

IMF SOUTH ASIA REGIONAL TRAINING AND TECHNICAL ASSISTANCE CENTER



SARTTAC
SOUTH ASIA REGIONAL TRAINING
& TECHNICAL ASSISTANCE CENTER

ANNUAL REPORT 2023



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FOREWORD

This report was prepared by David Cowen, Ankit Singh, and Mudit Mittal in the IMF South Asia Regional Training and Technical Assistance Center (SARTTAC), with inputs from the long-term expert advisors, Pramod Bhardwaj, Debraj Chaudhuri, and Nidhi Mehrotra in SARTTAC, and from Reem Sweiss and Ana Rosales in the IMF Institute for Capacity Development. Mishri Someshwar in the IMF Corporate Services and Facilities Department led preparation of the publication version of the report. The views expressed here are those of SARTTAC, with thanks to IMF and external stakeholders for permission to use quotes provided in the report.

**IMF SOUTH ASIA REGIONAL
TRAINING AND TECHNICAL
ASSISTANCE CENTER**



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ACRONYMS AND ABBREVIATIONS

APD	IMF Asia and Pacific Department	EU	European Union
AML/CFT	Anti-Money Laundering and Combatting the Financing of Terrorism	FAD	IMF Fiscal Affairs Department
BB	Bangladesh Bank	FATF	Financial Action Task Force
BBS	Bangladesh Bureau of Statistics	FD	Finance Department
CBDCs	Central Bank Digital Currencies	FMIS	Financial Management Information System
CBDT	Central Board of Direct Taxes (India)	FPAS	Forecasting and Policy Analysis System
CBSL	Central Bank of Sri Lanka	FRM	Fiscal Risk Management
CCCDI	IMF COVID-19 Crisis Capacity Development Initiative	FSR	Financial Sector Supervision and Regulation
CD	Capacity Development	FX	Foreign Exchange
CDDs	Capacity Development Departments	FY	Fiscal Year
CDMAP	Capacity Development Management and Administration Program	GDP	Gross Domestic Product
CDOT	IMF Capacity Development Office in Thailand	GFS	Government Finance Statistics
CFAT	Cash Forecasting and Analysis Tool	GFSM 2014	Government Finance Statistics Manual 2014
CIC	Currency in Circulation	GOO	Government of Odisha (India)
CMU	Cash Management Unit	GST	Goods and Services Tax
COFOG	Classification of the Functions of Government	HQ	Headquarters
CPI	Consumer Price Index	IAS	Indian Administrative Service
DP	Development Partner	ICD	IMF Institute for Capacity Development
		IES	Indian Economic Service

IFRS	International Financial Reporting Standards	PD	Program Document
IMF	International Monetary Fund	PDM	Public Debt Management
IPF	Institute of Public Finance (Bangladesh)	PFM	Public Financial Management
ISORA	International Survey on Revenue Administration	PIMA	Public Investment Management Assessment
JSA	Japan Administered Account for Selected IMF Activities	PSDS	Public Sector Debt Statistics
LBSNAA	Lal Bahadur Shastri National Academy of Administration (India)	QGDP	Quarterly Gross Domestic Product
LEG	IMF Legal Department	PSU	Public Sector Undertaking
LTX	Long-Term Expert Advisor	RA	Revenue Administration
MC	Member Country	RBI	Reserve Bank of India
MCM	IMF Monetary and Capital Markets Department	RBM	Results-Based Management
MIEG	Monthly Indicator of Economic Growth	RCDC	Regional Capacity Development Center
MOF	Ministry of Finance	RSS	Real Sector Statistics
MONOPS	Monetary and Foreign Exchange Operations	SARTTAC	IMF South Asia Regional Training and Technical Assistance Center
MTFF	Medium-Term Fiscal Framework	SC	Steering Committee
MTMF	Medium-Term Macroeconomic Framework	STA	IMF Statistics Department
MTRS	Medium-Term Revenue Strategy	TA	Technical Assistance
NBU	National Bank of Ukraine	TADAT	Tax Administration Diagnostic Assessment Tool
PATS	Participant and Applicant Tracking System	TSA	Treasury Single Account
		UCoA	Unified Chart of Accounts
		WG	Working Group

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EXECUTIVE SUMMARY

Fiscal year (FY) 23 (May 1, 2022 - April 30, 2023) marked an eventful period for the IMF South Asia Regional Training and Technical Assistance Center (SARTTAC), representing the sixth full year of operations, with this report highlighting achievements and milestones.

First, most activities were done in-person, following two years of virtual engagement due to the pandemic. More than 70 technical assistance (TA) missions were completed covering each member country (MC) and across different capacity development (CD) programs in SARTTAC. Nearly 50 training events were also held in a wide range of regional and national courses. Main support came from the Center's long-term expert (LTX) advisors, complemented by IMF headquarters and external experts and in collaboration with other IMF regional capacity development centers and regional CD providers.

Second, SARTTAC began a transition to a new phase of operations, anchored by India pledging US\$50 million to Phase II, which will commence in 2024. All outstanding contributions to Phase I were also paid up in 2023, signifying a strong commitment by MCs and

development partners to the Center's mission, with resources provided by them to the IMF an essential element of SARTTAC's ability to provide high-quality CD for South Asia and integrate this work with Fund surveillance and lending.

Finally, SARTTAC continued to adapt to new and transformational needs in CD by ensuring sufficient resources were devoted to TA requirements arising from IMF-supported lending arrangements in Bangladesh, Nepal, and Sri Lanka and providing support (mainly training) in areas such as fintech and govtech and on green budgeting and climate data indicators.

Workplan implementation in FY23 was broadly in line with expectations, with 98 percent of a revised plan completed. Gaps in implementing the original plan, endorsed in 2022 by SARTTAC's Steering Committee (SC), were mainly related to a reprioritization of CD needs by MCs and delivery challenges faced by SARTTAC due to hiring lags in a few LTX positions.

As a complement to the workplan, SARTTAC's pandemic-related support on strengthening macro-fiscal frameworks through resources provided

under the IMF COVID-19 Crisis Capacity Development Initiative also reached a successful end in FY23, with further work in this area, including with selected India states, now continuing mainly under the Center's public financial management CD program.

With CD demand and delivery prospects clearer in the post-pandemic period and a full slate of LTXs going into FY24, implementation constraints have eased, with strong demand for SARTTAC CD in all MCs. The FY24 workplan and budget, as endorsed by the SC following its annual meeting in June 2023, comprises a 40 percent increase in planned activities, with nearly all expected to be done in-person. The plan continues to address transformational areas, notably on climate, digitalization, and gender, and new requests, such as training on anti-money laundering/combating the financing of terrorism issues and selective attachments and high-level seminars to foster peer learning. Achievement of milestones is expected to be stronger owing to a recalibration of support in certain areas.

SECTION I

INTRODUCTION

INTRODUCTION



Mr. Ramanathan Subramanian
*Executive Director,
International Department,
Reserve Bank of India*

“SARTTAC is back in action in full strength post-pandemic, and rightly so, as its programs are even more relevant and valuable today for economic recovery. We encourage SARTTAC to have a continued focus on macroeconomics, cohort trainings, and increased state government engagements.”

This report highlights the activities of the IMF South Asia Regional Training and Technical Assistance Center (SARTTAC) in FY23 (May 2022 - April 2023) and lays out a workplan for FY24. It comes at a time when SARTTAC is reaching the end of Phase I of its funding and operations. From its inception in February 2017 to April 2023, SARTTAC has delivered more than 270 courses and workshops to around 7,200 officials

and undertaken approximately 425 technical assistance (TA) missions covering a range of activities in its six member countries (MCs), including at the sub-national level in India. Phase I was originally programmed to end in April 2022. However, it is now expected to be extended to December 2023, with financial resources sufficient until then mainly because of lower-than-envisaged spending during the pandemic and augmentation of



**IMF Managing Director Kristalina Georgieva's visit to SARTTAC
(September 9, 2022)**

support from Australia agreed in 2021. In the meantime, work is proceeding on Phase II, which is expected to begin in January 2024 and run through April 2029, as discussed later in this report.

The FY23 workplan embraced reform priorities, as identified by MCs and the IMF Asia and Pacific Department (APD) through the Fund’s surveillance dialogue and lending operations. Its planning and execution were aided by IMF resident representative offices in the region, which help manage SARTTAC’s relations with MCs and provide a vital link to in-country development partners (DPs) and other capacity development (CD) providers. In the workplan, special dispensation was given to address vulnerabilities in the region, largely resulting from global shocks and selectively from domestic policy missteps. In this context, SARTTAC supported MCs in implementing adjustment measures.

Under both original and revised workplans in FY23, slightly more than half of programmed CD was in fiscal-related areas—revenue administration (RA), public financial management (PFM), and government finance statistics and public sector debt statistics (GFS/PSDS), in keeping with previous years and reflecting the need to strengthen fiscal policy regimes and data collection in most MCs. Country-wise, the workplan restored CD resources in relative terms to their pre-pandemic allocations, factoring in a greater willingness of countries to take TA support and CD requirements under IMF-supported programs (now with Nepal, Bangladesh, and Sri Lanka).

Unlike the past two years, SARTTAC was able to engage throughout South Asia under mostly normal operations in FY23. Fortunately, the region was not affected by any major COVID-19 outbreaks during the fiscal year (FY). In-person TA missions and training took place under all CD programs,



SARTTAC’s Macroeconomics Module training at LBSNAA’s 97th Foundation Course (India) (October 10-14, 2022)



Bangladesh Bank Governor Mr. Abdur Rouf Talukder (center) hosting meeting with Mr. David Cowen (Director, SARTTAC) and Mr. Jayendu De (IMF Resident Representative for Bangladesh), joined by Deputy Governor Mr. Kazi Sayedur Rahman (far left) and Mr. Md Julhas Uddin, Executive Director (Research) and Alternate Representative for Bangladesh on SARTTAC’s Steering Committee (far right) (September 22, 2022)

with the latter, which restarted in SARTTAC in March 2022, done under a gradual easing in COVID-19 testing requirements and course size restrictions used by SARTTAC to ensure the safety of all.

Overall, SARTTAC and its MCs were reasonably successful in implementing the FY23 workplan. The overall execution rate was 73 and 98 percent against original and revised workplans, respectively.

BOX 1: STAFF CHANGES IN SARTTAC IN FY23^a

Oleg Churiy joined SARTTAC as the Monetary and Foreign Exchange (FX) Operations Advisor in March 2023, taking over from his predecessor, **Stefaan Ide**, who joined the IMF Middle Eastern Regional Technical Assistance Center in October 2022. A Ukrainian national, he was Deputy Governor of the National Bank of Ukraine (NBU) during May 2015 to July 2020, responsible for implementing monetary policy and FX policy and regulation, managing FX reserves and depository activities, and developing market infrastructure. During his term, the NBU's key achievements included successful transition of Ukraine to inflation targeting, a floating exchange rate, and liberalization of the FX regime, attracting substantial foreign inflows into the government local debt market. After departing NBU, Oleg worked as a short-term expert for IMF. He also has extensive experience in commercial and investment banking.

Nitin Jain joined SARTTAC as Financial Sector Regulation and Supervision Advisor in May 2023, on deputation from Reserve Bank of India (RBI). He replaced **Jacques Loubert**, who completed a five-year term in SARTTAC in August 2022. In Nitin's 17-year career in central banking, he has gained extensive experience in banking regulation and supervision, corporate

strategy and governance, and the central bank's role as banker to banks. Nitin also worked at the European Central Bank for three years, where he was involved in supervisory policy making and on-site examination of significant institutions. Prior to joining the RBI, he was an Assistant Professor at Jaipuria Institute of Management (Lucknow). He holds a Ph.D. in economics from the University of Lucknow (India), is a certified Financial Risk Manager, and earned a Post Graduate Award in Financial Regulation and Supervision from the University of Warwick (United Kingdom).

Saji Thomas, Deputy Director, joined SARTTAC in June 2023. An Indian national, he replaced **Bhaswar Mukhopadhyay**, who completed a three-year term at SARTTAC in February 2023 and retired from the Fund in April 2023. Saji joined the IMF in 2002, and has since worked on surveillance, lending programs, and technical assistance for a range of countries in Africa, Asia, and the Caribbean and Latin America. His current research interests include fiscal policy and its coordination with monetary policy, sovereign debt, and fiscal rules. Most recently, he was a senior economist in the IMF Western Hemisphere Department, working on Jamaica. He previously served in the

IMF Fiscal Affairs Department with a focus on emerging market economies (including Sri Lanka) and low-income countries. Prior to joining the Fund, Saji worked as an economist in the World Bank Research Department. He holds a Ph.D. in Economics from the University of Minnesota.

Christian Johnson, Macroeconomic Advisor, completed a two-year term in SARTTAC in April 2023 and returned to the IMF Institute for Capacity Development. A new advisor (Charline Ramspacher) joined SARTTAC in July 2023.

John Grinyer finished his term as Macro-Fiscal Advisor based at SARTTAC in May 2023, following the end of funding for the post in SARTTAC under the IMF COVID-19 Crisis Capacity Development Initiative.

Pramod Bhardwaj rejoined SARTTAC in June 2022 as Office Manager, after having returned to the government of India in January 2022 and subsequently retiring from there after 20 years of service.

Apoorba Mitra joined as a staff assistant in July 2022, having previously worked as a program assistant in a few other agencies including the regional office of Médecins Sans Frontières in New Delhi.

^a See Annex 1 for a complete list of staff in SARTTAC.



Mr. Bam Bahadur Mishra

*Deputy Governor,
Nepal Rastra Bank*

“SARTTAC has consistently demonstrated its commitment in fostering regional cooperation, knowledge sharing, and capacity building in the region. We commend its efforts in facilitating the exchange of experiences and best practices of central banks in South Asia for regional economic integration and harmonization of policies.”

This effort was underpinned by careful formulation by SARTTAC of sector work programs with MC agencies and IMF capacity development departments (CDDs). It also was done at a time when there was considerable rotation of long-term expert (LTX) advisors in SARTTAC, as summarized in Box 1.

SARTTAC will commence Phase II of its operations in FY24. A new Program Document (PD) is under preparation and new funding commitments have been sought with each MC and DP. Anchoring this funding is US\$50 million pledge by India to Phase II, representing a more than 50 percent increase in its contribution compared to Phase I. To ensure strong buy-in to SARTTAC’s mission and ample support for IMF CD in

South Asia, the contribution of each MC will be vital to the sustenance and growth of the Center.

The rest of this report highlights activities of SARTTAC in FY23 and lays out its workplan for FY24.

Section II summarizes main activities in FY23. A spotlight is also placed on CD successes achieved during the year—some on new projects highlighted in SARTTAC’s 2022 Annual Report.¹ Section III lays out sector and country workplans for FY24, covering main objectives and envisaged support. Section IV looks at SARTTAC’s finances—both the FY23 outturn and FY24 budget. Finally, Section V updates on the mid-term external evaluation and the move toward Phase II of SARTTAC’s funding and operations.

¹ See https://www.sarttac.org/content/dam/SARTTAC/Annual_Reports/SARTTAC%20Annual%20Report%20FY22_Web.pdf

SECTION II

ACTIVITIES IN FY23

A

OVERVIEW



Mrs. K. M. A. N. Daulagala

*Deputy Governor,
Central Bank of Sri Lanka*

“We appreciate the technical assistance and capacity building support received from SARTTAC especially in the recent difficult economic phase of Sri Lanka and are very pleased with the capacity building program that SARTTAC has identified for Sri Lanka going forward.”

SARTTAC’s activities in FY23 were anchored by an annual workplan, which placed greater focus on TA compared to recent years owing to the resumption of in-person delivery.

The plan was endorsed by SARTTAC’s Steering Committee (SC) at its sixth annual meeting in July 2022 and revised at an interim meeting in February 2023. The number of TA missions was originally programmed to increase by two-thirds. On the other hand, fewer training events were planned than in FY22, with a shift towards full-fledged, in-person training courses. The workplan (both original and revised) took account of existing and prospective commitments under IMF-supported lending arrangements in Nepal (since January 2022), Bangladesh (January 2023), and Sri Lanka (March 2023). Implementation was planned in coordination with selected CD providers in the region (principally the World Bank, Asian Development Bank, and European Union (EU)), mostly in PFM and RA.

Despite some challenges, overall execution of SARTTAC’s FY23 workplan improved compared to recent years. As a share of the revised workplan, more than 98 percent of activities were completed in FY23 (Table 1) versus 80 percent in FY22.

The revised plan itself scaled back activities by around one-third, mostly TA. Delays in delivering planned CD were mainly due to one-off factors, in particular a lengthy hiring process for new monetary and foreign exchange (FX) operations (MONOPS) and financial sector supervision and regulation (FSR) advisors in SARTTAC and work reprioritization by some MCs, as they reassessed their post-pandemic CD needs. More diagnostic-related and multi-faceted TA was incorporated into the revised plan, some aligned with program commitments under IMF lending programs. On RA, Tax Administration Diagnostic Assessment Tool (TADAT) missions were added for Bhutan, Nepal, and Sri Lanka in place of other activities, with SARTTAC’s participation and funding playing an important role in each. On PFM, a large TA mission for Sri Lanka looked at its fiscal responsibility framework in lieu of other planned activities, as an important component of strengthening PFM under agreed program understandings with the IMF.

The intensity of resource use in FY23 can be summarized as follows:

- **Regional activities (all training) comprised the largest share of CD spending in SARTTAC in FY23,**

TABLE 1: SUMMARY OF SARTTAC ACTIVITIES IN FY22 AND FY23¹

	FY22	FY23			
	Execution	Planned		Execution	
	Annual Actual	Original Plan	Revised Plan ²	Annual Actual	Execution Rate (percent of revised plan)
SARTTAC Activities (in number of activities)					
Technical Assistance	68	115	76	72	95
Regional Training	42	32	27	26	96
National Training	27	18	19	19	100
Meeting/Retreat/Other	3	0	0	3	n/a
Total	140	165	122	120	98
By Sector					
Macroeconomic Analysis and Training (ICD)	19	25	18	19	106
Revenue Administration (RA)	20	27	21	23	110
Public Financial Management (PFM)	34	35	32	33	103
Government Finance Statistics/Public Sector Debt Statisticsz (GFS)	14	11	9	8	89
Real Sector Statistics (RSS)	23	32	27	25	93
Monetary and Foreign Exchange Operations (MONOPS)	11	17	9	6	67
Financial Sector Supervision and Regulation (FSR)	19	18	6	6	100
Total	140	165	122	120	98

¹ Regional and national training are inclusive of webinars.

² The annual workplan was revised and shared with SARTTAC's Steering Committee during the FY23 interim update in February 2023.

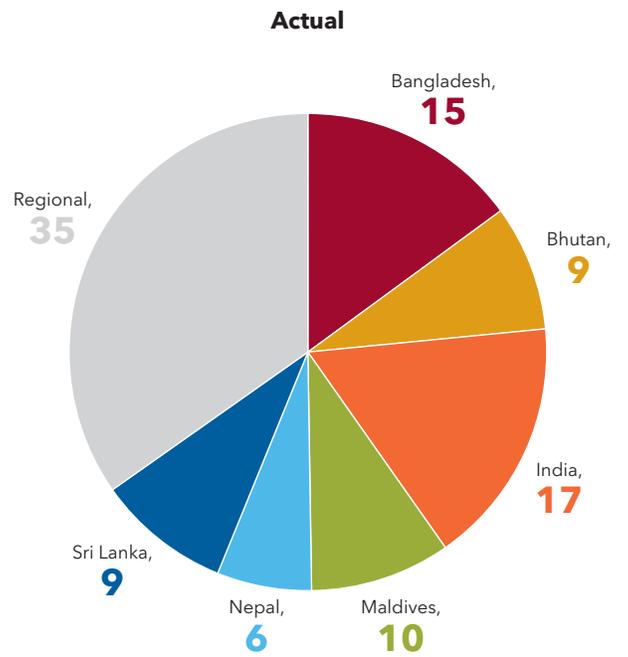
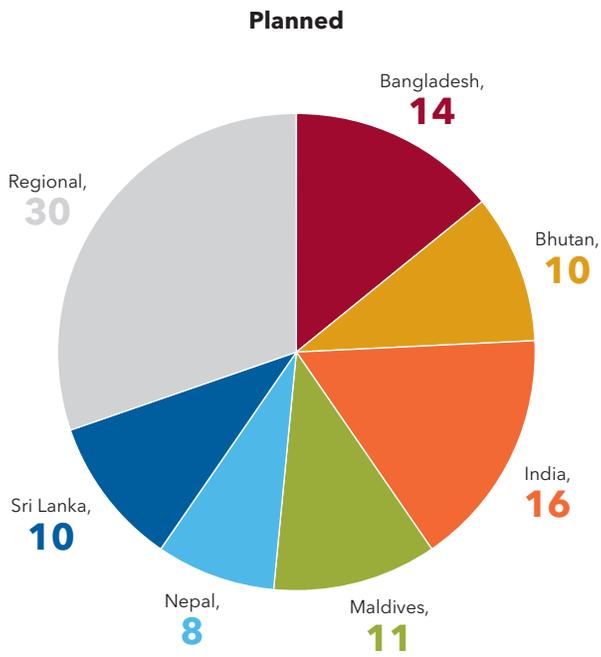
TABLE 2: ACTUAL RESOURCE DISTRIBUTION BY COUNTRY AND SECTOR IN FY23¹

	Share of Total CD Spending (in percent)	Macroeconomics	Revenue Administration	Public Financial Management	Government Finance Statistics	Real Sector Statistics	Monetary and Foreign Exchange Operations	Financial Sector Supervision and Regulation
Bangladesh	14.9	6.0	0.5	4.9	1.2	1.2	0.7	0.4
Bhutan	8.5	1.3	0.2	4.9	0.6	0.7	0.0	0.9
India	16.8	8.0	2.8	4.2	0.0	1.5	0.0	0.3
Maldives	9.5	0.7	4.6	1.4	0.6	0.9	0.0	1.3
Nepal	6.4	0.0	4.4	0.3	0.6	0.8	0.2	0.0
Sri Lanka	9.1	1.6	0.2	5.7	0.6	0.4	0.5	0.0
Regional	34.8	15.6	6.1	3.3	2.6	2.8	3.5	0.9
Share of Total CD Spending (in percent)		33.2	18.9	24.8	6.2	8.3	4.9	3.7

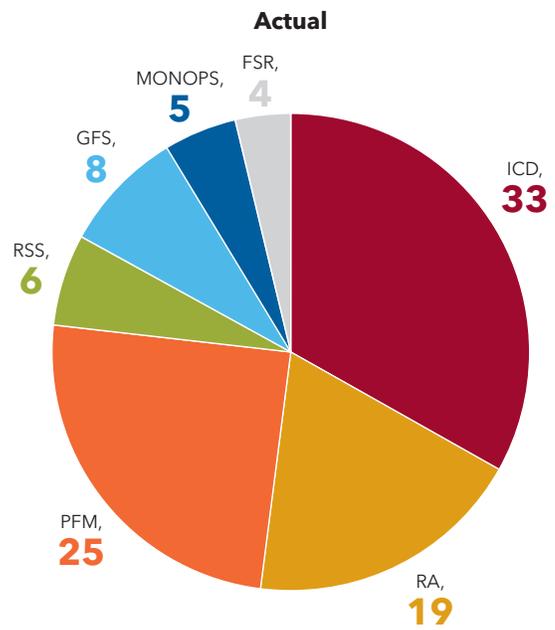
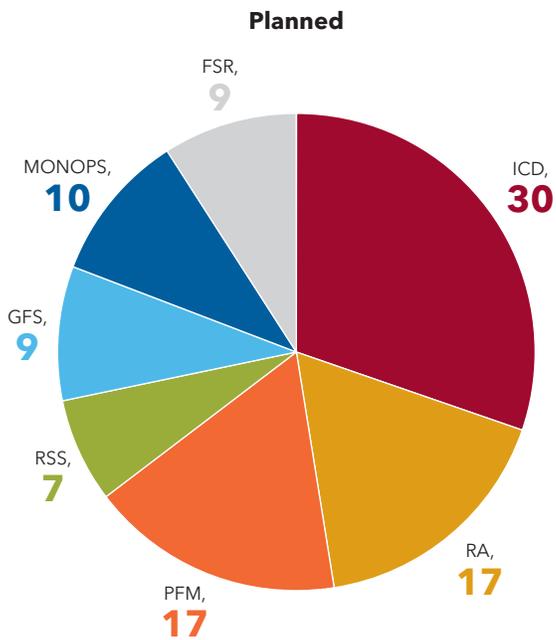
¹ The distribution by county is national training and technical assistance only.

FIGURE 1: CAPACITY DEVELOPMENT DISTRIBUTION BY COUNTRY AND SECTOR IN FY23

A. By Country



B. By Sector





SARTTAC Course on Debt Sustainability Analysis for EXIM Bank of India (April 5-6, 2023)

accounting for an estimated **35 percent**. India and Bangladesh were the largest recipients of this support, but all MCs were generally well represented in these activities. Regional courses (26) were split evenly between those led by the IMF Institute for Capacity Development (ICD) and other CDDs.

- **Country-wise, India and Bangladesh remained the largest recipients of single-country CD (mostly training) (Figure 1).** They accounted for roughly 17 and 15 percent of the total CD spending, respectively, focused on macroeconomics training and PFM

CD programs (Table 2). Lower shares of support were provided to Bhutan, Maldives, Nepal, and Sri Lanka (in the range of 6 to 9.5 percent). In the case of the latter two, as well as Bangladesh, engagement by spending and activities rose in absolute and relative terms compared to FY22, given SARTTAC CD's integration with IMF-supported lending arrangements.

- **Sector-wise, the distribution of CD across programs, in relative terms, remained broadly in line with past delivery, in keeping with demand across countries.**

More than half of SARTTAC's support stayed concentrated in fiscal-related areas—PFM, RA, and GFS/PSDS. New activities added to the workplan during the year helped boost the execution rate of the macroeconomics, RA and PFM CD programs above 100 percent against the revised workplan. SARTTAC's work on PFM was complemented by a separate project on macro-fiscal frameworks supported through the IMF COVID-19 Crisis Capacity Development Initiative (CCCDI), which concluded in April 2023 (see Annex 2).

HIGHLIGHTS BY SECTOR



Mr. Phajo Dorjee
Deputy Governor,
Royal Monetary Authority, Bhutan

“For the last five years, engagement with SARTTAC on capacity development and technical assistance has been beneficial for us in terms of financial stability for the central bank by enhancing risk-based supervision and the monetary policy framework. We look forward to the next five years of engagement.”

In this section, selective highlights are provided of CD activities and results in FY23. The achievement of milestones by sector continued to be tied closely to execution of workplans (Table 3). Approximately 53 percent of planned milestones were fully, largely, or partially achieved in FY23, as compared to 70 percent in FY22. The lower achievement in FY23 was primarily due to the slow progress on RA reforms, which are being addressed in the FY24 workplan (as discussed later).² Learning gains and absolute learning were generally stronger in FY23, as measured by percentage point increases in pre-and post-tests scores and share of participants scoring over 60 (out of 100) in the post-course tests administered in much of SARTTAC’s training (Figure 2).

² The proportion of “Not Achieved” milestones is not solely related to the performance and progress from SARTTAC-funded support for RA projects, but also captures a broader picture of advancement of countries’ tax reform programs through overall IMF CD support for these efforts, especially under larger projects in MCs, which may be supported through multiple funding vehicles.

TRAINING

Against the original and revised workplan for FY23, SARTTAC delivered most programmed training, underpinned by improvements in planning and administration. In total, 45 regional and national training activities were completed in FY23, representing 98 percent of total activities in the revised plan. In summary, highlights are as follows:

- **Overall engagement:** The total number of participants and average course size both declined in FY23 compared to FY22 because of reorientation of SARTTAC’s workplan towards TA (with fewer courses) and the pandemic-related cap on classroom size for in-person training in the first half of FY23 (Table 4). Nonetheless, the number of participants remained comparable to the pre-pandemic period. By FY23 Q4, the average number of officials for in-person training in SARTTAC reached 28—the same as the pre-pandemic average in FY19 and compared to 21 in FY23 Q1. At 33 percent, the share of women in training was similar to FY22. By country, the share of women also remained in line with that in FY22 except Maldives, where it rose from half to two-thirds in

TABLE 3: STATUS OF MILESTONES BY SECTOR AT END FY23¹

Area	Planned for FY23 or Older Milestones Rated in FY23	Fully Achieved	Largely Achieved	Partially Achieved	Not Achieved/ Delayed
1. In number of milestones					
Macroeconomic Analysis and Training	16	4	3	7	2
Revenue Administration	36	3	1	7	25
Public Financial Management	18	3	2	7	6
Government Finance Statistics/Public Sector Debt Statistics	10	0	2	1	7
Real Sector Statistics	16	4	2	3	7
Monetary and Foreign Exchange Operations	8	5	0	0	3
Financial Sector Supervision and Regulation	3	0	0	3	0
Total	107	19	10	28	50
2. In percent of total planned milestones					
Macroeconomic Analysis and Training	100	25	19	44	13
Revenue Administration	100	8	3	19	69
Public Financial Management	100	17	11	39	33
Government Finance Statistics/Public Sector Debt Statistics	100	0	20	10	70
Real Sector Statistics	100	25	13	19	44
Monetary and Foreign Exchange Operations	100	63	0	0	38
Financial Sector Supervision and Regulation	100	0	0	100	0
Total	100	18	9	26	47
Total (Since Inception)	100	43	12	14	31

¹ Includes milestones for projects being fully or partially funded by SARTTAC.

FIGURE 2: CHANGES IN LEARNING OUTCOMES BETWEEN FY19 AND FY23 (In percent)

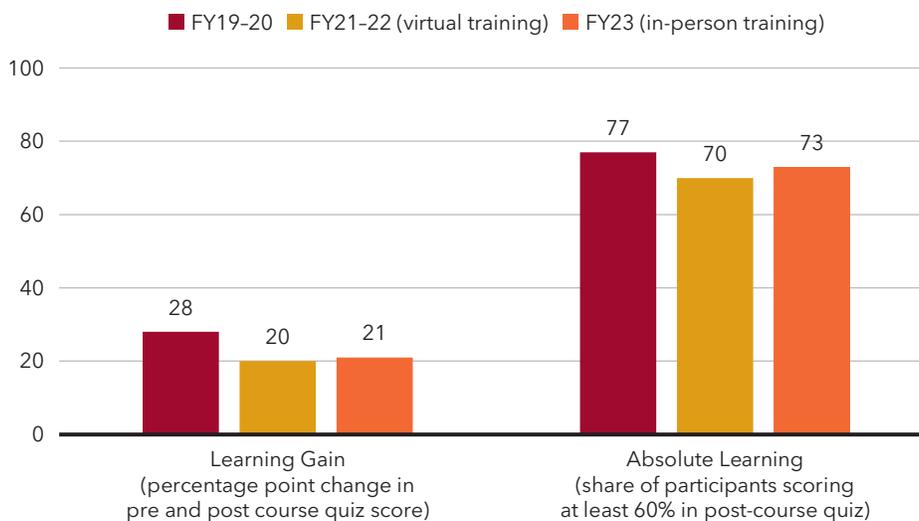


TABLE 4: PARTICIPANTS BY COUNTRY AND GENDER IN FY22 AND FY23

SARTTAC Training Participants (excluding webinars)								
Country	FY22			FY23				
	Number of Participants	Share of total (in percent)	Of which women (in percent)	Number of Participants	Share of total (in percent)	Of which women (in percent)	Participant Training Days	Share of Participant Training Days (in percent)
Bangladesh	318	20	28	243	21	29	1,085	20
Bhutan	180	11	50	82	7	51	396	7
India	751	48	26	555	48	27	2,386	45
Maldives	91	6	52	62	5	65	245	5
Nepal	100	6	24	117	10	24	609	11
Sri Lanka	138	9	48	99	9	48	589	11
Total	1,578	100	33	1,158	100	33	5,310	100
Number of Courses	51			42				
Participants per course	30.9			27.6				

SARTTAC Webinar Participants in FY23					
	Q1	Q2	Q3	Q4	Total
Number of Participants ¹	42	0	0	157	199
Number of Webinars	1	0	0	2	3

¹ Registered participants only; actual number is likely larger because of shared connections.



SARTTAC Course on Central Bank Digital Currencies (December 5-9, 2022)

FY23. Webinars, which became a key delivery vehicle for SARTTAC and other IMF regional capacity development centers (RCDCs) in FY21 and FY22, were less prominent during FY23 due to resumption of normal TA and training delivery and lower demand for such from MCs. Nevertheless, webinars on topics such as measuring human capital and household unpaid services under SARTTAC's real sector statistics (RSS) CD program were well received.

- India:** The bulk of national training continued to be focused on India given better established cohorts, with SARTTAC doing more in general to integrate with agencies' learning and development programs. In all, 48 percent of all training participants came from India in FY23. Two first-ever training activities were organized at the Center—a macroeconomics module for the Reserve Bank of India (RBI) and debt sustainability analysis workshop for the Export-Import (EXIM) Bank of India. In addition, SARTTAC continued to provide macroeconomic training to cohorts in the Indian Economic Service (IES) and India Administrative Service (IAS), including for the latter through the Lal Bahadur Shastri National Academy of Administration (LBSNAA). In India, training extended

to the state level, with Odisha hosting a sub-regional workshop on fiscal risk management (FRM) with a focus on public sector undertakings (PSUs).

- Other countries:** Other national training activities took place outside India, some tied to TA missions. Events were held for Bangladesh's Ministry of Finance (MOF) (cash management, the treasury single account (TSA), and GFS), Bhutan's MOF (cash management and the TSA), and the Central Bank of Sri Lanka (CBSL) (monetary policy operations implementation). For Bangladesh, a learning program resumed with its Institute of Public Finance (IPF), wherein mid- to senior-level line ministry officials received focused training on strengthening PFM. This training, along with a strong contingent in regional courses, boosted the share of participants from Bangladesh in SARTTAC to 17 percent in FY23—the second largest after India.
- Regionally:** Topical regional courses and workshops were conducted for a wide-ranging audience. For macroeconomic training, a diverse set of courses was undertaken by ICD, from staples (Macroeconomic Diagnostics and Fiscal Policy Analysis) to advanced econometric

techniques for economic analysis (Macro-Econometric Forecasting and Analysis) (Table 5). As for non-ICD training, short courses continued to be offered on monetary policy implementation under SARTTAC's MONOPS program, jointly with the IMF Capacity Development Office in Thailand (CDOT), covering such topics as reserve management, the reference exchange rate, and FX operations (Table 6). First-time training was also done under the GFS CD program on the Classification of the Functions of Government (Box 2) and on sectoral accounts and balance sheets through the RSS CD program, together with the IMF Statistics Department (STA). In addition, for both ICD and non-ICD courses, more training was done on transformational areas (see below).

- Learning gains:** For a number of courses, including all for ICD, learning gains, as measured by pre-course and post-course quizzes, improved from recent years, when all training was delivered virtually with the attendant distractions. Focusing on the ICD courses, average learning gains were 19 percent in FY23 (i.e., the percentage change in average pre- versus post-course quiz scores), as compared with



Participants in a SARTTAC Government Finance Statistics technical assistance mission to Bangladesh (September 18-22, 2022)

TABLE 5: ICD TRAINING IN FY23

Course Title	Start Date	End Date	Target Audience	Overall Evaluation Rating (out of 5)	Number of Participants
Phase II Training (LBSNAA) - Selected Macroeconomic Issues	June 16, 2022	June 17, 2022	India (Indian Administrative Service (IAS))	n/a	n/a
Fiscal Policy Analysis	July 11, 2022	July 22, 2022	All member countries	4.7	22
Macroeconometric Forecasting and Analysis	September 19, 2022	September 30, 2022	All member countries	4.9	23
Foundation Training - Macroeconomic Module (LBSNAA)	October 10, 2022	October 14, 2022	India (Indian Civil Servants)	n/a	n/a
Selected Macroeconomic Issues for Mid-Career Officers	October 31, 2022	November 11, 2022	India (Indian Economic Service (IES))	4.1	19
Selected Macroeconomic Issues for Mid-Career Officers	November 14, 2022	November 25, 2022	India (IES)	4.1	13
Central Bank Digital Currencies	December 5, 2022	December 9, 2022	All member countries	4.7	35
Macroeconomics Module for General Inductees	February 6, 2023	February 10, 2023	India (Reserve Bank of India)	4.5	25
Debt Sustainability	April 5, 2023	April 6, 2023	India (EXIM Bank of India)	4.4	28
Macroeconomic Diagnostics	April 10, 2023	April 21, 2023	All member countries	4.5	31
Financial Development and Financial Inclusion	April 10, 2023	April 20, 2023	All member countries	4.4	20
Phase I Training (LBSNAA) - Selected Macroeconomic Issues	January 16, 2023	January 20, 2023	India (IAS)	n/a	184
Macroeconomics of Climate Change	April 24, 2023	May 4, 2023	All member countries	4.6	32
			Weighted average	4.5	

¹ Number of participants are listed only for courses registered in the IMF’s Participant and Applicant Tracking System (PATS).

16 percent in the previous year.³ These learning gains are slightly lower than those observed prior to the pandemic, but mainly because pre-course quiz scores were higher post (49 percent) than pre (44 percent) pandemic, which is likely due to a combination of factors including more careful

³ For some ICD virtual courses, material had to be modified/reduced to fit the time available under this delivery modality. Therefore, the direct comparability of in-person versus virtual learning gains should take account of this factor.

screening recently of course applicants and greater focus on cohort training by SARTTAC.

- **Evaluation surveys:** In nearly 90 percent of all regional and national courses and workshops, end-of-training evaluation surveys were administered by SARTTAC. On a scale of 1 to 5, the range of average per training evaluations scores were 4.1 to 4.9, with a median of 4.6 (see Table 5 and 6). Within the surveys, highest scoring was generally in the areas of RA, PFM and GFS.

Training continued to be used in FY23 to address transformational areas of interest by the IMF in CD and surveillance. Highlights are as follows:

- A new regional ICD course was done on macroeconomics of **climate change**, which also included participants from government think tanks, ministries of environment, and national disaster risk reduction and management authorities. Other training events with a climate focus included regional workshops on green PFM and climate change jointly organized with CDOT

TABLE 6: NON-ICD TRAINING IN FY23¹

Title	Start Date	End Date	Target Audience	Overall Evaluation Rating (out of 5)	Number of Participants ¹
Courses and Workshops¹					
Revenue Administration					
Compliance Risk Management	June 20, 2022	June 24, 2022	India (Central Board of Direct Taxes)	4.8	21
Dispute Resolution and Rulings	July 11, 2022	July 13, 2022	India (CBDT)	4.5	33
TADAT Accreditation	July 25, 2022	July 29, 2022	India (CBDT)	4.9	21
Compliance Risk Management	September 12, 2022	September 16, 2022	All member countries	4.8	25
Risk Based Audit Techniques	October 10, 2022	October 14, 2022	India (CBDT)	4.7	24
Risk Based Audit Techniques	October 17, 2022	October 21, 2022	All member countries	4.5	29
TADAT Accreditation	December 12, 2022	December 16, 2022	All member countries	4.8	36
Collections and Arrears Management	February 27, 2023	March 3, 2023	All member countries	4.7	33
Taxpayer Registration	April 24, 2023	April 28, 2023	All member countries	4.6	34
Public Financial Management					
Strengthening Public Financial Management (PFM) Framework	July 12, 2022	July 16, 2022	Bangladesh (Institute of Public Finance (IPF))	4.7	25
e-Government and Digitalization of PFM: The Changing Topography (with the IMF Capacity Development Office in Thailand (CDOT))	September 5, 2022	September 9, 2022	All member countries	4.6	12
Strengthening PFM Framework	October 10, 2022	October 14, 2022	Bangladesh (IPF)	4.8	27
Climate Challenge and Green Budgeting (with CDOT)	October 17, 2022	October 20, 2022	All member countries	4.8	17
Strengthening PFM Framework	December 5, 2022	December 9, 2022	Bangladesh (IPF)	4.7	28
Managing Fiscal Risks - Focus on Public Sector Undertakings	January 9, 2023	January 13, 2023	India (States)	4.8	25
Effective Management of Accelerated Investment in Public Infrastructure	February 13, 2023	February 17, 2023	All member countries	4.4	25
Strengthening Cash Management and Treasury Single Account	April 3, 2023	April 7, 2023	Bhutan	n/a	25
Strengthening Cash Management and Treasury Single Account	April 9, 2023	April 13, 2023	Bangladesh	n/a	15
Government Finance Statistics/Public Sector Debt Statistics					
Compiling Public Sector Balance Sheets	June 27, 2022	July 1, 2022	All member countries	4.7	16
Classification of Functions of Government	February 6, 2023	February 10, 2023	All member countries	4.5	23
Intermediate Course on Government Finance Statistics	March 19, 2023	March 23, 2023	Bangladesh	4.7	25
Real Sector Statistics					
Sectoral Accounts and Balance Sheets	August 29, 2022	September 2, 2022	All member countries	4.5	24
Introduction to Climate Change Indicators for Economic Analysis and Policy Formulation	October 31, 2022	November 3, 2022	All member countries	4.4	34
National Accounts Statistics	January 16, 2023	January 20, 2023	All member countries	4.8	33

TABLE 6: (CONTINUED)

Title	Start Date	End Date	Target Audience	Overall Evaluation Rating (out of 5)	Number of Participants ¹
Monetary and Foreign Exchange Operations					
Monetary Policy Implementation	June 6, 2022	June 16, 2022	Sri Lanka (CBSL)	4.4	16
Monetary Policy Implementation - Reserve Requirement (with CDOT)	July 11, 2022	July 14, 2022	All member countries	4.4	11
Central Bank Operations in a World of Digital Money	September 26, 2022	September 30, 2022	All member countries	4.6	17
Monetary Policy Implementation - Reference Exchange Rate (with CDOT)	October 18, 2022	October 20, 2022	All member countries	4.1	17
Monetary Policy Implementation - Foreign Exchange Operations (with CDOT)	January 10, 2023	January 12, 2023	All member countries	4.4	14
Macro-Fiscal²					
Macro-Fiscal Analysis and Quantitative Methods	June 13, 2022	June 17, 2022	All member countries	4.4	20
Developing a Medium-Term Fiscal Framework Tool	July 25, 2022	July 29, 2022	All member countries	4.9	21
Webinars					
Public Financial Management					
Budget Process Tools to Reduce or Redirect Public Spending	March 28, 2023	March 28, 2023	All member countries		95
Real Sector Statistics					
Valuing Household Unpaid Services	June 23, 2022	June 23, 2022	All member countries		42
Measuring Human Capital	April 12, 2023	April 12, 2023	All member countries		62
Non-SARTTAC Training in FY23 (hosted by SARTTAC) Courses and Workshops					
IMF Monetary and Capital Markets Department					
Macroprudential Stress Testing	September 5, 2022	September 9, 2022	Bangladesh		20
IMF Communications Department (COM)					
Economic and Financial Reporting Training for Journalists in South Asia	February 19, 2023	February 21, 2023	All member countries		15
Webinars					
IMF Fiscal Affairs Department (FAD)					
International Corporate Tax Issues	February 27, 2023	February 27, 2023	All member countries		76
IMF Asia and Pacific Department (APD)					
Webinar on the Unfolding Impact of the War in Ukraine on Asia	May 4, 2022	May 4, 2022	All member countries		81
The Payment System Landscape in India (with the IMF - Singapore Regional Training Institute)	June 2, 2022	June 2, 2022	All member countries		n/a

¹ In courses and webinars with CDOT and STI, the number of participants excludes participants from outside the SARTTAC member countries.

² Macro-fiscal courses were organized by SARTTAC and funded by the IMF COVID-19 Crisis Capacity Development Initiative.

BOX 2: FOCUSING ON THE IMPORTANCE OF GOOD COFOG DATA IN THE REGION

THE CHALLENGE

In recent years, most SARTTAC member countries have become more proficient at producing government finance statistics (GFS) data that are compliant with the *Government Finance Statistics Manual 2014 (GFSM 2014)* through training and technical assistance (TA) provided by the Center. However, further effort is needed to advance work related to reporting the Classification of the Functions of Government (COFOG) data. Typically, government budgets are set at a department level that are only broadly correlated to socio-economic spending. For example, while a ministry of education may account for the majority of government expenditure in this area, it is common for other ministries to also incur spending on education. Because ministries have different remits across

countries, COFOG-produced data allow economic analysis of spending on an internationally comparable basis.

THE RESPONSE

SARTTAC hosted a regional course on the compilation of COFOG data in February 2023 focused on the category "Environment" and the relationship with the climate change indicators being developed by the IMF Statistics Department (STA).

This course was the first dedicated COFOG trained ever delivered by STA, as the topic is normally covered as part of broader GFS training. The course aimed at raising awareness about COFOG for GFS compilers in the region and for statisticians in related areas, particularly elements of the national accounts. The course provided an overview of the *GFSM2014* framework and then showed the

linkages with COFOG via expenditure, explaining why COFOG is seen as an increasingly relevant tool for international comparison purposes.

THE RESULTS

Course participants actively engaged during the week explaining how the COFOG data were compiled in their own countries. Several countries realized that assumptions they had been making about how to score certain aspects of their expenditure data were not aligned with *GFSM 2014* recording requirements. One country had been scoring their public sector compensation of employees under general public services rather than attributing it to the appropriate function. Country officials have subsequently reached out to SARTTAC about ways to further improve their recording of COFOG data.



(Left) Regional workshop on Digitalization of PFM: The Changing Topography, in Siem Reap, Cambodia (September 5-9, 2022), and (Right) Mr. Rajat K. Mishra, Additional Secretary, Ministry of Finance (India) delivering the keynote address (right).

and on using climate change indicators for economic analysis and policy formulation organized in collaboration with STA and done virtually (with officials also joining from Cambodia, Mongolia, Philippines, and Vietnam).

- Regional courses on **digital currencies** were delivered to cater to growing interest in the topic. The first organized with the IMF Monetary and Capital Markets Department (MCM) dealt with the impact of central bank digital currencies (CBDCs) on central bank operations and balance sheets and interest rates (with officials from Lao P.D.R. and Vietnam also joining) (Box 3), while the second was an ICD-led course that looked at the design and features of CBDCs and their benefits and risks to the financial system.



Ms. Rehana Perven
*Additional Secretary,
Finance Division, Ministry of
Finance, Bangladesh*

“The Institute of Public Finance has been pursuing to build a pool of officials competent in public financial management across the government of Bangladesh. To this end, we acknowledge continued support from SARTTAC through the ‘Strengthening the PFM Framework’ course in connection with the IPF’s Financial Economics and Economic Management program.”

BOX 3: EXAMINING THE IMPACT OF DIGITAL MONEY ON MONETARY POLICY IMPLEMENTATION

THE CHALLENGE

In recent years, the world has witnessed a significant shift in the way it perceives and uses money. Among the transformative developments in this realm is the advent of central bank digital currencies (CBDCs) and bank and nonbank-issued stablecoins. Although only a few countries have launched CBDCs, more than 100 central banks are now actively exploring the potential benefits and implications of digitalizing their national currencies. Amid unprecedented global interest in digital money, demand for capacity development in this area from central banks has increased sharply. One area of particular interest of central banks is investigating the implications of digital money on monetary policy transmission and implementation.

THE RESPONSE

SARTTAC and MCM conducted a newly designed five-day course on **Central Bank Operations and Digital Money in September 2022**. The course, including experts from the Central Bank of Peru and Reserve Bank of India, provided an opportunity to share experiences and insights on the introduction of CBDCs and bank- and nonbank-issued stablecoins into an economy. Training covered the costs and risks associated with the issuance of digital money, examining its impact on monetary policy transmission and on financial inclusion, integrity, and stability. The course also considered the potential influence of digital money on the interest rate channel and its implications for monetary policy and central bank operations. Special focus was given to examining the challenges and risks associated with monetary policy implementation, including the central bank’s capacity for liquidity forecasting and conduct of effective open market operations, which are vital for maintaining the efficacy of monetary policy regimes.

THE RESULTS

The course provided participants with a foundation in CBDCs and stablecoins and assessed the implications of their adoption from the perspective of central banks. It contributed to a better understanding of recent innovations in the digital money landscape and the implications of such developments for the central bank’s balance sheet, central bank operations, public and private money creation, and the interest rate channel. Participants were able to deepen their knowledge of global trends in currency in circulation (CIC) and how they may affect central bank operations, such as seigniorage, the transactional velocity of digital money, and sterilization, including parallels between CIC, CBDCs, and dollarization.



Regional course on Financial Development and Financial Inclusion (April 10-20, 2023)

- A regional course on financial development and financial inclusion was also done; while not a new one for SARTTAC, greater focus this time was placed on the role of **fintech** in driving financial inclusion, which has been an important development in SARTTAC MCs. Finally, building on last year’s training on PFM and digitalization, a follow-up regional workshop was organized by the IMF Fiscal Affairs Department (FAD), SARTTAC, and CDOT in Cambodia considered good regional practices in successfully implementing digitalization strategies, drawing heavily on India’s experience.

TECHNICAL ASSISTANCE

Technical assistance delivery was steady throughout FY23 but overall was less than originally planned given actual uptake by MCs and available delivery resources in certain sectors.

Around 95 percent of the revised TA program was achieved, with

implementation the strongest in India and Bangladesh and in the areas of RA, PFM, GFS and RSS. Country-wise, overall delivery fell moderately short of expectations in Bhutan, Nepal, and Sri Lanka, notably against original plans, mainly under the macroeconomics, MONOPS and FSR CD programs (Table 7). Talking a closer look at sectors, the RA TA program was anchored by the inclusion of new activities related to TADAT missions in Bhutan, Nepal, and Sri Lanka, which carried out this exercise, including pre-assessment workshops, and in Maldives, which undertook post-assessment activities following its TADAT in FY22. On PFM, the focus was on strengthening policy frameworks around cash and commitment controls and fiscal accounting, reporting, and risk management. Under the two statistics programs, SARTTAC continued to work with agencies on expanding coverage of GFS to general government and improving methodologies for

producing price and national accounts statistics and higher frequency data and indicators.

Focusing on countries, highlights are as follows:

- In **India**, ongoing PFM projects in Odisha and Tamil Nadu were implemented largely as planned, moving forward in conjunction with work on strengthening medium-term fiscal frameworks through resources provided to SARTTAC under the CCCDI.⁴ Early success was met in Odisha in strengthening commitment control and cash management. Focusing nationally, a new project on updating the weights in the consumer price index (CPI) was initiated in FY23.

⁴ Selective funding was also used here to support an IMF headquarters led Public Investment Management Assessment (PIMA) for Tamil Nadu—one of the few PIMAs done by the IMF at the sub-national level.

TABLE 7: TECHNICAL ASSISTANCE MISSIONS BY COUNTRY AND SECTOR IN FY23
(In number of activities)

	By Country			
	Planned		Execution	
	Original Plan	Revised Plan	Annual Actual	Execution Rate (in percent of revised plan)
Bangladesh	21	14	15	107
Bhutan	20	14	13	93
India	16	14	13	93
Maldives	26	15	13	87
Nepal	16	9	9	100
Sri Lanka	16	10	9	90
Total	115	76	72	95
	By Sector			
Macroeconomic Analysis and Training	10	5	6	120
Revenue Administration	17	12	13	108
Public Financial Management	27	22	21	95
Government Finance Statistics/Public Sector Debt Statistics	9	7	6	86
Real Sector Statistics	27	22	20	91
Monetary and Foreign Exchange Operations	11	3	1	33
Financial Sector Supervision and Regulation	14	5	5	100
Total	115	76	72	95



SARTTAC PFM mission team with the Director General of the Sri Lanka Ministry of Finance's (MOF) Department of Fiscal Policy (Dr. Kapila Senanayake) and the IMF Resident Representative for Sri Lanka (Mr. Tubagus Feridhanusetyawan), joined by officials in the MOF's Macro-Fiscal Unit (October 3-7, 2022)

- For **Bangladesh**, TA was provided to the MOF on developing a medium-term macroeconomic framework (MTMF), reinvigorating an ICD-led project that had made limited progress during the pandemic, with clear deliverables and timelines set out in an action plan for the next 2-3 years. Progress was also made under an RSS project in updating CPI weights and setting out a quarterly GDP program. Support was initiated at Bangladesh Bank (BB)

on developing a model-based Forecasting and Policy Analysis System (FPAS) through ICD TA and continued in modernizing the operational framework by moving from a monetary aggregate to an interest rate target under a MONOPS project.

- In **Bhutan**, key RA reform priorities were identified through a TADAT assessment, while other TA carried on in a range of areas, including

development of a unified chart of accounts (UCoA) through an ongoing PFM project (Box 4), formulating a monthly indicator of economic growth (MIEG)) through RSS support, and strengthening risk-based financial supervision of banks through continued FSR TA.

- With **Maldives**, multiple RA TA missions were undertaken on broadening the revenue base, along with PFM missions on

BOX 4: MODERNIZING THE CHART OF ACCOUNTS IN BHUTAN

THE CHALLENGE

Bhutan is transitioning to a modern public financial management (PFM) framework to support efficiency in the use of public resources and to promote transparency and accountability. The country has recently undertaken significant government sector reforms as well as invested in information technology to improve key areas of governance. However, the pace and scope of these efforts has been impeded by an absence of a robust fiscal reporting mechanism anchored in a modern Unified Chart of Accounts (UCoA). Recent years have also seen significant attrition in the civil service, presenting a challenge especially in terms of loss of institutional memory.

THE RESPONSE

The Ministry of Finance sought SARTTAC's support to modernize the CoA and align it with international standards. An initial technical assistance (TA) mission in May 2022 recommended establishment of a cross-functional working group (WG) to bring different parties together for this reform. SARTTAC's support initially focused on sharing good practice with the WG in a practical way and then in supporting the WG in the

development of a Concept Note, which clearly articulated the importance of a UCoA and how it ensures integrity of reporting across all major elements of the PFM system. Work commenced on redeveloping each segment of the UCoA after the Finance Secretary had endorsed the Concept Note and strategy. Subsequent TA missions and a training workshop provided detailed guidance, templates, and a process for developing each segment.

THE RESULTS

With TA from SARTTAC, the authorities have developed a new eight segment hierarchical UCoA structure, which aligns with *Government Finance Statistics Manual 2014* and supports all modern reporting requirements for government, including cross-cutting reporting through a specific segment designed for reporting on gender, climate, and other emerging reporting requirements. The authorities look to leverage the UCoA and modern technology for efficient decision-making and to report on policy performance and outcomes. Over time, the WG has developed an appreciation of the advantages of a modern, well-designed UCoA, which should serve the country well and ensure the integrity of fiscal data, reports and accounting information.



SARTTAC PFM Advisor (Mr. Raju Sharan) meeting with Acting Finance Secretary (Ms. Leki Wangmo) at Bhutan's Ministry of Finance (November 2022)

improving budget communication and reporting, ICD-led support on developing a macroeconomic framework (also funded under the Japan Administered Account for Selected IMF Activities (JSA)), RSS work on updating the CPI, and additional FSR TA on strengthening banking and insurance supervision.

- For **Nepal**, as a complement to TADAT-related work, RA TA was provided on developing a domestic revenue plan; in addition, SARTTAC support was provided on establishing a fiscal risk register through PFM CD and on compiling GDP under a RSS project.
- In **Sri Lanka**, in addition to RA LTX support for the TADAT, TA focused on developing an FPAS at the CBSL (under an ICD-led project), a fiscal responsibility framework with the MOF (as part of PFM engagement), and the institutional sector accounts (through a new RSS project).

OTHER ACTIVITIES

Other activities in SARTTAC in FY23 gave it an opportunity to showcase the Center's work in the region.

In September 2022, Kristalina Georgieva became the first IMF Managing Director to come to SARTTAC during an official visit to India. She emphasized the importance of CD as a pillar of IMF engagement with its MCs, and in this context urged India's support

for Phase II of SARTTAC's funding and operations. In her meeting with staff, the Managing Director shared her views on some of the transformational areas of IMF work, particularly digitalization, urging staff to leverage India's leadership in this area to help improve the efficacy of tax and expenditure policies, payment systems, and statistical analysis in other MCs. In January 2023, Deputy Managing Director Antoinette Sayeh, on a first trip to India, also visited SARTTAC and met with staff, discussing preparations for Phase II in SARTTAC. While in India, she joined a regional conference and book launch organized by APD and SARTTAC on a new publication by the IMF on South Asia's growth experience. Joining her at the head of the conference was the Governor of the RBI, who delivered a keynote address, with central bank governors from Maldives, Nepal, and Sri Lanka; the State Minister for Finance from Maldives, and other senior officials and opinion makers in South Asia also participating, also providing SARTTAC an opportunity to liaise with key stakeholders on activities and plans. Other noteworthy events included hosting a hybrid APD regional economic outlook event in May 2022, bringing in senior commentators from Bhutan, Nepal, and Sri Lanka, and a South Asia financial journalists' workshop with the IMF Communications Department and the Thompson Reuters Foundation (United Kingdom) in February 2023.



Ms. Nada Choueiri

Assistant Director, Division Chief, and Mission Chief for India, IMF Asia and Pacific Department

"SARTTAC has been an instrumental partner for capacity development at the sub-national level in India. Its support for difficult fiscal reforms has helped partner states markedly improve their fiscal positions and modernize public financial management, while maintaining strong growth and poverty reduction, thus providing a good example of fiscal governance to other states in India."



IMF SARTTAC

@sarttac



A great opportunity for IMF @SARTTAC, with DMD Sayeh’s words and support highly appreciated on the occasion of her first visit to India.

IMF Capacity Development @imfcapdev · Jan 7

@IMFNews Deputy Managing Director Antoinette Sayeh at @sarttac—capacity development center serving South Asia. Strengthening member’s institutional & human capacity to design & implement macroeconomic & financial policies is critical to promote sustainable growth & reduce poverty



Top: IMF Deputy Managing Director Antoinette Sayeh’s visit to SARTTAC and meeting with its staff (January 6, 2023)

Bottom: Scenes from a conference and book launch on South Asia’s Path to Resilient Growth in New Delhi India and organized by SARTTAC (January 6, 2023)

SECTION III

WORKPLAN FOR FY24

A

OVERVIEW

The FY24 workplan consolidates gains in CD in Phase I of SARTTAC's operations, sets the stage for the next phase, and addresses persistent and emerging challenges facing MCs. It was formulated factoring in recent trends in TA delivery across sectors and countries. Guidance and support from APD, notably from IMF resident representative offices covering the region, will continue to be vital to the sound execution of the workplan, including these offices' role in helping maintain a continuous dialogue with local stakeholders. Implementation will be done in coordination with selected CD providers in the region (principally the World Bank, Asian Development Bank, and EU), notably in the area of PFM, to ensure available resources are utilized efficiently and avoid duplication of CD efforts. The workplan is also complementary to new and sizeable IMF CD support in South Asia provided through other funding vehicles, in particular support from the JSA (Japan), which is concentrated on RA and PFM, in particular for Sri Lanka, including through new resident advisors managed by IMF headquarters (HQ) in these areas. Through the JSA, support is also being provided to place a debt management advisor in SARTTAC starting in FY24 under

MCM's supervision. Under this CD program, initial focus is expected to be placed on developing strategies on debt issuance, management, and sustainability in Sri Lanka and Maldives (and Lao PDR).

The workplan builds a more than 40 percent increase in the number of activities compared to execution in FY23, with TA expected to remain the largest component of delivery (Table 8). The plan has been developed through the IMF's Capacity Development Management and Administration Program (CDMAP), which continues to add new features to aid better planning and oversight of Fund CD. Technical assistance delivery itself is programmed to increase by 50 percent, with some of this growth attributable to postponed activities in FY23, while other intensification is around addressing post-pandemic exigencies. Resources for TA will continue to be concentrated on supporting MCs in building sounder fiscal and monetary policy frameworks, mobilizing revenue and strengthening PFM, buttressing financial stability, and improving statistical policy and reporting, supported by the integration of TA and training to strengthen absorptive capacity of CD



Thanks to @naaif & other S. Asia journalists for joining a recent workshop on economic/financial reporting led by @TRF, organized by @IMFnews Communications Dept, & hosted by @sarttac, & to APD Director Krishna Srinivasan & @IMFIndia Luis Breuer for contributing to its success.



A workshop on Economic and Financial Reporting for South Asia Journalists led by the Thomson Reuters Foundation, organized by the IMF Communication Department, and hosted by SARTTAC (February 19-21, 2023).

recipient agencies. SARTTAC’s annual training plan (Annex 3) is roughly equally divided between regional and national courses—that latter building on SARTTAC’s relationships with individual cohorts, specifically in India and Bangladesh. Training topics reflect regional demand and are aligned with TA programs—both ICD and non-ICD training. The plan also factors in transformational areas of support, as SARTTAC deepens its work in areas such as climate, gender, and digitalization—both govtech and fintech.

In FY24, CD delivery resources in SARTTAC will be balanced more to program countries compared to last year (Table 9). Slightly more than one-third of single country CD delivery resources are focused on Bangladesh, Nepal, and Sri Lanka, compared to an outturn of 30 percent in FY23. India will continue to receive the largest share of country-dedicated support (17 percent), while regional activities will take the most overall (36 percent). These allocations are predicated on a sizeable boost in the uptake of TA,

notably in the program countries, which may be subject to even greater implementation challenges than non-program countries (as discussed below), despite the importance of this support.

Timely action on the workplan by both SARTTAC and recipient agencies should help MCs address vulnerabilities due to slowdown in growth globally and after-effects of the pandemic. As observed in FY23, the fallout from war in Ukraine on food and

TABLE 8: SUMMARY OF SARTTAC ACTIVITIES IN FY24

	FY23	FY24
	Execution	Planned ¹
	Annual	Annual
SARTTAC Activities (in number of activities)		
Technical Assistance	72	108
Regional Training	26	32
National Training	19	27
Meeting/ Retreat/ Other	3	2
Total	120	169
By Sector		
Macroeconomic Analysis and Training	19	30
Revenue Administration	23	23
Public Financial Management	33	46
Government Finance Statistics/ Public Sector Debt Statistics	8	11
Real Sector Statistics	25	24
Monetary and Foreign Exchange Operations	6	14
Financial Sector Supervision and Regulation	6	20
Other Sectors	0	1
Total	120	169

¹ Includes 6 activities for India that are subject to approval from Department of Economic Affairs, Ministry of Finance, India

TABLE 9: PLANNED RESOURCE DISTRIBUTION BY COUNTRY AND SECTOR IN FY24 PHASE I
(In percent of total CD Budget, unless otherwise indicated)

	Total	Macro-economics	Revenue Administration	Public Financial Management	Government Finance Statistics	Real Sector Statistics	Monetary and Foreign Exchange Operations	Financial Sector Supervision and Regulation
Bangladesh	12.8	4.4	1.6	4.3	0.3	0.7	1.1	0.5
Bhutan	4.8	0.0	0.4	1.8	0.2	1.2	0.4	0.8
India	16.8	5.4	2.5	6.5	0.5	0.6	0.0	1.3
Maldives	7.7	0.0	3.4	1.1	0.5	0.7	1.2	0.8
Nepal	10.7	3.0	3.1	1.3	0.3	0.6	0.9	1.4
Sri Lanka	10.7	3.3	0.3	3.3	0.2	0.7	2.2	0.7
Regional	36.5	18.0	2.6	4.5	2.9	3.6	2.2	2.7
Total		34.0	13.8	22.9	5.0	8.0	8.0	8.2

oil prices, sluggish economic growth, and tighter global financial conditions have widened macroeconomic imbalances in some countries and put strain on both public and private sector balance sheets, exemplified by rising debt levels and debt servicing costs. In response, the FY24 workplan places renewed focus on TA on PFM and macroeconomic frameworks.

Continued sizable TA is also expected to be implemented on RA, MONOPS and FSR, in keeping with the need for robust policy frameworks to better manage current conditions and build economic resiliency. More timely, broader based, and higher frequency macroeconomic data, as encapsulated in RSS and GFS CD programs in SARTTAC, should aid analysis and

decision making. Capacity development log frames reflect these priorities (Table 10). At the same time, transformational areas related to climate change, use of digitalization, and gender and inclusiveness are a part of the plan, mostly in training as these areas become more integrated into IMF CD.

TABLE 10: SUMMARY LOG FRAME FOR FY24

	Bangladesh	Bhutan	India	Maldives	Nepal	Sri Lanka	Regional
Macroeconomics							
Better macroeconomic forecasting and analysis feeds into economic policy process	●	●					
Building FPAS capacity						●	
Develop capacity in macroeconomic forecasting and policy analysis to support policy decision making and communications - MEC	●						
Develop capacity in macroeconomic forecasting and policy analysis to support policy decision making and communications - MFR	●				●	●	
Developing modeling and analytical capacity, establishing processes and organizational structure of FPAS, and incorporating it into the decision-making process at the CB - FPS	●					●	
Financial Programming and Policies (FPP) - Better macroeconomic forecasting and policy analysis at the Ministry or at governmental agency/agencies feeds into the economic policy process	●	●					
Incorporating FPAS into the decision-making process						●	
Participants effectively acquire knowledge and skills taught in the Exchange Rate Policy (ERP) course and use them subsequently on the job or in their interaction with the Fund. - ERP							●
Participants effectively acquire knowledge and skills taught in the Financial Development and Financial Inclusion (FDFI) course and use them subsequently on the job or in their interaction with the Fund. - FDF							●
Participants effectively acquire knowledge and skills taught in the Fiscal Sustainability (FS) course and use them subsequently on the job or in their interaction with the Fund. - FSU							●
Participants effectively acquire knowledge and skills taught in the Inclusive Growth (IG) course and use them subsequently on the job or in their interaction with the Fund. - IGR							●
Participants effectively acquire knowledge and skills taught in the Macroeconometric Forecasting and Analysis (MFA) course and use them subsequently on the job or in their interaction with the Fund. - MFA							●

TABLE 10: (CONTINUED)

	Bangladesh	Bhutan	India	Maldives	Nepal	Sri Lanka	Regional
Participants effectively acquire knowledge and skills taught in the Macroeconomic Diagnostics (MDS) course and use them subsequently on the job or in their interaction with the Fund. - MDS			●				
Participants effectively acquire knowledge and skills taught in the Monetary Policy (MP) course and use them subsequently on the job or in their interaction with the Fund. - MOP			●				●
Stronger analytical skills and better macroeconomic forecasting and policy analysis at the Ministry / central bank / or other governmental agency(ies) feeds into the economic policymaking process - MFP		●				●	
Revenue Administration							
Improved tax and non-tax revenue policy (SDG 17.1) - TXP		●					
Strengthen the legal frameworks in: Financial Institutions, Markets, Fiscal and Tax Systems - FFL		●					
Strengthened core tax administration functions		●		●	●	●	●
Strengthened revenue administration management and governance arrangements	●	●	●	●	●	●	●
Public Financial Management							
Comprehensive, credible, and policy-based budget preparation - BPR	●	●	●	●			
Improved Asset and Liability Management	●		●		●		
Improved budget execution and control - BEX	●		●			●	
Improved coverage and quality of fiscal reporting - FRP		●		●			
Improved PFM laws and effective institutions - BLF	●		●	●			●
Improved public investment management - PIM			●		●		●
Strengthened identification, monitoring, and management of fiscal risks - FRK			●	●	●		
Government Finance Statistics/ Public Sector Debt Statistics							
Strengthen compilation and dissemination of fiscal statistics - GFS	●	●	●	●	●	●	●
Real Sector Statistics							
Strengthen compilation and dissemination of Consumer Price Statistics - CPP							●
Strengthen compilation and dissemination of High Frequency Economic Activity Indicators - HFE							●
Strengthen compilation and dissemination of Institutional Sector Accounts - ISA					●	●	●
Strengthen compilation and dissemination of macroeconomic and financial statistics for decision making according to internationally accepted statistical standards, including developing statistical infrastructure, source data, serviceability and/or metadata	●	●	●	●	●	●	
Strengthen compilation and dissemination of NAS - Comprehensive updates and rebasing - NAR							●

TABLE 10: (CONTINUED)

	Bangladesh	Bhutan	India	Maldives	Nepal	Sri Lanka	Regional
Strengthen compilation and dissemination of National Production, Income and Expenditure Accounts - PIE		●	●				●
Strengthen compilation and dissemination of Prices - Comprehensive updates and rebasing - PUR					●		
Strengthen compilation and dissemination of Producer Price and Trade Price Statistics - PPT					●		
Monetary and Foreign Exchange Operations							
Improving the economic analysis and forecasting capabilities at the CB for the monetary policy decision-making process tailored to the specific monetary and exchange rate policy regime.					●		
Strengthen efficient implementation of monetary policy under the existing regime - MPR							●
Strengthen the implementation of monetary policy under the existing monetary regime - MRI	●				●		●
To develop the capacity of the authorities to implement FX operations efficiently and in a manner consistent with their chosen monetary policy and FX regime		●				●	
To strengthen the capacity of the central bank to implement monetary policy effectively in the context of the given monetary policy regime	●	●		●	●	●	
Financial Sector Supervision and Regulation							
Develop/strengthen banks' regulation and supervision frameworks - BRS							●
Develop/strengthen regulation of insurance companies (IC) and risk based supervision capability of the insurance supervisor (IS)		●		●			
Strengthened Financial Sector Surveillance through upgrading of regulatory framework in line with international standards		●	●	●	●		
To implement a risk-based supervision (RBS) system and upgrade other supervisory processes	●	●	●		●	●	

WORKPLAN BY SECTOR


Mr. Franck Viault

Minister Counsellor, Head of Cooperation, Delegation of the European Union to India and Bhutan

“Despite the regional differences, SARTTAC has been able to strike a good balance in terms of capacity building support to each member country. Its work complements other capacity development programs extremely well under the leadership of the beneficiary countries.”

Sector and country workplans for FY24 have been developed in consultation with MC agencies and IMF HQ and factor in work of other CD providers. The main components are as follows:

- **Macroeconomic Training and Macroeconomic Frameworks**

TA: The macroeconomic training program, under the lead of the ICD, will continue to be a mix of regional courses aimed at supporting MCs in addressing contemporary challenges, including in climate, gender, and fintech, and national courses designed around the needs of specific cohorts. SARTTAC, through ICD, will deepen a relationship started with the RBI in FY23 by offering a first-time foundation course to incoming economists, building on success experienced with the IES in training probationary officers. A growing part of the macroeconomic training program resources will be devoted to support for macroeconomic frameworks TA—on further developing a MTMF with Bangladesh’s MOF and FPAS with BB and CBSL and inaugurating new work on developing an FPAS with the Nepal Rastra Bank. To this end,

short missions will be undertaken by SARTTAC’s Deputy Director in FY24 to most MCs to do a stock-taking on macroeconomic training needs and TA effectiveness, helping to better inform CD requirements in FY24 and under Phase II of SARTTAC’s operations. Along with providing financial support for ongoing and new TA projects, SARTTAC will also participate selectively in TA missions to ensure the synergy of this TA with regional training and other CD programs.

- **Revenue administration:** The RA work program is anchored by earlier TADATs, which helped inform comprehensive integrated country-centric CD support plans for implementation in FY24 and beyond (Box 5). For Maldives, FY24 SARTTAC-funded support is focused on developing a Medium-Term Revenue Strategy (MTRS), while in Bhutan, after deferment of the goods and services tax (GST) implementation, TA will be delivered to improve compliance areas and support change management planning and to reinvigorate GST implementation using both SARTTAC and JSA resources. In Bangladesh,



Officials from #Bangladesh & its Institute for Public Finance join #SARTTAC course on strengthening the PFM framework, looking at macro-fiscal trends & forecasting, fiscal risks, & contemporary challenges, including building digital infrastructure.



SARTTAC course on Strengthening the Public Finance Management Framework for officials from Bangladesh under its Institute of Public Finance's Fiscal Economics and Economic Management program (October 10-14, 2022)

SARTTAC-funded TA is expected to help improve compliance risk management and develop a MTRS, in keeping with program understandings under current IMF lending arrangements. Drawing from the TADAT missions done in FY23, a post-TADAT follow-up mission is planned in Nepal. For Nepal, focus will be placed on developing a domestic revenue mobilization plan, increasing voluntary compliance, and

improving customs management. For Sri Lanka, most support on RA will be anchored by multi-year reform plan formulated by FAD and local authorities, principally relying on JSA funding. Regional workshops and training courses are planned on strengthening core tax administration processes and governance of tax administrations, including in new areas for SARTTAC on international tax administration, integrated risk

management in customs, and the international survey on revenue administration (ISORA). A leadership course is also planned for senior and middle-level tax administrators in the region to enhance capacity for leading and effectively implementing change management. For India, training topics have been diversified to include a new course on revenue forecasting for the Central Board of Direct Taxes.

BOX 5: USING TADATS TO GUIDE REVENUE ADMINISTRATION REFORMS

THE CHALLENGE

By mid 2022, most SARTTAC member countries (MCs) began their recovery process from the economic shocks of the pandemic. Most realized the urgent need to augment revenue mobilization to reduce fiscal imbalances and garner resources for much-needed social and development expenditure. SARTTAC was well prepared to provide capacity development (CD) support in the form of technical assistance and training in specific revenue administration (RA) areas that could result in higher revenue yields. However, the challenge was to undertake a quick assessment of the state of health of the MC's RA to identify the specific areas of weakness where targeted CD support could be provided in the short and medium term. This challenge was exacerbated by the fact that in certain MCs, there had been a hiatus of SARTTAC engagement during the past few years, partly owing to the reluctance of some RAs to do TA virtually and given exigencies in managing the immediate fallout from the pandemic.

THE RESPONSE

The Tax Administration Diagnostic Assessment Tool (TADAT) offered a befitting response to the challenge.

Being a standardized tool for assessing the health of key components of a country's tax administration system and its level of maturity in the context of international good practices, the MCs were persuaded to use the TADAT to assess the relative strengths and weaknesses of their tax administration system. After discussions with the country revenue authorities, in FY23, TADAT assessments were conducted in Bhutan, Nepal and Sri Lanka. With TADAT's standardized scoring methodology, administration of the core taxes (corporate income tax, personal income tax, value-added tax, domestic excise taxes, and 'Pay-As-You-Earn' amounts) were assessed under the TADAT's nine performance outcome areas, using 32 high-level indicators critical to performance. In Maldives, with a TADAT assessment done in FY22, a post-TADAT workshop was conducted in FY23 to follow up on recommendations.

THE RESULTS

The assessments yielded significant outputs. They covered areas critical to revenue augmentation in the short and medium term, such as the compliance pillars and debt collection. In addition, they covered important areas

in the medium to long term, such as risk management, accountability and transparency, and efficient revenue management. First and foremost, the assessments made RAs aware of the reform areas that they need to prioritize, which imparted clarity to their thinking regarding sequencing of requests for CD support. Equally, they helped SARTTAC to prepare a roadmap for RA CD support in the remaining period of Phase I and in Phase II, in consultation with country authorities. Secondly, the assessments were multi-institutional, with participation from the IMF, World Bank, and Asian Development Bank. In post-TADAT discussions, apart from areas where the IMF can provide CD support, areas where development partners (DPs) can collaborate or complement the IMF's CD support work were identified, which will help avoid duplication and overlapping with DPs' own work. Thirdly, the assessments sharpened focus on areas that might be encompassed in program design under IMF lending arrangements in the region, themselves aimed at helping raise revenue yields and reduce macroeconomic imbalances.

- **Public financial management:** The PFM work program will remain one of the largest areas of support in SARTTAC's regional workplan, given demand by MCs, which has been steadily increasing, and coverage of subnational issues (India only). Further efforts will be made in strengthening budget preparation; improving the coverage and quality of fiscal reporting; modernizing

cash and debt management and commitment controls; buttressing public investment management; and better identifying, monitoring, and managing fiscal risks. Planned TA will focus on strengthening FRM with the aim to developing a fiscal risk statement and on enhancing coverage of the TSA (Bangladesh); further developing a UCoA and introducing a medium-term and

strategic perspective to budgeting (Bhutan); buttressing budget credibility, improving state-owned enterprise financial data and risk management (Maldives); and improving fiscal reporting and cash management (Sri Lanka). In Nepal, where engagement on PFM has been limited, support will focus around areas complementary to the current IMF lending program,

notably on strengthening cash management and FRM, the latter involving development of a fiscal risk register and statement. For India, TA support will continue to be concentrated on engagement with selected states (Odisha and Tamil Nadu), notably on cash management and commitment control (see Box 6), budget preparation and FRM, and public investment management, including in the context of a planned subnational PIMA (Odisha). Support is also planned on strengthening PFM and fiscal frameworks for the state of Assam. In addition, SARTTAC intends to continue delivering selected workshops

at the sub-national level in India, with officials from multiple states gathering to learn about a reform topic that is being implemented by the host state. In this context, multi-state workshops will be hosted by Tamil Nadu on budget documentation and transparency and Odisha on cash management, building on the success of one done on FRM with a focus on PSUs in FY23. Tailored PFM training will continue for mid-to-senior level officials from Bangladesh's line ministries in partnership with its IPF. At the regional level, courses are expected to build on earlier training on PFM issues around digitalization,

cash management, and gender responsive budgeting (with CDOT) and FRM.

- **Government finance statistics:** The GFS/PSDS work program focuses on improving the scope and quality of coverage, which has lagged in achieving milestones related to moving beyond budgetary central government to general government reporting as well increasing the frequency of reporting from annual to quarterly. Further work will be done to increase GFS's analytical capacity (Bangladesh), improve the quality and sectoral coverage of source data (Bhutan), and produce

BOX 6: IMPLEMENTING COMMITMENT CONTROL AND MODERNIZING CASH MANAGEMENT IN ODISHA (INDIA)

THE CHALLENGE

A 2019 assessment mission to Indian state of Odisha identified several public financial management (PFM) reform topics. Initial capacity development (CD) work addressed strategic budgeting and fiscal risk management, providing a basis for more effective medium-term planning and forecasting for Odisha's Finance Department (FD). In a second phase, the authorities decided to tackle the need for better commitment control in spending, which, when weak, poses a fiscal risk and undermines budget credibility. The FD also sought to modernize cash management in order to smooth budget execution and enable the efficient use of public money.

THE RESPONSE

The Odisha authorities realized weak commitment controls can hide the buildup of government liabilities. SARTTAC technical assistance (TA) missions were initiated to provide training on establishing guidelines

for implementing and building out a commitment control module within the existing financial management information system (FMIS). Initial steps taken included identifying pilot departments within the government of Odisha (GOO) for consolidating accounts and implementing "just-in-time" payments to minimize their need for cash bank deposits.

Cash management reforms themselves rested on establishing a Cash Management Unit (CMU) within the FD and appointing a Cash Coordination Committee for strategic guidance. SARTTAC TA supported these reforms and enabled staff of the CMU to improve cash forecasting and cash flow analysis through the use the Cash Forecasting and Analysis Tool (CFAT) designed by the IMF Fiscal Affairs Department.

THE RESULTS

On commitment control, departments in the GOO are now receiving training on the new module. This initial

phase will enable them to understand, document, and review commitments for upcoming liabilities and future obligations. The module generates a commitment register that is useful in medium-term budget planning process and in the management of budget allocations.

On cash management, a module within the FMIS captures spending plans and can establish controls for the timing of flows, allowing the FD to more pro-actively manage the GOO's cash balance. The CFAT summarizes historical results and forecast projections, while enabling scenario analysis. The consolidation of accounts and a 'just in time' approach for funding schemes have been implemented for a pilot set of agencies. Finally, a Budget Stabilization Fund is being set up, which will help facilitate cash planning and forecasting. The results may serve as a good model for other states in India, including those possibly seeking future support from SARTTAC in this area.



IMF SARTTAC
@sarttac

@SARTTAC glad to host a strong cohort from @MIRAmaldives in this week's course on Collection & Arrears Mgmt., with Maldives' experience informing others in S. Asia on ways of strengthening tax collections.

Maldives Inland Revenue Authority @MIRAmaldives · Feb 28

6 participants from MIRA are currently taking part in the training on Collections and Arrears Management organized by IMF SARTTAC held in New Delhi, India from 27 February to 3 March 2023.

@IMFNews @sarttac



(Left) Maldives Inland Revenue Authority cohort at a regional course on Collection and Arrears Management and (Right) the TADAT assessment teams from the IMF Fiscal Affairs Department and SARTTAC in Bhutan, Nepal, and Sri Lanka during FY23

GFS data on a *Government Finance Statistics Manual 2014* basis to disseminate to IMF for the first time for the current year as well as expanding coverage to subnational government (Sri Lanka). For Nepal, expanding coverage to include extra-budgetary units continues to be the focus as well as increasing the frequency of dissemination to quarterly. Work with India will include assisting the country to become compliant with the G-20 Data Gap Initiative II on GFS and PSDS. Selected regional training will be provided on introductory and advanced GFS compilation and on PSDS.

- **Real sector statistics:** The RSS work program is geared toward further strengthening compilation and dissemination of GDP data according to international statistical standards and improving their periodicity. While considerable progress has been made in developing and updating price indices, CD will continue to be concentrated on improving compilation techniques. A central feature of the work program will be on the development of quarterly gross domestic product (QGDP) statistics (Bangladesh and Bhutan) and MIEG (Maldives), in Bangladesh building on earlier successes (Box 7). Technical assistance will also be provided on GDP rebasing (Bhutan and Maldives),

the financial accounts and balance sheets (India), and institutional sectoral accounts (Nepal) to improve the quality and consistency of national accounts. Continued engagement with Sri Lanka on Institutional sector accounts is also expected. Regional training will focus on quarterly national accounts compilation, MIEG, and supply and use tables. A national training course is planned for Indian subnational government officials to assist in building national account statistics capacity at the subnational level.

- **Monetary and foreign exchange operations:** The MONOPS work program places particular emphasis on providing TA for monetary

BOX 7: ESTABLISHING A QUARTERLY GDP PROGRAM IN BANGLADESH

THE CHALLENGE

The national accounts program of Bangladesh currently produces annual gross domestic product (GDP) estimates only—both at current and constant prices, using the production and expenditure methods. A timely and comprehensive indicator to monitor short-term changes in economic activity is currently not available. The Bangladesh Bureau of Statistics (BBS) requested SARTTAC support in FY23 to develop a quarterly gross domestic product (QGDP) program, given the need for more timely estimates of current economic developments than produced annually and for a more comprehensive read on the economy than that is provided through short-term indicators. However, the challenge was to gain access to data sources of other agencies and also ensure timely availability of data for QGDP compilation.

THE RESPONSE

SARTTAC conducted two technical assistance (TA) missions on compiling QGDP in July 2022 and December 2022. These missions assisted the BBS in establishing a QGDP program and developing experimental QGDP estimates and recommended negotiating memoranda of understanding with the data source agencies to establish a calendar for timely data sharing. Overall, the support has been very successful, with the BBS having uploaded QGDP estimates on its website through FY2022/23 Q4 (i.e., to June 2023). Looking ahead, from early 2024, QGDP estimates are expected to be released regularly with a time lag of 90-100 days, which will be reduced gradually to meet the IMF Special Data Dissemination Standard requirement of no more than 90 days for release. The real sector statistics expert in SARTTAC has regularly briefed the Bangladesh country team in the IMF Asia and Pacific Department to keep them apprised of progress, given the

importance of this work in improving forecasting, also complementing the TA provided by the IMF Institute for Capacity Development to Bangladesh Bank on developing a forecasting and policy analysis system.

THE RESULTS

Preliminary experimental QGDP estimates at constant prices were compiled. The TA mission discussed and updated the workplan to finalize the experimental unadjusted QGDP estimates at both constant and current prices and a sources and methods document for the purpose of disseminating the estimates. QGDP will provide a timely and comprehensive indicator to monitor short-term changes in economic activity and is also one of the core indicators used by the IMF for surveillance. The BBS's near-term priorities are compiling timely QGDP estimates at constant and current prices. Afterwards, it will commence development of seasonally adjusted QGDP.

operations including in countries with exchange rate peg (Maldives, Nepal, and Bhutan) and modernizing monetary policy and FX frameworks (Bangladesh and Sri Lanka). Selected TA will be provided on modernizing FX frameworks, FX operations and market development (Bangladesh, Maldives, and Sri Lanka) and on collateral framework implementation (Sri Lanka). Technical assistance is also planned for Sri Lanka on upgrading liquidity monitoring and forecasting tools to enable a sufficient calibration of its open market operations and thus anchoring of short-term interbank rates to the policy rate.

In Bangladesh, reforms to its monetary policy framework are being done with the adoption in FY24 of an interest rate targeting framework, as committed under its current IMF-supported lending arrangement. New technical support to bring Nepal's FX reserve management closer to leading practices is also planned. SARTTAC and CDOT will deliver a jointly organized regional course on monetary policy implementation, building on similar virtual support in this area during the pandemic. An important addition for the workshop is communication and transparency on monetary operations based on the principles

of the IMF Central Bank Transparency Code.⁵ A customized regional course by SARTTAC in collaboration with HQ experts will focus on advanced methods for liquidity monitoring and forecasting.

⁵ The IMF's Central Bank Transparency Code, developed in 2020, is an international code that allows central banks and their stakeholders to map transparency practices of the central bank to international best practices. The purpose of the CBT is to enhance transparency and accountability of the central bank and contribute to policy effectiveness. imf.org/external/datamapper/CBT/



SARTTAC course on Managing Fiscal Risk for Indian States co-organized with the Odisha (India) Finance Department and hosted by the Madhusudan Das Regional Academy of Financial Management (Bhubaneswar, Odisha) (January 9-13, 2023)

- Financial sector supervision and regulation:** SARTTAC’s support will be geared toward helping supervisory and regulatory bodies in the financial sector to address challenges confronting bank and non-bank financial institutions, especially in the context of the recent global turmoil. Further, as the policy support announced during the pandemic is coming to close or has expired, country authorities in the region need to increase the focus on the credit quality indicators. Accordingly, SARTTAC will support them through CD in refining, strengthening, and implementing regulations relating to asset classification, supervisory information systems, and International Financial Reporting Standards (IFRS) 9, specifically the expected credit loss regime of provisioning. Regional training courses will cover risk-based supervision and navigating new challenges in banking supervision, bringing into focus contemporary issues such as risk management,

including those related to interest rate environment and climate finance risks.

In response to MC requests, SARTTAC will help organize and/or support several other activities in FY24. Firstly, a few short-term attachments are planned, in which SARTTAC will bring together officials from one agency to understand the experiences of another through a concentrated learning program. Secondly, SARTTAC will host a few courses falling out its direct remit or through different funding vehicles. A regional course on anti-money laundering and combatting the financing of terrorism (AML/CFT) issues will be held, at the behest of India’s MOF and presented by the IMF Legal Department (LEG), with SARTTAC providing funding. A regional course on the balance sheet approach is being done with STA, in alignment with SARTTAC’s work on GFS and RSS and funded by the IMF Data for Decisions CD Trust Fund, with several countries from Southeast Asia also joining.



Mr. Mahimapat Ray
Deputy Secretary, Fund, Bank and ADB Division, Department of Economic Affairs, Ministry of Finance, Government of India

“Since its inception in 2017, SARTTAC has played a vital role in strengthening institutional and human capacity of its member countries as per their needs.”

Finally, SARTTAC MC central banks will be invited to join a high-level peer-to-peer seminar on climate change issues in Thailand in December 2023 being organized jointly with CDOT, APD, and MCM and funded by Korea.



A mission on Quarterly GDP Compilation with officials from Nepal's National Statistics (February 2023)

Implementation challenges remain substantial in the near term, similar to those in FY23. Recipient agencies will need to allocate adequate time and resources to better design and implement their own CD strategies, which themselves should be revisited periodically to ensure they are anchored by clear objectives, milestones, and results, with Phase II in SARTTAC providing an opportunity as well in the context of developing

new CD log frames. On the IMF's part, SARTTAC and the CDDs, in coordination with APD, will remain in close contact with each other and with country authorities to ensure planning and resourcing of CD are supportive of implementing workplans. Implementation challenges may be even more acute in program countries, despite greater urgency to undertake CD-supported reforms, in part owing to intensive engagement

with the IMF (including SARTTAC) and other CD providers, which may stretch absorptive capacity. Here, better coordination amongst these providers, underpinned by clear prioritization of needed support should help contain bottlenecks. All requires timely confirmation of the scope and timing of mission activities by recipient agencies to ensure that relevant experts are available to deliver requested support on a cost-effective basis.



IMF SARTTAC

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Central banks (CB) from South/East Asia join a #SARTTAC/CDOT course on the evolving role of reserve requirements in the CB toolkit, combining theoretical consideration & country cases, with @MMA_Maldives, @BangkoSentral (Philippines), @BankAlMaghrib (Morocco) sharing experiences.

Analytical Background
Objectives of the Reserve Requirement

- Reserve requirement
 - Prudential
 - Microprudential: Liquidity buffer
 - Macroprudential and Capital Flow Management: "Tapping" newer funding sources, Smoothing the credit cycle
 - Monetary Policy
 - Interest rate targeting: Managing structural liquidity
 - Quantitative targeting: Improving transmission

Building Macroeconomic Capacity in South and South East Asia

SARTTAC/CDOT training (virtual) on Monetary Policy Implementation - Reserve Requirements (July 11-14, 2022)

SECTION IV

SARTTAC FINANCES

A

FY23 BUDGET OUTTURN

Total spending was \$9.6 million in FY23 against a working budget of \$12.0 million and spending of \$7.6 million in FY22 (Table 11). The working budget, as endorsed by the SC in July 2022, built in higher cost associated with in-person TA and training, namely travel, on expectation that it would be the mainstay of delivery in FY23. Lower than envisaged delivery of planned TA, notably under the MONOPS and FSR CD programs, yielded some savings. Better planning of in-person training courses helped control travel-related expenses. Finally, tighter control over general outlays and the receipt of GST refunds in India contained administrative-related expenses.

TABLE 11: SARTTAC FY23 BUDGET AND EXPENDITURE
(In millions of U.S. dollars unless otherwise indicated)

Activity	Working Budget ¹	Expenses ²	Rate of Execution (in percent)
Public Financial Management	1.80	1.69	94
Revenue Administration	1.37	1.28	93
Banking Supervision and Regulation	0.52	0.25	49
Monetary Policy Operations	0.62	0.34	54
Real Sector Statistics	0.73	0.57	78
Government Finance Statistics	0.58	0.42	73
Administrative Project	2.90	2.17	75
Macroeconomic Training Project	2.70	2.26	84
Governance and Evaluation (including RBM advisor/backstopping)
Sub Total	11.21	8.97	80
Trust Fund Management	0.79	0.63	
Total	12.00	9.60	80

¹ As endorsed by the Steering Committee on July 7, 2022.

² Total FY23 expenses recorded as of April 30, 2023.

FINANCIAL POSITION

As of end-FY23, total Phase I spending represented 95 percent of Phase I contributions received (Table 12).

The EU paid a final installment of its contribution under Phase I in May 2022. Since end-FY23, Australia paid a second installment of its new five-year pledge in June 2023 and Nepal's MOF paid the final installments of its original contribution under Phase I in July 2023.⁶

⁶ Under the Letter of Understanding reached in late 2021, Australia agreed to disburse AUD 1 million in Phase I and AUD 1.5 million in Phase II.

TABLE 12: SARTTAC FINANCIAL CONTRIBUTIONS PHASE 1: FY2017-FY2024
(As of July 31, 2023)

Agreement/Amendment Information					Contribution Received
Partners/Members	Signed Date ¹	Currency	Amount	U.S. Dollars	U.S. Dollars
Partners				21,170,551	21,759,256
Australia	16-04-16	AUD	2,500,000	1,923,373	1,836,700
Australia ²	22-12-21	AUD	1,000,000	715,461	685,465
European Commission	16-12-16	EUR	10,000,000	10,414,497	11,112,511
Korea	04-05-16	USD	5,000,000	5,000,000	5,000,000
United Kingdom	06-03-17	USD	2,500,000	2,500,000	2,499,964
United Kingdom ³	31-10-19	GBP	480,000	617,220	624,616
Members				10,200,000	10,200,000
Bangladesh	07-02-17	USD	3,000,000	3,000,000	3,000,000
Bhutan	19-03-18	USD	100,000	100,000	100,000
Maldives	02-04-18	USD	100,000	100,000	100,000
Nepal ⁵	05-10-17	USD	2,000,000	2,000,000	2,000,000
Sri Lanka	23-05-17	USD	5,000,000	5,000,000	5,000,000
Partners and Members Total				31,370,551	31,959,256
Internal Transfers⁴					
COVID19 Initiative		USD	45,000	45,000	45,000
Internal Transfers Total				45,000	45,000
Host Country					
India		USD	32,800,000	32,800,000	32,800,000
Host Country Total				32,800,000	32,800,000
Grand Total				64,215,551	64,804,256
Program Document Budget				68,607,930	
Funding Gap				-4,392,379	

¹ May also refer to agreements that are under negotiation and approval date for Capacity Development Partnership agreements (e.g. flexible/umbrella agreements).

² Includes latest installment of Australia's contribution which was received on June 1, 2023.

³ United Kingdom contribution of GBP 500,000 was amended on July 19, 2021 to GBP 480,000.

⁴ Refers to a transfer from the IMF COVID-19 Capacity Development Initiative (CCCDI) to SARTTAC.

⁵ Includes final installment of Nepal's contribution received in July 2023.

FY24 BUDGET

SARTTAC's FY24 working budget of \$12 million, as endorsed by the SC in June 2023 encompasses planned spending under Phase I and Phase II (Table 13). Based on SARTTAC's financial position at the time of the seventh annual SC meeting and expected inflows (including interest earned on current balances) and outflows (based on planned activities and seasonal factors), Phase I funding is expected to cover outlays in May - December 2023 and Phase II funding is expected to do the same in January - April 2024. Excluding the trust fund management fee, CD delivery is budgeted at \$8.5 million and Center administration at \$2.7 million for the entirety of FY24. On delivery, the spending share for each sector is expected to be broadly in line with that originally budgeted in FY23. On administration, a portion includes resources that may be used for CD delivery for selective events in FY24 in areas outside current programs. The IMF has also committed a modest amount of IMF01 funding for SARTTAC in FY24 to cover selected administrative expenses (including for staff development) to ensure more existing resources (i.e., IMF02 funding) are available for CD delivery.⁷

⁷ The commitment was made in 2021 under a budget augmentation at the time for selected RCDCs covering fragile and conflict affected states.

TABLE 13: SARTTAC FY24 BUDGET¹
(In millions of U.S. dollars)

Activity	Working Budget ²		
	Phase I	Phase II	Total
Public Financial Management	1.170	0.780	1.950
Revenue Administration	0.705	0.470	1.175
Banking Supervision and Regulation	0.420	0.280	0.700
Monetary Policy Operations	0.405	0.270	0.675
Real Sector Statistics	0.405	0.270	0.675
Government Finance Statistics	0.319	0.106	0.425
Administrative Project	1.623	1.082	2.705
Macroeconomic Training Project	1.668	1.233	2.900
Governance and Evaluation (including RBM advisor/backstopping)	0.010	0.000	0.010
Sub Total	6.724	4.491	11.215
Trust Fund Management	0.471	0.314	0.785
Total	7.195	4.805	12.000

¹ Endorsed by the Steering Committee on June 20, 2023.

² Phase I (May -December 2023) and Phase II (January - April 2024).

SECTION V

OTHER ISSUES

A

STEERING
COMMITTEE MEETINGS

Ms. Teresa Daban Sanchez
*Resident Representative for
Nepal, IMF*

“Since its approval in January 2022, SARTTAC has been an effective partner to Nepal’s efforts to implement the policies and reforms of the economic program supported by the IMF Extended Credit Facility arrangement. It has also been a valuable provider of training opportunities and a successful organizer of regional workshops and seminars. All this work is contributing to enhance Nepal’s governance, transparency, and policy making frameworks, and strengthening Nepal’s resilience to shocks, including climate change”.

The SC continues to provide clear guidance on the use of Center resources to ensure strong accountability and transparency, especially important in moving to a new phase of operations. In keeping with this, the SC convened for its seventh annual meeting on June 20, 2023 in New Delhi in a hybrid format and for an interim meeting (virtual only) on February 28, 2023, as summarized below. During each meeting, updates were provided on preparations for Phase II of SARTTAC’s operations, with SC consultation integral to continued strong engagement with and support from MCs and DPs in the years ahead. Starting in 2022, an interdepartmental committee at the IMF, headed by the Director of SARTTAC, drafted a strategy note on Phase II, which was shared with IMF management. It set out the envisaged size, scope, and focus of the new phase, including funding needs, CD programs, and desired results—all consistent with a targeted program budget for the next phase of around \$US80 million. To reach this goal, funding commitments are being sought from each current MC and DP.

INTERIM MEETING

An interim SC meeting was held in late February 2023 to update on FY23 workplan execution, SARTTAC finances, and Phase II preparation.

The meeting was joined by around 50 participants, including most SC members or designates. The SC was informed that a sizable share of the work was being executed as planned, especially training, aided by strong buy-in from MCs and a resumption in in-person delivery. Where delays arose, SARTTAC noted most were due to work reprioritization by MCs, as they reassessed their post-pandemic CD needs, and to lengthy hiring processes in replacing a few LTXs (hence resolved), affecting resource availability. The revised workplan, as discussed earlier, envisaged a reduction in the number of activities by slightly more than one-quarter in comparison to the original plan in FY23, with nearly all due to lower expected TA delivery. As a result, the SC was apprised that SARTTAC finances were expected to stay in check in FY23 and enable an extension of Phase I of its operations to end 2023. During the meeting, initial recognition



IMF APD regional seminar @SARTTAC on the war’s impact & other macro-pressures on Asia, with expert discussants from Bhutan, Nepal, & Sri Lanka giving on-the-ground perspectives, focusing on imported inflation, financial challenges, & demand-side constraints on S. Asia economies.



A regional webinar on the Unfolding the Impact of the War in Ukraine on Asia delivered by the IMF Asia and Pacific Department, joined by speakers from Bhutan, Nepal, and Sri Lanka, and hosted and organized by SARTTAC (May 4, 2022)

was also given to the Government of India’s early pledge of US\$50 million to Phase II in SARTTAC—a sizable increase from the US\$32.8 million given in Phase I, providing a strong foundation and catalyst of support for the next phase.

ANNUAL MEETING

SARTTAC’s seventh annual SC meeting focused on workplan implementation

in FY23, planning and budgeting in FY24, and transition to the next phase of operations. Around 60 participants joined the meeting, some virtually, and included observers from the World Bank, Asian Development Bank, and Japan MOF. The draft workplan and budget for FY24 were set out for the SC’s endorsement. The main meeting was preceded by bilateral meetings (both in-person and

virtual) with selected MC agencies focused on the contents of the FY24 workplan and support for Phase II of SARTTAC’s operations. Ahead of the main meeting, a draft report on SARTTAC’s activities in FY23 (including the FY24 workplan and budget) and an annotated draft PD outlining Phase II of SARTTAC operations were circulated to the SC.



Mr. Gaurav Kapoor

Head Capital, British High Commission in India, Foreign, Commonwealth and Development Office (FCDO)

“SARTTAC has been progressing through the pandemic in pushing its agenda forward and delivering tangible outcomes on the ground. We appreciate the cross-learning opportunities being provided by SARTTAC to its member countries and would encourage it being extended to include development partners as well.”

During the meeting, SARTTAC highlighted achievements in CD during the past year.

The SC welcomed the strong delivery of SARTTAC’s FY23 workplan (98 percent of CD activities against the revised FY23 annual workplan). They agreed that effectiveness in implementing the plan had been aided by the resumption of in-person training and TA, but urged SARTTAC to be flexible in delivery modalities, notably use of blended and

hybrid engagement. They recognized the importance of ensuring resources for CD were aligned well with program requirements arising from IMF lending arrangement in Bangladesh, Nepal, and Sri Lanka. At the same time, SARTTAC was urged to ensure it was addressing CD needs in all countries facing heightened vulnerabilities amongst its members.

The SC endorsed SARTTAC’s FY24 workplan, including a few post-meeting revisions, with MCs and DPs welcoming the diversity and dynamism of envisaged support.

The SC agreed with the division between training and TA, with the latter expected to be the largest component of delivery in FY24 (about two-thirds of planned activities), factoring in some delays in update in FY23 and full programs of support in MONOPS and FSR CD. They also saw merit in reintroducing selective attachments for MC agencies to foster peer learning. The SC further welcomed more CD support in helping MCs address vulnerabilities accentuated due to the global growth slowdown and after-effects of the pandemic. In addition, they encouraged SARTTAC to deepen its CD support in transformational areas related to climate, digitalization, big data, and gender issues. Outside the workplan, the SC was also briefed on plans by MCM to base a public debt management (PDM) advisor in SARTTAC in FY24. The position will be funded by CD resources provided

to the IMF by Japan. Work will focus on Maldives and Sri Lanka (and the Lao People’s Democratic Republic) as the main beneficiaries of this support. The SC agreed that PDM CD would complement SARTTAC’s support in macroeconomic training, PFM, and monetary operations.

The SC meeting provided an opportunity to update on preparations for Phase II in SARTTAC, which will be anchored by a US\$50 million contribution by the Government of India.

This next phase of operations, which is slated for January 2024 – April 2029, will build on results achieved in Phase I through a continuation of most existing CD programs in SARTTAC, adapted to include new projects. Both MCs and DPs were encouraged to pledge their support for the next phase, complementing India’s planned contribution and an early one made by Australia. At the meeting, the EU pledged in Phase II of € 2 million and indicated it could contribute more later in the phase. SARTTAC envisages that its training program in Phase II will include more cohort and subnational training, while TA will continue to be aligned with the IMF surveillance dialogue and lending operations in MCs. Both training and TA are expected to encapsulate work in transformational areas to ensure that SARTTAC is doing its part to work with MCs in meeting contemporaneous challenges posed by climate change, gender gaps, and technological change.



IMF SARTTAC

@sarttac



Thank you to the [#EU](#) for its vital support in [@sarttac](#), with Minister Counselor & Head of Cooperation Mr. Daniel Hachez & colleagues visiting the Center on June 28 & offering encouraging words to a regional [#GFS](#) course on public sector balance sheets.



Visit to SARTTAC by a delegation from the EU—a key development partner, getting first-hand experience with a training course and recognizing the Center’s contribution to capacity development work in the region (June 28, 2022)

MID-TERM EXTERNAL EVALUATION



Mr. Pratik Tayal, IAS
Deputy Secretary (Budget),
Finance Department,
Government of Tamil Nadu

“SARTTAC has provided continuous support through training and technical assistance to the Government of Tamil Nadu in its efforts to reform public financial management. This collaboration has enabled an exchange of global best practices, leading to substantial reforms, such as the implementation of Citizen’s Guide to Budget and the incorporation of top-down budgeting principles. We extend our sincere appreciation to SARTTAC for its invaluable contribution and look forward to an ongoing partnership towards achieving even greater milestones.”

SARTTAC concluded a mid-term external evaluation in 2022, with some of the main recommendations already in play and others to be taken up in the next phase of operations.

As part of the evaluation, ICD and SARTTAC prepared responses to each main recommendation, which were shared with the SARTTAC SC. A few of those recommendations are already being addressed—i.e., seeking larger

funding in Phase II from selected existing and new contributors and basing CD program budget allocations on post-pandemic country needs and emerging global topics. Other high-priority recommendations will be addressed in the Phase II PD, including strengthening SARTTAC’s governance and ensuring Results-Based Management (RBM) log-frames are reviewed and updated regularly.

CD DISSEMINATION

On CD dissemination, SARTTAC took a multi-pronged approach in FY23, with standard commitments combined with new approaches to ensure timely reporting of activities and results.

SARTTAC continued to ensure access to the SC to finalized TA reports disseminated through IMF Partners Connect (Annex 4). All activities were regularly reported in SARTTAC's

Quarterly Bulletin, including special features around major CD results. SARTTAC's official Twitter/X account (<https://twitter.com/sarttac>), which was launched in January 2022, is used on a high-frequency basis to further raise awareness of SARTTAC and the IMF's CD activities, also drawing traffic to SARTTAC's website, with a substantial rise in visits there in FY23.



IMF SARTTAC Seventh Annual Steering Committee Meeting, June 20, 2023 (Hybrid)

ANNEXES

IMF SARTTAC INTERNATIONAL STAFF MEMBERS



DIRECTOR
David Cowen



DEPUTY DIRECTOR
Saji Thomas



PUBLIC FINANCIAL
MANAGEMENT ADVISOR
Raju Sharan



PUBLIC FINANCIAL
MANAGEMENT ADVISOR
Celeste Kubasta



GOVERNMENT FINANCE
STATISTICS ADVISOR
Andrew Evans



MACROECONOMIC ADVISOR
Christian Johnson



REAL SECTOR STATISTICS ADVISOR
Rajeswari Thondiyil



REVENUE ADMINISTRATION ADVISOR
Ravinder Saroop



MACRO FISCAL ADVISOR
John Grinyer



MONETARY AND FOREIGN EXCHANGE
OPERATIONS ADVISOR
Oleg Churiy



FINANCIAL SECTOR REGULATION AND
SUPERVISION ADVISOR
Nitin Jain

⁸ As of April 30, 2023

IMF SARTTAC LOCAL STAFF MEMBERS



OFFICE MANAGER
Pramod Bhardwaj



BUDGET ASSISTANT
Nidhi Mehrotra



ECONOMIST
Ankit Singh



IT ADMINISTRATOR /
ADMINISTRATIVE ASSISTANT
Sumit Kumar



SENIOR IT OFFICER
Sanjeev Sharma



SENIOR ADMINISTRATIVE ASSISTANT
Shaveta Gulati



SENIOR COURSE ADMINISTRATOR
Debraj Chaudhuri



ADMINISTRATIVE ASSISTANT
Mudit Mittal



COURSE ADMINISTRATOR
Jagriti Arya



STAFF ASSISTANT
Apoorba Mitra



SENIOR DRIVER
Umesh Kumar Singh

ANNEX 2: UPDATE ON CCCDI-FUNDED ACTIVITIES IN SARTTAC ON MACRO-FISCAL FRAMEWORKS

The macro-fiscal program in SARTTAC, managed by the IMF Fiscal Affairs Department (FAD) and anchored by a long-term expert advisor (LTX) based in SARTTAC during FY22 and FY23, was funded under the IMF COVID-19 Crisis Capacity Development Initiative (CCCDI). The LTX (John Grinyer) joined SARTTAC in early January 2022 and completed his term in April 2023, which marked the end of availability of resources under the CCCDI.

Under the CCCDI, the main theme of macro-fiscal support was to strengthen medium-term planning and budgeting within member countries' (MCs) finance ministries and, in the case of Indian states, finance departments. All was anchored by a workplan formulated by FAD in consultation with member country agencies, country teams in the IMF Asia and Pacific Department, and SARTTAC. Under this capacity development program, support was also provided on fiscal risk management (FRM) processes, with a particular emphasis on assisting MCs and states in quantifying and reporting macro-fiscal risks.

The FY23 workplan built on previous year's engagement and brought several new activities into focus. It included continued support to crisis-affected countries—notably Nepal and Sri Lanka—on strengthening FRM and further developing macro-fiscal functions, with similar support planned for Bangladesh (programmed support for Bhutan and Maldives did not materialize). The workplans also included selected regional and national training



Mr. John Grinyer, Macro-Fiscal Advisor under IMF CCCDI, in a regional course on Taking on Green PFM and Climate Change (October 17-20, 2022)

under the LTX's lead on quantitative fiscal analysis and medium-term fiscal frameworks (MTFFs). Within the workplan, support from the LTX was also included in selected PFM training provided under SARTTAC's funding program.

In India, technical assistance was planned under the lead and with the support of the LTX for the states of Odisha and Tamil Nadu, especially the latter, aimed at helping help establish and formalize the introduction of a MTFF as part of wider strategic budgeting reforms. Finally, the workplan built in new activity on Assam—i.e., training on PFM reforms encompassed in a new project between SARTTAC and Assam's Finance Department, which had been

agreed with the India Ministry of Finance's Department of Economic Affairs earlier in FY23.

The workplan was broadly delivered as planned, with a list of completed activities for FY22 and FY23 shown in the table below. During the active period of the program, SARTTAC and FAD prepare short quarterly updates on the LTX's activities, which are submitted to the IMF Institute for Capacity Development for reporting to the CCCDI's own steering committee. Going forward, with some of the need for intensive support abating, the macro-fiscal work in SARTTAC will be subsumed within the Center's PFM and macroeconomic training programs.

ACTIVITIES UNDER THE MACRO-FISCAL CAPACITY DEVELOPMENT PROGRAM IN SARTTAC FUNDED THROUGH THE IMF COVID-19 CRISIS CAPACITY DEVELOPMENT INITIATIVE (FY22-23)¹

Name of Activity	Country	Activity Type	Fiscal Year
Fiscal Risks (Tamil Nadu)	India	Technical Assistance (TA)	2022
Webinar on Fiscal Risk Assessment Tool	India	TA	2022
Customizing a Cash Forecasting Tool (Odisha)	India	TA	2022
Stocktaking of Reform Activities (Odisha)	India	TA	2022
Fiscal Risks	Nepal	TA	2022
Fiscal Risks Analysis and Management	Regional	Regional Training	2022
Strengthening the Public Financial Management Framework (with Institute of Public Finance (IPF))	Bangladesh	National Training	2023
Strengthening the Public Financial Management Framework (with IPF)	Bangladesh	National Training	2023
Strengthening the Public Financial Management Framework (with IPF)	Bangladesh	National Training	2023
Strategic Budgeting (Tamil Nadu)	India	TA	2023
Strategic Budgeting (Tamil Nadu)	India	TA	2023
Public Investment Management Assessment (Tamil Nadu)	India	TA	2023
Public Investment Management Assessment (Tamil Nadu)	India	TA	2023
Fiscal Risk Management for Selected Indian States	India	National Training	2023
Budget Preparation (Tamil Nadu)	India	TA	2023
Fiscal Risk Register	Nepal	TA	2023
Medium Term Fiscal Framework	Nepal	TA	2023
Fiscal Risk Register	Nepal	TA	2023
Fiscal Risks Management	Sri Lanka	TA	2023
Macro-Fiscal Analysis and Quantitative Methods	Regional	Regional Training	2023
Developing a Medium-Term Fiscal Framework Tool	Regional	Regional Training	2023
Taking on Green PFM and Climate Change	Regional	Regional Training	2023
Effective Management of Public Investment	Regional	Regional Training	2023

¹ Commencing in January 2022 and concluding in April 2023.

ANNEX 3: SARTTAC TRAINING PLAN FOR FY24¹

Title ¹	Start Date	End Date	Status	Target Audience
ICD Courses				
Selected Macroeconomic Issues for Mid-Career Officers	July 3, 2023	July 14, 2023	Completed	India (Indian Economic Service (IES))
Fintech Market Development and Policy Implications	July 17, 2023	July 21, 2023	Completed	All Member Countries
Selected Macroeconomic Issue for Mid-Career Officers	August 9, 2023	August 12, 2024	Completed	India (Reserve Bank of India (RBI))
Foundation Training - Macroeconomic Module (LBSNAA)	September 13, 2023	September 15, 2023	Completed	India (Civil Servants)
Nowcasting	September 18, 2023	September 29, 2023	Completed	All Member Countries
Financial Programming and Policies for Probationary Officers	October 3, 2023	October 13, 2023	Completed	India (Indian Economic Service (IES))
Macroeconomic Diagnostics for Probationary Officers	October 16, 2023	October 27, 2023	Completed	India (IES)
Exchange Rate Policy	October 30, 2023	November 9, 2023	Completed	All Member Countries
Selected Macroeconomic Issues for General Inductees	December 4, 2023	December 8, 2023	Completed	India (RBI)
Selected Macroeconomic Issues for Mid-Career Officers	December 11, 2023	December 22, 2023	Completed	India (IES)
Foundation Course for RBI	January 8, 2024	January 19, 2024	Planned	India (RBI)
Macroeconomics of Climate Change	January 29, 2024	February 8, 2024	Planned	All Member Countries
Fiscal Sustainability	February 5, 2024	February 16, 2024	Planned	All Member Countries
Financial Sector Policies	February 19, 2024	February 29, 2024	Planned	All Member Countries
Monetary Policy	February 26, 2024	March 8, 2024	Planned	All Member Countries
Gender Inequality and Macroeconomics	April 22, 2024	April 26, 2024	Planned	All Member Countries
Selected Macroeconomic Issues for India: Phase 1 (LBSNAA)	March 2024	March 2024	Planned	India (Indian Administrative Service)
Financial Programming and Policies	March/April 2024	March/April 2024	Planned	Sri Lanka (Ministry of Finance and Central Bank of Sri Lanka)
Non-ICD Courses				
Revenue Administration				
Revenue Forecasting and Analysis	June 12, 2023	June 16, 2023	Completed	India (Central Board of Direct Taxation (CBDT))
International Survey on Revenue Administration	August 21, 2023	August 25, 2023	Completed	All Member Countries
Compliance Risk Management ²	September 24, 2023	September 28, 2023	Completed	Bangladesh (National Board of Revenue)
Effective Leadership for Revenue Administration	February 19, 2024	February 23, 2024	Planned	All Member Countries
Compliance Risk Management	March 4, 2024	March 8, 2024	Planned	India (CBDT)
International Tax Administration	April 1, 2024	April 5, 2024	Planned	All Member Countries
Integrated Risk Management in Customs	April 22, 2024	April 26, 2024	Planned	All Member Countries

ANNEX 3: (CONTINUED)

Title ¹	Start Date	End Date	Status	Target Audience
Public Financial Management				
Improving Budget Documentation and Transparency	June 14, 2023	June 16, 2023	Completed	India (Tamil Nadu and Selected Other Indian States)
Strengthening Public Management Framework (PFM) Framework	July 3, 2023	July 7, 2023	Completed	Bangladesh (Institute of Public Finance (IPF))
Public Financial Management Reforms	July 17, 2023	July 21, 2023	Completed	India (Assam)
Treasury Single Account	August 22, 2023	August 24, 2023	Completed	Bangladesh (Ministry of Finance)
Implementing Modern Cash Management (with CDOT)	August 28, 2023	September 1, 2023	Completed	All Member Countries
Strengthening PFM Framework	October 3, 2023	October 7, 2023	Completed	Bangladesh (IPF)
Cash Management	November 21, 2023	November 23, 2023	Completed	India (Odisha and Selected Other Indian States)
Strengthening PFM Framework	January 22, 2024	January 26, 2024	Planned	Bangladesh (IPF)
Strengthening Public Investment Framework	January 28, 2024	February 1, 2024	Planned	Bangladesh (Ministry of Finance)
Introduction to Budget Management	March 3, 2024	March 7, 2024	Planned	Bangladesh (Ministry of Finance)
Digitalization and Fiscal Transparency (with CDOT)	April 23, 2024	April 26, 2024	Planned	All Member Countries
Public Investment Management Assessment	March 2024	March 2024	Planned	India (Odisha)
Government Finance Statistics/Public Sector Debt Statistics				
G-20 Data Gaps Initiative - Budgetary Central Government	May 8, 2023	May 11, 2023	Completed	India (Office of Controller General of Accounts)
Introduction to Government Finance Statistics	August 28, 2023	September 1, 2023	Completed	All Member Countries
Advanced Government Finance Statistics	October 16, 2023	October 20, 2023	Completed	All Member Countries
Public Sector Debt Statistics	January 15, 2024	January 19, 2024	Planned	All Member Countries
Real Sector Statistics				
International Trade in Goods and Services	July 24, 2023	July 24, 2023	Completed	All Member Countries
Residential Property Price Indices (by the IMF Statistics Department through CDOT)	September 18, 2023	September 22, 2023	Completed	Maldives ³
Services Producer Price Index	November 6, 2023	November 10, 2023	Completed ¹	India (Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, and Ministry of Statistics and Programme Implementation (MOSPI))
Quarterly National Accounts and Seasonal Adjustment	December 11, 2023	December 15, 2023	Completed	All Member Countries
<i>Subnational National Accounts</i>	<i>March 11, 2024</i>	<i>March 15, 2024</i>	<i>Planned</i>	<i>India (MOSPI)</i>
High-Frequency Indicators and Monthly Indicators of Economic Growth	April 1, 2024	April 5, 2024	Planned	All Member Countries
Compiling Supply Use Tables/Input Output Tables	April 29, 2024	May 3, 2024	Planned	All Member Countries

ANNEX 3: (CONTINUED)

Title ¹	Start Date	End Date	Status	Target Audience
Monetary and Foreign Exchange Operations				
Monetary Policy Implementation (with CDOT)	January 29, 2024	February 2, 2024	Planned	All Member Countries
Liquidity Forecasting	March 4, 2024	March 8, 2024	Planned	All Member Countries
Financial Sector Supervision and Regulation				
Core Elements of Banking Supervision: An Overview and Regional Perspectives	September 11, 2023	September 15, 2023	Completed	All Member Countries
Navigating Banking Supervision - Unpacking the Latest Supervisory Issues with a Regional Perspective	January 22, 2024	January 25, 2024	Planned	All Member Countries
Customized Training on Fintech Issues	April 2024	April 2024	Planned	India (RBI)
Other Sectors				
Enhancing the Effectiveness of AML/CFT Frameworks: Evolution of the FATF Standard	January 8, 2024	January 12, 2024	Planned	All Member Countries
Attachments in FY24				
Public Financial Management				
Public Financial Management Digital Systems (with CDOT)	October 30, 2023	November 3, 2023	Completed	Bhutan, Cambodia, and Sri Lanka (Ministries of Finance)
Monetary and Foreign Exchange Operations				
Interest Rate Corridor (attachment with the Reserve Bank of India)	July 10, 2023	July 12, 2023	Completed	Bangladesh (Bangladesh Bank)
Financial Sector Supervision and Regulation				
Risk-Based Supervision (attachment with the Reserve Bank of India)	September 20, 2023	September 22, 2023	Completed	Bangladesh (Bangladesh Bank)
Webinars in FY24				
Government Finance Statistics/Public Sector Debt Statistics				
Webinar on Fiscal Risks within the GFS Framework (with CDOT)	October 10, 2023	October 10, 2023	Completed	All member countries
GFS and Contingent Liabilities (with CDOT)	October 17, 2023	October 17, 2023	Completed	All member countries
GFS and State-Owned Enterprises (with CDOT)	October 23, 2023	October 23, 2023	Completed	All member countries
Public Sector Balance Sheets (with CDOT)	November 21, 2023	November 21, 2023	Completed	All member countries
GFS and Public Private Partnerships (with CDOT)	November 29, 2023	November 29, 2023	Completed	All member countries

ANNEX 3: (CONTINUED)

Title ¹	Start Date	End Date	Status	Target Audience
Real Sector Statistics				
Measuring the Digital Economy	September 26, 2023	September 26, 2023	Completed	All member countries
Financial Sector Supervision and Regulation				
Basel III Core Principles	August 9, 2023	August 9, 2023	Completed	All member countries
Non-SARTTAC Training in FY24				
IMF Statistics Department				
Balance Sheet Approach	August 21, 2023	August 25, 2023	Completed	All Member Countries (hosted by SARTTAC)
IMF Asia and Pacific Department				
Seminar (hybrid) on Achieving Growth Friendly Climate Action and Financing in South Asia (with the IMF Research Department and Institute for Capacity Development)	July 20, 2023	July 20, 2023	Completed	All Member Countries
Seminar (hybrid) on India's Digital Public Infrastructure (with the India Ministry of Finance)	September 22, 2023	September 22, 2023	Completed	All Member Countries and Africa, Central Asia, and Middle East regional capacity development centers of the IMF
High-Level Seminar on Climate Change Issues (with the IMF Monetary and Capital Markets Depart, CDOT, and the Bank of Thailand)	December 12, 2023	December 13, 2023	Completed	All Member Countries (hosted by CDOT)

¹ The FY24 training schedule has been updated as of December 31, 2023, with selected additions and deletions against the original schedule and SARTTAC workplan. The timing of actual and planned deliver shown in this annex may be deviate from the timing indicated in the original workplan approved by SARTTAC's Steering Committee and as summarized in Table 8. Italicized activities (for India) are subject to final approval by the Ministry of Finance's Department of Economic Affairs.

² Training delivered as part of a technical assistance (TA) mission and classified as TA in Table 8.

³ The participation by Maldives was supported by SARTTAC. The participation by other SARTTAC member countries was supported through the IMF Data for Decisions Fund.

ANNEX 4: SARTTAC TA REPORTS DISSEMINATED THROUGH IMF PARTNERS CONNECT IN FY23

Title of the TA Report	Delivery Department	Country
Government Finance and Public Sector Debt Statistics Mission (February 27 - March 3, 2022)	STA-GFS	Bangladesh
National Accounts - Compiling and Balancing Supply and Use Tables (January 10 - 14, 2022)	STA-RSS	Bangladesh
Updating the Consumer Price Index (January 16 - 20, 2022)	STA-RSS	Bangladesh
Updating the Consumer Price Index (May 8 - 12, 2022)	STA-RSS	Bangladesh
Modernizing the Chart of Accounts (July - October 2021)	FAD-PFM	Bhutan
Government Finance Statistics Mission (February 7 - 11, 2022)	STA-GFS	Bhutan
National Accounts - GDP Rebasing - Development of Supply and Use Tables (April 18 - 29, 2022)	STA-RSS	Bhutan
Strengthening Supervisory Capacity at the Royal Monetary Authority (April 11 - 15, 2022)	MCM-FSR	Bhutan
Enhancing Cash Management (August 4 - November 15, 2021)	FAD-PFM	India (Odisha)
Preparing a Citizens Budget (January 17 - 30, 2022)	FAD-PFM	India (Tamil Nadu)
Developing the Commitment Control System (March 31 - April 15, 2022)	FAD-PFM	India (Odisha)
Tax Compliance of Insurance Businesses (January 10 - 24, 2022)	FAD-RA	Maldives
Implementing the Advance Pricing Arrangement Program (April 4 - 18, 2022)	FAD-RA	Maldives
Seeking Higher Ground: A Medium-Term Revenue Strategy to Finance Development (August 7 - 15, 2022)	FAD-RA	Maldives
Development of Tax Treaty Policy (July 17 - 21, 2022)	PFM-RA	Maldives
Government Finance Statistics and Public Sector Debt Statistics Mission (January 9 - 20, 2022)	STA-GFS	Maldives
National Accounts - Updating Supply and Use Tables (January 16 - 20, 2022)	STA-RSS	Maldives
Strengthening Supervisory Capacity at the Maldives Monetary Authority (February 21 - March 3, 2022)	MCM-FSR	Maldives
Developing a Revenue Mobilization Strategy (August 24 - September 6, 2022)	PFM-RA	Nepal
Government Finance Statistics Mission (September 12 - 17, 2021)	STA-GFS	Nepal
Updating the Producer Price Index (November 1 - 12, 2021)	STA-RSS	Sri Lanka
GDP Rebasing - Review of Supply and Use Tables (February 7 - 8, 2022)	STA-RSS	Sri Lanka



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