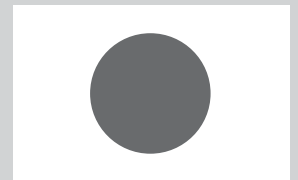


Independent External Evaluation



October 2014

Japan



**Japan Subaccount under the IMF Framework
Administered Account for Selected Fund Activities**

**Japan Administered Account for
Selected IMF Activities**

**Evaluation of Worldwide Technical Assistance
funded by Japan and delivered by
the International Monetary Fund**

Making the Transition to a Program-Based Approach to Technical Assistance

Third Independent External Evaluation of Technical Assistance funded from the Japan Sub-Account (JSA) under the IMF Framework Administered Account for Selected Fund Activities (fiscal years FY2010 to FY2012, with preliminary examination of Programs approved in FY2013).


For

Ministry of Finance, Government of Japan
International Organization Division, International Bureau
International Monetary Fund
Institute for Capacity Development
Global Partnerships Division

by

Rideau Strategy Consultants Ltd.
Ottawa, Canada

October 2014



© 2014 International Monetary Fund

Cover design and production: IMF Multimedia Services Section

International Monetary Fund
700 19th Street, N.W., Washington, DC 20431, U.S.A.
Internet: www.imf.org

There has been a long partnership between the Japanese Ministry of Finance and the International Monetary Fund (IMF) to provide technical assistance (TA) to low and medium income countries and thereby to assist them in improving their macroeconomic policies and practices.

Since 2011 there have been two developments that were designed to reinforce the success of JSA-funded TA that had been reported in previous evaluation studies. The first was the IMF's increased focus on results-based management; and the second was the change from a project-by-project approach to a program-based approach. This was designed to produce a set of coherent multi-year and multi-country technical assistance programs. The following report of the independent evaluation team assesses how well this has been achieved.

Many people contributed to this study. The IMF Executive Director for Japan, Mr. Daikichi Momma, provided guidance on the evaluation objectives, and emphasized the importance of the independence of the evaluation. Mr. Kazuki Watanabe, Senior Advisor, and Mr. Masato Matsutani, Advisor, in the Office of the IMF Executive Director for Japan, generously gave their time to provide information and to respond to questions from the evaluation team. The Office of the Executive Director handled communications with the Japanese Ministry of Finance about the evaluation study.

The Institute for Capacity Development (ICD), Global Partnerships Division (GPD), of the International Monetary Fund (IMF) initiated and managed the evaluation. Ms Xiangming Li, Deputy Division Chief, GPD, provided general oversight of the evaluation. Mr. Harish Mendis managed the evaluation through all its phases including design, contracting and review; and coordinated the inputs of IMF Departments. He was supported by Mr. Masaharu Makino. ICD staff, principally Ms Sylwia Szczepanek, supported by Mr. Simiso Kabo, briefed the


evaluators, provided data, arranged meetings, gave logistical support, and reviewed data presentations in the evaluation report

IMF staff and experts in all Departments and in countries where the evaluators conducted field visits (Singapore, Indonesia, Philippines and Cambodia), particularly the resident representatives and their staffs were very helpful. At the Singapore Regional Training Institute Mr. Sunil Sharma and Mr. Mangal Goswami, and their staff were very helpful.

There was a very high response rate to the evaluation surveys of stakeholders and we thank those who took the time to communicate their views on the JSA-funded programs.

Dr. Kenneth Watson, Principal Partner, Rideau Strategy Consultants Ltd. Ottawa, Canada, was the evaluation team leader. Dr. Toru Uno, ex-Treasury Board of Canada, reviewed documents in Japanese and was the principal author on Japanese ODA and priorities related to technical assistance to low-income and medium-income countries. Dr. Munir Sheikh, Executive Fellow, School of Public Policy, University of Calgary, ex-Chief Statistician of Canada, was the principal evaluator in regard to technical assistance in national statistics. Mr. Fred O'Riordan, ex-Revenue Canada and Treasury Board, was the principal evaluator on technical assistance in fiscal affairs. Ms Vinita Watson, ex-head of the International Trade and Finance Branch of Finance Canada and ex-IDB Executive Board member, was the principal evaluator of IMF technical assistance in monetary and capital markets. Dr. Anne Perkins conducted the survey of stakeholders and managed the data analysis.¹

¹ The opinions expressed in this paper are those of the consultant authors and do not necessarily reflect the opinions or policies of the Government of Japan, the International Monetary Fund or the Governments participating in the JSA-funded programs. As well, the state-



An Executive Summary follows. This is a brief synopsis of the evaluation questions, methods, findings and conclusions, and recommendations.

The main text of the Report begins with a description of the partnership between Japan and the IMF both in the long term and during the evaluation period. (Chapter 2) The Report then reviews the results of the IMF's technical

ments by interviewees and by respondents to the evaluation surveys reported herein are the observations and opinions of those persons and are not vouched for by the author of this report.

assistance in several sectors: fiscal affairs (Chapter 3), monetary policy and capital markets (Chapter 4), national statistics (Chapter 5) the Singapore Regional Training Institute (Chapter 6) and legal technical assistance in legislation and regulations (Chapter 7).

The report concludes in Chapter 8 with an overview of the performance of the JSA — its relevance, efficiency, effectiveness, impact and sustainability, and the mutual benefits that have accrued to Japan and the recipient countries. Chapter 9 presents the evaluators' recommendations.

The opinions expressed in this paper are those of the consultant authors and do not necessarily reflect the opinions or policies of the Government of Japan, the International Monetary Fund or the Governments participating in the

JSA-funded programs. As well, the statements by interviewees and by respondents to the evaluation surveys reported herein are the observations and opinions of those persons and are not vouched for by the author of this report.

Acronyms

AML/CFT	Anti-Money Laundering/Combating the Financing of Terrorism	METAC	Middle East Technical Assistance Center (IMF)
ADB	Asian Development Bank	MOF	Ministry of Finance, Japan
AfDB	African Development Bank	MOFA	Ministry of Foreign Affairs Japan
AFR	African Department	ODA	Official Development Assistance
APD	Asia and Pacific Department (IMF)	OECD	Organization for Economic Cooperation and Development
BEAC	Banque Etats L'Afrique Central	OEDJA	Office of the Executive Director for Japan (IMF)
CCB	Committee for Capacity Development (IMF)	OIA	Office of Internal Audit
COIs	Cooperating official institutions	PFM	Public-sector financial management
DAC	Development Assistance Committee (OECD)	PFTAC	Pacific Regional Technical Assistance Center (IMF)
FAD	Fiscal Affairs Department (IMF)	RAP	Resource Allocation Plan
FSAP	Financial Sector Assessment Program	ROSC	Report on the Observance of Standards and Codes
FY	Financial year	RSN	Regional Strategy Note
GDDS	General Data Dissemination System	RTAC	Regional Technical Assistance Center (IMF)
G-20	Group of Twenty	STA	Statistics Department (IMF)
ICD	Institute for Capacity Development (IMF)	STI	Singapore Regional Training Institute (IMF)
IDB	Inter-American Development Bank	STX	Short-term Expert
IEO	Independent Evaluation Office	TA	Technical assistance
IIP	Index of Industrial Production	TAIMS	Technical Assistance Information Management System
JPN	Japan	TTFs	Topical Trust Funds
JSA	Japan Administered Account for Selected IMF Activities	UFR	Use of Fund Resources
IMF	International Monetary Fund	WHD	Western Hemisphere Department (IMF)
LEG	Legal Department (IMF)		
LTX	Long-Term Expert		
MCD	Middle East and Central Asia Department (IMF)		
MCM	Monetary and Capital Markets Department (IMF)		

Executive Summary

This is the third independent evaluation of technical assistance (TA) and training delivered by the International Monetary Fund (IMF) and funded by the Japan Sub-Account (JSA) under the IMF Framework Administered Account for Selected Fund Activities.

The Japanese Ministry of Finance sponsored the evaluation; and the IMF Global Partnerships Division of the Institute for Capacity Development (ICD) managed the evaluation process.

The period examined is four (IMF) fiscal years, FY2010 to FY2013. During this period the Ministry of Finance of Japan funded approximately 152 person years of IMF technical assistance through its contributions to the IMF's *Administered Account for Selected Fund Activities — Japan (JSA)*. Since 1990 Japan's total contribution to the JSA has been \$464 million in nominal dollars, which is equivalent to approximately \$620 million in inflation-adjusted 2014 dollars. In FY2013 its contribution was \$30.4 million.

Japan has several objectives in helping improve macro-economic management in low and medium income countries. As a major economy and trading nation Japan has interests in investment and trade, in enhancing the stability and efficiency of the international economic system and in promoting goodwill.

Objectives of this Evaluation

The objectives of this external evaluation were:

- to determine whether JSA-funded Programs have been relevant, effective, efficient and sustainable in building capacity in recipient countries;
- to assess how the “program approach” to organizing technical assistance compares with the earlier project-based approach; and

- to make recommendations for improving the design, implementation, management, and assessment of future JSA-funded programs.

Methodology

The evaluation collected and analyzed information from the following sources:

- **Data compilation and analysis.** IMF documents and databases (including ratings of program achievements, and data on program costs and activities).
- **Field visits, interviews and observations.** Interviews with IMF staff and experts at headquarters and in four recipient countries — Singapore (the Singapore Regional Training Institute), Indonesia, Philippines and Cambodia.
- **Surveys of stakeholders.** Several stakeholder groups were surveyed, including: staff of the Office of the IMF Executive for Japan; a sample of recipient country officials (in general five officials per FSA-funded Program); experts who had direct experience with JSA-funded Programs and projects; and IMF staff (executive managers and project managers). The response rate was excellent.¹

Main Findings of the Evaluation

In summary, the evaluators found that the long-standing partnership between Japan and the IMF is highly regarded by its stakeholders and has produced relevant, efficient and effective programs. The other main findings of the evaluation are:

¹ The stratified sample of stakeholders comprised five or six persons for each of 18 JSA-funded Programs, in total about 100 people. The evaluators achieved essentially 100% response after intensive follow-up by email and telephone. The respondents included 20 IMF project/program managers, 43 experts each contracted to work on one of the JSA-funded programs, and 34 officials from recipient governments.

- JSA-funded programs provide substantial benefits for Japan, the IMF and recipient countries. The JSA has made a good contribution to capacity in recipient countries.²
- The quality of JSA-financed technical assistance and training is high and performance is very good to excellent.
- The move to a programmatic approach enhanced efficiency and effectiveness.
- There is a strong case for increasing funding to countries facing important macroeconomic transitions over the next several years.

Although the JSA performance ratings were very favorable, improvements are possible. These include:

- Using Entry Workshops more consistently to improve planning (program road maps), encourage participant country commitment, strengthen programming across countries and develop early momentum. (See Sections 4.8: *Performance of JSA TA Programs* and 8.7c *Coordination*.)
- Engaging with partners to provide technical assistance and training where it is efficient and effective to do so. (See Section 8.7c *Coordination* and 8.8 *Capacity Building and Sustainability*)
- Continuing and strengthening IMF's advocacy of good statistical data across all policy areas. (See Chapter 5: *Japan's Support to National Statistics*)
- Improving the performance metrics by which IMF JSA programs are monitored. (See Section 8.10 *Review, Evaluation and Performance Monitoring Metrics*.)

² The Office of the IMF Executive Director for Japan chose "good" to describe the contribution to capacity building. (There was no "very good" on that particular scale.) Not quite "excellent".

- Modernizing some aspects of the IMF's training technologies. (See Chapter 6 *Japan's support to the Singapore Regional Training Institute*)
- Increasing flexibility in the size and duration of JSA programs/projects, in the approval procedures, in aspects of program budget management and in recruitment procedures for experts. (See Section 8.6 *Efficiency and Effectiveness*.)
- Improving the sustainability of the results of IMF TA and/or training in part through continuous engagement.

Benefits to Japan

In addition to the benefits to recipient countries, there were many benefits to Japan, as indicated in Table 1. First Japan's access to and influence on decision makers in governments was enhanced. Second, there was a substantial positive effect on goodwill towards Japan. Third, there were benefits to Japan from greater stability in the macroeconomic framework of the international economic community, investment and trade.

JSA Performance ratings

The evaluators assessed the JSA performance against the OECD/DAC criteria for evaluating development assistance. These criteria were: relevance, efficiency, effectiveness and sustainability. The DAC provides standard definitions of these criteria.³

In general JSA-funded technical assistance during FY2010 to FY2013 was rated highly on all criteria by both its stakeholders and by the evaluators. (See Table 1)

³ See www.oecd.org/DAC/evaluation "DAC Criteria for Evaluating Development Assistance".

Table 1: Performance of JSA-funded Programs (FY2010–FY2012)

Evaluation Criteria	Performance Ratings by Stakeholders		Performance Ratings by Evaluators
	Average rating by IMF project managers and experts (LTX, STX)	Average rating by officials in participating countries	Evaluators' assessment of program performance
	Scale 1 to 7	Scale 1 to 7	Scale: Excellent, Good, Modest, Poor
Relevance	6.4	6.3	Excellent
Efficiency	5.7	6.0	Good to excellent
Effectiveness	5.6	5.8	Very good
Sustainability ¹	5.2	6.2	Variable: Modest to excellent
Coordination	Well-coordinated with significant exceptions ²	Well-coordinated	Well-coordinated with some exceptions and limitations. ³
Visibility of Japan	5.3	6.0	Good ⁴ to excellent

Source: Survey of stakeholders, January 2014; and qualitative assessments by the evaluation team based on several sources of information including the Stakeholder Survey. The evaluator ratings are categorical. They are not a direct translation of the numerical ratings by officials and IMF staff. They take those ratings into account but they also draw upon the evaluators' observations, interviews and reading.

¹ The substantial difference in the assessment of sustainability by IMF staff and by officials is largely unexplained. It is discussed in the main text of this report but is worth follow-up study.

² Stakeholder ratings were 15% excellent; 65% well-coordinated; 20% not well coordinated.

³ The main limitation in "coordination" is the absence of joint projects with non-IMF TA/training providers.

⁴ A rating of 5.0 to 5.5 on the 1-7 scale was generally taken to be good, depending on other evidence that might have been available in some cases. In the end the evaluators' judgment was independent but evidence based.

Government officials in participating countries were particularly complimentary, assigning average performance ratings between 5.8 and 6.3 on a 1-7 scale.

IMF project managers and experts were somewhat more self-critical, especially in regard to the likely sustainability of the results of the IMF TA/training. This is worth further study.

The independent evaluators who are the authors of this study rated IMF/JSA performance highly, with the partial exception of "sustainability", which they found to be too variable to support generalizations. It is worth emphasizing that the evaluators' assessments of IMF/JSA performance (column 4 above) are not based solely on the performance ratings by IMF staff and

officials (columns 2 and 3). They take into account stakeholder ratings, project reviews (desk reviews) undertaken by the evaluators themselves and interviews and observations in the field.

Transition to a program-based approach

The evaluators found that the shift from JSA project support to a programmatic approach was beneficial. IMF staff and recipient governments were strongly in favour of the change and pleased with its effects. The IMF Office of the Executive Director for Japan stated to the evaluators that the change to a program-based approach increased the opportunities for input by that Office and, from its perspective, improved efficiency, effectiveness and sustainability.

Table 2: Was the Program Approach Better than a Series of Smaller Projects?

OECD Criteria	Average Ratings (Scale 1 to 7)		
	IMF staff and Experts	Officials/ Authorities	Number of ratings
More relevant?	6.4	N/A	96
More efficient?	5.8	N/A	94
More effective?	5.7	N/A	95
More sustainable?	5.5	N/A	92

Source: Survey of Stakeholders, Jan. 2014 Ques. 7.1 to 7.4

In the first year the shift from projects to programs caused delays because of unfamiliarity. By the second and third years those transition problems were resolved.

Coordination and cooperation

The IMF JSA-funded programs are generally well coordinated in the sense that IMF project managers and resident long-term experts communicate their plans with other development assistance organizations working in the country to achieve overall coverage of the needs and to avoid duplication.

However the development community has promoted stronger coordination at a series of high-level forums since 2003. These forums produced the *Paris Declaration on Aid Effectiveness* (2005) the *Accra Agenda for Action* (2008) and the *Busan Partnership for Effective Development Cooperation* (2012). The IMF is a signatory to these protocols. The Paris/Accra/Busan principles⁴ promote joint TA and training wherever possible.

⁴ The principles cover ownership and mutual accountability (localization), harmonization and alignment (with host governments and between international agencies providing assistance) and results.

The IMF is a special case to some degree because its surveillance activities require it to be fully independent and accountable. However there may be opportunities to undertake joint JSA-funded activities with other competent providers of TA and training without compromising the Fund's independence. (See Chapter 9, Recommendation 8.)

Another aspect of coordination is coordination with other Japanese official development assistance (ODA) activities. Coordination with Japanese authorities in JSA-recipient countries appears to be relatively good but varies.

Harmonization of the JSA with Japan's broader ODA priorities appears to be excellent. However more frequent participation of officials of the Ministry of Finance in JSA Entry Workshops and in IMF missions to JSA-funded program countries would contribute further to coordination, harmonization and visibility. The Office of the Executive Director for Japan noted, in replying to our evaluation questionnaire, that participation by officials from the Japanese Ministry of Finance or the OEDJA in IMF JSA missions is not sufficiently frequent. However the problem is human resource and budget constraints, not a lack of priority. Both the IMF and the Ministry continue to make efforts to involve Japanese officials and experts in the JSA programs.

Recommendations

In summary the recommendations of the evaluators are:

Recommendation 1: Continue the Japan-IMF partnership to provide technical assistance and training to help develop government capacity in low-income and middle-income countries.

Continued partnership is justified by past performance which, as reported by stakeholders and assessed by the evaluators, has been very good to excellent. There have

been substantial mutual benefits to Japan, to the recipient countries and to the IMF.⁵

Recommendation 2: Confirm the new program-based approach to technical assistance and training.

In FY2010–FY2013, for the first time, JSA-funded TA was delivered through three-year multi-country programs rather than project-by-project. This change was a marked success, with minor qualifications. Therefore the program-based approach should be continued, without abandoning the ability to approve smaller short-term projects where it makes sense to do so.⁶

Recommendation 3: Maximize benefits to Japan as well as to recipient countries.

All opportunities should be pursued to expand mutual benefits to Japan and to recipient countries. (See the main report for suggestions how to accomplish this.)

Recommendation 4: Improve some already-good training techniques. Given the rapid changes in Asian economies and in modern training technologies, the Singapore Regional Training Institute (STI) should prepare a strategic plan for the next three to five years.

The Plan should be based on a needs analysis, especially of how to reach and help low-capacity countries. It

should also cover new initiatives which might well include investing in new technologies for training and capacity building, developing simulcasting capacity for multi-site course presentations and improving the financial sustainability of the Institute by charging reasonable fees to recover part of its costs.⁷

Recommendation 5: Improve the gathering of information about results to facilitate results-based management of the JSA-funded programs.

The “results data” could be improved by starting every program with an Entry Workshop at which participants would develop a roadmap with clear and measurable objectives at the outcome level (not just the activity level).

This might require some study of the baseline situation in each participating country. Performance metrics could also be improved to track results. For instance training at STI in Singapore and in-country would benefit from more before-and-after testing of the knowledge and skills to be imparted.

We also suggest some improvements to the metrics by which JSA-funded programs are monitored; as well as coordinating future evaluations of the JSA with independent evaluations of all of the technical assistance and training provided by the IMF. (See Section 8.10)

Recommendation 6: Convene an Entry Workshop for every JSA-funded program.

The evaluators are of the opinion that the single action most likely to improve the effectiveness of JSA-funded programs is to hold an Entry Workshop for each new

⁵ Increased support in the next few years is justified, in the evaluators’ opinion, by the needs of recipient countries that the evaluators visited. As well, additional funding might be needed to achieve a better balance of JSA-funded activity across regions, in particular the (Pacific littoral) Americas. Also several of the recommendations in this report if implemented, will require an increase in JSA funds.

⁶ Legal Department should be allowed to apply for JSA funding for small projects in addition to occasional larger Programs. In addition a more systematic effort should be made to identify legal components of other IMF Departments’ proposals for JSA-funded Programs. Also it would be advantageous to all if a small part of all JSA-funded Programs (say 10%) in any year can be used for small projects that were not previously identified.

⁷ An appropriate direction for STI in future may be towards a sustainable financing model that includes some payment for training services. The proportion of STI costs that might reasonably be covered by course fees should be considered based on a needs analysis and a willingness-to-pay study. Options in the range of, say, 20% to 50% of course costs covered by governments could be analyzed.

JSA-funded Program rather than only for some. We believe that a single workshop bringing together representatives from all participating countries will be more effective than several single-country workshops. However there may be circumstances where the latter is preferable.

Entry Workshops would involve officials from each participant country and would help elicit their commitment. A Workshop can improve the thematic and strategic coherence of the Program and build early momentum for implementation.

Some, perhaps many, Entry Workshops would benefit from the attendance of an IMF legal expert and an IMF statistical expert to bring those perspectives to the Program Roadmap.

Cost is, of course, a factor but our experience with Entry Workshops is that improvements in program effectiveness almost always outweigh additional costs.

Recommendation 7: Improve the already good management of the JSA-funded programs.

There are certain activities that the IMF could undertake with Japan's concurrence that, in our opinion, will improve efficiency. These include some additional flexibility in program approval procedures, some flexibility in the length of programs and greater⁸ use of competitive procurement through open advertising for experts.⁹ (See Section 9.2.4 for specific suggestions on improving efficiency.)

⁸ IMF MCM states that it uses competitive procurement (open advertising) to supplement its roster of experts in most instances.

⁹ The recipient organization should play a role in all stages of the procurement of long-term advisors. As well, the evaluation consultants recommend that some use of open competition in addition to selection from IMF rosters of experts might result in the recruitment of more experts from Japan and/or with experts with experience in regional Central Banks and Departments of Finance, for example Thailand, Turkey etc.

Recommendation 8: Engage more with partners¹⁰ to provide joint or closely coordinated technical assistance and training where it is efficient and effective to do so.

The IMF is a signatory to the *Paris Declaration on Aid Effectiveness* (2005), the *Accra Agenda for Action* (AAA, 2008) and the *Busan Partnership for Effective Development Cooperation* (2012). Its commitment under those conventions to increase the use of the program-based modality has been successfully met by the JSA.

In addition the Fund committed to emphasizing partnerships in program delivery and monitoring.¹¹ The *Accra Agenda for Action* says that signatories will “provide joint training (with other donors) to share lessons learned and build a community of practice” (Section 32) and to “delegate, where appropriate, authority to lead donors¹² for the execution of programmes, activities and tasks.” (Section 35) The IMF, because of its other roles, particularly surveillance, is in part a special case. Its visible independence is essential. At a minimum in its areas of specialization the IMF would normally be the natural lead among donors. However, in our opinion, closer collaboration with other competent providers of TA and training is possible and desirable, and can be achieved without compromising the IMF's independence. Engagement of the IMF with other providers of TA and training is likely to have a positive effect overall on capacity building in a country and region.

¹⁰ When partnering with other international financial institutions or development agencies the IMF would normally take the lead and each partner would bear its own costs. When partnering with other organizations such as universities and training institutes, the appropriate arrangements would need to be considered case-by-case.

¹¹ The partnership performance indicators articulated by the *Accra Agenda for Action* are “percent of country analytical work that is joint” and “percent of missions that are joint.”

¹² The IMF would normally, but not necessarily invariably, be the “lead donor” in its core areas of expertise.

Recommendation 9: Sustainability objectives should be clearly specified in each Program document, there should be a clear strategy for sustainability and resources should be allocated to reinforce sustainability. See Section 3.4 Performance of JSA-funded Programs/ Sustainability for a discussion of this point.¹³

¹³ See Section 9.2 of the following report for suggestions relevant to the implementation of all nine recommendations.

Table of Contents

Preface	3
Disclaimer	5
Acronyms	6
Executive Summary	7
1.0 Introduction	19
1.1 Introduction	19
1.2 Evaluation Approach and Methodology	19
1.3 Japan's Contribution to the JSA	19
1.4 Japan's Priorities for Technical Assistance	20
1.5 Japan's Objectives	20
1.6 Planning and Budgeting Cycle of the JSA-funded Programs	20
2.0 Japan-IMF Partnership for Technical Assistance	25
2.1 Historic overview of Japan's Contributions to IMF Technical Assistance	25
2.2 Japan's Share of IMF TA Funding	25
2.3 JSA Commitments by Region	25
2.4 JSA Commitments by Topic	27
2.5 JSA Programs FY2010 to FY2013	27
2.6 Annual Meeting of Japan MoF and IMF ICD	28
2.7 Joint Field Visits by the Japanese MoF and the IMF	28
2.8 A Concerted Effort to support Myanmar	29
3.0 Japan's Support to Fiscal Affairs (FAD)	32
3.1 Technical Assistance from the IMF Fiscal Affairs Department	32
3.2 FAD Technical Assistance Strategy	32
3.3 Japan's Support for FAD Technical Assistance, FY2010-FY2013	33
3.4 Performance of FAD JSA Programs	37
3.5 Performance Baseline – Projects approved before FY2010	44
3.6 Previous Independent Evaluation Ratings	45
3.7 Did changing from Projects to Programs Improve Performance?	46
3.8 Looking Forward – Japan's Support to FAD TA in FY2014	47
4.0 Japan's Support to Monetary and Capital Markets (MCM)	51
4.1 Monetary and Capital Markets Department (MCM)	51
4.2 MCM's Technical Assistance Strategy	51
4.3 MCM Technical Assistance funded by Japan, FY2010-FY2013	51

4.4 Programmatic Approach	54
4.5 MCM TA Achievements by Region, FY2010–FY2013.	55
4.6 Performance Baseline – Projects approved before FY2010.	59
4.7 Independent Evaluations 2010 and 2011	61
4.8 Performance of MCM TA Programs funded by Japan, FY2010–FY2013	62
4.9 How well did MCM TA Programs funded by Japan build Capacity?	64
4.10 Benefits to Japan	64
4.11 Looking Forward – Japan’s Support to IMF TA in Monetary and Capital Markets in FY2014	65
5.0 Japan’s Support to National Statistics (STA)	68
5.1 Capacity Development by the IMF Statistics Department	68
5.2 STA’s TA Strategy	68
5.3 Statistical Technical Assistance supported by Japan, FY2010-FY2013.	69
5.4 Précis of STA TA Programs, FY2010-FY2013.	70
5.5 STA TA Projects Performance	71
5.6 STA TA Programs Performance	73
5.7 Relevance, Efficiency, Effectiveness, Sustainability and Accountability	76
5.8 Looking Forward – Japan’s Support to National Statistics in FY2014	81
6.0 Japan’s Support to the Singapore Regional Training Institute (STI)	84
6.1 Introduction to the Singapore Regional Training Institute	84
6.2 JSA Support of the Singapore Regional Training Institute.	85
6.3 Assessment of STI against Evaluation Criteria.	86
6.4 Overview of STI’s Performance	90
6.5 Observations on STI.	91
6.6 Looking Forward – Japan’s Support to STI in FY2014	96
7.0 Japan’s Support of Technical Assistance by the IMF Legal Department (LEG)	98
7.1 Technical Assistance by the IMF Legal Department	98
7.2 Technical Assistance Strategy of the IMF Legal Department	99
7.3 Technical Assistance by the Legal Department, FY2010-FY2013	100
7.4 Performance Baseline – Projects approved before FY2010	104
7.5 Did the change from Projects to Programs improve Performance?	101
7.6 Observations on LEG TA	103
8.0 JSA Program Performance	104
8.1 Benefits to Japan	104
8.2 Overview of Performance	106
8.3 Resources	107
8.4 Did the shift from projects to programs improve performance?	108

8.5 Relevance of JSA-funded Activities	108
8.6 Efficiency and Effectiveness	109
8.7 Other aspects of program performance	110
8.8 Impact on capacity building and sustainability	112
8.9 Program strategy, roadmaps and commitments by the authorities	115
8.10 Review, evaluation and performance metrics	116
9.0 Recommendations and Suggestions for Implementation of Those Recommendations	117
9.1 Recommendations	117
9.2 Implementing the recommendations	119
Appendices	124
1. Evaluation Scope and Methodology	128
2. JSA-Funded Activities: Data Tables	134
3. Persons Interviewed in Participating Countries	145
4. Questionnaire for Government Officials (Clients)	147
5. Questionnaire for IMF JSA Project Managers and Experts	151
6. Questionnaire for the IMF Executive Director for Japan and his Staff	156

List of Tables

Executive Summary

Performance of JSA-funded Programs (FY2010–FY2012)	9
Was the Program Approach better than a Series of Small Projects?	10

Main report

1.5-1 Likely Benefits to Japan as JSA Donor	21
1.6-1 Annual Planning Cycle for JSA – Funded TA Programs	23
2.2-1 Contributions by Japan to the IMF JSA, FY1990–FY2013	26
2.3-1 JSA Commitments by Region	27
2.5-1 JSA Commitments for TA by Subject Matter (FY2008–FY2013)	28
3.1-1 JSA Commitments for TA by Subject Area (FY2008–FY2013)	32
3.3-1 FAD TA in Person-years funded from Internal and External Sources, FY2010 to FY2013	33
3.3-2 FAD TA Expenditures (external sources only) and JSA-funded TA Expenditures, FY2010 to FY2013	34
3.3-3 JSA-funded Programs Largely Completed by September 2013	34
3.4-1 Assessment of Performance of Five Completed JSA-funded Programs (FY2010–FY2013)	38
3.4-2 Performance of JSA-funded FAD Programs (FY2010–FY2013)	38
3.4-3 FAD Coordination with other TA Providers	42
3.4-4 Benefits to Japan as Donor to FAD Programs	42
3.4-5 FAD Contribution to Recipient Country Capacity – Responses to a Survey of Stakeholders	43
3.5-1 Achievement Ratings for a Sample of FAD Projects Completed during FY2010 to FY2013	44

3.6-1 Ratings of TA Projects by FAD Department, 2011 and 2013	46
4.3-1 MCM Programs funded by Japan, FY2010–FY2013	52
4.3-2 Budgets of JSA-funded MCM Programs by Region, FY2010–FY2013	53
4.4-1 Person Years of JSA-funded MCM TA Projects and Programs, FY2010–FY2013	54
4.4-2 JSA Expenditures for MCM Projects and Programs, FY2010–FY2013	54
4.4-3 MCM TA-funded by Japan – Expenditures by Topic, FY2011–FY2013	55
4.6-1 Program Managers’ Ratings of Program Achievements for a Sample of JSA-funded MCM Projects completed or cancelled during FY2010–FY2013	60
4.7-1 Ratings of JSA-funded MCM TA Projects – Qualitative Performance Ratings (FY2011 and FY2013)	61
4.8-1 Performance of MCM JSA-funded Projects and Programs, (FY2010–FY2013)	62
4.8-2 Awareness that the TA covered several Countries	63
4.8-3 Was the Program Approach better than a Series of Smaller Projects?	63
4.8-4 MCM Coordination with other TA Providers	64
4.9-1 MCM Contribution to Recipient Country Capacity – Responses to a Survey of Stakeholders	65
4.10-5 Benefits to Japan as Donor to MCM Programs	65
5.3-1 STA Budgets for Five JSA-funded Programs	69
5.3-2 Total STA TA Person Years (internally and externally funded) and JSA-funded Person Years, FY2010–FY2013	70
5.5-1 STA Projects’ Achievement Ratings (IMF ratings)	72
5.6-1 Comparative Ratings for the Project and Program Approaches	73
5.6-2 Stakeholders’ Assessments of JSA-funded Program Performance	74
5.6-3 IMF Staff/Experts Ratings of JSA-funded Programs (Survey 2014)	74
5.6-4 Potential for further Improvements in the Program Approach	75
5.6-5 Awareness that the Program Covered Several Countries	75
5.6-6 How well was the Program coordinated with other Activities?	75
5.6-7 Benefits to Japan as the Funder of STA TA Programs	75
5.6-8 Degree of Success in building Capacity	76
5.7-1 Dollar Expenditures and Person Years, STA, FY2010–FY2013	79
6.1-1 Outputs of the Singapore Regional Training Institute, FY2010–FY2013	85
6.2-1 STI Expenditures covered by the JSA, FY2010–FY2013	86
6.2-2 STI Expenditures covered by the JSA and other IMF Funds, FY2013	86
6.4-1 Ratings of STI’s Performance by Previous and Current Evaluators	90
7.3-1 TA Expenditures by the IMF Legal Department and JSA-funded TA (not including the Japanese Contribution to the AML/CFT Trust Fund)	99
7.3-2 Expenditures on TA by Legal Department FY2010 to FY2013, financed by the AML/CFT Trust Fund	100
7.4-1 IMF Self-rating of TA Projects by Legal Department completed during FY2010–FY2013	101
7.4-2 Ratings of TA Projects by Legal Department, FY2011 and FY2012	101

8.1-1 Benefits to Japan as Donor to JSA Programs	105
8.2-1 The Performance of JSA-funded Programs (FY2010 –FY2012)	107
8.6-1 Contribution to Recipient Country Capacity	109
8.7-1 Awareness that the TA covered several Countries	111
8.7-2 Coordination with other TA Providers	111

List of Figures

2.1-1 Japan’s Annual Contribution to IMF Capacity Building, FY1990 to FY2013	25
2.2-2 Japan’s Contribution compared with Other Donors, FY2009 to FY2013	26
2.3-1 JSA-level Activity by Region, FY2009 to FY2013	26
2.4-1 JSA Commitment by Topic, FY2013	27
3.3-1 Japan’s Funding of FAD TA	34
5.3-1 Expenditure at April 30, 2013, as a Percentage of Initial Budgets	69
5.3-2 Regional Distribution of Person Years among JSA-funded Programs and Projects, FY2010 and FY2013	70
5.7-1 Program Expenditure per Country in the five JSA-funded Statistical Programs, FY2010 to FY2013	78
6.1-1 Course Subject Areas in FY2013	84
6.1-2 Participants’ Home Locations in FY2013	84

List of Boxes

3.1 Better Tax Administration in Southeast Europe produces needed Growth in Government Revenues (JPN 103)	36
3.2 Better Fiscal Discipline in Anglophone West Africa (JPN 101)	37
4.5-1 Innovative Multidisciplinary TA improves a Bank Regulator’s Capacity ...but the toughest Job is still to come	57
4.5-2 Resource Reallocation and Survivorship Bias	58
5.4-1 Better National Accounts and Economic Price Indices are essential to Government and Business	71
6.1-1 Japan funds Triennial Meeting of Training Directors of Asian and Pacific Central Banks and Ministries of Finance	85
7.1-1 Anti-Money-laundering and Combating Financing of Terrorism in Myanmar	100

Making the Transition to a Program-Based Approach to Technical Assistance

1.1 Introduction

This is the third independent evaluation of technical assistance and training by the International Monetary Fund (IMF) funded by the *Japan Sub-account (JSA)* under the IMF's *Framework Administered Account for Selected Fund Activities*.¹ The period examined is four fiscal years, FY2010 to FY2013.²

1.2 Evaluation Objectives and Methodology

The objectives of this external evaluation were:

- to determine whether JSA-funded Programs have been relevant, effective, efficient and sustainable in building capacity in recipient countries;
- to assess how the “program approach” to organizing technical assistance compares with the earlier project-based approach; and
- to make recommendations for improving the design, implementation, management, and assessment of future JSA-funded programs.

The methodology of the evaluation was based upon the following:

¹ The Japan Subaccount (JSA) under the Framework Administered Account for Selected Fund Activities, was approved by the IMF Executive Committee in April 2010.

Unlike the preceding arrangement with two separate accounting streams, one for the Japan Administered Account for Selected Fund activities and the other for the Japan Advanced Scholarship Program Subaccount, JSA combines and streamlines the Japanese IMF contributions. Japan Administered Account for Selected IMF Activities, Annual Report Fiscal Year 2013, (Washington, D.C., IMF, 2013), p. 4.

² The IMF fiscal year (FY) runs to from May 1 to April 30 the following year.

- **Data compilation and analysis.** IMF documents and databases (including ratings of program achievements, and data on program costs and activities).
- **Field visits, interviews and observations.** Interviews with IMF staff and experts at headquarters and in four recipient countries — Singapore (the Singapore Regional Training Institute), Indonesia, Philippines and Cambodia.
- **Surveys of stakeholders.** Several stakeholder groups were surveyed, including: staff of the Office of the IMF Executive for Japan; a sample of recipient country officials (in general five officials per JSA-funded Program); experts who had direct experience with JSA-funded Programs and projects; and IMF staff (executive managers and project managers). The response rate was excellent.³

1.3 Historical Overview of Japan's contribution to the JSA

Japan's contribution to the JSA is provided by the Ministry of Finance, which is responsible for the relationship between the Government of Japan and the International Financial institutions including the World Bank and the International Monetary Fund. Its contribution was \$30.4 million in FY2013. In total Japan has contributed about \$464 million to the JSA and its earlier equivalents.

Japan's contribution to the JSA in FY2013 was a relatively small but significant part of its total Official Development Assistance (ODA), which in 2012 was

³ The stratified sample of stakeholders comprised five or six persons for each of 18 JSA-funded Programs, in total about 100 people. The evaluators achieved essentially 100% response after intensive follow-up by email and telephone. The respondents included 20 IMF project/program managers, 43 experts each contracted to work on one of the JSA-funded programs, and 34 officials from recipient governments.

approximately \$10.6 billion, of which about \$4.2 billion comprised grants to multilateral organizations.⁴

1.4 Japan's priorities for technical assistance for capacity development

Japan's priorities for TA are stated in its Official Development Assistance (ODA) Charter of 2003.⁵ The ODA Charter was refined by the *Medium Term ODA Policy* in 2005. Those documents stress reducing poverty, investing in peace and security, and supporting sustainable growth.

In 2010, the Government of Japan, Ministry of Foreign Affairs (MOFA), conducted a review of Japan's ODA policy. Among other points, the Review and subsequent White Paper stated the importance of good macroeconomic frameworks to support stable and sustainable economic growth as part of a strategy to achieve the UN Millennium Development Goals (MDGs). The Review also stated Japan's desire to mobilize its human, intellectual and technical resources along with its financial resources to assist low-and-middle-income countries.⁶

Japan's support of TA by the International Monetary Fund (IMF) is provided by the Ministry of Finance, through its International Bureau.⁷ The Ministry is responsible for support to multilateral financial institutions, including the World Bank and the Regional

Development Banks such as the Asian Development Bank (ADB) and the African Development Bank.⁸ The largest contribution from the MOF goes to the World Bank, followed by the ADB and then the IMF.⁹

Japan communicates its priorities for JSA-funded TA in a number of ways. (See Table 1.6-1 describing the JSA planning and budgeting cycle). There is an annual meeting between the Government of Japan, Ministry of Finance (MOF), and the IMF Institute for Capacity Development, Global Partnerships, to discuss priorities for TA in the coming year; and the MOF writes a memorandum¹⁰ each year stating priorities.¹¹ The memorandum indicates themes and recipient countries that may be particularly important. Finally, each Program that is proposed for JSA funding is submitted to the Government of Japan for approval.

1.5 Japan's Objectives

The Japan-IMF partnership for TA and training to low-income and middle-income countries serves the objectives of both. Japan has several objectives in helping improve macroeconomic management in the JSA-recipient countries. It has interests in investment and trade, interests in enhancing the stability and efficiency of the international economic system and interests in promoting goodwill. Our survey of officials in recipient governments, which is discussed in detail in the following chapters of this report,

⁴ Japan, Ministry of Foreign Affairs, ODA White Paper, 2012, Chart III. <http://www.mofa.go.jp/policy/oda/white/2013/html/index.html>. Also: http://www.mof.go.jp/english/international_policy/reference/financial_flows_to_developing_countries/index.htm.

⁵ Based on a revision of the original foreign assistance policy and priorities approved by the Cabinet in 1993.

⁶ "Enhancing Enlightened National Interest: Living in harmony with the world and promoting peace and prosperity", ODA Review Final Report (Tokyo, MOFA, June, 2010): See http://www.mofa.go.jp/policy/oda/reform/pdfs/review1006_report.pdf.

⁷ MOFA and 16 Ministries and Agencies are also involved in the disbursement of Japan's ODA funds. See: http://www.mofa.go.jp/mofaj/gaiko/oda/shiryo/sonota/k_kikan_24/24_1.html (in Japanese)

⁸ Ibid

⁹ Ibid.

¹⁰ The priorities include: (1) improve the efficiency and synergy of assistance by providing TA to countries that have similar challenges and encourage their cooperation with each other; and (2) increase the probability of successful reforms by providing continuous multi-year support. In addition, the memorandum includes specific Japanese priorities for the immediate future period of TA.

¹¹ Since FY2010 the Japanese Ministry of Finance has provided input and this has become more structured and formalized during the past two years.

Table 1.5-1: Likely Benefits to Japan as JSA Donor

Possible benefits to Japan	Number of responses (N=63)	Response rate	Average rating (Scale 1-7)
International stability, prosperity and open trading systems	46	73%	5.3
Japan's influence with decision makers in the IMF and multilateral system, and with recipient governments	39	62%	5.3
Goodwill towards Japan	51	81%	5.5

Source: Survey of JSA stakeholders, Jan. 2014

reported highly favourable results on all these measures of benefit to Japan. Those who expressed an opinion about the likely benefits to Japan from its JSA support rated them above 6 on a scale of 1 to 7.

Our survey of IMF TA program managers and experts engaged on JSA-funded programs, also found a strong conviction that there have been substantial benefits to Japan. On average these professionals rated benefits to Japan at 5.5 to 5.8 on the 1 to 7 scale. (Table 1.5-1)

It is clear that the long-standing partnership between Japan and the IMF is highly regarded by its stakeholders.

At the IMF–Japan Joint Seminar in Tokyo in 2012 on *Developing Capacity: A Partnership for Sustainable Growth* a senior official of the Ministry of Finance (MOF) stated the following reasons for Japan's support to the IMF.

“First, the IMF has top-ranked knowledge and expertise in macroeconomic management and understands the

*policy changes that are needed in its member countries. It has accumulated abundant cross-country experience through surveillance missions and other forms of dialogue with the participating countries. These assets of the Fund are unique. Second, policy and institutional advice through the Fund's TA should be very effective because it is requested by the country and formed in the context of the surveillance process. In some cases it is coupled with the Fund's financial assistance. Third, there is normally a cooperative relationship between the Fund's staff and the officials of recipient authorities. This helps participating countries understand the recommendations of the Fund and facilitates implementing them efficiently.”*¹²

1.6 Planning and Budgeting Cycle of the JSA Programs

The framework for JSA funding begins with the Japanese Government deciding its overall ODA budget. The MOF takes the lead in regard to specified international institutions, including the IMF. Within the MOF's share of the ODA allotment, the World Bank typically receives the largest allocation, followed by the Asian Development Bank. The support to the IMF is third in amount. The IMF Office of Executive Director for Japan (OEDJA) provides coordination and communications within the IMF and with MOF in Tokyo.

The main points at which Japan guides the implementation of JSA-funded programs are: i) a memorandum indicating Japan's priorities; ii) review of the “Concept Notes”; iii) approval of the annual indicative list of proposed programs; and iv) the JSA Annual Consultation Meeting between IMF ICD and the Japanese Ministry of

¹² *Transcript of IMF Seminar on Capacity Development Work*, Tokyo, Japan, October 12, 2012, pp.14-15; Also see a similar statement made by the former Minister of Finance, Japan, Mr. Jun Azumi, in *Building Capacity: The Japan-IMF Partnership*, (Washington D.C., ICD, 2012), p.1.

Finance. In addition there are regular communications between the OEDJA and the IMF Institute of Capacity Development (ICD).

Within the IMF the annual planning and budgeting cycle for JSA-funded TA programs fits within the wider planning of IMF TA from all funding sources. The milestones of the FY2014 cycle are shown in Table 1.6-1

JSA-funded TA programs are normally implemented over three years although some have been for shorter periods. Their budgets are approved initially and updated annually. Therefore each year there is a portfolio of on-going programs and a set of newly approved programs. In the long run approximately 15 to 20 programs will be active each year, 5 to 7 programs will reach completion and about the same number of new programs will be approved.

TA planning is underpinned by the IMF's Regional Strategy Notes (RSNs). These are revised annually by each IMF Area Department in consultation with the TA (functional) Departments.

TA planning and budgeting are continuous¹³ but it is convenient to describe the process as starting at the IMF Annual Meeting in October each year. At this time the Fund begins to plan and budget for TA activities in the next fiscal year. Around the Annual Meeting there are many discussions among stakeholders that include consideration of TA. In addition to the initial discussions with Japan, where principles and priorities were decided, discussions are held annually with Japan (and other donors), IMF member countries and IMF departments.

¹³ For example the IMF prepares and updates Resource Allocation Plans (RAPs) which are detailed agendas for TA activities. These cover both the programs that are presently active and indicative new programs. Minor changes are communicated by the IMF to the Government of Japan and undertaken unless an objection is received. Major changes are submitted to the Government of Japan for approval.

These discussions may be informed by diagnostic studies that have been completed by the IMF TA departments. In the case of JSA-funded activities, the main products of these consultations, and of analysis by the IMF Departments, are Concept Notes that describe possible programs for the coming year.

Once compiled and edited by ICD, the Concept Notes, ranked in approximate order of IMF priorities, are considered by the Government of Japan (Ministry of Finance in consultation with the Ministry of Foreign Affairs, the Japanese Embassies in the countries where TA is proposed and the Japanese International Cooperation Agency (JICA)). The result is a memorandum from the Ministry of Finance to the IMF ICD indicating Japan's preferences for funding TA topics and countries in the coming year.

By January of each year the IMF's Regional Strategy Notes have been revised and Japan has commented on the set of Concept Notes for possible new JSA-funded programs. By February the IMF TA Departments have produced full Proposals based on the earlier Concept Notes. IMF ICD sends an indicative list of those proposals to Japan for its approval of JSA funding.

In April the IMF's Resource Allocation Plan (RAP) for TA goes before the IMF Committee for Capacity Building (CCB)¹⁴ for approval. The CCB considers, among other things, whether the allocation of TA resources across topics, regions and countries is optimal. In due course, ICD notifies ministries and authorities in member countries that funding is available for the new TA programs.

¹⁴ The Committee for Capacity Building meets quarterly. It is chaired by a Deputy Managing Director of the IMF. Members of the CCB include Deputies and Deputy Directors of IMF Area Departments, TA Departments and the Institute for Capacity Development.

Table 1.6-1: Annual Planning Cycle for JSA-Funded TA Programs

Timeline	Member Country	Government of Japan	IMF Departments	IMF ICD
October	Discuss needs and priorities with IMF area and TA departments at IMF Annual Meeting	Government of Japan (Ministry of Finance) and the IMF Executive Director for Japan participate in the discussions around the IMF Annual meeting, with representatives of IMF Member Countries and with IMF staff and other stakeholders.	<ul style="list-style-type: none"> IMF Area Departments consider TA needs in light of surveillance findings. IMF resident representatives and long-term experts contribute ideas IMF TA Departments complete diagnostic missions and diagnostic studies of TA needs. 	IMF ICD helps analyse the demand for TA in the coming year, including analyzing the existing portfolio of TA projects and programs; compiles and edits the TA Concept Notes and transmits those that are seeking JSA funding to Japan.
November		The Government of Japan, Ministry of Finance, receives the Concepts Notes from the IMF ICD and consults with the Ministry of Foreign Affairs and the Japanese embassies in countries that are proposed as recipients of JSA-funded TA.	<ul style="list-style-type: none"> IMF TA Departments, in consultation, develop a ranked set of TA Concept Notes. 	IMF ICD, Global Partnerships, sends a ranked set of Concept Notes to the ED for Japan for consideration by the Government of Japan, Ministry of Finance.
December/ January		The Government of Japan, Ministry of Finance, sends a memorandum to the IMF ICD, Global Partnerships, indicating its priorities and preferences for supporting TA in the coming year. It indicates themes and countries that may be particularly important.	TA Departments prepare first drafts of their Resource Allocation Plans (RAPs) for the coming fiscal year to start at the end of May. The RAP is a detailed agenda of planned activities.	
January/April			IMF Area Departments prepare Regional Strategy Notes (RSNs), which include consideration of TA needs particularly for intensive users of TA resources.	
February/ March			IMF TA Departments prepare full Proposals for new TA Programs to be funded by the JSA	IMF ICD sends an Indicative List of new program proposals to the Government of Japan for consideration.
April		The Government of Japan approves a set of Proposals for new Programs to be funded by the JSA	The Committee for Capacity Building (CCB) approves the Resource Allocation Plan (RAP) for the coming year.	
July	New Programs join the JSA Programs already in implementation.			
August				
September				

Source: IMF ICD, January 2014

Implementation of the new programs begins in the new fiscal year starting on May 1. JSA Programs are monitored financially in the TA Information Management System (TAIMS).¹⁵ The IMF incurs expenses to implement its Programs and, with a lag of about one month, draws down the Japan Sub-Account to cover those expenses.

The transition from projects to programs funded by the JSA was initially slow. Eight program proposals were approved in FY2010 but not until late in the year. In FY2011 three new programs were approved and the approval lag was less but still significant. In FY2012 the lag was about three months. However because it takes additional time to put experts in the field, TA can seldom

start immediately after approval. Another four months might elapse before a long-term expert is fully deployed.

There were long lags in approving JSA Programs in the first two years of implementation of this new approach and the lags remain significant.

JSA-funded projects are not discussed at the IMF Executive Board. The reason given is that the Japan Sub-Account is a purely bilateral matter. In our opinion this might miss a useful opportunity to give Japan visibility, on the one hand, and, on the other hand, to enable the IMF Executive Board to review this important component of IMF TA and training.

The OEDJA stated to the evaluators that its review of JSA concept notes has become increasingly rigorous; that decisions on resource reallocations within programs or between programs have become faster; and that the new programs-based approach has enabled OEDJA to be better informed and more strategic.

¹⁵ TAIMS monitors expenditures in four main categories: General inputs, long-term experts (LTEs), short-term experts (STEs) and IMF staff time costs (backstopping, project management).

THE JAPAN-IMF PARTNERSHIP FOR TA

2.1 Historical Overview of Japan's Contributions to IMF Technical Assistance

Since 1990 Japan has been the largest donor in support of IMF TA and training. Japan's total contribution has been approximately \$464 million in nominal dollars, which is equivalent to approximately \$620 million in inflation-adjusted 2014 dollars. Figure 2.1-1 illustrates that annual contributions after FY2002 tended to be between \$20 million and \$25 million. During our evaluation period (FY2010 to FY2013) contributions were between \$25 million and \$31 million per annum.

During the past three years, Japan's contributions to the JSA have averaged between \$30 million and \$31 million per annum. There was an increase in contributions after the general financial crisis of 2008. In constant

dollars, annual contributions have been broadly stable over a long period of time.

2.2 Japan's Share of IMF TA Funding

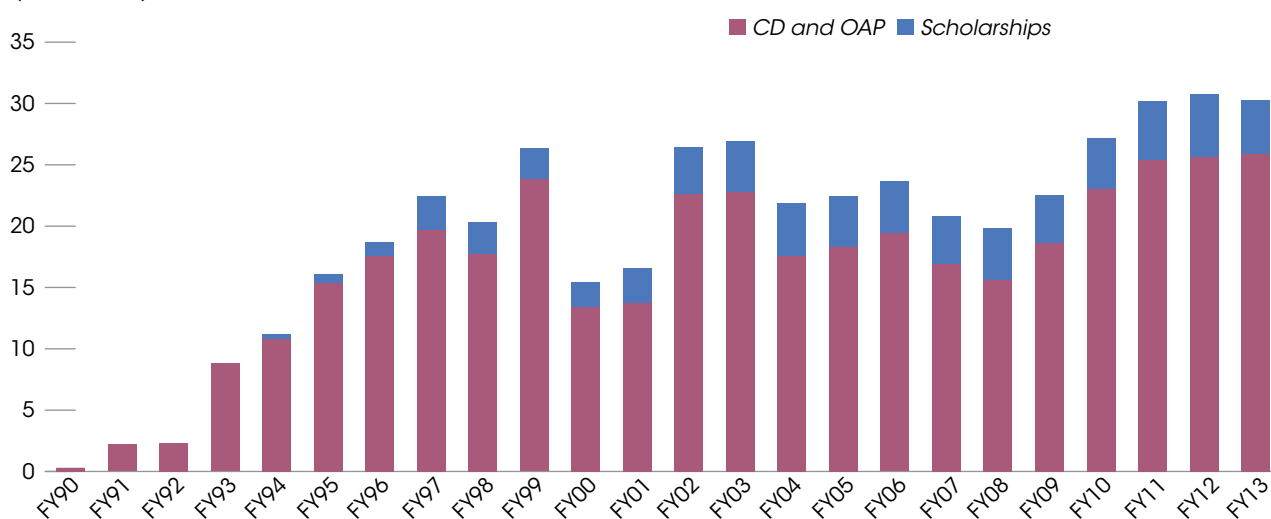
From FY1990 to FY2013, Japan's cumulative support to IMF TA totaled about 43% of all external donors combined. Its share in recent years has been less but is still substantial. (Figure 2.2-2)

2.3 JSA Commitments by Region

JSA commitments by region have been stable over time. Commitments in Africa have been about one quarter of the total. Commitments in Asia and Pacific Region have been about one half of the total in recent years. Commitments in other regions have been small. (Table 2.3-1)

JSA funding has benefited 130 IMF member countries worldwide.

Figure 2.1-1: Japan's Annual Contributions to IMF Capacity Building, FY 1990 to FY 2013
(\$US millions)



Source: IMF ICD "JSA Annual Report", 2013.

Table 2.2-1: Contributions by Japan to the IMF JSA, FY1990–FY2013

(In millions of U.S. dollars)

	FY90–09	FY10	FY11	FY12	FY13	Total FY90–13
JSA ¹	345.3	27.2	30.2	30.8	30.4	463.9
Capacity Development ^{2,3}	297.5	23.0	25.4	25.6	25.9	397.4
of which:						
Regional Office of Asia and the Pacific	15.8	1.6	2.5	2.7	2.9	25.4
Scholarships	47.7	4.2	4.8	5.2	4.5	66.4
The Japan-IMF Scholarship Program for Asia	28.4	2.9	3.8	4.2	3.5	42.8
Japan-IMF Scholarship Program for Advanced Studies ⁴	19.4	1.3	1.0	1.0	0.9	23.6

Source: Adapted from Institute for Capacity Development, IMF. "JSA Annual Report," FY2013, Table 1.

¹ Until FY10 contributions to the JSA and the Japan-IMF Scholarship Program for Advanced Studies were administered under the Japan Administered Account for Selected IMF Activities (JAA) and the Framework Administered Account for Selected IMF Activities (FAA), respectively. Contributions are now administered under the IMF Framework Administered Account for Selected Fund Activities (SFA).

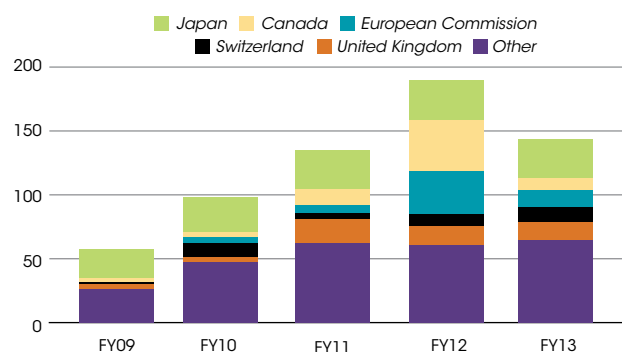
² Includes \$400,000 for FY10, FY11, FY12, and FY13 transferred to finance the activities of the AML/CFT Topical Trust Fund.

³ Includes \$154,603 transferred in FY11 to finance the operations of the Office of the Executive Director for Japan.

⁴ The Japan-IMF Scholarship Program for Advanced Studies was under the Framework Administered Account for Selected IMF Activities until FY10, and subsequently was transferred under the IMF Framework Administered Account for Selected Fund Activities.

Figure 2.2-2: Japan's Contribution compared with Other Donors, FY2009–FY2013

(\$US millions)

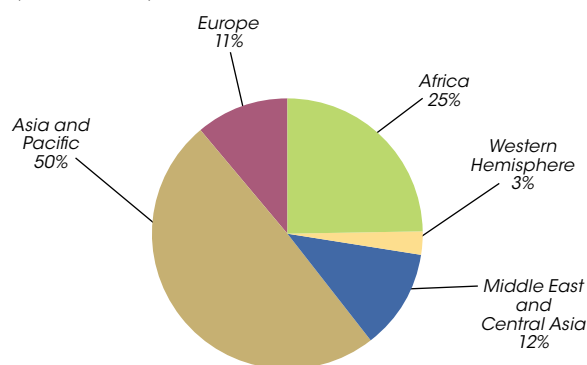


Source: IMF ICD "JSA Annual Report", 2013.

Note: This figure reports only cash contributions, not in-kind contributions.

Figure 2.3-1: JSA Level of Activity by Region, FY 2009–FY 2013

(Person Years)



Source: IMF ICD "JSA Annual Report", 2013, Figure 5.

Table 2.3-1: JSA Commitments by Region

(1) FY1990 to FY2007 (18 years) and (2) FY2008 to FY2013 (6 years)

(In millions of U.S. dollars)

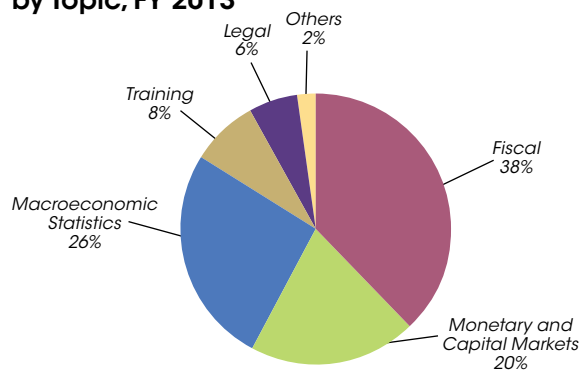
Region	FY93–FY07	%	FY08–FY13	%
Africa	54.8	23%	27.3	23%
Asia and Pacific	85.4	37%	60.3	51%
Eastern Europe and Central Asia ²	38.9	17%	5.0	4%
Europe	14.6	6%	7.4	6%
Latin America and Caribbean	12.5	5%	3.0	3%
Middle East and Central Asia ²	11.9	5%	10.8	9%
More than one regions	15.5	7%	4.4	4%
Total	233.8	100%	118.2	100%

Source: Institute for Capacity Development, IMF.

¹ Does not include \$400,000 annual contribution from Japan to the AML/CFT topical trust fund in FY10, 11, 12, and 13.² Starting in FY08, data for countries in Central Asia are grouped with data for countries in the Middle East.

2.4 JSA commitments by topic

In FY2013 the largest JSA commitments were by Fiscal Affairs, with Statistics next and Monetary and Capital Markets third. Other areas were relatively minor components.

Figure 2.4-1: JSA Commitments by Topic, FY 2013

Source: IMF ICD, "JSA Annual Report", 2013, Figure 6.

2.5 JSA Programs (FY2010–FY2013)

During fiscal years 2010 to 2013, twenty six JSA-funded programs were approved. They were multi-year and multi-country programs. About half of the programs targeted more than six countries and the largest geographical scope of a single program was twelve countries.¹ For a listing of JSA-funded programs by sector, approval year, budget and percent expended to April 30, 2013, see Appendix 2 Table 1.

Twelve programs were delivered by Fiscal Affairs (of which three were managed jointly with other IMF Departments). Six were delivered by Monetary and Capital Markets Department (of which one was jointly managed with Statistics Department). Five programs were delivered by Statistics Department. Two programs were delivered by ICD, both concerning the Singapore Regional Training Institute. There was one program

¹ Date source: ICD, IMF.

Table 2.5-1: JSA Commitments for TA by Subject Area (FY2008–FY2013)*(Millions U.S. dollars, except where % is indicated)*

Subject Area	FY2009	FY2010	FY2011	FY2012	FY2013 \$ (%)	FY1993– FY2013	FY1993– 2013 (%)
Fiscal	5.8	7.1	11.5	13.4	9.6 (38%)	114.1	32%
MCM	4.0	3.9	6.6	6.2	5.0 (20%)	121.2	34%
Statistics	2.8	1.3	1.7	4.6	6.7 (26%)	58.2	17%
Training	2.0	1.5	2.7	2.4	2.1 (8%)	39.4	11%
Legal	0.2	0.1	0.0	0.0	1.4 (6%)	9.9	3%
Other	0.1	0.7	0.5	0.4	0.6 (2%)	9.2	3%
Total	14.8	14.6	22.9	27.2	25.4 (100%)	351.9	100%

Source: JSA Annual Report 2013

delivered by Legal Department, on *Anti-Money Laundering and Combating the Financing of Terrorism* in Myanmar. On average 47% of the programs' budgets had been expended to the end of FY2013 (April 30, 2013).

From FY1993 to FY2008, the largest share of JSA funding went to the Monetary and Capital Markets (39%). FAD accounted for 27% of JSA funding.² However since FY2009 FAD has accounted for the largest share of IMF TA annually. Over the longer period FY1993 to FY2013, FAD and MCM each accounted for approximately one third of JSA funding. (Table 2.5-1)

2.6 Annual Meeting of the Ministry of Finance, Japan, and the IMF Institute for Capacity Development to consider the JSA

The Ministry of Finance and the IMF ICD meet annually to consider the use of the JSA in the coming year. Meetings are held in Washington D.C. or in Tokyo. The most recent meeting was held in Washington in October 2013.

²JSA Annual Report 2009.

The previous year, in October 2012, in Tokyo, the MOF and the IMF conducted a seminar on *Developing Capacity — A Partnership for Sustainable Growth*.

The Office of the Executive Director for Japan expressed the hope that the annual meetings might attract more senior managers/executives of the Ministry of Finance in future. The Office and IMF ICD, together, should consider how the annual meetings might be made useful to senior executives in the Ministry.

2.7 Joint Field Visits by the Japanese Ministry of Finance and the IMF

The Japanese MOF and the IMF conduct occasional joint visits to countries that are receiving JSA assistance. These visits are an opportunity to view how well JSA funds are being used; how much the local authorities value the work of JSA-funded TA and how the TA is contributing to sustainable improvements in the macroeconomic frameworks of participant countries.

During our evaluation period, the IMF, the Office of the Executive Director for Japan at the IMF and MOF organized joint field visits to the Philippines and Fiji (May

2010); Vietnam and Nepal (May 2011) and Cambodia (June 2012³).

2.8 A concerted effort to help Myanmar transition to a modern state in governance structure and administrative capabilities

Japan has been a substantial support to Myanmar as it has emerged from isolation and begun to modernize its economy and governance. The IMF Japan Sub-Account is an important vehicle for this support. Technical assistance and training is vital because Myanmar's administrative systems and practices have been divorced from international best practices for decades. It also important because Myanmar occupies a pivotal position, neighboring China, South Asia and South-East Asia,

In its new governance environment the government of Myanmar faces significant challenges. Most aspects of its public administration need to be modernized. As well there are demands from rapidly expanding donor activity, public private partnerships, and changing public enterprises. Myanmar's institutional arrangements must respond to a changing economy, and changing roles and relationships. Technical assistance is essential to designing and sustaining reforms. In the medium-term processes must be modernized, information and communications technology introduced.

Prior to FY2014 the JSA was already active in Myanmar. There were three JSA-funded programs approved for Myanmar in FY2013 that are discussed in other sectors of this report. They were:

- Treasury Management and Financial Systems Modernization (FAD, JPN 601)

- Anti-Money-Laundering and Combating the Financing of Terrorism (Legal JPN 301)
- Central Bank Modernization (MCM JPN 406)

In FY2014 the Japan approved three new programs for Myanmar. They were:

- Improving public-sector financial management in Myanmar
- Building macroeconomic management capacity in Myanmar
- Resident expert in Myanmar national statistics

The combination of these six Programs provides good coverage of the areas in which Myanmar has major needs for technical assistance.

Improving public-sector financial management in Myanmar

In Myanmar, support for public-sector financial management (PFM) reforms (FAD-APD-2014-01) is directed at enhancing capacity for fiscal management in general, with a specific focus on developing the legal framework, establishing sound budget management processes, and modernizing treasury functions.

Improved budget and treasury management is essential to enable the government to manage inflows of capital — donor grants and public debt obligations — and in supporting broader economic reforms.

To assist with this major transition IMF peripatetic experts have worked in Myanmar for relatively long time periods. The IMF FAD placed a resident advisor in Yangon to work on government financial systems (GFS) for the first year of the program.

At the start of the Myanmar PFM Program there were two FAD missions from IMF HQ. The first mission underlined the need for sustained reforms in a number of

³ Source: Institute for Capacity Development and see also Annex 3, the JSA Annual Report, op. cit., p. 185.

areas — the PFM legal framework needed revision to reflect the new requirements of the 2008 Constitution; the largely top-down budgeting process needed to improve to enable greater flexibility in strategic allocation of resources; a traditional treasury management function was altogether missing in the Ministry of Finance and Revenue; the cash and debt management functions resided in the central bank and the Myanmar Economic Bank; and the accounting and financial reporting function lacked appropriate technological tools.

During the first mission IMF staff conducted basic seminars for management and staff of the Ministry of Finance and Revenue (MoFR) regarding enhanced budget preparation and treasury management. The second mission focused on establishing and strengthening the government treasury functions and developing an action plan for future treasury reforms.

One main priority in Myanmar is to support the treasury advisor in establishing basic treasury operations (payment processing, budget accounting, cash and debt management, donor grant management and fiscal reporting); improving the budget process; strengthening the PFM legal framework; and building institutional capacity for improved fiscal and GFS reporting in collaboration with STA.

At the end of FY2014 Myanmar continues to make slow steady progress in modernizing the operations of government. The authorities have showed sustained commitment to reform. With IMF assistance funded by Japan, the Ministry of Finance has finalized its PFM reform strategy, which has been approved by the Cabinet. This should pave the way for faster reform.

A key recommendation of the January 2014 IMF FAD TA mission to Myanmar on budget formulation was to develop the outlines of a medium-term fiscal framework (MTFF). The authorities have decided to set up a fiscal

policy and strategy division in the Budget Department. This new division is now operational and has the responsibility to develop the MTFF, among other things. Given the many challenges facing the authorities and the Ministry of Finance's limited capacity, extensive follow up TA will be required to support this initiative.

Developing Macroeconomic Management Capacity in Myanmar

This Program will provide training in basic macroeconomic and financial sector analysis and policy making, in conjunction with the IMF's Singapore Regional Training Institute (See Chapter 6). The focus will be on establishing an efficient and stable macroeconomic framework as Myanmar transitions to a market economy.

The Program is coordinated by an LTX based at TAOLAM in Bangkok who started in October 2013. It has three main components:

- A tiered series of three or four macroeconomic courses each year of about 2-weeks in length that draw on materials provided by STI (especially on financial programming and fiscal policy) and MCM (monetary policy). Typically, these courses will be attended by 25 to 30 participants from Myanmar and Lao P.D.R.
- Two or three high-level workshops/seminars, each one to two days long, for 10 to 15 senior public officials focused on current issues.
- Building a macroeconomic framework specific to each country and provide training in its maintenance and use for forecasting, including country-specific technical assistance on macroeconomic programming.

The main product of the first four months implementation of the program in Myanmar was a seminar on modern central banking and macroeconomic and financial sector

issues, including monetary policy and banking supervision involving a group of 30 officials from the Central Bank of Myanmar and other government agencies. Participants rated the course highly, on average 4.7 out of 5.

Translating this initial familiarity with macroeconomic analysis and role of policies into effective macroeconomic policymaking in Myanmar will require development of tools for conducting Myanmar-specific macroeconomic analysis, especially a macroeconomic framework for Myanmar. It will also require the assignment of responsibilities within institutions for conducting macroeconomic analysis and establishing procedures for doing analysis.

Statistical expert for Myanmar

In FY2014⁴ Japan funded two new resident statistical advisors, one in external sector statistics (serving Myanmar and

the Lao PDR) and one in real sector statistics (serving Bangladesh and the Lao PDR⁵). These advisors provide an enhanced capability for the IMF to assist these countries that have particularly weak capabilities in statistics and extensive needs for better data to guide development.

The Myanmar initiative will complement other JSA-funded concurrent initiatives in that country. Myanmar's low capacity and good receptivity at present has led the IMF JSA to allocate 80% of the support provided by the IMF STA LTX to Myanmar. The External Statistics Resident Advisor is now based in Bangkok to enable him to work in both Myanmar and the Lao PDR reasonably efficiently.

⁴ A three-year program.

⁵ IMF STA-APD 2014-20, Real Sector Statistics.

JAPAN'S SUPPORT TO FISCAL AFFAIRS

3.1 TA by the IMF Fiscal Affairs Department (FAD)

The Fiscal Affairs Department (FAD) provides technical assistance in four areas to IMF member countries to strengthen fiscal institutions and fiscal management. These areas are:

1. **Public-sector financial management (PFM):** legal and regulatory framework, budget management, medium-term expenditure framework, cash management, accounting, reporting, and debt management.
2. **Tax policy:** general tax policy reviews and specific tax policy advice, particularly in the areas of income tax, value-added tax, and taxation of natural resources, including oil and gas.
3. **Revenue administration:** tax and customs administration, social security contribution collection, and implementation of major tax policy changes.
4. **Expenditure policy:** short-term expenditure rationalization, social security reform and administration, and incorporation of cost-effective social safety nets into IMF-supported programs.

In addition, assistance is provided in macro-fiscal management, public-private partnerships, fiscal risks, fiscal rules, fiscal transparency, and fiscal decentralization.

FAD's use of JSA funding has increased in importance over time. From FY1993 to FY2008, the largest share of JSA funding went to the Monetary and Capital Markets (39%). FAD accounted for 27% of JSA funding.¹ However, since FY2009 FAD has accounted for the largest share of IMF TA annually. Over the longer period FY1993 to FY2013, FAD and MCM each accounted for approximately one third of JSA funding. (Table 3.1-1)

3.2 FAD TA Strategy

FAD's TA activities take different forms and are tailored to the circumstances of each member country. JSA funding has been used to support long-term resident advisors, short-term experts, missions from IMF headquarters and various activities including seminars and workshops.² Experts can be resident, visiting, peripatetic (i.e., repeat visits), or fielded from the IMF's Regional TA Centers (RTACs). (However JSA does not fund work by resident RTAC advisors.) Experts work with the authorities (and, on occasion, with other TA providers such as the World Bank) to analyze the sources of weak-

¹ JSA Annual Report 2009.

² In addition to JSA funding of fiscal affairs TA, there are two multi-donor Topical Trust Funds (TTFs) supporting TA to members in Tax Policy and Administration (TPA TTF) and Managing Natural Resource Wealth (MNRW TTF). The assistance financed through these trust funds benefits from the IMF's TA infrastructure and expertise. It also provides a vehicle for donor coordination and commissioning focused policy development in these areas.

Table 3.1-1: JSA Commitments for TA by Subject Area (FY2008–FY2013)

(Millions U.S. dollars, except where % is indicated)

Subject Area	FY2009	FY2010	FY2011	FY2012	FY2013 \$ (%)	FY1993– FY2013	FY1993– 2013 (%)
Fiscal (FAD)	5.8	7.1	11.5	13.4	9.6 (38%)	114.1	32%
Total (All JSA)	14.8	14.6	22.9	27.2	25.4 (100%)	351.9	100%

Source: JSA Annual Report 2013

ness in fiscal policies and institutions and to draw up an action plan to remedy these weaknesses. The IMF provides advice and helps the authorities devise, implement and monitor fiscal reforms. The normal product of each mission is a report on findings and recommendations that is presented to the authorities.³

TA provided by FAD broadly, not only activities funded by the JSA, has been important to countries affected by the 2007-8 global financial crisis. Intensive TA has been provided in a number of policy areas critical to helping governments respond to and recover from the crisis. Examples include:

- rationalizing government expenditures and strengthening pension systems (e.g., Cyprus, Greece, and Portugal);
- developing medium-term fiscal frameworks to improve budget execution, expenditure controls and cash management (e.g., Greece, Iceland, Portugal, Romania, and Serbia);
- identifying tax policy options (e.g., Greece, Portugal, and Romania); and
- strengthening tax administration in response to crisis-related revenue declines (e.g., Greece, Latvia, and Portugal).

3.3 Japan's support for FAD TA FY2010–FY2013

During the four years FY2010 to FY2013, the JSA funded about 17.4% of all FAD's person years of technical assistance in the field (not TA provided from headquarters).⁴

³ These reports are prepared for the authorities. However the IMF Board has encouraged the distribution of reports unless otherwise requested directly by the member country authorities. The IMF encourages the authorities of the member country to distribute these reports as widely as possible.

⁴ This does not include IMF work provided from headquarters..

Table 3.3-1: FAD TA in Person-years, funded from Internal and External Sources, FY2010 to FY2013

Fiscal Year	Total FAD TA Person-years (internally and externally funded)	JSA-funded FAD TA person-years	% JSA
FY2010	83.1	14.47	17.4%
FY2011	97.9	18.81	19.2%
FY2012	122.4	19.54	16.0%
FY2013	149.6	25.84	17.3%
Totals	453.0	78.67	17.4%

Source: IMF ICD, Dec. 2013

(Table 3.3-1). The “total person years of TA in the field” includes TA funded from all sources, both internal and external.

During the same period, Japan provided 29% of the external funds that financed FAD technical assistance (\$35,809,065).⁵ This covered all costs to provide 78.67 person-years⁶ of TA.⁷ The gross cost per person day (including all expenses such as travel and living, communications and related costs) was approximately \$1743. In our opinion this is economical compared with the cost of equivalent private sector services.⁸

FAD activities absorbed about half (52%) of the total JSA funds available during these years.⁹ More than 50 countries benefited from JSA-funded TA delivered by FAD in FY2013.

FAD delivered 11 JSA-funded Programs. Of these, five were approved in FY2010 and were largely completed

⁵ See Appendix 2 Table 5.1B.

⁶ Rounded to the nearest whole person year.

⁷ See Appendix 1 Table 5.

⁸ These costs include a 7% administrative fee but otherwise do not include overhead costs.

⁹ See Appendix 1 Tables 5 and 6.

Table 3.3-2: FAD TA Expenditures (external sources only) and JSA-funded TA Expenditures, FY2010 to FY2013

Fiscal Year	Total FAD TA Expenditure (External sources of funds only.)	JSA-funded FAD TA expenditure ⁵	% JSA
FY2010	\$16,111,564	\$5,710,818	35%
FY2011	\$14,612,737	\$7,807,125	53%
FY2012	\$30,634,798	\$9,494,936	31%
FY2013	\$48,112,636	\$12,796,186	27%
Totals	\$123,138,391	\$35,809,065	29%

Source: IMF ICD, Dec. 2013
⁵ See Appendix 2 Table 5.1B.

during our evaluation period.¹⁰ These five programs are the main focus of this chapter. Each covers more than one subject area (for instance Public-sector financial management and Revenue Administration) or, in the case of JPN104, different subject areas in two different departments, Public-sector financial management in FAD and Bank Resolution/Banking Supervision/Problem Asset Resolution in the Monetary and Capital Markets Department (MCM). (Table 3.3-3)

At the time of this evaluation four¹¹ other FAD programs were well underway and some evidence concerning their performance to date was gathered by the evaluation team. However they were not sufficiently complete for us to make judgments about effectiveness and sustainability. Two other FAD programs were approved in FY2013 and were in early implementation.¹²

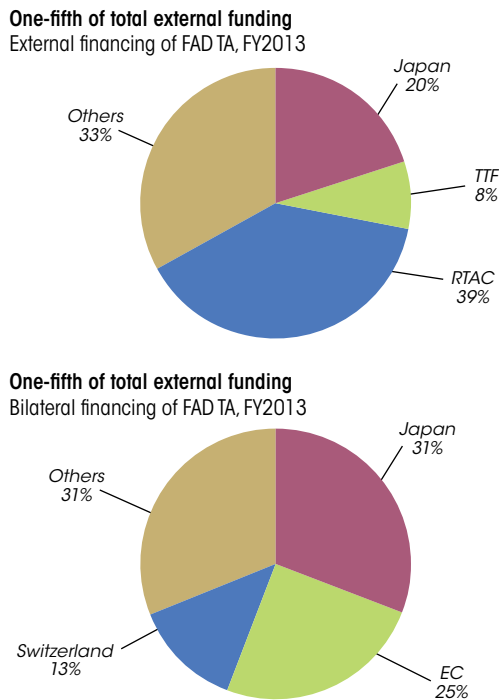
FAD Programs funded by the JSA¹³

Japan's support to West Africa: Developing Strategic Fiscal Management (Program JPN101)

This program was aimed at strengthening fiscal management in 10 West African countries. It assisted recipient governments to improve budget preparation and execution; strengthen program and performance-based budgeting; improve VAT productivity; improve collections from and compliance by medium-size taxpayers; and develop more efficient arrangements to tax small and micro-sized businesses.

The program financed short-term expert (STX) visits, IMF HQ-led visits, seminars, a regional PFM advisor posted in Liberia, and a tax administration advisor posted

Figure 3.3-1: Japan's Funding of FAD TA



Source: Institute for Capacity Development, IMF.

¹⁰ JPN101, JPN102, JPN103, JPN104 and JPN105.

¹¹ JPN106, JPN107, JPN108 and JPN109.

¹² JPN110 and JPN111.

¹³ Japan Administered Account for Selected IMF Activities, Annual Report 2013, Annex 2A, pages 137-153.

Table 3.3-3: JSA-Funded Programs Largely Completed* by September 2013

Dept.	Sector	Approval Year	Program	Budget	Expensed*	% complete	Countries
FAD	PFM	FY10	JPN101 West Africa: Develop Strategic Fiscal Management	5,330,764	4,665,019	88%	Ten West African Countries
FAD	PFM	FY10	JPN102 Asia and Pacific - Effective and Efficient Public Financial Management	5,891,968	5,492,259	93%	Bangladesh, Cambodia, Lao PDR, Nepal, Korea, Timor-Leste
FAD	PFM	FY10	JPN103 Strengthening Fiscal Management in South Eastern Europe	6,000,902	4,933,824	82%	Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Kosovo, the Former Yugoslav Republic of Macedonia, Moldova, Montenegro, Romania, Serbia, and Slovenia
FAD	PFM	FY10	JPN104 Middle East and Central Asia: Safeguarding Financial Resources in Central Asian Countries	4,277,228	3,769,120	88%	Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan
FAD	TAX	FY10	JPN105 Enhancing Fiscal Management: Treasury Management, Fiscal Reporting, Tax Auditing	1,365,240	1,271,633	93%	Bolivia, Colombia, Paraguay, and Peru

Source: IMF ICD, January 2014

* Note: "% complete" in this table is based on "% expended". It does not imply that the same percent of tasks are complete or that the same percent of objectives are achieved.

in Ghana who provided assistance to Burkina Faso, Côte d'Ivoire, the Gambia, Ghana, Liberia, Mali, Niger, Nigeria, Senegal, and Sierra Leone.

Although the results were uneven across the countries targeted by this program, overall program outcomes were largely achieved in most countries.

Japan's support to South Eastern Europe: Strengthening Fiscal Management (JPN103)

This program provided TA to eleven countries in South East Europe to assist them in implementing budget and treasury reforms with a specific focus on developing medium-term budgeting and aligning the region's rev-

enue administration with international best practices and EU requirements. The program helped countries to achieve fiscal consolidation; exercise fiscal control and financial discipline; improve allocation of resources through budgeting; increase taxpayer compliance with tax laws; and provide fair and service-oriented tax administration.

It financed STX visits, IMF HQ-led visits, seminars, and two regional advisors, one expert in public-sector financial management and one in tax administration, both posted in Slovenia. They have provided assistance to Albania, Bosnia and Herzegovina, Bulgaria, Croatia,

Box 3.1. Better tax administration in Southeast Europe produces needed growth in government revenues (JPN103)

With JSA funding, the IMF is advising Southeast European (SEE) governments as they modernize their tax administration systems to international standards; administer taxes consistently and fairly; and reduce noncompliance.

The recipient countries are phasing in a compliance risk model. There are indications of impressive improvements in compliance, especially in Moldova, Kosovo, and Serbia. In Moldova, for instance, taxpayers managed under the new approach paid 36 percent more tax than in 2011 than the previous year.

The reforms are consistent with the targeted, risk-based audit approaches that the OECD has encouraged member countries to adopt.¹

Albania and Serbia are presently implementing modern information technologies to support tax administration and Moldova and Kosovo have plans to do so. Government commitment to fair and efficient taxation has increased significantly throughout the region, thanks in part to JSA-financed and coordinated technical assistance.

¹ JSA Annual Report 2013, page 16.

² See, for example, OECD, Forum on Tax Administration (FTA), *Information Note, General Administrative Principles: Corporate governance and tax risk management*, July 2009. (<http://www.oecd.org/ctp/administration/43239887.pdf>).

Kosovo, the Former Yugoslav Republic of Macedonia, Moldova, Montenegro, Romania, Serbia, and Slovenia.¹⁴

¹⁴ Notice that no tax administration TA was delivered to B&H, Bulgaria, Kosovo, Macedonia, Serbia, and Slovenia under the JSA project. For these countries, FAD TA was financed by SECO, except for Bulgaria that has not received any tax administration TA under either project.

For the PFM component of the program, progress was satisfactory and the work plan had a substantial impact on the PFM reforms in many countries. As well, the commitment to reforming tax administration increased significantly and there were some notable successes.

Japan's support to Treasury Management, Fiscal Reporting, Tax Auditing in four South American countries (JPN105)

This program provided TA to Bolivia, Colombia, Paraguay, and Peru to help them build institutions and frameworks for medium-term strategic and policy-oriented revenue administration and budget management.

The program addressed compliance management and weaknesses in the treasury function by improving cash and debt management and information management systems (IFMIS). A regional component facilitated an exchange of experiences among recipient countries.

Japan's support to the Middle East and Central Asia: Safeguarding Financial Resources in Central Asian Countries (JPN104)

This program helped safeguard financial resources and strengthen fiscal institutions in eight Central Asian countries.¹⁵ The program financed resident advisors in Kazakhstan and in Uzbekistan. Experts assisted the governments of Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbeki-

¹⁵ The program aimed to (i) enhance financial oversight and establish crisis management and crisis resolution mechanisms and financial safety nets; (ii) build institutions and frameworks for medium-term strategic and policy-oriented budget management and assist with the fiscal consolidation required because of the global financial crisis; (iii) further strengthen implementation of budget and treasury reforms, with emphasis on better fiscal reporting and introduction of an MTBF; (iv) enhance banking sector regulation and supervision and implement remedial action for problem banks; and (v) upgrade supervisory practices, especially stress testing and early warning systems.

Box 3.2. Better Fiscal Discipline in Anglophone West Africa (JPN101)¹

Since 2011, the IMF funded by Japan has helped The Gambia, Ghana, Liberia, and Sierra Leone make significant advances in developing the conditions necessary to support sustainable medium-term budget frameworks (MTBFs). A credible MTBF can ensure fiscal discipline, improve resource allocation, and enhance spending efficiency.

In The Gambia and Liberia, a Budget Framework Paper is now prepared annually and gives policy makers an opportunity to discuss and build consensus on medium-term macroeconomic forecasts; fiscal issues, risks, and remedial measures;

and spending plans and priorities that are consistent with the country's medium-term macroeconomic and fiscal objectives.

A long-term advisor on public-sector financial management funded by JSA has been instrumental in helping the authorities introduce these reforms. The advisor has supported the authorities as they drafted new guidelines and a timetable for budget preparation.

¹JSA Annual Report 2013, page 9.

stan. This program was implemented by two IMF functional departments, FAD and MCM.

Japan's support to Asian and Pacific countries: Effective and Efficient Public-sector financial management (JPN102)

This program provided TA in public-sector financial management (PFM) and tax administration to seven Asia and Pacific countries to assist them develop macroeconomic policies and systems to support modern budget and treasury management and establish sound revenue collection structures.

The program financed STX visits, IMF headquarters-led visits, seminars, a regional PFM advisor posted in Cambodia, and a tax administration advisor posted in Nepal who also provided assistance to Bangladesh, Cambodia, Indonesia, Lao P.D.R., Nepal, the Democratic Republic of Timor-Leste, and Vietnam. Work was done in all these countries with varied success. Overall outcomes had been partly achieved at the time of this evaluation.

3.4 Performance of FAD JSA Programs

This section summarizes the evaluation team's conclusions with respect to the five completed FAD programs

examined. The performance criteria are relevance, efficiency, effectiveness, sustainability, coordination and accountability. Findings are based on document review, interviews at the IMF and in a sample of recipient countries, and a survey of IMF staff (program managers), experts and recipient country officials.

Overall the ratings reflect broad satisfaction with the performance of these programs by all three categories of respondents across all evaluation criteria. (Table 3.4-1)

On average, the relevance and efficiency of programs was rated higher by experts than by IMF staff and higher still by country officials. IMF staff and experts were quite close in their respective ratings of effectiveness and sustainability, but once again country officials gave higher ratings to program performance on each of these criteria.

Several respondents offered suggestions for improvement — in the area of efficiency, for example: *“Along with international consultants if there would have been local consultants to follow up it would have greatly improved efficiency.”*¹⁶

¹⁶ Respondent #107.

Table 3.4-1: Assessment of Performance of Five Completed JSA-funded FAD Programs (FY2010–F2013)

Evaluation Criteria	Average rating by IMF Staff (program managers)	Average rating by Experts (LTX, STX)	Average rating by Officials in participating countries
	Scale 1 to 7	Scale 1 to 7	Scale 1 to 7
Relevance	5.0	5.9	6.2
Efficiency	4.5	5.1	6.3
Effectiveness	4.8	4.7	5.9
Sustainability	5.0	4.6	5.9
Accountability (Visibility of Japan)	5.3	4.7	5.2

Source: Survey of stakeholders in JSA-funded Programs, January 2014.
Number of respondents: 20 (4 IMF staff, 9 experts and 7 officials). Response rate 80%.

Table 3.4-2: Performance of JSA-funded FAD Programs (FY2010–F2013)

Evaluation Criteria	Average rating by IMF Staff (program managers)	Average rating by Experts (LTX, STX)	Average rating by Officials in participating countries
	Scale 1 to 7	Scale 1 to 7	Scale 1 to 7
Relevance	5.9	6.3	6.4
Efficiency	5.1	5.6	6.0
Effectiveness	5.6	5.8	5.6
Sustainability	5.6	4.9	5.9
Coordination	Well-coordinated to excellently coordinated	Well-coordinated to excellently coordinated	Well-coordinated to excellently coordinated
Accountability (visibility of Japan as a donor)	See Table 3.4-4	See Table 3.4-4	5.7

Source: Survey of stakeholders in JSA-funded Programs, January 2014.
Number of respondents: 47 (10 IMF staff, 20 experts and 17 officials). Response rate 84%.

A total of 46 responses were received from those responsible for all FAD programs, including 9 IMF staff, 20 experts and 17 recipient country officials (note these include the results broken out above). (Table 3.4-2)

The ratings for all FAD programs by IMF staff and experts are higher for each evaluation criterion than they were for the five completed programs. It would be premature to draw conclusions with respect to these results, but one hypothesis is that more experience with the program-based approach may be improving average program performance.

Relevance

The five completed JSA FAD programs were rated by stakeholders as highly relevant. On a scale of 1 to 7, staff gave an average rating of 5.0, experts 5.9 and country officials 6.2. For all FAD JSA-funded programs, including those that are not yet completed, the ratings were even more favourable — IMF staff (5.9), experts (6.3) and country officials (6.4).

While only a quarter of IMF staff thought that the relevance of a given program could be improved, a major-

ity of the experts (65%) and a larger majority of the officials (75%) polled believed that improvements were indeed possible.

A more sophisticated assessment of the relevance of a given FAD program might go beyond simple relevance and ask whether the TA was the most relevant assistance possible in a particular policy and administrative area. To illustrate, in the area of revenue administration, improved targeting of the audit function may be a more pressing concern than strengthening debt management, collections or appeals because problems with the former may be creating problems observed in the latter.

To suggest another example, a focus on VAT might be relevant but in the big picture might be less important than strengthening corporate income tax collection. If so, then TA directed at corporate income tax issues might be more relevant to the recipient country than assistance aimed at VAT compliance and collection.

Corporate income taxation tends to be controversial in both developed and emerging economies. In response the OECD and the United Nations have recently taken steps to strengthen their respective model income tax conventions and transfer pricing guidelines and commentary.¹⁷ The G20 and OECD have also devoted considerable attention in recent years to the risk of tax-base erosion and profit shifting associated with inappropriate corporate tax planning and transfer pricing practices by multinational enterprises.¹⁸

¹⁷ OECD (2012), Model Tax Convention on Income and on Capital 2010, OECD Publishing. http://www.oecd-ilibrary.org/taxation/model-tax-convention-on-income-and-on-capital-2010_9789264175181-en United Nations, Model Double Tax Convention between Developed and Developing Countries, 2011. http://www.un.org/esa/ffd/documents/UN_Model_2011_Update.pdf.

¹⁸ OECD, Action Plan on Base Erosion and Profit Shifting, OECD Publishing, 2013. <http://www.oecd.org/ctp/BEPSActionPlan.pdf>.

It is beyond the scope of this evaluation of JSA TA programs to consider whether a given FAD program is relevant in relation to this measure of the “opportunity cost” it represents to the donor or recipient, but these developments argue for placing more TA emphasis on direct taxes, particularly the corporate income tax, than on indirect taxes, specifically in the areas of transfer pricing, expansion of existing bilateral tax treaty networks and setting up Competent Authority functions to prevent or relieve double tax and encourage foreign direct capital investment.

Efficiency

As noted, the efficiency of the five completed programs was rated considerably higher by recipient country officials (6.3) than by IMF program managers (4.5) and experts (5.1). To a lesser degree this was also the case for the ratings by officials (6.0) compared to IMF staff (5.6) and experts (5.1) in all FAD programs. This result deserves further study.¹⁹

The ratings for efficiency tended to be lower for all three groups in comparison with their ratings for the relevance of all FAD programs. In something of a reversal from the previous criterion (relevance), a majority of IMF

Communiqué, Meeting of Finance Ministers and Central Bank Governors Sydney, 22-23 February 2014.

https://www.g20.org/sites/default/files/g20_resources/library/Communique%20Meeting%20of%20G20%20Finance%20Ministers%20and%20Central%20Bank%20Governors%20Sydney%2022-23%20February%202014_0.pdf.

¹⁹ As outlined in Chapter 3, since March 2009 the IMF Framework Account for Selected Fund Activities (SFA) accounting regime was instituted. Under the SFA, donor Funds are charged for the (unloaded) salary costs of experts and IMF staff who deliver TA. An administrative charge to cover overhead is also charged, but it was lowered from the 13 percent previously charged to 7 percent. This rate compares favorably with similar overhead charges billed for comparable purposes by professional services firms in the private sector in North America, which range in the order of 11%.

staff (69%) thought the efficiency of program delivery could be improved, whereas officials were evenly split in their views. A majority of experts (58%) thought improvements were possible.

Some interesting comments and insights from IMF staff and experts were received in this regard. For example, one IMF manager stated that *“In designing the program, legal department was not involved (with FAD) at the initial stage. Such involvement would have identified capacity weaknesses in the country earlier and may have led to a different approach of TA delivery.”*²⁰

Another wrote that *“The inefficiency of the delivery was due to multiple TA managers — one for each country in the program; in addition, several managers changed departments because of mobility requirements or internal realignment. Multiple staff transitions could have been managed if lead managerial responsibility (a single person) had been clearly assigned and if the program included a smaller number or prioritized countries.”*²¹

Challenges associated with the turnover of key people and consistent assignment of staff appeared to be a common thread, not only in the IMF but in some country administrations. One expert pointed out that *“Usual challenges included change in government elected officials, MoF, and key staff within tax authority. This necessitated bringing replacements up to speed, seeking concurrence and continuing to push on necessary legislative change proposals.”*²²

Effectiveness

Program effectiveness for the five completed FAD programs was rated well, but relatively low compared with other criteria — 4.8 from IMF staff and 4.7 from experts

and 5.9 by country officials. For all JSA-funded FAD programs (complete and incomplete), the ratings were higher than for the complete programs alone. The ratings were also more consistent across groups — 5.6 by staff, 5.8 by experts and 5.6 for officials. (This might be a “so-far-so-good” phenomenon.)

There was a notable difference of opinion as to whether improvements in effectiveness are possible, however, with fully 87.5% of officials responding in the affirmative, versus 67% of experts and only 37.5% of IMF staff.

The effectiveness of the programs in achieving their stated objectives should be evaluated where possible, using quantitative as well as qualitative measures. In principle, fiscal affairs programs lend themselves to this approach since many objectives are quantifiable, such as increased tax revenue collections, although qualitative information is always important to understanding impact.

However the availability of reliable data on program outcomes is a challenge. Many of the recipient countries covered in this evaluation are also receiving IMF TA in regard to national statistics to help improve the gathering and reporting of national accounts, financial and monetary data in internationally standardized and comparable formats.

Even where reliable data are available, attribution can be problematic. For example, with respect to revenue collection, FAD TA is only one of many inputs that can contribute to an increase or decrease in revenue collection. As one of the interim assessments of the JPN102 TA program noted:

“In Cambodia, tax revenue targets were met in FY2012, with 25 percent growth on FY2011 collections. However, economic growth provided some of the explanation for this achievement rather than substantial administrative improvements.”

²⁰ Respondent #104.

²¹ Respondent #111.

²² Respondent #85.

Sustainability

On a 1–7 scale, sustainability was rated as 5.0 by IMF staff, 4.6 by experts and 5.9 by recipient country officials for the five completed FAD programs. Ratings for all active FAD programs funded by the JSA were somewhat higher — 5.6 by IMF staff, 4.9 by experts and 5.9 by recipient country officials for the all FAD programs.

Sustainability depends to a large extent on local authorities and local conditions. As one expert noted *“Progress is real. Afterwards, it (sustainability) depends on the willingness of beneficiaries (to maintain the improvements) and depends on their policies and on the changing context. Progress on budgetary and financial management achieved is undeniable. However, the changing political and economic context can strengthen or weaken these results thereafter.”*²³

Another added: *“The countries need greater monitoring of the program and a formal commitment to obtain objective, measurable results. Follow up assistance could be tied to formal commitments to sustain results.”*²⁴

Two-thirds of the recipient country officials who were polled felt that the sustainability of the results of IMF TA and/or training could have been improved, and of that number, most thought it could have been either substantially (60%) or greatly (22%) improved. This warrants further study. However, from the textual comments, we take the officials to be reporting their expectations of government actions rather than commenting on the actions of the IMF. The views of experts polled on sustainability were quite similar to those of officials. More than three quarters think that sustainability could have been better. About one quarter said that sustainability could have been greatly improved and an additional

quarter said that it could have been substantially improved. Fewer than half (43%) of IMF project managers thought that the sustainability of program results could have been improved. While this is less than officials or experts, it is still a large number.

In summary, sustainability is clearly a concern that warrants further study. At minimum the IMF Departmental TA strategies should include strategies and actions to improve sustainability.

Coordination

Stakeholders rated the five completed FAD programs as having been excellently-coordinated or well-coordinated with the activities of other TA providers.

The overall detailed results for all FAD programs, FY2010- FY2013, are shown in Table 3.4-3.

As one IMF staff member put it *“The reforms implemented under this program were coordinated with the administration’s strategic and reform plans, which also helped integration with the other aid agencies.”*²⁵

An expert noted: *“While overall international donor coordination was very good, there is room for improvement with certain donors to avoid duplication of effort on specialized industry TA plans. Also TA for specialized areas, such as revenue forecasting, would be much better addressed through funding of key tax authority personnel to attend appropriate university programs.”*²⁶

Accountability (Benefits to Japan)

The accountability evaluation criterion relates to the extent to which JSA activities are consistent with Japan’s ODA policies; the visibility that JSA activities provide to Japan as donor and the management of JSA-funded activ-

²³ Respondent #109.

²⁴ Respondent #86.

²⁵ Respondent #89.

²⁶ Respondent #85.

Table 3.4-3: FAD Coordination with other TA providers

Coordination	Percent of respondents				
	FAD			FAD Officials/ Authorities	All IMF Depts. (staff and experts)
	Staff	Experts	Combined		
Excellentlly-coordinated	43%	20%	27%	43%	29%
Well-coordinated	57%	73%	68%	50%	60.5%
Not well-coordinated	0%	7%	5%	7%	10.5%
Number of Respondents	7	15	22	14	100%

Source: Survey of Stakeholders, Jan. 2014 Question 5

Table 3.4-4: Benefits to Japan as donor to FAD Programs

(IMF Staff and Experts Only)	Average Ratings (Scale 1–7)				
	FAD			FAD Programs – Officials/ Authorities	All IMF Departments
	Staff	Experts	Combined		
Contribute to stability, prosperity, open trading system	5.0	4.7	4.8	N/A	5.3
Contribute to Japan’s influence within IMF and in recipient countries	5.0	5.4	5.3	N/A	5.3
Contribute to goodwill towards Japan	5.4	5.1	5.2	N/A	5.5
Number of Respondents	5 staff and 14 experts			11 out of 17	
Overall benefits to Japan (officials only)	N/A			5.6	5.9

Source: Survey of Stakeholders, Jan. 2014 Questions 6.1, 6.2 and 6.3

ities in terms of information provided to Japanese authorities; and accountability to Japanese taxpayers.

We asked different questions about benefits to Japan to two different groups of stakeholders. Officials were only asked a single question about their impression of the extent to which JSA’s FAD TA produced benefits to Japan. Their ratings were relatively high (averaging 5.6 on a scale of 1 to 7). This reflects perhaps the goodwill the TA generated towards Japan in their country administrations. (Table 3.4-4)

Three more detailed questions were asked to IMF staff and experts, including whether the JSA produced benefits for Japan and the beneficiary country by: (1) contributing to the stability and prosperity of the international econ-

omy that is beneficial to Japan as an open trading economy; (2) whether Japan’s support of TA by the IMF was likely to increase its influence within the IMF and in recipient country authorities; and (3) whether the visibility of JSA TA generates goodwill towards Japan. As was the case for ratings by officials, the responses on a scale of 1 to 7 were quite positive for each of these three dimensions, although slightly lower for FAD than for all IMF Departments (Table 3.4-4).

Information coordination is good. Normally FAD informs the Embassy of Japan in a participating country when a JSA-funded Program starts and when missions are scheduled. It also seeks to meet with Japanese embassy staff in the field and there is usually close coordination with other stakeholders, including donors provid-

Table 3.4-5: FAD Contribution to Recipient Country Capacity — Responses to a Survey of Stakeholders

Contribution to Capacity	Percent of respondents		
	FAD IMF staff	FAD Experts	Officials/ Authorities – FAD Programs
Excellent contribution to capacity	30%	39%	58.8%
Good contribution to building capacity	40%	33%	23.5%
Modest contribution to building capacity	30%	22%	17.7%
Small contribution to building capacity	0%	6%	0%
Variable contribution, not possible to generalize	0%	0%	0%
Number of Respondents	10	18	17

Source: Survey of Stakeholders, Jan. 2014 Question 8

ing TA. To further enhance coordination, FAD has sought the participation of staff from Japan’s Ministry of Finance (MOF) in inspection visits of JSA-funded projects. An initial pilot was thought to be successful. The Deputy Director of FAD made a presentation to MOF staff in Tokyo early in 2013 on FAD TA and benefits of JSA financing. There was a PFM conference in Tokyo in October 2013 and annual partnership seminars on tax issues. For the five completed FAD programs, accountability was rated as 5.3 by IMF staff, 4.7 by experts and 5.2 by recipient country officials.

The second kind of benefit to Japan is providing Japanese investors greater clarity and certainty. For instance FAD’s work in SE Asia is focused on strengthening tax administrations, tax policies, and public-sector financial management systems, which potentially benefit Japanese investors. For example, support to large taxpayer units in tax administrations arguably facilitates Japanese investments in these countries. It appears that there could be some room for improvement in the communications among relevant Japanese Ministries and authorities. As one FAD program manager said in responding to our survey:

“The visibility for Japan was as good as it could be as we systematically highlighted Japan as the funding source of

the assistance and met with the Japan representatives. However, Japan authorities we met were (often) not fully aware of the TA.”²⁷

How well did JSA-funded FAD Programs build capacity?

About three quarters of those who responded to our survey reported that FAD Programs during FY2010 to FY2013 made a good to excellent contribution to building recipient country capacity (Table 3.4-5).

A common impediment to capacity development noted by several IMF staff was too frequent rotation of staff by the recipient government. Examples: *“One area that is a constant challenge in terms of capacity development is the common practice of regularly rotating staff across the public sector and within the agency. This renders training ineffective in some cases and often requires repeat training.”²⁸* ; *“...the constant rotation and replacement of tax administration management teams was an obstacle to success. Despite this, the program has achieved a lot with regard to capacity building.”²⁹*

²⁷ Respondent #81.

²⁸ Respondent #89.

²⁹ Respondent #217.

Table 3.5-1: Achievement Ratings for 30 FAD Projects, Completed from FY2010 to FY2013

JSA #	Project ID	Area	Country/Region	Objectives	Outcomes
2783	FAD_AFG_2009_03	Revenue Administration	Afghanistan	4.0	3.3
2757	FAD_AFR_2009_02	Regional PFM Advisor	Africa	2.0	2.6
2754	FAD_ALB_2009_01	Tax Administration	Albania	1.0	1.0
2763	FAD_BDI_2009_01	Revenue Administration	Burundi	3.0	3.0
2759	FAD_BFA_2009_02	Program Budgeting	Burkina Faso	2.0	1.3
2784	FAD_CAF_2009_01	Revenue Administration	Cent.African Rep.	2.0	2.8
2724	FAD_CHN_2008_04	Revenue Administration	China (PRC)	2.3	3.3
2776	FAD_GAB_2009_01	Revenue Administration	Gabon	1.5	3.0
2773	FAD_GHA_2010_02	Tax Administration	Ghana	2.5	3.0
2747	FAD_MDA_2009_01	State Tax Inspectorate	Moldova	3.0	2.8
2762	FAD_MNG_2009_05	Budget Planning Advisor	Mongolia	3.0	2.9
2792	FAD_MNG_2009_05	Budget Planning Advisor	Mongolia	3.0	2.9
2777	FAD_MNG_2010_01	Large taxpayer's Office	Mongolia	2.0	3.0
2786	FAD_MNG_2010_01	Large taxpayer's Office	Mongolia	2.0	2.0
2778	FAD_MTA_2009_01	Revenue Administration	METAC	3.0	3.0
2760	FAD_NPL_2008_01	Public-sector financial management	Nepal	3.0	3.2
2727	FAD_NPL_2008_02	Revenue Administration	Nepal	2.0	2.1
2779	FAD_NPL_2008_02	Large taxpayer's Office	Nepal	2.0	2.2
2774	FAD_NPL_2010_01	Tax and Customs Admin.	Nepal	3.0	2.4
2770	FAD_PER_2008_01	Treasury Management	Peru	4.0	4.0
2711	FAD_PER_2008_01	Treasury Management	Peru	3.0	3.2
2745	FAD_PFT_2009_02	Revenue Administration	PFTAC	2.0	3.2
2716	FAD_PHL_2008_01	Public-sector financial management	Philippines	2.0	2.0
2766	FAD_PRY_2009_03	Public Investments	Paraguay	4.0	3.8
2709	FAD_TMP_2008_01	Treasury Advisor	Timor-Leste	3.0	2.3
2730	FAD_TUR_2008_01	Revenue Administration	Turkey	3.5	3.3
2768	FAD_UGA_2009_01	Revenue Administration	Uganda	3.0	2.7
2769	FAD_WHD_2009_04	Revenue Administration	Colombia, Peru	3.0	2.0
2780	FAD_ZMB_2009_01	Revenue Administration	Zambia	2.0	3.0
2789	FAD_ZMB_2010_01	Accounting, reporting and cash management	Zambia	3.0	4.0
				2.6	2.8

Source: Annual and Final Project Assessments, FAD, Dec. 2013

This view was shared by some IMF experts as well (“...the rotation policies in many recipient countries work against building long-term capacity in key areas unless there is a competent in-house training program.”³⁰)

³⁰ Respondent #122.

3.5 Performance Baseline — FAD Projects Approved before FY2010

Although no new projects, only programs, were approved during our evaluation period, there were projects that had been approved earlier that were still being actively implemented by the Fiscal Affairs Department. We examined

the achievement ratings of a random sample of 30 of these. The IMF project managers' average rating of objectives achieved was 2.6 and outcomes achieved 2.8 on a scale of 1 (not achieved) to 4 (fully achieved).

These self-ratings are similar to ratings by other IMF Area Departments. See Table 4.6-1, for example, which shows a rating of MCM objectives and outcomes together of "2.4".

3.6 Previous Independent Evaluation Ratings

The First Independent Evaluation of the JSA (2010)³¹

The results and recommendations of the first independent external evaluation of the JSA, which reported in February 2010, were based on similar sources of evidence to those used in the current evaluation — a review of IMF achievement self-ratings, interviews, observations in a sample of recipient countries and a survey of stakeholders. The evaluation focused on TA delivered by three IMF departments: MCM, FAD and STA.

Although the evaluation scored JSA funded TA projects taken as a whole in relation to each of the stated evaluation criteria, it is difficult to draw conclusions about FAD specifically, except through anecdotal references in the reported results. For example, while the evaluation results in the field survey provided a breakout by "major sectors" in each of the four countries surveyed, this was the exception rather than the rule in the lines of enquiry.

The evaluation criteria were a modified version of the OECD DAC criteria that we are also using in our evalua-

tion. The results were positive. For example, as a proxy for the DAC "relevance" criterion, 64.1% of the respondents to the beneficiary and expert questionnaire survey rated TA projects' "consistency with government policy" as excellent and a further 35.9% rated it as good. In terms of the "effectiveness" criterion, 62% of respondents rated "achieving planned activities and outputs" as good and a further 39% as excellent.

The Second Independent Evaluation of the JSA (2011)³²

The second independent evaluation of the JSA, which reported in June 2011, examined 151 JSA-funded projects completed between May 2008 and April 2010. These included 57 FAD projects. The study used the same evaluation criteria as the present evaluation — that is, relevance, effectiveness, sustainability, efficiency and accountability.

The overall rating for the relevance of the FAD TA was 'good to excellent'. The overall rating for the effectiveness of the FAD TA was 'modest to good', which was consistent with FAD's self-assessments of the achievement of objectives and outcomes. The relatively small size of these projects and their generally short duration may have limited what was achievable in terms of medium-term outcomes. If so this supports the decision to shift away from projects to program-based TA.

The overall rating for the sustainability of FAD projects was 'modest to good'. There was, however, a significant information gap in regard to the sustainability of these projects. The relatively small project size and short duration of many projects, as well as the concomitant need to rely on other donors to finance downstream implementa-

³¹ Mitsubishi UFJ Research and Consulting. (Feb. 2010) *Independent Evaluation of the Japan Administered Account for Selected Fund Activities*. (http://www.eastafritac.org/images/uploads/documents_storage-Evaluation-Japan_Administered_Account_for_IMF_Activities_.pdf).

³² Philipsen, F., Petrie, M. and P. Ugolini. (June 2011) *Independent Evaluation of the Japan Administered Account for Selected Fund Activities*.

Table 3.6-1: Ratings of TA Projects by FAD Department, 2011 and 2013

Evaluation Criteria	Rating circa 2011 ¹	Rating circa 2013 ²
Relevance	Good to excellent	Good to excellent
Effectiveness	Modest to good	Good
Sustainability	Modest to good	Modest to good
Efficiency	Good	Good to excellent
Accountability criteria	Good (the same as other IMF Departments)	Good

Source: Second Independent Evaluation of the JSA, 2011, and the current Evaluation, 2014

¹ Philipsen, F., Petrie, M. and P. Ugolini. (June 2011) Independent Evaluation of the Japan Administered Account for Selected Fund Activities. Section 9.1.2 Summary Assessment of FAD projects, p.12 and pp.112-113.

² The “circa 2013” ratings are made by the evaluators who were the authors of this report and were based upon a review of Project documents and interviews with stakeholders.

tion activities, combined to restrict the potential for long-lasting impacts. This, once again, supports the decision to move to program-based TA.

The overall rating of the efficiency of FAD projects was ‘good’. From the perspective of the Japanese government, the approach of supporting the JSA-financed advisors with headquarters TA missions and other inputs not charged to the JSA increased the efficiency of JSA advisors. The use of the roster of experts was generally seen by IMF staff as an efficient way to sourcing high-quality expertise at reasonable cost and in a timely manner. We do not entirely agree and would encourage FAD to make more consistent use of open advertising, including advertising in Japan, to supplement its roster of experts.

With respect to the accountability criteria, the evaluation team in 2011 concluded that JSA activities in all functional areas were consistent with Japan’s ODA policies. Overall in terms of the accountability criteria the JSA projects were assessed as ‘good’.

Using the same categorical scale as the 2011 external evaluation, our 2013 ratings are as good or higher in regard to each criterion.

3.7 Did changing from projects to programs improve performance?

Our structured interviews with senior FAD officials in Washington confirmed that the move from a project-based to a program-based approach to TA delivery improved performance. There were adjustment issues, including almost a year’s delay in approving the first JSA programs in FY2010 as a result of inexperience with the program approach on both sides. Program approval is now reasonably quick.

The program-based approach has helped FAD link JSA-funded multi-year programs with the implementation of existing standard tools and frameworks in public-sector financial management — for example Public Expenditure and Financial Accountability (“PEFA”) and the Debt Management Performance Assessment Tool (“DEMPA”). It also complements key initiatives that enable periodic assessments of progress. These include the development of the Tax Administration Diagnostic Assessment Tool (“TADAT”), which was developed as a “sister tool” to PEFA and is now also supported by JSA funding. It has also included the IMF’s Revenue Administration Gap Model (“RA-GAP”) and the Revenue Administration Fiscal Information Tool, (“RA-FIT”). These tools will help establish clearer baselines and measure progress.

Programs have also facilitated the devolution of budget authority to Division Chiefs with an improvement in efficiency and greater focus on results. FAD’s longer term vision for JSA calls for more frequent inspection visits and more systematic reviews of TA reports.³³ The change

³³ In addition to a thorough internal review process and approval by Division Chiefs, it is now standard practice by FAD management to

to a program-based approach by the JSA has strengthened FAD's TA in several ways:

- A longer time horizon enables FAD to be more deeply engaged with recipient governments. Sustained engagement is extremely important.
- The objectives of programs are typically more substantial than those of projects and therefore their achievement can be tracked better over time.
- The performance of Program Managers is assessed more strategically than the performance of project managers under the old system. Oversight is now typically twice a year (rather than monthly monitoring) and focuses on strategic objectives and results.
- JSA programs offer flexibility because they typically cover several countries and, if necessary, the IMF can reallocate resources among countries covered by the program depending on readiness. In contrast, the support by some other donors to IMF TA is often more constrained by earmarking funds for narrowly-specified uses or countries.

As one of the program managers who responded to our survey put it, the program-based approach “allows a longer term window to plan, design, pilot, evaluate and implement over a realistic period of time with the flexibility to make ‘in-program adjustments to meet the needs of the program at the time. This shows a degree of maturity and confidence in the delivery agent that allows the advisors to ‘get on with the job’. In addition, the longer term program support has been better able to be linked to and support the delivery of the authorities’ own multi-year strategic and reform plans.”³⁴

review five randomly selected TA reports in depth each quarter. This is done to improve further oversight of the quality of FAD advice.

³⁴ Respondent #89.

3.8 Looking Forward — Japan's support to IMF Technical Assistance in Fiscal Affairs in FY2014

This evaluation study covers JSA-funded technical assistance to the end of FY2013. However a brief review of Programs approved in FY2014 is useful to indicate future directions. There were three FAD Programs funded by Japan (JSA) in FY2014. They are summarized below. Their focus is on small states in the following three regions:

- Asia (Myanmar, Bhutan, Maldives and Sri Lanka)
- South East Europe (Albania, Bulgaria, Bosnia and Herzegovina, Croatia, Moldova, Montenegro, Romania and Serbia)
- Caucasus and Central Asia (Azerbaijan, Armenia, Georgia, Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan)

The concentration on small states that have major needs for capacity development seems appropriate. However the next IMF IEO evaluation of TA should assess whether the overall scope and reach of JSA-funded FAD assistance is adequate. One notes, for example, that there were no new FAD initiatives funded by the JSA in Africa or in the Western Hemisphere in FY2014. This may be fine if FAD has sufficient assistance in these regions from other donors, although it limits Japan's visibility somewhat. Only an overall evaluation of all IMF technical assistance, putting Japan's assistance in context, can fully address this resource allocation issue.

The combination of strategic advice from IMF headquarters and local capacity building that is typical of these new Programs seems appropriate. However the next independent evaluation of the JSA should assess how well the linkage between the two is made. Has the IMF's strategic advice been given additional impetus by JSA-

funded capacity building? Has the TA, in turn, been well guided by policy strategies?

The modalities of these new Programs appear appropriate but do not go beyond traditional reliance on a nexus of missions from headquarters, long-term resident experts and short-term specialist assignments. This combination has been effective. Nevertheless the next evaluation of the JSA should assess whether the IMF is being sufficiently innovative in its delivery of technical assistance and training, especially in low-capacity small states such as those covered by these Programs funded by Japan.

Supporting Public-sector financial management Reforms in four Asian Countries, with special focus on Myanmar

In Section 2.8 of this report we described Japan's support for a three-year effort to improve public-sector financial management (PFM) in four Asian countries that have low capacity or special needs. The main focus is on Myanmar but the Program is also assisting Bhutan, Maldives and Sri Lanka. The budget is \$4,793,755. The objective of the Program is to improve the management of government finances, including debt management and macroeconomic and budgetary management.

In Myanmar the Program has focused on enhancing capacity for fiscal management in general, with a specific focus on developing the legal framework, establishing sound budget management processes, and modernizing treasury functions. At the same time the IMF Statistics Department (STA) will be helping Myanmar upgrade its Government Finance Statistics (GFS). The IMF Fiscal Affairs Department (FAD) also placed a long-term treasury advisor financed through the JSA program "Developing Treasury Management and Government Accounting in Myanmar and Lao PDR".

For Bhutan, Maldives, and Sri Lanka, the program has focused on second phase of reforms on treasury and budget management, fiscal reporting, and macro-fiscal capacity building.

Bhutan has received TA on macro-fiscal forecasting, budget planning and analysis, and cash management under the JSA2 (FAD_APD_2011_01) program.

Sri Lanka has made good progress on the revision of financial rules and regulations and strengthened oversight of its state-owned enterprises. There is a medium-term action plan for improvements in the budget formulation process.

Progress in Maldives has been slow due to political uncertainties. At the beginning of 2014, the government asked FAD to conduct a Public Expenditure and Financial Accountability (PEFA) assessment to serve as a reference point and guide new reform initiatives.

Japan's support to government fiscal systems in Caucasus countries and the Central Asian republics

In FY2014 Japan approved a Program to help countries in the Caucasus and Central Asia modernize their budget preparation systems and practices, their Treasury management and their ability to stabilize government financial planning and management through better macro-fiscal forecasting and reporting.

This project assists eight countries: Azerbaijan, Armenia, Georgia, Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan,

There has been broad-based progress. Budget execution systems are relatively well developed and are being consolidated and enhanced. Several countries are close to having financial accounting and reporting systems in line with international public sector accounting standards. Government Finance Statistics (GFS) have improved.

Some specific achievements include the following:


- Medium Term Fiscal Frameworks (MTFFs) have been established in Armenia, Georgia and Kazakhstan. They are also being developed in Tajikistan and the Kyrgyz Republic.
- Program budgeting has been introduced in Armenia, Georgia and Kazakhstan.
- Treasury coverage has improved in Uzbekistan, Kazakhstan, Azerbaijan, Armenia, Georgia, Kyrgyz Republic and Tajikistan, and is being further extended in the latter two countries. Treasury Single Account (TSA) systems are in place in Kazakhstan, Tajikistan, Kyrgyz Republic, Azerbaijan, Uzbekistan, Georgia and Armenia, and are being extended in Tajikistan and the Kyrgyz Republic.
- Reforms to introduce International Public Sector Accounting Standards (IPSAS) are under way in Kazakhstan, Tajikistan, Kyrgyz Republic, Azerbaijan, Uzbekistan, Georgia and Armenia.
- Armenia has a well-developed cash management system, Kazakhstan has a relatively good cash planning system, and Kyrgyz Republic and Tajikistan are in the process of improving their cash flow forecasts.
- Armenia has developed a framework for the identification and management of macro-fiscal risks and is improving it. Georgia is preparing to systematize its overall fiscal risk identification and management. Tajikistan has set up a unit in the ministry of finance for fiscal oversight of State-Owned Enterprises (SOEs).
- Treasury Single Account (TSA) systems are in place in Kazakhstan, Tajikistan, Kyrgyz Republic, Azerbaijan, Uzbekistan, Georgia and Armenia, and are being extended in Tajikistan and the Kyrgyz Republic.

Japan's support to IMF FAD technical assistance for small states in South East Europe

In FY2014 Japan approved a Program for South Eastern Europe to help improve Public-sector financial management (PFM) and Revenue Administration. The budget is \$1 million over a little more than one year to supplement on-going regional Programs. This Program is encouraging reforms in governance and administrative improvements including modernization of tax information technology. IMF missions from headquarters are providing strategic advice and the Program is building capacity to help implementation.

The IMF FAD is helping build up PFM institutional arrangements to establish and operationalize sustainable medium-term budget frameworks (MTBF) and associated systems and processes in Albania, Bulgaria, Bosnia and Herzegovina, Croatia, Kosovo, Macedonia, Moldova, Montenegro, Romania, Serbia, and Slovenia. Progress in PFM reforms has been good. Conditions were more conducive for effective TA compared with previous periods partly as a result of new appointments to Budget Departments and Treasury Departments in some countries and partly as a result of increasing emphasis in domestic politics on EU accession.

At the same time the IMF FAD is working with these small states to facilitate a further progression of tax administration reforms that over time should bring the region's tax administrations to modern European standards and achieve consistency in the application of tax administration practices. Most countries now have in place strategic business plans for reforms that set out the direction, methods, activities, and timelines for aligning tax administrations with international standards. For a number of tax agencies, reform success depends in part on medium-term replacements of core IT systems. Tax administration reform has been challenging. Most of the activities under the revenue administration component of



this program funded by Japan in FY2014 have focused on the urgent assistance needed to avoid a collapse of Albania's tax administration information technology, which, if allowed to happen, could greatly harm revenue collection and stable government.

The program enjoys excellent cooperation with the Center of Excellence in Finance (CEF) in Slovenia which hosts the JSA-financed resident advisors (LTXs) and it supplies general facilities, logistical support and training facilities.

JAPAN'S SUPPORT TO MONETARY AND CAPITAL MARKETS

4.1 Monetary and Capital Markets Department

The Monetary and Capital Markets Department (MCM) of the IMF provides TA to member countries to facilitate stable and well-functioning financial systems.³⁵ Its key TA objectives are to:

- strengthen financial supervision and regulation;
- enhance institutional frameworks and capacity;
- identify and resolve problem banks early;
- effectively monitor systemic risk, take appropriate policy measures, and be well prepared to respond to crises;
- establish sound and market-oriented monetary policy and operations;
- harmonize monetary policies among countries in a region;
- support effective debt management strategies and practices; and
- deepen capacity in national financial sectors³⁶

MCM works in partnership with central banks and ministries of finance. It provides economic analysis and advice, assists with the implementation of reforms and helps build institutional frameworks and capacity.

³⁵ MCM's topics include: monetary policy policies; central bank operations; systemic risk analysis; public asset and liability management; financial system regulation and supervision; and financial crisis preparedness and management.

³⁶ Monetary and Capital Markets Department, October 14, 2013 presentation "JSA and MCM TA".

4.2 MCM's TA Strategy

Toward the start of our evaluation period, in February 2011, MCM adopted a "*Medium-Term Strategy for Effective MCM TA in a Changing World*". Some key elements of the strategy included:

- greater involvement and ownership by national authorities;
- strengthening partnerships and collaborating closely with donors like Japan and with other IMF departments and other multilateral agencies to deliver TA and training;
- aligning the themes of TA with priorities and integrating it with the MCM work pillars;
- adapting TA modalities, using new technologies where they are efficient, and enhancing expert capacity to meet new demands; and
- enhancing TA processes (including better project management and more rigorous evaluations) to ensure quality control, efficiency, effectiveness and sustainability.

MCM's TA strategy envisaged greater cross-fertilization between TA and other core IMF activities such as surveillance and policy advice. In FY2014, MCM revised its TA strategy for FY2015-FY2017.

4.3 MCM TA Funded by Japan, FY2010 to FY2013

Japan has been the largest external financier of MCM TA. In FY2013, the JSA covered about 40% of the costs of TA in the field³⁷ by MCM Department. Over four fiscal years, FY2010 to FY2013, there were eight MCM programs approved by the JSA, three of which were undertaken

³⁷ Activities at IMF headquarters are not necessarily covered in these data.

Table 4.3-1: MCM Programs¹ Funded by Japan, FY2010–FY2013²

Sector	Approved ³	Program ⁴	Budget (US\$) ⁵	Expended (US\$) ⁶	% complete
JSA-funded MCM Programs joint with another IMF Department					
Fiscal Affairs	FY10	Safeguarding Financial Resources: Central Asian Countries	2,414,394	2,322,905	96%
MCM			1,862,833	1,318,820	71%
Fiscal Affairs	FY13	Treasury and Financial Systems Modernization: Myanmar and Lao PDR	1,625,792	—	
MCM			2,513,108	1,905	
MCM	FY12	Preperations for Monetary Union in the East Africa Community	3,999,018	567,557	14%
Statistics			994,030	17,716	2%
Subtotal			13,409,176	4,228,903	
% of Total			39%		
JSA-funded MCM Programs not joint with another IMF Department					
MCM	FY10	Regional Financial Agencies: Central Africa (CEMAC)	3,260,612	2,059,390	63%
MCM	FY10	Bank Supervision: Southeast Asia (ASEAN)	4,632,980	3,894,273	84%
MCM	FY11	Bank Reg., Supervision, Crisis Manage. PRGT Countries. Asia and Pacific.	4,904,304	2,111,228	43%
MCM	FY13	Bank Supervision: South-East Asia (ASEAN)	5,102,315	386,916	8%
MCM	FY13	Central Bank Modernization: Myanmar	2,989,286	509,577	17%
Subtotal			20,889,497	8,961,385	
% of Total			61%		
Total			34,298,673	13,190,288	

Source: Insitute for Capacity Development, IMF.

Notes:

Blue highlight indicates programs with more than one deparment implementing.

¹ This table includes only Programs approved during FY10-FY13, not on-going Projects.

² All dollar figures are inclusive of 7% Trust Fund Management Fee.

³ Year of approval denotes the financial year in which the program was approved by The Ministry of Finance Japan.

⁴ Program's title/subject.

⁵ Denotes the total budget for the Program current at the end of FY13 sometimes after adjustments to the initial budget.

⁶ Total expenditures as of end FY13.

jointly with other IMF departments, two with FAD and one with STA. (Table 4.3-1).

The total amount of JSA funding used by MCM and its IMF partners was approximately \$34 million (about 23% of all JSA funding during this period). Approximately \$13.4 million of this was jointly delivered with Fiscal Affairs Department or Statistics Department. (See Table 4.3-1 and Appendix 2, Table 2.)

Japan's support has been especially significant to MCM TA in Asia and Africa. During FYs 2010-2013, 63% of JSA TA for MCM programs was allocated to the Asia Pacific region During the same period 24% of JSA funding for MCM programs was directed to Africa. The small residual was directed to in the Middle East and Central Asia, rather than Europe or Western Hemisphere. (Table 4.3-2)

Table 4.3-2: Budgets¹ of JSA-funded MCM Programs by Region, FY2010–FY2013⁷
(For JPNID⁴ see Appendix 2)

Region	Sector ²	Approval Year ³	Program ⁵	Budget (US\$) ⁶	Percentage of total
Africa	MCM	FY10	Financial agencies: Economic and Monetary Community of Central African States (CEMAC)	3,260,612	
	MCM	FY12	Preparations for Monetary Union in the East Africa Community	3,999,018	
	Statistics			994,030	
Subtotal				8,253,660	24%
Asia and Pacific	Fiscal Affairs	FY13	Treasury Management and Financial Systems: Myanmar and Lao PDR	1,625,792	
	MCM			2,513,108	
	MCM	FY10	Bank supervision: Association of Southeast Asian Nations (ASEAN)	4,632,980	
	MCM	FY11	Bank Supervision, Regulation, and Crisis Management in PRGT Countries (Poverty Reduction and Growth Trust)	4,904,304	
	MCM	FY13	Banking Supervision in ASEAN for Financial Stability	5,102,315	
	MCM	FY13	Central Bank Modernization: Myanmar	2,989,286	
Subtotal				21,767,785	63%
Europe			No JSA MCM Program		
Subtotal				–	
Middle East and Central Asia	Fiscal Affairs	FY10	Middle East and Central Asia: Safeguarding Financial Resources: Central Asia	2,414,394	
	MCM			1,862,833	
Subtotal				4,277,228	12%
Western Hemisphere			No JSA MCM Program		
Subtotal				–	
More than one Region			No JSA MCM Program		
Subtotal				–	
Total				34,298,673	100%

Source: Institute for Capacity Development, IMF.

Notes:

Blue highlight indicates programs with more than one department implementing.

¹ All dollar figures are inclusive of the 7% administrative fee.

² Sector of delivery. Training is delivered under ICD.

³ Year of approval denotes the financial year in which the program was approved by Ministry of Finance Japan.

⁴ JPNID denotes the numerical identifier for JSA-funded Programs.

⁵ Program's title/subject.

⁶ Denotes the total budget that is envisaged for the given program. It does not indicate the approved/working budget, which in case of FY13 programs will be lower since the programs had only one year of budgets approved. Three-year total gives a better indication of the whole program size.

⁷ Total expenditures through end-financial year 2013.

Table 4.4-1: Person Years¹ of JSA-Funded MCM TA, Projects and Programs, FY2010–FY2013

	FY2010	FY2011	FY2012	FY2013	Totals
Monetary and Capital Markets					
Programs	0.61	6.24	10.65	11.31	28.80
Projects	9.42	2.46	1.66	–	13.53
Subtotal	10.02	8.69	12.30	11.31	42.33

Source: Institute for Capacity Development, IMF.

¹An effective person-year of TA is defined as 260 to 262 working days of Fund staff or experts: 2010: 261 days; 2011: 260 days; 2012: 261 days; 2013: 262 days.

Table 4.4-2: JSA Expenditures for MCM Projects and Programs, FY2010–2013

Sector	FY2010	FY2011	FY2012	FY2013	Grand Total
Monetary and Capital Markets					
Programs ¹	–	2,764,444	4,168,401	3,916,821	10,849,667
Projects ²	2,849,972	946,508	716,809	294,252	4,807,541
Total	2,849,972	3,710,952	4,885,210	4,211,073	15,657,208

Source: Institute for Capacity Development, IMF.

¹ All values are actual costs and include 7% Trust Fund Fee. Expenditures are through end-FY2013 and include FY2013 programs.

² All values are standard cost and include 13% administrative overhead. Expenditures are through end-FY2013.

4.4 Programmatic Approach

In FY2010 Japan changed its approach to JSA-funded TA away from project-based support to a programmatic approach. The new programs typically covered several countries for a term of three-years. One can see in Table 4.4-1 (person years) and Table 4.4-2 (expenditures) that, as expected, annual expenditures on JSA-funded MCM **projects** declined as those approved before FY2010 were completed. At the same time annual expenditures on **programs** increased as new programs were approved and implemented.

Eight JSA-funded MCM programs were approved during the four fiscal years, FY2010 to FY2013. Three of these were approved in FY2013 and are in the early stages of implementation, and therefore are not considered in detail in this evaluation. One of these three programs (ASEAN, banking supervision) was a three-year extension of an earlier program.

Of the five MCM programs considered in this evaluation, two are in Africa, two in Asia-Pacific and one in Central Asia. The targeted countries were:

- **Asia and Pacific:** Myanmar, Laos, Cambodia, Indonesia, Philippines, and Vietnam; as well as Bangladesh, Maldives and Nepal.
- **Africa:** Cameroon, Central African Republic, Chad, Republic of Congo, Equatorial Guinea and Gabon which comprise the Central African Economic and Monetary Community (CEMAC).
- **Central Asia:** Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan.

Among the JSA-funded programs, there were some country groupings that reflected existing regional communities, such as CEMAC and the East African Community (EAC) in Africa. In other instances, MCM grouped countries together in a Program because they shared a

Table 4.4-3: MCM TA funded by Japan – Expenditures by Topic, FY2011–FY2013

	FY2011	FY2012	FY2013	Totals	%
Monetary and Capital Markets					
Bank Supervision	2,390,811	3,170,675	2,510,646	8,072,132	74%
Monetary Policy	-	7,428	-	7,428	0%
Accounting	74,727	43,396	-	118,123	1%
Other	298,907	946,902	1,406,175	2,651,984	24%
of which					
Other Supervision	-	22,285	-	22,285	0%
Monetary and Forex	27,415	189,615	61,254	278,284	3%
Subtotal	2,764,444	4,168,401	3,916,821	10,849,667	100%

Source: Institute for Capacity Development, IMF.

Line item percentages rounded to the nearest one percent.

common economic structure and experience. This was the case for the country grouping of transition economies in the joint MCM-FAD program in Central Asia. The rationale for the country groupings in the two MCM programs in Asia Pacific was that the recipient governments were at comparable stages of financial sector development and had similar TA needs.

Not all targeted countries participated in all aspects of each program. In some cases a targeted country participated little or not at all. In Central Asia, for example, the MCM strategy was “*to initiate projects with a limited number of countries initially (those for whom information is more complete or more recent), and apply lessons learned from the experience to the other countries ...*”³⁸

In Africa, JSA-supported TA by MCM focused on regional financial and monetary integration, while MCM’s TA in Asia Pacific focused mainly on bank supervision and risk monitoring. In Central Asia, MCM’s focus was on strengthening the framework and strategy for problem bank resolution. Overall, about three quarters of

JSA-funded assistance provided by MCM aimed to improve bank supervision.

4.5 MCM TA Program Achievements by Region, FY2010 — FY2013

Japan’s Support to the IMF in Monetary and Capital Markets Central Asia

The joint MCM-FAD program in Central Asia (JPN 104) aimed to safeguard financial resources through stronger banking supervision and improved public-sector financial management. There was progress in banking supervision in all the countries targeted. However, action was delayed in several countries and results were uneven. This was due in part to differences in the participating countries’ pace of reform, as well as differing degrees of prior engagement with the IMF.³⁹ The most visible results were in the Kyrgyz Republic, with which MCM has had sus-

³⁸ “Project Proposal “Safeguarding Financial Resources in Central Asian Countries”, FAD-MCD 2010.

³⁹For example, some countries in the Program had not participated in a Financial Sector Assessment Program (FSAP); others had not received TA support from the IMF MCM prior to the Program, so didn’t have a history of working with MCM.

tained involvement since 2009.⁴⁰ Tangible results included the rehabilitation of two out of four banks that were in conservatorship and the sale of the “bridge bank”. IMF staff credit much of the success of the project in the Kyrgyz Republic to having a long-term advisor in the country.

JSA has supported an extension of the project for Kazakhstan to fiscal year 2014, to enable the posting of a resident advisor to further assist the National Bank of Kazakhstan in restructuring and strengthening the problem asset resolution framework. However, Japan did not approve an extension of the program as a whole. The IMF MCM program in the Kyrgyz Republic continued with support from Switzerland.

Japan’s support to the IMF in Monetary and Capital Markets in Africa

JSA funded two MCM programs in Africa between FY2010 and FY2013 that provide TA to support regional monetary and financial integration. The program “Economic and Monetary Community of Central African States (CEMAC)⁴¹: Strengthening Regional Financial Agencies” (JPN 401), was approved in 2010.⁴² It got off to a slow start with implementation delayed for a year because of shortcomings in governance. The scope of the

TA was expanded to include governance, and a long-term advisor was appointed to advise on the topic.⁴³ As a result of the initial delays, the Program was extended to 2014. Despite these problems, the program produced some tangible results.⁴⁴

The second JSA-MCM program in Africa considered in this evaluation was a joint program with the IMF Statistics Department: “Supporting Preparations for Monetary Union in the Monetary Policy and Statistical Areas in the East African Community (EAC)” (JPN404). The program, which was approved in 2012, has been slow to start and is in the early stage of implementation. One respondent to our survey said: *“The results have been meaningful (for example in moving the authorities towards joint work on financial stability) but objective achievement has been slow relative to plans and hopes. In part this has been because observation of instability arising in the European Union has raised the EAC authorities’ trepidation about their own monetary union...Delays were also caused by difficulties in identifying appropriate experts...”*

Japan’s support to the IMF in Monetary and Capital Markets in Asia and the Pacific

This section describes two JSA-funded MCM TA programs in Asia. In addition, Chapter 6 describes the JSA

⁴⁰ Efforts to improve capabilities in the supervision of financial institutions included guidance on regulatory documents, developing supervisory strategies, providing on-the-job training to on-site inspectors and off-site analysts, and developing the strategies and frameworks to deal with distressed banks.

⁴¹ The principal objectives were to support regional integration in the financial sector by: assisting CEMAC to develop the policies, instruments and mechanisms to better manage a regional monetary union; and strengthening the institutional and operational capacity of the *Commission Bancaire de L’Afrique Centrale* (COBAC) to conduct its supervision of banking institutions.

⁴² JPN 401 CEMAC built upon earlier IMF engagement with CEMAC following the (2006) Regional FSAP. Some of the MCM work with CEMAC during 2007-2009 had also been funded by JSA.

⁴³ Other challenges cited by MCM staff include shortages of trained staff in key areas in BEAC and COBAC, as well as difficulties in finding appropriate experts. This resulted in a slower-than-expected pace of program implementation. In addition, there were changes in senior management, organizational changes and changes in information systems.

⁴⁴ These included the updating and revision of bank supervision regulations, improved conduct and reporting of on-site bank examinations, workshops on risk-based supervision and Anti Money Laundering, training sessions for national treasuries, an updated foreign assets management strategy, strengthened Economics and Research Departments with a research program that has been approved by the BEAC Managing Board, and the formal adoption of merit-based practices in human resources management.

Box 4.5-1. Innovative multidisciplinary TA improves a bank regulator's capacity ... but the toughest job is still to come

Bangko Sentral ng Pilipinas (BSP) supervises about 700 financial institutions to small rural banking enterprises. It has a staff of 1400 examiners including approximately 600 specialized banking supervisors. A multidisciplinary team of three IMF expert consultants has been helping the BSP's Supervision and Examination Sector (SES) build its capacity to undertake risk-based supervision. Over the past three years there have been major gains in the examination skills of SES staff and in the systems and practices to support their work. These changes have been supported by a competency-based personnel development plan and a training curriculum. The SES has the ambition to establish an examiner certification process that would break new ground in the Philippines and be an example in ASEAN. However SES's new capabilities are yet to be fully tested in preventing and ameliorating a financial crisis.

As well the IMF experts' work has been "upstream", focused entirely on the SES, without significant contact

with the regulated financial institutions. This is to some degree different from other countries where Resident Advisors have occasionally accompanied bank examination teams as observers. This is important because at the grass-roots level in the Philippines, capacity weaknesses, governance problems and regulatory enforcement gaps remain common.

Two lessons from this experience are: (1) a multidisciplinary expert team interacting with a key institution over an extended period of time can be very effective, perhaps more effective than any single expert; and (2) if the IMF experts are to provide more than international best practice, their advice must be grounded in local experience as well. Of course this depends on the authorities' preferences/permission. IMF experts are not always allowed to participate in on-site examinations even as observers.

funding of the Singapore Regional Training Institute to deliver courses on MCM topics.

The first JSA-funded MCM Program was JPN 402: "Enhancing Financial Stability through Improved Supervision" in four ASEAN countries, Cambodia, Indonesia, Philippines and Vietnam, 2010-2012. With the exception of Vietnam, the program had some success. Cambodia made progress in shifting from compliance-based to risk-based supervision and has strengthened its problem bank resolution and crisis management framework. Indonesia adopted risk-based financial sector supervision and provided training to its supervisory and regulatory staff. It also created a *Financial Services Authority* for banking supervision. The Philippines has fully implemented risk profiling for banks, particularly problem banks, and better enforcement to resolve problem banks

more quickly. About 160 troubled banks were resolved between 2009 and 2013.

With respect to the relevance of MCM's assistance, one respondent to our survey said:

"The first advisor was in place in 1998 so the relationship has served [my country] for [over 15 years]. The position of a resident General Advisor with a close relationship with the senior people in the [country's central bank], evidenced by having his office next to theirs, is clearly relevant to the needs of the [bank]. Also [my country] has been in a special situation because a whole generation of educated [citizens of the country] was destroyed by [internal conflict]. Therefore the young graduates entering government service need a lot of outside mentoring because the usual oversight and mentoring by senior staff might not be there." (Respondent 37)

Box 4.5-2. Resource Reallocation and Survivorship Bias

The JSA program modality enables the IMF to reallocate resources when progress seems unlikely in one area but promising in another. An example is the MCM program on banking supervision in Vietnam. The challenges in Vietnam included limited buy-in by the authorities for the financial sector reform program; human resources constraints and skills gaps; data and data-sharing limitations.

The limited engagement of the Government of Vietnam with the IMF program may have reflected, in part, the availability of other sources of TA funding for Vietnam in regards to banking regulation and supervision. Other funding was available at a larger scale than the JSA-funded Program could muster.¹ As a result the IMF did not pursue its intended activities in Vietnam in the first phase

¹ For example, Canada (CIDA) provided \$14 million in bank supervision TA.

and Vietnam is not participating in the current phase of the JSA Program on banking supervision.

This is a natural outcome of the demand-driven nature of JSA TA. However there is an effect on performance measurement that is worth noting. The failure of an MCM program component to go forward in a particular country does not usually affect the average performance rating of the multi-country program. Even if the IMF makes the right decision, supported by Japan, to reallocate its effort and resources and not pursue some original objectives, the failure to implement in a target country should still be counted when assessing performance. Programs should be assessed against their original objectives. If Program components that achieve nothing are not included in the average ratings then there may be a risk of “survivorship bias” in those ratings. (See Appendix 1 Evaluation Scope, Objectives and Methodology for further discussion of this point.)

Japan’s support to Low Income Countries to improve Banking Supervision and Crisis Management

JSA funded a Program entitled “Improving Banking Supervision and Regulation and Crisis Management in Selected (low-income) PRGT⁴⁵ Countries in the Asia Pacific Region.” Bangladesh, Maldives and Nepal were the target countries.

The 2009 FSAP update⁴⁶ on Bangladesh had flagged the vulnerabilities in its banking sector, especially among the large state-owned banks. In Nepal, the concern was systemic risks to banks from the rapid expansion of credit

to the real estate sector⁴⁷. The Maldives had a *Stand-By Arrangement* with the IMF and an Arrangement under the *Exogenous Shock Facility*.

IMF project assessments underline the resource (human and financial) and capacity constraints; data integrity and data limitations; tendency to forbearance; organizational and legal impediments; and the difficult political environments.

Together, these challenges underscore the urgent need for TA and the difficulties in providing support. Perhaps a stronger underlying strategy early in the Program would have made it more effective. One respondent⁴⁸ to our

⁴⁵ PRGT Poverty Reduction and Growth Trust.

⁴⁶ “Bangladesh: Financial System Stability Assessment”, IMF Country Report No. 10/38, February 2010.

⁴⁷ “Nepal — Selected Issues”, IMF Country Report No. 10/184, July 2010.

⁴⁸ IMF staff. Respondent # A2.7

survey described its strengths and weaknesses in the following way:

“The provision of short-term experts to support the resident advisor is a very good feature of the program. The short-term visits are an additional show of support and commitment by the Fund to the authorities and the TA program... however, I believe that development of a strategic plan to deliver TA to accomplish the objectives should be conducted early in the program. Such a strategic plan [should be] developed by MCM jointly with the authorities, thereby facilitating their buy-in and commitment, as well as ensuring the resident advisor selected is the right person for the job...”

Speaking of “sustainability” another respondent said:

“The TA Program has been designed to ensure that initiatives are sustained. It was implemented in three phases which is likened to the “Build-Operate-Transfer” scheme. This scheme has afforded [the Central Bank] to embed the TA Projects in its supervisory and regulatory framework and to institutionalize the business improvement processes to promote self-sustaining capacities.”
(Respondent 31)

4.6 Performance Baseline: MCM TA Projects Approved before FY2010

There were twenty JSA-funded projects that were active during our evaluation period FY2010 to FY2013. They are listed in Table 4.6-1. Their total budgets amounted to approximately \$4 million. All but one was completed during the period. One project, providing a long-term resident advisor to the Central Bank in Guinea, was extended past FY2013.

The evaluation team reviewed the IMF’s performance ratings (degree to which objectives were achieved) in the final Assessment Reports for these 20 projects. The rating

scale was: 4. Fully achieved. 3. Largely achieved. 2. Partially achieved. 1. Not achieved.⁴⁹

As one would expect from these types of projects, in challenging country contexts, no project was self-rated by the Project Manager as having fully achieved all of its objectives. However two projects came close (average scores of 3.7 on the 1 to 4 scale). Overall, seven of the twenty projects had average ratings of 3 or more out of 4; and an additional four projects had average ratings above 2.5. Therefore about 11 of the 20 projects substantially achieved their objectives. Another 5 projects partly achieved their objectives. Four projects (20%) did not achieve their objectives in any significant way.⁵⁰

In Table 4.6-1 we have presented the ratings in two ways:

- First as simple averages of the numeric ratings assigned.
- Second, as indications of the degree to which objectives were achieved assuming that “1” indicates no achievement, “2” indicates one-third achieved, “3” indicates two-thirds achieved, and “4” indicates fully achieved. Taking this approach one finds that the percent of project objectives/outcomes achieved was approximately 54%.

⁴⁹ There are limitations to averaging ratings on a scale that is essentially nominal and discontinuous or, if taken to be a numeric scale, is anchored in “1” rather than zero. See Appendix 1 of this report for a discussion of the methodology.

⁵⁰ The scale is not well designed for calculating averages across the portfolio, which is a serious limitation.

Average ratings on a scale that is not anchored at zero can be misleading. If “1” is “not achieved” then it is essentially equivalent to “0” and there are only three increments on the scale. The increments are 1 to 2, 2 to 3, and 3 to 4. If a Program is rated “3” on this scale then it is at the top of the second increment on the scale. One can therefore interpret this rating as an objective 2/3 achieved rather than ¾ achieved. Unfortunately one cannot be sure what the persons who assigned the ratings intended because the scale is inherently unclear.

Table 4.6-1: Program Manager’s Ratings of Program Achievements for a sample¹ of 20 JSA-funded MCM Projects Completed or Cancelled during FY2010–FY2013

JSA Number	Project ID	Country/Region	Self-Assessment Ratings	
			Numeric Scale 4 fully achieved; 1 nothing achieved	Scale: 4 = 100% achieved, 1 = 0% achieved
1744	MCM_BDI_2009_03	Burundi	3.7	90%
1751	MCM_BEA_2010_01	Central Africa	2.5	50%
1742	MCM_EUR_2009_02	European Countries	1.0	0%
1713	MCM_GIN_2008_06	Guinea	3.0	67%
1749	MCM_IDN_2009_08	Indonesia	2.0	33%
1748	MCM_KGZ_2009_02	Kyrgyz Republic	2.0	33%
1739	MCM_LBR_2009_04	Liberia	3.0	67%
1754	MCM_LBR_2010_02	Liberia	3.0	67%
1755	MCM_MDA_2010_02	Moldova	3.7	90%
1760	MCM_MDA_2010_05	Moldova	1.0	0%
1732	MCM_MDG_2009_01	Madagascar	2.0	33%
1745	MCM_MDG_2009_02	Madagascar	1.0	0%
1752	MCM_MDV_2009_03	Maldives	2.9	63%
1753	MCM_MDV_2009_04	Maldives	2.6	53%
1737	MCM_PHL_2009_04	Philippines	1.0	0%
1750	MCM_PHL_2009_07	Philippines	2.0	33%
1741	MCM_PNG_2009_02	Papua New Guinea	2.7	57%
1757	MCM_RWA_2010_01	Rwanda	3.2	73%
1740	MCM_THA_2009_04	Thailand	2.8	60%
1747	MCM_WBG_2009_03	West Bank/Gaza	3.0	67%
Average			2.4	54%

Source: IMF ICD Dec. 2013, with averages calculated by the authors of this study.

¹ This sample comprises most of the JSA-funded MCM projects completed or cancelled during FY2010-FY2013, with the exception of MCM_MTA_2010_01, which makes no significant difference to the average score noted in this table.

Neither approach is fully satisfactory because one cannot be certain of the assumptions made by the raters given the ambiguity of the rating scale. Did they think it is a continuous numeric scale or did they think it was a categorical scale?

However, putting aside the difficulty of averaging on an ambiguously categorical scale, an average performance rating of 2.4 out of 4 (on a 1-4 scale) is not much

different conceptually from 54% of objectives achieved, so the overall performance picture is reasonably clear. That is, the IMF’s self-ratings of performance are good but not as good as the ratings by independent evaluators.

On average, JSA-funded programs that followed FY2010 did better than the preceding projects (Table

Table 4.7-1: Ratings of JSA-funded MCM TA Projects – Qualitative Performance Ratings (FY2011 and FY2013)

Evaluation Criteria	Rating circa 2011 ⁸	Rating circa 2013 ⁹
Relevance	Good to excellent	Excellent
Effectiveness	Modest to Good	Good, but with variable implementation (political risk and capacity are key determinant)
Sustainability	Modest to Good	Modest to good (too early to assess definitively)
Efficiency	Good	Good (scope for additional efficiency gains through technology, use of regional experts, and greater collaboration with other providers of TA)
Coordination	Not rated	Good to excellent (See Table 5.7-4)
Visibility of Japan as donor	Good (the same as other IMF Departments)	Good (See Table 5.7-1)

Source: Independent Evaluation Study, 2011, and the present study.

⁸ Philipsen, F., Petrie, M. and P. Ugolini. (June 2011) Independent Evaluation of the Japan Administered Account for Selected Fund Activities. Section 9.1.5 Summary Assessment of MCM projects, p. 113.

⁹ The "circa 2013" ratings are made by the evaluators who were the authors of this report and were based upon a review of Project documents and interviews with stakeholders.

4.7-1), so we conclude that the shift from projects to a program-based approach was beneficial.⁵¹

4.7 Independent Evaluations, 2010 and 2011

There have been two prior evaluations of JSA-funded projects. The first (2009-10) did not assign numerical ratings to projects. Rather, it provided qualitative assessments based on interviews, survey responses, desk analyses and field visits. The second assigned the ratings shown in Table 4.7-1. Our ratings are also shown in Table 4.7-1 for comparison.

⁵¹ One view expressed to the evaluators was that the Programs were rated better because they were larger and longer term and therefore there was more time for results to become apparent. The evaluators are of the opinion that the better performance ratings of the program was probably not an artifact of the timing of the ratings. Projects were not necessarily rated in a shorter time frame than Programs.

The second (2011) independent evaluation⁵² used a four point scale to rate projects against the OECD DAC criteria of relevance, effectiveness, efficiency, and sustainability. It also examined transparency, visibility for Japan, consistency with Japanese ODA policies and management of JSA funded activities. Each of the numerical ratings (1 to 4) was assigned a qualitative descriptor: "Excellent", "Good", "Modest" and "Weak". This seemed to indicate that the evaluators regarded the IMF scale is essentially categorical rather than a continuous numerical scale but, as discussed above, this was unclear.

We have used the same categorical scale as the 2011 evaluation study as well as a 1 to 7 rating scale. On the categorical scale our ratings are somewhat higher than those assigned by the earlier independent evaluation except in regard to sustainability. (Table 4.7-1)

⁵² Philipsen, F., Petrie, M., and Ugolini, P. (June 2011). *Independent External Evaluation of the Japan Sub-Account of the Administered Account for Selected IMF Activities (JSA)*. IMF. Washington DC.

Table 4.8-1: Performance of MCM JSA-funded Projects and Programs (FY2010–FY2013)

Evaluation Criteria	Stakeholder Ratings		Evaluator Ratings
	Average rating by IMF project managers and experts (LTX, STX)	Average rating by officials in participating countries	Our assessment of program performance on a categorical scale
	Scale 1 to 7	Scale 1 to 7	Scale: Excellent, good, modest, poor.
Relevance	6.5	6.4	Excellent
Efficiency	5.6	6.4	Good to excellent
Effectiveness	5.4	6.1	Good to excellent
Sustainability	4.9	6.7	Good
Coordination	Well-coordinated with significant exceptions	Well-coordinated	Well-coordinated with some exceptions. ¹ Ratings: 15% excellent; 65% well; 20% not well.
Visibility of Japan	5.3 (See Table 5.7-5)	6.0	Good to excellent

Table note: The evaluator ratings were categorical. They are not a direct translation of the numerical ratings by officials and IMF staff. They take those ratings into account but they also draw upon the evaluators' observations, interviews and reading.

¹ Coordination generally does not go deeper than good communications. There are few joint TA/training activities with other organizations.

4.8 Performance of MCM TA Programs Funded by Japan, FY2010–FY2013

Project performance was considered above. To turn now to the performance ratings for MCM programs funded by Japan during FY2010 to FY2013, we find that they were generally good to excellent. Average ratings varied from 5.4 to 6.5 (out of 7) depending on the criterion. Performance ratings by survey respondents and by our evaluation team for MCM Programs are shown in Table 4.8-1.

The evaluators' assessment of performance (column 4) is not based only on the ratings by IMF staff and officials (columns 2 and 3). It takes into account the project reviews (desk reviews) undertaken by them, their interviews and observations in the field, and the various ratings by stakeholders.

Relevance

JSA-funded MCM projects and programs were highly relevant. Ratings of relevance by stakeholders were 6.4 and 6.5 on a 1-7 scale.

Efficiency and effectiveness

IMF project managers rate efficiency and effectiveness in the range of 5.4 to 5.6 on a 1-7 scale. This is good to very good but clearly lower ratings than their relevance ratings.

Sustainability

The largest difference in ratings between IMF managers and clients was in regard to sustainability. Government officials are more optimistic than IMF project managers in regard to sustainability.

Awareness of the multi-country scope of the TA

One quarter of the officials/authorities who responded to our survey on MCM Programs were not aware that the TA was provided as part of a multi-country program. Those who were aware of the multi-country approach rated it highly.

Did the shift from Projects to Programs Improve TA?

The performance ratings for JSA-funded MCM programs approved after FY2010 are higher than for projects that were active during the same period. (See Table 4.8-3)

Table 4.8-2: Awareness that the TA covered several countries

(Officials/Authorities Only)	Percent of respondents		
	Yes	No	Number of Responses
Aware that the Program was multi-country	71%	29%	7
Rating of the multi-country approach (scale 1-7)	6.8	N/A	5

Source: Survey of Stakeholders, Jan. 2014 Question 7 (Officials/Authorities Only)

Table 4.8-3: Was the Program Approach better than a Series of Smaller Projects?

OECD Criteria	Average Ratings (Scale 1-7)		
	IMF staff and Experts (MCM)	Officials/ Authorities	IMF staff and Experts (All IMF Depts.)
More relevant?	5.6	N/A	6.1
More efficient?	5.6	N/A	6.0
More effective?	5.8	N/A	6.0
More sustainable?	5.3	N/A	5.6
Number of Respondents	61	N/A	209

Source: Survey of Stakeholders, Jan. 2014 Questions 7.1 to 7.4

This positive view of the shift in approach was also in evidence in the responses we received to a direct question on the topic. Survey responses from MCM Department staff, experts and officials, and discussions with Fund staff suggest that JSA's shift from project support to a programmatic approach was beneficial. (Table 4.8-3)

Nevertheless, in our meetings, MCM staff acknowledged that the shift to programs was a learning experience. The original objectives of some programs were cast too broadly; the Program did not always implement a coherent overall strategy; and coordinating and sequencing component elements of the program were challenging at times.

In the words of one respondent to our survey:⁵³

"In beginning the programmatic approach, MCM tended to group activities that could have been executed as separate projects, rather than adopting a clear program strategy...Understanding of the implications of a programmatic approach in terms of longer term planning and design took some time...so the benefits to MCM TA are now beginning to build."

As with other IMF areas, the recipient government officials assigned higher ratings on MCM program effectiveness, efficiency and sustainability than the IMF project managers and experts.

Coordination

MCM Programs were generally well-coordinated with other TA providers, with some exceptions that were noted in comments to our questionnaire.

However one can see from Table 4.8-4 that almost one third of MCM Project Managers and experts

⁵³ Respondent # A39 IMF Staff.

Table 4.8-4: MCM Coordination with other TA Providers

Coordination	Percent of respondents		
	MCM IMF staff and Experts	MCM Officials/ Authorities	All IMF Depts. (staff and experts)
Excellent coordinated	20%		29%
Well-coordinated	53%	100%	60.5%
Not well coordinated	27%		10.5%
Number of Respondents	15	5	76

Source: Survey of Stakeholders, Jan. 2014 Question 5

report that the Program could have been better coordinated. This was a higher percentage than the figure for all JSA-funded programs. It indicates a need for improvement perhaps in the form of more substantial coordination than simply informing other agencies of what the IMF intends to do and taking other agencies' plans into account in developing a road map (if one exists). There were few joint activities with other providers of TA.

One way to improve coordination is to convene an Entry Workshop, generally with one participating country hosting the Workshop and others attending. This device brings stakeholders together and can produce a situation report, an intervention strategy and a task road map that can cover the efforts of all providers of TA in an area.

One respondent to our survey said: *“Given the wide spread resource, capacity challenges and legal framework weaknesses, a strategic plan to deliver the TA should have been developed early on in the project (either at HQ or jointly by the resident expert and the [recipient country bank]). The strategic plan may have ensured a smoother flow of TA — as there have been three resident advisors during the course of the program. Additionally, the strategic plan may have clarified for the authorities the reasoning for the pace and sequencing of TA on various topics. (For example, having parallel streams of work in the*

*on-and-off-site supervision, or the sequencing of tasks for the development of supervisory procedures).”*⁵⁴

4.9 How well did the MCM Programs funded by Japan build capacity?

There was a consensus among of those who responded to our survey that, overall, the MCM Programs during FY2010 to FY2013 made a good to excellent contribution to recipient country capacity. (See Table 4.9-1) Recipient government officials were particularly positive, with 57% stating that the contribution to capacity was excellent and a further 43% saying that the contribution to capacity was good.

4.10 Benefits to Japan

We asked two different questions about benefits to Japan to two different groups of stakeholders. We asked officials a single question about benefits to Japan. Their ratings were very high (around 6.0 on a scale of 1 to 7). This reflects perhaps the goodwill generated towards Japan. (Table 4.7-5)

IMF staff and experts were also asked about benefits to Japan. The response was positive on all dimensions (Ratings of 5.2 to 5.4 on a scale of 1 to 7, Table 4.8-5). However a significant number of respondents (17%) indicated that they have no opinion on the question.

⁵⁴Respondent 34.

Table 4.9-1: MCM Contribution to Recipient Country Capacity – Responses to a Survey of Stakeholders

Contribution to Capacity	Percent of respondents		
	MCM IMF staff and Experts	Officials/ Authorities – MCM Programs	All respondents – MCM Programs
Excellent contribution to capacity	41%	57%	45.9%
Good contribution to building capacity	35%	43%	37.5%
Modest contribution to building capacity	12%	0%	8.3%
Small contribution to building capacity	0%	0%	0%
Variable contribution, not possible to generalize	12%	0%	8.3%
Number of Respondents	17	7	24

Source: Survey of Stakeholders, Jan. 2014 Question 8

Table 4.10-5: Benefits to Japan as Donor to MCM Programs

(IMF Staff and Experts Only)	Average Ratings (Scale 1-7)		
	MCM IMF staff and Experts	MCM Programs – Officials/ Authorities	All IMF staff and experts (All JSA Programs)
Stability, prosperity, open trading system	5.4	N/A	5.3
Influence decision makers in the IMF and in recipient countries	5.2	N/A	5.3
Goodwill towards Japan	5.4	N/A	5.5
Number of Respondents	44	N/A	
Overall benefits to Japan (officials only)	N/A	6.0	5.9

4.11 Looking Forward — Japan's support to IMF Technical Assistance in Monetary and Capital Markets in FY2014

In FY2014 Japan focused its funding of technical assistance by IMF MCM in four countries in South and South-East Asia. These were Myanmar, Laos PDR, Cambodia and Indonesia.

Three of these countries have low average incomes and special needs for capacity development, Cambodia, Myanmar and the Lao PDR. One, Indonesia, has a large population and is important to the financial stability of the region.

Strengthening the Financial Stability Framework in Cambodia and Deepening Financial Markets in Indonesia

In FY2014 Japan funded two new programs by the IMF Monetary and Capital Markets Department (MCM), in Cambodia and Indonesia. The objective was to put systems and practices in place to control the risk of macro-economic instability identified in the earlier *Financial Sector Assessment Program* in Cambodia (2010) and in the agreed *Action Plan* in Indonesia. These programs complement other IMF initiatives in South East Asia.

Strengthening Cambodia's Financial Stability Framework

Cambodia is attempting to build a modern macroeconomic framework despite severe capacity constraints partly caused by the genocidal conflict in the late 1970s, which destroyed a large part of the educated population. Japan has funded several IMF technical assistance programs to help with this effort, including work on risk-based supervision in the financial sector.

In 2013 MCM began a three-year program "Strengthening the Financial Stability Framework in Cambodia". Its budget was \$1,515,122 and it envisaged providing the services of IMF experts from headquarters plus 18 short-term experts.

The IMF is working with the National Bank of Cambodia (NBC) to improve its capability to manage and resolve crises, to improve its risk assessment skills and to produce standard Financial Stability Indicators (FSIs). This will strengthen the institutional capacity of the NBC to undertake financial stability analysis and reporting.

Some increases in capacity have been achieved quickly. These include:

- A new Financial Stability Unit (FSU) has been established to undertake financial stability analysis and reporting.
- The quality of financial sector data has been enhanced and the integrity of information has been significantly improved.
- Tools for financial sector risk assessment and for financial stability analysis have been introduced and analysts trained in their use.

- A crisis management and resolution framework is now in place including arrangements for information sharing and coordination among various regulators and government ministries.
- The staff capacity in general is now better fitted to produce periodic, high-quality Financial Stability Reports.

In the long run, it is expected that better financial stability analysis will support policymakers by identifying vulnerabilities and improving the scope for effective and timely policy responses. This, in turn, will contribute to financial sector stability and economic growth.

An Interim Assessment notes that the first issues addressed were integrity and data quality. Objectives in these areas were largely achieved. Progress has been somewhat slower than initially hoped because Cambodia has many initiatives underway; including several supported by Japan, but has limited capacity to do them all at the same time.

Deepening Indonesia's Financial Markets⁵⁵

Macro-financial stability and economic growth in Indonesia need deeper financial markets and a greater range of financial products. This is essential so that domestic savings can be better mobilized to fund investment. Some market inefficiencies are longstanding and some policy and regulatory constraints resulted from the financial crisis of 2007-2008.

⁵⁵ IMF MCM Financial Markets Deepening, MCM-IND-2014-01.

At the start of this program the IMF agreed on a three-year action plan with the Ministry of Finance, the Bank of Indonesia (BI) and Otoritas Jasa Keuangan (OJK). The action plan focused on money markets, capital markets and the foreign exchange market. These priorities took into consideration IMF's expertise and the areas covered by other providers of technical assistance in the Indonesian financial sector, particularly the World Bank and the Asian Development Bank. Imple-

mentation of the action plan has a budget of \$1,175,572 to provide the services of 18 short-term experts. The IMF will also send missions of experts from headquarters.

Monetary Operations Advisor for Lao and Myanmar

IMF MCM has placed a regional advisor on monetary operations in Myanmar and Laos in Bangkok.

JAPAN'S SUPPORT TO NATIONAL STATISTICS

5.1 Capacity Development by the IMF Statistics Department

The Statistics Department of the IMF (STA) provides TA and training in support of the analytical and policy needs of the IMF, member countries, and the international community.⁵⁶ Expenditures on capacity development (TA and training) accounted for about half (54%) of STA's budget in FY2013.⁵⁷

During FY2010-FY2013 STA achieved some important goals with TA. They include:

- Significant improvements in the national accounts and price statistics of several countries, including Bangladesh, Bhutan, Maldives, Mongolia, Bosnia, Moldova and Vietnam;
- Improved external sector statistics in countries that included Bhutan, Fiji, Mongolia, Nepal and Sri Lanka;
- Participation in General Data Dissemination System (GDDS) by Iran, Palau, Papua New Guinea, Myanmar, Samoa, Timor-Leste and Tuvalu;
- Improvements in the compilation and dissemination of Government Finance Statistics in Samoa, Kiribati, Bangladesh, Nepal, Sri Lanka and Vanuatu.

⁵⁶ STA's activities encompass: addressing data gaps; data management and publications; standards for data dissemination; statistical methodologies; capacity building (TA and training); support for surveillance; and international statistical coordination and cooperation.

⁵⁷ STA's TA program is characterized by the promotion of internationally accepted statistical methodologies and compilation practices, emphasis on regional projects and working with regional institutions, and collaboration with other donors and providers of TA.

5.2 STA's TA Strategy

STA's strategy focuses on improving macroeconomics statistics methodology, both in individual countries and regionally. Good data is a cornerstone of IMF TA and Training. STA is guided by the IMF's *Regional Strategy Notes*, diagnostic missions, and reports on the observance of standards and codes (ROSCs).⁵⁸

STA provides four types of TA.

- Developing a sound foundation for producing data. This requires the technical ability to collect, edit, compile, impute and disseminate data.
- Developing new data series where none exist;
- Improving data that are produced but have shortcomings; and,
- Ensuring that data are of a sufficient quality and are fit for use.

In FY2013 there were five JSA-funded long-term experts (LTX) deployed by STA. There were three LTX in national accounts statistics in the European JSA-funded program, one LTX in balance of payments statistics (Asia Pacific countries); and one LTX in government finance statistics (for Asia).

STA provides training through regional and national seminars and workshops. Particular courses and events are managed directly or through ICD's regional training centers.⁵⁹ STA often takes a regional approach to TA to

⁵⁸ STA provides TA in statistical fields that include national accounts, prices, government finance including public debt, monetary and financial statistics, balance of payments, external debt, foreign direct investment and data dissemination.

⁵⁹ However STA has not, as a rule, worked with the *Singapore Regional Training Institute* (STI), which is a significant user of JSA funds. (See Chapter 6) In response to our query, one IMF staff member said: "The JSA program guidelines emphasize Japan's preference to conduct regional training/workshops in one of the beneficiary countries and preferably in the most cost effective location. Depend-

strengthen coordination among member countries. A STA regional manager leads the TA program in each of the IMF's five regions.

5.3 Statistical TA funded by Japan, FY2010-FY2013

By FY2013 STA was active in JSA-funded Programs in five areas:

- National Accounts and International Comparison Program: Asia and Pacific
- Real Sector Statistics: Eastern Europe
- Government Finance Statistics: Asia Pacific
- General Data Dissemination: Papua New Guinea, Iran
- External Sector Statistics: Asia and Pacific

The total dollar value of JSA-funded TA programs approved during FY2010–FY2013 was US\$113.1 million, of which STA's share was \$21.56 million (18%). Of this amount STA spent \$7 million (34%) by April 30, 2013.⁶⁰ In comparison, the rate of take up of funds for other JSA-funded programs was 50.2% during the same period. This largely reflects STA adopting the program approach a year later than other IMF departments.

Figure 5.3-1 shows the cumulative expenditure on each of the five STA programs at the end of FY2013. The average was 34%. In general the implementation rate for STA Programs has been slower than would be needed to meet a three year completion schedule. The spending rate

ing on the group of countries participating in the training, STI has not always been the most cost effective venue. STA has held only one JSA-project-funded workshop at the STI (a one-week external sector workshop that was relocated to STI from Bangkok because of political disturbances in 2013)".

⁶⁰ Implementation accelerated in FY2014. IMF STA states that it reached 70% by the end of FY2014.

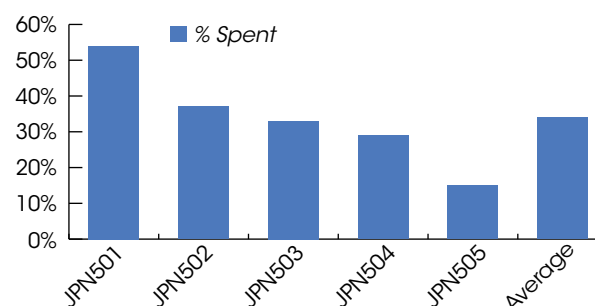
Table 5.3-1: STA Budgets for Five JSA-funded Programs¹

STA Program	Budget	Percent of Total
JPN 505	\$4,954,606	24%
JPN 501	\$4,654,394	23%
JPN 504	\$1,299,603	6%
JPN 503	\$4,959,450	24%
JPN 502	\$4,715,490	23%

Source: See Appendix 2, Table 1

JPN501= National Accounts and International Comparison Program: Asia and Pacific; JPN502= Real Sector Statistics: Eastern Europe; JPN503= Regional Government Finance Statistics: Asia Pacific; JPN504 = General Data Dissemination: Papua New Guinea, Iran; JPN505= External Sector Statistics: Asia and Pacific.

Figure 5.3-1: Expenditure at April 30, 2013, as a Percentage of Initial Budgets (JSA-funded STA programs)



Source: See Appendix 2, Table 1

Notes: JPN501= National Accounts and International Comparison Program: Asia and Pacific

JPN502 = Real Sector Statistics: Eastern Europe, JPN503 = Regional Government Finance Statistics: Asia Pacific

JPN504 = General Data Dissemination: Papua New Guinea, Iran, JPN505 = External Sector Statistics: Asia and Pacific

is important because four of the five programs are not sufficiently advanced to make definitive assessments of their performance.

Table 5.3-2: Total STA TA Person Years (internally funded and externally funded) and JSA-funded Person Years, FY2010 to FY2013

Fiscal year	Total person years (internally and externally funded)	JSA-funded person years of STA TA	JSA Portion (%)
2010	27.33	5.82	21.3
2011	24.26	2.03	8.4
2012	28.64	2.34	8.2
2013	37.03	9.27	25.0
Total	117.26	19.46	16.6

Source: Appendix 2, Tables 4A and 7A

Figure 5.3-2 shows the use of person years in the implementation of JSA-funded programs.

After JSA changed to a program-based approach, funding of statistical TA lost momentum and only regained it in FY2013. (Table 5.3-2)

One can see that there was a substantial decrease in JSA-funded person years from FY2010 to FY2011; and the lower level of funding was maintained in FY2012. During this period three of the five IMF regions did not receive

any significant statistical assistance funded by the JSA. In FY2013 however there was a large increase in STA person years funded by the JSA.

5.4 Précis of Statistics Programs funded by Japan, FY2010 to FY2013

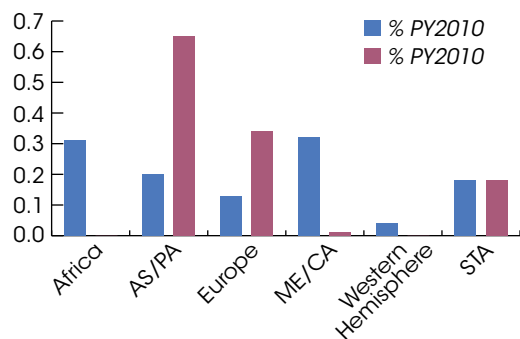
National Accounts and International Comparison Program (ICP): Asia and Pacific⁶¹

This program focuses on estimates of GDP by expenditure aggregates, and price indices. The participating countries are Bhutan, Cambodia, Fiji, Indonesia, Laos PRD, Maldives, Mongolia, Nepal, Philippines, Sri Lanka, Thailand, and Vietnam.

Real Sector Statistics: Eastern Europe⁶²

This program aimed to improve accuracy and consistency of annual GDP estimates, sound quarterly national accounts, improved quality of consumer and producer price indices, accurate imports and exports price indices, improved coverage of merchandise trade statistics and participation in the GDDS or subscription to the SDDS.

Figure 5.3-2: Regional Distribution of Person Years among JSA-Funded Programs and Projects, FY 2010 and FY 2013



Source: See Appendix 2, Table 4B

⁶¹ This section draws on STA "Implementation of System of National Accounts and the International Comparison Program".

⁶² This section draws on STA "Capacity Building for Sustainable Compilation of Real Sector Statistics in Eastern Europe".

Box 5.4-1. Better National Accounts and Economic Price Indices are essential to Government and Business

Funds from Japan have played an important role in establishing and improving countries' macroeconomic data that are essential to well-functioning economies.

Examples of Results

Bangladesh improved its consumer price index (CPI) and coverage of key sectors in its national accounts.

- Bhutan published its first producer price index in June 2012 and its first monthly consumer price index in June 2013.
- Maldives published a new consumer price index in July 2012.
- Mongolia published quarterly data on gross domestic product in mid-2012.

- Bosnia and Moldova published quarterly national accounts for the first time.
- Vietnam published improved quarterly GDP estimates in 2012 and continues to improve its QNA estimates.
- For several more statistically advanced countries, work has begun on the development of sectoral accounts and balance sheets.

Countries that benefited: Bangladesh, Bhutan, Cambodia, Fiji, Indonesia, Lao P.D.R., Maldives, Mongolia, Myanmar, Nepal, Philippines, Sri Lanka, Thailand, and Vietnam.

Participating Countries included Albania, Belarus, Bosnia & Herzegovina, FYR Macedonia, Kosovo, Moldova, Montenegro, Serbia, and Ukraine.

Regional Government Finance Statistics (GFS): Asia Pacific⁶³

This Program is helping upgrade government financial statistics (GFS), which is an important resource to enable better financial management. Twenty-six countries are receiving assistance under this program.

General Data Dissemination System (GDDS)⁶⁴

Japan helped two countries, Iran and Papua New Guinea, prepare and join the international General Data Dissemination System (GDDS).

Improved External Sector Statistics in Asia Pacific region⁶⁵

The program aims to improve the accuracy, availability, comparability, and timeliness of external sector statistics in the Asia-Pacific region. The participating Countries were Bangladesh, Cambodia, Myanmar, Nepal, Bhutan, Lao PDR, Maldives, Mongolia, Sri Lanka, Vietnam, Fiji, Kiribati, Marshall Islands, Micronesia, Palau, Papua New Guinea, Samoa, Solomon Islands, Timor-Leste, Tonga, Tuvalu, and Vanuatu

5.5 STA TA Projects' Performance

It is useful to consider the achievements of projects that were approved before our evaluation period but which were still being implemented. Such a comparison can potentially show whether the change to programs was a success.

⁶³ This section draws heavily on IMF, undated, Statistics Department, "Regional Government Finance Statistics".

⁶⁴ This section draws heavily on IMF, undated, Statistics Department, "General Data Dissemination System Program".

⁶⁵ This section draws on IMF, undated, Statistics Department, "Improved External Sector Statistics in Asia Pacific region".

Table 5.5-1: STA Projects' Achievement Ratings (IMF ratings)

Rating	Number of Ratings	Percent of ratings in each performance category
1 (nothing achieved)	25	11%
2	75	34%
3	84	38%
4 (fully achieved)	36	16%
Average Rating	2.59 on 1–4 scale	

Source: Data are from 23 annual assessments of five JSA-funded STA Programs by the IMF, Statistics Department.

Independent evaluations were conducted in 2010 and 2011. They rated projects against the same OECD/DAC evaluation criteria that we use. These also provide a useful point of comparison.

Project Performance Ratings by Independent Evaluation Teams

The first independent evaluation of the JSA⁶⁶ (2010) did not address STA projects specifically. The only references to STA projects are in relation to work in Cambodia and were based on the evaluation team's discussions with officials.⁶⁷

The second independent evaluation⁶⁸ of the JSA-(2011) included an assessment of statistical projects but not STA

Programs because none were yet in place.⁶⁹ The relevance of JSA-funded STA TA projects was good to excellent.⁷⁰ Relevance is maintained by STA project managers who spend about one quarter of their time managing TA project/programs and backstopping. Both efficiency and effectiveness were rated as good. Sustainability was rated as modest to good. The evaluators noted that sustained engagement and sustained results are sometimes ensured by follow-on projects funded by other donors.

On average, multi-country or regional projects received somewhat lower ratings than single-country projects.

Project performance ratings by IMF Project Directors⁷¹

We examined the ratings of projects by IMF Project Managers during our evaluation period. There were ratings for 23 such STA projects. The performance of these projects (in regard to their 219 objectives and outcomes) was rated

⁶⁶ This section is based on information from IMF, Global Partnerships (February 2010), "Independent Evaluation of the Japan Administered Account for Selected IMF Activities (JSA)", Washington.

⁶⁷ The 2010 Independent Evaluation report says with reference to Cambodia: "the Cambodian authorities emphasized the importance of the IMF/JSA TA to the country's reform process in strengthening statistical capacity." It goes on to say: "The JSA experts kept good relations with the NIS staff and provided adequate advice, with an understanding of the Cambodian context. Country ownership has been secured in the sense that the final decision would be made by the Cambodian authorities themselves, regardless of the inputs and advice the experts would suggest".

⁶⁸ This section is based on information from IMF, Global Partnerships (June 2011), "Independent External Evaluation: Japan Administered Account for Selected IMF Activities (JSA)", Washington.

⁶⁹ The projects were rated on a four-point scale against the standard OECD criteria for project performance — relevance, effectiveness, efficiency and sustainability. They were also assessed against "accountability" criteria (mainly mutual benefit to the recipient and to Japan).

⁷⁰ Projects were targeted to high priority needs of the beneficiary countries. TA was targeted well to countries whose need was greatest. This could include countries that were not yet in GDDS or countries without Standardized Report Forms (SRFs).

⁷¹ The data are from 23 project assessment of these projects prepared by the IMF, Statistics Department.

Table 5.6-1: Comparative Ratings for the Project and Program Approaches

Evaluation Criteria	Project Ratings circa 2011 (IMF)	Program Ratings circa 2013 An assessment by the Independent Evaluation Team
Relevance	Good to Excellent	Excellent
Effectiveness	Good	Good
Efficiency	Modest to Good	Excellent
Sustainability	Good	Modest to Good
Coordination	Good	Good
Visibility of Japan	Good	Good to excellent

Note: The rating for "Coordination" is not available explicitly and is part of a general rating as described on p. 68 of the 2011 evaluation referenced in footnote 9.
Source: See footnote 9 in the Independent Evaluation of the JSA, 2011.

on a four-point scale (4 indicated "fully achieved" and 1 "not achieved"). The average rating was 2.59 and the mode 3.0.

Approximately 16% of objectives/outcomes were fully achieved. About two thirds of the project objectives and targeted outcomes were substantially achieved. About one activity in 10 did not proceed and therefore achieved nothing (rated "1"). These results are similar to those observed by the 2011 independent evaluation team.⁷² Given the challenging context in which many projects were implemented this is, in our opinion, a good result.

5.6 STA TA Programs' Performance

During the current evaluation we assessed the JSA-funded programs that were approved during the period FY2010 to FY2013. First, we reviewed the achievement ratings that they received from their IMF Program Managers. This was not particularly useful because none of the programs were fully complete so the achievement ratings could not be fairly compared with earlier achieve-

ment ratings for completed projects. Understandably, since the STA programs were not yet complete, their interim achievement ratings were lower than those for complete projects.

Our assessment of how the new Programs are likely to rate, upon eventual completion, in comparison with earlier projects, is shown in Table 5.6-1 This overview assessment is based on our review of projects that were active during the evaluation period and by the survey ratings that are reported as "stakeholders' assessments" below.

Stakeholders' assessments of JSA-funded program performance

We sent a questionnaire to IMF program managers and experts and officials (counterparts) to elicit their views on two main topics: how did they rate the programs on the four criteria of relevance, effectiveness, efficiency and sustainability; and whether they perceive the JSA program approach to be an improvement over the project approach.

For STA programs, twelve staff and experts (12) and six officials (6) completed a questionnaire. The scale used for ratings in the survey was from 1 to 7. As shown in Table 5.6-2, responses were positive and the two groups gave similar ratings with two exceptions — IMF staff and

⁷² While the assessments are of a different type than the 2011 evaluation, the results are broadly similar. The 2011 evaluation was based on ratings of modest to excellent whereas the post 2011 IMF ratings of projects are for "not achieved" to "fully achieved". Both, however, use a four-point scale and, on this scale, the results are quite similar.

Table 5.6-2: Stakeholders' Assessments of JSA-funded Program Performance

Performance Criteria	Average Ratings (scale 1 to 7)	
	IMF Staff and Experts	Country authorities/officials
Relevance	6.5	6.3
Effectiveness	5.8	5.5
Efficiency	6.0	6.0
Sustainability	5.3	6.0
Coordination	4.7	7.0
Benefits for Japan	5.9	6.5
Is the program-based approach more relevant than the previous project-based approach?	6.8	n.a
Is the program-based approach more effective than the previous project-based approach?	6.7	n.a
Is the program-based approach more efficient than the previous project-based approach?	6.7	n.a
Is the program-based approach more likely to lead to sustainable results than the previous project-based approach?	6.6	n.a

Source: Independent Evaluation Survey of Stakeholders, January 2014. : IMF staff and Experts Questionnaire responses.

Notes: (1) Ratings are from 1 to 7. (2) Responses to the question on "Coordination" had three categories: excellent, well-coordinated; not well coordinated. To convert these to a 7-point scale, excellent was given a rating of 7, well-coordinated a rating of 4 and not well-coordinated a rating of 1. (3) "Benefits for Japan" are a simple average of ratings for "Stability, prosperity, open trading system", "Influence decision makers" and "Goodwill towards Japan".

Table 5.6-3: IMF Staff/Experts Ratings of JSA-funded Programs (Survey 2014)

Criteria	Average Rating (Scale 1 to 7)			Our Ratings
	IMF Staff and Experts	Officials	All	
Relevance	6.5	6.3	6.4	Excellent
Effectiveness	5.8	5.5	5.7	Good
Efficiency	6.0	6.0	6.0	Excellent
Sustainability	5.3	6.0	5.5	Good

Source: IMF staff and Experts Questionnaire responses, January 2014 and Table 5.5.

experts are less positive about sustainability and about IMF coordination with other donors.

We asked IMF staff and experts directly whether the new program-based approach was preferable to the previous projects-based approach and they reported that it was.

In Table 5.6-3 we compare three sets of assessments from: staff and experts, officials, and our own. Again, they are similar with the exception that our rating on

sustainability is similar to that of staff and experts and, therefore, less positive than that of officials.

In Table 5.6-4 we summarize the responses received to a number of questions regarding the potential for significant improvements in the program approach. Respondents thought there is room for improvement in four of the six performance areas: effectiveness, efficiency, sustainability, and building capacity. On two aspects, relevance and innovative practices, their view was that the current set-up was as good as could be expected.

Where the STA Program covered several countries the client officials were aware of this. This was not always the case with other IMF areas and the difference perhaps reflects the STA practice of having regional Entry Workshops for each Program.

At the level of information sharing, STA TA appears to have been well coordinated with other donors and other IMF activities. (Table 5.6-6)

Most respondents state that the Program provided an excellent contribution to capacity.

One respondent made the following comment:

“.... I think that for a number of reasons more support is required to achieve a more substantial and lasting success. I found that most countries expressed interest in receiving more practical guidance The training and guidance that is delivered by the IMF is often helpful but it remains on a conceptual level. I think that some countries would benefit a lot from more practical help implementing requirements.collecting and sharing information between countries on implementation practice would help improve data quality more than just providing conceptual advice.”

One official (counterpart) had the following views on program performance:

“Only one mission was received. One mission without significant follow-up is not efficient. More investment of resources was needed. One mission does not have a sustained effect.”

Another official commented:

“Human resources of recipient countries are stretched.”

On the topic of monitoring an official commented:

“Some (performance indicators) need to be developed to evaluate the entire statistical system.”

Table 5.6-4: Potential for further Improvements in the Program Approach

Potential for Significant Improvement	Majority Response
Relevance	No
Effectiveness	Yes
Efficiency	Yes
Innovative practices	No
Sustainability	Yes
Building capacity	Yes

Source: IMF Staff and Experts Questionnaire responses, January 2014

Table 5.6-5: Awareness that the Program covered Several Countries

	Number of respondents (out of a possible 7)		
	Yes	No	All respondents
(Officials/Authorities Only)	5		5

Source: IMF Staff and Experts Questionnaire responses, January 2014

Table 5.6-6: How well was the Program coordinated with other Activities?

	Percent of respondents		
	IMF staff and Experts	Officials/ Authorities	All respondents
Coordination			
Excellently coordinated	33.3%		23.10%
Well coordinated	55.6%	100%	69.20%
Not well coordinated	11.1%		7.70%
TOTAL	100%	100%	100%
Number of Respondents	9	4	13

Source: Survey of Stakeholders, Jan. 2014 Question 5

Table 5.6-7: Benefits to Japan as the Funder of STA TA Programs

(IMF Staff and Experts Only)	Average Ratings (Scale 1–7)		
	IMF staff and Experts	Officials/ Authorities	All respondents
Stability, prosperity, open trading system	5.8	6.5	6.2
Influence decision makers	5.6	6.5	6.1
Goodwill towards Japan	6.2	6.5	6.3
Number of Respondents	12	2	14
Overall benefits to Japan (officials only)	5.9	6.5	6.2

Note: Officials provided only an overall rating. Numbers for all respondents are simple averages

Source: Survey of Stakeholders, Jan. 2014 Questions 6.1, 6.2 and 6.3 (IMF staff and experts); and question 6 (officials)

Table 5.6-8: Degree of Success in building Capacity

Contribution to Capacity	Percent of respondents		
	IMF staff and Experts	Officials/ Authorities	All respondents
Excellent contribution to capacity	50.0%	80%	59%
Good contribution to building capacity	41.7%		29%
Modest contribution to building capacity	8.3%		6.0%
Small contribution to building capacity		20%	6.0%
Variable contribution			
TOTAL	100%	100%	100%
Number of Respondents	12	5	17

Source: Survey of Stakeholders, Jan. 2014 Question 8

5.7 Relevance, Efficiency, Effectiveness, Sustainability and Accountability of JSA-funded Statistics Programs

This is an interim assessment of five JSA-funded STA programs that are not yet fully complete.

Relevance

The relevance of statistics can be defined from a number of perspectives. First, are the data produced those that a country needs most? Second, are they of high quality?⁷³

⁷³ For a detailed discussion see, for example, Sheikh, Munir (2011), “Good Data and Intelligent Government” in *New Directions for Intelligent Government in Canada: Papers in Honour of Ian Stewart*, Centre for the Study of Living Standards, Ottawa.

This includes accuracy, timeliness and consistency. It relies on appropriate sampling, data collection, editing and imputation, data confrontation, weighting and adjustments. All these factors affect relevance.

Relevance is clearly high in terms of the focus of the JSA-funded TA, the quality of the data and the emphasis on accessibility and use. The national accounts and the data that are needed to produce them are universally important. It is one of the main areas of JSA-funded TA. The JSA has also funded essential inputs to the accounts such as real sector statistics, external sector statistics and GFS. A new JSA program on Financial Sector statistics was approved in FY2014. The IMF has made significant contributions to improving

data quality.⁷⁴ As well it has funded data dissemination in the form of GDDS.

One weakness in relevance, however, is the fact that only two regions of five received significant JSA-funded statistical TA. There were no Programs in Africa and Western Hemisphere. And JSA-funded activity in the Middle and Central Asia was scaled down. Asia and Pacific and Eastern Europe experienced substantial increases. Relevance, looked at from the perspective of spending TA resources where the needs are the greatest, would suggest that this is probably not an optimal pattern of resource allocation. Japan naturally has a great interest in Asia. However as a major country and economy, Japan has interests in other regions as well. Of course the IMF Statistics Department worked in these other regions but did not use JSA funds to do so. Therefore, the relevance of the JSA and the visibility of Japan was somewhat constrained.

⁷⁴ An aspect of relevance that needs some elaboration is the production of quarterly national accounts (QNA) for some countries. There are pros and cons for producing QNAs. In favour of quarterly series, it is important to be aware of most recent developments and the QNAs provide the most comprehensive picture of developments on the real side of the economy. Against the production of quarterly data series there is the important issue of the quality of QNAs that could be produced given limited resources. It is useful to keep in mind what the national accounts are: they are not an independent data source but are rather a compilation of aggregate national data using large sources of input data from all parts of the real economy in a manner that forces consistency across these various data sources. Hence the quality of national accounts is dependent upon the completeness of input data and their quality. If there are large deficiencies in that, the quality of national accounts would be adversely affected. Therefore, in the presence of resource constraints, there is a difficult choice to be made between spending these resources on improving critical input data into the accounts and producing quarterly accounts. In many cases, it would be advisable to improve input data, particularly when an economy does not fluctuate much cyclically, its input data are weak, and certain indicators may be available to give guidance on cyclical changes without resorting to full-fledged QNAs.

In our judgment, the relevance of each of the five Programs implemented by the IMF Statistics Department is excellent. However, because of limited regional coverage, the relevance of the JSA-funded STA portfolio as a whole during FY2010 to FY2013 is good but less than excellent.

In FY2014, which is largely beyond the scope of this evaluation study, the allocation across sectors and regions may have been more balanced.⁷⁵

Effectiveness

We looked at two indicators to determine effectiveness — what was accomplished and the resources used. STA has published several briefs that describe its accomplishments.⁷⁶ Successes include the following:

- Fiji disseminated data on balance of payments and its international investment position (IIP) and improved the timeliness of data dissemination. In addition, the authorities redesigned several balance of payments surveys.
- Mongolia started to participate in the *Coordinated Direct Investment Survey*.

⁷⁵ In FY2014 the Office of the Executive Director for Japan, in response to our evaluation questionnaire, said that, in its opinion, funding across sectors (IMF Departments) and regions was optimal or close to optimal.

⁷⁶ IMF, Statistics Department, (2013): “Improved External Sector Statistics in the Asia and Pacific Region”; Asia And Pacific Countries: Implementing the System of National Accounts and the International Comparison Program”; South-Eastern European Countries: Building Capacity for Sustainable Compilation of Real Sector Statistics”; Program to Substantially Increase General Data Dissemination System (GDDS) Participation”; Asia And Pacific Countries: Developing Government Finance Statistics Compilation and Dissemination Capacity”; Enhanced Data Dissemination Initiative (EDDI) for Africa”; Developing Financial Soundness Indicators (FSIs) Compilation and Dissemination Capacity in Asia-Pacific and Africa”.

- Sri Lanka made good progress in compiling initial estimates of its Index of Industrial Production (IIP).
- Nepal made good progress in improving the classification of foreign exchange transactions in the balance of payments, and in compiling estimates of its IIP.
- Iran, Palau, Papua New Guinea, Samoa, Timor-Leste, and Tuvalu have begun participating in the GDDS.
- Samoa has published a revised annual and quarterly series of GFS and Public Sector debt data; Kiribati has begun submitting GFS data for dissemination by the IMF; and Bangladesh, Nepal, Sri Lanka, and Vanuatu have resumed reporting GFS data to the IMF.
- Burundi joined the GDDS in August 2011. Mauritius subscribed to the SDDS in February 2012.
- Ghana has begun to publish international investment position statistics for the first time.
- Ghana, Kenya, Namibia, Nigeria, Rwanda, Tanzania (including Zanzibar), and Uganda now publish constant-price quarterly national accounts. Botswana, Mauritius, Mozambique, Tanzania, and Uganda now publish national summary data pages. Botswana, Mauritius, Rwanda, and Uganda now publish advance release calendars.
- Kenya, Mauritius, Seychelles, and Uganda now publish financial soundness indicators.
- Five countries of East African Community (Burundi, Kenya, Rwanda, Tanzania and Uganda) have agreed on a framework for harmonizing monetary statistics, a key step toward their objective of achieving a monetary union.

Despite these successes, more could have been done to achieve objectives. The three-year expenditure rate of 34% of the available resources should be compared with what was expected and feasible. If one assumes that most Programs will expend their budget fairly evenly over three years then, allowing for STA's late start, about 2/3 of

its STA funds should have been expended by the end of FY2013 or 66%, almost double what was achieved.

The main reason given for lack of better progress is that TA is country-demand-driven and a number of factors made demand for statistical TA weak. We agree that country ownership is important and can be a constraint, and governments often do not give statistics the priority it deserves. However, the IMF must also take its share of the responsibility. It has the flexibility to reallocate JSA resources across countries. We would expect to see slow progress in some countries but proportionately faster in others.

Our assessment is that much progress has been made but falls short of what was desirable. STA was slow to initiate JSA-funded programs and has been slow to implement them.

Our rating of the effectiveness of the JSA-funded TA is good, with some room for improvement, which is consistent with that revealed in the stakeholder survey results by IMF staff, IMF experts and country officials.

Figure 5.7-1: Program Expenditure per Country in the five JSA-funded Statistical Programs, FY 2010 to FY 2013

(Dollar Thousands per country)

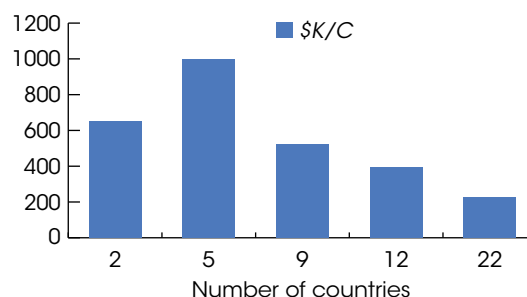


Table 5.7-1: Dollar Expenditures and Person Years, STA, FY2010–FY2013

Fiscal Year	Program Expenditure(\$000)	Program PYs	Project Expenditures (\$000)	Project PYs
2010			2070	5.82
2011	156	0.1	947	1.93
2012	1650	2.15	556	0.2
2013	5198	9.27		
Total	7003	11.51	3573	7.95
Average Expenditures per PY (\$000)	608.43		449.43	

Source: IMF, STA 2014

Efficiency

A useful way to define efficiency in the context of statistical projects is to determine the amount of output in relation to inputs. We have developed two indicators as proxies to capture efficiency. The first is the amount of program budget per country for the five programs and the second is the amount of program expenditure per person year of statistical experts deployed.

JSA programs that cover a large number of countries tend to budget smaller amounts per country on average.

While there are a number of challenges in comparing financial and person year data, there does not seem to be any systemic reason why such challenges have affected program and project data differently apart from the change to the new IMF costing regime in 2009 which affects all Programs but not the projects approved before that date and continuing into our evaluation period.⁷⁷ We

⁷⁷ The financial data does not necessarily include the costs of internally-financed TA but rather might cover only the donor-financed components of TA. Practices vary across Departments. IMF staff submits time sheets and the project/program managers by and large submit accurate estimates of their time spent on particular JSA programs for management/backstopping. However other staff, including staff outside HQ and senior staff at HQ find it difficult to record time in small increments and therefore might not record time against a particular JSA program that they worked on. There have been several proposals but as yet no agreement on how to take general and adminis-

conclude that on average, an expert year in the new JSA program context has deployed greater funds than under projects, \$608,430 per PY or \$2331 per expert day, compared with \$449,430 per PY or \$1721 per expert day. However this variation may reflect variations in travel expenses (which are included in both figures), and the higher figure includes some general price inflation during the past three years.

STA generally held Entry Workshops, both regionally and nationally for its Programs, and this appears to have helped efficient implementation.

Our assessment of the efficiency of JSA-funded STA Programs is that it was good to excellent, which is consistent with the ratings in our survey of IMF staff, experts and country officials.

Sustainability

There are credible arguments in support of the greater sustainability of STA programs compared with projects. However, given that none of these TA programs is finished, it is difficult to evaluate sustainability.

trative (G&A) overhead into account in ascribing loadings to professional time and direct expenses. Also, in contrast with most advisory TA, training programs include large costs other than expert time and expert travel.

Our assessment is that the prospects for sustainability are good, which is consistent with the observations of IMF staff and experts but less optimistic than that of country officials who rate it closer to excellent.

Summary Observations on Statistical TA

Continue to build on the program-based approach

Given the participating countries' level of statistical expertise, we conclude that the program approach focused on important areas for the development of statistics is superior to the project approach. Nevertheless there have been some undesirable effects during the initial phase. For instance the program approach has led to concentration of statistical resources in two regions at the expense of others. It would be unfortunate if potentially high quality projects are not financed because an "omni-bus" Program is not in place to contain them.

Given the general success of the program-based approach, STA should use this approach in other funding contexts as well, but without abandoning the project modality where it makes sense. STA TA programs can be complemented by *ad hoc* data collection activities that are needed in the short-term to obtain improved statistics in key areas.

Outputs produced efficiently and in good time.

Effectiveness so far has been good to excellent. However, progress has been slower than desired and the rate of program spending is about half of what was expected. STA programs were slow to be designed and approved and slow to be implemented, once approved. Country ownership matters, but the IMF carries a share of responsibility too.

The IMF STA, as a trusted advisor, must take some responsibility for achieving results. The Fund is often

the most credible voice in encouraging countries to improve their data and in reinforcing the importance of good data to economic growth and social development. It is therefore important for the IMF (functional departments and area departments) to play a bigger role in encouraging countries to take data production and use very seriously.⁷⁸

The arguments that the program approach leads to more sustainable results are credible. However, given that the average rate of JSA STA program spending to date is only 34% and none of the five programs is complete, it is difficult to be definitive about sustainability. We believe, however, that sustainability is likely to be a strength of the program-based approach in the medium and long-term.

Continually stress the importance of data quality

All five STA programs funded by JSA have been highly relevant. However, relevance is affected by data quality. The success of each of these depends upon the quality of data the countries produce. There are many technical aspects of data quality that are crucial such as sampling, editing and imputation, data collection, data confrontation and accuracy. It may be useful, therefore, for STA to document the present state of national statistics and any improvements made in the foundational areas in the current year for each country in which it is active. (This is perhaps more doable in the area of national statistics than

⁷⁸ One perceptive comment by an IMF expert to the evaluators was as follows: "The ongoing reorganization of STA, with a three-pillar structure focusing on (i) methodologies, (ii) data and surveillance; and (iii) capacity development will be conducive to a more structured approach in this area. STA will develop country scorecards on all topical areas and use them to inform our dialogue with member countries and help improve decision-making on TA. In the same vein, the work on the STA catalogue under the RBM framework is quite advanced, which should highlight outcomes of TA — including what is needed on the data compilation and dissemination side — much more than at present."

it might be in other IMF functional departments; and STA has plans to produce country scorecards by FY2016.)

5.8 Looking Forward — Japan’s Support to Technical Assistance in National Statistics in FY2014

In FY2014 the JSA funded three new STA programs, plus one that was jointly delivered by STA and Fiscal Affairs Department (FAD). One program is in *Financial Soundness Indicators* (FSI) and two involve placing resident advisors to support key sectoral statistics in Myanmar, Lao PRD and Bangladesh.

The geographic scope of Japan’s support to statistical technical assistance is theoretically very broad. For example, in the area of Financial Soundness Indicators (FSI) the IMF STA has targeted twenty countries in Africa (10 Anglophone and 10 Francophone) and 11 target countries in Asia and the Pacific (APD) that need to improve their financial soundness statistics. In Asia the focus is on Myanmar, Bangladesh and Lao PDR. However there were no initiatives in the Western Hemisphere and none specific to Pacific island states.

The link to a broader international agenda is good. The need for much better economic statistics to guide policy became clear during the 2007-2008 general financial crisis. Consequently a call for better statistics in the financial sector to facilitate prudential monitoring was a prominent feature of the *G-20 Data Gaps Initiative*.⁷⁹

⁷⁹ A STA expert noted: “We agree with this argument, but the G-20 Data Gaps Initiative goes beyond financial sector statistics. It includes 20 recommendations to address data gaps in four areas: (i) build-up of risks in the financial sector; (ii) cross-border financial linkages; (iii) vulnerability of economies to shocks; and (iv) improving communication of official statistics. The 20 recommendations affect all statistical topical areas, including national accounts, prices, GFS, FSIs, external sector statistics, and debt, in addition to the focus mentioned here on better statistics in the financial sector.”

STA’s initiatives in FY2014 strengthened the use of resident advisors. We have recommended in this evaluation report that, whenever feasible, the IMF should provide resident advisors where country capacity is limited and major transitions in systems and practices are to be attempted during the JSA-funded program period.

It is noteworthy that the IMF Statistics Department, in our opinion, does two things particularly well. First is providing assistance within a structured and modularized work plan that has a logical progression towards international standards; and, second, using regional workshops and/or single country Entry Workshops. The use of Entry Workshops is a good practice that we believe should be followed by all IMF departments whenever feasible. (See Chapter 8, section 7 d)

Improving Financial Soundness Indicators

Japan has funded a three year Program to improve Financial Soundness Indicators (FSI) in Asia and the Pacific, and in Africa. The program involves:

- Identifying needs and target countries in Africa and Asia/Pacific
- Entry workshops to establish country commitments and Action Plans
- Placing resident advisors in key locations (South and South East Asia to date)
- Training statistical experts in TA procedures and practices and providing their services to committed countries
- Providing statistical tools such as standardized spreadsheets to simplify the calculation of Financial Soundness Indicators from source data.

In the first year of the program the IMF STA held three workshops. The workshop in Bali attracted officials from 13 countries in Asia and the Pacific, three more than were targeted. Workshops in Mauritius attracted 12 Anglo-

phone countries, two more than targeted, but only three Francophone countries although 10 had been targeted.

Each country that was represented at the workshops committed to prepare action plans and discuss their TA needs with senior management at home. The Action Plans provide a framework for results-based monitoring of each country's progress on FSI.

STA has since received TA requests from Bangladesh, Guinea, Rwanda, Nigeria, Lesotho, Swaziland, and Tanzania, and in line with the action plan schedule for the first financial year conducted missions to Bangladesh, Lesotho, and Swaziland. Staff also visited Tanzania to meet with the East African Community (EAC) Secretariat and Technical Working Group on macro-prudential statistics to build capacity in EAC partner states on the methodological aspects of FSI compilation and dissemination. As result of intensive work in the past year, Namibia, Nigeria, Rwanda, Tanzania, and Vietnam have posted FSIs on the IMF website, and Bangladesh, Botswana, Burundi, Lesotho, Thailand, and Swaziland have submitted their FSIs for STA's review.

STA Initiative: Resident advisors in low-capacity countries

In FY2014⁸⁰ Japan funded three new resident statistical advisors, one in real sector statistics (serving Bangladesh and the Lao PDR⁸¹), one in external sector statistics and another in government finance statistics (both serving Myanmar and the Lao PDR). These resident advisors provided an enhanced capability for the IMF to assist these countries that have particularly weak capabilities in statistics and extensive needs for better data to guide development.

⁸⁰ A three-year program.

⁸¹ IMF STA-APD 2014-20, Real Sector Statistics.

The Myanmar initiative will complement other JSA-funded concurrent initiatives in that country. Myanmar's low capacity and good receptivity at present has led the IMF to allocate the bulk of the support provided by the STA LTX to Myanmar. The External Statistics Resident Advisor is now based in Bangkok to enable him to work in both Myanmar and the Lao PDR reasonably efficiently.

Better statistics for economic management of the economy — Bangladesh and Lao PDR

In FY2014, the government of Japan approved funding for a technical assistance for Bangladesh and the Lao PDR to improve the compilation of real sector statistics. The JSA funded Program will continue for three years and has a budget of \$1,382,498. The new Program supports a resident advisor in Dhaka, who will provide TA to Lao PDR through frequent peripatetic missions. He will travel to Lao PDR periodically.

The technical assistance addresses three areas:

- National accounts
- Price statistics (Consumer and Producer price indices)

Until 2012, Bangladesh, as part of an IMF regional TA program funded by Japan, had received assistance in statistics from a peripatetic advisor. The IMF sent several missions to work with the Bangladesh Bureau of Statistics (BBS). There were limited results, due mainly to extremely low capacity and the lack of continuous engagement of the expert with the statistical office of the Government of Bangladesh. Two priorities of the Government of Bangladesh that will be addressed by the new Program are to improve the system for compiling the national accounts and to update and revise the consumer price index (CPI). TA in price statistics will be provided by peripatetic missions managed from headquarters.

Lao P.D.R. is one of fourteen countries participating in the Project on the *Implementation of the System of National Accounts and the International Comparison Project* (SNA-ICP), which was approved in early 2010 and will conclude in April 2015. The funding for this project has been provided by the Government of Japan through

the Japan Administered Account for Selected IMF Activities (JSA). A particularly intensive and sustained effort is needed in Lao PRD because of its extremely low capacity. For instance the development of price indices that reflect international standards and best practices is a critical priority for the authorities but progress has been slow.

JAPAN'S SUPPORT TO THE IMF SINGAPORE REGIONAL TRAINING INSTITUTE

Japan has supported professional training by the IMF in a number of ways. Its objective is to build capacity in recipient countries in the areas of IMF expertise. In this evaluation study we examined two modes of training. First, the largest JSA contribution to training during FY2010 to FY2013 was its support of the Singapore Regional Training Institute (STI), which is part of the IMF Institute for Capacity Development (ICD). That is the focus of this chapter.

Second, training workshops were a frequent component of JSA-funded Programs delivered by all IMF functional departments. Those activities are considered in the chapters of this report on each functional department.⁸²

The JSA's funding of other modes of training, in particular the Japan-IMF Scholarship Program for Asia and the Japan-IMF Scholarship Program for Advanced Studies, are beyond the scope of this evaluation.

6.1 Introduction to the Singapore Regional Training Institute (STI)

The Singapore Regional Training Institute (STI) was established in 1998, after the Asian Financial Crisis, as a joint venture of the IMF and the Government of Singapore. Its operations are funded by Japan, by its joint venture partners and, in small part, by Australia.

STI provides training on macroeconomic and financial management, and related legal and statistical issues. Government officials from thirty-seven countries in Asia and the

⁸² The IMF Institute for Capacity Development (ICD) was established on May 1, 2012. The new Institute merged the earlier IMF Institute and the Office of TA Management. The Singapore Regional Training Institute (STI) is a component of ICD.

Figure 6.1-1: Course Subject Areas in FY 2013

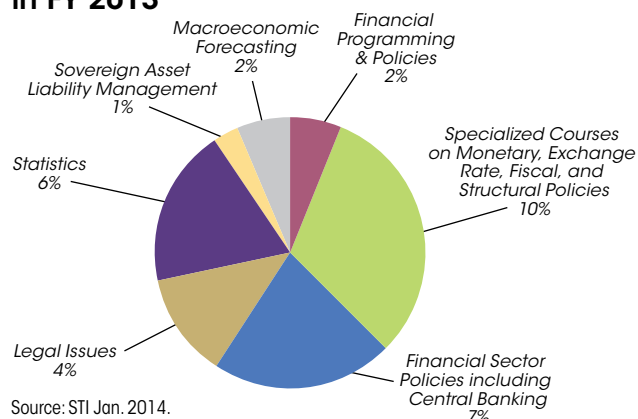
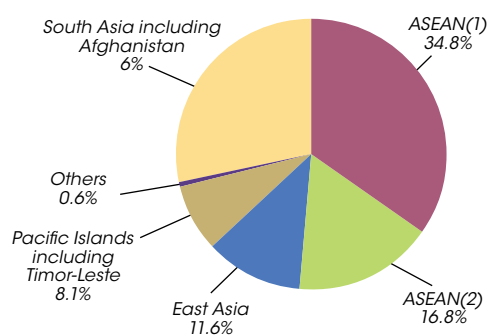


Figure 6.1-2: Participants' Home Locations in FY 2013



Note: Regional Country Groups — **South Asia**: Afghanistan, Bangladesh, Bhutan, India, Iran, Maldives, Nepal, Pakistan, Sri Lanka; **ASEAN(1)**: Brunei, Indonesia, Malaysia, Philippines, Singapore, Thailand; **ASEAN(2)**: Cambodia, Lao PDR, Myanmar, Vietnam; **East Asia**: China, Hong Kong SAR, Korea, Macau SAR, Mongolia; **Pacific Islands**: Fiji, Kiribati, Marshall Islands, Micronesia, Palau, Papua New Guinea, Samoa, Solomon Islands, Timor-Leste, Tonga, Tuvalu, Vanuatu; **Others**: Australia, Czech Republic, IMF.

Pacific are eligible to participate. In FY2013 STI presented nineteen training events at its facilities in Singapore and one national course and two regional courses outside Singapore. 569 officials, mostly from central banks and departments of

Box 6.1-1. Japan Funds Triennial Meeting of Training Directors of Asian and Pacific Central Banks and Ministries of Finance

In January 2013 the Singapore Regional Training Institute (STI), with the support of Japan, convened the third triennial meeting of training directors from central banks, finance ministries and other agencies across the region. Thirty-six senior officials attended. This initiative, pioneered by STI, has become an important venue for key human resource managers to confer on capacity development needs, and to provide guidance to STI on their needs and priorities. Some of the messages from the attendees were:

- Many central banks and ministries will have high recruitment and training needs in the next several years because of expansion of their cadre of professional economists and high turnover.
- Some have their own capacity development strategies and a few have in-house training programs which they supplement with external training.
- There was support for better coordination of IMF advice, TA, and training.
- There was broad agreement on the potential usefulness of e-learning modules to supplement traditional face-to-face learning.
- Training directors welcomed STI's introduction of new courses on Macro-Financial Surveillance, Early Warning Indicators, and Financial Inclusion; and expressed a need for training on a wide range of economic and financial topics.
- There was a consensus that the JSA-funded courses provided by the STI were excellent. This was based largely on agencies' own assessments of the effectiveness of IMF training courses, ranging from post-course questionnaires to before-and-after testing of knowledge and skills. In many cases the effects of the training are multiplied by IMF course participants giving a seminar on their return to their workplace and sharing materials.

Table 6.1-1: Outputs of the Singapore Regional Training Institute FY2010 to FY2013

Activities	CY10	CY11	CY12	CY13	Totals
Courses In Singapore	26	26	31	29	112
Courses In other locations	4	5	4	3	16
Total number of courses	30	31	35	32	128
Number of course weeks	50.6	54.4	56.6	51.4	213
Number of participants	944	909	1042	957	3852
Number of participant weeks	1563	1597	1702	1549	6411

Source: Singapore Regional Training Institute, Jan. 2014

finance, spent 981 person weeks in training. During the past four years 128 courses were given, attended by 3852 officials. (See Table 6.1-1) In addition, the STI presents a seminar each year for senior officials.

6.2 JSA Support of the Singapore Regional Training Institute

During the period examined by this evaluation the Government of Japan (JSA) approved two programs in sup-

Table 6.2-1: STI Expenditures Covered by the JSA, FY2010 to FY2013*(In U.S. dollars)*

STI Expenditures	FY10	FY11	FY12	FY13	Totals
Drawdown of the JSA	884,935	3,095,579	2,297,833	2,478,913	8,757,260
Participant costs	487,222	941,696	772,415	734,875	2,936,208
LTX costs, including travel	309,434	298,175	436,115	565,429	1,609,154
STX costs, including travel	88,279	322,411	322,141	234,452	967,283
Professional staff costs, including travel	–	1,470,355	750,909	932,807	3,154,072
Facilities costs					–
Support and administration	–	62,942	16,253	11,350	90,544
Other					–
Total	884,935	3,095,579	2,297,833	2,478,913	8,757,260

Source: IMF ICD, Feb. 2014. Note: Years 2010 and 2011 include expenditures under the old and new framework accounts, i.e. expenditures in those two years include 13% and 7% trust fund management fee respectively.

Table 6.2-2: STI Expenditures Covered by the JSA and other IMF Funds, FY2013
(In Singaporean dollars)

STI Expenditures	FY13		Totals
	JSA	Other	
Participant costs	734,875	687,463	1,422,337
LTX costs, including travel	565,429		565,429
STX costs, including travel	234,452		234,452
Professional staff costs, including travel	932,807		932,807
Facilities costs			–
Support and administration	11,350	71,931	83,281
Other		2,854	2,854
Total	2,478,913	762,247	3,241,160

Source: IMF ICD, Feb. 2014.

Assumed exchange rate Singapore \$ to US \$0.79935

port of the STI, one for \$6,095,058 in FY2010⁸³, and one for \$6,900,000 in FY2013.⁸⁴ They were approved on the basis of medium-term work plans submitted by the STI.

⁸³ INS STI 2010 02.

⁸⁴ INS STI 2013 01.

In FY2013 Australia contributed \$70,902 in short-term expert expenses.⁸⁵

6.3 Assessment of STI against evaluation criteria

We assessed the STI against the criteria of relevance, efficiency, effectiveness, sustainability, cooperation with partners and the visibility of Japan as funder. The evaluation included observations at STI in Singapore, interviews with IMF staff, with experts and course participants, and interviews with IMF resident representatives, experts and officials in three participant countries (Indonesia, Philippines and Cambodia). We also undertook a survey of stakeholders in JSA-funded TA and training.⁸⁶

⁸⁵ This figure includes the IMF's 13% administrative fee.

⁸⁶ The survey covered 28 JSA-funded programs during the period from FY2010 to FY2013 inclusive. Only two of these Programs were in support of the Singapore Regional Training Institute. Therefore, although the response rate was 100% in the STI sub-sample the absolute number of respondents was small, seven in total.

Relevance of STI Courses

The large numbers of participants each year in STI courses is evidence of its continuing relevance. The evidence of relevance would be stronger if there were a price test rather than the courses being provided free, with participants' travel expenses being paid by the IMF. Nevertheless we believe that relevance is clear; and this was confirmed by our interviews with officials in central agencies in several countries and by responses to our questionnaire. Officials, experts and IMF staff rated relevance of STI courses at 6.5 or higher out of 7.0.

One respondent to our survey said:

“Overall, the program does well at reaching a very diverse group of participants. At the end of every course I can honestly say I see the fruits of our efforts. For instance, at the end of a Financial Programming course of 2 weeks I often see participants who had limited ability to conduct an insightful macroeconomic policy discussion at the outset, taking on initiative and leading discussions during our group presentations.

The biggest strength of the Program is in the staff. I have worked as an economist at several agencies, and I find the average level of IMF economists to be very high. They know not just the academic material but also have the policy insights, and the STI manages to bring some of the best lecturers here. Moreover, there is the continuing desire to learn from the participants, it is a two way interaction, and to upgrade the course content and materials. Also the STI's support staff is extremely professional at managing the large volume of courses.” (Respondent 03)

The STI maintains its relevance in several ways. The STI, the IMF Area Departments and Functional Departments meet country representatives at the IMF Annual Meetings and Spring Meetings to discuss, among other things, training needs. STI also convenes a triennial meeting of training directors from regional member

country central banks and departments of finance. The meeting provides a forum for discussing training needs. It may be that the triennial meeting is sufficiently frequent but, putting aside the issue of cost, a meeting every second year might be better. It might also be advantageous to broaden the attendance by involving other providers and funders of professional training, such as universities, the World Bank and the Asian Development Bank.⁸⁷

At the 2013 meeting, training directors noted that the current rapid expansion of the staffs of central banks and departments of finance and the high turnover has resulted in the need to train a large number of entry-level professionals. This point was reiterated to us in our fieldwork. The Government of Cambodia, for example, intends to expand its cadre of economists in central agencies substantially in the next few years and has a proportionate need for training. However, as STI noted at the Training Directors' meeting, it does not have the resources to meet all entry level training requirements. Moreover, the value added of Fund training is best received by country officials that have already gained technical skills in their areas and have some policy experience on which to build.

One survey respondent suggested that more frequent contact with the Training Directors might be desirable.

“One important potential efficiency improvement is in the participant application process. STI organizes a meeting with training directors of all countries once every 3 years, in order to help improve this process. It is the training directors that provide STI with the pool of applicants,

⁸⁷ Sometimes the World Bank and the Asian Development Bank are seen as competitors to the IMF in the delivery of training. As independent evaluators we think that a collaborative approach would be more efficient and effective from the point of view of the recipient countries although perhaps more difficult to arrange.

but in some cases STI is provided with relatively poor fitting candidates. Hence, communication with the country authorities remains crucial.” (Respondent 03)

At the level of the individual participant, relevance is limited somewhat by the range of circumstances among regional member countries and the different prior qualifications that participants bring to the courses.⁸⁸

The selection process minimizes this problem by intensive review, by consulting with training directors on occasion, and by seeking the advice of IMF resident representatives and IMF country desk officers in regard to applications and nominations.⁸⁹

In regard to the relevance of the curriculum, two survey respondents suggested that the main case in STI’s flagship course, *Financial Programming and Policies*, which is based on the Asian Financial crisis of 1997, was outdated. STI is, in fact, updating its case material.⁹⁰

Efficiency and Economy of STI Operations

There are several ways of thinking about “efficiency”. Economists think of efficiency mainly as allocative efficiency — are resources used as well as they could be? Allocative efficiency is seldom achieved without a price mechanism and a market to equilibrate supply and

demand. Since STI courses are not only free but the IMF pays participants’ travel and living expenses in Singapore, it is doubtful that allocative efficiency is fully achieved.

The second kind of efficiency, operational efficiency (economy) is easier to judge. We observed operations in Singapore and were impressed with their efficiency. Our impression was reinforced by the respondents to our survey who rated efficiency above 6.0 on a scale of 1 to 7.

Another way to approach the issue of efficiency is to compare the costs per student day with benchmark training operations. Doing this rigorously is well beyond the scope of terms of reference.

In summary:

- (A) **Efficiency and economy of the training facilities.** In the 16 years since STI was founded, Singapore has become an expensive place. Courses could be presented more cheaply in other regional cities. However there are many advantages to Singapore as a central location for training, including the generous support by the Government of Singapore, and savings in the participants’ travel time because Singapore is a transportation hub with efficient infrastructure.
- (B) **Efficiency of the course module.** Another aspect of efficiency is the intensive training modules that are typical of STI courses. These use participants’ time well. From the point of view of their home departments, the one-to-two-week course module is generally an acceptable length of absence; and at STI it is an efficient length of time for a course to provide a balanced agenda of lectures and workshops.
- (C) **Efficiency of the course preparatory requirements.** While not required, several respondents to our survey questioned the lengthy suggested readings before courses coupled with a lack of any test of

⁸⁸One respondent to our survey said: “Much of the material was freshman level ... not appropriate to the better qualified participants in the course.” (Respondent 78) Another respondent said: “Much of the material was entry level ... good for me but not for some better qualified participants in the course.” (Respondent 04)

⁸⁹One applicant to our survey said: “Less experienced people should have been required to do more preparation before the course. Perhaps come to STI a couple of days early.” (Respondent 78)

⁹⁰Respondents to our survey said: *The main case study was Thailand during the 1997 Asian Financial Crisis. This is out of date. Why not deal with the European debt crisis for example? (Respondent 04) The case example (Asian financial crisis) was out of date although interesting. (Respondent 65)*

whether participants had in fact done the reading. One participant said:

“There was a lot of reading assigned before the course, which was difficult to get through. One or two exercises might have been more practical.”

In our opinion asking participants to complete some material on-line with programmed tests of understanding in advance is a reasonable prerequisite for participation in an STI course. The wide range of prior education and experience among participants is a challenge.

- (D) ***Efficiency of program funding compared with project funding.*** The shift of the JSA from project funding to program funding was advantageous to the STI. It provided greater security of funding over a reasonable period of time. Similarly it provided some additional certainty to the resident economist instructors. Contracts are still one year, which is less than optimal for recruitment but the availability of medium-term funding is more assured.

Effectiveness of STI Courses

At the end of each course the instructors and participants discuss the course. At the same time participants are asked to rate various aspects of the course on a scale of 1 to 5. There are four groups of criteria that are rated (14 criteria in total). They cover content, presentational methods, course value and administrative support.

We examined the participant ratings for 62 course presentations during FY2010 to FY2012. During this period the lowest average rating that participants gave a course was 4.3 out of 5; and the highest rating was 4.8. Most courses received an average rating between 4.5 and 4.7. These are excellent ratings.

Respondents to our survey also rated effectiveness highly (6.0 or higher on a 1-7 scale).

Sustainability of the Singapore Regional Training Institute

There are at least two aspects of sustainability that are relevant to this evaluation study. First, is the STI sustainable as an institute? This is a mixed picture. On the one hand, the donor commitment is strong, principally Japan and Singapore, with Australia making a small contribution. On the other hand the STI is entirely dependent on these few donors and does not generate any revenue of its own. Therefore, we judge its institutional sustainability to be modest.

Second do STI courses have a sustained impact? Our survey respondents gave high ratings on this criterion. (5.5 or higher on a 1-7 scale). ICD had found similar results earlier. Every three years ICD commissions a survey of the organizations that sponsor participants in IMF courses. The most recent survey was in early 2012.⁹¹ Responses were favorable and indicated that sustainability is strong. 97% of respondents stated that IMF training helped participants do their job better. Almost all respondents reported being satisfied with the results of the course and 77% reported being very satisfied. They said that their demand for IMF courses was likely to increase during 2012–2016.

About one quarter of the respondents to ICD’s general survey was from Asia and the Pacific, a group that corresponds approximately with STI’s clientele. The satisfaction expressed by this group mirrors the response by sponsors worldwide. It is interesting that about three quarters of sponsors said that course participants had been given added responsibilities or promotions as a result of IMF training.

This speaks well of STI courses but perhaps overstates the effect that one (or even several) two week course(s)

⁹¹ See the report of Harris Interactive. 2012 *IMF Institute Training Evaluation: Triennial Survey of Sponsors*, May 21, 2012. 579 organizations were surveyed and 42% responded.

might have on a young official’s career trajectory. It seems likely that officials selected for IMF training are a particularly capable group and that career promotions are a result of many factors. Nevertheless, making allowances for hyperbole from a grateful clientele, there are strong indications that the STI training courses have a sustained effect.

When asked how the IMF could better meet their training needs, the top three needs mentioned by Training Directors were:

- Country-specific training
- More specialized courses
- On-line courses with a residential component

6.4 Overview of STI’s Performance

To summarize, our general assessment of the work of the STI is as follows:

- The quality of STI training is excellent. STI courses achieve consistently high scores on all performance metrics — relevance, efficiency, effectiveness and sustainability, (See Table 6.4-1).
- Productivity is excellent. Outputs (person weeks of training) are high compared with the resources deployed.
- Awareness of and responsiveness to regional needs is excellent. Consultative processes work well. Clients are highly supportive of the STI.

Table 6.4-1: Ratings of STI’s Performance by Previous and Current Evaluators

Evaluation Criteria	Ratings circa 2011 ¹ (excellent, good, modest or weak)	Ratings circa 2013 ² (excellent, good, modest or weak)
Relevance	Good to Excellent	Excellent ³
Effectiveness	Good	Excellent ⁴
Sustainability	Not rated	Institutional sustainability modest: No revenue from courses but strong commitment by external funders (Japan, Singapore) Course impact sustainability excellent. ⁵
Efficiency	Not rated	Allocative efficiency modest (There is no price mechanism to equilibrate supply and demand.) Operational efficiency excellent. ⁶
Coordination	Not rated	Good ⁷
Benefits to Japan	Good	Excellent ⁸

¹ Philipsen, F., Petrie, M. and P. Ugolini. (June 2011) Independent Evaluation of the Japan Administered Account for Selected Fund Activities. Section 9.1.5 Summary Assessment of INS and LEG projects, p. 115. This assessment used a 4 point scale 1 to 4, described as excellent, good, modest and weak. See Annex 1 of that report “Evaluation Approach and Methodology”.

² The “circa 2013” ratings are made by the evaluators who were the authors of this report and were based upon a review of Project documents, responses to a survey and interviews with stakeholders.

³ In our survey, country authorities (officials) rated relevance as 5.5 out of 7; IMF staff and contracted experts rated it 7.0.

⁴ In our survey, authorities (officials) rated effectiveness as 6.0 out of 7; IMF staff and contracted experts rated it 6.7.

⁵ In our survey, authorities (officials) rated sustainability as 6.5 out of 7; IMF staff and contracted experts rated it 6.7.

⁶ In our survey, country authorities (officials) rated efficiency as 5.5 out of 7; IMF staff and contracted experts rated it 6.7.

⁷ In our survey, all country authorities and all experts except one rated the work of the STI as “well-coordinated”.

⁸ In our survey country officials rated benefits to Japan very highly in terms of goodwill and in terms of indirect benefits from a more stable and efficient international trading economy in general and better governed trading partners.

- Use of IMF staff members who are highly qualified in both theory and practice is effective in training.
- STI operations provide good value for money for Japan and good visibility for Japan as funder.

Things that could be improved include: The use of new technologies and new media in course presentations

- More extensive links with IMF TA beyond the fiscal courses (training needs analysis should be conducted as part of each Entry Workshop⁹² for TA Programs)
- Semi-custom multi-site courses (core of international best practices with national cases)
- Required prior level of skills in economic reasoning, financial English and Excel)
- See below for further discussion of these points.

6.5 Observations on STI

(A) Innovation is essential to STI's future

STI's traditional course presentations are excellent but the direction in future is a shift from primarily residential courses to on-line courses with a residential component.

One respondent to our survey said:

“Unlike TA, delivering training can make good use of evolving technology. ICD has already launched the e-learning course at the Headquarters on Financial Programming and Policies that has replaced the Distance Learning FPP. (There is one-week of the FPP in this format.) This e-learning platform will soon be broadened to the regional train-

⁹² An “entry workshop”, as discussed earlier in this report, is a “kick-off” event for a JSA-funded program that brings together representatives of all participating countries, IMF staff, experts, and other stakeholders, to consider the baseline situation(s), the policy and implementation issues, the Program objectives and the roadmap to guide implementation.

ing centers and applied to other courses (e.g. Debt Sustainability). Eventually, this course could be offered as a massive open online course (MOOC) on the accounts of the four sectors, interrelations, and basic analysis of the economy.” (Respondent 98)

STI's traditional model of face-to-face training (lectures, cases, group exercises) is an excellent one when delivered in intense one and two week sessions with participants in residence. ICD and STI are innovating in a world of professional training that is changing rapidly towards new technologies such as multi-media Internet-based courses. Nevertheless, we believe that more investment is needed to develop courses that are partly on-line and partly residential. For instance a course that has traditionally required two weeks in residence might be redesigned to require one week.

One example of innovation by the IMF is the recently piloted⁹³ on-line version of the course *Financial Programming and Policies* (FPPX). STI is considering requiring future applicants to the residential course in Singapore to complete the FPPX online first. If this proves practical it would enhance the experience of all participants and go a long way towards equalizing the capabilities of entrants at the start of the residential course. The standard of discussion during the residential course would be higher if all participants had previously completed the FPPX online. However this prerequisite would be much more demanding of participants' total time commitment. The practicality of asking participants for about 100 hours of preparatory work prior to the residential course is yet to be tested. It is a challenge that course participants vary widely in their level of prior studies in macroeconomics and related fields.

⁹³ A compact-disk-based version of the course was previously offered by the IMF. It involved 10 weeks of distance learning and two weeks in residence.

Videoconferencing is another technology that is improving rapidly in quality and price. State-of-the-art videoconferencing facilities are expensive but have the potential to transform the classroom. The technology can bring up-to-the-minute lectures into the Singapore classroom or from Singapore into other regional capitals, without the need for the lecturer to travel, which can have advantages in access, cost and effectiveness.

One important possible use of videoconferencing is to enable simultaneous multi-site presentations of some STI courses. Fully simultaneous recording, transmission and reception enable interactions between course attendees and lecturer. Presentations recorded in Singapore could be simulcast to other capitals. There are many possibilities. A course could be partly on-line, partly simulcast and partly in-person (with local “tutors”).⁹⁴ It is possible to imagine national courses conducted by a local trainer using national case material for some part of the course and connecting with Singapore for interactive sessions on international best practices at other times.

Of course, time differences between Washington DC and Asia are a constraint on the use of staff presentations at IMF headquarters. Even short of full simultaneity, lectures could be recorded in Washington and presented afterwards at STI or in national capitals, with a good deal of their immediacy intact, and with the video presentation followed by question-and-answer interactions between course participants and local tutors rather than with the lecturer at IMF HQ.

⁹⁴ Some believe that tutors would have to be IMF staff to maintain quality. The evaluators do not agree. There is a strong case that the main lecturers should, by and large, be IMF staff because in part they are presenting current IMF policy positions; but even that assumption is suspect. Competent lecturers and tutors in macroeconomics are widely available.

However STI’s facilities for the innovative use of new technologies are limited. One respondent to our survey said:

“No use of technology, really.”(Respondent 04) The same point was made by respondents 162, 65.

STI will need to invest in new technologies (hardware, software and facilities) to keep pace with the rapid technological change in the field of professional training. A medium-term strategic plan may be useful to guide its acquisition of new tools and capabilities to complement its core delivery model. It may also need a Chief Training Technology Officer to help implement change. Increased resources would probably be needed to make these changes.

(B) Training could be more closely linked to IMF surveillance activities

IMF training is linked to its bilateral and multilateral surveillance activities and advice to governments.

One respondent to our survey said:

“There is a need to further integrate training and TA provision. This is well understood by management and has in fact been stated as one of the priorities of the Institute. Several steps have been taken in this direction and I have myself participated in joint training/TA activities in the Pacific (in Fiji, organized by PFTAC) and for Myanmar (organized by TAOLAM).” (Respondent 03)

One vehicle for linking training and TA is its *Regional Strategy Notes* (RSN). The IMF links the two based on discussions at its Annual Meetings and Spring Meetings between member governments, ICD, the IMF Area Departments and the IMF Functional Departments.

The change to a program-based approach to funding TA may open a new avenue to connect training and advice — substantial entry workshops. JSA-funded

programs are longer-term and more substantial than the previous projects. Therefore Entry Workshops at the start of each JSA-funded TA Program may provide an opportunity to explore training needs linked to each Program in a way that was less practical when the JSA was funding a stream of small projects.

Entry Workshops for other JSA-funded programs provide an opportunity to link training needs analysis to proposed TA.

(C) STI alumni are a major resource that could be developed further

There are about 5000 STI alumni from courses that STI has presented over the past four to five years. These alumni, if cultivated, could play several roles including mentoring and helping identify good candidates for STI courses. As well, on-going development of their skills could be an important element of STI's strategy.

In the past STI has emphasized the throughput of new participants. In future this could be balanced with courses and events that help alumni develop their capabilities further. The strategy might include sequences of courses and refreshers. An alumni database could be kept up to date (not an easy task) and STI could distribute a periodic newsletter on the topic of mid-career training opportunities mainly related to IMF courses but carrying other information about the IMF and about training opportunities more broadly when appropriate.

(D) Client Groups and National/Regional Courses

Most STI courses are held in Singapore and aimed at a clientele in all 37 member countries in its catchment region. In FY2013 STI conducted only one "national" course. However, in each country we visited during this evaluation study we were asked to recommend more national training courses because that would enable more

officials to attend. This seems reasonable but we also believe that the distinction between "national" and "regional" courses is not a particularly useful one in a training world where technology has made simultaneous courses in several capitals possible. Each course can be a mix of national, regional and international modules that enable comparisons across several countries.

If STI were to consider in-country presentations in each of the 37 IMF member countries in its catchment, say once per country every three years, it would have to stage about 10 presentations outside Singapore each year. Three multi-site courses might be sufficient to achieve this target. This strategy would require more funds and more STI staff but it could reach many more people and therefore could be efficient and effective. STI staff doubts its feasibility without a large increase in resources.⁹⁵

Client groups

A broadly multilateral approach by STI will always be appropriate but some differentiation and targeting might be appropriate as well in future. In addition to the single country presentations mentioned above some sub-group courses such as a "small states" and "low-income countries" series of courses might be useful. In the case of multi-site simulcast courses this may mean developing customized case material rather than core material.

⁹⁵ One respondent to our survey said: "Conducting national courses for each STI member country is not feasible for two reasons. First, it is difficult for small countries to identify 30 qualified and suitable participants for a particular course. Second, we do not have the resources (staff and money) to organize and offer ten national courses per year. It would require additional administrative and economist staff at the STI. More importantly, participants highly value the chance to interact with peers in the region and exchange views."

(E) Partnerships and macroeconomic training regionally

Courses developed by the IMF but delivered by others may be less effective than courses presented by IMF staff themselves. The hands-on experience of IMF staff is a resource that is not easy to replicate. However the distinction should not be exaggerated. Good curricular materials delivered by non-IMF macroeconomists can be effective; and partnerships with other organizations, mainly universities, might be a way to multiply the IMF's training impact in Asia and the Pacific.⁹⁶ There are many potential partners among the training organizations, including universities that provide short-course professional training in Asia and the Pacific.

In 2013 STI presented only one national course and two regional courses outside its Singapore facilities.⁹⁷ In each country we visited officials asked for more courses and workshops in their country.⁹⁸

⁹⁶ One respondent to our survey said: "We agree that the experience of IMF staff is a resource that is difficult to replicate. We have tried "training the trainers" in some countries and it has not worked well. While we more than welcome collaboration with universities on seminars and research projects, we believe that IMF staff members are best placed to deliver the "IMF" courses in which we have a comparative advantage. This allows us to maintain quality."

⁹⁷ In 2013, the STI conducted one national course (Thailand) and two regional courses (Thailand and Sri Lanka). The Institute typically conducts one "national course" and two regional courses (under the auspices of SEACEN) outside Singapore. STI told us that if there is demand it can mobilize the resources, to deliver 5-6 courses outside Singapore. In CY 2014, STI plans to offer 5-6 courses in the region. Outside Singapore, STI conducted: 4 regional courses in 2012; 4 regional courses and 1 national course in 2011.

⁹⁸ One respondent to our survey said: "The IMF APD Area Dept. takes an overview of capacity requirements, partly in the Regional Strategy Note. (RSN) Recently ICD and APD have tested a Capacity Assessment Program (Cambodia). STI has coordinated and collaborated with PFTAC (2012 course in Fiji) and with other IMF departments to deliver certain courses (e.g. Fiscal Analysis and Forecasting course with FAD, Financial Regulatory Reform course with MCM). The STI also regularly collabo-

There is a strong demand for STI courses and workshops in member countries outside Singapore. Multi-site simulcast courses could be presented in IMF facilities or, more likely, in host government facilities or they could involve partnerships with universities. It might be worthwhile for Japan, through the JSA or otherwise, to fund facilities named in honour of the Japanese benefactor (the Ministry of Finance) or for an eminent Japanese macroeconomist.

(F) Financial sustainability and allocative efficiency through course fees

STI's annual budget is modest compared with its tasks. Cost studies would be required before new initiatives were attempted. Some would require a substantial increase in the JSA funds allocated to the STI.

When STI was established in 1998, in the wake of the Asian financial crisis of 1997, strengthening the capabilities of central banks and departments of finance was an urgent and immediate requirement that justified the IMF and donors assuming all costs. However sixteen years later Asian and Pacific countries are, with some exceptions, capable of bearing a significant part of the training costs for their central agency staff. However more study is needed to clarify member countries' willingness and ability to pay course fees.⁹⁹

We are aware that ICD has experimented with course fees at headquarters but is not presently charging fees.

rates with non-IMF organizations like the SEACEN Center and occasionally with the Asian Development Bank." (Respondent 98)

⁹⁹ One respondent to our survey said: "It is unclear whether many of the low income (and lower-middle income) countries in the region can bear some of the training costs. It would be good if we could do a survey and come up with a recommendation on a "co-payment." Our view is that the developed countries should provide a subsidy to the lesser developed countries, and this is being accomplished currently through the IMF providing training without a charge."

In principle rationing access to free training is not the best way to achieve allocative efficiency. Price signals are generally more effective than rationing. They can help identify participants who will receive the most value from each particular course. Also, participants who are paying rather than receiving free training will be generally come better prepared and be more demanding, and this can have good effects on course design and presentation.

An appropriate direction for STI in future may be towards a sustainable financing model that includes some payment for training services. The proportion of STI costs that might reasonably be covered by course fees should be considered based on a needs analysis and a willingness-to-pay study. Options in the range of, say, 20% to 50% of course costs covered by governments could be analysed.

(G) Participants' ability in Excel and in English

Several respondents to our survey commented on the limited facility in English of some participants. Participants need to be familiar not only with professional English but also with the complex terminology of finance and macroeconomics. Facility in English will determine how actively a person can participate in the course and how much he or she will benefit from it. Participants also need to be able to work in Excel to benefit from most STI courses.¹⁰⁰

Participation in STI courses requires at least basic proficiency in economics, English as a foreign language with attention to financial and macroeconomic terminology, and

the use of spreadsheet software (Excel). However STI has to rely on applicants obtaining these skills themselves.

(H) Visibility of Japan as the Funder

Japan's financial support to STI is visible to course participants because its role is communicated to them at the start and at the end of each course; and one of the two STI resident economists at present is Japanese.

One respondent to our survey said: *"Although financial contributions from Japan are duly mentioned at the opening and closing sessions, the visibility of Japan in the program is not high."* (Respondent 40)

Another respondent said: *"The visibility of Japan's contribution is high. During the opening and closing sessions of every course our Director explicitly explains to the participants that STI courses could not happen without Japanese funding and that STI is very grateful for this. I am personally a strong believer in the potential of capacity building. I believe this is overall a relatively efficient form of development assistance that can bring long-term benefits, both to the recipient countries and to their partners, like Japan."* (Respondent 03)

The visibility of Japan as donor could be increased in various ways. For example, given the substantial financial contribution by Japan, participation in the governance of the STI might be appropriate, perhaps through membership of the STI Executive Committee. Given agreement by the existing owners of the STI, the IMF and the Government of Singapore, appointment to the Executive Committee could in principle be open to any donor that provides major contributions over a sufficient period of time. For example it would be an innovation to include private Foundations or major business corporation but there might also be advantages such as better governance (independent Directors are increasingly an important feature of Boards) and different perspectives on approaches to professional training.

¹⁰⁰ One participant to our survey said: *"I think that the program does a good job at reaching those participants that have the necessary background, primarily in terms of basic economic reasoning, Excel skills and English. However, some participants, often from those countries that have the strongest training needs, do not have these prerequisite skills. To further improve the ability of participants to absorb the material, ways should be found to reach them with basic Excel and English training."* (Respondent 03)

Another suggestion was made by a respondent to our survey:

“If Japan wants to increase the visibility of Japan, it could host a regional course in Japan.” (Respondent 40)

(I) Course evaluation methods need improvement

At present courses are evaluated by self-reports by the participants and to a lesser extent, later, by their superiors. Those reports have been almost universally positive across all courses and across time. This is important information but it does not offer many opportunities for learning by STI. A more rigorous way to assess the immediate impact of a course is to test knowledge and skills at the start of the course and again at the end.

However, we are aware that these are mid-career courses and it is not appropriate for STI to become a staff testing authority on behalf of member governments. Therefore we suggest that the participants’ grades both at the start and at the end of the course should be confidential to STI and to the participant. The point is for both STI and each participant to have data from which to learn and for the participant to have clear and immediate feedback about his or her level of achievement. The best feedback to the participant may be his or her percentile rank among all persons who have taken the course.¹⁰¹

(J) STI’s strategy, structure, operations and results need to be evaluated periodically

A complex and important institution like the STI can only be partly assessed in this broader evaluation study of JSA-funded IMF programs. This evaluation covers 28

JSA-funded programs and about 100 projects that were active during FY2010 to FY2013. Therefore a single program (STI) can only receive a limited amount of attention. There is scope for a further in-depth evaluation of the STI alone.

At the course level, STI has full panoply of evaluation instruments to obtain feedback from participants and from their sponsors in home Departments. However the Institute has not been evaluated itself (its strategy and institutional capabilities). A periodic evaluation of the STI strategy, structure, operations and results would be useful. One possibility is that ICD or the IMF IEO could evaluate all training organizations and activities under IMF auspices including the STI. Another possibility is a periodic peer review of STI by a visiting team of heads of other training institutes, internal and external to the IMF.

(K) STI Course evaluation methods

As noted above, at present courses are evaluated by self-reports by the participants and, to a lesser extent, later, by their superiors. Those reports have been almost universally positive across all courses and across time. This is important information but it does not offer many opportunities for learning by STI. A more rigorous way to assess the immediate impact of a course is to test knowledge and skills at the start of the course and at the end.

6.6 Looking Forward — Japan’s Support to STI in FY2014

A collaborative approach to building capacity in Myanmar and Lao PDR

In FY2014 Japan funded a Program to improve the macroeconomic management capacity in two countries that have relatively low capacity for macroeconomic analysis and financial programming — Lao PDR and Myanmar.

¹⁰¹ The percentile rank is probably best expressed in regard to all previous participants in the course plus the participants in the current course, since the current course group is likely to be relatively small (30 or fewer) and may be idiosyncratic for some reason.

The Program is being implemented over two years, spanning FY2014 to FY2016, and has a budget of \$2,098,054.

The objective of the training provided under this Program is to promote transparent and market-oriented institutions, systems and practices. It has three main components:

- A tiered series of three or four *macroeconomic courses* each year of about 2-weeks in length that draw on materials provided by STI (especially on financial programming and fiscal policy) and MCM (monetary policy). Typically, these courses will be attended by 25 to 30 participants from Myanmar and Lao P.D.R.
- Two or three *high-level workshops/seminars*, each one to two days long, for 10 to 15 senior public officials focused on current issues.
- Building a *macroeconomic framework* specific to each country and provide training in its maintenance and use for forecasting, including country-specific technical assistance on macroeconomic programming.

The Singapore Regional Training Institute will prepare three or four course sequences. Each course sequence will be offered two or three times in Yangon and Bangkok. The courses so far include financial programming and policy workshops held in Laos and Myanmar and a fiscal analysis and forecasting workshop in Bangkok.

The Program is coordinated by an LTX based at TAOLAM in Bangkok who started in October 2013.¹⁰² He

is preparing a macroeconomic framework specific to Myanmar and to Laos. This framework will guide course design. In Myanmar the financial programming and policy courses supported the IMF Staff Monitored Program, and the training program is being coordinated with IMF surveillance visits. In Lao PDR, strengthening capacity for macroeconomic analysis is helping to build a better understanding of macroeconomic vulnerabilities flagged by the IMF's surveillance team.

The main product of the first four months implementation of the program in Myanmar was a seminar on modern central banking and macroeconomic and financial sector issues, including monetary policy and banking supervision involving a group of 30 officials from the Central Bank of Myanmar and other government agencies. Participants rated the course highly, on average 4.7 out of 5.

Translating this initial familiarity with macroeconomic analysis and the role of policies into effective macroeconomic policymaking in Myanmar will require the development of tools for conducting Myanmar-specific macroeconomic analysis, especially a macroeconomic framework for Myanmar. It will also require the assignment of responsibilities within institutions for conducting macroeconomic analysis and establishing procedures for doing analysis.

¹⁰² The Program is jointly managed by the IMF Asia and Pacific Department (APD) and the Singapore Regional Training Institute

(STI). The IMF intends to actively coordinate this Program with the assistance being provided to these countries by the World Bank and the Asian Development Bank.

JAPAN'S SUPPORT OF TECHNICAL ASSISTANCE BY THE IMF LEGAL DEPARTMENT

This chapter considers Japan's support to TA by the IMF Legal Department. However, there was no JSA-funded program during FY2010 to FY2012, the core period of the evaluation. The first JSA-funded Program led by Legal Department was "Enhancing the AML/CFT Framework in Myanmar" (JPN 301), approved in FY2013.

Therefore, this chapter addresses the performance of projects approved prior to FY2010 that were still active during our evaluation period; projects that were undertaken by Legal Department in support of JSA-funded programs led by other IMF departments; and the early indicators of performance of the Legal Program on the topic of Anti-Money-Laundering/ Combating the Financing of Terrorism (AML/CFT) in Myanmar (IMF Legal, Financial Integrity Group).

7.1 TA by the IMF Legal Department

The Legal Department (LEG) of the International Monetary Fund advises management, the Executive Board, and staff on the applicable rules of law; prepares decisions and other legal instruments and provides TA to member states in the following areas:

- Legislation particularly addressed to financial and fiscal matters, taxation, national budgets, foreign exchange and insolvency.
- Regulations and guidelines with particular emphasis on central banking and the financial sector of the economy.
- Anti-money-laundering and combating the financing of terrorism, and foreign exchange law.

7.2 TA Strategy of the IMF Legal Department

Traditionally IMF Legal Department has provided short-term experts for relatively small projects that were often identified and completed within a single fiscal year. Many legal projects were closely associated with work undertaken by other IMF departments that were providing advice and assistance to member governments.

Unlike FAD and MCM, the IMF Legal Department does not have a written TA strategy. The TA provided by Legal Department has been, in part, aimed at developing legal drafting capacity in beneficiary countries and, in part, involved experts to give legal advice and undertake legal drafting.

7.3 TA by the Legal Department, FY2010-FY2013

From FY2010 to FY2013, taking all sources of funding into account, the Legal Department of the IMF provided approximately 63 person years¹⁰³ of TA at a cost of \$33,926,797, approximately \$2067 per expert person day (including travel and all related expenses in addition to professional time costs). Of this, the JSA funded 1.49 person years of TA¹⁰⁴ at a cost of \$927,261, approximately \$2384 per expert person day (including professional time costs plus travel and associated expenses).¹⁰⁵ This amount was about 3% of all JSA funding.¹⁰⁶

Up to FY2010 the Legal Department drew significantly on JSA funds to deliver projects in the legal area. From FY2010 onwards projects were no longer eligible for new

¹⁰³ 2009 (8.5 person years); 2010 (12.3 PYs); 2011 (17.9 PYs); 2012 (17.6 PYs); and 2013 (15.2 PYs). Source: IMF ICD, Dec. 2013. See Appendix 2 Table 7A.

¹⁰⁴ See Appendix 2 Table 5.

¹⁰⁵ See Appendix 2 Table 6.

¹⁰⁶ See Appendix 2 Table 5.

Table 7.3-1: TA Expenditures by the IMF Legal Department and JSA-funded TA (not including the Japanese contribution to the AML/CFT Trust Fund)

Fiscal Year	Total TA Expenditure by Legal Department ¹	JSA-funded TA Expenditure by Legal Department	% JSA
FY2010	\$7,412,575	\$534,744	8%
FY2011	\$10,739,566	\$0	0%
FY2012	\$7,759,281	\$82,052	1%
FY2013	\$8,015,374	\$310,465	4%
Totals	\$33,926,797	\$927,261	3%

Source: IMF ICD, Dec. 2013

¹ See Appendix 2 Table 8.

JSA funding but projects that were being implemented were continued to completion under the terms and conditions originally approved. The Legal Department completed seven projects during FY2010-FY2013 that had been approved earlier. They are listed in Table 7.4.1.

The total budgets of these seven projects amounted to \$680,314, most of which was expended in FY2010. In that year JSA-funded expenditures on projects amounted to \$534,744. The Department worked in most geographic regions and the level of effort in each case was modest. Project budgets ranged from \$30,000 to \$229,400. The modest budgets were not necessarily indicative of the importance of the work. In some cases legal projects can have large impacts for small expenditures of resources or can be essential to the success of much larger projects.

In contrast to FY2010, the Legal Department did not draw upon JSA funds at all in FY2011. Projects were no longer eligible for JSA funding and the Department did not yet have either a stand-alone legal Program or legal components specified in other Departments' JSA Programs.

However the effective loss of access to JSA funding for Legal Department appears to have been more than offset by other sources of funds. In fact, the person years devoted by Legal Department to TA funded from all

sources increased substantially from 2010 (12.3 person years) to 2011 (17.9 person years).¹⁰⁷ In the following year, FY2012, the Legal Department drew on the JSA for a small amount of funding in support of legal components of other IMF departments' JSA-funded Programs which were being implemented for the first time.

In FY2013 the Legal Department had its first JSA-funded Program approved. It was a program to "enhance the Anti-Money-Laundering/Combating the Financing of Terrorism" in Myanmar. It had a three-year budget of \$1,269,557 of which approximately 20% was expended by the end of FY2013. In that year the 'Legal Departments drawdown of JSA funds was \$310,465 in substantial part¹⁰⁸ to fund its AML/CFT Program.

The AML/CTF Trust Fund

In addition to the JSA funds devoted to anti-money-laundering and combating the financing of terrorism, Japan contributed \$2 million to the *AML/CFT Topical Trust Fund*, which was implemented from FY2010 to FY2014 (five years). There were twelve contributors to that Fund providing a total of \$27.2 million. Japan's contribution to

¹⁰⁷ 2009 (8.5 person years); 2010 (12.3 PYs); 2011 (17.9 PYs); 2012 (17.6 PYs); and 2013 (15.2 PYs). Source: IMF ICD, Dec. 2013.

¹⁰⁸ \$242,759 was spent on the AML/CFT Program in Myanmar.

Box 7.1-1. Anti-Money-laundering and Combating Financing of Terrorism in Myanmar

Japan's funds have provided tools to the Government of the Union of Myanmar to prevent money laundering and the financing of terrorism. The IMF has trained the staff of the Central Bank of Myanmar (CBM) and the Government's Financial Intelligence Unit. In conjunction with that training, IMF experts have helped officials improve their tools and procedures for managing risks.

Funds from the Japan Sub-Account are expected to be an important resource over the next two years to enable the Government of Myanmar, and the Central Bank, to establish controls to prevent money laundering and fight the financing of terrorism. However in 2014 a great deal needs to be done to operationalize the risk management procedures that have been developed.

Table 7.3-2: Expenditures on TA by Legal Department, FY2010 to FY2013 financed by the AML/CFT Trust Fund

Fiscal year	AML/CFT TA
FY2010	\$ 2,419,910
FY2011	\$ 7,039,022
FY2012	\$ 6,614,830
FY2013	\$ 6,025,691
Total to April 30, 2013	\$22,099,453

Source: IMF ICD, Dec. 2013

expenditures each year can be taken as proportional to its overall contribution relative to the overall budget.

7.4 Performance baseline — Projects approved before FY2010

There were seven TA projects by the IMF Legal Department that were approved earlier and completed during FY2010-FY2013. The IMF ratings of outcomes achievement recorded in the final Project Assessments averaged 2.9 on a scale of 1 to 4 (not achieved to fully achieved). That is, the average achievement rating was approximately at the 75th percentile of possible ratings. (See Table 7.4.1)

Assigning quantitative scaled achievement ratings is a good practice and the Project Assessments as a whole are a good record of what was achieved. However the ratings

are generally higher than the similar self-ratings by other IMF Departments and some particular ratings appear high. For example, in one case objectives were assessed as “fully achieved” although only 4 of 8 target countries were assisted and the mission objectives actually achieved were considerably less ambitious than the original project objectives.

Independent Evaluation Ratings

The first independent external evaluation¹⁰⁹ of the JSA, which reported in February 2010, did not consider TA delivered by the Legal Department. TA by only two IMF Departments was discussed — the equivalent department of the present Monetary and Capital Markets Department (CM) and Fiscal Affairs Department.

The second independent evaluation¹¹⁰ of the JSA, which reported in June 2011, did rate the TA delivered by the Legal Department. Specifically the evaluators assessed three TA projects delivered by the Legal Department and rated them as shown in Table 7.4.2.

¹⁰⁹ Mitsubishi UFJ Research and Consulting. (Feb. 2010) *Independent Evaluation of the Japan Administered Account for Selected Fund Activities*.

¹¹⁰ Philipsen, F., Petrie, M. and P. Ugolini. (June 2011) *Independent Evaluation of the Japan Administered Account for Selected Fund Activities*.

Table 7.4-1: IMF Self-rating of TA Projects by Legal Department completed during FY2010–FY2013

Project ID	Region/Countries	IMF LEG Average Self-Rating of Outcomes (4 Fully achieved; 1 nothing achieved)
LEG_AFR_2007_07	African Countries	4.0
LEG_APD_2009_02	Asian Pacific Countries	3.3
LEG_BGD_2010_01	Bangladesh	1.5
LEG_LBR_2009_01	Liberia	2.0
LEG_MWI_2009_01	Malawi	3.0
LEG_PER_2008_01	Peru	3.3
LEG_ZAF_2007_02	South Africa	3.3
	Average	2.9

Source: IMF ICD Dec. 2013

Table 7.4-2: Ratings of TA Projects by Legal Department, FY2011 and FY2013

Evaluation Criteria	Ratings circa 2011 ¹ (excellent, good, modest or weak)	Ratings circa 2013 ² (excellent, good, modest or weak)
Relevance	Good to excellent	Excellent
Effectiveness	Good	Good
Sustainability	Good	Modest (Often Legal provides inputs in situations where there is significant risk to sustainability)
Efficiency	Unable to rate ³	Excellent (low cost, potentially high benefit)
Coordination	Not rated	Modest (Good communications but infrequent joint efforts.)
Visibility of the funder, Japan	Good (the same as other IMF Departments)	Low (due to a sharp decline in activity)

¹ Philipsen, F., Petrie, M. and P. Ugolini. (June 2011) Independent Evaluation of the Japan Administered Account for Selected Fund Activities. Section 9.1.5 Summary Assessment of INS and LEG projects, p. 115. This assessment used a 4 point scale 1 to 4, described as excellent, good, modest and weak. See Annex 1 of that report "Evaluation Approach and Methodology".

² The "circa 2013" ratings are made by the evaluators who were the authors of this report and were based upon a review of Project documents and interviews with stakeholders.

³ The evaluators declined to rate the efficiency of delivery of TA by Legal Department because of the small sample size.

The current evaluation reported in this document assessed seven JSA-funded Legal projects that were completed between FY2010 and FY2012. The ratings by the current evaluators are similar to but generally higher than those assigned in the previous evaluation with the exception of "sustainability". Sustainability risk tends to be significant and the IMF often has limited control over long-term outcomes. Therefore we believe that a sustainability rating of "modest" is appropriate.

7.5 Did the change from Projects to Programs improve Performance?

Legal Department staff and experts stated to us that, from their perspective, there was little difference between flows of small legal projects, each funded separately, and similar projects embedded in an "umbrella" Program. The change to a program-based approach did not necessarily improve the relevance, efficiency, effectiveness or sustainability of the Legal Department's JSA-funded TA. One respondent to our survey said:

“There are no significant differences between other projects that involve legal drafting delivered inside or delivered outside the context of an overarching program.”¹¹¹

Not until FY2013 was a JSA Program funded by Legal Department and then it was a special case. This was the “Anti-Money-Laundering, Combating the Financing of Terrorism (AML-CFT) Program” in Myanmar. This is a high-priority area for the IMF and for donors, including Japan, but it may not be among the highest priorities of the Government of Myanmar. This is evidenced by its slow implementation. It could be evaluated as part of a general evaluation of the AML/CFT Topical Trust Fund.

The JSA has been less relevant to the needs of Legal Department since the change to a program-based approach, because large stand-alone programs were not traditionally the focus or forte of the IMF Legal Department. Therefore the change to Programs led to a sharp decrease in JSA-funded legal activity. Before the change, the JSA funded a stream of relatively low budget, but often important, legal projects that were essential to the success of the broader IMF TA effort in the country.

7.6 Observations on LEGAL TA

The shift from projects to programs resulted in an unanticipated sharp downturn in JSA-funded activity by the IMF Legal Department that has only been partly restored four years later. In FY2011 the Legal Department did not draw upon JSA funds at all. Projects were no longer eligible for funding and the Department had neither a stand-alone legal Program nor legal components specified in the JSA Programs of other IMF Departments. The loss of JSA funding appears to have been more than offset by other sources of funds since the person years devoted by

Legal Department to TA increased substantially from 2010 (12.3 person years) to 2011 (17.9 person years).¹¹² However Japan’s visibility in this important area suffered from this shift away from the JSA.

Traditionally JSA-funded legal projects were small but often important components of wider TA to a member country. The legal TA involved the development of modern legal frameworks including the drafting of legislation and regulations. The JSA program-based approach appears not to be a good fit with the traditional role of Legal Department.

By the end of FY2013 Legal TA expenditures on the JSA-Funded AML/CFT Program in Myanmar had reached 11% of its three-year budget, well behind plan. In total the Legal Department’s annual drawdown of JSA funds in FY2013 was still substantially below the level three years previously. Capacity constraints in Myanmar and/or other priorities of the Government of Myanmar have slowed expenditures in the AML/CFT Program. Progress in FY2014 may be accelerated by the prospect of Myanmar being included on the Counter Measures List if supervision framework requirements are not met.

We have recommended in this report that an Entry Workshop should be convened for every JSA-funded program. These workshops may be a good forum for Legal Department to ensure that its potential contribution is considered early. One respondent to our survey said:

“In designing the (name stated) program, Legal department was not involved at the initial stage. Such involvement would have identified capacity weaknesses in the country earlier and may have led to a different approach to TA delivery.”¹¹³

¹¹¹ Respondent number 104.

¹¹² 2009 (8.5 person years); 2010 (12.3 PYs); 2011 (17.9 PYs); 2012 (17.6 PYs); and 2013 (15.2 PYs). Source: IMF ICD, Dec. 2013.

¹¹³ Respondent number 104.

Other Observations

A. Legal Department could benefit from a written TA strategy

A TA strategy for Legal Department could address several questions, including the appropriate balance between building capacity in the beneficiary government and directly providing advice and drafting assistance.

B. Legal Department needs access to small project funding in addition to occasional program-based JSA funding

Traditionally the IMF Legal Department drew upon the JSA to support short-term missions by experts to draft legislation or regulations as an important part of a reform in the financial sector. The expenditures were typically not large but the work was often an important component of wider reform. Indeed, sometimes it was the *sine qua non* for success in a wider IMF effort. The loss of JSA support for small but important legal projects was unfortunate. There are several ways that the problem could be addressed.

- (1) IMF Legal Department could propose an omnibus JSA-funded Legal Program which could pay for small projects in support of any active JSA-funded Program.

- (2) A more systematic effort could be made to identify legal components of other IMF Departments' proposals for JSA-funded Programs. For example, Legal Department could be routinely informed of each concept note, Program approval and upcoming Entry Workshop.
- (3) There could be a standing delegation of authority from Japan to the IMF ICD that a small part of all JSA-funded Programs (say 10%) in any year could be used for small projects that were not previously identified without specific approval.

C. Legal Department should participate in JSA Entry Workshops where legal issues are relevant

Legal Department could keep aware of concept notes, approvals and upcoming Entry Workshops for JSA-funded Programs. JSA funds should be available to send a legal department representative to the Workshop if the Department anticipates that legal TA might be needed as part of the Program. This would ensure that legal considerations will be an integral part of the Program Roadmap where necessary.

Two related recommendations stated above would help. Those recommendations were, first, the JSA should finance some small legal initiatives as well as major Programs as the need arises; and, second, there should be appropriate delegation of limited approval authority to ICD, to facilitate small initiatives.

JSA PROGRAM PERFORMANCE

Previous chapters have reviewed the performance of JSA-funded Programs delivered by different IMF Departments. This chapter presents an overview of the performance of all JSA-funded Programs across all Departments and all stakeholders.

The performance ratings are based on the results of the survey of stakeholders, on document review and interviews, on observations in the field and on the expertise of the evaluation team in the core areas of IMF TA. It is worth mentioning here that the survey data are robust. First, only stakeholders who had direct experience with IMF TA or training were asked to fill out a questionnaire.¹¹⁴ Second, the response rate was very high. The evaluation methodology is described in Appendix 1.

8.1 Benefits to Japan

There were many benefits to Japan, particularly in regard to access to and influence on decision makers in the recipient countries. There was a substantial positive effect on goodwill towards Japan. Also there were benefits to Japan from greater stability in the international economic community, investment and trade.

Stakeholders rated three areas of joint benefit as important and rated the contribution of the JSA as very good to excellent on each one. These areas were:

Joint prosperity and stability for Japan and its neighbors and worldwide

- Prosperous neighbors first regionally and then worldwide because of the beneficial influence of technical assistance by the IMF in relevant areas of government

(including public-sector financial management, tax, monetary policy, capital markets and banking, customs and excise, statistics, etc.).

- An international trading economy that is more open than it might otherwise be without the influence of the IMF technical assistance.
- An international economy that is more stable than it might otherwise be because of the macroeconomic policies and approaches supported by the IMF's technical assistance (link between IMF TA and IMF surveillance).

Increased access and influence for Japan

- Increased access by the Japanese government to IMF expertise in a collegial way (joint missions, workshops, use of Japanese experts on IMF teams).
- Increased influence of Japan on the IMF Board(s) because of its generosity as an important donor in support of technical assistance and therefore increased influence on IMF policies and approaches.
- Improved access to information about other governments' policies and intentions (joint missions).
- The prestige of a close association with IMF expertise in the cooperative context of technical assistance.

Increased good will towards Japan encouraged by the visibility of Japan's contribution to IMF technical assistance

- Visibility to recipient governments and public policy decision makers. Access to recipient governments' decision makers and awareness by those decision makers of the cooperative assistance provided by Japan.
- Visibility of Japan's funding to participants in JSA-funded events such as seminars, workshops and training sessions.

¹¹⁴ The stakeholders included IMF staff who had managed a JSA-funded Program, experts who had been hired to deliver part of the program, and officials who had received JSA-funded TA from the IMF.

Table 8.1-1: Benefits to Japan as donor to JSA Programs

(IMF Staff and Experts Only)	Average Ratings (Scale 1–7)		
	IMF staff and Experts	Officials/ Authorities	Number of ratings
Stability, prosperity, open trading system	5.3	N/A	46
Influence decision makers in the IMF and in recipient countries	5.3	N/A	39
Goodwill towards Japan	5.5	N/A	51
Overall benefits to Japan (officials only)	N/A	5.9	18

Source: Survey of Stakeholders, Jan. 2014 Questions 6.1, 6.2 and 6.3

- Visibility to the general public in recipient countries.

The evaluators asked JSA stakeholders about benefits to Japan. First they asked government officials a single question about benefits to Japan. Their ratings of likely benefits to Japan were very high (on average 5.9 on a scale of 1 to 7).

IMF staff and experts were asked whether the JSA contributed to Japan's interests in international economic stability, prosperity and an open trading system. They were also asked whether Japan's support of TA by the IMF was likely to increase its influence with decision makers in the IMF and in recipient countries. Lastly, they were asked whether the JSA generates goodwill towards Japan. The response was positive on all these dimensions (Average ratings of 5.3 to 5.5 on a scale of 1 to 7, Table 8.1-1). However a significant number of respondents (17%) had no opinion.

All stakeholder groups thought that officials of the Ministry of Foreign Affairs and JICA at Japanese embassies and Agencies in JSA host countries should be aware of the JSA programs and involved in activities related to them. This is a matter in which the Ministry of Finance has taken initiatives in the past and probably needs to continue to emphasize in the future.

Through its contributions to the JSA, Japan achieved important outcomes and was visible to recipient govern-

ments worldwide as the funder of 28 IMF TA Programs, involving more than 100 substantial activities, in 59 countries. Public visibility was less important than visibility with decision makers in governments. The latter was good to excellent.

One of the key principles of Japan's ODA policy is to mobilize Japanese expertise as a resource for capacity development programming. Involving Japanese experts has many benefits for Japan as well as the recipient countries, including mutual learning opportunities. Japanese expertise has, in fact, been used in some JSA-funded programs (STI, for instance), and the visibility of Japan as a generous donor has been generally good. However, continued attention to this is necessary. There are several possibilities.

Japanese official participation in Entry Workshops and resource planning: The Entry Workshop for each JSA-funded program is an ideal venue for Japan to have visibility and to participate in the planning of the forthcoming program. If Japanese officials attend they can help match the Program's needs for expertise with Japanese resources.

Japanese participation as long-term experts (LTX) and short-term experts (STX) recruited and paid by JSA-funded programs can probably be expanded. The use of Japanese experts would be facilitated by an

expanded Japanese presence in the IMF rosters of experts and through open advertising in Japan for experts when there is a LTX or STX position vacant. Over time more Japanese experts will gain experience with JSA programs and will become known to IMF program managers and this will help build the use of their expertise. A certain amount of time is needed for this to develop fully.

Japanese participation in IMF missions to JSA recipient countries. Japanese experts from the Ministry of Finance have participated with IMF staff in missions to recipient countries. This should continue. Of course it is not always possible for experts from the Japanese Ministry of Finance to take time from their duties to participate in JSA-funded activities; and the ability to work professionally in English is needed as well.

Japan is advised to take the initiative. The IMF Executive Director for Japan and his or her staff should be notified of the upcoming missions and find opportunities for Japanese officials or other Japanese experts to join those missions.

Japanese participation in the governance of JSA-funded programs. There may be opportunities to involve Japan in the governance of the JSA programs as well, on Program Steering Committees and Boards. If invited by the founding partners (the Government of Singapore and the IMF) Japan could play a role in the governance of STI.

8.2 Overview of Performance

In general JSA-funded TA was rated very highly by its stakeholders. Program performance was rated as good to excellent on most indicators, with the partial exception of 'sustainability', which was judged to be modest to good.

As Table 8.2.1 shows, average performance ratings by stakeholders varied from 5.2 to 6.5 (out of 7). Better ratings are unlikely in the difficult environment in which these programs were implemented. It is interesting that

the recipient government officials assigned higher ratings on effectiveness, efficiency and sustainability than the IMF project managers and experts did.

The relevance and efficiency of JSA-funded Programs were rated excellent by all. Effectiveness was rated as very good; and sustainability as variable. Officials believe that the visibility of Japan's contribution is excellent. IMF staff and experts believe that it has been good but could have been better. The Programs were well-coordinated, sometimes excellently coordinated, but coordination could have been deeper, with more joint efforts among TA providers.

Assessing overall performance of JSA-funded TA Programs, one respondent to our survey provided the following overview.

"From my side, the TA has been a huge success. I base this on what I have seen in the dozen or so other countries where I've been involved in supervision TA projects. This is attributable to a reform-minded Deputy Governor, a generally supportive internal environment within the sector, and the assignment of a more-or-less dedicated resource — the (name deleted) group I mentioned earlier — to help us drive change. Our project has also benefitted immeasurably from the many close personal relationships all three long-term experts have developed with (recipient government) staff over several years. I only say this could be improved in minor ways since I don't think there is such a thing as perfection in this business."¹¹⁵

Investment in the JSA has been a good fit with Japan's ODA objectives and priorities and is highly cost-effective. For a small annual investment in the JSA (about \$30

¹¹⁵ Respondent 29.

Table 8.2-1: The Performance of JSA-funded Programs (FY2010–FY2012)

Evaluation Criteria	Average rating by IMF project managers and experts (LTX, STX)	Average rating by officials in participating countries	Our assessment of program performance on a categorical scale
	Scale 1 to 7	Scale 1 to 7	Excellent, Good, Modest, Poor
Relevance	6.4	6.3	Excellent
Efficiency	5.7	6.0	Excellent
Effectiveness	5.6	5.8	Very good
Sustainability	5.2	6.2	Variable: Modest to excellent
Coordination	Well-coordinated with significant exceptions	Well-coordinated	Modest to good (good communications but few joint activities with other TA providers) Stakeholder ratings: 15% excellent; 65% well-coordinated; 20% not well coordinated.
Visibility of Japan	5.3 (See Table 8.1-5)	6.0	Good to excellent

Source: Survey of stakeholders, January 2014; and qualitative assessments by the evaluation team based on several sources of information including the Stakeholder Survey. The evaluator ratings were categorical. They are not a direct translation of the numerical ratings by officials and IMF staff. They take those ratings into account but they also draw upon the evaluators' observations, interviews and reading.

million compared to an ODA budget of about \$10.5 billion¹¹⁶) Japan has achieved some important objectives.

8.3 Resources

JSA-funded expenditures on TA and training fell to a low of \$12.483 million in FY2010 and recovered to \$25.085 million in FY2013. Even at the latter level, expenditures per program and per country were modest. Some stakeholders told us that some activities were not approved because of budget constraints and we observed that there were gaps in regional coverage that would require more funds to fill. In some cases the mode of TA (long-term advisor or cheaper short-term missions) was influenced by budget constraints. Therefore, on occasion, the IMF drew upon other sources of funds to meet country needs.

Three-year multi-country JSA Programs are typically budgeted around \$5 million but sometimes below \$2

million. These budgets are small per country and per activity.

Resource allocation during FY2010-FY2013 was less than optimal in other ways. There were some imbalances. For instance the IMF Statistics Department was slow to adjust to the Program approach; IMF Legal Department found the Program approach (as distinct from project funding) not to be a good fit with its needs; and there was relatively little JSA-funded activity in some regions (Western Hemisphere, for instance).

Overall there are indications that more JSA funding is needed. In FY2013 JSA expenditures exceeded new contributions by Japan for the first time in four years. During our fieldwork and in responses to our survey, government officials asked for more TA. In addition some of the recommendations we make in this report, such as the development of multi-site STI courses and the adoption of new technology, require larger budgets. Achieving balance in regional coverage would also require more funds. Larger Program budgets would also lead more frequently to the implementation of all planned activities

¹¹⁶ OECD DAC statistics show Japan's net ODA disbursements in 2011 to have been \$10.49 billion.

in all the targeted countries over the full lifespan of the Program. In general the evaluation team found that funding of JSA Programs was insufficient to meet recipient country needs.¹¹⁷

In summary, there are several reasons why Japan might wish to consider increasing its commitment to the JSA.

- Some unmet needs are relevant and important.
- Demand from recipient countries for IMF TA and training exceeds the supply.
- Some countries, Myanmar and Cambodia being examples, need a surge in resources over the next several years to support major economic transitions.
- Implementation of several of the recommendations of this evaluation report would require new resources.

This does not necessarily imply a permanently higher level of funding. Urgent needs indicate that there is a good case, from Japan's point of view, for higher funding during the next three to five years with reconsideration after that.

8.4 Did the shift from projects to programs improve performance?

The performance ratings for JSA-funded programs were higher than they were for the earlier JSA-funded projects. Interviews and observations in the field confirmed this. The shift to a programmatic approach improved efficiency and effectiveness.

¹¹⁷ Demand from member country authorities for capacity building (TA and training) by the IMF is considerably greater than the supply. There are many unmet opportunities within the scope of the IMF's core competencies for the Fund to assist low-and-medium-income member governments to develop the capacities needed to successfully undertake important transitions in their macroeconomic policies, systems and practices.

8.5 Relevance of JSA-funded activities

The evaluation team found that JSA-funded TA and training have been highly relevant to recipient countries, to Japan's policy objectives and to the IMF. Recipient countries rated the relevance of JSA-Funded TA very highly (on average 6.3 to 6.4 on a 1–7 scale, see Table 8.2-1). This was confirmed by our observations and interviews during field work.

Relevance may have been improved by the implementation of recommendations from the IMF *Task Force on TA Strategy* that reported in October 2011. In the following year the IMF adopted a new “*Capacity Development Strategy — Better Policies through Stronger Institutions*”.¹¹⁸

Relevance may also have been improved during this period as the Japanese Ministry of Finance began the useful practice of providing an annual memorandum on JSA priorities.

Relevance to Japan's objectives and priorities

We reviewed Japan's objectives in funding the JSA, based on documents in Japanese and in English, and based on interviews with the Japanese Executive Director to the IMF and his staff and on interviews with Japanese experts in the field. We also included several questions about benefits to Japan in our survey of stakeholders. We conclude that JSA-funded programs are highly relevant to Japan's objectives as stated in the 2010 ODA policy review and in JSA guidance memoranda from the Ministry of Finance. From Japan's point of view there are excellent reasons for continuing the partnership with the IMF to support TA programs.

Relevance to the IMF's objectives and priorities

From the IMF's point of view the partnership with Japan to provide TA is also relevant, indeed important. Japan

¹¹⁸ Two IMF Departments (MCM and FAD) also developed TA strategies.

continues to be the single largest donor to the IMF TA programs, though in recent years its share relative to other donors has declined a little — for example, from 46% in FY2012 to about 43% in FY2013.

8.6 Efficiency and Effectiveness

Effectiveness can largely be judged by the increase in recipient country capacity. There was a consensus among those who responded to our survey that, overall, the JSA Programs during FY2010 to FY2013 made a good to excellent contribution to recipient country capacity (see Table 8.5-1). Recipient government officials were particularly positive, with 67% stating that the contribution to capacity was excellent and a further 21% saying that the contribution to capacity was good.

Efficiency

The change to JSA Program funding had a positive effect on efficiency. The new concept of Programs was based on the wish to provide a coherent set of TA activities, based on a medium-term strategy, across several countries with similar needs.

Another advantage of the JSA's new program-based approach is that it enables the Japanese Ministry of Finance to interact with the IMF in an organized way with ample

opportunities to provide guidance on its priorities. The JSA Operational Guidelines (2013) also ensure that Japan's contribution is acknowledged appropriately.

We conclude that the change to Programs had good results. It facilitated medium-term thinking and results-based management, strengthened the regional perspective as distinct from a single country perspective, improved program design, made approval procedures more efficient, and provided useful flexibility in resource allocation across countries within a Program.

Nevertheless we believe that additional flexibility is appropriate. Some projects in special circumstances may be appropriate. The need for some flexibility in approving small projects outside the Program Framework is demonstrated by the needs of Legal Department which should be able to apply for JSA funding for either Programs or projects because many requirements for legal TA are inherently short-term with small budgets.

From the point of view of IMF Program managers a major advantage of JSA Programs, compared with projects, is that their multi-country multi-year design provided improved flexibility and consequently improved efficiency. Most often it seems that efficiency was only constrained by factors beyond the IMF's control.

Table 8.6-1: Contribution to Recipient Country Capacity

Contribution to Capacity	Percent of respondents		
	IMF staff and Experts	Officials/ Authorities	All respondents
Excellent contribution to capacity	43%	67%	52%
Good contribution to building capacity	35%	21%	30%
Modest contribution to building capacity	17%	9%	14%
Small contribution to building capacity	2%	3%	2%
Variable contribution, not possible to generalize	3%	0%	2%
Number of Responses	60	33	93

Source: Survey of Stakeholders, Jan. 2014 Question 8

Speaking of efficiency one respondent to our survey said:

“I would think that the efficiency of the delivery was appropriate. Nevertheless, one of the main difficulties faced as a resident advisor is to ensure that pace of delivery remains in phase with absorption capacity of TA recipients and pace of capitalization on knowledge, techniques, conceptual approaches newly delivered and to be acquired. To be effective, I would consider that the largest number of beneficiaries (in terms of headcount) should be “in line / following the pace”, which is not always possible. On top of that, it might be worth mentioning that a relatively high turnover (of government staff) was observed during my assignment and that the institution lost a part of its valuable elements who were also designated to be the future trainers. In this perspective, a stronger engagement from the beneficiary institutions should be looked for in order to ensure for keeping the resources needed to ‘manage the changes’ in a longer term perspective.”¹¹⁹

Another respondent said:

“If efficiency is viewed from the perspective of the TA Provider and the IMF as the back-stopper, it was very efficient. Efficiency, however, is wholly dependent upon the skill sets of the resident advisor and his/her ability to respond to the varied requests made by counterparts — which could range from reviewing legislation, to commenting on regulations, to training, to assisting on supervisory practices. To the extent the advisor can positively respond to the authorities’ request, it can be highly efficient. In addition, the IMF allocated only limited staff to “backstop” the on-the-ground advisor, leading to further efficiencies. On the other hand, if efficiency is measured by how well-organized the authorities are in absorbing TA- there is a lot of room for improvement.”¹²⁰

¹¹⁹ Respondent 32.

¹²⁰ Respondent 08.

8.7 Other aspects of program performance

(A) Awareness of the multi-country scope of the TA

About one third of the officials/authorities who responded to our survey on JSA Programs were not aware that the TA was provided as part of a multi-country program. This is not good. An important rationale for Programs rather than projects is that there will be synergies across countries. If the participants are unaware that other countries are involved then there cannot be synergies. (Table 8.7-1)

(B) Coordination

JSA Programs were generally well coordinated with other TA providers at the level of communications but not at the level of joint activities or directly coordinated activities. There were exceptions but not many. About one in seven JSA Project Managers and experts report that the Program was not well coordinated. (Table 8.7-2) This indicates a need for improvement perhaps in the form of more substantial coordination than simply informing other agencies of what the IMF intends to do.

One way to improve coordination is to convene an Entry Workshop that involves all stakeholders. This device brings stakeholders together and can produce a situation report, an intervention strategy and a task road map that can cover the efforts of all providers of TA in an area.

One respondent to our survey said: *“Given the wide spread resource challenges, capacity challenges and legal framework weaknesses, a strategic plan to deliver the TA should have been developed early ... (either at HQ or jointly by the resident expert and the [recipient country bank]). Such a strategic plan may have ensured a smoother flow of TA — as there have been three resident advisors*

Table 8.7-1: Awareness that the TA covered several countries

(Officials/Authorities Only)	Percent of respondents		Response rate	
	Yes	No	Number of Ratings	No opinion
Aware that the Program was multi-country	71%	29%	31	3
Rating of the multi-country approach (scale 1-7)	6.3	N/A	13	21

Source: Survey of Stakeholders, Jan. 2014 Question 7 (Officials/Authorities Only)

Table 8.7-2: Coordination with other TA Providers

Coordination	Percent of respondents		
	IMF staff and Experts	Officials/ Authorities	All IMF Depts. (staff and experts)
Excellent coordinated	25%	37%	29%
Well-coordinated	61%	59%	61%
Not well coordinated	14%	4%	10%
Number of Respondents	49	27	76

Source: Survey of Stakeholders, Jan. 2014 Question 7 (Officials/Authorities Only)

during the course of the program. Additionally, the strategic plan may have clarified for the authorities the reasoning for the pace and sequencing of TA on various topics. (For example, having parallel streams of work in the on-and-off-site supervision, or the sequencing of tasks for the development of supervisory procedures).¹²¹

(C) Flexibility

We also believe that some additional flexibility in resource allocation would be beneficial to all. Among other things such flexibility will help address opportunities and needs that arise for small projects.

(D) Entry Workshops

Every JSA-funded Program could benefit from an Entry Workshop. In our opinion Entry Workshops have considerable potential to improve Program coherence, to strengthen the regional perspective and to make JSA Pro-

gram designs more results-based. An Entry Workshops can also help build early momentum in implementation and show Japan as the funder.

If the Program “kickoff” were organized around an Entry Workshop, then the Program Manager (IMF HQ) would start to plan and organize the Workshop as soon as the TA Program was approved and at the same time he/she would conduct the recruitment of the expert(s) for the TA Program. The Entry Workshop could produce some key documents, including a situation report (SitRep for the participating region, sub-region and target countries) and action plan for each participating country, and a related work plan for the IMF TA Program. Representatives of the several countries in the Program would attend and some synergies would hopefully be generated (some working committees perhaps). Other donors or civil society actors might attend as well. The IMF would perhaps invite some short-term experts to present papers. A representative of the Japan MOF could attend, and perhaps officials of the Ministry of External Affairs

¹²¹ Respondent 34.

posted at embassies in the recipient countries for the Program. They could contribute to the proceedings, and make Japan's priorities known and funding visible. It might be efficient to define the 3-year implementation period for the TA Program as starting at the Entry Workshop. For major projects/programs, Exit Workshops are possible as well. The IMF Board has now delegated to Department Heads the authority to disseminate final advice. Where a new Program follows on from a previous program then an Entry Workshop for the new Program might provide a dissemination opportunity.

(E) Different Modalities

There are several aspects of the delivery of TA and training that we suggest that IMF should re-examine when designing new JSA-funded Programs. These include:

- **Two-week missions are common but are not regarded by many recipient officials as the most effective mode of TA.** In FY2013 the JSA funded many more short-term experts than long-term experts (185 vs. 35) although the total person years of assistance in each mode were similar.¹²² We found that most officials regard the two-week mission concluding with a report as second best, less efficient, effective and sustainable than long-term advisers, particularly advisers resident in country.
- **Experts need time and support to obtain a good grounding in local experience. This is prerequisite to being able to formulate advice well. Advice needs to be based on local knowledge as well as knowledge of international best practices.** In some instances TA needs to be more strongly grounded in local experience. For example, advisors providing TA on bank

supervision need to study local conditions closely and that may mean, among other things, accompanying and observing bank examination teams, something that is not often done at present.

- **The modalities of training need to evolve.** Investments in new training technologies may be expensive but they offer increases in efficiency and effectiveness. New technology is essential to enabling STI to present more in-country semi-tailored courses. The adoption of new technologies is likely to produce a good return on investment. (See recommendations specific to STI below.)

8.8 Impact on capacity building and sustainability

The evaluation team found that JSA-funded activities made an excellent contribution to capacity building in IMF core areas in recipient countries from FY2010 to FY2013. Delivery of TA was consistently good to excellent. The quality of the JSA-funded TA is rated highly by all categories of stakeholders. On many performance criteria ratings were above 6.0 on a scale of 1 to 7, and they were seldom below 5.0.

We wish to qualify this very positive picture of outcomes in two ways. First, the IMF's own annual ratings of the degree to which each JSA-funded Program's objectives had been achieved, although good, were not as favorable as our survey results.

Second, all of the performance ratings had two methodological limitations. They were subject to survivor bias — that is, only the activities that were implemented were rated. Activities that were originally proposed but not implemented were often not rated although they may have been important to the original concept of the Program. As well, the performance rating scale used by the IMF is essentially categorical and therefore is better

¹²² In FY2013 the JSA funded 185 STX for a total time commitment of 18.85 person years; and 35 long-term experts for a total time commitment of 22.79 person years.

suited to reporting progress on individual Program objectives than it is to monitoring average performance, including the average performance of each Program across all its objectives and the average performance of the whole JSA portfolio.

These caveats aside, we are confident that the quality of JSA-funded TA is very high. Technical assistance by the IMF is praised by member country officials (both senior officials and working level counterparts) as excellent in itself and excellent in comparison with TA provided by other organizations. Our own observations confirm this. However this does not mean that one can be complaisant about impact and sustainability. Both need attention. The following sections suggest some actions by which they could be improved.

Program timeframes

At present Programs are three years in length. The Programs approved in FY2010 were all extended by one year because of the generally slow start of the new program-based system. The Ministry of Finance, Japan, has been open to extending Programs where it was advantageous to do so. However three-year programs, even with the possibility of extension, may be shorter than optimal in terms of impact and sustainability. One three-year program cycle is often too short to ensure the sustainability of new capacities and/or reforms to policies, legislation, regulations and administrative systems and practices.

Furthermore the subject matter of IMF TA itself is complex. It demands highly skilled human resources and modern practices, technologically advanced data collection and management infrastructure, sophisticated policy and regulatory frameworks and practices, and the support of specialists. Culture and historical experience in recipient countries are other factors that determine the speed and success of the TA. They are intangible but important.

This argues for flexibility in the length of a TA or training Program. More flexibility in the length of a program, or designing the TA in phases that reflect what can realistically be achieved would better serve effectiveness and sustainability. In some cases a five-year program with a mid-term review would strike a balance between providing the time for the TA to be fully implemented while pushing for results.

Partnerships

There are generally good communications between the IMF and other organizations in the field. However coordination needs to be built into Program design and upgraded from good communications to close coordination and joint efforts with other providers of TA and training.¹²³ The IMF's own objectives and its commitments to greater use of partnerships, in various high level forums,¹²⁴ both argue for finding more ways to deliver technical assistance and training in conjunction with other like-minded and technically competent organizations. (See Recommendation 8 for further discussion of this point.)

The Fund has certain constraints in working jointly with other organizations but, in our opinion, there are

¹²³ Coordination in the field was good but partnership in the sense of joint work was uncommon. Coordination between the IMF JSA-funded Programs and other TA providers was rated by all actors as good but partnership seldom went beyond communications and an informal division of labour. Joint work in teams with other suppliers of TA was infrequent. It may be that the JSA approval process needs some modification to facilitate partnership-based Program designs.

¹²⁴ The IMF is a signatory to the *Paris Declaration on Aid Effectiveness* (2005), the *Accra Agenda for Action* (AAA, 2008) and the *Busan Partnership for Effective Development Cooperation* (2012). Thereby the Fund committed to emphasizing partnerships in program delivery and monitoring. The *Accra Agenda for Action* says that signatories will “provide joint training (with other donors) to share lessons learned and build a community of practice” (Section 32) and to “delegate, where appropriate, authority to lead donors for the execution of programmes, activities and tasks.” (Section 35)

nevertheless opportunities for joint TA activities with other donors that will not compromise the Fund’s wider objectives.

Transparency

The IMF Staff Operational Guidelines on Dissemination of TA (TA) Information (IMF Policy Paper June 10, 2013) delegates to Heads of Departments the power to approve circulation of final TA advice to the Executive Board.¹²⁵ The intent is that TA information should be disseminated more widely than has sometimes been the case in the past.

It is expected that more active sharing of TA information with donors and other providers of TA that have a legitimate interest will improve coordination and enable all parties to benefit from synergies. Increased transparency will help the IMF to expand the impact of its limited TA resources. Moreover, improved visibility of TA information is especially desirable from the perspective of accountability to Japanese taxpayers and legislators,

Continuous engagement — long-term advisors

We found that country authorities have a strong preference for long-term advisors. The resident advisor (LTX) can be a key important figure because he or she has the most contact with the recipient organizations, organizes the inputs of the short-term (STX) experts and the missions from IMF headquarters. The resident advisor also manages the client relationship with the support of the IMF resident representative in the country and the backstopper at headquarters.¹²⁶

¹²⁵ As was noted in the IMF document entitled “Enhancing the Impact of IMF TA”, in several circumstances, the consent of the TA recipient for dissemination of certain types of TA Information will be deemed granted unless the TA recipient explicitly objects to such dissemination.

¹²⁶ MCM Department provides TA in several modalities. These include analysis, advice and training by IMF staff, short-term missions

We examined several instances where the LTX were “embedded” in the recipient organization. The dynamics of this situation are different from an LTX who operates at arm’s length — for instance operating from an IMF regional TA center (RTAC) or based in one country but dealing with several countries and several government departments.

An embedded long-term advisor has great potential for producing positive change in a recipient organization, but there are also risks. Establishing a successful LTX relationship is demanding of everyone concerned. A strong counterpart team including a senior government official who takes ownership of the relationship with the LTX is essential. Because of the importance of the relationship to the success of an IMF program the recipient organization needs to be deeply involved in the selection of an LTX and in producing his or her terms of reference.

Continuity of engagement is also important to sustainability. The LTX relationship with the host is particularly important. In some cases more flexibility in regard to the term of an LTX contract or the incentives in the LTX contract would be useful. In other cases, where the TA issues are important and budgets allow, the IMF could consider the placement of more than one LTX in an organization so that their tenures overlap and long gaps in support are not created by the departure of a single expert.

Where an LTX needs to spend a considerable amount of time with each of several counterpart organizations a peripatetic model may be appropriate. Peripatetic LTX supported by JSA funds have typically been based in one country while serving several countries, rather than being based at IMF RTACs although the latter option is worth

by consultant experts (STX) and long-term resident or peripatetic consultant experts (LTX) who are engaged on one-year contracts and whose tenure tends to be about three years.

more frequent consideration. A single Program might involve the appointment of more than one LTX in different countries or over time in one country. Teams are generally more effective than individual experts. Therefore thought may need to be given to mutual support between several LTXs in the Program and to LTX succession planning.

The experts deployed (LTX and STX) were highly regarded by officials; but we believe that improvements may be possible in their selection and support.

8.9 Program strategy, roadmap and commitment by the authorities

Multi-country, multi-topic and multi-year TA programs are inherently complex. They demand a lot from TA recipients as well as from TA providers. Inevitably there will be unforeseen changes, shifting priorities and political risks over the life of a program. This was the case with most JSA-supported MCM programs we examined. It is not possible to eliminate such risks. However, it is worth considering whether programs could be designed in a way that might mitigate risks and foster sustained engagement.

As recommended above, every JSA-funded program should have an Entry Workshop. An Entry Workshop can be an opportunity to develop a road map jointly. This can strengthen the understanding of the implications of the program and what it will need to be successful. It can enable the local counterparts who engage with the IMF on the various elements of the program to see the “whole”, and to better understand how their activities fit into the Program. A jointly developed Program can help generate commitment.

A second consideration is to secure tangible commitments from the authorities to the program at the outset. Their commitment can be demonstrated in various ways such as an in-kind contribution or some other undertak-

ing that the country makes to the program as a formal or informal condition of the TA. Such a commitment would need to be specific, with associated timelines. For example, it could be an agreement to hire an additional number of bank supervisors, free up human resources for certain number of days of training, commit resources to data development, or implement an agreed framework within a certain timeframe. Ideally, the commitment would be formalized, incorporated into the program strategy and set out in the program documentation at the time of the Entry Workshop.

We envisage that most JSA-supported TA programs will have a pre-implementation phase, culminating in an Entry Workshop. During this time the program roadmap can be developed jointly with the authorities, key personnel engaged, and commitments secured.

In discussions and survey responses many stakeholders pointed to the need for a detailed medium-term strategy for each Program — in effect a “road map”. We support this view. Given the complexity of multi-country, multi-faceted programs, a coherent roadmap is an essential part of designing and developing a TA plan. In some cases the Program proposal was more a “laundry list” of activities rather than a strategy.

From the IMF’s perspective, a roadmap for the program can be an effective mechanism to guide the sequencing and coordination of the various elements of the TA. More than one respondent to our survey noted the need for better coordination in this regard, both within the Fund and with other providers of TA.

The roadmap could have a regional multi-country component and national components. This would facilitate phased implementation among participating countries, depending on their capacity and stage of readiness; and would clarify and take into account assumptions and risks.

8.10 Review, evaluation and performance monitoring metrics

This evaluation of the JSA-funded TA only covers part of the IMF's TA activities of course. This was a constraint on our analysis. Strategically the IMF has to manage all its TA coherently as a portfolio, whatever the funding source. In some instances the JSA might be appropriately used in one region or activity, and another source of funding used elsewhere. This makes it difficult to be definitive about strategy and resource allocation for JSA alone. Also different IMF Departments have developed their own approaches to TA; and they have much to learn from each other.

Only a comprehensive evaluation of the IMF's TA and training activities, that covers all such activities across the IMF Departments, could address such questions. The most recent such evaluation by the IMF Independent Evaluation Office was in 2006. Another comprehensive evaluation of all of the IMF's TA would be worthwhile.

As well, better performance metrics are possible. Average ratings for each Program and average ratings for the whole JSA portfolio should be monitored closely. This is not easy with the existing metrics because the scale is essentially categorical and is anchored at "1" rather than

"0". Their average ratings are difficult to calculate and interpret.

As well, the "objectives achieved" ratings in the annual Interim Assessments of JSA-funded Programs tend to measure task completion rather than performance, quality and results.

The Office of the IMF Executive Director for Japan stated, in response to our evaluation questionnaire, that the main weakness of the JSA Programs has been a lack of direct feedback from recipient countries on the effectiveness of each JSA-funded Program.

At the time of this evaluation the IMF Independent Evaluation Office had a study underway that will clarify the effectiveness of the IMF's self-evaluation systems.¹²⁷ The evaluation is titled "Learning from Experience at the IMF: An IEO Assessment of Self-Evaluation Systems". When they become available the conclusions and recommendations of that study should be applied to the IMF's self-evaluations of the JSA-funded programs.

¹²⁷ (2014 on-going) IMF IEO "Learning from Experience at the IMF: An IEO Assessment of Self-Evaluation Systems."

RECOMMENDATIONS AND SUGGESTIONS FOR IMPLEMENTATION OF THOSE RECOMMENDATIONS

9.1 Recommendations

In summary the recommendations of the evaluators are as follows:

Recommendation 1: Continue the Japan-IMF partnership to provide technical assistance and training to help develop government capacity in low-income and middle-income countries.

Continued partnership is justified by past performance which, as reported by stakeholders and assessed by the evaluators, has been very good to excellent. There have been substantial mutual benefits to Japan, to the recipient countries and to the IMF.¹²⁸

Recommendation 2: Confirm the new program-based approach to TA and training.

In FY2010-FY2013, for the first time, JSA-funded TA was delivered through three-year multi-country programs rather than project-by-project. This change was a marked success, with minor qualifications. Therefore the program-based approach should be continued, without abandoning the ability to approve single projects where it makes sense to do so.¹²⁹ (See Section 9.2.2: *Improving the Design of JSA-funded programs.*)

¹²⁸ Increased support in the next few years is, in the evaluators' opinion, justified by the needs of recipient countries that the evaluators visited. As well additional funding might be needed to achieve a better balance of JSA-funded activity across regions, in particular the (Pacific littoral) Americas. Also several of the recommendations in this report if implemented, will require an increase in JSA funds.

¹²⁹ Legal Department should be allowed to apply for JSA funding for small projects in addition to occasional larger Programs. In addition a more systematic effort should be made to identify legal components of other IMF Departments' proposals for JSA-funded Programs. Also it

Recommendation 3: Maximize benefits to Japan as well as to recipient countries.

We recommend that all opportunities be pursued to expand mutual benefits to Japan and to recipient countries. (See Section 9.2.1 Improving benefits to Japan.)

Recommendation 4: Improve some already-good training techniques. Given the rapid changes in Asian economies and in modern training technologies, we recommend that the Singapore Regional Training Institute (STI) prepare a strategic plan for the next three to five years.

The Plan should cover new initiatives which might well include investing in new technologies for training and capacity building, development of simulcasting capacity for multi-site course presentations and improved sustainability through charging reasonable fees to recover part of its costs.¹³⁰

Recommendation 5: Improve the gathering of information about results to facilitate results-based management of the JSA-funded programs.

The evaluators recommend that "results data" could be improved by starting every program with an Entry Workshop and roadmap with clear and measurable objectives at the outcome level (not just the activity level). Training is a special case that would benefit from before-and-after testing of the knowledge and skills to be imparted. Lastly some aspects of the periodic self-assess-

would be advantageous to all if a small part of all JSA-funded Programs (say 10%) in any year can be used for small projects that were not previously identified.

¹³⁰ An appropriate direction for STI in future may be towards a sustainable financing model that includes some payment for training services. The proportion of STI costs that might reasonably be covered by course fees should be considered based on a needs analysis and a willingness-to-pay study. Options in the range of, say, 20% to 50% of course costs covered by governments could be analysed.

ments of each JSA-funded program undertaken by IMF managers can be improved. (See Section 9.2.5: *Using evaluations to support results-based management.*)

Recommendation 6: Convene an Entry Workshop for every JSA-funded program.

The evaluators are of the opinion that the single action most likely to improve the effectiveness of JSA-funded programs is to hold an Entry Workshop for every new JSA-funded Program rather than only for some. (See Section 9.2.3: *Using entry workshops to improve program designs, to set the stage for results-based management and to gain early momentum.*)

Recommendation 7: Improve the already good management of the JSA-funded programs.

There are certain activities that the IMF could undertake that are likely, in our opinion, to improve efficiency. These include some additional flexibility in program approval procedures, some flexibility in the length of programs and greater use of competitive procurement (open advertising including advertising in Japan) to supplement selection from its roster of experts.¹³¹ (See Section 9.2.4: *Building on good management of the JSA-funded programs.*)

Recommendation 8: Engage more with partners¹³² to provide joint or closely coordinated technical assistance and training where it is efficient and effective to do so.

¹³¹ The recipient organization should play a role in all stages of the procurement of long-term advisors. As well, the evaluation consultants recommend that some use of open competition in addition to selection from IMF rosters of experts might result in the recruitment of more experts from Japan and/or with experts with experience in regional Central Banks and Departments of Finance, for example Thailand, Turkey etc.

¹³² When partnering with other international financial institutions or development agencies the IMF would normally take the lead and each partner would bear its own costs. When partnering with other organi-

The IMF is a signatory to the *Paris Declaration on Aid Effectiveness* (2005) and the related *Accra Agenda for Action* (AAA, 2008) and *Busan Partnership for Effective Development Cooperation* (2012). Its commitment under those conventions to increase the use of the program-based modality has been successfully met by the JSA.

In addition the Fund is committed to emphasizing partnership in program delivery and monitoring.¹³³ The *Accra Agenda for Action* says that signatories will “provide joint training (with other donors) to share lessons learned and build a community of practice” (Section 32)’ and to “delegate, where appropriate, authority to lead donors¹³⁴ for the execution of programmes, activities and tasks” (Section 35). The IMF because of its other roles — particularly surveillance — is, in part, a special case. Its visible independence is essential. Nevertheless closer collaborations with other competent providers of TA and training may be possible and may contribute to cost-efficiency and effectiveness in building a country’s capacity.

Recommendation 9: Sustainability objectives should be clearly specified in each Program document; there should be a clear strategy for sustainability; and resources should be allocated to reinforce sustainability. See Section 3.4 Performance of JSA-funded Programs/ Sustainability for a discussion of this point.

zations such as universities and training institutes, the appropriate arrangements would need to be considered case-by-case.

¹³³ The partnership performance indicators articulated by the *Accra Agenda for Action* are “percent of country analytical work that is joint” and “percent of missions that are joint.”

¹³⁴ The IMF would normally, but not necessarily invariably, be the “lead donor” in its core areas of expertise.

9.2 Implementing the recommendations

9.2.1 Improving benefits to Japan

To improve the benefits to Japan as the funder of the JSA the evaluators suggest that the following might be useful:

- A representative of the Japanese Ministry of Finance and/or a representative of the Office of the Executive Director for Japan (IMF) could participate in each Entry Workshop for new JSA-funded Programs.
- The joint venture partners in the Singapore Regional Training Institute, the IMF and the Government of Singapore, might consider whether Japan could be invited to participate in the governance (Executive Committee) of the Institute.¹³⁵
- The Ministry of Finance could sponsor events more frequently in Japan to bring together participants in JSA-funded Programs.
- Japanese experts could be recruited as short-term and long-term experts more frequently perhaps as a result of increased open advertising, including advertising in Japan, as well as by increasing Japanese representation on the rosters of experts maintained by the IMF.
- The annual guidance that the Japanese Ministry of Finance gives to the IMF ICD in regard to high priority uses of JSA funds might be improved in several ways. The guidance letter might well include more analysis of the existing JSA portfolio and country needs over the next several years. It could discuss salient issues in the IMF's core areas of expertise; and consider a balanced allocation of JSA resources worldwide across regions. (This might require larger JSA budgets if JSA-funded activity if Asia is not to be skimmed.)

¹³⁵ This possibility is subject to decision by the joint venture partners, the IMF and the Government of Singapore.

9.2.2 Improving the design of JSA-funded programs

Different modalities of JSA-funded TA and training have certain advantages. Some modalities, including the deployment of long-term experts in teams¹³⁶, appear to be particularly effective, although relatively costly. We suggest that key issues include continuity of engagement with the recipients rather than episodic engagement, grounding in local knowledge and the use of new technologies.

We suggest that JSA-funded Programs should engage long-term experts (LTX) if that is the best solution, as stakeholders clearly believe to be the case, and that budget constraints should not preclude this (that is, Japan should consider making a larger JSA contribution if necessary). We observe that deploying long-term experts is not always the optimal solution but often has many advantages in situations where a recipient government expects to institute major changes/reforms over the next several years. One example would be a major initiative in income taxes or consumption taxes. However we are aware that the client preference for long-term experts needs to be balanced to ensure that LTX are not taken for granted as a resource for doing the work rather than assisting the host organization to develop its own capabilities to do the work.

Under the topic “entry workshops”, below, we mention that most programs can benefit from inputs from Legal Department and from Statistics Department. The IMF, because of its prestige, can be very influential in both areas. In particular we observed that the IMF can influence recipient countries to value more highly good legis-

¹³⁶ We observed that teams of experts were particularly effective in delivering TA. One type of IMF team is the backstopper at IMF HQ, plus a long-term expert resident in-country, plus occasional short-term experts. Another effective team that we observed included three peripatetic LTX who had complementary skills.

lative and regulatory frameworks and the production and use of good-quality data.

9.2.3 Using entry workshops to improve program designs, to set the stage for results-based management and to gain early momentum

An Entry Workshop enables the IMF team to do several important things that would otherwise be more difficult. These include: building early momentum towards timely implementation; catalyzing the views of stakeholders; securing their commitment; developing a multi-country or regional perspective; finalizing a “roadmap” for the Program; incorporating a training needs analysis related to the proposed technical assistance and identifying any legislative/regulatory actions needed to improve the framework; and promoting the production of good statistical data in the topic area.

The evaluators were of the opinion that, generally, a single Entry Workshop has many advantages over several separate single-country workshops. However there may be circumstances where the latter is preferable.

Stakeholders attending the Entry Workshop should include representatives from all countries targeted by the Program, and IMF staff and experts. Other stakeholders should be included where appropriate, such as universities and other providers of TA, civil society organizations and private enterprises.¹³⁷ The Japanese Ministry of Finance and/or the Office of the IMF Executive Director for Japan should send a representative to each Entry Workshop when possible. These initiatives might add significant costs to the Workshops but in the evaluators’ opinion it would be money well spent.

¹³⁷ Entry workshops are always worthwhile. In some cases exit seminars may be useful as well.

9.2.4 Building on good management of JSA-funded programs.

Japan could increase the flexibility of the JSA planning and approval process with some gains in efficiency. For example the IMF could have an option to propose JSA-funded Programs from three to five years in length depending on circumstances. In general, longer programs with larger budgets are more efficient than phased or follow-on programs, in situations where it is clear that IMF involvement will last longer than three years.

It would be efficient for the Japanese Ministry of Finance to delegate to the IMF the authority to extend the timeframe of any approved Program by up to one year without special approval if no increase in budget is involved. Administrative time could be saved without other loss if the IMF were able to reallocate up to 10% of the original budget in any year without special approval (reallocations might be to support activities within the Program that had not been explicitly listed previously or they might be to support another JSA-funded Program that was currently active).

Transparency and learning would benefit if each JSA-funded Program had a dedicated website that gave access to host government officials so they could easily find all documents related to the Program, including design and approval documents, workshop minutes and procedures, work plans, and schedules, performance data and technical assistance reports and Interim and Final Assessments. There would need to be guidelines that stated what IMF documents could be automatically shown on these websites and what would require special clearance. Of course if there are several countries involved in the Program, and they all had access to the Program website, then access by one country to documents related to work in another country would have to be carefully managed as well with appropriate clearances. This would require a significant amount of work by

program managers but we believe that it would be worth the time and the minor expense. The funding for a dedicated website for each Program should be an eligible expense to be charged against the JSA.¹³⁸

Lastly, as an administrative measure, some experts we interviewed made a reasonable case that support of LTX should include a reasonable investment in maintaining his or her professional capabilities. When an expert is employed by the IMF on a JSA-funded Program for longer than a year then some on-going professional development (maintenance of his or her knowledge and skills) might well be made an eligible JSA expense. This would be a minor cost and could have significant benefits.

9.2.5 Using evaluations for results-based management

(A) Independent evaluations

JSA-funded programs are evaluated in several ways. First the achievement of the objectives each JSA-funded program is assessed every year by the program manager(s). This information is published in the JSA annual report.

Second, ICD commissions an independent evaluation of all JSA-funded activity periodically. We suggest that every five years is sufficiently frequent if the JSA is also evaluated every five years by IMF Independent Evaluation Office (IEO) as part of a general evaluation of all of the IMF's TA activities. If properly sequenced this would result in an independent evaluation of the JSA every two to three years.

There is, however, at least one JSA-funded Program that might warrant additional individual evaluation. The Singapore Regional Training Institute could be evaluated

¹³⁸ The appropriate relationship of Program websites to the donor gateway should be studied further.

as part of broader evaluation of all training by the IMF.¹³⁹ To support the latter by gathering stronger data about training outcomes STI should consider testing participants' knowledge and skills at the start and at the end of each course. The test results should be confidential to the STI and to the participant, who should receive his or her own score and percentile rank.¹⁴⁰ This data would provide better evidence of the effects of a training course than either the subjective feedback from the participant or later reports by the participant's supervisor.

(B) IMF Self-Assessments

Pending the outcome of the IMF IEO current evaluation of the IMF's self-evaluation systems (2014) IMF Departments could institute a more robust system of review and challenge of self-ratings by Program Managers. This would ensure that outcomes are objectively and rigorously assessed against the original objectives of the Program.

We have several suggestions as to how self-evaluations could be strengthened. First, "survivorship bias" should be eliminated to the extent possible. If some components of the Program are not successfully implemented then this should count — that is, things not done should be counted in the achievement ratings, not only the quality of things done. A way should also be found to recognize that not proceeding with a certain component of a Program is the right decision under the circumstances.

¹³⁹ There should be a periodic evaluation of the STI strategy, structure, operations and results. One possibility is that ICD or the IMF IEO could evaluate all training organizations and activities under IMF auspices including the STI. Another possibility is a periodic peer review of STI by a visiting team of heads of other training institutes, internal and external to the IMF.

¹⁴⁰ The percentile rank is probably best expressed in regard to all previous participants in the course plus the participants in the current course, since the current course group is likely to be relatively small (30 or fewer) and may be idiosyncratic for some reason.

In the annual self-assessments of JSA-funded programs, the following changes could be useful:

- Ratings could be on a continuous numeric scale anchored at zero so that sensible averages can be calculated (averages across different objectives in one Program and averages across Programs in the same subject area, country or IMF Department).
- Clients' opinions could be better reflected in the Program performance ratings. ICD surveys the authorities in JSA-recipient countries each year on the JSA Programs. Their perspective can be different from IMF Program managers. For example the government officials who responded to our survey rated relevance and efficiency similarly to IMF staff and experts, but they rated effectiveness and sustainability significantly differently. It is important to identify such differences and to explore the reasons for them.
- An annual review of Program objectives achieved is probably frequent enough in most cases. However in some cases, including relatively shorter projects and programs, annual review might not be sufficiently frequent. Whatever their frequency, reviews should trigger a system of automatic "red flags" based on indicators to guide results-based management (RBM).¹⁴¹
- There could be more rigorous review and challenge of IMF Project Managers' self-ratings of project achievements. There are various ways in which this could be done.¹⁴² One way would be to have the IMF Independent Evaluation Office confirm the ratings

¹⁴¹ The World Bank and the Asian Development Bank conduct bi-annual project reviews, have performance ratings that can be aggregated across a portfolio and operate a system of red flags as a tool for RBM.

¹⁴² One way would be to have the IMF Independent Evaluation Office confirm the ratings by IMF Project Managers. The IMF Independent

by IMF Project Managers. The IMF Independent Evaluation Office could review and finalize the ratings in Project/Program Assessments, much as the World Bank IEG does.

9.2.6 Expanding the benefits of professional training

Most of the external funding for the Singapore Regional Training Institute (STI) is provided by Japan. The performance of the institute has been excellent in the past. However the field of professional training is changing very rapidly and STI would benefit from some changes in its training technologies so that there is a balance between the residential component of a course, simulcast sessions that could be attended by participants in their own countries before or after the residential component, and programmed on-line learning¹⁴³ supported by video-conferencing technologies.

It might also be beneficial for STI to develop more course sequences. In the past the Singapore Regional Training Institute (STI) has emphasized the throughput of new participants. In future this could be balanced with courses and events that help alumni develop their capabilities further. This strategy might include sequences of courses and refreshers. An alumni database would have to be kept up to date (not an easy task) and STI could

Evaluation Office could review and finalize the ratings in Project/Program Assessments, much as the World Bank IEO does.

¹⁴³ Programmed learning modules on-line could be beneficial in several ways. For instance, in addition to the existing requirement that course applicants provide evidence of basic proficiency in English as a foreign language, the IMF could provide an on-line self-learning course in Financial English; and could require that applicants complete it prior to their application to STI, and submit their scores from a self-administered on-line programmed test of their proficiency in the terminology that will be used in the course. Similarly participants need intermediate expertise in Excel to be able to benefit from many STI courses. Evidence of proficiency should therefore be required as part of each application or by a programmed test to be completed prior to the course.


support the general strategy by a social media initiative, with an awareness service supplemented by a periodic newsletter on the topic of mid-career training opportunities mainly related to IMF courses but carrying other information about the IMF and about training opportunities more broadly when appropriate.

There is constant pressure by member countries for STI to do more training in-country. One tool might be multi-site simulcast components of training courses, as stand-alone courses or as parts of courses that have a residence period in Singapore as well.¹⁴⁴ To some extent such

¹⁴⁴ STI could be more active in presenting courses and workshops in member countries outside Singapore. Multi-site simulcast courses

could be tailored to particular countries by developing special case material to supplement the core material of the course. STI could sponsor a case-writing program with small grants.

could be presented in IMF facilities or, more likely, in host government facilities or they could involve partnerships with universities. In some cases it might be worthwhile for Japan, through the JSA or otherwise, to fund facilities named in honour of the Japanese benefactor (the Ministry of Finance) or named for an eminent Japanese macroeconomist.



Appendices

Evaluation Scope and Methodology

This study is the third independent evaluation of JSA-funded programs and projects. The previous evaluations reported in 2010 and 2011.¹ The full Terms of Reference for the evaluation are available under separate cover.

This evaluation assesses the performance of eighteen IMF technical assistance and training programs funded by the JSA during FY2010–FY2012, plus some attention to the relevance and efficiency (not yet the results) of other programs funded in FY2013.² It also assesses the JSA-funded projects that were approved before FY2010 and still active during the evaluation period. It compares the new program-based approach to the previous projects-based approach.

The evaluators assessed the JSA-funded projects and programs against the standard OECD/DAC criteria for evaluating development assistance. These criteria were: relevance, efficiency, effectiveness and sustainability. The DAC provides standard definitions of these criteria.³

The evaluators' assessments took into account interviews and observations at the IMF headquarters and in a sample of recipient countries; and also took into account quantitative ratings made by IMF project managers annually and quantitative ratings by stakeholders gathered in a survey conducted for this study.

¹ Philipsen, F., Petrie, M. and P. Ugolini. (June 2011) Independent Evaluation of the Japan Administered Account for Selected Fund Activities.

² The scope of the evaluation does not include other JSA-funded IMF activities, such as (a) the IMF regional office for Asia and the Pacific (OAP) based in Tokyo; (b) the Japan-IMF Scholarship Program for Asia (JISPA), which is administered by OAP; or (c) the Japan-IMF Scholarship Program for Advanced Studies (JISP).

³ See www.oecd.org/DAC/evaluation "DAC Criteria for Evaluating Development Assistance".

Objectives of this Evaluation

The objectives of this external evaluation were as follows:

- to determine whether JSA-funded Programs have been relevant, effective, efficient and sustainable in building capacity in recipient countries;
- to assess how the “program approach” to organizing TA compares with the earlier project-based approach; and
- to make recommendations for improving the design, implementation and assessment of future JSA-funded programs.

The evaluation considered additional issues of particular interest to Japan. These included whether coordination could be improved between JSA-financed IMF TA and TA by other providers (including Japan's other ODA initiatives); and whether the JSA activities generate significant benefits for Japan as well as for recipient governments.

Governance

This independent external evaluation was sponsored by the Japanese Ministry of Finance in its capacity as the agency responsible for contributions to the IMF JSA. This is consistent with article 3(b) of the Letter of Understanding between the IMF and the Government of Japan. Contact between the evaluation team and the Ministry of Finance was coordinated through the IMF Office of the Executive Director for Japan (OED-Japan).

The Global Partnerships Division of the Institute for Capacity Development (ICDGP) managed the evaluation process in consultation with an evaluation committee (EC).⁴

⁴ Specific tasks of the EC were to: review and agree on draft Terms of Reference ensuring that issues relevant to stakeholders are covered; review and comment on the Inception Note prepared by the evaluators; and review and comment on the Draft Evaluation Report. The EC had eight members: three from IMF area departments, three from

Methodology

Assessing whether changing from projects to Programs had improved the TA funded by the JSA.

The evaluation team compared two groups of JSA-funded activities:

- (A) **Performance of JSA-funded projects.** We examined the achievement ratings of JSA-funded projects as reported in two previous independent evaluations. As well, the evaluation team rated a sample of JSA-funded projects active during our evaluation period.
- (B) **Performance of JSA-funded Programs.** We examined 18 Programs that were approved during the period FY2010–FY2012, and made a preliminary assessment of 10 programs approved in FY2013.

Rating Project and Program Performance

The evaluators rated JSA-funded projects and programs on OECD/DAC criteria and accountability criteria. These included relevance, efficiency, effectiveness, sustainability and accountability (visibility of Japan as donor).

Information Sources

We used six sources of information.

- **Document review and data compilations.** The evaluation team reviewed documents and data for the JSA-funded projects and programs that were active during FY2010–FY2013.
- **IMF Self-assessed ratings of objectives achieved.** We compiled the achievement scores assigned by IMF program managers in annual Interim Assessments and final Assessments. The evaluation team completed a desk review of a sample of 85 JSA-

funded projects that were completed during FY2010–FY2012. We tabulated the ratings of these projects by IMF staff (achievement ratings of objectives and indicators).

- **Cost and activity data.** With the assistance of ICD staff we compiled a set of descriptive tables for JSA-funded activities.⁵ (See Appendix 2)
- **Interviews with IMF staff and experts at headquarters and in the field.** We conducted structured interviews, sometimes individually but more often in the form of group discussions, with questions sent beforehand to interviewees, both at IMF headquarters in Washington DC⁶ and in four countries in Asia and the Pacific.
- **Interviews with officials and observations** in four countries — Singapore (the Singapore Regional Training Institute), Indonesia, Philippines and Cambodia.⁷
- **A survey of stakeholders:** As was the practice in the previous independent evaluation of the JSA, we surveyed a sample of stakeholders in regard to the JSA programs with which they were familiar.

IMF TA departments, and two from the IMF Institute for Capacity Development.

⁵ICD provided data tabulations for JSA activity, FY10 to FY13, by sector, region and period.

⁶From November 12th to 14th, 2013, two members of the evaluation team (Dr. Toru Uno and Dr. Kenneth Watson) visited IMF HQ for initial briefings, including meetings with ICD, with the Japanese Executive Director and staff and with senior representatives of the IMF functional departments. From November 20th to 28th, 2013, the full evaluation team (Kenneth Watson, Toru Uno, Mike O’Riordan, Munir Sheikh and Vinita Watson) visited IMF HQ for in-depth discussions with all departments involved with the JSA, including ICD, MCM, FAD, Legal and STA. Key Contact Reports were circulated thereafter for verification and discussion.

⁷From January 13th 2014 to February 3rd 2014 the evaluation team leader, Dr. Kenneth Watson, visited the Philippines, Indonesia, Singapore and Cambodia to interview participants in, and beneficiaries of, JSA-funded programs.

Surveys of stakeholders

We surveyed several groups of stakeholders in JSA-funded activities. These included:

- (A) **Survey of the IMF Executive Director for Japan and his staff.** A questionnaire was sent to the ED Japan, completed and returned to the evaluators.
- (B) **Survey of IMF Program Managers.** A questionnaire was circulated to the IMF managers of the 18 JSA-funded programs approved from FY2010 to FY2012.
- (C) **Survey of Experts.** Each IMF manager in the sample of 18 Programs was asked to name two experts who had worked on the Program and were likely to be knowledgeable about it. Those experts received a questionnaire in January 2014. The questionnaire was essentially the same as the questionnaire for IMF Program Managers.
- (D) **Survey of Participating Officials.** Each IMF program manager in the sample of 18 was asked to name two government officials in recipient

countries who had participated in the JSA-funded Program and were likely to be knowledgeable about it. Those officials received a questionnaire. The questionnaire was a simplified version of that sent to IMF Program managers and experts.

Sample and Response Rate

The stratified sample of stakeholders comprised about five persons for each of 18 JSA-funded Programs, in total about 100 people. In some cases the Program has several components and therefore there was more than one program manager. After replacement when a particular person could not be contacted or declined to respond (having left government service, for example), we achieved essentially 100% response after intensive follow-up by email and telephone. The respondents included 20 IMF project/program managers, 43 experts each contracted to work on one of the JSA-funded programs, and 34 officials from recipient governments.

Appendix 2

Table 1: JSA-Funded TA Programs¹, by Sector, Approval Year and Budget² (to April 30, 2013)

Sector	Approved ³	Number ⁴	Program ⁵	Budget (US\$) ⁶	Expended (US\$) ⁷	% complete
Fiscal Affairs	FY10	JPN101	Strategic Fiscal Management: West Africa	5,303,993	4,643,948	88%
Fiscal Affairs	FY10	JPN102	Public Financial Management: Asia and Pacific	5,805,754	5,401,513	93%
Fiscal Affairs	FY10	JPN103	Fiscal Management: South-East Europe	5,823,132	4,740,393	81%
Fiscal Affairs	FY10	JPN104	Safeguarding Financial Resources: Central Asian Countries	2,414,394	2,322,905	96%
MCM				1,862,833	1,318,820	71%
Fiscal Affairs	FY10	JPN105	Treasury Management, Fiscal Reporting, and Tax Auditing: Western Hemisphere	1,341,641	1,119,720	83%
Fiscal Affairs	FY11	JPN106	Strategic Fiscal Management and Institutional Capacity: Asia and Pacific	4,101,695	2,950,907	72%
Legal				232,276	80,877	35%
Fiscal Affairs	FY12	JPN107	Budget Management and Customs Administration in CEMAC	5,009,501	1,862,114	37%
Fiscal Affairs	FY12	JPN108	Budget and Treasury Management: Southeast Asia	4,993,940	2,001,278	40%
Fiscal Affairs	FY12	JPN109	Tax Administration Reforms: South East Asia	3,625,930	471,553	13%
Fiscal Affairs	FY13	JPN110	Budget management, fiscal reporting, and tax admin. West Africa (ECOWAS)	4,125,653	949,669	23%
Fiscal Affairs	FY13	JPN111	Tax Administration: Caucasus and Central Asian Countries	2,621,500	635,972	24%
Fiscal Affairs	FY13	JPN601	Treasury and Financial Systems Modernization: Myanmar and Lao PDR	1,625,792	–	0%
MCM				2,513,108	1,905	0%
			Subtotal	51,401,143	28,501,573	55%
			% of Total	45%		
Legal	FY13	JPN301	Anti-Money-Laundering/Combating Financing of Terrorism: Myanmar	2,296,355	242,759	11%
			Subtotal	2,296,355		11%
			% of Total	2%		
MCM	FY10	JPN401	Regional Financial Agencies: Central Africa (CEMAC)	3,260,612	2,059,390	63%
MCM	FY10	JPN402	Bank Supervision. Southeast Asia (ASEAN)	4,632,980	3,894,273	84%
MCM	FY11	JPN403	Bank Reg., Supervision, Crisis Manage. PRGT Countries. Asia and Pacific.	4,904,304	2,111,228	43%
MCM	FY12	JPN404	Preparations for Monetary Union in the East Africa Community	3,999,018	567,557	14%
Statistics				994,030	17,716	2%
MCM	FY13	JPN405	Bank Supervision: South-East Asia (ASEAN)	5,102,315	386,916	8%
MCM	FY13	JPN406	Central Bank Modernization: Myanmar	2,989,286	509,577	17%
			Subtotal	25,882,545	9,546,658	37%
			% of Total	23%		

Table 1: JSA-Funded TA Programs¹, by Sector, Approval Year and Budget² (to April 30, 2013)

Sector	Approved ³	Number ⁴	Program ⁵	Budget (US\$) ⁶	Expended (US\$) ⁷	% complete
Statistics	FY11	JPN501	National Accounts and International Comparison Program: Asia and Pacific	4,654,394	2,506,362	54%
Statistics	FY12	JPN502	Real Sector Statistics: Eastern Europe	4,715,490	1,722,584	37%
Statistics	FY12	JPN503	Finance Statistics: Asia Pacific	4,959,450	1,647,723	33%
Statistics	FY12	JPN504	General Data Dissemination: Papua New Guinea, Iran	1,299,603	380,481	29%
Statistics	FY13	JPN505	External Sector Statistics: Asia and Pacific	4,954,606	728,485	15%
Subtotal				20,583,543	6,985,635	34%
% of Total				18%		
ICD	FY10	JPN201	Macroeconomic Management (SRI): Asia and Pacific ⁸	6,085,098	6,052,199	99%
ICD	FY13	JPN202	Macroeconomic Management (SRI): Asia and Pacific ⁸	6,900,001	2,074,710	30%
Subtotal				12,985,099	8,126,909	63%
% of Total				11%		
Total				113,148,686	53,403,533	47%
% of Total				100%		

Source: Institute for Capacity Development, IMF.

Notes:

Blue highlight indicates programs with more than one department implementing.

¹ This table includes only Programs approved during FY10-FY13, not on-going Projects.

² All dollar figures are inclusive of 7% Trust Fund Management Fee.

³ Year of approval denotes the financial year in which the program was approved by The Ministry of Finance Japan.

⁴ JPNID denotes the numerical identifier for the Programs funded by the Japan Subaccount

⁵ Program's title/subject.

⁶ Denotes the total budget for the Program current at the end of FY13 sometimes after adjustments to the initial budget.

⁷ Total expenditures as of end FY13.

⁸ Singapore Regional Training Institute

Table 2: JSA-funded Technical Assistance Programs by Region¹ (FY10–FY13)

Region	Sector ²	Approval		Program ⁵	Budget (US\$) ⁶	Percentage of total
		Year ³	JPNID ⁴			
Africa	Fiscal Affairs	FY10	JPN101	Fiscal Management> West Africa	5,303,993	
	Fiscal Affairs	FY12	JPN107	Budget Management and Customs Administration: CEMAC	5,009,501	
	Fiscal Affairs	FY13	JPN110	Budget management, fiscal reporting, and tax administration in West Africa (ECOWAS)	4,125,653	
	MCM	FY10	JPN401	Financial agencies: Economic and Monetary Community of Central African States (CEMAC)	3,260,612	
	MCM	FY12	JPN404	Preparations for Monetary Union in the East Africa Community	3,999,018	
	Statistics				994,030	
Subtotal					22,692,807	20%
Asia and Pacific	Fiscal Affairs	FY10	JPN102	Public Financial Management: Asia and the Pacific	5,805,754	
	Fiscal Affairs	FY11	JPN106	Fiscal Management and Institutional Capacity: Asia and Pacific	4,101,695	
	Legal &/				232,276	
	Fiscal Affairs	FY12	JPN108	Budget and Treasury Management: Southeast Asia	4,993,940	
	Fiscal Affairs	FY12	JPN109	Tax Administration Reforms: South East Asia	3,625,930	
	Fiscal Affairs	FY13	JPN601	Treasury Management and Financial Systems: Myanmar and Lao PDR	1,625,792	
	MCM				2,513,108	
	Legal	FY13	JPN301	Anti-Money-Laundering/CFT Framework: Myanmar	2,296,355	
	MCM	FY10	JPN402	Bank supervision: Association of Southeast Asian Nations (ASEAN)	4,632,980	
	MCM	FY11	JPN403	Bank Supervision, Regulation, and Crisis Management in PRGT Countries (Poverty Reduction and Growth Trust)	4,904,304	
	MCM	FY13	JPN405	Banking Supervision in ASEAN for Financial Stability	5,102,315	
	MCM	FY13	JPN406	Central Bank Modernization: Myanmar	2,989,286	
	Statistics	FY11	JPN501	National Accounts and the International Comparison Program: Asia and Pacific	4,654,394	
	Statistics	FY12	JPN503	Government Finance Statistics	4,959,450	
	Statistics	FY13	JPN505	External Sector Statistics: Asia and Pacific	4,954,606	
ICD	FY10	JPN201	Macroeconomic Management: Asia and Pacific	6,085,098		
ICD	FY13	JPN202	Macroeconomic Management: Asia and Pacific	6,900,001		
Subtotal					70,377,285	62%
Europe	Fiscal Affairs	FY10	JPN103	Fiscal Management: South-East Europe:	5,823,132	
	Statistics	FY12	JPN502	Real Sector Statistics: Eastern Europe	4,715,490	
Subtotal					10,538,622	9%
Middle East and Central Asia	Fiscal Affairs	FY10	JPN104	Middle East and Central Asia: Safeguarding Financial Resources: Central Asia	2,414,394	
	MCM				1,862,833	
	Fiscal Affairs	FY13	JPN111	Tax Administration: Caucasus and Central Asia	2,621,500	
Subtotal					6,898,728	6%

Table 2: JSA-funded Technical Assistance Programs by Region¹ (FY10–FY13)

Region	Sector ²	Approval Year ³	JPNID ⁴	Program ⁵	Budget (US\$) ⁶	Percentage of total
Western Hemisphere	Fiscal Affairs	FY10	JPN105	Treasury Management, Fiscal Reporting, and Tax Auditing: Western Hemisphere	1,341,641	
				Subtotal	1,341,641	1%
More than one Region	Statistics	FY12	JPN504	General Data Dissemination	1,299,603	
				Subtotal	1,299,603	1%
				Total	113,148,686	100%

Source: Insitute for Capacity Development, IMF.

Notes:

Blue highlight indicates programs with more than one deparment implementing.

¹ All dollar figures are inclusive of the 7% administrative fee.

² Sector of delivery. Training is delivered under ICD.

³ Year of approval denotes the financial year in which the program was approved by Ministry of Finance Japan.

⁴ JPNID denotes the numerical identifier for JSA-funded Programs.

⁵ Program's title/subject.

⁶ Denotes the total budget that is envisaged for the given program. It does not indicate the approved/working budget, which in case of FY13 programs will be lower since the programs had only one year of budgets approved. Three-year total gives a better indication of the whole program size.

⁷ Total expenditures through end-financial year 2013.

⁸ Amount does not include Japan's contribution to the AML/CTF Topical Trust Fund of \$2 million FY10–FY14 (5 years)

Table 3: JSA-Funded Technical Assistance Programs by Region and Country (FY10–FY13)

Region	Sector ¹	Approval Year ²	JPNID ³	Program ⁴	Countries Covered ⁵
Africa	Fiscal Affairs	FY10	JPN101	Fiscal Management: West Africa	Ten West African Countries
	Fiscal Affairs	FY12	JPN107	Budget Management and Customs Administration: CEMAC	Cameroon, Central African Republic, Republic of Congo, Gabon, Chad, Equatorial Guinea
	Fiscal Affairs	FY13	JPN110	Budget management, fiscal reporting, and tax administration: West Africa (ECOWAS)	Burkina Faso, Cape Verde, Cote d'Ivoire, Gambia, Ghana, Liberia, Mali, Niger, Nigeria, Sierra Leone, Senegal
	MCM	FY10	JPN401	Strengthening Regional Financial Agencies: Economic and Monetary Community of Central African States (CEMAC)	Cameroon, the Central African Republic, Chad, the Republic of Congo, Equatorial Guinea, and Gabon
	MCM	FY12	JPN404	Supporting Preparations for Monetary Union in the East Africa Community	Burundi, Kenya, Rwanda, Uganda, Tanzania
	Statistics				
Asia and Pacific	Fiscal Affairs	FY10	JPN102	Public Financial Management: Asia and Pacific	Bangladesh, Cambodia, Lao PDR, Nepal, Korea, Timor-Leste
	Fiscal Affairs	FY11	JPN106	Fiscal Management and Institutional Capacity: Asia and Pacific	Bhutan, Indonesia, Maldives, Mongolia, Philippines, Sri Lanka
	Legal				
	Fiscal Affairs	FY12	JPN108	Budget and Treasury Management: Southeast Asia	Bangladesh, Cambodia, Indonesia, Lao PDR, Nepal, Philippines, Timor Leste, Vietnam
	Fiscal Affairs	FY12	JPN109	Tax Administration Reforms: Southeast Asia	Bangladesh, Cambodia, Lao PDR, Nepal
	Fiscal Affairs	FY13	JPN601	Treasury Management and Financial Systems Modernization: Myanmar and Lao PDR	Myanmar, Lao PDR
	MCM				
	Legal ⁶	FY13	JPN301	AML/CFT Framework: Myanmar	Myanmar
	MCM	FY10	JPN402	Bank Supervision: Association of Southeast Asian Nations (ASEAN):	Cambodia, Indonesia, Philippines, and Vietnam
	MCM	FY11	JPN403	Asia and Pacific – Improving Banking Supervision and Regulation, and Crisis Management in Selected PRGT Countries	Bangladesh, Maldives, Nepal
	MCM	FY13	JPN405	Bank Supervision: Association of Southeast Asian Nations (ASEAN)	Cambodia, Indonesia, Philippines
	MCM	FY13	JPN406	Central Bank Modernization in the Union of Myanmar	Myanmar
	Statistics	FY11	JPN501	National Accounts and the International Comparison Program: Asia and Pacific	Bhutan, Cambodia, Fiji, Indonesia, Laos PRD, Maldives, Mongolia, Nepal, Philippines, Sri Lanka, Thailand, Vietnam
	Statistics	FY12	JPN503	Regional Government Finance Statistics	Tuvalu, Samoa, Timor-Leste, Cambodia, Philippines

Table 3: JSA-Funded Technical Assistance Programs by Region and Country (FY10–FY13)

Region	Sector ¹	Approval Year ²	JPNID ³	Program ⁴	Countries Covered ⁵
	Statistics	FY13	JPN505	Improved External Sector Statistics in Asia Pacific region	Multi-country (Priority countries: Bangladesh, Cambodia, Myanmar, Nepal, Bhutan, Lao PDR, Maldives, Mongolia, Sri Lanka, Vietnam, Fiji, Kiribati, Marshall Islands, Micronesia, Palau, Papua New Guinea, Samoa, Solomon Islands, Timor-Leste, Tonga, Tuvalu, Vanuatu)
	Training	FY10	JPN201	Macroeconomic Management: Asia and Pacific	Multi-country (Courses delivered through the IMF-Singapore Regional Training Institute (STI))
	Training	FY13	JPN202	Macroeconomic Management in the Asia-Pacific Region	Multi-country (Courses delivered through the IMF-Singapore Regional Training Institute (STI))
Europe	Fiscal Affairs	FY10	JPN103	Fiscal Management: South-Eastern Europe	Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Kosovo, the Former Yugoslav Republic of Macedonia, Moldova, Montenegro, Romania, Serbia, and Slovenia
	Statistics	FY12	JPN502	Real Sector Statistics: Eastern Europe	Albania, Belarus, Bosnia & Herzegovina, FYR Macedonia, Kosovo, Moldova, Montenegro, Serbia, Ukraine
Middle East and Central Asia	Fiscal Affairs	FY10	JPN104	Safeguarding Financial Resources in Central Asian Countries	Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan
	MCM				
	Fiscal Affairs	FY13	JPN111	Tax Administration in Caucasus and Central Asian Countries	Armenia, Georgia, Tajikistan, Uzbekistan
Western Hemisphere	Fiscal Affairs	FY10	JPN105	Treasury Management, Fiscal Reporting, and Tax Auditing: Western Hemisphere	Bolivia, Colombia, Paraguay, and Peru
More than one Region	Statistics	FY12	JPN504	General Data Dissemination System Program	Papua New Guinea, Iran

Source: Insitute for Capacity Development, IMF.

Notes:

Blue highlight indicates programs with more than one department implementing.

¹ Sector of delivery. Training is delivered under ICD.

² Year of approval denotes the financial year in which the program was approved by Japan.

³ JPNID denotes the numerical identifier for the programs as assigned by ICDGP and for reference with Japan.

⁴ Program's title/subject.

⁵ Countries covered under the program.

⁶ Amount does not include Japan's contribution to the AML/CTF Topical Trust Fund of \$2 million FY10-FY14 (5 years)

Table 4A: JSA-financed TA (Programs and Projects), FY10–FY13, by Sector, in Person-years^{1,2}

	FY10	FY11	FY12	FY13	Totals	%
Fiscal Affairs						
Programs	–	12.54	18.89	25.84	57.27	
Projects	14.47	6.27	0.65	–	21.40	
Subtotal	14.47	18.81	19.54	25.84	78.67	52%
Legal						
Programs	–	0.08	0.28	0.40	0.76	
Projects	0.73	–	–	–	0.73	
Subtotal	0.73	0.08	0.28	0.40	1.49	1%
Monetary and Capital Markets						
Programs	0.61	6.24	10.65	11.31	28.80	
Projects	9.42	2.46	1.66	–	13.53	
Subtotal	10.02	8.69	12.30	11.31	42.33	28%
Statistics						
Programs	–	0.10	2.15	9.27	11.51	
Projects	5.82	1.93	0.20	–	7.95	
Subtotal	5.82	2.03	2.34	9.27	19.46	13%
Training						
Programs	–	2.19	2.83	3.11	8.14	
Projects	0.60	0.19	–	–	0.79	
Subtotal	0.60	2.38	2.83	3.11	8.93	6%
Other	0.14	0.19	0.33	0.38	1.04	1%
Grand Total	31.79	32.18	37.63	50.32	151.91	100%

Source: Institute for Capacity Development, IMF.

¹ An effective person-year of TA is defined as 260 to 262 working days, as follows:
2010: 1 person year = 261 days; 2011, 260 p. days; 2012, 261 p. days; 2013, 262 p. days

² Does not include TA financed by Japan under the component from Legal Department under AML/CFT Topical Trust Fund.

Table 4B: JSA-funded TA (Programs and Projects), FY10–FY13, by Region and Sector, in Person-years¹

	FY10	FY11	FY12	FY13	Total	% grand total
Africa						
Fiscal Affairs	4.16	5.30	6.06	6.65	22.16	
Legal ²	0.38	–	–	–	0.38	
Monetary and Capital Markets	2.01	1.17	4.20	3.62	11.00	
Statistics	1.79	0.26	–	–	2.04	
Other			0.07		0.07	
Subtotal	8.33	6.73	10.33	10.26	35.65	23%
Asia and Pacific						
Fiscal Affairs	6.12	7.35	7.62	11.34	32.41	
Training	0.60	2.27	2.83	3.11	8.82	
Legal ²	0.08	0.08	0.28	0.40	0.84	
Monetary and Capital Markets	5.65	5.11	6.96	6.18	23.89	
Statistics	1.17	0.83	1.79	6.03	9.82	
Other	0.14	0.17	0.26	0.32	0.89	
Subtotal	13.76	15.80	19.73	27.37	76.67	50%
Europe						
Fiscal Affairs	1.07	2.77	3.06	4.48	11.38	
Monetary and Capital Markets	1.58	1.01	–	–	2.59	
Statistics	0.75	0.18	0.43	3.13	4.49	
Other	–	–	–	0.06	0.06	
Subtotal	3.40	3.95	3.50	7.67	18.52	12%
More than one Region						
Fiscal Affairs	–	–	–	0.09	0.09	
Legal ²	0.02	–	–	–	0.02	
Monetary and Capital Markets	–	–	0.04	–	0.04	
Statistics	–	0.07	–	–	0.07	
Other	–	0.02	–	–	0.02	
Subtotal	0.02	0.08	0.04	0.09	0.23	0.2%

Table 4B: JSA-funded TA (Programs and Projects), FY10–FY13, by Region and Sector, in Person-years¹

	FY10	FY11	FY12	FY13	Total	% grand total
Middle East and Central Asia						
Fiscal Affairs	2.42	2.57	2.27	2.22	9.48	
Institute for Capacity Development – Training	–	0.11	–	–	0.11	
Monetary and Capital Markets	0.78	1.40	1.15	1.48	4.81	
Statistics	1.86	0.70	0.12	0.11	2.78	
Subtotal	5.06	4.78	3.53	3.82	17.18	11%
Western Hemisphere						
Fiscal Affairs	0.71	0.83	0.53	1.07	3.15	
Legal ²	0.25	–	–	–	0.25	
Statistics	0.26	–	–	–	0.26	
Subtotal	1.22	0.83	0.53	1.07	3.65	2%
Total	31.78	32.18	37.67	50.28	151.91	100%

Source: Institute for Capacity Development, IMF.

¹ An effective person-year of TA is defined as 260 to 262 working days, as follows:

2010: 1 person year = 261 days; 2011, 260 p. days; 2012, 261 p. days; 2013, 262 p. days

² Does not include TA financed by Japan under the component from Legal Department under AML/CFT Topical Trust Fund.

Table 4C: IMF TA Delivery by Funding Source, FY10–FY13, in Person-years^{1,2}

Funding Source	FY10	FY11	FY12	FY13	Total	% of Total
IMF	53.62	53.42	55.47	50.35	212.86	23%
Japan ³	31.78	32.18	37.64	50.32	151.92	16%
EC	0.00	1.16	9.04	23.10	33.30	4%
DFID	3.17	5.50	10.57	11.34	30.58	3%
Switzerland	3.04	6.19	9.83	8.22	27.28	3%
World Bank	4.43	3.61	7.97	8.61	24.63	3%
Other ²	97.06	110.02	118.33	132.09	457.50	49%
Total	193.10	212.08	248.85	284.04	938.07	100%

Source: Institute for Capacity Development.

¹ This data, unlike the IMF Annual Report, includes TA and training provided by Institute for Capacity Development (prior to FY2013: IMF Institute).

² "Other" funding source includes: Other bilateral accounts, Trust Funds, and Regional Technical Assistance Centers.

³ Does not include TA by Legal Department under AML/CFT Topical Trust Fund.

Table 4D: Top 11 Recipient Countries of JSA-Financed TA, FY10–14, in Person-years^{1, 2}

Recipient Countries	FY10	FY11	FY12	FY13	Total	% of Total
Cambodia	1.83	2.15	2.02	3.36	9.36	6%
IMF-Singapore	0.60	1.89	2.53	3.03	8.05	5%
Regional Training Institute						
Nepal	1.33	1.36	2.19	2.86	7.73	5%
Philippines	1.08	1.48	1.94	1.57	6.06	4%
Mongolia	1.12	1.47	1.87	1.41	5.87	4%
Indonesia	1.33	1.15	0.88	1.22	4.58	3%
Bangladesh	0.29	0.15	1.36	2.24	4.04	3%
Viet Nam	1.39	1.09	1.02	0.49	3.98	3%
Timor-Leste (Dem. Rep.)	1.09	1.25	1.11	0.31	3.75	2%
Maldives	1.31	0.39	1.31	0.49	3.50	2%
Kyrgyz Republic	0.15	0.67	1.28	1.01	3.12	2%
Other	20.27	19.14	20.14	32.32	91.87	60%
Total	31.78	32.18	37.63	50.32	151.91	100%

Source: Institute for Capacity Development.

¹ This data, unlike the IMF Annual Report, includes TA and training provided by Institute for Capacity Development (prior to FY2013: IMF Institute).

² Does not include TA by Legal Department under AML/CFT Topical Trust Fund.

Table 5.A: JSA Expenditures for Programs, FY10–FY13 by Region^{1, 2, 3}

Region	FY10	FY11	FY12	FY13	Totals	Percentages
Africa	1,968	2,084,353	3,822,573	4,191,500	10,100,394	19%
Asia and Pacific	362,237	7,057,211	9,432,768	14,210,049	31,062,265	58%
Europe	–	1,164,166	1,682,083	3,616,728	6,462,977	12%
Middle East and Central Asia	–	759,578	1,721,114	1,797,005	4,277,697	8%
Western Hemisphere	–	255,973	276,417	587,330	1,119,720	2%
More than one Region			188,218	192,263	380,481	1%
Grand Total	364,205	11,321,280	17,123,174	24,594,873	53,403,533	100%

¹ All values include 13% administrative overhead. Expenditures are through end-FY2013.

² Zero values mean that there were no expenditures that year for the given region or subject area.

³ Does not include TA financed by Japan under the component from Legal Department under AML/CFT Topical Trust Fund.

Table 5.B: JSA Expenditures for Programs, FY10–13 by Subject Area^{1, 2, 3}

Subject Area	FY10	FY11	FY12	FY13	Grand Total	Percentages
Fiscal Affairs	1,968	5,413,263	8,958,743	12,725,997	27,099,971	51%
Legal	–	–	48,265	275,370	323,636	1%
Monetary and Capital Markets	–	2,764,444	4,168,401	3,916,821	10,849,667	20%
Statistics	–	155,648	1,649,931	5,197,772	7,003,350	13%
Training	362,237	2,987,926	2,297,833	2,478,913	8,126,909	15%
Grand Total	364,205	11,321,280	17,123,174	24,594,873	53,403,533	100%

Source: Institute for Capacity Development, IMF.

Notes for tables 5A and 5B:

¹ All values include 7% Trust Fund Fee. Expenditures are through end-FY2013 and include FY2013 programs.

² Zero values mean that there were no expenditures that year for the given region or subject area.

³ Does not include TA financed by Japan under the component from Legal Department under AML/CFT Topical Trust Fund.

Table 5.C: JSA Expenditures for Projects, FY10–13 by Geographic Region^{1, 2, 3}

Region	FY10	FY11	FY12	FY13	Grand Total	Percentages
Africa	3,281,557	947,187	853,981	434,580	5,517,305	29%
Asia and Pacific	4,995,242	1,611,874	446,987	35,094	7,089,199	38%
Europe	1,256,745	492,966	233,437	–	1,983,148	11%
Middle East and Central Asia	1,797,409	1,242,662	172,464	20,834	3,233,369	17%
Western Hemisphere	592,501	100,812	135,624	–	828,936	4%
More than one Region	195,454	–	–	–	195,454	1%
Grand Total	12,118,908	4,395,502	1,842,492	490,508	18,847,411	100%

¹ All values include 13% administrative overhead. Expenditures are through end-FY2013.

² Zero values mean that there were no expenditures that year for the given region or subject area.

³ Does not include TA financed by Japan under the component from Legal Department under AML/CFT Topical Trust Fund.

Table 5.D: JSA Expenditures for Projects, FY10–13 by Subject Area^{1, 2, 3}

Subject Area	FY10	FY11	FY12	FY13	Grand Total	Percentages
Fiscal Affairs	5,708,850	2,393,862	536,193	70,189	8,709,094	46%
Legal	534,744	–	33,787	35,094	603,626	3%
Monetary and Capital Markets	2,849,972	946,508	716,809	294,252	4,807,541	26%
Statistics	2,070,475	947,478	555,704	90,973	3,664,630	19%
Training	954,867	107,653	–	–	1,062,520	6%
Grand Total	12,118,908	4,395,502	1,842,492	490,508	18,847,411	100%

Source: Institute for Capacity Development, IMF.

¹ All values include 13% administrative overhead. Expenditures are through end-FY2013.

² Zero values mean that there were no expenditures that year for the given region or subject area.

³ Does not include TA financed by Japan under the component from Legal Department under AML/CFT Topical Trust Fund.

Table 5.1 A: JSA Expenditures for Programs and Projects, FY2010–13 by Geographic Region^{1, 2, 3, 4}

Region	FY10	FY11	FY12	FY13	Grand Total	Percent
Africa						
Programs ¹	1,968	2,084,353	3,822,573	4,191,500	10,100,394	
Projects ²	3,281,557	947,187	853,981	434,580	5,517,305	
Subtotal	3,283,525	3,031,540	4,676,554	4,626,079	15,617,699	22%
Asia and Pacific						
Programs ¹	362,237	7,057,211	9,432,768	14,210,049	31,062,265	
Projects ²	4,995,242	1,611,874	446,987	35,094	7,089,199	
Subtotal	5,357,479	8,669,085	9,879,755	14,245,143	38,151,463	53%
Europe						
Programs ¹	–	1,164,166	1,682,083	3,616,728	6,462,977	
Projects ²	1,256,745	492,966	233,437	–	1,983,148	
Subtotal	1,256,745	1,657,133	1,915,520	3,616,728	8,446,125	12%
Middle East and Central Asia						
Programs ¹	–	759,578	1,721,114	1,797,005	4,277,697	
Projects ²	1,797,409	1,242,662	172,464	20,834	3,233,369	
Subtotal	1,797,409	2,002,239	1,893,578	1,817,840	7,511,066	10%
Western Hemisphere						
Programs ¹	–	255,973	276,417	587,330	1,119,720	
Projects ²	592,501	100,812	135,624	–	828,936	
Subtotal	592,501	356,785	412,041	587,330	1,948,656	3%
More than one Region						
Programs ¹	–	–	188,218	192,263	380,481	
Projects ²	195,454	–	–	–	195,454	
Subtotal	195,454	–	188,218	192,263	575,935	1%
Grand Total	12,483,113	15,716,782	18,965,667	25,085,382	72,250,944	100%

Source: Institute for Capacity Development, IMF.

¹ All values are actual costs and include 7% Trust Fund Fee. Expenditures are through end-FY2013 and include FY2013 programs.

² All values are standard cost and include 13% administrative overhead. Expenditures are through end-FY2013.

³ Zero values mean that there were no expenditures that year for the given region.

⁴ Does not include TA financed by Japan under the component from Legal Department under AML/CFT Topical Trust Fund.

Table 5.1B: JSA Expenditures for Programs and Projects, FY2010–13 by Sector^{1, 2, 3, 4}

Subject Area	FY10	FY11	FY12	FY13	Grand Total	Percent
Fiscal Affairs						
Programs ¹	1,968	5,413,263	8,958,743	12,725,997	27,099,971	
Projects ²	5,708,850	2,393,862	536,193	70,189	8,709,094	
Subtotal	5,710,818	7,807,125	9,494,936	12,796,186	35,809,065	50%
Legal						
Programs ¹	–	–	48,265	275,370	323,636	
Projects ²	534,744	–	33,787	35,094	603,626	
Subtotal	534,744	–	82,052	310,465	927,261	1%
Monetary and Capital Markets						
Programs ¹	–	2,764,444	4,168,401	3,916,821	10,849,667	
Projects ²	2,849,972	946,508	716,809	294,252	4,807,541	
Subtotal	2,849,972	3,710,952	4,885,210	4,211,073	15,657,208	22%
Statistics						
Programs ¹	–	155,648	1,649,931	5,197,772	7,003,350	
Projects ²	2,070,475	947,478	555,704	90,973	3,664,630	
Subtotal	2,070,475	1,103,126	2,205,635	5,288,745	10,667,980	15%
Training						
Programs ¹	362,237	2,987,926	2,297,833	2,478,913	8,126,909	
Projects ²	954,867	107,653	–	–	1,062,520	
Subtotal	1,317,104	3,095,579	2,297,833	2,478,913	9,189,429	13%
Grand Total	12,483,113	15,716,782	18,965,666	25,085,382	72,250,944	100%

Source: Institute for Capacity Development, IMF.

¹ All values are actual costs and include 7% Trust Fund Fee. Expenditures are through end-FY2013 and include FY2013 programs.

² All values are standard cost and include 13% administrative overhead. Expenditures are through end-FY2013.

³ Zero values mean that there were no expenditures that year for the given subject area.

⁴ Does not include TA financed by Japan under the component from Legal Department under AML/CFT Topical Trust Fund.

Table 6: JSA-Funded Programs TA Expenditures, FY10–FY13, by Sector (Dept.) and Sub-Sector

	FY10	FY11	FY12	FY13	Totals
Fiscal Affairs					
Public financial management	–	3,120,036	5,236,939	7,050,421	15,407,396
Tax policy and revenue administration	1,968	2,293,227	3,721,804	5,675,576	11,692,575
Subtotal	1,968	5,413,263	8,958,743	12,725,997	27,099,971
Monetary and Capital Markets					
Banking Supervision	–	2,390,811	3,170,675	2,510,646	8,072,132
Monetary Policy	–	–	7,428	–	7,428
Accounting	–	74,727	43,396	–	118,123
Other	–	298,907	946,902	1,406,175	2,651,984
of which					
Other Supervision	–	–	22,285	–	22,285
Monetary and Forex	–	27,415	189,615	61,254	278,284
Subtotal	–	2,764,444	4,168,401	3,916,821	10,849,667
Legal¹	–	–	48,265	275,370	323,636
Statistics					
Real Sector Statistics	–	155,647	1,138,429	2,935,109	4,229,185
Monetary and Financial Statistics	–	–	–	17,475	17,475
Balance of Payments Statistics	–	–	–	728,485	728,485
Government Finance Statistics	–	–	323,283	1,324,440	1,647,723
General Data Dissemination	–	–	188,218	192,263	380,481
Subtotal	–	155,647	1,649,931	5,197,772	7,003,350
Training	362,237	2,987,926	2,297,833	2,478,913	8,126,909
Total	364,205	11,321,281	17,123,174	24,594,873	53,403,532

Source: Institute for Capacity Development, IMF.

¹ Does not include TA financed by Japan under the component from Legal Department under AML/CFT Topical Trust Fund.

Note: Includes 7% Trust Fund Fee. Expenditures are through FY2013 and include FY2013 programs. Zero values mean that there were no expenditures that year for the given sector.

Note: Until March 2009, under the rules of the IMF Framework Administered Account (FAA), the professional time costs of external experts who delivered technical assistance was recovered by the IMF from donor Funds on a "standard cost basis." Standard costs were essentially average costs for similar missions. Other expenses, such as facilities costs for seminars, were recovered on an actual cost basis. No charge was made for the time of IMF staff. In addition, an administrative overhead, charge of 13 percent, was applied to the recoverable costs. After March 2009 a new costing model was instituted. This was the IMF Framework Account for Selected Fund Activities (SFA). Under the SFA, donor Funds are charged the actual salary costs of experts and of IMF staff who deliver technical assistance. In addition a Trust Fund Management Fee (7 percent) was introduced, replacing the 13 percent administrative fee but on a different base. All dollar figures in this Table include the 7 percent Trust Fund Management Fee current at the time of Program approval. There are no IMF overhead costs loaded on salary costs for experts.

Table 7A: IMF TA Delivery by Sector, FY10–13, in Person-years^{1, 2, 3}

	FY10	FY11	FY12	FY13	Totals	% of Total
Fiscal Affairs	83.06	97.95	122.44	149.61	453.05	48%
Training	0.60	2.38	2.83	3.11	8.93	1%
Legal	12.17	17.92	17.59	15.25	62.92	7%
Monetary and Capital Markets	60.83	58.11	65.39	65.11	249.44	27%
Statistics	27.33	24.26	28.64	37.03	117.26	12%
Other	9.11	11.47	11.96	13.93	46.46	5%
Grand Total	193.10	212.08	248.85	284.04	938.07	100%

Source: Institute for Capacity Development, IMF.

¹ An effective person-year of TA is defined as 260 to 262 working days, as follows:

2010: 1 person year = 261 days; 2011, 260 p. days; 2012, 261 p. days; 2013, 262 p. days

² Does not include TA financed by Japan under the component from Legal Department under AML/CFT Topical Trust Fund.

³ This data, unlike the IMF Annual Report, includes TA and training provided by Insititute for Capacity Development (prior to FY2013: IMF Institute).

Table 7B: JSA-financed TA (Programs and Projects), FY10–13, by Sector, in Person-years^{1, 2, 3}

	FY10	FY11	FY12	FY13	Totals	% of Total
Fiscal Affairs	14.47	18.81	19.54	25.84	78.67	52%
Training	0.60	2.38	2.83	3.11	8.93	6%
Legal	0.73	0.08	0.28	0.40	1.49	1%
Monetary and Capital Markets	10.02	8.69	12.30	11.31	42.33	28%
Statistics	5.82	2.03	2.34	9.27	19.46	13%
Other	0.14	0.19	0.33	0.38	1.04	1%
Grand Total	31.79	32.18	37.63	50.32	151.91	100%

Source: Institute for Capacity Development, IMF.

¹ An effective person-year of TA is defined as 260 to 262 working days, as follows:

2010: 1 person year = 261 days; 2011, 260 p. days; 2012, 261 p. days; 2013, 262 p. days

² Does not include TA financed by Japan under the component from Legal Department under AML/CFT Topical Trust Fund.

³ This data, unlike the IMF Annual Report, includes TA and training provided by Insititute for Capacity Development (prior to FY2013: IMF Institute).

Table 8: Total Expenditures Financed Externally for FAD, LEG, and STA

FAD	FY09	FY10	FY11	FY12	FY13	Total
FAA ¹	(13,666,656)	(15,013,640)	(7,665,212)	(785,698)	(191,060)	(37,322,267)
SFA ²	–	(1,097,924)	(6,947,525)	(29,849,100)	(47,921,576)	(85,816,124)
Total	(13,666,656)	(16,111,564)	(14,612,737)	(30,634,798)	(48,112,636)	(123,138,391)
LEG	FY09	FY10	FY11	FY12	FY13	Total
FAA ¹	(2,108,022)	(3,446,621)	(3,890,516)	(426,223)	(819,118)	(10,690,501)
SFA ²	–	(3,965,954)	(6,849,050)	(7,333,058)	(7,196,256)	(25,344,318)
Total	(2,108,022)	(7,412,575)	(10,739,566)	(7,759,281)	(8,015,374)	(36,034,819)
STA	FY09	FY10	FY11	FY12	FY13	Total
FAA ¹	(6,369,124)	(4,930,762)	(1,837,049)	(606,558)	(90,973)	(13,834,466)
SFA ²	–	(659,377)	(4,873,573)	(8,718,678)	(12,998,384)	(27,250,012)
Total	(6,369,124)	(5,590,139)	(6,710,622)	(9,325,236)	(13,089,357)	(41,084,478)

Source: Institute for Capacity Development, IMF.

¹ All values are standard cost and include 13% administrative overhead.

² All values are actual costs and include 7% Trust Fund Fee.

Note: Until March 2009, under the rules of the IMF Framework Administered Account (FAA), the professional time costs of external experts who delivered technical assistance was recovered by the IMF from donor Funds on a "standard cost basis." Standard costs were essentially average costs for similar missions. Other expenses, such as facilities costs for seminars, were recovered on an actual cost basis. No charge was made for the time of IMF staff. In addition, an administrative overhead, charge of 13 percent, was applied to the recoverable costs. After March 2009 a new costing model was instituted. This was the IMF Framework Account for Selected Fund Activities (SFA). Under the SFA, donor Funds are charged the actual salary costs of experts and of IMF staff who deliver technical assistance. In addition a Trust Fund Management Fee (7 percent) was introduced, replacing the 13 percent administrative fee but on a different base. All dollar figures in this Table include the 7 and 13 percent Trust Fund Management Fee current at the time of Program approval. There are no IMF overhead costs loaded on salary costs for experts.

Persons Interviewed in Participant Countries

Country	Organization	Persons Interviewed
Cambodia	IMF Office	Faisal Ahmed, Resident Representative, IMF
	Ministry of Economy and Finance, Dept. of Economics and Public Financial Policy	Phan Phalla, Director General
		Lay Sopheak, Economist
		Tep Phiyorin, Director, Macroeconomic and Fiscal Policy Department, MEF
	Ministry of Economy and Finance, Dept. of Budget	Pen Thirong, Dep. Director General, Budget Formulation Dept.
		Ratanak Hav, Director, Budget Formulation Dept.,
		Houl Bonnarothe, Chief, Multilateral Cooperation
		Keo Vibol, Dep. Chief, Multilateral Cooperation
		Chhuon Samrith, Director, Debt Management
		Phkarnavy Gerard, Advisor (Bank of France)
	National Bank of Cambodia	Neav Chanthana, Deputy Governor, National Bank of Cambodia
		Chea Serey, Director General, Technical
		Kim Vada, Director General of Supervision
		Tann Sokhann, Director, Statistics Dept.
		Nget Sovannarith, Director, Off-Site Supervision
		Khou Vouthy, Director, Econ. Research & Internet. Cooperation
		Ponn Dalyn, Dep. Dir., Statistics
	Arnaud de Villepoix, IMF General Advisor	
	National Treasury	Hari Nayer, IMF Accounting Resident Advisor
		Vong Bunintreavuth, Director General, National Treasury
Ming Bansovanmatishasila, Deputy Director General		
Khfav Sina		
Chea Socheat		
San Sokheda		
Customs and Excise	Bun Somenbu	
	Pen Sam Ath, Deputy Director General	
	Kun Nher, Deputy Director General	
Taxation	Sang Sinavith, Deputy Director	
	Um Seiha, Deputy Director General	
National Institute of Statistics	Eleven directors and staff. (Names provided in Khmer)	
	Keo Chettra, Director National Accounts	

Persons Interviewed in Participant Countries (continued)

Country	Organization	Persons Interviewed	
Indonesia	Ministry of Finance, Directorate General of Taxes	Tekad Widodo Setiawan, Deputy Director Aditya Wibisono, Officer	
	Ministry of Finance, Fiscal Policy Agency	Bambang PS Brodjonegoro, Vice-Minister Finance Andin Hadiyanto, Chairman, Fiscal Policy Agency Kunta W.D. Nugraha, Deputy Director Multilateral Cooperation Adi Cahyadi, Head, World Bank and IMF Subdivision Freddy R. Saragih, Director, Center for Fiscal Policy Management Robert Pakpahan, Director General Debt Management	
	Statistics Indonesia	Dr. Suryamin, Chief Statistician Dr. Kecuk Suhariyanto, Deputy Chief Statistian Yunita Rusanti, Director of Price Statistics Sai Soelistyowati, Director National Accounts (expenditures)	
	OJK, Financial Sector Supervision	Nelson Tampubelan, Board of Commissioners K. Englang, Deputy Commissioner M. E. Siregar, Deputy Commissioner F. Mansyah Director Henry R. Hamid, Dep. Director	
	Bank of Indonesia	Perry Warjijo, Dep. Governor, Bank Indonesia Aryana Abubakar, Dep. Dir., Macroprudential Policy Dept. Iss Savitri Hafid, Dep. Director, International Dept. Jeffrey Kairupan, Exec. Dir., Head International Dept. Ita Rulita, Macroprudential Department	
	Philippines	IMF Resident Representative	Shanaka Jayananath Peiris
		National Statistical Coordination Board	Raymundo Talento, Director, Economic Statistics Office
		Resident Senior Tax Administration Advisor	Rick Fisher, LTX, Tax Administration
		Banco Sentral ng Pilipinas	Restituto Cruz, Office of Managing Director Maria Theresa Bangalan, Dep. Dir., SES Operations Management Group Marlene G. Tiquia, Dep. Director, Integrated Supervision Dept. Dindo Santos, Dep. Director, ISD II Gracielle M. Cruz, SOMG
		Dept. of Finance	Teresa Habitan, Assistant Secreary Marcela S Salazar, Director III Asset Management
		Treasury	Sharon P. Almanza, Deputy Treasurer
		Singapore	IMF Resident Representative
	LTX Economist, STI	Shinichi Nakabayashi	
LTX Economist, STI	Itai Agur		
Sunil Sharma	Director, STI		
Mangal Goswami	Dep. Director, STI		

Question 5: How well was the IMF Program coordinated with related activities? (That is, coordinated with other IMF activities, other donors' activities and with the country authorities' own activities)

- Excellently coordinated Or no opinion
 Well coordinated
 Not well coordinated

5.1 Could more have been done to coordinate with other activities?

- No Yes. Please explain

Question 6: To what extent did the IMF technical assistance produce benefits for the funder, Japan, as well as for the beneficiary country?

- 1 2 3 4 5 6 7 Or no opinion
Minimal benefits *Great benefits*
for Japan *for Japan*
Please explain:

Question 7: Were you aware that the technical assistance activities in your country were part of a multi-country program?

- Yes No (If no, skip to Question 8)

7.1 If yes, do you think that the multi-year multi-country technical assistance program was a better approach than a series of smaller projects in your country would have been?

- 1 2 3 4 5 6 7 Or no opinion
Not *Much*
better *better*

Question 8: Overall was the IMF Program successful in building capacity in your country?

- Excellent contribution to capacity Or no opinion
 Good contribution
 Modest contribution
 Small contribution

8.1 Could capacity have been improved more than it was?

No Yes. Please explain.

Question 9: What were the main strengths and weaknesses of this IMF Program?

9.1 What were the main strengths of the Program? Please explain.

9.2 What were the main weaknesses of the Program? Please explain.

Question 10: Please make any additional comments that you believe are relevant to the evaluation of this Program.

Question 5: How well was the Program coordinated with related activities? (Other IMF activities, other donors' activities and/or the country authorities' own efforts to build capacity)

- Excellently coordinated Or no opinion
 Well coordinated
 Not well coordinated

5.1 Could more have been done to coordinate with other relevant activities?

- No Yes. Please explain

Question 6: To what extent did the TA Program produce benefits for Japan as well as for the beneficiary country?

6.1 Contribution to the stability and prosperity of the international economy that is beneficial in to Japan as an open trading economy.

- | | | | | | | | |
|---|---|---|---|---|---|---|--|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | Or no opinion <input type="checkbox"/> |
| <i>Minimal contribution made by this technical assistance</i> | | | | | | <i>Excellent contribution made by this technical assistance</i> | |

6.2 Contribution to Japan's access to and influence within the IMF and with country authorities.

- | | | | | | | | |
|---|---|---|---|---|---|---|--|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | Or no opinion <input type="checkbox"/> |
| <i>Minimal contribution made by this technical assistance</i> | | | | | | <i>Excellent contribution made by this technical assistance</i> | |

6.3 Contribution to goodwill towards Japan encouraged by the visibility of its contribution to the technical assistance

- | | | | | | | | |
|---|---|---|---|---|---|---|--|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | Or no opinion <input type="checkbox"/> |
| <i>Minimal contribution made by this technical assistance</i> | | | | | | <i>Excellent contribution made by this technical assistance</i> | |

Please explain your ratings:

Question 7: In your opinion, was the Program addressed in this Questionnaire more relevant, effective, efficient or sustainable than a series of smaller projects would have been? (Please assign a rating on each scale below.)

(This Program was an example of the JSA program-based approach to technical assistance. Typically a Program has a substantial budget for three years of coherent activities in a particular sector in several countries. This approach was implemented from FY10 onwards, compared with the project-by-project approach that was used previously.)

7.1 Was the program-based approach more relevant than a series of smaller projects would have been?

1	2	3	4	5	6	7	Or no opinion <input type="checkbox"/>
<i>Not</i>						<i>Much</i>	
<i>more</i>						<i>more</i>	
<i>relevant</i>						<i>relevant</i>	

7.2 Was the program-based approach more effective than a series of smaller projects would have been?

1	2	3	4	5	6	7	Or no opinion <input type="checkbox"/>
<i>Not</i>						<i>Much</i>	
<i>more</i>						<i>more</i>	
<i>effective</i>						<i>effective</i>	

7.3 Was the program-based approach more efficient than a series of smaller projects would have been?

1	2	3	4	5	6	7	Or no opinion <input type="checkbox"/>
<i>Not</i>						<i>Much</i>	
<i>more</i>						<i>more</i>	
<i>efficient</i>						<i>efficient</i>	

7.4 Were the results of the program-based approach more sustainable than the results of a series of smaller projects would have been?

1	2	3	4	5	6	7	Or no opinion <input type="checkbox"/>
<i>Not</i>						<i>Much</i>	
<i>more</i>						<i>more</i>	
<i>sustainable</i>						<i>sustainable</i>	

Please explain your ratings above (comparing program-based TA vs. projects-based TA):

Question 8: Overall was the Program successful in building capacity in its recipient countries?

- Excellent contribution to capacity in recipient countries. Or no opinion
- Good contribution
- Modest contribution
- Small contribution
- Variable contribution and not possible to generalize

8.1 Could capacity have been improved more than it was?

- No Yes. Please explain.

Question 9: What have been the main strengths and weaknesses of this Program?

9.1 What were the main strengths of the Program's design and implementation? Please explain.

9.2 What were the main weaknesses of the Program's design and implementation? Please explain.

Question 10: Please make any additional comments that you believe are relevant to the evaluation of JSA-funded TA in general or to the particular Program discussed in this questionnaire.

Appendix 6

Questionnaire for the Office of the Executive Director for Japan

Question 1: The IMF has used JSA funds to support a program-based approach to technical assistance in the past three years, rather than a projects-based approach. In your opinion, have activities under the new program-based approach been more effective, efficient and sustainable than the earlier project-based approach?

(Please mark one score on each of the scales below. Please take as much space as needed for your explanations.)

[1A] More effective with a program-based approach?

1	2	3	4	5	6	7	
<i>Much</i>						<i>Not</i>	Or no opinion <input type="checkbox"/>
<i>more</i>						<i>significantly</i>	
<i>effective</i>						<i>more effective</i>	

Please explain your rating:

[1B] More efficient with a program-based approach?

1	2	3	4	5	6	7	
<i>Much</i>						<i>Not</i>	Or no opinion <input type="checkbox"/>
<i>more</i>						<i>significantly</i>	
<i>efficient</i>						<i>more efficient</i>	

Please explain your rating:

[1C] More sustainable with a program-based approach?

1	2	3	4	5	6	7	
<i>Much</i>						<i>Not</i>	Or no opinion <input type="checkbox"/>
<i>more</i>						<i>significantly</i>	
<i>sustainable</i>						<i>more sustainable</i>	

Please explain:

Question 2: Does the program-based approach give the Office of the ED for Japan more opportunities to provide input to the activities of the JSA or fewer?

- More opportunities to provide input
- Not significantly more opportunities
- Fewer opportunities

Please explain:

Question 3: Could the design, management and implementation, and self-assessment of JSA-funded Programs in the future be improved?

[3A] The *Design* of JSA-funded Programs

1	2	3	4	5	6	7	Or no opinion <input type="checkbox"/>
						<i>Needs</i>	
						<i>little</i>	
						<i>improvement</i>	
						<i>Needs</i>	
						<i>a lot of</i>	
						<i>improvement</i>	

Please explain:

[3B] The *Implementation and Management* of JSA-funded Programs

1	2	3	4	5	6	7	Or no opinion <input type="checkbox"/>
						<i>Needs</i>	
						<i>little</i>	
						<i>improvement</i>	
						<i>Needs</i>	
						<i>a lot of</i>	
						<i>improvement</i>	

Please explain:

[3C] IMF *self-assessment of the performance* of JSA Programs

1	2	3	4	5	6	7	Or no opinion <input type="checkbox"/>
						<i>Needs</i>	
						<i>little</i>	
						<i>improvement</i>	
						<i>Needs</i>	
						<i>a lot of</i>	
						<i>improvement</i>	

Please explain:

Question 4: It is a high priority of Japan that JSA-funded activities should be coordinated in the field with other ODA initiatives funded by Japan.

[4A] In your opinion, how well have JSA-funded Programs been coordinated with other Japanese ODA activities in the past three years?

- Excellently coordinated Or no opinion
- Well coordinated
- Not well coordinated

What could be done to improve coordination? Please explain

[4B] Does the degree of coordination with Japan differ much by IMF TA Area, or by type of TA Program or by region or country?

- No Or no opinion
- Yes

If yes, please explain:

[4C] What kinds of coordination with Japan, specifically, are important?

[4D] Can you give examples of good coordination?

- No
- Yes

If yes, please describe:

[4E] Can you give examples of poor coordination?

- No
- Yes

If yes, please describe:

[4F] Who in the IMF should be responsible for ensuring that the coordination takes place?

[4G] Who in the Japanese ED's Office at the IMF should be responsible for ensuring that coordination takes place?

[4H] Who in the Government of Japan should be responsible for ensuring that the coordination takes place?

[4i] What are the main things that could be done to improve coordination?

Question 5: It is a high priority of the Government of Japan that there should be mutual benefits from the JSA-funded Programs. How important is each of the following types of mutual benefit and how well have JSA-funded Programs contributed to each?

[5A] Joint prosperity and stability for Japan, its neighbours and worldwide.

Prosperous neighbors first regionally and then worldwide because of the beneficial influence of technical assistance by the IMF in relevant areas of government (including public-sector financial management, tax, monetary policy, capital markets and banking, customs and excise, statistics, etc.)

An international trading economy that is more open than it might otherwise be without the influence of the IMF technical assistance.

An international economy that is more stable than it might otherwise be because of the macroeconomic policies and approaches supported by the IMF's technical assistance. (Link between IMF TA and IMF surveillance.)

1 2 3 4 5 6 7 Or no opinion

*Highest
importance*

*Lowest
importance*

1 2 3 4 5 6 7 Or no opinion

*Excellent
contribution made
by IMF JSA TA*

*Minimal
contribution made
by IMF JSA TA*

Please explain:

[5B] Increased access and influence for Japan

Increased access by the Japanese government to IMF expertise in a collegial way (joint missions, workshops, use of Japanese experts on IMF teams)

Increased influence of Japan on the IMF Board(s) because of its generosity as an important donor in support of technical assistance and therefore increased influence on IMF policies and approaches.

Improved access to information about other governments' policies and intentions (joint missions)

The prestige of a close association with IMF expertise in the cooperative context of technical assistance.

1	2	3	4	5	6	7	Or no opinion <input type="checkbox"/>
<i>Highest importance</i>						<i>Lowest importance</i>	

1	2	3	4	5	6	7	Or no opinion <input type="checkbox"/>
<i>Excellent contribution made by IMF JSA TA</i>						<i>Minimal contribution made by IMF JSA TA</i>	

Please explain:

[5C] Increased good will towards Japan encouraged by the visibility of Japan's contribution to IMF technical assistance

Visibility to recipient governments and public policy decision makers. Access to recipient governments' decision makers and awareness by those decision makers of the cooperative assistance provided by Japan.

Visibility of Japan's funding to participants in JSA-funded events such as seminars, workshops and training sessions.

Visibility to the general public in recipient countries.

1	2	3	4	5	6	7	Or no opinion <input type="checkbox"/>
<i>Highest importance</i>						<i>Lowest importance</i>	

1	2	3	4	5	6	7	Or no opinion <input type="checkbox"/>
<i>Excellent contribution made by IMF JSA TA</i>						<i>Minimal contribution made by IMF JSA TA</i>	

Please explain (Also, if your ratings of the three types of visibility listed above are different, please feel free to note that.)

Question 6: Is the process of managing the JSA within the IMF working well from your point of view? No Yes

Please explain (Are there any aspects that could be improved?)

[6A] Is there a focal point within the ED's Office for liaison and management of inputs to the JSA? No Yes

If yes, is that arrangement working well?

Or no opinion

[6B] Do annual meetings between the IMF ICD and the Government of Japan work well? No

Or no opinion

 Yes

Are there ways in which they could be improved?

[6C] Are communications between IMF departments and the ED's Office adequate regarding the use of the JSA? No

Or no opinion

 Yes

Are there ways in which they could be improved?

[6D] Is there adequate opportunity for the Japanese ED's Office to comment on the design of Programs proposed for JSA funding before they are considered by the Board? No

Or no opinion

 Yes

Are there ways in which the process could be improved?

[6E] Are joint missions between IMF staff and officials of the Government of Japan sufficiently frequent and do they work well?

No

Or no opinion

Yes

Are there ways in which they could be improved?

[6F] Are there ways in which the management of the JSA within the IMF could be improved?

No

Or no opinion

Yes

If yes, what ways could JSA management be improved?

Question 7: Are JSA resources allocated well by topic, region and country?

[7A] Is JSA funding of various IMF TA areas optimal in your opinion? (That is, between fiscal affairs, monetary and capital markets, statistics, legal and the Institute).

No

Or no opinion

Yes

If yes, what ways could allocation of resources be better balanced between TA areas? Please explain:

[7B] Is the allocation of JSA TA resources by region and country optimal in your opinion?

No

Or no opinion

Yes

Are there ways in which the allocation of resources by region or country could be improved?

Please explain:

Question 8: Overall how important is Japan's funding of the JSA, in your opinion, and how well has the JSA met its objectives?

1 2 3 4 5 6 7 Or no opinion
Highest *Lowest*
importance *importance*

1 2 3 4 5 6 7 Or no opinion
Fully met *Not met*
its objectives *its objectives*

Please explain:

Question 9: Overall have JSA-funded TA projects and programs been effective in building capacity in recipient countries?

- Excellent contribution to capacity in recipient countries.
- Good contribution
- Modest contribution
- Small contribution
- Variable contribution and not possible to generalize

Were there ways in which capacity could have been improved more?

Question 10: What have been the main strengths and weaknesses of the technical assistance funded by the JSA?

Main strengths:

Main weaknesses:



**Institute for Capacity Development
International Monetary Fund**

700 19th Street NW
Washington, DC 20431
USA

Tel.: 1-202-623-7000

Fax: 1-202-623-7106

Email: GlobalPartnerships@imf.org