The Japan Administered Account for Selected Fund Activities (JSA)

Activities funded: technical assistance, the Regional Office for Asia and the Pacific, and scholarship programs

Japan has provided grant contributions to support the IMF's technical assistance to member countries since 1990. In 1997, the administered account was amended in order to widen the scope of activities for which contributions could be made to finance other IMF activities in Asia and the Pacific carried out through its Regional Office for Asia and the Pacific in Tokyo.

The responsibilities of the Regional Office in Tokyo include collaborative efforts between the IMF and Japan that strengthen economic prospects in the Asia-Pacific region and includes support of various regional policy fora such as the Asia-Pacific Economic Cooperation (APEC), the Association of South East Asian Nations (ASEAN), and the Pacific Islands Forum. The office also undertakes technical assistance activities benefiting countries in the region, including conferences on macroeconomic policy and on financial sector reform. The Regional Office helps to improve understanding of the international financial system in Japan and the region through public relations events as well as by releasing publications in the Japanese language. It also seeks to increase the representation of Japanese and other Asian nationals on the staff of the IMF by encouraging qualified applicants to apply for employment and by supporting IMF recruitment efforts through interviews and informational seminars.

In addition, Japan also provides grant contributions for two scholarship programs. In 1996, the Japan-IMF Scholarship Program for Advanced Studies, which is administered by the IMF Institute, was established. It supports nationals of Asian member countries of the IMF who undertake doctoral studies in economics in North America in order to pursue a career in international financial institutions, such as the IMF, or in their home administration.

The Japan-IMF Scholarship Program for Asia, which was established in 1993, supports 12- and 24-month courses of graduate studies in Japan in macroeconomics or related fields for students from Asia, Central Asia, and the Pacific, and is administered by the Regional Office in Tokyo.

Figure 3. Annual Contributions by Japan for Technical Assistance, FY1990-FY2003

In millions of U.S. dollars

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Table 1. Contributions by Japan, FY1990–FY2003
(Millions of U.S. dollars)

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<td>1.5</td>
<td>1.5</td>
<td>1.5</td>
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</tr>
</tbody>
</table>

1 Includes the Regional Office for Asia and the Pacific.

Level of funding

Since 1990, Japan has made annual contributions totaling some $204 million, of which $191 million has been for technical assistance projects and the activities of the Regional Office for Asia and the Pacific and $13 million for the Asia Scholarship Program. In addition, since 1996, Japan has also contributed some $10 million for the Advanced Scholarship Program. Annual contribution figures for technical assistance and the two scholarship programs, for the period FY1990–FY2003, are provided in Table 1. Figure 3 shows the annual contributions for technical assistance under the JSA since its inception.

Annual consultations

Consultations between the IMF and the Japanese authorities usually take place in March each year and cover the following issues: (1) the expected regional and subject area use of JSA resources in the fiscal year and the targets for the following fiscal year; (2) the likely costs of project inputs; (3) the likely magnitude of Japan’s further contribution to the JSA; (4) the organization of field visits by the Japanese authorities and the IMF; and (5) any special projects or issues that are foreseen as likely to arise during the next financial year. The consultations are also used to discuss recent developments regarding the IMF’s technical assistance program as a whole.

Technical assistance funded by JSA

JSA resources can be used to cover the costs of short- and long-term technical assistance experts and those associated with providing seminars and workshops. JSA funds may not be used to finance IMF staff costs (including salaries, per diem, or travel expenses). JSA funds are not tied to the use of Japanese nationals, but Japanese nationals are considered for expert assignments whenever possible.

While technical assistance activities financed by the JSA can be in all areas of the world, the Japanese authorities place high priority on funding technical assistance activities in Asia and the Pacific, Central Asia, Central and Eastern
Box 1. Core Areas of IMF Technical Assistance

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

**Monetary Policy and Financial Systems**
- (continued)
  - Exchange systems and currency convertibility
  - Payment systems
  - Bank supervision and regulation
  - Bank restructuring and banking safety nets

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

Europe, and countries of the former Soviet Union. Consistent with the IMF's technical assistance policy, the Japanese authorities also place high priority on assistance for countries that have demonstrated strong efforts and good track records in the implementation of economic reform policies. An example of training activities supported by the JSA is described in Box 2 and four JSA-supported projects, selected from the different technical assistance subject areas, are described in Boxes 3–6.

**Project submission and approval**

Activities to be funded from the JSA, as well as all other IMF technical assistance activities, are planned in advance each year. At the beginning of each fiscal year, the IMF provides Japan with a list of projects that it intends to submit for consideration in the course of the year. Thereafter, individual projects are submitted on a monthly basis through the Office of Japan's Executive Director at the IMF for approval.
Courses on Financial Programming and Policies (FPP) have long been a central feature of the training delivered by the IMF Institute. They also continue to be among the courses in the heaviest demand from country officials, as revealed by a recent survey of national authorities carried out for the Institute by an independent consulting firm. In recent years, JSA funding has directly supported three deliveries a year of the Institute's two-week course on Financial Programming and Policies, two in Africa and one in China. In addition, JSA support for two long-term experts at the IMF-Singapore Regional Training Institute and toward the cost of Asian participants at the Joint Vienna Institute helps finance the delivery of FPP, as well as other courses through these regional programs.

FPP courses exemplify one of the key tenets of the Institute's training program—an emphasis on the real-world application of theory. In these courses, the time of the participants is equally divided between attending lectures and participating in workshops in which they apply the principles discussed in the lectures to an actual country case study. The lectures typically cover three sets of topics: (1) the analysis and forecasting of the accounts for the key macroeconomic sectors—the real economy, the external sector, the fiscal sector, and the monetary sector; (2) the key principles of economic policymaking in each of these sectors; and (3) additional policy issues of topical interest in a global context or of particular interest in the region in which the course is being delivered.

In the workshops, participants work together in small groups analyzing economic conditions and policies in the case-study country and gaining experience in how to design a consistent economic program. They initially construct a baseline scenario, projecting the likely development of key macroeconomic variables on the basis of existing economic policies. After assessing the baseline scenario, they propose an alternative set of policies (the program scenario) that is designed to produce a better economic outcome, addressing in particular the key macroeconomic imbalances, and they project the macroeconomic outcome that is expected to result from implementing these policies.

During the period 1996–2002, 25 FPP courses have been financed by JSA with 775 participants, 381 of which came from Africa, 370 from Asia and Pacific, and 24 from Eastern Europe and Central Asia.
Box 3. Bolivia: Strengthening Customs Administration

By the late 1990s, the Bolivian authorities had made several attempts at reforming their customs administration. Problems ranged from cumbersome and inefficient procedures to widespread corruption. The Customs Directorate remained one of the government agencies with the worst reputation in Bolivia.

In February 1998, an IMF Fiscal Affairs Department (FAD) mission assisted the authorities in the design of a comprehensive customs reform program. Key technical assistance included (1) implementing mechanisms to limit political interference in staffing decisions; (2) giving greater autonomy to the customs through legislation; (3) modernizing and strengthening the customs and tax code and related procedures; and (4) providing high-level support from the political authorities to the revenue administration’s efforts for improving control compliance and fighting smuggling. As a result of this advice and the strong commitment of the authorities, a new customs law was adopted in July 1999 that gives large administrative and financial autonomy to customs.

In late 1999, the authorities approved a wide-ranging customs reform program (PROMA), which is being financed by the World Bank, the Inter-American Development Bank, and other bilateral donors. In February 2001, the IMF assigned a long-term customs advisor in connection with this three-year program, to act as overall coordinator of donor assistance. This assignment, financed with support by JSA, was extended up to end-May 2003. After this date, further assistance is expected to be provided on a peripatetic basis as the final phase of the PROMA is completed.

The key objectives of the reform program have been achieved or are in the process of being completed. Specifically, a career system for customs staff has been established; the revision and streamlining of customs procedures, supported by computerization, has been accomplished; enforcement has been strengthened; and the phase-out of the contracts with pre-shipment inspection companies has been concluded.

The foundation of a modern customs administration has been laid, and these achievements have reached a sustainable point. The main outcomes include: new and more effective goods and passenger clearance procedures, allowing revenue collections with minimal hindrance to foreign trade operations; a new, state-of-the-art organizational setup; and recruitment and training of new staff. Moreover, several key customs activities previously under the responsibility of other parties are now under the full responsibility of customs staff.
Box 4. Kosovo: Development of a Banking and Payment System

In 2001, Kosovo's economy was experiencing a strong rebound, following a period of open conflict in 1999, but long-term economic prospects remained crippled by uncertainty over Kosovo's final status. The United Nations Interim Mission in Kosovo (UNMIK) concluded that the economy would continue to require considerable international technical and financial support for a few years to come, and requested more extensive IMF involvement.

A central component of UNMIK's reform strategy was the restoration and transformation of the banking and payment systems, which required further development of the Banking and Payments Authority of Kosovo (BPK). In that context, the IMF initiated a project, with JSA funding, to support the top position of the BPK, that of Managing Director. Later in 2001, the project was set up to finance a second BPK position—that of Chief Internal Auditor. The Chief Internal Auditor was responsible for managing an internal audit unit and for developing the audit function. In addition, he was expected to make contributions to resolving existing problems in accounting and payments areas.

Today, although the economic situation continues to be characterized by a high degree of uncertainty about Kosovo's final status, it is clear that the banking sector has developed significantly under the strong leadership of the BPK. Excellent results are visible in the reorganization of the BPK and branch closings, where the majority of branch personnel was taken over by commercial banks that moved into former BPK branches. Additional prudential regulations, including for the insurance sector, have been issued as needed; the Electronic Interbank Clearing System (EICS) is now fully operational; and the euro conversion was successfully completed.

The improvements in the management of the BPK have stimulated growth in financial intermediation, including by letting commercial banks take over all retail payments previously undertaken by the BPK. At the same time, the BPK's new internal audit function has ensured continued advances in financial management, as will external audits.

In parallel, the project's contribution to institution building at the BPK has led to significant progress in the accountability of staff and the quality of their work. As in other crucial government institutions in Kosovo, reliance on foreign experts in managerial positions at the BPK has been high, but is already diminishing. Indeed, the BPK has now entered a phase of institutional consolidation, in which expatriate experts are being replaced by local counterparts.
Box 5. Afghanistan: Post-Conflict Financial Legislation

For most of the last three decades, Afghanistan has suffered severely from brutal wars and debilitating social, political, and economic repression. During this time, most of the financial sector institutions have slid into insolvency, financial sector regulators have left their positions with the government, and Afghanistan has lagged badly behind other countries in modernizing its financial sector legislation. Therefore, at the time when the last war was over, it was increasingly evident that there was an urgent need for modern financial sector legislation and for training of the financial sector regulators.

To support the authorities, the IMF's Legal Department (LEG) assigned, with financial support from JSA, two short-term experts to assist with the drafting of adequate new financial sector legislation in accordance with best practices and international standards and to familiarize financial sector regulators with the new laws and regulations. The early work by the experts under this project focused on the preparation of three new drafts of financial sector legislation. The draft central bank law aims at establishing a strong legal framework to ensure the autonomy and accountability of the central bank as well as establishing as its principal objective the maintenance of price stability. The draft banking law aims at enhancing and deepening financial intermediation, encouraging competition in the banking sector, and improving governance. The draft financial services law is intended to provide the legal authority and framework for regulating various categories of financial services, including the securities markets.

A second set of draft legislation prepared by the experts with the support of the JSA is concerned with currency and payment systems issues. This draft legislation, together with the drafts as described above, integrate a legislative package that once passed would constitute an important step toward the modernization of the financial legislation of Afghanistan. Thus, in order to facilitate the process for passing this legislation, a workshop, with the participation of IMF staff and the experts, was offered to officials of Da Afghanistan Bank and of the government of Afghanistan.

Significant progress was made during the first quarter of 2003 in the process of consultation on the drafts of the central bank law and the draft banking law. A final round of consultations with the IMF and the passing of these two laws were expected to take place during the summer of 2003. This would allow the implementation of the first installment of the legislative package prepared under the JSA-supported technical assistance.
In response to the broad-ranging needs for technical assistance expressed by the national authorities, the IMF's Statistics Department (STA) assigned a multisector statistical advisor to Cambodia in November 2001. The efforts of the advisor, who has been financed by JSA, are having a broad positive impact on Cambodia's statistical system, extending well beyond the technical advice on compilation of economic and financial statistics.

Indeed, the most notable part of the advisor's work has been on various prerequisites to building a sustainable capacity to produce and disseminate official statistics. Work in these critical areas encompassed the drafting of new statistical legislation, improved coordination among agencies involved in statistics, and making the case for increased budgetary resources. Underpinning all this were the advisor's efforts to raise the profile and appreciation for the need for better statistics, in part by organizing a well attended and successful workshop. In this connection, the advisor was instrumental in the organizational restructuring of the National Institute of Statistics (NIS), obtaining an increase in government appropriations for the NIS, and developing a medium-term strategy for statistics and a five-year work program for the NIS.

Cambodia scored major successes in reorienting its statistical development in line with international standards when it became a participant in the IMF's General Data Dissemination System (GDDS) in March 2002 (with IMF assistance also supported by JSA), and when it launched the NIS website in July 2002.

In addition the advisor, in collaboration with topical experts of the Asian Development Bank and the IMF, has contributed to significant improvements in the compilation and dissemination of national accounts and prices, balance of payments, and monetary and financial statistics. Government finance statistics remain very weak, and the IMF is planning to focus supplementary assistance in this area.

In spite of broad-ranging progress achieved so far, very considerable challenges remain. The principal challenges are (1) leadership, ownership, commitment, and management skills of the central authorities and NIS staff; (2) the level of domestic and donor resources available for statistics; and (3) the enactment of the draft statistical legislation.
Box 7. Africa Regional Technical Assistance Centers

As part of the IMF's Africa Capacity-Building Initiative, the IMF has established two African Regional Technical Assistance Centers (AFRITACs) in sub-Saharan Africa. The AFRITACs are modeled on the existing Caribbean and Pacific centers, which have shown that a decentralized, regional approach to identifying and meeting technical assistance needs enhances country ownership and commitment and encourages an efficient use of technical assistance resources. Placing such resources directly in the region has the added advantages of increasing the IMF staff's familiarity with the needs of the countries and allowing a more flexible and rapid response to capacity-building requirements.

The AFRITACs are tasked with assisting member countries in developing their capacity-building programs, guided by each country's poverty reduction strategy paper. They also help member countries implement and monitor ongoing technical assistance programs, facilitate donor coordination of ongoing capacity-building activities, and provide technical advice.

The first AFRITAC—the East AFRITAC—was established in late 2002 in Dar es Salaam, Tanzania, and covers six member countries in East Africa: Eritrea, Ethiopia, Kenya, Rwanda, Tanzania, and Uganda. West AFRITAC was established in May 2003 in Bamako, Mali, and serves 10 countries in West Africa: Benin, Burkina Faso, Côte d'Ivoire, Guinea, Guinea-Bissau, Mali, Mauritania, Niger, Senegal, and Togo. The work of each center is guided by a Steering Committee on which member countries and donors are represented. Both centers are staffed by a center coordinator and a team of resident experts. Their work is supplemented by short-term specialists.

The AFRITACs are supported by financial contributions from a large number of donors, including the JSA. The governments of Mali and Tanzania provide office space and logistical support for the centers.
Requests for technical assistance are received from governments. These are carefully considered by the concerned functional and area departments of the IMF. If requests fall within the core mandate of the IMF’s technical assistance program and otherwise meet the established prioritization criteria, project proposals are prepared. Following the screening process, the IMF’s Office of Technical Assistance Management reviews the project proposals for conformity with the JSA guidelines. The proposals are then considered for approval by the Japanese authorities.

**Project assessment and evaluation**

Within four weeks of a project’s completion, the IMF is required to submit a project assessment to the Japanese authorities. Any request for an extension of a project also requires an assessment. This assessment is complemented by an evaluation of the technical assistance conducted by the recipient institutions through the completion of a questionnaire. The results of these evaluations are reviewed by the IMF and provided to the Japanese authorities.

In addition, JSA projects in two or three countries are visited and reviewed each year by a joint Japan-IMF mission. These visits seek to provide the Japanese authorities with a firsthand view as to how JSA funding is being used in the field. During the visits, participants assess how the authorities value the work of experts funded by the JSA. The visits are also used to review whether the authorities are making effective use of the assistance and whether the technical assistance is making a contribution to the reform process.

**Figure 4. JSA Annual Technical Assistance Commitments and Disbursements, FY1994-FY2003**

Between FY1993 and FY2003, cumulative commitments for technical assistance under the JSA reached $159 million for a total of 1,188 projects, of which $149 million had been disbursed. During FY2003, $17.3 million was committed for 108 projects. Table 2 and Figure 4 show commitments and disbursements, as well

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7 Because of the time required for the contracting and fielding of experts and payment of invoices, there is a time lag between commitments and disbursements. The duration of a JSA-funded technical assistance project is normally 6–12 months.
Table 2. JSA Annual Technical Assistance Commitments and Disbursements, FY1993–FY2003

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Projects Committed</th>
<th>Committed in Millions of U.S. Dollars</th>
<th>Disbursed in Millions of U.S. Dollars</th>
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<tr>
<td>FY1993</td>
<td>68</td>
<td>5.7</td>
<td>2.9</td>
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<td>FY1994</td>
<td>98</td>
<td>8.8</td>
<td>7.1</td>
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<td>12.2</td>
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<td>FY1996</td>
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<td>FY1997</td>
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<td>15.5</td>
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<td>14.6</td>
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<tr>
<td>FY2003</td>
<td>108</td>
<td>17.3</td>
<td>16.3</td>
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<tr>
<td>Total</td>
<td>1,088</td>
<td>159.2</td>
<td>144.4</td>
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</table>

Total 1,088 projects were approved during FY1993–FY2003, which represents 55.8 percent of technical assistance projects approved during this period. Countries in Africa received the next largest share, totaling some $34 million or 21.7 percent of total approvals during the same period. Of the remaining amount approved during this period, 5.7 percent were for projects in Latin America and the Caribbean, 6.4 percent for projects in Western and Central Europe, 3 percent for projects in the Middle East, and 7.3 percent for multiregional projects.8

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

as the number of approved technical assistance projects, between FY1993 and FY2003. A brief description of each of the projects approved in FY2003 is provided in Annex 1.

Geographical distribution of funds

To date, 123 different member countries of the IMF and 13 regional organizations and training institutions have been beneficiaries of JSA-funded technical assistance. Countries in the Asia and Pacific region, Eastern Europe, and Central Asian countries and the transitional countries of the former Soviet Union have together received almost $89 million from the JSA for approved technical assistance projects during FY1993–FY2003, which represents 55.8 percent of technical assistance projects approved during this period. Countries in Africa received the next largest share, totaling some $34 million or 21.7 percent of total approvals during the same period. Of the remaining amount approved during this period, 5.7 percent were for projects in Latin America and the Caribbean, 6.4 percent for projects in Western and Central Europe, 3 percent for projects in the Middle East, and 7.3 percent for multiregional projects.8
Figure 5. Distribution of JSA Technical Assistance Commitments by Region, FY1993–FY2003

Figure 6. Distribution of JSA Technical Assistance Commitments by Region, FY2003

Table 3. JSA Annual Commitments for Technical Assistance by Region, FY1993–FY2003

(Millions of U.S. dollars)
Table 4. The 10 Largest Recipients of JSA-Financed Technical Assistance, FY1993-FY2003
(By commitments, in decending order)

<table>
<thead>
<tr>
<th>FY1993-FY2003</th>
<th>FY2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Russia</td>
<td>Pacific Financial Technical Assistance Center (PFTAC)</td>
</tr>
<tr>
<td>Ukraine</td>
<td>Congo, Dem. Rep. of</td>
</tr>
<tr>
<td>Indonesia</td>
<td>Timor Leste</td>
</tr>
<tr>
<td>Pacific Financial Technical Assistance Center (PFTAC)</td>
<td>Mongolia</td>
</tr>
<tr>
<td>Kyrgyz Republic</td>
<td>Bosnia and Herzegovina</td>
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<td>Mongolia</td>
<td>Russia</td>
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<tr>
<td>Georgia</td>
<td>Rwanda</td>
</tr>
<tr>
<td>Rwanda</td>
<td>IMF-Singapore Regional</td>
</tr>
<tr>
<td>China</td>
<td>Training Institute (SI)</td>
</tr>
<tr>
<td>Azerbaijan</td>
<td>China</td>
</tr>
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<td></td>
<td>Cambodia</td>
</tr>
</tbody>
</table>

The regional distribution of commitments in FY2003 was as follows: Asia and Pacific countries, $6.6 million or 38.2 percent; Eastern Europe and Central Asia countries and countries of the former Soviet Union, $1.5 million or 8.9 percent; Africa, $4.9 million or 28.4 percent; Western and Central Europe, $1.2 million or 7.1 percent; Latin America and the Caribbean, $0.6 million or 3.4 percent; the Middle East, $1.1 million or 6.4 percent; and multiregional projects, $1.3 million or 7.6 percent. Table 3 shows the annual and total commitments by region in dollar terms. Figures 5 and 6 show the regional percentage distribution for FY1993–FY2003 and for FY2003, respectively.

About one-third of JSA-financed technical assistance in FY2003 was directed toward low-income countries seeking to implement sustainable debt relief and poverty reduction strategies. The second largest concentration, with about 25 percent of total JSA-financed technical assistance delivered in FY2003, was aimed at assisting countries with the rehabilitation of basic economic and financial institutions in post-conflict situations. The remainder was divided equally between crisis prevention, crisis resolution and management, and regional assistance.

Table 4 shows the 10 beneficiary countries or organizations receiving the largest share of JSA
assistance during FY1993–FY2003 and FY2003, respectively.

**Distribution of funds by subject areas**

In FY2003, the IMF delivered approximately 355 person years of staff and expert time for technical assistance work. The distribution of the technical assistance by the major IMF functional departments was as follows: Monetary and Financial Systems (formerly called Monetary and Exchange Affairs), 34 percent; Fiscal Affairs, 27 percent; Statistics, 16 percent; and Legal, 6 percent.

The distribution of the commitment of JSA funds among the subject areas has broadly reflected the foregoing distribution in the overall use of IMF resources for technical assistance. In FY2003, the distribution of JSA commitments was as follows: Monetary and Financial Systems, $6.7 million (39 percent); Fiscal Affairs, $3.3 million (19 percent); Statistics, $3.7 million (21 percent); and Legal, $1.2 million (7 percent). During FY2003, commitments in the areas of macroeconomic statistics and support for legal frameworks increased significantly, while there was a reduction in commitment of JSA funds in the fiscal area. Table 5 shows the annual distribution of commitments in dollar terms by subject areas. Figures 7 and 8 also show the percentage distribution by subject area for the period FY1993–FY2003 and for FY2003.

**Table 5. JSA Annual Commitments for Technical Assistance by Subject Area, FY1993–FY2003**

(Millions of U.S. dollars)

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<tbody>
<tr>
<td>Fiscal</td>
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<td>2.06</td>
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<td>Others</td>
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<td>0.25</td>
<td>0.54</td>
<td>0.41</td>
<td>0.85</td>
<td>1.10</td>
<td>0.74</td>
<td>0.56</td>
<td>0.51</td>
<td>0.33</td>
<td>5.49</td>
</tr>
<tr>
<td>Total</td>
<td>5.65</td>
<td>8.84</td>
<td>13.08</td>
<td>15.08</td>
<td>14.48</td>
<td>12.98</td>
<td>20.65</td>
<td>17.34</td>
<td>16.41</td>
<td>16.71</td>
<td>17.30</td>
<td>158.53</td>
</tr>
</tbody>
</table>
In FY2003, the proportional allocation of JSA funds by topic within the above four areas was broadly consistent with that of previous years, although there was a relative increase in technical assistance commitments in public expenditure management and in anti-money laundering and combating the financing of terrorism (AML/CFT). In the monetary and financial systems area, 53 percent of JSA funds were committed to technical assistance for banking and financial sector supervision, 29 percent for monetary policy and operations, 10 percent for strengthening payment and accounting systems, and 8 percent on AML/CFT. In fiscal affairs, 60 percent of JSA funds were committed for public expenditure management and 34 percent for tax policy and tax and customs administration. In the macroeconomic statistics area, 62 percent of JSA funds were committed for multisector statistical technical assistance, including General Data Dissemination System–related assistance; 23 percent for work on real sector statistics; 8 percent for monetary and financial statistics; and 4 percent each for balance of payments statistics and government finance statistics. In the legal area, 42 percent was committed to technical assistance for AML/CFT, 38 percent for work on central bank and financial sector legislation, and 17 percent on tax and customs legislation.

In FY2003, Japan agreed to support the IMF's Africa Capacity-Building Initiative with $0.7 million from resources provided through the JSA. As part of the Initiative, the IMF has estab-
lished two regional technical assistance centers in sub-Saharan Africa—known as AFRITACs. The centers, hosted by Mali and Tanzania, provide technical assistance to 10 West African and six East African countries, respectively. The initiative is supported by a large number of countries, including Japan. The setup of the centers is described in Box 7.

**Effectiveness of JSA-funded technical assistance**

Since 1996, 10 joint Japan/IMF evaluation visits have been carried out to gauge the effectiveness of JSA-funded technical assistance activities. These have covered 17 beneficiary countries in Africa, Asia and the Pacific, Central Asia, and Central and Eastern Europe, as well as the regional training institutes in Singapore and Vienna and the Pacific Financial Technical Assistance Center. The joint evaluation teams have reported that technical assistance activities financed by the JSA were highly relevant and consistent with the core mandate of the IMF’s work, were well formulated and implemented, and were appreciated by recipient governments, which in several cases noted that the JSA-funded advisors were instrumental in establishing critically needed capacity. The teams also reported that the JSA-financed training and seminars were of high visibility, tightly focused, and highly appreciated by participants. In FY2003, joint Japan/IMF evaluation teams visited Cambodia, Mongolia, Timor-Leste, and the Singapore Regional Training Institute (STI). A summary of the findings of these visits is provided in Annex 2.
As of calendar year 2000, beneficiary authorities have been requested to provide an assessment of completed JSA-funded projects. The questionnaires gauge the authorities' views regarding the appropriateness and relevance of the assistance and the expert's qualifications and experience. The questionnaires also cover the cooperation between the expert and counterparts, the usefulness of the advice in terms of the reform efforts, whether adequate attention was paid to skills transfer, and the quality of supervision by IMF headquarters. In order to measure the overall satisfaction of the authorities, the respondents are also asked to rate the overall progress of the assignment.

Since 2000, 100 evaluation questionnaires have been received from beneficiary authorities covering 84 projects. Overall, the beneficiary authorities continue to be very positive about the effectiveness of the JSA-funded technical assistance projects. As shown in Figure 9, 60 percent of the respondents expressed a high satisfaction with the overall progress of the assignment, and another 38 percent were satisfied. Annex 3 provides greater detail regarding the results of the ongoing evaluations.