Policy Statement on IMF Technical Assistance

2001
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Objective of Assistance Program

In accord with the IMF's first Article of Agreement, the objective of the IMF's technical assistance\(^1\) program is to contribute to the development of the productive resources of member countries by enhancing the effectiveness of economic policy and financial management. The IMF's technical assistance program works to achieve this objective in two ways. First, much of the IMF's technical assistance seeks to support the efforts of members to strengthen their capacity—in both human and institutional resources—to formulate and implement sustainable, growth-oriented and poverty-reducing macroeconomic, financial, and structural policies. Second, the IMF assists countries in the design of appropriate macroeconomic and structural policy reforms, taking account of the lessons learned by other countries in addressing similar economic policy concerns. In both ways, IMF technical assistance provides a cooperative framework for the sharing of knowledge and international experience, in a lasting manner, with member countries.

Scope and Nature

The IMF seeks to provide technical assistance as efficiently and effectively as possible in its core substantive areas of competency, namely:

- macroeconomic policy formulation and management;
- monetary policy; central banking; the financial system; and foreign exchange markets and policy;
- fiscal policy, public finances, and fiscal management;
- macroeconomic, external, fiscal, and financial statistics.

\(^1\)The term "technical assistance" as used here includes training provided to country officials such as those organized by the IMF Institute.
The specific topics covered, and the relative emphasis given, are very much influenced by the issues that emerge in the course of the IMF's surveillance and program activities, such as the recent focus on the links between high-quality growth and poverty reduction.

The Annex to this Statement describes the technical assistance provided by the functional departments of the IMF and summarizes the core areas in which the IMF seeks to concentrate its technical assistance. The IMF's regional (or area) departments, which are responsible for country-level management of surveillance and program operations, collaborate closely with the functional departments in the planning, implementation, monitoring, and follow-up of technical assistance.

**Mode of delivery.** Technical assistance is provided in a variety of forms. These include staff missions from headquarters; the placement of experts for periods ranging from a few months to a few years (depending on the nature of the tasks to be done and the capacity and interest of the countries concerned); the preparation of technical and diagnostic reports; the delivery of training courses, seminars, and workshops; and the on-line provision of advice and support from headquarters. Technical assistance and training are also delivered from regionally-based centers.

**Recruitment of experts.** The IMF provides the services of qualified experts, either directly from its staff or from external sources. These are often drawn from the staff, or former staff, of member country ministries, institutions, and agencies. The IMF seeks to expand and review its roster of experts, in order to ensure an adequate supply of well-qualified specialists that are conversant with technical developments in their particular fields of expertise. The principal approach to identifying candidates is through the IMF's contacts with central banks, financial supervision agencies, ministries of finance, tax and customs departments and statistical offices. Advertising is also occasionally used for highly-specific scarce skills. The importance of appropriate language, communication, and pedagogic skills is recognized in the recruitment of staff and experts. All IMF experts are professionally supervised and administratively backstopped by technically-qualified IMF headquarters staff. The IMF's resident representatives also liaise...
closely with experts during their assignments. During staff visits, area departments may follow up on the implementation of technical assistance-related policy advice and the work of experts.

**Collaboration with other assistance providers.** The IMF is committed to cooperate and collaborate with other providers of technical assistance. The global decline in Official Development Assistance levels underscores the need to ensure that duplication and overlap in coverage are avoided and that technical assistance is delivered by the most appropriate source within a carefully-coordinated framework. The limited character of the technical assistance provided by the IMF offers a fruitful basis for such collaboration, with the IMF’s provision of experts usefully complemented by technical assistance-related services and equipment offered by other technical assistance agencies.

**Determining Technical Assistance Priorities**

**The sources of demand for IMF technical assistance.** The IMF’s technical assistance services are one of the benefits and rights of membership, and its provision, in almost all cases, is not related to IMF conditionality (i.e., technical assistance would not be a requirement as part of an IMF-supported program). Much of the demand by countries for the IMF’s technical assistance services arises from the perception of recipient governments that such assistance can play an important role in helping them to strengthen their implementation of macroeconomic policies. As indicated above, the IMF’s surveillance and program activities may also generate requests for technical assistance from the IMF. Specifically, it is often during discussions with country authorities during Article IV consultations, or when designing and monitoring IMF-supported programs, that the needs for capacity building and policy strengthening are mutually recognized and the concomitant requirements for technical assistance clearly identified. Recently, the IMF has given added emphasis to the importance of a better integration of technical assistance with its surveillance and pro-

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2Eligibility for technical assistance for countries in protracted arrears to the IMF is restricted in the absence of specific approval of the Executive Board, which takes account of a country's degree of cooperation with the IMF in seeking to redress its arrears difficulties.
gram activities. In this regard, it stresses the importance of encouraging countries to identify their technical assistance needs and priorities well in advance, rather than waiting for problems to emerge. Working in partnership, the IMF and governments are thus moving further from a “reactive” to a more “proactive” stance in the planning, prioritization, and delivery of technical assistance.

**Linking technical assistance with surveillance.** This objective is currently being pursued, on an experimental basis in two respects. First, Technical Assistance Consultations (TCs) have been added to the agenda of a selected number of Article IV missions. A TC provides an opportunity for discussions on the effectiveness of past IMF technical assistance and on the scope and direction of future possible assistance from the IMF. Secondly, for countries facing critical capacity constraints in their efforts to implement programs of economic and financial reforms, the IMF initiated a pilot project involving the preparation of medium-term Technical Cooperation Action Plans (TCAPs). These action plans are intended to comprise a comprehensive assessment of a country’s or sub-region’s macroeconomic and financial management weaknesses in the core areas of the IMF’s work and an elaboration of a technical assistance program for addressing these. Such exercises are carried out by IMF staff and the country authorities with the active participation and support of other interested donors. The preparation of a TCAP is seen as the beginning of a dynamic process which would involve a commitment by the authorities, the IMF, and other donors to provide resources to implement the plan and jointly to monitor and adjust its implementation over an agreed time period.

**Unanticipated sources of demand.** Despite the intention to improve projections of technical assistance requirements through the Technical Assistance Consultations and TCAPs, some of the demand for technical assistance from the IMF will still arise in response to unexpected changes in the policy environment of a country—a change in government, an unanticipated crisis, or an external shock. There is thus expected to remain a continuing element of unpredictability in the demand for technical assistance services, and an important characteristic of the IMF’s technical assistance program will remain its capacity to respond quickly to such situations.
Prioritizing requests. Technical assistance is provided only when requested by a country’s authorities. Since the demand for such assistance normally exceeds the resources available from the IMF, a number of considerations are taken into account in prioritizing country requests. Guidelines, in the form of the following “filters,” are used in considering requests.

Filter 1—Core specialization of the IMF. The assistance provided must fall within the substantive areas of technical assistance recognized as being within the IMF’s core areas of specialization listed in the Annex to this report. The IMF provides technical assistance that supports policy reform and builds institutional capacity.

Filter 2—Main program areas. Technical assistance must be clearly directed towards supporting one of five main program areas. These are:

- preventing or containing crises and their contagion effects in non-program countries (principally systemically important non-industrial countries and emerging market economies);
- implementing sustainable debt relief and poverty reduction programs for low income countries (encompassing the full range of technical assistance in support of both poverty reduction initiatives and policies to restore macroeconomic stability);
- fostering and maintaining macroeconomic and financial sector stability in countries not currently using IMF resources (largely middle income and transition economies);
- promoting regional capacity building initiatives, including training and, in some cases, regional integration efforts; and
- rehabilitating basic economic and financial institutions in post-conflict situations.

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57Technical assistance may also be provided, at the IMF Board’s discretion, to non-members and to international organizations.
Filter 3—Key policy initiatives. Assistance should be focused on supporting the IMF's key policy priorities and initiatives. While these will vary over time, at present they are as follows:

- **Standards and codes**: *follow-up* assistance to help countries bring their fiscal, financial, and statistical practices (including legal instruments) in compliance with the standards and codes that are under the auspices of the IMF. This would include technical assistance to help countries undertake assessments of their compliance with such standards;

- **Financial Sector Assessment Program (FSAP)**: *follow-up* assistance to help countries address weaknesses identified in an FSAP;

- **HIPC programs**: technical assistance for strengthened public expenditure management systems to track the use of debt relief for poverty reduction outlays as well as basic economic and financial statistics improvement under the Heavily Indebted Poor Countries (HIPC) Initiative;

- **Safeguarding IMF resources**: Assistance in support of strengthened public expenditure management or central bank accounting and reserve management practices (and associated legal instruments) as well as addressing data misreporting issues;

- **Offshore financial centers**: assessments and introduction of best practices; and

- **Policy reforms/institutional capacity building in support of achieving macroeconomic viability**: For instance, revenue mobilization efforts; strengthening sound monetary policy; developing macroprudential and other statistical indicators.

Filter 4—Impact and commitment. A country's past track record, and its degree of ownership and commitment, should receive a large weight in appraising a request for technical assistance. These factors could be offset by other considerations only in limited set of cases, such as dealing with systemic countries or crisis situations. At times, a change in government may result in stronger ownership and better
prospects for successful assistance, even where a poor track record exists.

**Filter 5—Regional diversity.** The principle of uniformity of treatment of members requires that some diversity in technical assistance resource allocation be maintained, and that small countries’ needs, where technical assistance can often have high impact and where other sources of assistance may be unavailable, are not ignored.

**Filter 6—Availability of external financing.** Although availability of external financing should normally not be a decisive factor, cooperation with other donors providing funding for IMF technical assistance and/or to support other elements of assistance which the IMF cannot easily provide (for example, equipment, in-country training, systems development, local expertise, etc.) should be positively taken into account when appraising requests for technical assistance.

**Filter 7—Nature of the request.** Requests for a policy or diagnostic mission, or short-term expert, are obviously less costly than requests for a resident expert. Some of these requests can be met without significantly impinging on the IMF’s overall technical assistance program resources, irrespective of their priority, unless they are likely to have implications for longer-term follow-up assistance.

**Filter 8—Regional approach.** Given the high cost of providing assistance to small member countries, and in the light of common problems even among some of the larger countries, the IMF will actively seek opportunities for using regionally-based approaches to providing technical assistance. In some situations, regional technical assistance centers may be an efficient solution (the Pacific Financial Technical Assistance Center (PFTAC), for example) and will be pursued.

**Filter 9—Presence of other technical assistance providers.** In deciding whether to provide assistance, the IMF will consider whether other providers are actively engaged in similar efforts. Duplication should be avoided, and where requests are made in such situations, all efforts at coordination will be made.
The Role of Recipient Governments in Realizing Effective Technical Assistance

Strengthening recipient country ownership. The IMF's technical assistance program is based on the fundamental principle that to be effective and to have a high impact, it is important to ensure that a partner country is fully committed to owning the work associated with the assistance and implementing the recommendations flowing from it. This underscores the importance of having IMF technical assistance activities planned and implemented with the full involvement of the recipient authorities at each of the various stages of the process, from identification of need through discussion and agreement on terms of reference and project objectives, to implementation, monitoring, and evaluation. Particularly when it is intended to field a long-term expert—whether on a full-time or peripatetic basis—close consultation with the authorities is critical in order to ensure that the conditions are right for making good use of an expert’s time. Such consultation should result in reaching agreement on the type of expert required; the needed qualifications and experience; and, ultimately, on the individual chosen to provide the technical assistance. A mutual review of the results of past and current technical assistance efforts, including a country’s track record in the implementation of technical assistance recommendations, and a consideration of future needs, are important aspects of the process of enhancing ownership by recipient country authorities.

Charging policy of the IMF for its technical assistance. In line with the practice of other bilateral and multilateral agencies, the IMF’s technical assistance is generally provided free of charge. The exception relates to the assignment of long-term experts (defined as experts residing in a country for six months or more), for middle- and upper-income countries which are asked to make a specified financial contribution to the IMF. The IMF’s management determines the precise quantitative charges within a basic policy framework on country contributions established by the IMF’s Executive Board. Currently, middle-income countries are expected to make a partial cash contribution and upper-income countries are expected to reimburse the full cost of long-term technical assistance. As a cooperative undertaking between the IMF and the requesting country, the IMF recognizes that successful technical assistance requires careful preparation and commitment of resources by the
recipient authorities. Important in this regard are the assignment of
counterpart staff and adequate complementary resources (for example,
office space and equipment, administrative support staff, communications
facilities, material supplies, and utilities), all of which amounts to a
considerable real cost for the recipient government, over and above
whatever charges may be levied by the IMF.

Monitoring and Evaluation

Development of a cost-effective and well-integrated system of monitoring and evaluation. Monitoring and evaluation are essential for ensuring accountability and transparency in technical assistance activities; for assessing their relevance, efficiency, effectiveness, and impact; and for drawing lessons on how to strengthen ongoing and future assistance operations. The size of the IMF’s technical assistance program, though still modest by international standards, has reached a level requiring the adoption of a systematic approach to technical assistance monitoring and evaluation. Staff are in the process of preparing proposals in this area, drawing on the experience and current practices of other agencies. Monitoring needs to involve both IMF staff and country authorities in order to ensure that all ongoing technical assistance efforts meet agreed targets and objectives and produce the required outputs. Monitoring also inevitably involves the making of evaluative-type judgments during a project’s lifetime, which are then used to improve ongoing implementation efforts. In contrast, more analytical evaluation exercises generally take a longer perspective, are often carried out independently of the directly-involved staff (sometimes by external evaluators), and focus mainly on completed operations or on completed operations of an ongoing program.

A common approach to monitoring and evaluation will be developed to enable judgments across countries and selected subject areas, so that lessons can be drawn and used to strengthen future operations. All monitoring and evaluation activities will require input from the recipient authorities, at the project and policy level, to ensure their views on the reasons for success and failure of technical assistance are fully taken into account. In-depth, thematic evaluation studies on selected topics are expected to complement routine and comprehensive monitoring activities by individual technical assistance departments. Such studies serve as a cross-check on the consistency and quality of the advice rendered, and
allow for an assessment of the policy and capacity-building impact of
the technical assistance provided and of its sustainability. Independent
evaluations will also be undertaken, taking account of budgetary
implications.

External Dissemination

The IMF recognizes the importance of disseminating information on its
technical assistance activities of general interest both to the membership
and the public at large. One vehicle for this is the Annual Report on Tech-
nical Assistance to the Executive Board, which summarizes technical assis-
tance activities and related policy developments over the previous year, as
well as the outcome of monitoring and evaluation efforts. The report will
also highlight any policy issues on which Board guidance may be needed.

In the interests of transparency and a public well-informed on key eco-
nomic policy matters, the IMF believes that information on the lessons
learned from the IMF’s technical assistance program, as well as on the
assistance provided to individual countries, should be disseminated as
widely as possible. Thus, information on the general substance of the
IMF’s technical policy advice in the different functional areas is dissemi-
nated both through IMF research and other publications (handbooks,
occasional papers, and pamphlets, for example), and increasingly on the
IMF’s external website. While the IMF recognizes the public interest
would also be served by the provision of information on the country-
specific advice tendered by the IMF, it is also important to recognize that
members may seek the IMF’s technical advice on a confidential basis. It
is thus appropriate that a member country should have the right to
decide on whether to allow publication of this advice. For this reason,
individual technical assistance reports will continue to be circulated on a
restricted basis within the IMF, the World Bank, and other cooperating
donor agencies, with wider distribution contingent upon the permission
of the country concerned.

Internal Management of Technical Assistance

Although the management of the IMF’s technical assistance program is
largely devolved to individual departments, IMF-wide policies and pro-
cedures governing the financing, planning, implementation, monitoring,
evaluation, and reporting are coordinated and developed by a senior-
level Technical Assistance Committee (TAC). Reporting directly to the
Deputy Managing Director responsible for technical assistance matters,
the TAC also acts as a forum for reaching agreement on recommenda-
tions to management on the allocation of technical assistance resources
across the different geographic regions and functional areas. In addition,
it serves as the coordinator for pilot initiatives undertaken by the IMF
(such as the recent experiment with Technical Assistance Consultations
and Technical Cooperation Action Plans) and for the implementation of
the reforms that emanated from the Executive Board’s June 1999 review
of the IMF’s technical assistance activities. The TAC and its subcommit-
tees are supported by a small unit, the Technical Assistance Secretariat
(TAS), attached to the Office of Budget and Planning in the Office of
the Managing Director, which also assists in negotiating and adminis-
tering technical assistance agreements with other agencies and donors. The
TAS compiles aggregate data on planned and actual technical assistance
delivery for internal and external reporting purposes.

The Role of External Financing

In recent years, the IMF has sought to expand its range of contacts and
collaboration with other technical assistance providers. For example, the
IMF has cooperated with other donor agencies on a number of large-
scale integrated multi-year assistance projects of administrative and
institutional reform. Equally, the IMF’s technical assistance program
has benefited from generous co-financing from a few multilateral and
bilateral agencies, which have supplemented the IMF’s own budgetary
resources for these activities. As the IMF intensifies its efforts to help
countries strengthen their economic policy and financial management
capacities, the pressure of demand on its technical assistance resources is
likely to increase further—for work on implementing the new interna-
tional codes and standards; for work on strengthening the banking sec-
tor and financial systems; for helping HIPC countries undertake debt
sustainability analyses and managing their debt reduction programs; and
for public expenditure management and statistical technical assistance in
connection with the design and implementation of Poverty Reduction
Strategy Papers and IMF-supported policy programs under the new
Poverty Reduction and Growth Facility. The IMF will seek every
opportunity to cooperate with other agencies in these areas. The Technical Cooperation Action Plans in particular will require the close involvement of other donor agencies, since effecting and financing their implementation will greatly exceed the technical assistance resources and instruments available to the IMF.

The IMF encourages member countries who have not yet done so to consider providing such complementary financial support in order to enhance the resources available for technical assistance, preferably in a manner that is as unrestricted as possible. Meanwhile, the IMF's efforts to deepen collaboration on technical assistance with its multilateral and bilateral development partners will continue.

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4It will be particularly important to involve the World Bank and the UNDP, to ensure consistency with the Bank's Comprehensive Development Framework and the UN system's Country Strategy.
Types of Technical Assistance Currently Provided by IMF Departments

*Fiscal Affairs Department*

**Tax policy**: advising on improving the administrative and economic efficiency of indirect taxes (sales taxes, VAT, and excises), corporate and personal income taxes, payroll and social IMF taxes, property taxes, and tariffs, including issues arising in connection with minimum taxes, tax incentive provisions, taxation of financial services and transactions, tax treatment of international capital flows, cross-border issues in both direct and indirect taxes, agricultural taxation, ad valorem versus specific excise rates, and interactions between inflation and taxation.

**Tax and customs administration**: providing advice and assistance on improving the effectiveness of tax and customs administration; increasing tax compliance through strengthening of collection, audit, and taxpayer service functions; implementing significant new taxes; establishing special controls over the largest taxpayers; introducing measures to bring small and medium-size taxpayers into the tax net; and rationalizing customs procedures to secure revenue and facilitate trade.

**Budgeting and public expenditure management**: advising on strengthening budget planning and preparation, budget execution, auditing, classifying government accounts and data reporting, establishing treasury systems, harmonizing regional budget practices, assessing transparency of fiscal systems, and, in particular, ensuring conformity with the Code of Fiscal Transparency.

**Expenditure policy**: although principally the responsibility of the World Bank, occasional missions carrying out expenditure reviews, formulating social safety net schemes, and rationalizing social insurance schemes.
Fiscal Federalism: although principally the responsibility of the World Bank, occasional missions to assess approaches to rationalize interregional transfers systems, consider assignments of tax and expenditure responsibilities, and formulation of approaches to regulate borrowing by decentralized governmental units.

Fiscal and macroeconomic management: advising on ways to strengthen the capacity to undertake fiscal management in a macroeconomic context through institutional restructuring, adoption of improved techniques of macro-fiscal analysis, and provision of appropriate training.

Training: preparation and delivery of courses on topics in public finance in a number of languages and, on occasion, in country-tailored seminars.

IMF Institute

Delivery of policy-oriented training: organizing policy-oriented training courses and seminars for officials of member countries on a range of topics relating to macroeconomic and financial policy formulation and implementation. These courses, seminars, and conferences—held in Washington, at regional training centers, and in member countries—are designed to improve the ability of officials to manage economies and conduct appropriate policies. Schedules, administrative information, and training material are accessible from the IMF website (www.imf.org/external/np/ins).

Legal Department

Drafting legislation, commenting on draft legislation prepared by the authorities of member countries, drafting implementing regulations, and providing other legal advice and training with a focus on the following areas: central banking, commercial banking, foreign exchange, taxation (including all taxes as well as tax administration and procedure), customs regulations, budget law, collateral law, bankruptcy law, and other economic laws.

Monetary and Exchange Affairs Department

Central banking and currency arrangements: advising on the establishment and strengthening of the organization and operation of central
banks, currency boards, and other currency arrangements; the issuance of new currencies; central bank accounting and internal audit; and associated legislative, regulatory, and organizational reforms.

**Monetary and exchange policy operations, and public debt management:** advising on the design and implementation of monetary policy instruments and operations; money and exchange market intervention techniques and procedures; institutional framework and instruments for public debt management; and coordination with monetary management.

**Financial market development, focusing particularly on money, government debt, and foreign exchange markets:** advising on the development of efficient primary, secondary, and derivative markets and instruments; market regulation and organization (agents, trading arrangements, accounting, settlement systems, and codes of conduct); and measures to strengthen market depth and liquidity.

**Exchange systems and currency convertibility:** advising on the design of exchange systems, exchange regulations, and the choice of exchange rate arrangements; foreign exchange reserve management practices and operations; and reforms to support progress toward currency convertibility for current and capital account transactions.

**Payment systems:** advising on the organization and oversight of payment systems, policies to reduce systemic risk in payment clearing and settlement systems, as well as on the promotion of operational efficiency; also, advising on interbank and securities settlement systems and linkages to monetary policy.

**Bank supervision and regulation:** advising on techniques of prudential regulation and supervision, including licensing, on-site and off-site inspection procedures, risk assessment and risk management, capital adequacy, loan classification and provisioning, other prudential rules, reform of banking laws, and organization of the banking supervision function.

**Bank restructuring and banking safety nets:** in collaboration with the World Bank, advising on the development and implementation of strategies for banking system restructuring and bank exit, management of systemic banking crises, deposit guarantee schemes and liquidity support facilities, techniques for bank recapitalization, and arrangements for loan recovery.
**Implementation of international standards:** in collaboration with international regulatory bodies, regional supervisory organizations, cooperating central banks, financial supervisory agencies, and the World Bank, assisting members in their assessments of compliance with international standards related to the financial system, including Basel Core Principles and Code of Good Practices on Transparency in Monetary and Financial Policies, and advising on the implementation of such standards.

**Policy Development and Review Department**

**External debt monitoring:** advising and assisting in the creation of wide-coverage, high-frequency debt monitoring systems created by authorities (usually based in central banks) in emerging markets to provide them with timely information on market sentiment and to help them monitor the participation by banks or other creditors in the context of efforts to prevent or resolve financial crises.

**Statistics Department**

In all the areas listed below, technical assistance is designed to improve the collection, compilation, and dissemination of official statistics. In addition to providing assessments with respect to accuracy, coverage, and timeliness, technical assistance missions in each area often deliver on-the-job training, and help design statistical reporting forms and classification keys, as well as short- and medium-term action plans for improving statistical procedures.

**Multisector statistical issues:** carrying out multisector missions to provide an assessment of weaknesses in specific areas, as well as assisting in the development of statistical legislation, institutional organization of statistics, national statistical policy and strategy, and interagency coordination and consistency issues.

**Balance of payments and external debt statistics:** assessing the accuracy and comprehensiveness of data collection and compilation systems for international transactions in goods and services; financial flows, including direct and portfolio investment; and international investment position statistics.

**Government finance statistics:** providing guidance on the compilation and reporting of fiscal data, focusing on comprehensiveness of institu-
tional coverage of government, preparation of bridge tables linking national classifications with international standards, and assessment of the consistency of bank financing of the deficit with the monetary accounts.

**Monetary and financial statistics:** advising on the adequacy of institutional coverage; appropriate classification of monetary accounts in terms of financial instruments, residency, and institutional sector; proper valuation of instruments; and correct statistical treatment of derivative instruments and banks under liquidation.

**National accounts and price statistics:** providing guidance to governments in their efforts to develop annual and quarterly national accounts, and advising on efforts to overhaul or update a producer price, consumer price, or international trade price index system.

**Data dissemination standards:** assisting countries in preparing metadata submissions and complying with the requirements of the Special Data Dissemination Standard (SDDS) or with participation in the General Data Dissemination System (GDDS); and advising countries on the status of their dissemination practices vis-à-vis the dissemination standards.

**Technology and General Services Department**

**Support for technical assistance projects keyed to other IMF departments:** for example, for the Monetary and Exchange Affairs department: assisting in developing systems for central banking operations, book-entry systems for government securities, banking supervision systems; for Fiscal Affairs: assisting in designing computer-based financial, budget, and expenditure control and information systems for ministries of finance; for the Statistics department: elaborating systems to collect and manage financial and economic time-series data or systems that facilitate econometric analyses.
Core Areas of Technical Assistance Activity

**High Priority**

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<th>Monetary and Exchange Affairs</th>
<th>Fiscal Affairs</th>
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<td>• Design of structural reforms for the <a href="#">effective conduct of monetary and exchange policy formulation and implementation</a>, including improving monetary and exchange operations, foreign reserves management, systemic liquidity arrangements and related issues in public debt management</td>
<td>• Creation and enhancement of institutional capacity in macro-fiscal policy management</td>
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<td>• Promote <a href="#">sound and efficient banking and financial systems</a> as necessary for financial and economic stability, including through strengthening bank supervision policies and regulation, bank restructuring/resolution, cross-border supervision issues, and payments system issues</td>
<td>• Design of structural policy reforms, and related institutional reforms, for <a href="#">sustainable revenue mobilization</a>, including macro-significant interjurisdictional issues (e.g., fiscal federalism, tariff reform)</td>
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<td>• Contributing to <a href="#">capacity-building within central banks and financial supervisory agencies</a> for effective ongoing implementation of monetary, exchange and financial sector policies, including legal framework and institutional improvements, and priority aspects of central bank accounting and auditing systems</td>
<td>• <strong>Budget preparation and public expenditure management</strong>, including reform of treasury and government accounting and reporting systems</td>
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<td>• <strong>Short-term expenditure rationalization</strong>, incorporation of social safety nets in IMF program design, and analyses of macro-fiscal sustainability of social security systems</td>
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*This classification does not represent a value judgment by the IMF of the intrinsic importance of these areas. Its purpose is to distinguish between areas where the IMF considers that it has the primary responsibility, mandate, and competence to act, and areas where other agencies may be better placed and resourced to act.*
### Statistics

- Monetary and financial statistics
- Balance of payments and international trade statistics, including international investment positions
- Reserves and foreign currency liquidity/external debt statistics
- Government finance statistics
- National accounts and price statistics
- Statistical organization

### IMF Institute

Training events focusing on:

- Macroeconomic management and financial programming
- Financial sector issues
- Fiscal issues
- External sector issues

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Core Areas of Technical Assistance Activity

*Secondary Priority (resources permitting)*

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<th>Fiscal Affairs</th>
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<tr>
<td>• Banking system-related issues in corporate restructuring and bankruptcy</td>
<td>• Advice on how to utilize information technology in tax/customs administration and public expenditure management</td>
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<tr>
<td>• Capital market development and oversight</td>
<td>• Design of central government transfer systems to lower levels of government</td>
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<td>• Nonbank financial sector supervision; coordination and consolidation of supervisory bodies</td>
<td>• Design of social safety nets and social security systems, but only when relevant to macroeconomic adjustment and in the absence of timely World Bank involvement</td>
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<tr>
<td>• Development of credit bureaus</td>
<td>• Conduct of courses, seminars and workshops on various fiscal issues</td>
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<tr>
<td>• Workshops/seminars on central banking and financial sector supervision issues</td>
<td>• Tax aspects of financial abuse</td>
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</tr>
</thead>
<tbody>
<tr>
<td>• Employment statistics (refer to International Labor Organization)</td>
<td>Training events focusing on:</td>
</tr>
<tr>
<td>• Social and demographic data (refer to World Bank)</td>
<td>• Poverty reduction strategies</td>
</tr>
<tr>
<td>• Development and implementation of census and household or industry surveys</td>
<td>• Structural reform</td>
</tr>
<tr>
<td>• Computerization, database and information technology development</td>
<td>• Governance</td>
</tr>
<tr>
<td>• Training courses/seminars for individual countries</td>
<td>• Economic issues for NGO representatives</td>
</tr>
<tr>
<td>• Development of source statistics.</td>
<td></td>
</tr>
</tbody>
</table>