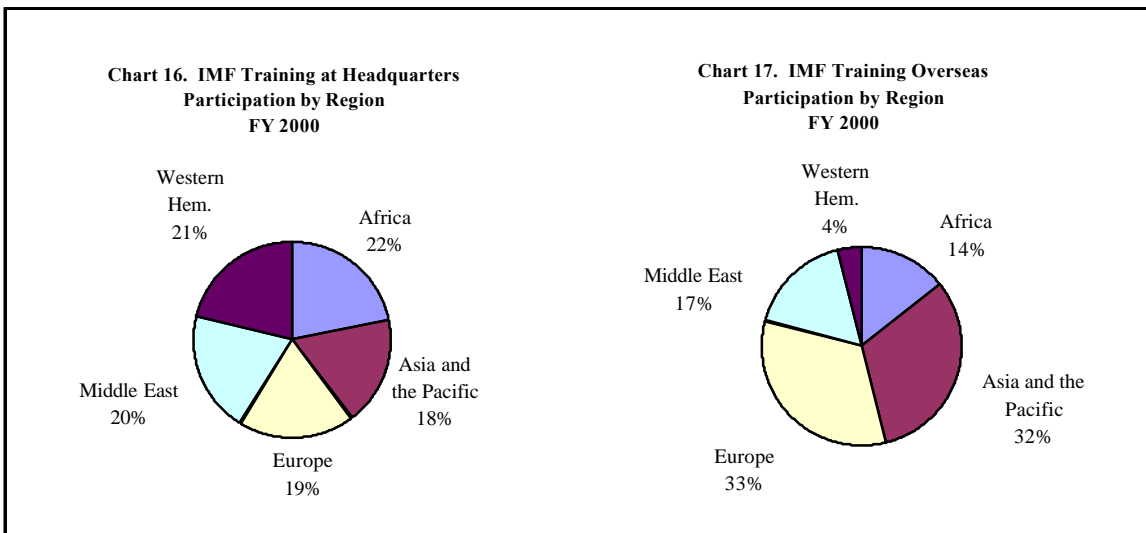
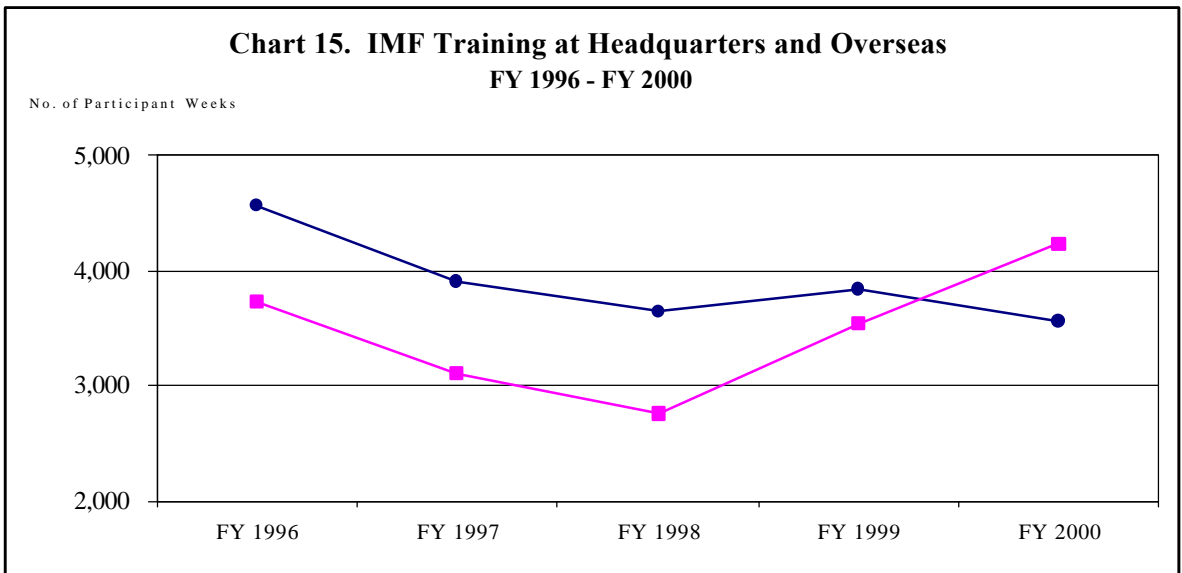
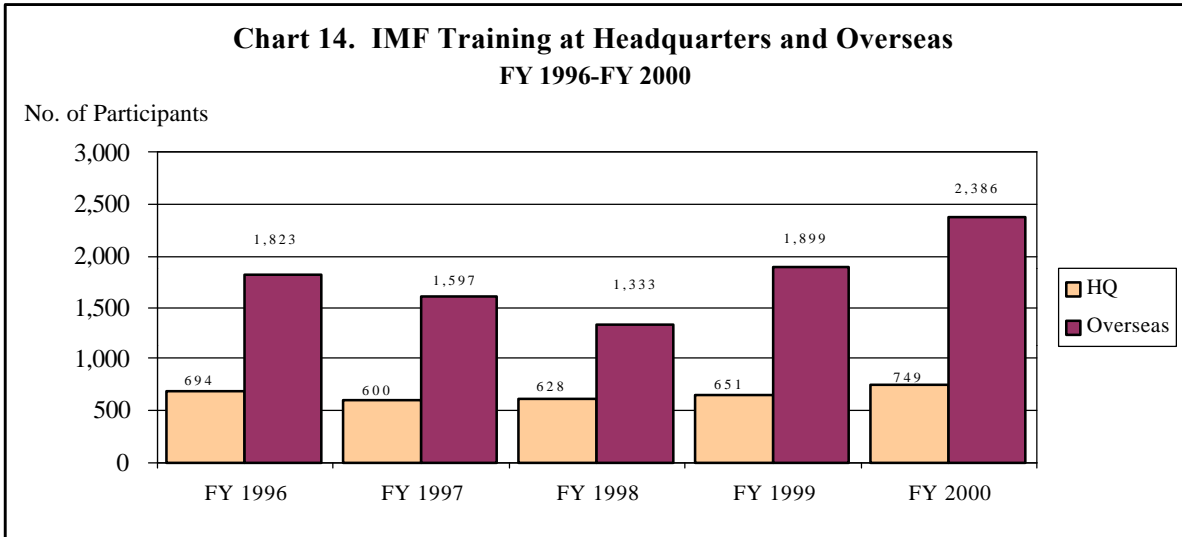
86. The expansion in overseas training has been made possible by establishing new regional institutes and regional training programs in collaboration with other partners, offering the maximum possibilities for efficiency and cost-sharing. The Joint Vienna Institute (JVI), which is a cooperative venture with six international organizations (IMF, the Bank for International Settlements [BIS], the European Bank for Reconstruction and Development [EBRD], the Organisation for Economic Co-operation and Development [OECD], the International Bank for Reconstruction and Development [IBRD], and the World Trade Organization [WTO]) and the Government of Austria, was established in 1992 and has trained over 11,000 officials from transition countries. It currently trains about 1,500 officials a year, and about half of this training is provided by the Fund. The IMF-Singapore Regional Training Institute (STI), jointly sponsored by the Fund and the Government of Singapore, began operations in 1998 and currently offers about 18 courses a year for officials from the Asia-Pacific region. The Joint Africa Institute (JAI) in Abidjan, Côte d'Ivoire, was established in collaboration with the African Development Bank and the World Bank, and began offering training for African participants in November 1999. The Fund is delivering some 7-8 courses there annually, representing about half of the JAI's training program. A new Regional Training Program was launched in Abu Dhabi in 1999 in collaboration with the Arab Monetary Fund (AMF), to provide training for AMF and IMF members in the Middle East and North Africa. The program currently offers 7 courses a year. More

recently, agreements were signed between the Fund and the People's Bank of China for a Joint China-IMF Training Program for Chinese officials, under which about 10 courses a year will be organized in China. The expansion in the Institute's overseas training via these regional institutes and joint training programs has resulted in the overseas training (measured in participant weeks) exceeding the training offered at headquarters in FY 2000 for the first time.

87. The second area of significant expansion in the Institute's training is the launch in FY 2000 of a new program of distance learning. The first such course was on Financial Programming and Policies, covering the same material as similar courses offered in Washington. Participants study for several weeks in their home country, using multi-media and printed materials that are sent to them. They submit assignments and communicate with their counselors over the Internet. In the future, they will also be able to access course materials via a site of the World Wide Web and to participate in electronic discussions fora on issues related to their courses. Those who successfully complete the distance learning part of the course, participate in a two-week residential program. The first delivery of the course was in January-April 2000. Fifty officials from 48 countries participated in the distance learning part of the course, with 39 of these invited to the residential component in Washington in April. A second distance learning course, in basic macroeconomics, is being developed by the University of London under contract to the Institute. This course will help to strengthen the preparation of Institute participants by ensuring a common minimum background in macroeconomics. This second course is expected to be given for the first time in CY 2001.

88. To respond better to the current needs of member countries, and in light of specific feedback from the members (see Box 4 of SM/00/227) the Institute has also been restructuring its training. Shorter more specialized courses on current topics are now offered for relatively senior officials. For example, one of the popular new courses is a two-week course on macroeconomic adjustment and financial sector issues, combining the more traditional Institute coverage of macroeconomic policy issues with new topics in the area of financial markets and financial sector reform. The Institute has also piloted several new courses at the STI and other overseas locations on financial sector issues, and is now incorporating more of these topics in its courses at headquarters.

89. An important part of many courses has been hands-on country case study workshops to help participants understand how the many aspects of macroeconomic and financial policies fit together to form a coherent and consistent economic adjustment program. The Institute regularly publishes the workshop materials so that they can be used by other trainers. Similarly, papers presented at seminars and conferences organized by the Institute have been published as conference volumes, and have recently been made available on the Internet. The Institute has also published three self-learning CD-ROMs which, like the workshops and conference volumes, are available from IMF publications.



VII. Developments in BTS

90. The Bureau of Information Technology Services (BTS) mainly provides TA, including training, that is associated with TA of other Fund departments. Thus, it gives TA related to financial and economic time series data systems, especially those related to STA TA projects; systems for central banking operations, including government debt, to support TA from MAE; and financial, budget and expenditure control systems for ministries of finance, particularly to support FAD TA. BTS also sometimes provides assessments of strategic plans in information technology, if these are directly associated with the objectives of other Fund TA activities.

91. During FY 2000, BTS managed TA to four member countries: Costa Rica, Malaysia, the Philippines, and China. The first three were supported by long-term experts funded under the Administered Account for Selected Fund Activities—Japan (JSA).

92. For Costa Rica, the purpose was to assist the central bank with a long-term information technology program for payment systems to support key monetary and economic policy goals. These included implementing new electronic services—such as electronic funds transfer and a real time gross settlement system—as part of an initiative to modernize the country’s payments systems. (This TA was associated with MAE work on payment system reforms—see Appendix V.)

93. For both Malaysia and the Philippines, the assistance supported managing statistical time series data and implementing a centralized financial and economic database. In each case, a working system was established and key staff in both the economics and information technology areas were fully trained to maintain and support the new system. In Malaysia, the database contains almost 800,000 time series, most of which are automatically updated through interfaces to other computer systems, and key reports, such as monthly bulletins, are produced directly from the database. In the Philippines, the database maintains more than a million economic and financial time series and is extensively used, including for the regular production of hundreds of reports, for publishing important statistical indicators on the central bank web site, and reporting monthly data directly to the Fund. Both of these projects were based on requests for improved statistical data processing supported by STA.

94. For China, the TA was provided at the invitation of the State Administration of Foreign Exchange (SAFE), and included a review of and recommendations on the collection, maintenance, and analysis of periodic transaction data reported to SAFE by banks, customs, and other government agencies or by enterprises. Expanding requirements, demand for more sophisticated reporting, and data consistency and data integrity issues, especially across the various SAFE systems, have raised the importance of further integrating the institution’s information processing. This TA was conducted as part of a joint mission with STA and RES.

Appendix I. Operational Guidelines

Technical Assistance—Operational Procedures 1/	
TA Choice	
Sources of Requests	<p>\$ Request initiated during consultations at Annual or Spring Meetings or at any other time; by Fund departments; as follow up to previous missions/expert assignments; from TC or TCAP process; out of work on post-conflict cases.</p> <p>\$ Final requests from authorities need to be in writing.</p>
The Decision-Making Process	<p>\$ Senior departmental staff make first evaluation and, after consultation with other departments, recommend response and mode of delivery.</p> <p>\$ Request evaluated by internal committee and assigned level of priority taking account of budget compatibility in the context of the Regional Allocation Plan (RAP).</p> <p>\$ Department director and/or senior staff gives final approval.</p>
Contacts with Alternative Potential Providers of Requested TA	<p>\$ In areas of overlapping responsibilities with other international/regional organizations, notably the World Bank and the regional development banks, consultations take place before, after, and often also during the TA activity.</p> <p>\$ Projects sometimes referred to other potential providers of TA, mainly because of technical comparative advantage, but also when capacity constraints or other reasons prevent department from delivering requested TA. In addition, TA in related areas is sometimes referred to other providers.</p> <p>\$ Where external financing for TA has been offered, department consults with donor and formulates TA in coordination with TAS.</p>
Criteria for Prioritization	<p>\$ Evidence that country's authorities are strongly supportive of obtaining the TA and committed to ensuring implementation.</p> <p>\$ Need to improve institutional capacity for macroeconomic implementation.</p> <p>\$ Whether TA is critical for policy and structural aspects of Fund program and its conditionality.</p> <p>\$ Extent to which proposed TA supports a country's effort to comply with internationally agreed standards and codes of transparency.</p> <p>\$ Whether previous TA recommendations have been implemented.</p> <p>\$ The importance ascribed to the TA by area department or management.</p> <p>\$ Whether TA is only benefit provided by the Fund.</p> <p>\$ Whether country is systemically or regionally important.</p> <p>\$ Whether country is in a crisis/post crisis situation.</p> <p>\$ The extent to which department has the human resources to provide good backstopping in subject area requested.</p> <p>\$ The extent to which external financing is available.</p> <p>\$ A priority for STA is to improve countries' reporting to STA for the Fund's statistical publications.</p>

1/ Excludes the delivery of workshops, seminars, many of which are carried out in coordination with INS at regional training institutes.

Technical Assistance—Operational Procedures	
Preparation of TA	
Long-term Experts	
Selection	<ul style="list-style-type: none"> • Updated panel of experts maintained. • Relevant senior staff select expert from panel of experts. • Area department consulted. • Long-term experts vetted and introduced to authorities through mission assignments when feasible. • If external financing involved, there may be consultation with donor agency on expert’s resume. • Long-term expert’s resume sent to authorities for approval.
Terms of Reference (TOR) for Long-Term Experts	<p>§ Relevant departmental staff prepare TOR and detailed work plan, setting out objectives, activities, expected outputs and monitorable indicators of progress; and the nature of training to be provided to counterparts.</p> <ul style="list-style-type: none"> • Area department, experts, and authorities are consulted. • Finalized TOR signed by senior departmental staff. • If external financing is involved, there may be consultation with donor agency.
Assignment of Backstopper	<p>§ Chief of topical division assigns backstoppers in FAD. In MAE, area manager or mission chief is principal backstopper. In STA, senior staff in the Immediate Office assigned by SPM as the contact person for multi-sector statistics expert; economist in topical division assigned by division chief as the backstopper for single-topic statistics expert.</p>
Preassignment Briefing	<p>§ Two- to five-day briefing of expert at headquarters or in field for FAD and MAE. § STA has two-week briefing for long-term experts.</p>
Missions	
Selection of Mission Chief and Members	<p>§ Mission chief and members selected by senior departmental staff. Timing of mission agreed in consultation with authorities, and area department (also with donor agency if external financing involved).</p>
Terms of Reference	<p>§ Draft prepared by mission chief in consultation with Advisory Committee in FAD; in MAE, by mission members under supervision of mission chief in consultation with review team and area manager. In STA, draft brief prepared by mission members under supervision of mission chief for multi-sector mission and division chief for single-topic mission, including logical framework matrices for country project missions.</p> <p>§ Other divisions, departments, and institutions (when relevant) comment on draft.</p> <p>§ Final draft approved by senior departmental staff; TOR cleared by management for some countries.</p> <p>§ In FAD, TOR sometimes sent to national authorities for comments when useful and there is sufficient time.</p>

Technical Assistance—Operational Procedures	
Preparation of TA	
Preparation	<ul style="list-style-type: none"> \$ Review background information, i.e.: previous TA reports and recommendations; latest RED/staff reports. In MAE, missions also review policy positions of the Fund and MAE formulated in internal documents. \$ Consult on technical issues with other Fund staff, World Bank, or other agencies concerned. \$ Questionnaires often sent to the authorities to obtain necessary information ahead of the mission. In STA, sometimes an issues paper is sent to authorities to help them prepare for the mission and to understand and support its objectives.
Delivery of TA	
Experts	
Monitoring	<ul style="list-style-type: none"> \$ Periodic monthly or quarterly reports by expert to backstopper indicating progress with outputs, activities, indicators, and timetable specified in the TOR. \$ Response to report by backstopper with advice and/or comments on relevant issues. \$ Other frequent contacts by fax, e-mail, and phone; technical and other relevant material sent (STA sends a periodic newsletter to experts on departmental issues and relevant papers and publications). \$ Feedback from authorities during missions, evaluation/inspection visits, at Annual or Spring Meetings. \$ In STA, all major recommendations and proposals outside TOR need the prior approval of STA management. \$ In STA, occasional reports may be requested by divisions on some specific topics. \$ In FAD biannual, and in MAE annual, review of all long-term and peripatetic experts: reasons for achievement or nonachievement of objectives, impact of the TA, expert's performance, and future plans. \$ Periodic and final reports copied to area departments (see follow-up).
Quality Control	<ul style="list-style-type: none"> \$ General guidelines and directions for necessary action given to experts by backstoppers, division chief, or department director (in STA). \$ Concerns expressed and/or necessary action proposed to the authorities where appropriate. \$ If TA intervention and/or long-term expert is assessed to be ineffective, this is brought to attention of relevant senior departmental staff for consideration and possible termination. \$ In MAE, reports addressing specific issues may be subject to clearance from functional divisions in MAE and the area department concerned. \$ Direct feedback from authorities during inspection visits, missions, and Annual or Spring Meetings.
Communications with Authorities	<ul style="list-style-type: none"> \$ Experts keep authorities informed of work and prepare regular notes, as relevant. \$ Priorities and assignments suggested by authorities accepted as long as consistent with TOR. \$ Final reports sent to authorities by MAE and STA.

Technical Assistance—Operational Procedures	
Delivery of TA	
Missions	
Communications with Headquarters	<ul style="list-style-type: none"> \$ Mission chief contacts headquarters, as needed and particularly if mission is considering deviating from TOR.
Quality Control	<ul style="list-style-type: none"> \$ Ad referendum draft or final report left with authorities in the field. \$ At headquarters, internal quality review of report is carried out by department; comments then sought from other relevant departments and, when appropriate, from World Bank. \$ Final version of report approved by department director and sent to authorities (generally within three months of mission's return). \$ If external financing is involved, an abridged or full report may be shared with donor agency.
Follow-Up and Evaluation of TA	
Long-term Experts	
Final Report to Headquarters	<ul style="list-style-type: none"> \$ Prepare final report covering outputs, activities, and targets in TOR, how far targets achieved, reasons for achievement/nonachievement, impact and likely sustainability of output. \$ If external financing involved, there may be consultation with donor agency on end-assignment report. \$ Report circulated to area department and recommendations incorporated in future program work and TA work as applicable. \$ In STA, final report completed during debriefing and reviewed by senior department staff and other departments. Final version approved by department director, and sent to authorities.
Debriefing	<ul style="list-style-type: none"> \$ Experts occasionally called back to headquarters for debriefing, usually when further TA likely to be delivered to the country, and when extensive additional reporting is useful. \$ In STA, 5-10 days' debriefing at completion of assignment.
Evaluation of Assignment and Expert by Authorities	<ul style="list-style-type: none"> \$ Obtained directly during missions, inspection visits, end of assignment communications, and during consultations at Annual or Spring Meetings. \$ Authorities provide evaluation on all MAE and STA experts concerning what was achieved, what remains to be accomplished, and the quality of the technical assistance provided. STA sends questionnaire to authorities for impact evaluation feedback 6-12 months following end of assignment. In FAD, evaluation by authorities sought through intensive interview process on one quarter of expert assignments.

Technical Assistance—Operational Procedures	
Follow-up and Evaluation of TA	
Evaluation of Expert by the Fund	<p>\$ In MAE, a standardized expert evaluation report form completed by area manager or mission chief.</p> <p>\$ No formal performance report in FAD and STA, but performance monitored and experts can be dropped from the panel for unsatisfactory performance. A rating of experts is entered into the expert panel system in MAE and FAD.</p> <p>\$ At the end of each long-term assignment, MAE and FAD ask the area department to fill out a questionnaire, in part assessing the extent to which the expert worked well with the authorities and the area department team.</p>
Evaluation Report by the Fund on How Far TOR Objectives Were Achieved	<p>\$ End of assignment report by expert commented on by backstoppers covering outputs, activities, and targets in TOR, how far targets achieved, reasons for achievement/nonachievement, impact, and likely sustainability of outputs.</p> <p>\$ Effectiveness and impact of all FAD and MAE assignments evaluated by area department. In STA, area department evaluation discretionary. STA also has annual review to summarize impact of all projects.</p> <p>\$ Assessment of impact of previous work by subsequent missions.</p> <p>\$ In FAD and MAE, annual review of all experts (see monitoring of experts). In STA, end-of-project evaluation report prepared after each expert assignment.</p> <p>\$ Annual evaluations of TA implementation for Annual Meetings.</p> <p>\$ Occasional ad hoc evaluation of relevance, effectiveness, impact, sustainability of TA projects, and more in depth external evaluation of TA in particular country/topic.</p> <p>\$ Project assessment for all JAA and UNDP-funded experts prepared in light of the objectives set out in TOR.</p>
Implementation of Lessons Learned	<p>\$ Lessons learned from periodic evaluations implemented on an ongoing basis.</p> <p>\$ Objectives/strategy at country level adjusted when appropriate as result of evaluation of past TA.</p> <p>\$ Important lessons and best practice disseminated through Fund publications.</p> <p>\$ In MAE, key measures taken following 1995 external evaluation of MAE.</p> <p>\$ In FAD, one or two major self-evaluation studies of TA advice done each year.</p>
Arrangements for Post-Assignment Follow-Up	<p>\$ Follow-up by missions, resident representatives and experts in the specific country. In STA, country project managers for selected countries are expected to monitor progress of TA implementation.</p> <p>\$ Follow-up in the context of TCs and/or TCAPs where appropriate.</p> <p>\$ Follow-up TA mission where useful.</p> <p>\$ Contacts with other bilateral donors.</p>

Technical Assistance—Operational Procedures	
Follow-up and Evaluation of TA	
Missions	
Back-to-Office Report	<p>\$ BTO completed upon return from mission. Where appropriate, department director sends it to management with copies to other departments. Also, sometimes sent to relevant World Bank regional vice president. In STA, BTO includes evaluation matrix based on logical framework system.</p> <p>\$ In MAE, mission chief also reports on key mission findings and relevant issues at weekly senior staff meeting.</p> <p>\$ If external financing is involved, an abridged or full report may be shared with donor agency.</p>
Evaluation by Mission Chief	<p>\$ End-of-mission evaluation report prepared immediately following missions assesses whether objectives of mission were achieved, the likelihood for implementation of recommendations and possible next steps.</p>
Evaluation by the Area Department	<p>\$ In FAD, soon after final report is sent to authorities, relevant area department mission chief fills out a questionnaire assessing whether TOR, preliminary and final reports reflected the priority and needs of area department. It also assesses quality of the reports and where possible, judges authorities' commitment to implement the key recommendations. In MAE, when TA mission report is circulated to area departments and PDR for comments, they are asked to reflect on whether the TA is consistent with priority and needs of the country. In STA, area departments asked to comment on completed evaluation questionnaires sent by authorities following end of project.</p>
Evaluation by the Authorities	<p>\$ Feedback from authorities sought in final meeting in field.</p> <p>\$ Authorities' evaluation obtained during follow-up missions or periodic visits. Comments by authorities on recommendations of mission requested when department director transmits final MAE report. In STA, all final reports reviewed by authorities, and questionnaire sent to authorities 6-12 months following a project (normally a series of missions over 1-3 years) for feedback on project impact. In FAD, for random sample of 25 percent of TA missions, evaluation of effectiveness, outputs, and sustainability sought from authorities within six months of the end of the mission.</p>
Evaluation Report by TA Department on How Far TOR Objectives Were Achieved	<p>\$ Missions generally report on implementation of recommendations made in previous missions, where relevant.</p> <p>\$ Short-run assessment of achievement of briefing paper objectives carried out in the review process for the mission report.</p> <p>\$ Final reports circulated to area departments and World Bank (where relevant).</p> <p>\$ In STA, internal evaluation of all TA projects and project missions.</p> <p>\$ In MAE, longer-term ad hoc reports prepared for comprehensive programs and shared with other departments.</p> <p>\$ Occasional departmental assessments of content, effectiveness, impact, sustainability, and policy orientation in a given policy area, country, or topic.</p> <p>\$ Special evaluation missions for some topics or countries.</p> <p>\$ Feedback from authorities sought in final meeting in field.</p>

Technical Assistance—Operational Procedures Follow-up and Evaluation of TA	
Steps to Implement Lessons Learned	<ul style="list-style-type: none"> \$ The lessons learned over time have influenced the TOR, the quality of the reporting, and the overall quality of TA delivered. \$ Objectives/strategy at country level adjusted where appropriate as result of evaluation of past implementation. \$ Important lessons and best practices disseminated through technical papers, publications, and seminars. \$ In MAE and FAD, occasional seminars to evaluate certain aspects of TA-related policy issues or instruments of general interest to departments. \$ In FAD, occasional seminars on TA in a given subject area, country, or region. \$ Periodic analysis of lessons learned from evaluations. \$ In MAE, committee to draw up operational recommendations established following 1995 MAE external evaluation. \$ STA's annual review summarizing impact of all projects, provides lessons learned.
Arrangements for Post-Mission Follow-Up	<ul style="list-style-type: none"> \$ Follow-up provided by departmental staff and missions, area department missions, resident representatives, and where relevant, experts assigned to the country. \$ Follow-up in the context of TCs and TCAPs where appropriate. \$ Follow-up mission where useful. \$ Contacts with other bilateral donors.
Distribution of Technical Assistance Reports	<ul style="list-style-type: none"> \$ Some TA reports shared with the external donors and multilaterals involved. \$ With approval of authorities, report put on the Fund's website. In some cases, report modified to remove sensitive material. If approval not given, report treated as confidential.

Appendix II. RECENT SELF-EVALUATIONS IN FAD

TA on Treasury Operations in the BRO

Most OECD countries rely on “treasury” systems to carry out the financial management function for central government. Through an integrated and networked computer system, these link budget execution, accounting, fiscal reporting and cash management for the Ministry of Finance, line ministries, and spending units. More advanced systems may also include further modules for budget preparation, debt management, extrabudgetary funds, state and local governments. Comparable systems did not exist in the BRO. Now, with extensive TA from the Fund, such systems have been introduced in almost all the FSU countries.

Drawing on the views of current and former TA advisers, the authorities, and relevant area department staff, FAD conducted a self-assessment over the last year of its TA in helping to establish these systems.¹ The extent of FAD involvement varied from country to country, as did the progress made. The FAD assessment suggested that the Fund’s TA was broadly effective: the most important single factor in determining overall effectiveness was the widespread acceptance of the treasury concept developed by FAD in 1992 by the relevant country authorities and by other TA providers. In all but one country, the TA recommendations were implemented and basic treasury systems are in place.

Better progress was made in establishing treasury payment systems to execute government payments and collect revenues, and treasury single accounts to pool government resources in the central bank. Far less was realized in introducing a treasury general ledger (TGL) accounting regime, and in developing a capacity for financial management. In several countries the system is quite advanced, but no treasury yet fully meets all the requirements of a modern treasury system. The factors explaining better progress among some countries than others included: (a) the existence of an IMF program to which progress on the treasury could be linked; (b) the extent of commitment of the government authorities; (c) the support of a skilled and stable counterpart team in the MOF; and (d) the assignment of high-quality resident experts.

The assessment identified two weaknesses in the Fund’s TA effort. First, the reform has taken much longer than FAD initially anticipated. With hindsight, the original model can be seen as too ambitious and centralized, although the Fund quickly modified this into a more gradualist, less-centralized approach that was less dependent on high-tech solutions. Secondly, unrealistic budgets and poor governance have prevented the development of a fully effective treasury, and the hostile macroeconomic environment of perennial crisis for most of the 1990s also hindered reform. Thus, setting up treasuries has proved to be a

¹ “An Assessment of FAD TA in Establishing the Treasuries in the Baltics Countries, Russia, and Other Countries of the FSU,” SM/00/60, March 2000.

necessary, yet by no means sufficient step to help transform fiscal and public expenditure management in the BRO.

Some conclusions that emerged from the study have broader applicability. The assessment noted the need for TA in institution building: to match carefully the basic solution proposed to the capacity of the authorities; to link critical steps in institutional development with the Fund program; and to be flexible on actual implementation issues, recognizing that local circumstances prohibit the use of a single model. High-quality resident experts are critical for major institutional reform, especially at an early stage, as are routine inspection on the ground and evaluation of the TA.

Following the assessment, FAD decided to scale back its TA on treasury systems, to focus on setting standards and developing better interim control systems. (The major investments in computer systems are for other TA providers to undertake.) A shift of emphasis was also made, however, to provide more TA on improving budget preparation and fiscal transparency/management in the BRO.¹

In light of comments on the study from country authorities, a revised version of the assessment will be published by the Fund.

VAT study

FAD has recently completed a major review of its TA advice on the VAT.²

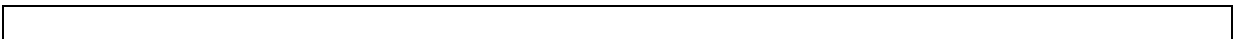
There has been a spectacular spread of the tax as an important reform to stabilize and bolster revenues, particularly in the last decade in central Europe, the ex-Soviet Union, and sub-Saharan Africa. Ten years ago, only a handful of countries in sub-Saharan Africa had a VAT, now about half do; almost all central European and ex-Soviet Union countries now have a VAT compared with one in 1989. FAD has been heavily involved in this increase, notably through TA and Fund-supported program work. It seems likely that VAT will continue to be a major focus of FAD activity. An evaluation of FAD advice will, therefore, have useful operational lessons.

The immediate **objective** (see Box S4 for methodology) was to review key elements of FAD advice, and identify particular areas in which it appeared inappropriate, or ineffective. The ultimate purpose was to learn lessons to improve future VAT advice. (The review was not concerned with how the advice was delivered: the relative merits, for instance, of long-term assignments and short-term missions.)

¹ The IMF is preparing an illustrative standard for budget preparation, based on the Code of Conduct on Fiscal Transparency, for the countries of the BRO.

² “Recent Experience with the Value-Added Tax: an Overview,” EB/00/14, March 2000.

- The central **conclusion** was that while experience has naturally varied widely across countries, the VAT has proved broadly appropriate for developing and transition countries. It has been a core component in tax reform in many countries, bolstering revenues and enhancing economic efficiency. FAD advice on the VAT appears to have been effective in the sense that there was considerable consistency between the advice offered and the practice countries subsequently followed on many fundamental aspects of VAT design and implementation. Broad areas of agreement included, inter alia, that the VAT be charged by the invoice credit method, extend through the retail stage, and include most services with only well-specified exemptions. Yet important aspects of the advice were tailored to country circumstances; these covered such aspects as the number and type of exemptions, the standard VAT rate, and the organization of the VAT administration.
- The report also identified a number of areas where FAD's advice needed to be further adapted:
 - Ensuring timely refunds of excess credits under the VAT, especially for exporters; this has emerged as a serious challenge to the credibility of the tax.
 - Establishing effective audit procedures; this has proved more difficult than initially appreciated;
 - Setting a high threshold for the VAT, which is supported by analysis, may be facilitated by adopting simple taxes—a turnover or some form of presumptive tax—for those with turnover below the threshold. This is necessary to meet the concerns of national authorities with ensuring a level playing field for competition between those above and below the threshold.
 - Limiting exemptions; these can do considerable harm to the integrity of the VAT, and the struggle against them is likely to continue to be a major theme in FAD advice.
 - Phasing out the current preferential treatment of agriculture.
- The review also identified issues on which definitive resolution was not possible—such as the choice of a single as opposed to a multiple rate VAT. It also pinpointed issues that FAD is likely to encounter with increasing frequency in the years ahead, such as whether a VAT is appropriate for use by lower-level jurisdictions in federal systems and the tax consequences of the internet.
- Lessons from the review are already having an impact on FAD activities. The review's finding that some of the deeper difficulties in building a strong VAT—such as effective audit capacity and credit refund systems—may only become apparent with the passage of time when weak points become exposed, is affecting strategies for TA involvement in reforms. Also affected is FAD's advice on such issues as the treatment of taxpayers below the thresholds for different kinds of traders, and the treatment of agriculture.



Box S4. Methodology of VAT self-evaluation

This was a self-evaluation, conducted by FAD staff and consultants, although drafts were also discussed with an outside academic.

The review used a variety of methods:

- A detailed **survey** to elicit information from staff members and resident experts on both FAD advice and practice in a sample of 37 countries. The sample was not random, respondents were chosen to be broadly representative of FAD's work in this area and to ensure responses with the required detail.
- **Econometric analysis** to address such basic questions as: whether the adoption of a VAT had led to efficiency gains; and whether multiple rate VATs were subject to more revenue erosion.
- **A review of TA reports** to identify key elements of advice, for instance, in relation to the treatment of the agricultural sector.
- **New theoretical results**. For instance, the finding from the surveys that countries have tended to adopt thresholds much lower than FAD recommended prompted a formal analysis of the optimal threshold for a VAT.

APPENDIX III. GDDS SEMINARS BY STA

Topic	Location	Dates	Participating Countries/Organizations	Number of Participants	Source of Financing (e.g., IMF, JSA, participants)
GDDS Seminar for Mainland Asia	Singapore	July 13–17, 1998	Bangladesh, Bhutan, Cambodia, China, Fiji, Lao P.D.R., Mongolia, Myanmar, Nepal, Pakistan, Sri Lanka and Vietnam	26	JSA
GDDS Seminar for French-speaking African countries	Yaounde, Cameroon	October 19–23, 1998	BCEAO, BEAC, Benin, Burkina Faso, Burundi, Cape Verde, Central African Republic, Chad, Comores, Congo, Democratic Republic of Congo, Cote d'Ivoire, Djibouti, Equatorial Guinea, Gabon, Guinea (Conakry), Guinea-Bissau, Madagascar, Mali, Niger, Rwanda, Sao Tom et Principe, Senegal and Togo	62	JSA
IMF/ECCB GDDS Seminar	Basseterre, St. Kitts	January 18–22, 1999	Anguilla, Antigua & Barbuda, Aruba, The Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, Netherlands Antilles, St. Lucia, St. Vincent & The Grenadines, Suriname Trinidad & Tobago	41	JSA

APPENDIX III. GDDS SEMINARS BY STA

Topic	Location	Dates	Participating Countries/Organizations	Number of Participants	Source of Financing (e.g., IMF, JSA, participants)
IMF/AMF GDDS Seminar	Abu Dhabi	January 31–February 4, 1999	Algeria, Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Mauritania, Oman, Qatar, Saudi Arabia, Sudan, Syrian Arab Republic, Tunisia, United Arab Emirates and Yemen	51	JSA
MF/CEMLA GDDS Seminar for Spanish-speaking Western Hemisphere Countries	Mexico City, Mexico	May 17–21, 1999	Bolivia, Costa Rica, Dominican Republic, Guatemala, Honduras, Nicaragua, Panama, Paraguay, Uruguay and Venezuela	27	JSA
GDDS Seminar for Countries of the Commonwealth of Independent States (CIS)	Joint Vienna Institute Vienna, Austria	July 5–9, 1999	Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyz Republic, Moldova, Russian Federation, Tajikistan, Turkmenistan, Ukraine and Uzbekistan	33	JSA
GDDS Seminar for Central and Southern European Countries	Joint Vienna Institute Vienna, Austria	July 12–16, 1999	Albania, Bosnia & Herzegovina, Bulgaria, Cyprus, FYR Macedonia, Malta and Romania	20	JSA
GDDS Seminar for Asia and Pacific Island Countries	Singapore	October 18–22, 1999	ADB, PFTAC, Brunei Darussalam, Federated States of Micronesia, Kiribati, Maldives, Marshall Islands, Palau, Papua New Guinea, Samoa	23	JSA

APPENDIX III. GDDS SEMINARS BY STA

Topic	Location	Dates	Participating Countries/Organizations	Number of Participants	Source of Financing (e.g., IMF, JSA, participants)
			Solomon Islands, Tonga and Vanuatu		
GDDS Seminar for English-speaking African countries	Pretoria, South Africa	November 8–12, 1999	Angola, Botswana, Eritrea, Ethiopia, The Gambia, Ghana, Kenya, Lesotho, Liberia, Malawi, Mauritius, Mozambique, Namibia, Nigeria, Seychelles, Sierra Leone, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe	55	JSA

Appendix IV. IMF regional groupings

AFR	APD	EU1	EU2	MED	WHD
African	Asia Pacific Department	Albania	Armenia	Afghanistan	Anguilla
Angola	Australia	Andorra	Azerbaijan	Algeria	Antigua and Barbuda
BCEAO-CB des Etats de L'Afrique de L'Ouest	Bangladesh	Aruba	Belarus	AMF-Arab Monetary Fund	Argentina
BEAC-Banque des Etats de L'Afrique Centrale	Bhutan	Austria	Estonia	Bahrain	Bahamas, The
Benin	Brunei	Belgium	European II	Djibouti	Barbados
Botswana	Cambodia	Bermuda	Georgia	Egypt	Belize
Burkina Faso	Central Asia	Bosnia/Herzegovina	Kazakhstan	GCC-Gulf Cooperation Council	Bolivia
Burundi	China	Bulgaria	Kyrgyz Rep.	Iran, I. Rep. of	Brazil
Cameroon	Cook Islands	Cayman Island	Latvia	Iraq	CAMC-Central Amer.Monetary Council
Cape Verde	East Timor	Croatia	Lithuania	Jordan	Canada
Central African Republic	Fiji	Cyprus	Moldova	Kuwait	CARICOM-Caribbean Community & Common Market
Chad	Hong Kong Special Region	Czech Republic	Russia	Lebanon	CEMLA-Center for Latin American Studies
Comoros		Denmark	Tajikistan	Libya	Chile
Congo	India		Turkmenistan	Mauritania	Colombia
Congo, Democratic Republic of	Indonesia	European Union Central Bank	Ukraine	Middle Eastern	Costa Rica
Cote d'Ivoire	Japan	Faroe Islands	Uzbekistan	Morocco	Cuba
Equatorial Guinea	Kiribati	Finland		Oman	Dominica
Eritrea	Korea			Pakistan	Dominican Rep.
Ethiopia	Korea, Democratic People's Rep. of			Qatar	Eastern Caribbean Central Banks
Gabon	Lao People's Dem. Rep.	France		Saudi Arabia	Ecuador
Gambia, The	Macau	Germany		Somalia	El Salvador
Ghana	Malaysia	Greece		Sudan	Grenada
Guinea	Maldives	Hungary		Syrian Arab Republic	Guadeloupe
Guinea-Bissau	Marshall Is.	Iceland		Tunisia	Guatemala
JAI-Joint Africa Institute	Micronesia, Fed. States of	Ireland		United Arab Emirates	Guyana
Kenya	Mongolia	Israel		West Bank and Gaza Strip	Haiti
Lesotho	Myanmar	Italy		Yemen, Republic of	Honduras
Liberia	Nepal	Kosovo			Jamaica

Appendix IV. IMF regional groupings

AFR	APD	EU1	EU2	MED	WHD
Madagascar	New Zealand	Liechtenstein			Martinique
Malawi	Palau	Luxembourg			Mexico
Mali	Papua New Guinea	Macedonia, FYR			Montserrat
Mauritius	PFTAC-Pacific Financial TA Centre	Malta			Nicaragua
MEFMI—Macroec.& Fin.Mgmt.Inst., E. & S. Africa	Philippines	Netherlands			Panama
Mozambique	Samoa	Netherlands Antilles			Paraguay
Namibia	STI-Singapore Training Institute	Norway			Peru
Niger	Singapore	Poland			Puerto Rico
Nigeria	Singapore Training Institute	Portugal			St. Kitts and Nevis
Rwanda	Solomon Islands	Romania			St. Lucia
SADC—South.African Dev. Comm.	SEACEN-S.E Asian CB Research & Training Centre	San Marino			St. Thomas/U.S. Virgin Islands
Sao Tome and Principe	Sri Lanka	Slovak Republic			St. Vincent and the Grenadines
Senegal	Tahiti	Slovenia			Suriname
Seychelles	Taiwan	Spain			Trinidad and Tobago
Sierra Leone	Thailand	Sweden			United States
South Africa	Tonga	Switzerland			Uruguay
Swaziland	Tuvalu	Turkey			Venezuela
Tanzania	Vanuatu	United Kingdom			Virgin Islands (British)
Togo	Vietnam	Yugoslavia(Serbia/Montenegro)			
Uganda					
WAEMU—W. African Economic & Monetary Union					
WAIFAM—W. African Institute of Financial & Economic Management					
Zambia					
Zimbabwe					

APPENDIX V. COUNTRY DELIVERY OF TA IN FY 2000

AFRICAN

REGIONAL TA

African Department, General

- FAD** Regional tax administration advisor covering Guinea Bissau and Cape Verde.
- INS** Mauritius: A high-level regional seminar on structural adjustment in Sub-Saharan Africa. Mozambique: A regional course on financial programming and policies.
- MAE** Short-term expert contributed to the Eastern and Southern Africa Banking Supervisory Group payment system workshop. Banking supervision workshops in Pretoria and Mauritius.
- STA** In South Africa: two-week course in national accounts theory and compilation; two-week regional course on price statistics; and a General Data Dissemination System (GDDS) seminar for anglophone African countries.

Banque Centrale des Etats de l'Afrique de l'Ouest--BCEAO

- INS** A regional course on financial programming and policies and a regional workshop on banking soundness.
- MAE** Participation in a panel of experts for regional payment system reform. Long-term expert in regional bank supervision.
- STA** Trained BCEAO staff and eight Directions Nationales staff in balance of payment methodology and compilation. Follow-up mission to review the preparation of quarterly balance of payments data.

Banque des Etats de l'Afrique Centrale--BEAC

- INS** A regional course on financial programming and policies and a workshop on banking soundness.
- MAE** Long-term expert in bank supervision working with the regional banking commission. Peripatetic visits of short-term expert on foreign reserves management to develop an internal capacity.
- STA** A money and banking statistics course for 23 francophone countries.

Common Market for Eastern and Southern Africa--COMESA

- FAD** Mission to assess the consequences of implementing internal free trade proposals.
- MAE** Mission on payment system.

Joint Africa Institute--JAI (courses, seminars, and workshops)

- FAD** Public Finance.
- INS** Inaugural Seminar (joint with WBI and AfDB); Financial Programming and Policies.
- MAE** Seminar: on-site examination.
- STA** Money and Banking Statistics.

***Macroeconomic and Financial Management Institute of Eastern and Southern Africa
--MEFMI***

INS Zimbabwe: A regional course on financial programming and policies.

MAE Three regional long-term experts (monetary operations, banking supervision, and payments system) contributed to MEFMI's capacity-building programs. Short visits from MAE long-term experts in the region also assisted MEFMI implement its training program.

Southern African Development Community—SADC

FAD Mission to member countries to assess the revenue impact of implementation of free trade in the region.

MAE Long-term experts in payment system stationed in Tanzania and in monetary operations stationed in Zambia. Short-term experts contributed to the SADC payment project, payment system workshop; and seminar on payment clearing.

STA Economic indicators seminar and workshop.

West African Economic and Monetary Union - WAEMU

FAD Mission and resident advisor on budget management; short missions to a number of countries to support the adoption of a common WAEMU tariff and tax harmonization.

West African Financial and Economic Management--WAIFAM

INS A regional course on financial programming and policies.

Angola

MAE Long-term expert on bank supervision; peripatetic and short-term expert visits on central bank organization, monetary operations, and foreign exchange operations.

Benin

FAD Mission to review the status of implementation of the tax reform program; and assess the implementation of the WAEMU common tariff.

Botswana

LEG Missions to draft a Value Added Tax (VAT) law.

MAE Long-term general advisor and long-term expert in banking supervision to the Governor of the Bank of Botswana.

STA A resident advisor in balance of payments statistics assigned to the Bank of Botswana.

Burkina Faso

FAD Mission to review the implementation of domestic tax reforms and to recommend measures to strengthen tax administration.

Burundi

MAE Short-term expert on foreign currency auction.

Cameroon

FAD Resident advisor to strengthen tax administration and introduce a VAT; missions to follow up on tax reform efforts; mission to recommend measures to reform the customs administration; resident budget advisor.

STA A mission to prepare GDDS metadata and a data transparency module for a ROSC.

Cape Verde

FAD Mission to recommend comprehensive reform of customs tariff and domestic consumption tax systems; and resident budget/Treasury advisor.

STA Long-term expert to evaluate the coverage and quality of the balance of payments data obtained from the new international transactions reporting system and various surveys.

Central African Republic

FAD Mission to assist in introducing a VAT and strengthening tax and customs administration; followed by four missions in tax administration and three in customs administration to help implementation; visits by an expert to prepare for introduction of the VAT.

STA A multisector mission to assess statistical systems and to develop an action plan for improvements. A balance of payments statistics mission to simplify the enterprise survey.

Chad

FAD Resident advisor to assist in introducing VAT and strengthening tax administration; peripatetic customs administration expert; resident budget/Treasury advisor.

Comoros

MAE Peripatetic visits of short-term expert on bank supervision.

Cote d'Ivoire

FAD Mission to review legislative changes to comply with the December 1998 WAEMU directive, recommend strategy to improve the VAT, simplify the tax withholding system, and improve tax administration; mission to brief new authorities on earlier recommendations and propose updated timetable for implementation; resident budget advisor.

Eritrea

FAD One-month visit to assist in completing the draft customs code and related administrative regulations; comprehensive tax policy mission to assist authorities in drafting their own reform proposals.

Ethiopia

FAD Tax administration mission to advise on introduction of a VAT, with concurrent assignment of a resident tax administration advisor.

MAE Completion of long-term expert assignment in Banking supervision.

STA Guide to the Direction of Trade Statistics presented at a conference on the use of statistical software to improve trade data in Africa. An expert assisted the authorities in developing a project to upgrade the consumer price index.

Gambia, The

FAD One-month visit by public expenditure management expert.

MAE Short-term expert to advise on foreign exchange deposits.

STA A mission to assist the central bank in improving balance of payments statistics, particularly via surveys on foreign direct investment, private capital flows, tourism and international trade. Mission to prepare GDDS metadata.

Ghana

LEG Mission to discuss and review draft internal revenue bill.

MAE Short-term expert to advise on the development of an interbank market for foreign exchange.

STA A balance of payments mission to identify enterprises critical for relevant data and prepare several survey questionnaires.

Guinea

FAD Resident customs administration advisor; follow-up mission in public expenditure management; resident budget management advisor.

MAE Long-term general advisor to the governor of the Central Bank.

STA A diagnostic mission on the collection and compilation of real sector statistics.

Kenya

FAD Public expenditure management mission to advise on budget implementation.

STA A series of three-month missions to assist the Central Bureau of Statistics to strengthen the balance of payments and external debt compilation systems; a money and banking statistics mission to improve sectorization of the domestic economy, treatment of closed banks and repurchase agreements, verification of international reserves, as well as to assess the new reporting system for commercial banks; and a mission to assist automation of fiscal data compilation according to government finance statistics methodology.

Lesotho

FAD Mission to assess preparations, and develop a timetable, for introduction of a VAT; and help strengthen tax administration.

LEG Assistance with respect to draft VAT law.

MAE Long-term expert as Governor of the Central Bank and a long-term advisor on banking supervision.

STA A long-term national accounts advisor . A money and banking statistics mission to design a new framework for compiling a monetary survey and a revised set of analytical accounts for the banking system; to improve sectorization, valuation of financial instruments, and the treatment of banks in liquidation.

Liberia

FAD Series of missions, with concurrent assignment of a peripatetic advisor, to assist in implementing a sales tax; tax policy mission to advise on reforming the personal income tax and introduce a business income tax; and to strengthen tax administration; visits by public expenditure management advisor, followed by a resident advisor; resident budget advisor.

LEG Missions to assist in the drafting of new tax code.

MAE Long-term experts to the Central Bank of Liberia: a general advisor, a banking supervision expert, an accounting/auditing expert, and research/monetary operations expert. A Short-term expert on bank restructuring.

STA A money and banking statistics mission.

Madagascar

FAD Visit by expert to advise on elimination of VAT exemptions and to review the implementation of tax administration reforms, including the establishment of a large taxpayers unit.

MAE Long-term expert in bank supervision. Short-term expert visit in foreign exchange to Develop an interbank foreign exchange market. Advisory mission on sequencing of capital account liberalization.

Malawi

FAD Mission to advise on the extension to the retail level and improvement of the surtax; resident advisor to assist in the establishment and operation of the Malawi Revenue Authority and to support the transformation of the surtax into a general consumption tax; public expenditure management missions and resident advisor.

LEG Mission to draft a VAT law (surtax).

MAE Advisory mission aimed at strengthening monetary operations and further developing financial markets.

STA A long-term real sector and balance of payments advisor.

Mali

FAD Resident tax administration advisor; assisted in strengthening VAT implementation and establishment of a large taxpayers unit.

Mauritius

MAE Long-term general advisor to the Governor. Peripatetic and short-term expert visits on banking supervision, on "on-site" examinations, and on monetary operations.

STA A mission to establish quarterly balance of payments compilation, including reporting by resident "offshore" financial intermediaries. Mission to assist with the preparation of GDDS metadata.

Mozambique

FAD Resident advisor, and a mission, to advise on implementation of the VAT.

MAE Continuation of long-term expert on bank supervision and short-term expert visit on foreign exchange.

STA As part of an AFR mission team, STA staff provided assistance in uniform reporting of monetary data to both departments.

Namibia

FAD Mission to discuss the government's plans for implementation of the VAT, the timing of its introduction, and further assignments of a peripatetic advisor.

LEG Assisting in drafting of VAT law.

MAE Long-term expert posted as general advisor to the Governor.

Niger

FAD Mission to review implementation of recommendations to compensate for the reduction in tax revenue from the adoption of WAEMU's common external tariff; mission in public expenditure management.

Nigeria

FAD Two public expenditure management missions: the first made recommendations for the monitoring of balances in bank accounts held by line ministries; the second presented a comprehensive framework for budget management reforms. Mission to advise on taxation of oil and gas.

MAE Advisory mission on foreign exchange liberalization. Short-term expert visits on foreign exchange operations and banking supervision.

STA A multisector mission conducted a comprehensive assessment of the macroeconomic statistical systems, including the legal framework, coordination among agencies, adequacy of resources, data dissemination, and computerization. A money and banking statistics mission to revise the chart of accounts and consolidate reporting.

Rwanda

FAD Resident tax policy expert to reconcile short-term revenue raising needs with the long-run objectives of complying with COMESA and EAC trading arrangements; resident budget advisor; resident Treasury advisor.

LEG Comments on draft VAT law.

MAE Long-term general advisor and long-term expert on monetary operations. Peripatetic and short-term expert visits on bank supervision and foreign exchange. Assessment visit to discuss future needs and priorities.

Sao Tome and Principe

MAE Continuation of long-term general advisor; short-term expert visits on bank supervision and internal audit.

Senegal

STA A national accounts mission.

Seychelles

STA A mission worked with authorities to improve the compilation and reporting of fiscal data in accordance with government finance statistics methodology and drew up an action plan for the authorities to address the weaknesses identified in fiscal data.

Sierra Leone

LEG Assistance in reviewing the draft financial institutions act.

MAE Advisory missions on the establishment of foreign exchange auction.

South Africa

MAE Short-term expert visit on risk assessment/measurement model.

Swaziland

LEG Assistance in drafting sales tax amendments.

MAE Long term general advisor and long-term expert on bank supervision. Several visits by peripatetic and short-term experts to advise on payment system.

Tanzania

FAD Mission to review existing duty drawback arrangements; resident budget advisor.

MAE Long-term general advisor and long-term expert on banking supervision.

Togo

FAD Tax administration mission; public expenditure management mission.

Uganda

FAD Two visits by tax administration expert to assist in establishing a large taxpayer department and improve organizational structure; resident public expenditure management advisor; resident advisor on fiscal federalism.

LEG Mission to review miscellaneous tax issues.

MAE Advisory mission on the reform of the financial system.

STA A national accounts expert to resolve the discrepancies in imports. A money and banking statistics mission improved sectorization and treatment of closed banks and repurchase agreements; properly classified IMF accounts and government lending funds; and assessed new reporting system for commercial banks. Mission to prepare GDDS metadata.

Zambia

FAD Mission and resident advisor on public expenditure management.

MAE Long-term expert on the payment system.

Zimbabwe

MAE Advisory mission on financial sector issues. Long-term regional experts stationed in Harare in the areas of banking supervision and monetary operations, respectively.

ASIA & PACIFIC

Regional TA

Asia Pacific Department, General

INS Japan: A high level regional seminar on macroeconomic management and the Japanese experience. Malaysia: A regional course on financial programming and policies.

MAE Seminar on inflation targeting in Manila.

STA A seminar on national accounts concepts and compilation methodology for the compilers from the seven member countries of the South Asian Association for Regional Cooperation (SAARC). A regional seminar in Japan on macroprudential indicators.

IMF-Singapore Regional Training Institute - STI (courses, seminars, and workshops)

FAD Fiscal Management.

INS Dealing with Banking and Currency Crisis; Financial Programming and Policies (2 offerings); Financial Sector Reforms; Financial Markets and New Financial Instruments; High-Level Seminar on Macroeconomic Mgmt. and Transition Issues; New Financial Instruments.

- MAE** International Financial Integration Issues for Emerging Markets; Workshop on How to Deal with Problem Banks; Workshop on Monetary Operations.
- STA** GDDS; Balance of Payments Statistics; Money and Banking Statistics; Seminar on External Debt Management.

Joint Vienna Institute - JVI (courses, seminars, and workshops)

- STA** See the JVI courses listed under European 1.

Pacific Financial Technical Assistance Centre -PFTAC

- FAD** Assistance to Pacific island countries through visits by budget/Treasury expert and tax administration expert based in Fiji, supplemented as necessary by services of short-term consultants.
- MAE** A long-term expert on bank supervision and a banking supervision workshop for the region, held in Fiji.
- STA** A resident multisector statistics expert was based in Suva, Fiji to assist Pacific Island countries in compiling core indicators in all areas of macroeconomic statistics.

South-East Asian Central Banks Research and Training Centre (SEACEN)

- INS** A regional course on financial programming and policies.
- MAE** Short-term expert visits to carry out a strategic review of the research and training functions of SEACEN. Participation in a training seminar on capital account liberalization issues.

Bangladesh

- FAD** Visits by a tax administration expert to assist with establishing a Large Taxpayer Unit and introduce a taxpayer identification system.
- MAE** A long-term Research Advisor, focusing on monetary operations and research.
- STA** A mission assisted with the compilation of GDDS metadata.

Cambodia

- FAD** Resident advisor to assist in implementing customs administration reforms to advise on tendering process for pre-shipment inspection services; mission to develop a Technical Cooperation Action Plan.
- INS** A national course on financial programming and policies.
- MAE** An advisory mission on bank restructuring and bank supervision. The mission also undertook discussions in the context of a TCAP. A long-term advisor in banking supervision.
- STA** A balance of payments statistics mission on the development of an enterprise survey for collecting direct investment statistics.

China

- FAD** Mission to identify future priorities for TA in tax policy and administration, subsequently incorporated, by a further mission, into a UNDP-funded project; public expenditure management mission; two missions on budget classification. Broad top policy and tax administration seminars on revenue estimation and forecasting and conversion of user fees to taxes.

INS	A national course on financial programming and policies.
MAE	Presentation of workshops dealing with accounting practices and foreign exchange practices. Visit of a short-term expert to prepare the workshop on accounting. Preparation of a short document on the establishment of asset management corporations for presentation during the Article IV mission.
STA	A mission to advise on methodologies for consumer price indices. A mission reviewed progress made in implementing the recommendations of the 1998 multisector statistics mission. A balance of payments mission reviewed the compilation system of China's State Administration of Foreign Exchange (SAFE). A mission reviewed Ministry of Finance statistical priorities in the light of the government's budget reform project.
TGS	A review and recommendations on systems for collection, maintenance, and analysis of periodic transaction data that are reported to SAFE by banks, customs, and other government agencies or directly from enterprises.
<i>East Timor</i>	
FAD	Missions and advisors to design and create a Central Fiscal Authority competent to carry out all the functions of a ministry of finance; resident budget advisor; resident tax administration advisor.
LEG	Missions to draft tax and customs legislation and budget law. Assistance and mission for drafting a commercial banking law.
MAE	A fact finding mission to assess TA needs, coordinate with multilateral and bilateral agencies and, also, to provide initial advice on currency issues. Advisory mission to help re-establish the payment system, banking operations and the monetary authority. A series of overlapping short-term expert visits to activate the new payment system.
<i>Fiji</i>	
MAE	Short-term expert visit in foreign exchange management and another short-term expert visit on payment system development.
STA	A mission assisted Asian and Pacific Island countries in preparing GDDS metadata.
<i>India</i>	
INS	A national course on macroeconomic adjustment and financial sector issues.
<i>Indonesia</i>	
FAD	Mission on the design of measures to compensate the poor for the energy price increase; two resident public expenditure management advisors; mission to assist the authorities with the design of an intergovernmental grant system; resident advisor on decentralization, and conference to gather international experience relevant to the issues in Indonesian decentralization.
LEG	Missions to assist in the design of program elements related to corporate sector restructuring; policy advice and assistance with respect

to bankruptcy law reform and judicial reform. Missions to assist in the design of program elements relating to fiscal reforms, and to provide assistance in drafting tax reform legislation and a law on private foundations. Advisory mission on bank restructuring legislation and related regulations.

MAE Series of advisory missions by MAE staff and experts on bank restructuring, banking supervision, banking legislation and regulation, and central bank accounting. Resident MAE financial sector issues advisor in place since November 1999. Long term advisor on payment system development resident at Bank Indonesia. Short-term experts assisted in the development of the government bond market. Peripatetic expert advised IBRA on asset management and disposition.

STA Three missions over an eight-month period were undertaken to assist Bank Indonesia to implement a foreign exchange monitoring system that will also be used as a primary data source for compiling balance of payments statistics.

Korea

MAE A peripatetic short-term expert on bank supervision. A short-term expert to advise on the establishment of an independent supervisory authority. Also presentation of a workshop on monetary policy implementation.

STA A balance of payments statistics mission provided guidance in the compilation of international investment position statistics and reviewed the balance of payments and external debt compilation systems.

Lao People's Dem. Rep.

FAD Tax administration mission; mission to participate in tripartite project review and to undertake studies on revenue impact of tax changes; peripatetic tax administration advisor.

STA A balance of payments statistics mission.

Macau

STA A multisector mission to conduct a comprehensive assessment of the macroeconomic statistical systems, including the statistical framework, coordination among agencies, adequacy of resources, data dissemination, and computerization.

Malaysia

MAE An advisory mission on bank supervision and one on capital account issues. A visit by a short-term expert in bank supervision.

STA A staff member assisted the publication of new quarterly national accounts estimates. A balance of payments statistics mission completed a quarterly enterprise survey on financial account and international investment position data.

TGS A long-term expert to assist in implementing a centralized financial and economic database system.

Micronesia, Fed. States of

MAE A peripatetic short-term expert on bank supervision.

STA	A mission to explain the new Manual on Monetary and Financial Statistics, and to lay the groundwork for establishing a country page in IFS.
<i>Mongolia</i>	
FAD	Mission to review Treasury operations; resident budget/Treasury advisor.
INS	A course conducted in the Philippines on macroeconomic and financial policies for trainers (ADB).
MAE	An advisory mission on development of the securities market. A long-term expert on accounting and auditing as well as a short-term expert in payment system development.
STA	A national accounts mission. A resident balance of payments statistics advisor to establish an enterprise-based reporting system and provide training to staff.
<i>Myanmar</i>	
STA	A balance of payments statistics mission. A money and banking statistics mission.
<i>Nepal</i>	
LEG	Mission to draft income tax legislation.
MAE	Various visits by a short-term expert in bank supervision
STA	A mission assisted in expanding the coverage of monetary statistics.
<i>Papua New Guinea</i>	
MAE	A peripatetic short-term expert in bank supervision and an advisory mission to evaluate the TA needs of the Bank of Papua New Guinea over the medium term.
<i>Philippines</i>	
FAD	Mission to review tax administration modernization project; followed by two visits by tax administration experts.
LEG	Advisory mission on securities commission regulations regarding corporate restructuring.
STA	A balance of payments statistics mission. A money and banking statistics mission to expand the coverage of monetary data to include offshore banking units and a large number of thrift and rural banks. A seminar on financial statistics at the Asian Development Bank.
TGS	A long-term expert to assist in implementing a centralized financial and economic database system and in publishing statistical reports directly from the database to the central bank's web site.
<i>Samoa</i>	
MAE	A long-term expert in research and monetary operations.
<i>Solomon Islands</i>	
MAE	A long-term General Advisor to the Governor of the central bank. Also, visits by a peripatetic short-term expert on monetary operations and development of the securities market.
<i>Sri Lanka</i>	
MAE	A short-term expert on monetary operations

STA	A mission to assist the authorities with the preparation of GDDS metadata.
<i>Thailand</i>	
FAD	Two resident advisors to advise on strengthening the operations of the tax and customs administrations; tax policy mission.
LEG	Missions to assess the adequacy of insolvency law reform and provide recommendations for improvements in insolvency, secured lending and foreclosure-related laws. Assistance in drafting the deposit insurance law.
MAE	A long-term advisor on bank supervision. A series of visits by short-term experts on bank restructuring, public debt management and review of the Thai financial system. Advisory missions on central bank accounting.
STA	A mission on the producer price index. A mission to review the quarterly national accounts. A balance of payments statistics mission on the development of an enterprise survey for collecting external debt statistics.
<i>Tonga</i>	
STA	A government finance statistics mission.
<i>Vanuatu</i>	
MAE	A long-term expert on monetary policy operations. A peripatetic short-term expert on bank supervision.
<i>Vietnam</i>	
FAD	Mission on public expenditure management.
INS	A national course on financial programming and policies.
MAE	An advisory mission on monetary operations, accounting, payments, foreign exchange, bank supervision, and audit. A short-term expert on accounting and peripatetic short-term expert visits on bank supervision. Participation of an expert in the discussions of a program with Vietnam at headquarters.
EUROPEAN 1	
Regional TA	
<i>European 1 Department, General</i>	
STA	STA presented the core measurement standards in the new draft external debt statistics guide at a workshop in London attended by debt managers from 17 British Commonwealth developing and emerging economies. A mission conducted discussions with U.K., Denmark, and Greece regarding work on producing Euro Area compatible monetary statistics.
<i>Joint Vienna Institute--JVI (courses, seminars, and workshops)</i>	
FAD	Expenditure Policy and Social Safety Nets; Public Expenditure and Treasury Management; Tax Policy and Tax Administration.

INS Advanced Macroeconomic Management; Advanced Macroeconomic and Financial Management; Applied Economic Policy – 2 segments (2 offerings); Macroeconomic Analysis and Policy (2 offerings); Macroeconomic and Financial Policies; Trade and Exchange Rate Policies.

LEG Financial Transactions for Lawyers--Introduction; Financial Transactions for Lawyers-Advanced.

MAE See JVI entry under European 2.

STA GDDS; and Money and Banking Statistics.

Albania

FAD Visits by peripatetic advisor on public expenditure management.

LEG Missions to draft Tax Procedure Code and implementing regulations for the law on income taxes. Assistance in reviewing and commenting on draft law regarding the prevention of money laundering.

MAE Long-term experts in monetary operations and monetary research. Two advisory missions on monetary management, banking supervision and prudential regulation, payment system, and central bank accounting. Short-term experts in foreign exchange reserves management and foreign exchange operations and on-site inspection/off-site monitoring, respectively.

STA A national accounts advisor stationed for six months. A mission reviewed the implementation of the recommendations of the multisector statistics mission and the methodologies and procedures used in the compilation of monetary statistics. A mission assisted the authorities in revising the reporting forms for the commercial banks and updated the framework for compiling monetary statistics, based on the new chart of accounts for commercial banks. A mission provided assistance in the compilation and reporting of government finance statistics for central and local governments. A mission drafted metadata for participation in the GDDS; prepared the data dissemination component of a ROSC; and assisted in articulating a comprehensive set of plans for improving the compilation and dissemination of Albania's statistical data.

Aruba

FAD Two short missions on parametric and structural reform of the public sector pension system.

MAE Advisory mission on external debt management.

Bosnia/Herzegovina

FAD Tax administration mission.

LEG Mission to provide advice in drafting proposal for banking, bank insolvency and payment transaction laws.

MAE Continuation of an expert to fill the post of Governor of the Central Bank of Bosnia and Herzegovina. Long-term advisor on payment system; advisory missions on payment system; short term advisor on legal issues, and assessment and review visit.

- STA** A resident multisector advisor assisted the authorities with developing the capacity to produce macroeconomic statistics. A review mission on balance of payments statistics. A mission revised monetary data compilation to account for recent bank restructuring and reform.
- Bulgaria**
- FAD** Visit by a tax administration information technology (IT) expert; mission to assist in establishing a modern unified revenue collection agency; resident tax administration advisor; public expenditure management mission; resident budget advisor.
- MAE** Advisory mission on banking supervision, treasury, accounting, information technology and management. Long-term experts on bank supervision and foreign exchange. Continued peripatetic visits of an expert on modernizing the accounting framework of the monetary authority and a short-term expert visit to review foreign exchange operations.
- STA** A mission on annual and quarterly national accounts methodology. A balance of payments statistics mission. A joint FAD/STA mission advised on the development of computerized Treasury and accounting systems; recommended the adoption of an accrual based government finance statistics system; evaluated the draft chart of accounts as to its compatibility with this new system; and organized a seminar on this topic. Mission to assist with preparation of GDDS metadata.
- Croatia**
- FAD** Mission to review Treasury operations.
- MAE** Long-term expert on bank supervision, followed by short-term and peripatetic expert visits on bank supervision and accounting.
- STA** Missions by an expert on the compilation of the quarterly national accounts. Expert assistance on updating and improving the producer price index (PPI).
- Czech Republic**
- MAE** Advisory mission on inflation targeting instruments; assessment visit; short-term expert visit to provide training on money demand estimation.
- Kosovo**
- FAD** Assistance to design the Central Fiscal Authority, capable of carrying out all the functions of a ministry of finance; mission to review budget/Treasury operations.
- LEG** Advice on draft tax regulations. Assistance and missions for drafting banking, central bank and payment system laws, as well as related regulations.
- MAE** Post crisis missions to reestablish and modernize payment and banking services. Several peripatetic and short-term visits of experts to work on payment system, cash management, information technology, accounting, operations, personnel and appointment of a Managing Director for the new Banking and Payment Authority of Kosovo.

Luxembourg

STA A mission to review compilation of monetary statistics, comparability of monetary data with those of other EMU countries, historical and associated metadata, and construct a complete historical series for publication in IFS. Mission to assist the authorities to assess the country's readiness to subscribe to the SDDS.

Macedonia, FYR

FAD Mission to review Treasury operations; resident Treasury operations advisor; resident VAT advisor.

MAE Short-term expert visit on book-entry system; advisory mission on banking restructuring and supervision, and advisory mission on monetary instruments, foreign exchange, banking supervision, and securities market.

Malta

MAE Peripatetic short-term expert visits on monetary policy and research.

STA A mission found that improvements are needed to meet the standards of the fifth edition of the Balance of Payments Manual and the requirements of the European Union.

Poland

FAD Mission to review the contribution collection function of the social security agency; resident advisor to help implement major tax administration reforms.

STA A mission assisted the authorities in improving the coverage and classification of Poland's government finance statistics in light of transfer of responsibilities from central government to local governments.

Romania

MAE Peripatetic and short-term expert visits on bank supervision.

STA A multisector mission assessed all areas of economic statistics.

Slovak Republic

FAD Mission to review progress in implementing tax administration reforms; mission on public expenditure management; mission to assist in improving macrofiscal management and assessing progress in establishing a state Treasury.

MAE Advisory mission on monetary policy and inflation targeting.

STA A consultant reviewed existing work associated with the deflation of exports and imports and assessed the measurement of gross capital formation in the national accounts.

Slovenia

FAD Mission on public expenditure management; resident public expenditure management advisor.

STA A government finance statistics mission assisted with refining data for publication and advised on the classification of government extra-budgetary units.

Turkey

- FAD** Tax policy mission to undertake a comprehensive review of the tax system; fiscal transparency review mission; resident advisor to assist in modernization of the customs administration.
- MAE** Advisory mission on bank resolution and banking sector strengthening; short-term expert visits on domestic debt instrument.

**EUROPEAN 2
Regional TA**

European 2 Department, General

- FAD** Seminar conducted in Geneva for senior customs officials of Azerbaijan, Kyrgyz Republic, Tajikistan, Turkmenistan and Uzbekistan, on issues of managing a modern customs administration in a market economy.
- INS** Course conducted in the Philippines (ADB) on macroeconomic and financial policies for trainers, for participants from Kazakhstan, Kyrgyz Republic, Tajikistan and Uzbekistan.
- STA** Seminars on national accounts; on balance of payments methodology; on monetary and financial statistics; for officials from the Commonwealth of Independent States (CIS) countries.

Joint Vienna Institute - JVI (courses, seminars, and workshops)

- INS** See also the JVI courses listed under European 1.
- MAE** Banking Supervision – On-Site Inspection; Central Bank Accounting; Consolidated Supervision of Banks; Developments in Payment Systems; Foreign Exchange Policies and Operations; and Monetary Operations.
- STA** STA Balance of Payments Statistics, GDDS.

Armenia

- FAD** Tax administration mission to review steps towards establishing a unified Ministry of State Revenues and integration of income tax and social security contribution collections; resident budget/Treasury advisor.
- MAE** Long-term advisor in banking supervision, followed by short-term and peripatetic expert visits. Another peripatetic expert on liquidity forecasting and monetary operations. Short-term expert visit on monetary policy.
- STA** National accounts expert reviewed recently compiled quarterly GDP estimates in constant prices. A balance of payments statistics mission provided assistance in the development of international investment position statistics.

Azerbaijan

- FAD** Follow-up mission on options for improving public expenditure efficiency; tax administration mission; three visits totaling about three months by a tax administration expert; resident budget/Treasury advisor.
- LEG** Missions to review the tax code and prepare a draft of implementing regulations. Mission to review the current banking and central laws and advise on insolvency law.
- MAE** Advisory missions on banking supervision, bank restructuring, legislation, foreign exchange and monetary operations. Long-term advisor and short-term visits on bank supervision. Peripatetic expert visits in payment system development and in central bank accounting.
- STA** Experts developed proposals to improve the producer price and consumer price indices and national accounts statistics.

Belarus

- STA** A long-term resident expert continued to assist with development of all macroeconomic statistics. A mission assisted with improving the methodology for compiling GDP estimates.

Estonia

- FAD** Mission on the introduction of a funded, defined-contribution pension system; mission on public expenditure management.
- MAE** Advisory mission on banking supervision, unification of financial sector supervision and early warning systems. Long-term advisor in banking supervision.
- STA** A money and banking statistics mission evaluated progress on the harmonization of monetary statistics with the European Central Bank's data requirements.

Georgia

- FAD** Tax administration mission; resident budget/Treasury advisor; resident budget advisor.
- MAE** Advisory mission on government securities, monetary operations, and banking supervision and restructuring. Long-term advisor on bank supervision and bank restructuring. Peripatetic visits on accounting and monetary policy.
- STA** National accounts missions assisted with GDP estimates. After completion of a long-term balance of payments statistics project, follow-up missions addressed discrepancies in external trade statistics and advised on the development of international investment position statistics. A money and banking statistics mission to improve sectorization of the domestic economy, treatment of IMF-related accounts and government foreign assets, and to lay groundwork for an IFS page.

Kazakhstan

- FAD** Tax policy mission; resident budget advisor.
- LEG** Missions to draft amendments to the tax code.

STA A national accounts mission provided follow-up assistance in the compilation of supply and use tables. A balance of payments statistics mission to introduce services report forms. A mission assisted in compiling sectoral balance sheets for the National Bank of Kazakhstan and the commercial banks, based on their revised charts of accounts. A pilot GDDS mission to evaluate the overall macroeconomic statistical systems and to help develop the metadata for the country.

Kyrgyz Republic

FAD Visit by customs administration advisor to assist in implementing procedural changes, and to train staff in organization and management issues.

MAE Advisory missions on bank restructuring, monetary operations, and securities market development. Long-term advisor in bank supervision.

PDR Project including long-term expert, training and equipment to assist in developing and implementing external debt strategy and capacity-building of staff.

STA A national accounts and price statistics mission. A balance of payments mission primarily on the undercoverage and incomplete reporting of trade statistics, direct investment and other investment.

Latvia

MAE Advisory mission on issues in banking supervision, followed up by peripatetic visits to help draft and implement regulations on supervision on a consolidated basis.

STA A balance of payments expert helped design of questionnaires for shuttle trade and assisted compilers with an International Transactions Reporting System.

Lithuania

FAD Mission on expenditure policy options; public expenditure management mission; visit by budget/Treasury expert.

LEG Missions on insolvency law reform; advice on bankruptcy and restructuring laws and ways for strengthening the institutions (courts and insolvency administrators) charged with implementation of the law.

MAE Extension of long-term general advisor.

STA A balance of payments mission focused on the large and persistent errors and omissions item. A balance of payments expert helped design of questionnaires for shuttle trade and assisted compilers with an International Transactions Reporting System.

Moldova

FAD Resident tax administration advisor to assist in establishing a Large Taxpayers Unit; two visits by budget/treasury expert.

MAE Advisory mission on monetary operations, foreign reserves management, accounting and auditing, and bank supervision and regulation. Work in accounting also supported by peripatetic expert visits, while additional support in banking supervision provided by short-term expert visit.

STA A government finance statistics mission advised on improvements to the coverage and classification of the budget execution data, particularly by including a complete and transparent economic classification of expenditure.

Russia

FAD Resident tax administration advisor, followed by peripatetic visits, to assist with the preparation of a major tax administration modernization project; two resident advisors in budget and Treasury management; visit by public expenditure management expert.

INS A national course on financial programming and macroeconomic policy.

LEG Joint mission (with MAE) to provide TA to the Central Bank of Russia on ways to streamline and improve the system of exchange control and make its enforcement more effective.

MAE Peripatetic and short-term expert visits on bank restructuring and accounting; advisory missions on foreign exchange regulations, bank supervision, accounting, risk management, and international control systems.

STA A long-term resident expert continued to assist development of all macroeconomic statistics. A mission assisted in improving the national accounts data and in implementing methods to adjust for hidden economic activities. A balance of payments statistics mission reviewed the compilation of reserve assets. In conjunction with MAE, a technical cooperation mission to review the availability of money and banking information, data compilation and quality, and underlying management and control systems. A mission assisted the Treasury staff to prepare a two-year government finance statistics work program, and provided a four-day seminar.

Tajikistan

FAD Mission to initiate project and establish resident budget/Treasury advisor.

LEG Mission to draft tax code amendments and a law on state debt and state loan guarantees.

MAE Advisory mission on monetary instruments, treasury bill and foreign exchange markets, banking supervision and restructuring, accounting and auditing, and payment system. Long-term general advisor on monetary policy to the National Bank.

Turkmenistan

MAE Long-term general advisor and long-term expert on bank supervision.

STA A national accounts expert reviewed current price GDP estimates and developed proposals to address outstanding gaps in the national accounts at constant prices. A mission reviewed the current procedures for compiling monetary statistics and for reporting financial data for an IFS page.

Ukraine

FAD Mission on expenditure reforms; mission and resident advisor on public expenditure management.

INS A national course on financial programming and macroeconomic policy.

LEG Advice on tax code drafting.

MAE Several peripatetic expert visits on accounting and bank supervision, and advisory missions on bank restructuring and reserve management.

STA A long-term resident expert continued to assist with development of all macroeconomic statistics. A mission reviewed quarterly GDP estimates. A money and banking statistics mission to resolve numerous outstanding methodological issues.

Uzbekistan

STA A balance of payments statistics mission on measurement of foreign direct investment and trade. A mission reviewed monetary statistics based on new charts of accounts for the banking sector and worked to introduce an IFS page.

MIDDLE EASTERN

Regional TA

Middle Eastern Department, General

INS Pakistan: a regional course on financial programming and policies. Saudi Arabia: A regional course on design of fiscal policies. I.R. of Iran: Lecturing assistance to regional course on monetary policy and development.

MAE Workshop on Islamic Bank Regulation in Bahrain. Bank supervision training course delivered in Beirut.

STA A regional seminar on quarterly national accounts statistics was hosted by the Jordanian Department of Statistics.

IMF-Arab Monetary Fund Regional Training Program (courses, seminars, and workshops)

INS Financial Programming and Policies; Macroeconomic Impact of the Budget; External Sector Policies.

MAE Central Bank Accounting Workshop; Monetary Operations Workshop.

STA Monetary and Financial Statistics; and Government Finance Statistics.

Algeria

MAE Peripatetic and short-term expert visits on bank supervision.

STA A monetary statistics mission.

Bahrain

- FAD** Resident advisor on public expenditure management.
MAE Continuation of long-term expert assigned to strengthen research capacity. Short-term expert visit to strengthen banking supervision.

Djibouti

- FAD** Public expenditure management mission.
MAE Peripatetic and short-term expert visits on monetary operations.

Egypt

- MAE** Short-term expert visit to assess progress in bank supervision.

Iran, I. R. of

- FAD** Mission to recommend organizational and procedural changes required to improve tax administration, and a medium-term strategy to implement a VAT.
INS A national course on financial programming and policies was held.
MAE Advisory missions on exchange markets, monetary operations and monetary instruments. Short-term expert visit on foreign exchange operations.
STA An expert reviewed national accounts methodology, coverage of surveys, and developed plans for supply-use tables and quarterly national accounts. A mission reviewed the compilation of balance of payments and external debt statistics. A mission recommended improvements in fiscal data and conducted a seminar on government finance statistics methodology.

Jordan

- FAD** Tax policy mission on income tax reform; follow-up mission on pension reform.
MAE Advisory missions covering interbank markets, reserve management, monetary and foreign exchange policy operations, and information and human resource management. Long-term experts in payment systems and bank supervision, respectively. Short-term expert assignments on accounting, government securities, banking supervision and organization and management.
STA A mission assisted improvement of quarterly national accounts and annual GDP estimates. A mission facilitated compilation of the producer price index.

Kuwait

- MAE** Advisory missions on deposit insurance and issues in monetary policy, respectively and short-term expert visit on bank supervision.
STA A seminar on government finance statistics. A mission to prepare metadata for participation in the GDDS.

Lebanon

- FAD** Public expenditure management mission.
MAE Advisory mission on debt management issues.
STA A price expert assisted in compiling new weights for the consumer price index. A balance of payments mission helped implement surveys.

Mauritania

- FAD** Mission to recommend a strategy for strengthening tax administration and resident advisor.
- MAE** Long-term expert in bank supervision and long-term advisor on general economic policy.
- STA** A balance of payments mission strengthened data collection.

Morocco

- STA** A mission on central government finance statistics.

Oman

- MAE** Long-term advisor on general economic policy and a long-term expert in monetary operations and government securities market development.

Pakistan

- FAD** Mission to provide advice on the strengthening of the fiscal reporting and accounting systems and to review the revisions of fiscal data
- INS** Courses at the STI (see listing under Asia - Pacific regional TA).
- MAE** Advisory mission on monetary and foreign exchange operations.

Qatar

- MAE** Short-term expert visit for the development of a government securities market.
- STA** A mission reviewed compilation of the national accounts and the CPI.

Saudi Arabia

- FAD** Mission and resident tax administration advisor, customs administration advisor and information technology advisor, to help implementation of a tax and customs modernization program.
- LEG** Mission to advise on income tax law.

Sudan

- FAD** Mission to assess the preparatory work for VAT implementation; visits by peripatetic expert to assist in VAT implementation; mission to advise on the taxation and pricing of petroleum products.
- MAE** Advisory mission on foreign exchange market and monetary management in an Islamic banking environment, and advisory mission on bank supervision.
- STA** A balance of payments mission to review import financing, data on services and private financial transactions, and remittances. A mission to review the coverage and classification of money and banking statistics.

Tunisia

- MAE** Short-term expert mission on internal debt management followed by assessment visit.
- STA** A mission on quarterly national accounts. A mission to assist subscription to SDDS.

United Arab Emirates

STA A mission on the compilation of government finance statistics.

West Bank and Gaza Strip

FAD Resident tax administration advisor to help implement a unified and functionally based tax administration; resident budget advisor, resident treasury advisor; mission on public expenditure management.

MAE Long-term general policy advisor to the Palestine Monetary Authority. Peripatetic and short-term expert visits that focused on problem bank resolution and bank supervision and regulation.

STA National accounts missions on the compilation of supply and use tables and the construction of consistent time series. A balance of payments statistics mission. A monetary statistics mission.

Yemen, Republic of

FAD Broad tax administration mission, including work program to introduce A general sales tax (GST); follow-up mission to review progress; two missions in support of the reform of the civil service pension system; resident pension fund advisor; resident budget advisor; resident budget accounting advisor.

LEG Advice on sales tax law.

MAE Long-term expert in banking supervision and short-term expert visits on monetary instruments and monetary management under the auspices of the UNDP project.

STA A mission assisted in publishing revised national accounts and trained staff on derivation of the consumer price index weights. A mission on rebasing the consumer price index. A resident balance of payments advisor assisted officials in compilation procedures and conducting surveys.

WESTERN HEMISPHERE

Regional TA

Western Hemisphere Department, General

INS Honduras: A regional course on financial programming and policies.

MAE Inflation targeting seminar in Cartagena, Colombia, and participation in a seminar on banking supervision in Buenos Aires.

STA ECLAC Seminar on fiscal policy, including on the draft new Government Finance Statistics Manual.

Caribbean Community and Common Market--CARICOM

MAE Regional long-term expert assignment. Seminar on financial issues and a workshop on banking soundness; assessment visit.

Center For Latin American Monetary Studies--CEMLA

INS Mexico: Lecturing assistance was provided to country officials at CEMLA.

STA A regional monetary and financial statistics seminar and a GDSS seminar.

Eastern Caribbean Central Banks

MAE Training activity - macroeconomic analysis and policy course.

STA A seminar on preparation of GDDS metadata.

Argentina

FAD Mission to assist in preparation of a proposal for reform of fiscal federalism, review the role of the national tax administration, and suggest a simpler provincial VAT; mission to discuss tax system options; customs administration mission; mission to assist the Province of Cordoba to develop plans for modernization of tax administration.

Bolivia

FAD Two tax administration missions and two customs administration missions; resident customs expert; series of short-term visits by tax policy expert.

LEG Missions to revise a draft tax code and other tax reform legislation.

MAE Advisory mission on payment system and book entry; continuation of long-term expert on monetary operations, supported by numerous short-term and peripatetic expert visits on accounting, audit, bank supervision, foreign exchange, research, currency issues, monetary operations, and payment system.

STA Balance of payments statistics mission.

Brazil

FAD Mission to advise on the administration of social security contributions.

INS A national course on public finance and macroeconomic adjustment was held for country officials.

MAE Advisory mission to assist with compliance under Article VIII; workshop on inflation targeting, followed by assessment visit.

STA Two multitopic statistics review missions to improve monetary statistics, to plan early subscription to SDDS, and to conduct a training seminar for staff of the central bank. A mission to revise compilation of quarterly GDP estimates and to prepare a producer price index.

Chile

FAD Budget management mission.

STA A money and banking statistics mission to further automate compilation and to harmonize data reported to WHD and STA. A joint FAD/STA mission on accrual government finance statistics; and a seminar on this topic.

Colombia

FAD Tax administration mission to review modernization efforts; customs administration mission to correct problems in the implementation of new computerized systems.

MAE Advisory mission on deposit insurance and short-term expert visit on bank supervision.

STA	A follow-up national accounts mission focussing on employment data for estimating the informal sector. A joint SDDS money and banking mission. A mission on creating a single government finance statistics database.
Costa Rica	
FAD	Tax policy mission to review a tax package for submission to Parliament.
MAE	Advisory mission to assess banking system soundness and review monetary operations. A short-term expert visit to follow up on payment system reforms.
STA	A national accounts mission. A balance of payments statistics mission. A mission to strengthen the fiscal database for economic analysis.
TGS	A long-term expert to assist with an information technology program for payment systems which could support key monetary and economic policy goals.
Dominican Republic	
LEG	Assistance in drafting legislation on banking and central bank.
Ecuador	
FAD	Expenditure policy mission on social safety nets.
LEG	Missions to provide advice in assessing and modifying current banking legislation
MAE	Several peripatetic and short-term expert visits on bank restructuring and bond emissions and participation in workshop on bank restructuring strategy.
STA	Three money and banking statistics missions to review data sources, coverage, and compilation procedures in accordance with the dollarization of the economy.
El Salvador	
FAD	Tax policy mission to conduct a comprehensive tax review and design measures that could generate additional revenue.
MAE	Advisory mission to provide further guidance on the implementation of a currency board arrangement and an eventual full dollarization of the economy.
STA	Two missions to reform the legal and institutional framework for the statistical system. A balance of payments mission assessed new surveys on services and direct investment.
Grenada	
FAD	VAT policy and administration mission.
Guatemala	
LEG	Mission to provide advice in drafting banking legislation.
MAE	Advisory mission to review the soundness of the banking system and discuss conditions for a currency board arrangement. A short staff visit

in coordination with the Inter-American Development Bank to review TA in the financial sector and review the procedures and legislative framework of a bank exit policy.

Guyana

LEG Mission to provide advice in modifying banking legislation
MAE Long-term general advisor, and short-term expert visits in payment system and in banking supervision.

Haiti

FAD Resident budget advisor.
MAE Long-term expert in information system. Long-term advisor to the President for economic and monetary matters. Long-term expert in bank restructuring. Continued peripatetic short-term visits in bank supervision and short-term mission on organization and management at the Central Bank. Advisory mission on dollarization and consequences for monetary and foreign exchange policy. Assessment visit.
STA A national accounts statistics and consumer price index mission. A balance of payments statistics mission simplified questionnaires and recommended improvements in trade data.

Honduras

MAE Monthly peripatetic visits by an expert to support the strengthening of bank supervision and to assist in the assessment of the financial position of selected financial institutions.

Jamaica

LEG Assistance on legal aspects of payments systems.

Mexico

FAD Pension reform mission for the Province of Vera Cruz.
LEG Mission to provide advice on the drafting of bankruptcy law

Nicaragua

FAD A tax policy study to guide the reform of the VAT, excise taxes, and import duties; Mission to provide advice on structural reforms in public pensions.
LEG Assistance to assess the new central bank, financial institutions and financial institutions supervision laws.
MAE Short-term expert visits to follow-up on support for the reform of the payment system. A short-term expert visit to advise on the management of the foreign exchange rate band.
STA A money and banking statistics mission to improve sectorization and deal with banks in liquidation, nonperforming loans, and offshore banks.

Panama

STA A mission to complete pilot GDDS metadata and to present a regional GDDS seminar.

Paraguay

MAE Continuation of long-term general advisor on monetary policy.

STA	A balance of payments mission. A money and banking statistics mission to discuss the GDDS.
Peru	
MAE	Advisory mission on foreign exchange operations and short-term expert visit on analysis of foreign exchange/derivative markets data.
STA	A mission on national accounts.
Suriname	
MAE	Continuation of long-term advisor in banking supervision, and advisory mission on banking legislation.
STA	A balance of payments statistics mission.
Trinidad and Tobago	
FAD	Mission to address issues on the taxation of petroleum and natural gas.
MAE	Peripatetic expert visits on monetary operations and research.
STA	A multisector statistics mission prepared actions plans for each major area and provided guidance on the preparation of the GDDS metadata.
Uruguay	
STA	A multisector mission assessed statistical systems, and developed a plan for meeting SDDS requirements.
Venezuela	
MAE	Advisory missions on central bank accounting issues, and monetary operations and foreign exchange management, respectively.
STA	Two money and banking statistics missions to assist in updating sectorization and expanding the coverage.

MULTIPLE REGIONS

IMF-multiple regions

FAD	At headquarters, public finance.
INS	At headquarters, Financial Programming and Policies (5 offerings); Advanced Financial Programming and Policies (3 offerings); Macroeconomic Management and Policies (3 offerings); Banking and Currency Crisis (2 offerings); Macroeconomic Adjustment and Financial Sector Issues; Implementing Inflation Targets; Second Generation Reforms.
MAE	At headquarters, course on Monetary and Exchange Operations delivered in conjunction with Institute, and a seminar on inflation targeting. Participation in banking course at Toronto Center and in a banking supervision course for francophone countries in Paris.
STA	At headquarters, Balance of Payments Statistics; Money and Banking Statistics; National Accounts Statistics.