



SOUTH ASIA REGIONAL TRAINING AND TECHNICAL ASSISTANCE CENTER



SARTTAC

PROGRAM DOCUMENT PHASE II

December 1, 2023- April 30, 2029

MEMBER COUNTRIES



Bangladesh



Bhutan



India



Maldives



Nepal



Sri Lanka

DEVELOPMENT PARTNERS



Australian Government
The Treasury



European Union



The Government of
the Republic of Korea

Building Macroeconomic Capacity in South Asia



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FOREWORD

This report was prepared by a team led by Giorgia Albertin, comprising Pramod Bhardwaj, Apoorba Mitra, Mudit Mittal, and Ankit Singh in the IMF South Asia Regional Training and Technical Assistance Center (SARTTAC).



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LIST OF ACRONYMS

AML/CFT	Anti-Money Laundering and Combating the Financing of Terrorism
ADB	Asian Development Bank
APD	IMF Asia and Pacific Department
ATI	IMF African Training Institute
BB	Bangladesh Bank
BCG	Budgetary Central Government
BOP-IIP	Balance of Payment / International Investment Position
CBSL	Central Bank of Sri Lanka
CCCDI	IMF COVID-19 Crisis Capacity Development Initiative
CD	Capacity Development
CDD	Capacity Development Departments
CDMAP	Capacity Development Management and Administration Program
CDOT	IMF Capacity Development Office in Thailand
D4D	IMF Data for Decisions Fund
DP	Development Partners
ECF	Extended Credit Facility
ESS	External Sector Statistics
EU	European Union
FAD	IMF Fiscal Affairs Department
FDI	Foreign Direct Investment
FPAS	Forecasting and Policy Analysis System
FSS	Financial Sector Surveillance
FSR	Financial Sector Supervision and Regulation
FX	Foreign Exchange
FY	Fiscal Year
GDP	Gross Domestic Product
GFS	Government Finance Statistics
GFSM	Government Finance Statistics Manual
HQ	IMF Headquarters
IAS	India Administrative Services
ICD	Institute for Capacity Development
IMF	International Monetary Fund
ICDGP	IMF Institute for Capacity Development Global Partnerships Division
ICDSE	IMF Institute for Capacity Development Strategy and Evaluation Division
IES	Indian Economic Service
IMF	International Monetary Fund
ISWGNA	Inter Secretariat Working Group on National Accounts
JSA	Japan Administered Account for Selected IMF Activities
LBSNAA	Lal Bahadur Shastri National Academy of Administration
LEG	IMF Legal Department
LTX	Long-Term Expert



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MC	Member Country
MCM	IMF Monetary and Capital Markets Department
MOF	Ministry of Finance
MOSPI	Ministry of Statistics and Program Implementation
MPT	Macroeconomic Projection Tool(s) / Simulation Tools(s)
MTMF	Medium Term Macroeconomic Framework
MLTRS	Medium and Long-term Revenue Strategy
MONOPS	Monetary and Foreign Exchange Operations
MTRS	Medium-Term Revenue Strategy
NRB	Nepal Rastra Bank
NTF	Near-Term Forecasting
PD	Program Document
PFM	Public Financial Management
PIMA	Public Investment Management Assessment
PSDS	Public Sector Debt Statistics
PPI	Producer Price Index
QPM	Quarterly Projection Model
RA	Revenue Administration
RAP	Resource Allocation Plan
RBI	Reserve Bank of India
RBM	Results-Based Management
RCDC	Regional Capacity Development Center
RSS	Real Sector Statistics
RTAC	Regional Technical Assistance Center
SARTTAC	South Asia Regional Training and Technical Assistance Center
SC	Steering Committee
SFA	Selected Fund Activities
SNA	System of National Accounts
STX	Short-Term Expert
TA	Technical Assistance
TADAT	Tax Administration Diagnostic Assessment Tool
TG	Technical Group



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EXECUTIVE SUMMARY

The IMF South Asia Training and Technical Assistance Center (SARTTAC) has played a key role in fostering capacity development (CD) in South Asia. During Phase I of operations (September 2016–November 2023), SARTTAC delivered close to 300 training courses and workshops to over 8,000 officials in the region and about 470 technical assistance (TA) missions were conducted to its six member countries (MCs), including at the sub-national level in India. SARTTAC’s CD supported MCs in advancing their economic policies and reform priorities and strengthening institutions. More than two thirds of SARTTAC’s CD activity was in macroeconomic analysis and training and in fiscal-related areas. This has been made possible through the financial support of SARTTAC MCs – India (host country), Bangladesh, Bhutan, Maldives, Nepal, and Sri Lanka, development partners (DPs) – Australia, the European Union (EU), Korea, and the United Kingdom, and the IMF.

This Program Document lays out the strategy for SARTTAC’s Phase II of operations, started in December 2023 and expected to run through April 2029. The Program Document (PD) presents objectives and priorities for Phase II (December 1, 2023–April 30, 2029), building on the broad strategy for Phase II endorsed at the eight SARTTAC Steering Committee (SC) held on July 31, 2024, reflected in the FY24 Steering Committee Report. Furthermore, it presents SARTTAC’s envisaged governance structure, operations, resource needs and sustainability, and risks and risks management in Phase II. The main achievements under SARTTAC’s Phase I are also discussed.

SARTTAC MCs face significant macroeconomic challenges. For many economies, growth-supporting fiscal consolidation is a priority, given high public debt levels and medium-term challenges, such as climate change. As inflation pressures have subsided preserving domestic monetary stability is needed. As lagged effects of past monetary tightening pass through to corporate and household balance sheets, vigilant financial supervision is needed. Implementing reforms to support revenue mobilization and more efficient public spending, preserving debt sustainability and strengthening public debt management developing sound macroeconomic frameworks, strengthening monetary management and bolstering supervisory capacity are key.

In Phase II of operations, CD will be tailored to support MCs in advancing economic policies and reform to address key macroeconomic challenges, preserve stability, and foster inclusive growth. SARTTAC will continue to deliver both training and TA activities, actively integrating and garnering synergies. CD will be fully integrated with IMF surveillance and lending operations priorities and rooted in the IMF Asia and Pacific Department (APD) regional CD strategy. Building on the achievements in Phase I, CD will focus on supporting MCs in strengthening their macroeconomic analysis and forecasting ability and tools, fiscal and monetary policy frameworks, mobilizing additional revenue and strengthening public financial management (PFM), fostering financial stability, and improving data quality and reporting.



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Furthermore, a new public debt management workstream – fully financed by the Japan Administered Account for Selected IMF Activities (JSA) – will support developing strategies on debt issuance, management, and debt sustainability. Furthermore, engagement at the subnational level with Indian states will be scaled-up. CD activity in transformational areas such as climate, gender and digitalization will be fostered. The distribution of CD across SARTTAC’s different workstreams will reflect MCs priorities and demands.

A scaled-up budget will support SARTTAC’s Phase II of operations. A Phase II budget of US\$80 million was endorsed by the eight SARTTAC SC Meeting. This is anchored by India’s scaled-up financial commitment of US\$50 million for Phase II. India is building a new facility for SARTTAC in Delhi (a training/office building and a hostel wing), to be completed by end-2025. Due to the fitting out costs and higher operational costs of the new SARTTAC facility, administrative costs will sharply pick-up over Phase II. In view of these costs, CD spending is budgeted at about US\$46.6 million in Phase II, only slightly higher than in Phase I. This will support the continuation of ongoing CD workstreams, stepping-up activity in transformational areas such as climate, gender and digitalization, providing tailored CD to program countries, maintaining strong engagement with surveillance countries, scaling-up tailored national training, and fostering the engagement at the subnational level with Indian states. Fundraising is ongoing to mobilize needed financing for the envisaged Phase II budget.

Mitigating measures will support managing risks to SARTTAC’s Phase II program. A funding shortfall could require scaling back SARTTAC’s CD delivery to the region. Economic and political shocks in MCs could lead to an increase in CD demand and changes in MCs CD priorities. Limited absorption capacity and high staff turnover could constraint CD effectiveness. In view of these risks, financial sustainability has been incorporated into the strategy for Phase II and active fundraising is ongoing. A continuous dialogue will be maintained with MCs and key stakeholders to swiftly identify changes in CD demand. In parallel, adaptability will be exerted so as to re-prioritize CD activities and regularly re-assess SARTTAC workplan.



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OVERVIEW: STARTING A NEW PHASE OF OPERATIONS

1. The IMF South Asia Regional Training and Technical Assistance Center (SARTTAC) started its Phase II of its operations in December 2023, expected to run through April 2029. During Phase I of operations (September 2016–November 2023), SARTTAC delivered close to 300 training courses and workshops to over 8,000 officials in the region and about 470 technical assistance (TA) missions to its six member countries (MCs), including at the sub-national level in India. SARTTAC’s Phase II started on December 1, 2023, and is expected to run through April 30, 2029. Phase I, originally programmed to end in April 2022, was extended in view of available financial resources due to lower-than-programmed spending during the pandemic and Australia’s additional financial support.

2. SARTTAC’s Phase II is anchored by India’s sizable financial commitment of US\$50 million — a significant increase from its Phase I contribution (US\$32.8 million). This will be key in supporting the envisaged Phase II program budget of US\$80 million (¶41, Table 2). As of end-November 2024, SARTTAC has secured financial contributions for US\$54.6 million to support its Phase II operations: i) US\$50 million from India; ii) US\$0.1 million from Bhutan; iii) US\$0.1 million from Maldives; iv) US\$1.1 million from Australia; v) US\$3 million from South Korea; and vi) US\$ 0.31 million from the IMF (Table 2). Discussions are being finalized for a US\$2.2 million contribution from the EU. Strategic partnerships with new donors are also under discussion. Draft letters of understandings have been shared with all other SARTTAC MCs. The contribution of each member country is key to ensure strong commitment and support for SARTTAC mission and CD delivery to the South-Asia region.

3. This Program Document presents the main achievements under SARTTAC Phase I and lays out the strategy for SARTTAC’s Phase II of operations. The Program Document (PD) builds on the broad strategy for Phase II endorsed at the eight SARTTAC Steering Committee (SC) on July 31, 2024, reflected in the FY24 Steering Committee Report, and the earlier Strategy note for Phase II circulated to the SC in June 2023. Section II presents main results and CD activities in Phase I. Section III focuses on macroeconomic developments and challenges for the South Asia region. Section IV lays out SARTTAC’s objectives and priorities for Phase II workplan by workstream. Section V focuses on governance, operations, accountability, financial management and needs, risks and financial needs.



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SECTION I: KEY ACHIEVEMENTS DURING PHASE I

4. **SARTTAC played a key role in fostering CD in South-Asia during Phase I of its operations.**

During Phase I of operations (September 2016–November 2023), SARTTAC delivered close to 300 training courses and workshops to over 8,000 officials in the region and about 470 TA missions were conducted to its six MCs, including at the sub-national level in India. Originally programmed to end in April 2022, Phase I was extended to November 2023, in view of available financial resources reflecting lower-than-programmed spending during the COVID-19 pandemic and Australia’s additional financial support. Total financial contribution for Phase I reached US\$ 64.8 million (Table 2).

5. The first integrated IMF regional capacity development center (RCDC), SARTTAC’s CD delivery encompassed training and TA, leveraging synergies. During Phase I of operations, SARTTAC delivered regional courses and workshops, tailored single-country training courses, high-level seminars, webinars, TA missions, desk review support, and fostered peer-to-peer learning across the region through attachments. During the COVID-pandemic, SARTTAC swiftly adopted virtual delivery modalities to continue to provide CD to its MCs. During Phase I, about 54 percent of SARTTAC’s CD spending was allocated to training and 46 percent to TA (Figure 1). Regional training courses and workshops covered a wide range of topics in macroeconomics and specialized economic and financial issues, with a growing focus on transformational areas as climate change, gender equality, and digitalization. Tailored single-country national training was provided to respond to countries specific needs, with India and Bangladesh being the main recipients. Participation, learning outcomes and female representation in SARTTAC training courses strengthened after the pandemic. SARTTAC’s TA delivery was strong during Phase I and significantly picked-up once pandemic related travel restrictions were lifted.

6. SARTTAC’s CD supported MCs in advancing their economic policies and reform priorities and strengthening institutions. SARTTAC’s CD focused on macroeconomic and financial areas as well as emerging and cross-cutting issues and was well-integrated with IMF surveillance and lending operations priorities and rooted in the APD regional CD strategy. The Macroeconomic Analysis and Training program supported MCs in strengthening their macroeconomic analysis and forecasting capacity and addressing key policy challenges, including climate change, gender, and fintech. The Revenue Administration (RA) program focused on supporting MCs in developing medium-term revenue mobilization strategies and improving taxpayer compliance particularly in collection and arrears management. The PFM program focused on strengthening policy frameworks in MCs, notably modernizing cash and debt management, strengthening commitment controls and public investment management, identifying and managing fiscal risks, and enhancing budget preparation and fiscal reporting. The Monetary and Foreign Exchange Operations (MONOPS) program supported strengthening and modernizing monetary policy operations across the region, developing foreign exchange (FX) markets and strengthening foreign reserve management. The Financial Sector Supervision and Regulation (FSR) program supported convergence and harmonization of supervisory practices in the region to international standards and best practices. The



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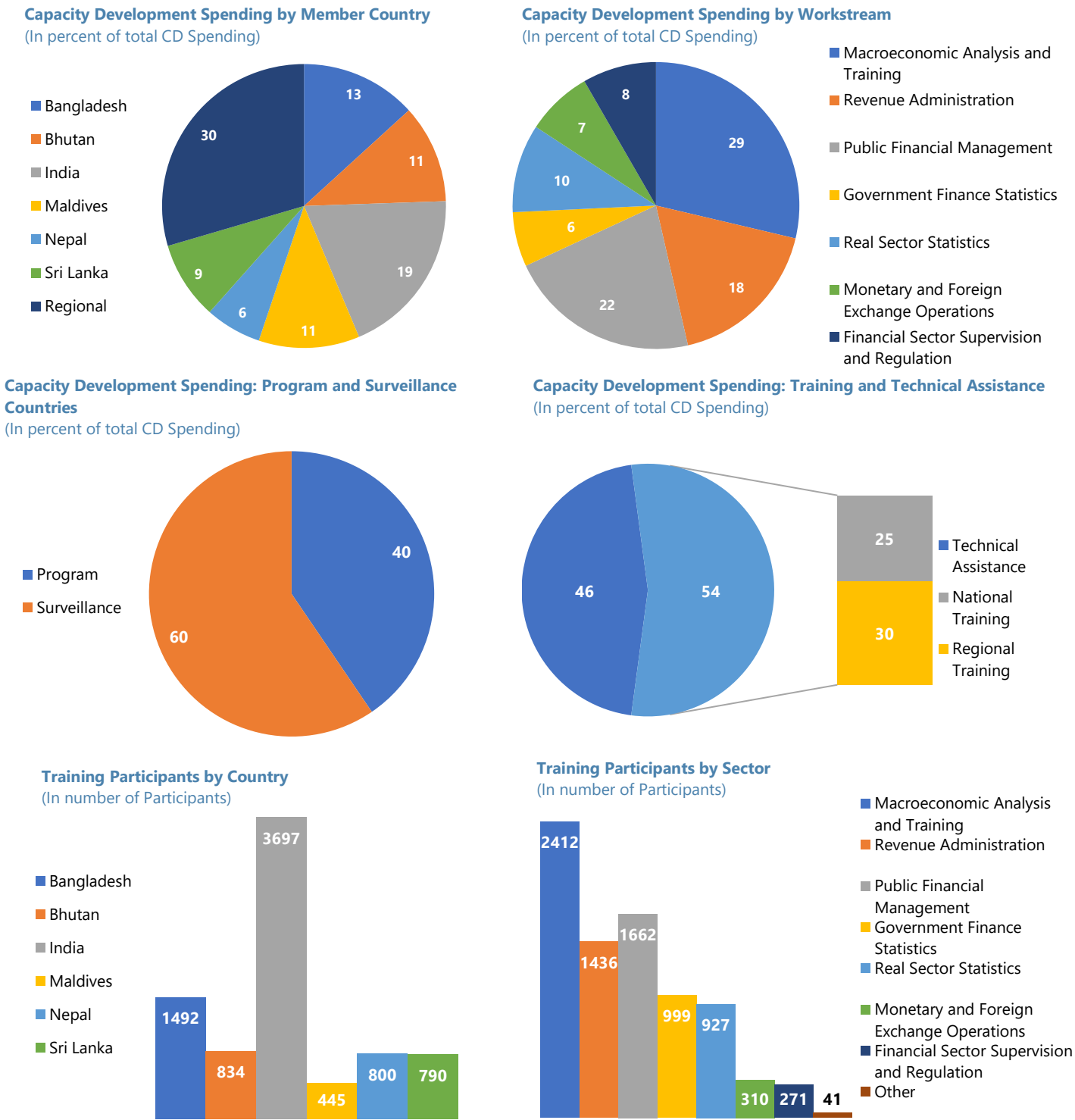


Real Sector Statistics (RSS) supported strengthening national account statistics, price indexes, and frequency data and indicators. The Government Finance Statistics and Public Sector Statistics (GFS/PDS) supported MCs in expanding coverage of GFS to general government, increasing the frequency of reporting and strengthening data compilation and dissemination.

7. All MCs benefited from SARTTAC CD, with India and Bangladesh being the largest recipients of single-country CD. During Phase I, the largest share of SARTTAC CD spending was devoted to regional activities (about 30 percent) - regional training and workshops, high-level seminars and webinars – that benefitted all SARTTAC members. Furthermore, single-country CD was provided to respond to MCs targeted needs. In this context, India was the largest recipient of single-country CD (19 percent of total CD spending), on the back of extensive tailored national training. Furthermore, CD aimed at supporting program countries (Bangladesh, Nepal, Sri Lanka) while providing strong support to surveillance countries (India, Bhutan and Maldives). CD delivery to Bangladesh, Nepal and Sri Lanka was geared towards supporting the implementation of the authorities' economic policy and reforms under the IMF program. In parallel, CD delivery to Bhutan and Maldives was sustained (Figure 2).

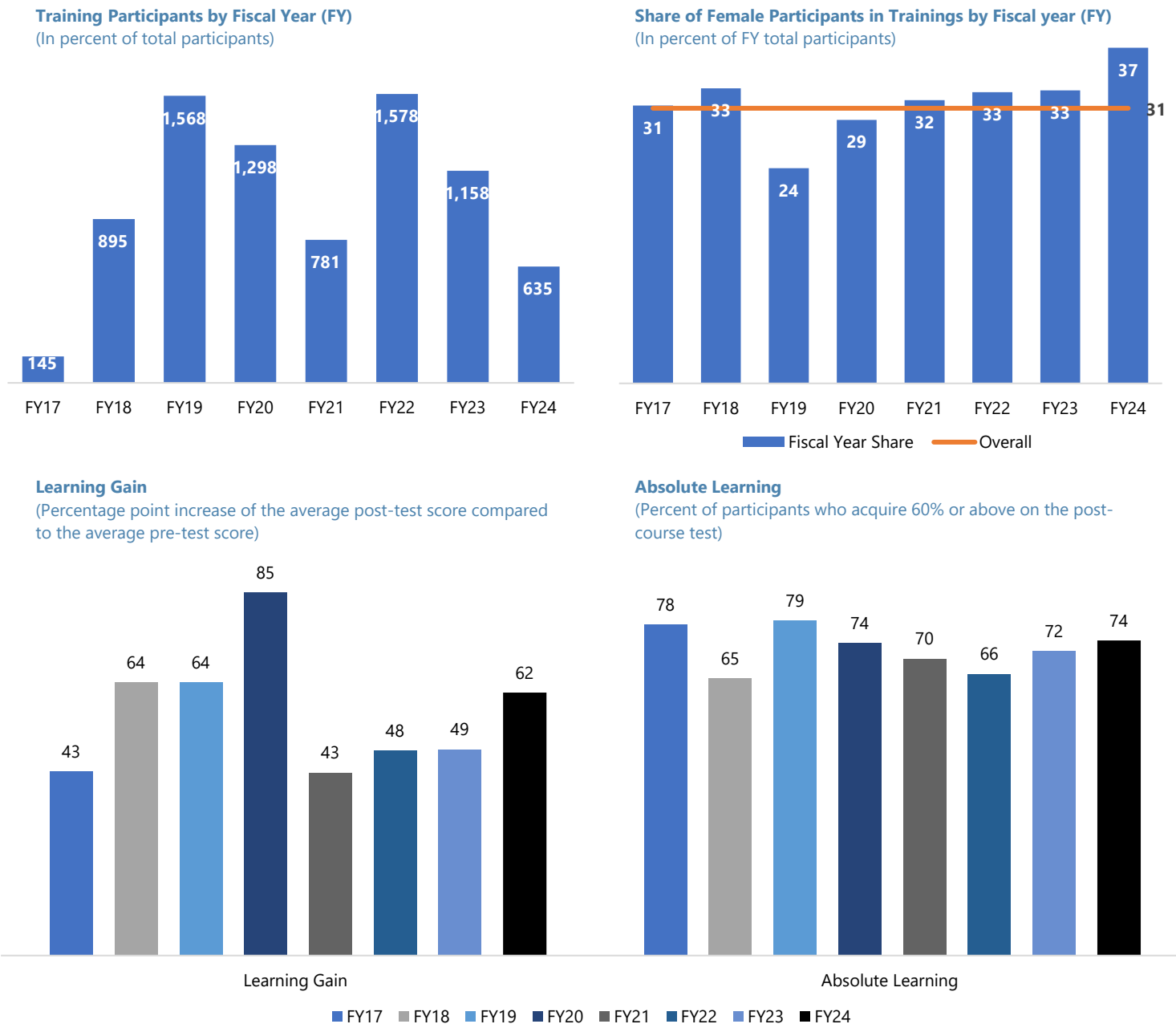
8. The distribution of CD across SARTTAC's different workstreams reflected MCs priorities and demands. During Phase I, more than two thirds of SARTTAC's CD activity was in macroeconomic analysis and training and in fiscal-related areas—RA and PFM. Notably, CD activity was scaled-up in the areas of macroeconomics analysis and training, MONOPS and FSR towards the end of the Phase.

Figure 1: SARTTAC’s Phase I: Capacity Development Delivery



Other Sector includes the CCCDI funded macro-fiscal program at SARTTAC.

Figure 2: SARTTAC Phase I: Selected Training Indicators



Data for FY24 covers the period of May-November 2023 to reflect Phase I.

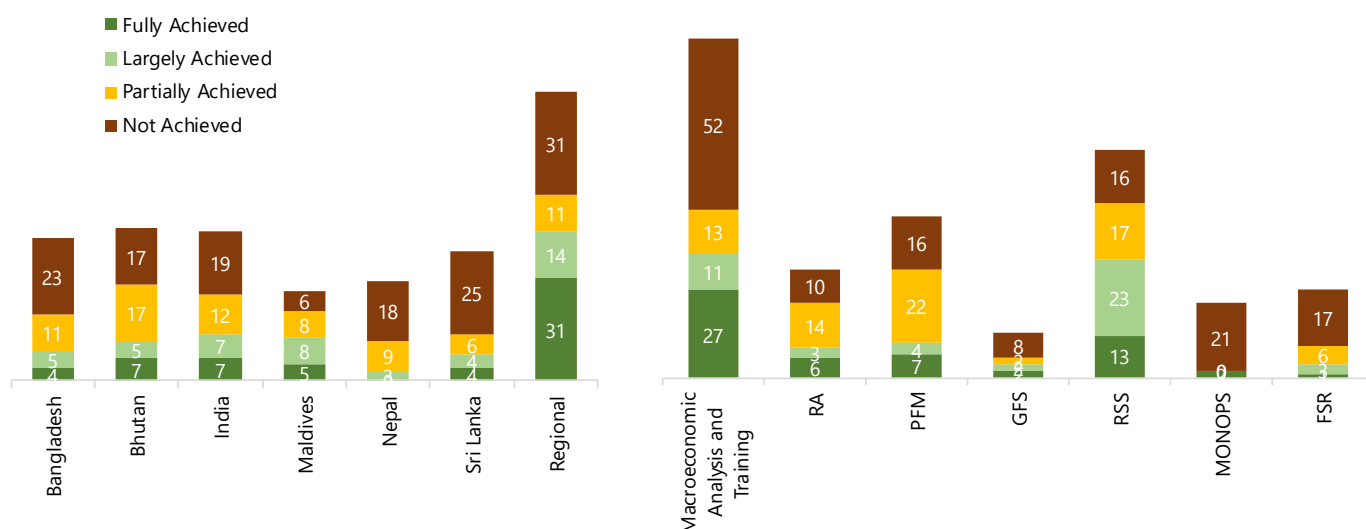


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9. Progress was achieved on about 56 percent of the planned outcomes of SARTTAC's ongoing CD projects.¹ About 33 percent of the planned outcomes of SARTTAC's Phase I projects were achieved (fully or largely achieved) and 23 percent were partially achieved. As most SARTTAC's projects are multi-year and new activities are progressively added, a large share of outcomes are still in progress. Furthermore, change in the authorities' priorities alongside changes and delays in staffing at SARTTAC contributed to delay some of the activities and the achievement of outcomes. The largest share was achieved in macroeconomic analysis and training, RA and RSS and the strongest implementation was in India and Maldives.² [Over half] of the outcomes were at least partially achieved in all countries.

Figure 3: Status of FY24 Outcomes by Country and by Workstream
(Number of outcomes)



10. The implementation of the recommendations of the 2022 mid-term external evaluation advanced. An independent mid-term external evaluation of SARTTAC's activities was conducted in 2022 (Annex II). Significant progress was made in the implementation of high-priority recommendations of the mid-term external evaluation. Notably, the outcomes and milestones of the Results-Based Management (RBM) log frame were reviewed and updated in consultation with IMF's Capacity Development Departments (CDDs). To foster efficiency gains and reducing unit costs, SARTTAC continued leveraging virtual delivery in selected training activities. Also, a mix of in-person and virtual deliveries was used in TA missions. SARTTAC collaborated with other multilateral agencies (World Bank, Asian Development Bank (ADB) and UN bodies) and tapped their relevant expertise and leveraged their resources, with experts of

¹ This includes all ongoing and completed CD projects funded by SARTTAC that started in Phase I.

² Ratings data are not always comparable across workstreams and countries given the disparate nature of projects and absorptive capacity of counterpart agencies.



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these agencies delivering lectures in selected SARTTAC training courses. These agencies also participated in SARTTAC's SC meetings as observers. During missions, SARTTAC Director and long-term experts (LTXs) held coordination meetings with these agencies and other DPs. Furthermore, SARTTAC's increased its CD delivery in emerging topics such as climate-related issues, digitalization, and gender.

Highlights by Country

SARTTAC single-country CD activity was targeted to support MCs in addressing key economic policy challenges and advancing priority reforms, including achieving key structural benchmarks in MCs with an ongoing IMF program:

- **In Bangladesh**, CD supported preparing a fiscal risk statement, improving cash management, strengthening budget documentation, designing a commitment management system, establishing a compliance risk management system, and setting-up a medium-term macroeconomic framework (MTMF) at the Ministry of Finance (MOF) and the Bangladesh Bank (BB). Furthermore, it supported the BB in modernizing its monetary policy operational framework and transitioning towards risk-based supervision for banks. Notably, SARTTAC fostered peer-to-peer learning by supporting attachments of officials of the BB to the Reserve Bank of India (RBI). CD also supported developing quarterly GDP estimates and strengthening GFS. Tailored single-country training strengthened government officials' skills in macroeconomic analysis and forecasting and PFM (in collaboration with the Institute of Public Finance).
- **In Bhutan**, CD activity supported developing a unified chart of accounts, improving financial reporting, establishing medium-term budgeting, modernizing receipt and payment systems, improving budget documents, and strengthening tax arrears management. Notably, SARTTAC fostered peer-to-peer learning by supporting attachments of officials at the MOF of India. Furthermore, it supported the Royal Monetary Authority in strengthening liquidity management, its FX reserve management framework and supervisory capacity and finalizing and implementing regulations in insurance, corporate governance and risk management. CD also supported developing quarterly GDP estimates, rebasing GDP, strengthening price indexes and GFS.
- **In India**, integrated training and TA at the subnational level in the states of Odisha, Tamil Nadu and Assam supported strengthening medium-term fiscal frameworks, cash management, commitment controls, managing fiscal risks and public investment management. Furthermore, training and desk review engagement supported improving the quality of RSS, compiling the Producer Price Index (PPI), and GFS to reach compliance with the G-20 Data Gap Initiative. Tailored training to the Indian Economic Service (IES), India Administrative Service (IAS), the RBI, supported strengthening macroeconomic analysis and forecasting. Furthermore, training to the Central Board of Direct Taxes supported strengthening revenue administration and gap analysis. Customized training on supervisory issues was provided to the RBI in collaboration with the College of Supervisors and Training Academy.



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- **In Maldives:** CD activity supported formulating a medium-term revenue strategy (MTRS), setting-up taxpayer compliance controls, and managing fiscal risks from SOEs. Furthermore, SARTTAC CD TA supported the Maldives Monetary Authority in the implementation of an interest rate corridor and strengthening supervision in the banking and insurance. Furthermore, it supported developing quarterly national accounts and monthly index of economic growth.
- **In Nepal,** single-country CD activity supported developing a domestic revenue mobilization strategy, establishing a fiscal risk register (a structural benchmark under the IMF Extended Credit Facility (ECF), improving fiscal reporting, strengthening customs management, improving cash management and public investment management, including conducting a Public Investment Management Assessment (PIMA) and formulating an action plan for implementing the PIMA recommendations. Furthermore, SARTTAC CD supported the Nepal Rastra Bank (NRB) in strengthening monetary policy operations and liquidity management, reserve management and strengthening off-site banking supervision. It also supported improving GDP compilation, updating the PPI, external sector statistics (ESS) and strengthening GFS.
- **In Sri Lanka,** single country CD activity supported improving fiscal reporting and cash management, managing fiscal risks and developing a revenue mobilization strategy. Furthermore, it supported the Central Bank of Sri Lanka (CBSL) in enhancing the effectiveness of monetary policy implementation, setting-up liquidity monitoring and forecasting tools, developing the FX market, strengthening its risk assessment, implementing consolidated supervision, and developing a MTMF and integrating it in the decision-making. Furthermore, it supported updating the consumer price index (CPI), rebasing GDP and strengthening GFS. Tailored single-country training strengthened government officials' skills in macroeconomic diagnostics.



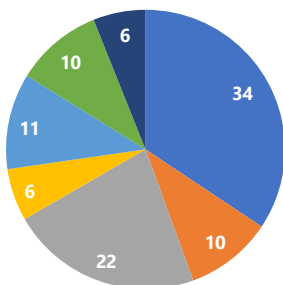
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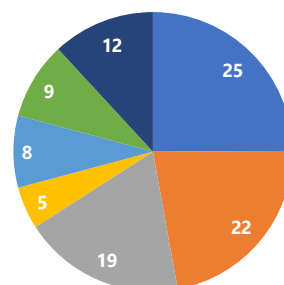
Figure 4: Phase I: Capacity Development by Country

Share of CD Spending by Country
(Share of Country CD Spending by Sector)

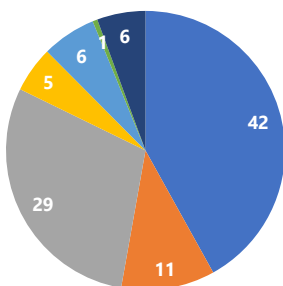
Bangladesh



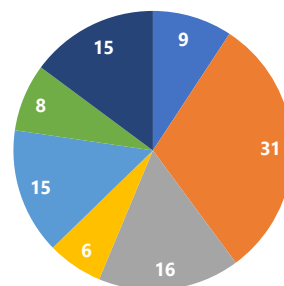
Bhutan



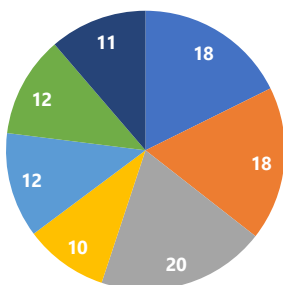
India



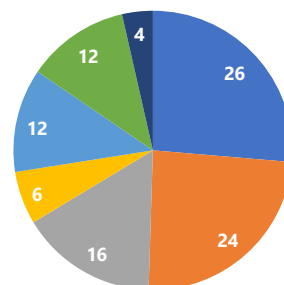
Maldives



Nepal

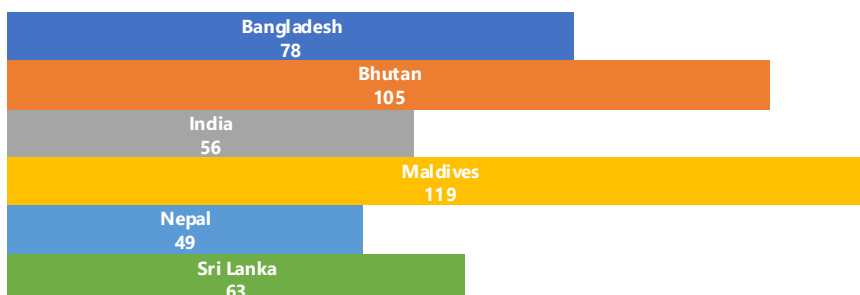


Sri Lanka



■ Macroeconomic Analysis and Training ■ RA ■ PFM ■ GFS ■ RSS ■ MONOPS ■ FSR

Technical Assistance Missions by Country
(In number of missions)





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Key Results by Workstream

Macroeconomic Analysis and Training

The Macroeconomic Analysis and Training program supported MCs in strengthening their macroeconomic analysis and forecasting capacity and addressing key policy challenges. Regional training courses covered a wide range of topics, with a growing focus on transformational areas. These covered fiscal analysis and debt sustainability, exchange rate and monetary policy, financial sector policies, inclusive growth as well as advanced technical courses like nowcasting and emerging topics like macroeconomics of climate change, fintech market development and gender. Furthermore, tailored training tailored cohort training was developed for Indian government officials - the IES, IAS and the RBI to support strengthening macroeconomic analysis and forecasting. Furthermore, macroeconomic frameworks TA projects were conducted to fostering synergies with regional training and other CD programs. This supported developing macroeconomic frameworks at the MOF of Bangladesh, BB and the CBSL. Discussions were started to for a new TA project at the NRB.

Revenue Administration

The Revenue Administration (RA) program focused on supporting MCs in implementing reforms to mobilize additional revenue. The RA work program was anchored by earlier TADATs conducted in several MCs, which were the basis for country-centric CD support. Thus, CD supported the development of a MTRS, improving audit and compliance risk management (Bangladesh and Maldives); improving collection and arrears management and implementing a new Goods and Services Tax regime (Bhutan); identifying short-term and medium-term reform areas, strengthening risk-based auditing and guiding the development of a domestic revenue mobilization strategy (Nepal); domestic revenue mobilization and a customs and excise diagnostic (Sri Lanka).³ Several specialized trainings were delivered under the RA workstream, including courses on effective leadership for revenue administration, international tax administration, and an integrated risk management course in customs.

Public Financial Management

The PFM program focused on strengthening policy frameworks in MCs notably strengthening budget preparation; improving the coverage and quality of financial reporting; modernizing cash and debt management; strengthening commitment controls and public investment management; and managing fiscal risks. Thus, CD supported strengthening fiscal risk management (FRM) by developing a fiscal risk statement and enhancing coverage of the treasury single account (Bangladesh); developing a unified chart of accounts and strategic budgeting (Bhutan); strengthening budget credibility, improving state-owned enterprise financial data and risk management, and supporting PFM legislation implementation

³ The domestic revenue mobilization and a customs and excise diagnostic activities were primarily funded by the Government of Japan (JSA)



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(Maldives); improving fiscal reporting and cash management (Sri Lanka); strengthening cash management developing a fiscal risk register and statement and developing a PIMA Action Plan. For India, CD was concentrated at the sub-national level in selected states (Odisha, Assam and Tamil Nadu). This focused on strengthening cash management, budget preparation, FRM, public investment management, including in the context of a planned subnational PIMA (Odisha and Tamil Nadu), commitment controls (Odisha), and strategic budgeting and fiscal frameworks (Assam, Odisha and Tamil Nadu). These activities at the subnational level were integrated with training to foster the impact of CD. Several specialized regional training events were also delivered under the PFM workstream, including on budget management, cash management, fiscal transparency, fiscal risk management, public investment management and digitalization of PFM practices (jointly with the IMF Capacity Development Office in Thailand (CDOT)).

Government Finance Statistics and Public Sector Debt Statistics

The GFS/PSDS work program supported MCs in improving the scope and quality of coverage of GFS, moving from budgetary central government (BCG) to general government to include subnational reporting, and increasing the frequency of reporting. Thus, CD supported strengthening analytical capacity to prepare GFS (Bangladesh), improving the quality and sectoral coverage of source data (Bhutan), and producing GFS data in line with the *Government Finance Statistics Manual 2014 (GFSM 2014)* and expanding coverage to subnational government (Sri Lanka); expanding coverage to include extra budgetary units, increasing the frequency of dissemination to quarterly (Bhutan); reaching compliance with the G-20 Data Gap Initiative on GFS and PSDS (India). Specialized regional courses were delivered under the GFS/PSDS program on strengthening the quality of fiscal and debt statistics and broadening their coverage under the G20 Data Gaps Initiative.

Real Sector Statistics

The RSS work program supported MCs in strengthening compilation and dissemination of GDP and prices data according to international statistical standards and improving their periodicity. SARTTAC CD supported developing quarterly gross domestic product (GDP) statistics (Bangladesh and Bhutan) and monthly indicators of economic growth (Maldives); developing GDP rebasing (Bhutan and Maldives) and improving of the quality and consistency of national accounts (Nepal); strengthening institutional sectoral accounts (Sri Lanka); and improving PPI (India). Furthermore, regional courses were delivered under the RSS program, including on the compilation of national accounts, inputs and output tables, monthly indicators of economic growth and property price indexes, and on international trade goods and services.

Monetary and Foreign Exchange Operations

The MONOPS program supported MCs in strengthening and modernizing monetary policy operations across, developing FX markets and strengthening foreign reserve management. Thus, SARTTAC CD supported strengthening the monetary policy framework towards the adoption of an interest corridor system (Bangladesh); strengthening liquidity management (Sri Lanka); collateral framework and FX market development and strengthening reserve management in (Nepal and in Bhutan). Regional specialized



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training courses were also delivered under the MONOPs program, including on monetary policy implementation and liquidity forecasting were delivered (jointly with CDOT).

Financial Sector Supervision and Regulation

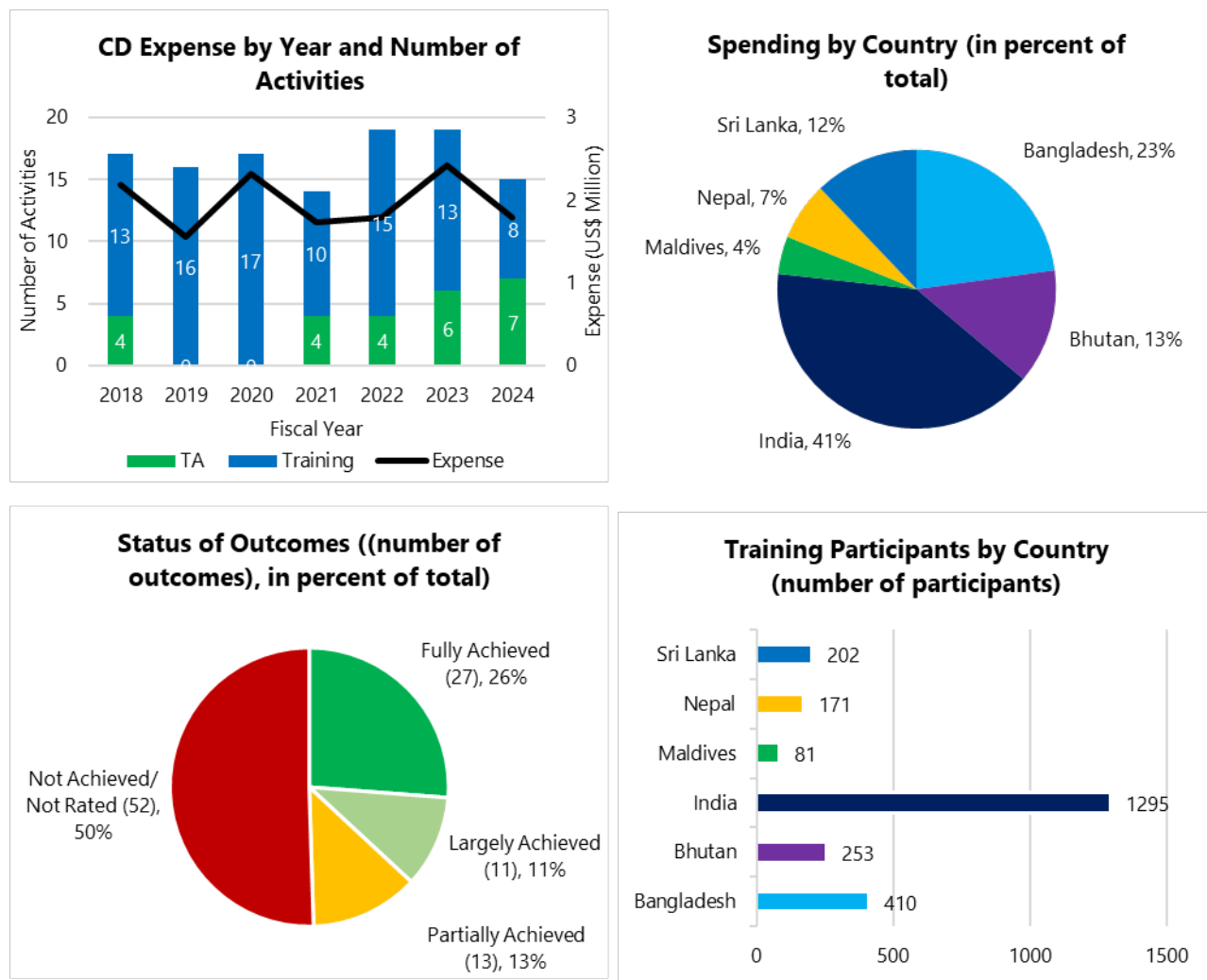
The FSR program supported MCs in strengthening regulation and supervision of their banking and non-banking sectors. The overarching goal was to foster the convergence and harmonization of regulations and supervisory practices with international standards and best practices, using a country-tailored approach. CD supported refining, strengthening, and implementing regulations relating to asset classification, corporate governance, liquidity and International Financial Reporting Standards (IFRS) 9, notably on the expected credit loss regime of provisioning. CD supported the implementation of Risk-Based Supervision (Bangladesh); strengthening supervisory capacity (Bhutan) and on-site supervision (Maldives). Regional training courses on selected banking supervision topics was delivered under the FSR program and customized training on supervisory issues was provided to the RBI in collaboration with the College of Supervisors and Training Academy.



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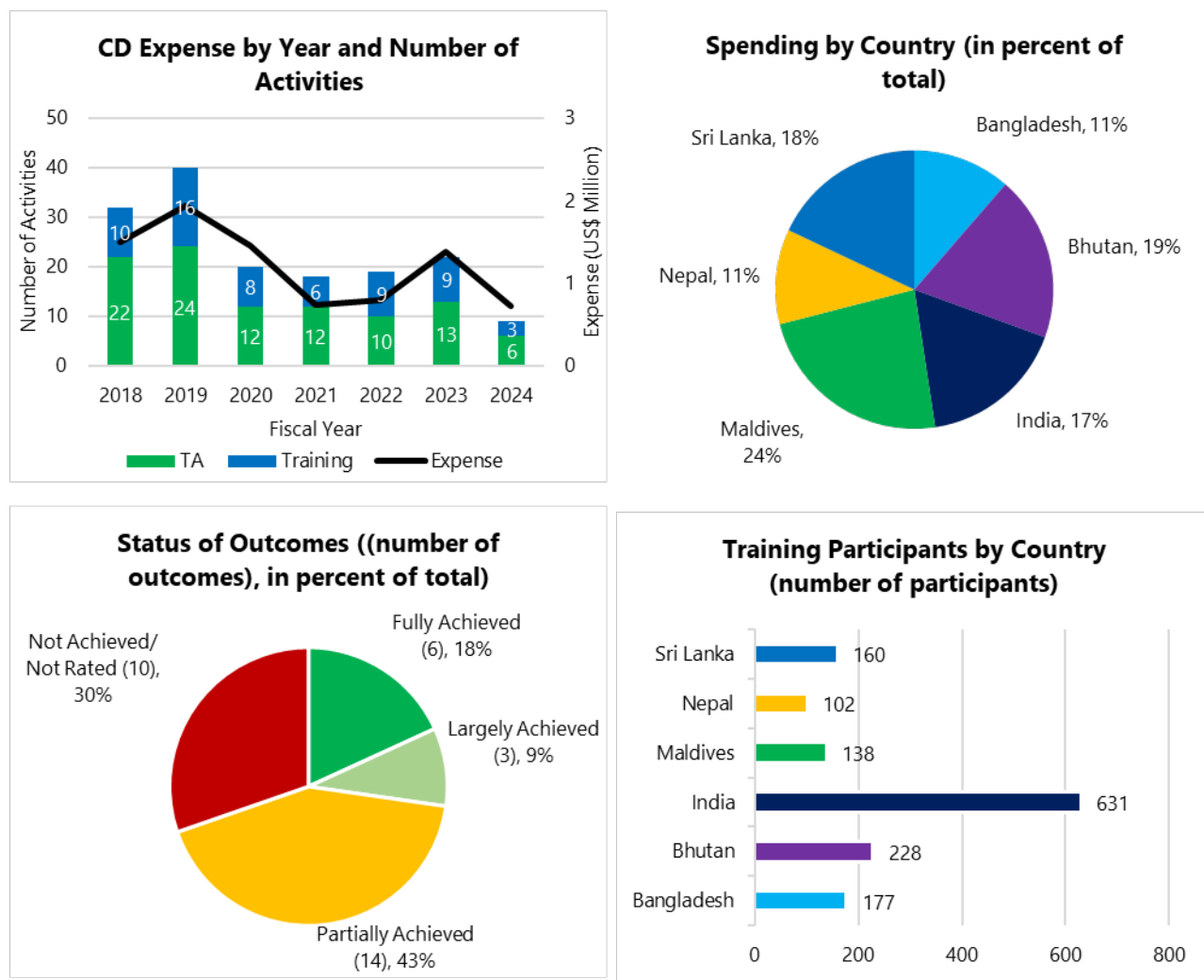
Figure 5: Macroeconomic Analysis and Training: Phase I Performance Indicators



Data for FY24 covers the period of May-November 2023 to reflect Phase I.



Figure 6 : Revenue Administration: Phase I Performance Indicators



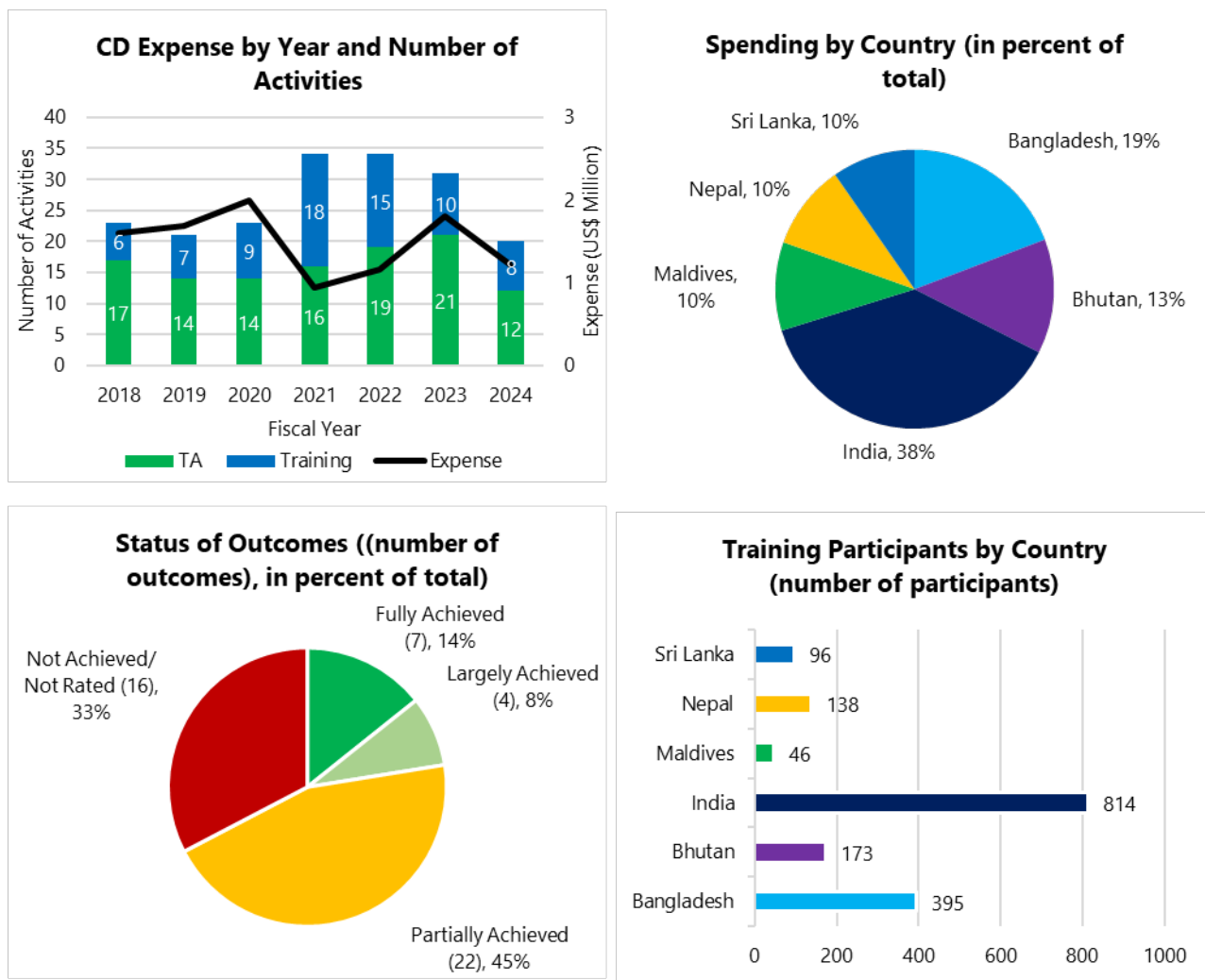
Data for FY24 covers the period of May-November 2023 to reflect Phase I.



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Figure 7: Public Financial Management: Phase I Performance Indicators



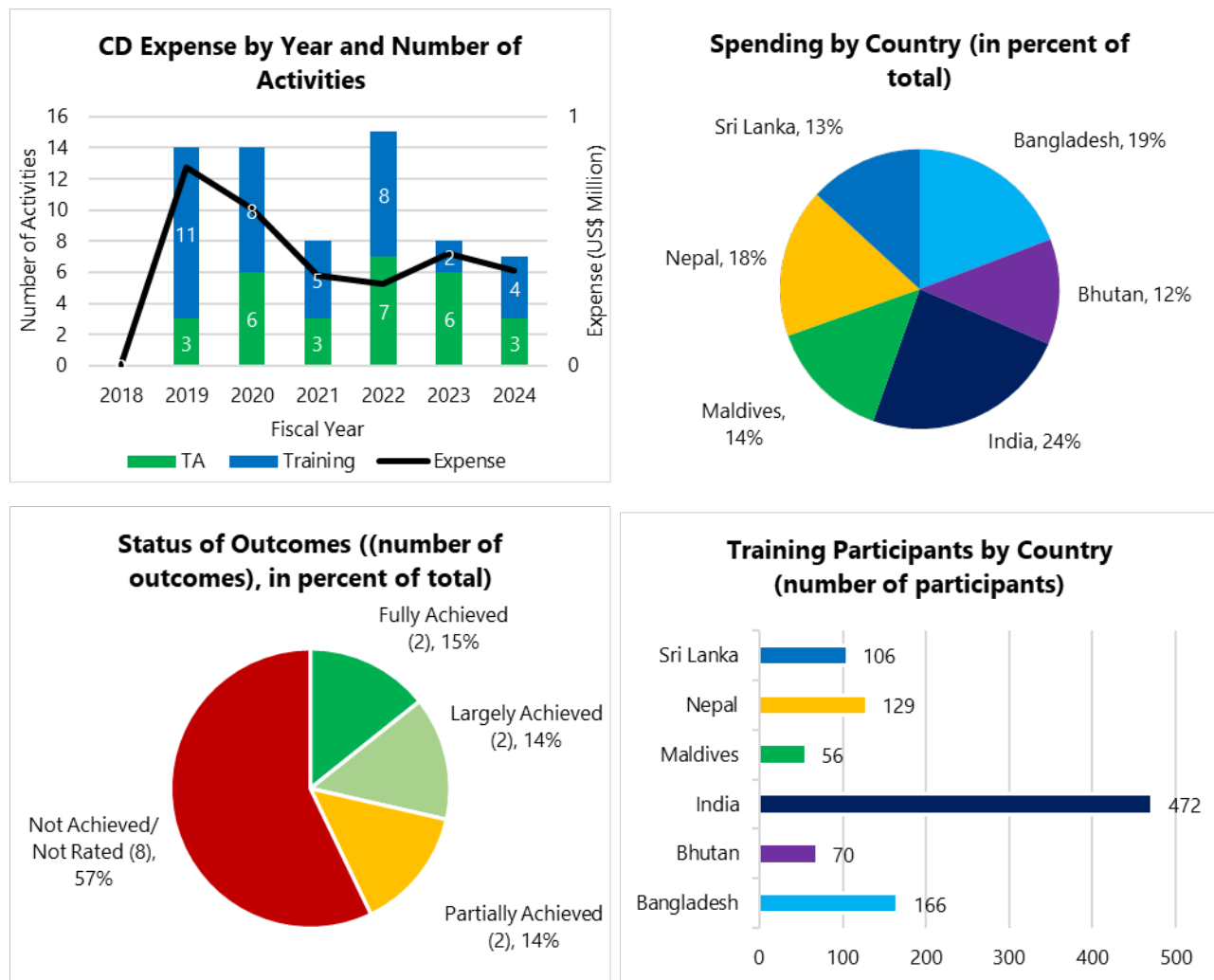
Data for FY24 covers the period of May-November 2023 to reflect Phase I.



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Figure 8: Government Finance Statistics and Public Sector Debt Statistics: Phase I Performance Indicators



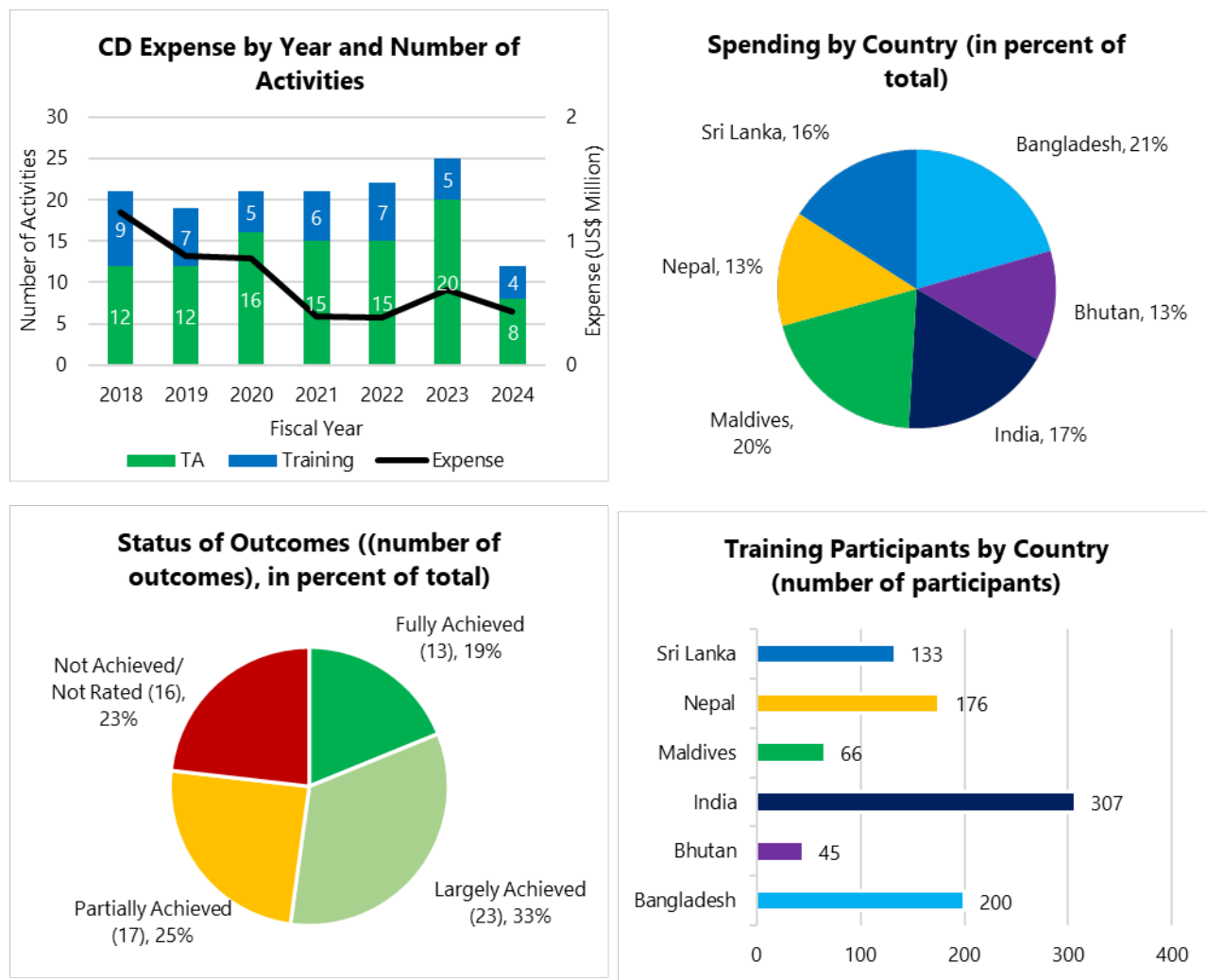
Data for FY24 covers the period of May-November 2023 to reflect Phase I.



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Figure 9: Real Sector Statistics: Phase I Performance Indicators



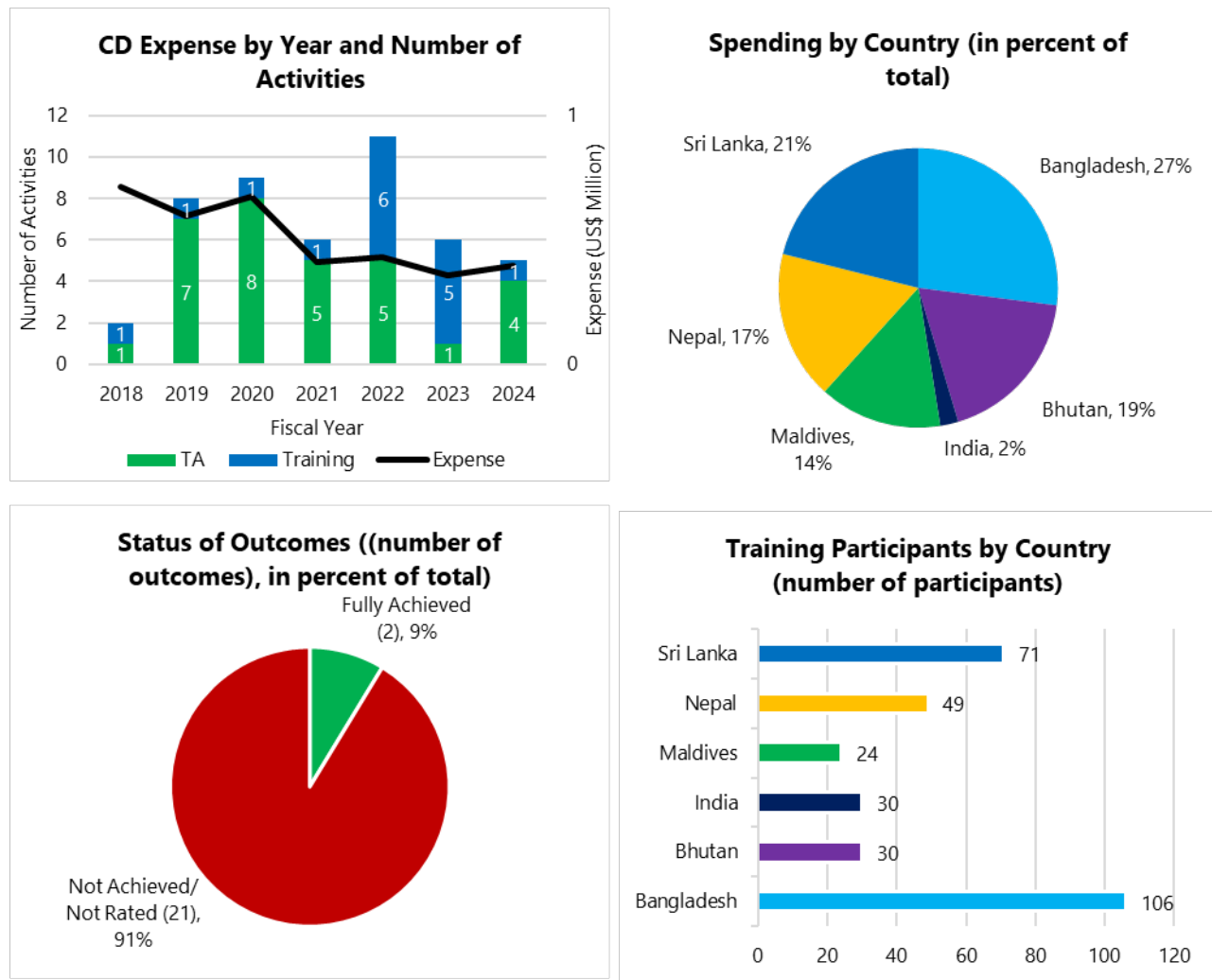
Data for FY24 covers the period of May-November 2023 to reflect Phase I.



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Figure 10: Monetary and Foreign Exchange Operations: Phase I Performance Indicators



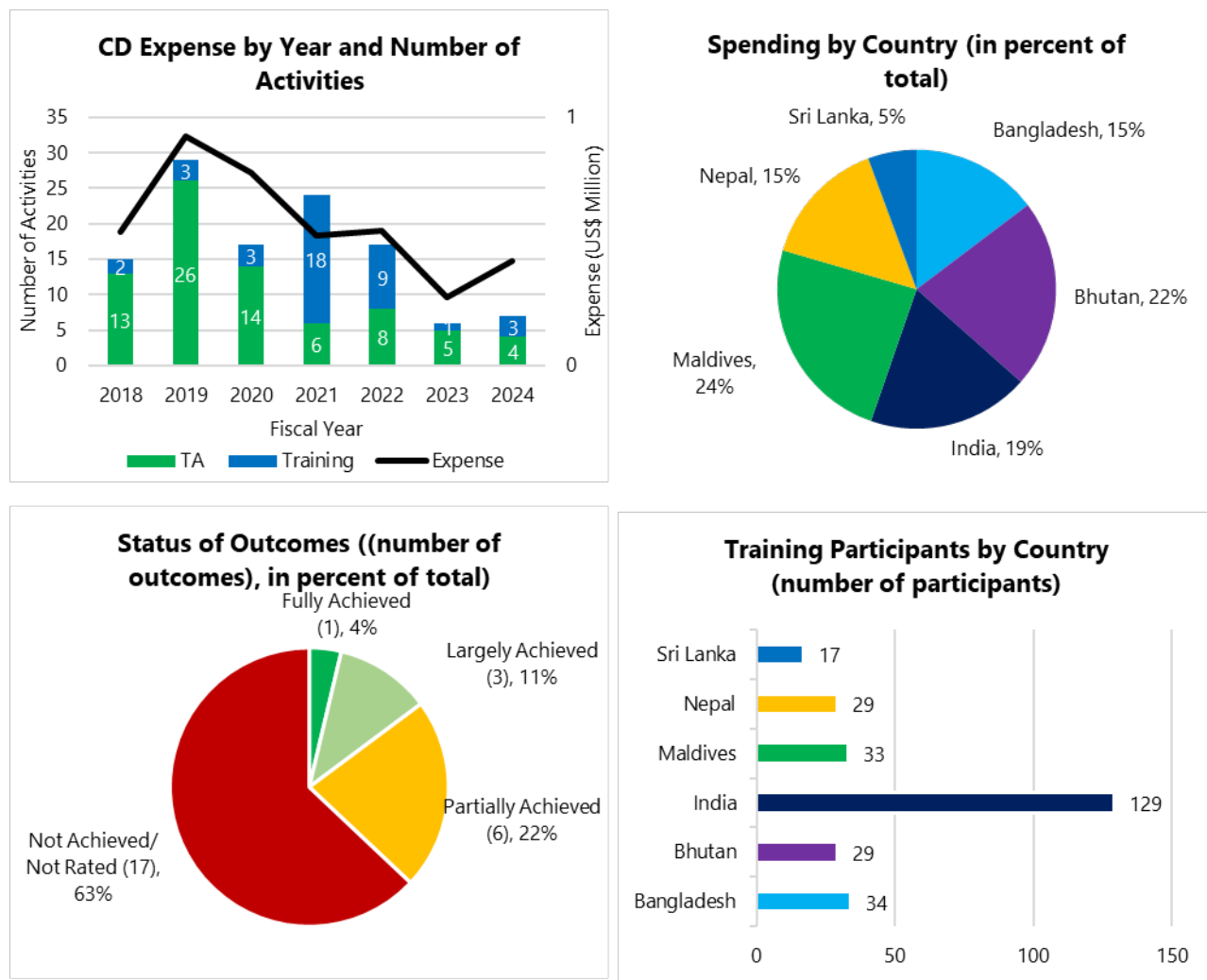
Data for FY24 covers the period of May-November 2023 to reflect Phase I.



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Figure 11: Financial Sector Supervision and Regulation: Phase I Performance Indicators



Data for FY24 covers the period of May-November 2023 to reflect Phase I.



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SECTION II: SOUTH ASIA: RECENT MACROECONOMIC DEVELOPMENTS AND OUTLOOK

11. South Asia, home to over 1.7 billion people, is one of the world's most economically dynamic regions. Over the past three decades, countries in the region have implemented a range of economic reforms to foster private sector development, embracing trade and taking advantage of economic integration, and attracting foreign direct investment (FDI). Fast economic growth in the region, led by India, has contributed to significantly reduce poverty and increase the region's share of global GDP. Countries in the region are moving towards reaching middle- and high-income status.

Macroeconomic Developments, Outlook, and Challenges

12. The near-term growth outlook for the region is favorable, led by India's strong economic performance. After contracting in most SARTTAC countries during the pandemic, real GDP has recovered to pre-pandemic levels in most South Asian economies. Real GDP growth in the region is expected to remain strong at 4.6 percent in 2024, supported by domestic and external demand, and on the back of India's favorable growth outlook. India is expected to remain the fastest growing economy in the world, with real growth at 7.0 percent in 2024. Inflation has declined in most of the region and is expected to remain on the low side. Following the fiscal response to address the socio-economic impact of the COVID-19 pandemic, fiscal space remains limited for many countries and public debt and debt servicing ratios remain well above pre-pandemic levels. Several SARTTAC MCs - Bangladesh, Nepal and Sri Lanka - are currently implementing IMF-supported programs.

13. Nimble policy management will be needed to steer South Asia's economies in the period ahead and to address key challenges. For many economies, growth-supporting fiscal consolidation is a priority, given high public debt levels and medium-term challenges that will require to create additional fiscal space, such as addressing climate change-related risks and mitigation. As inflation pressures have subsided, room has emerged to reduce interest rates and move to a more neutral monetary policy stance. In this context, preserving domestic monetary stability will be needed—including delaying policy easing if inflation remains above target, but also providing monetary support where core inflation is undesirably low. As lagged effects of past monetary tightening pass through to corporate and household balance sheets, vigilant financial supervision will be important. Against this backdrop, implementing reforms to support revenue mobilization and more efficient public spending, preserving debt sustainability and strengthening public debt management developing sound macroeconomic frameworks, strengthening monetary management and bolstering supervisory capacity are key.

14. Risks to the outlook are tilted to the downside. The main risks for the region include a weaker-than-anticipated external environment, owing to the lagged impact of global monetary tightening, fragmentation of the global economy and escalation of trade tension, increase in food prices due to extreme weather events.



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SECTION III: PRIORITIES AND OBJECTIVES FOR PHASE II

A. SARTTAC PHASE II STRATEGY: KEY ELEMENTS

15. SARTTAC's CD activity in Phase II will support MCs in advancing their economic policies and reform priorities and strengthening institutions to preserve macroeconomic stability and foster inclusive growth. CD will be fully integrated with IMF surveillance and lending operations priorities and rooted in the IMF APD regional CD strategy. CD will be tailored to support MCs with on ongoing IMF program while preserving strong support to surveillance countries. SARTTAC will continue to deliver both training and TA activities, actively integrating and garnering synergies. CD to the region will be provided through training – regional training courses and tailored single-country national training courses - TA missions, desk review support, high-level seminars, webinars and peer-to peer learning through workshops and attachments.

16. CD workstreams will be tailored to address key challenges faced by the region. CD priorities for SARTTAC Phase II, encompassing TA and training, were defined in close consultations with MCs - including through SARTTAC Management country missions to engage with country authorities - APD, and CDDs. Building on the achievements in Phase I, CD will focus on supporting MCs in strengthening their macroeconomic analysis and forecasting ability and tools, fiscal and monetary policy frameworks, mobilizing additional revenue and strengthening PFM, fostering financial stability, and improving data quality and reporting. Furthermore, a new public debt management workstream – fully financed by JSA – will support developing strategies on debt issuance, management, and debt sustainability in selected countries. Engagement at the subnational level with Indian states will be scaled-up. CD activity in transformational areas such as climate, gender and digitalization will be fostered. GFS/PSDS workstream was concluded in April 2024, in view of lower-than-anticipated demand in the region.

17. The distribution of CD across SARTTAC's different workstreams will reflect MCs priorities and demands (Figure 14). In view of the macroeconomic challenges faced by the region (¶14), the largest share of CD spending will be devoted to fiscal-related areas - PFM and RA, followed by macroeconomics analysis and training, and the monetary and financial areas - MONOPS and FSR. Notably, CD spending in macroeconomic analysis and training, MONOPS and FSR will be scaled-up to respond to MCs' growing demand. CD spending on RSS will be strong in view of the need to strengthen data quality in the region to support macroeconomic management.

18. SARTTAC's training curriculum will be revamped to respond evolving MCs needs. New regional training courses on more advanced topics will be delivered. Furthermore, tailored single-country courses will be stepped up to respond to MCs specific needs. In parallel, regional courses deliveries in MCs will be leveraged to foster ownership and peer-to peer learning. Training activities will leverage Fund's online courses and efforts will continue to foster women's participation. Notably:



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- **An extensive set of new regional courses will complement existing courses.** Under the macroeconomic analysis and training project, new courses on sovereign risk and debt sustainability for market access countries and climate in macroeconomic frameworks will complement courses on fiscal policy analysis, central bank digital currencies (CBDCs), and monetary policy. Under the RA workstream, a first-time workshop on strengthening revenue administration for gender equality will complement courses on collection and arrears management, and on effective leadership for revenue administration. Under the PFM program, a new course on cash management and TSA and on FRM will complement training on fiscal risks and cash management, fiscal transparency, and public investment management. Regional training will be stepped-up under the MONOPs program, with new courses (jointly with CDOT) on central bank communication and transparency, emergency liquidity assistance and FX operations will complement courses on monetary policy implementation and liquidity forecasting. Under the FSR program, a first-time regional workshop on IFRS9 and new courses in cyber supervision and climate related prudential risks will complement training on selected supervisory issues. Under the RSS, a first-time regional workshop on compilation of national accounts in Nepal and a new course in and big data/machine learning, complementing training on consumer prices indexes (CPI, institutional sector accounts, ESS.
- **Single-country national training will be scaled-up to respond to MCs demand and new delivery modalities will be implemented to reach a larger number of officials.** New tailored courses on macroeconomic foundations will be delivered to the staff of the Central Bank (CB) and the MOF in Bangladesh, Bhutan, Maldives and Sri Lanka. This will build synergies with ongoing microframework TA projects. Tailored training to India will be scaled-up through: i) a dedicated seminar series for the government officials of the MOF on topical macroeconomic issues; ii) a dedicated seminar series will be delivered to the Ministry of Statistics and Program Implementation (MOSPI); iii) a dedicated macroeconomics module for the RBI and cohorts in the IES and the IAS; iv) training to the Central Board of Direct Taxes of India and the Central Board of Indirect Taxes on selected revenue administration issues; iii) a new customized training on selected fintech issues will be delivered to the RBI; iv) training will be delivered at the sub-national state level in India on selected PFM issues, including a new Green PFM. Bangladesh will continue to benefit from tailored national training on PFM issues.

19. High-level seminars and webinars will be scaled-up to foster training, peer learning and exchange of experiences in the region. During Phase II, high-level seminars and webinars will be conducted on cross-cutting topics, including climate change, digitalization, gender, and selected Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) topics. A new webinar series on macroeconomics and gender (organized jointly with the African Training Institute (ATI) and the Middle East Technical Assistance Center (METAC)) will be delivered. Furthermore, a hybrid regional workshop on strengthening the AML/CFT framework, focusing on the India experience, is planned. High-level seminars on climate change issues, digital money and fiscal operations, and risk-based supervision were conducted.



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20. SARTTAC will collaborate with other IMF RCDCs and CD providers to leverage resources, garner synergies and promote cross-regional learning. SARTTAC will cooperate with other IMF RCDCs, in particular CDOT, Singapore Training Center (STI), ATI, and METAC. Furthermore, SARTTAC will maintain close interactions with other CD providers in South Asia, notably the EU, World Bank, and ADB, with a common focus on PFM, RA, and financial sector. These will foster synergies and avoid CD duplication.

B. PHASE II PRIORITIES BY WORKSTREAM

21. CD priorities under the different workstreams will address MCs' new emerging demands while continuing the engagement on ongoing projects.

Macroeconomic Analysis and Training

The macroeconomic analysis and training program will be anchored by a mix of current and new regional courses aimed at supporting MCs in policy design and implementation and addressing challenges, including in climate, gender, and fintech. Furthermore, national courses tailored to country-specific needs will be scaled-up. Notably, new emerging demands for single-country tailored training courses on macroeconomic foundations will be delivered in Bangladesh, Bhutan, Maldives, Nepal and Sri Lanka to respond to the request of country authorities, supported by APD country teams. In parallel, tailored training to India will continue—a macroeconomics module for the RBI, macroeconomic training to cohorts in the IES and IAS, including for the latter through the Lal Bahadur Shastri National Academy of Administration (LBSNAA). On TA, the hands-on advice and support will continue to focus on development and use of macroeconomic frameworks building on ongoing at the MOF of Bangladesh, the BB and the CBSL.

Revenue Administration

The RA work program will focus on supporting domestic revenue mobilization in MCs, anchored by the country-centric CD plans based on earlier diagnostic missions and TADAT assessments and closely coordinated with CD provided by IMF RA from other CD funding programs and DPs working in each country. Tailored CD will provide support to achieve selected structural benchmarks in program countries. Thus, planned CD will support: i) the development of a compliance improvement plan and the implementation of a Medium and Long-term Revenue Strategy (MLTRS) in Bangladesh; ii) strengthening risk management capacity and developing a change management plan in Bhutan; iii) improving internal audit, revenue mobilization and a taxpayer service strategy to support the MTRS in Maldives; iv) the implementation of a recently-developed domestic RMS in Nepal; and v) strengthening compliance risk management and taxpayer registration in Sri Lanka. Regional workshops and training courses have been planned to respond to MCs reform priorities and emerging areas of CD support. Thus, regional courses on collection and arrears management and on leading and effectively implementing change management are planned, along with a first-time course on revenue administration for gender equality. The training curriculum will also include single-country courses for India on topics suggested by the Central Board of



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Direct Taxes and the Central Board of Indirect Taxes on revenue forecasting and analysis, collection and arrears management, and risk-based audit techniques.

Public Financial Management

The PFM work program will support MCs in strengthening their budgetary frameworks and PIM, managing fiscal risks and modernizing cash and commitment controls. In Phase II, planned CD will focus on: i) strengthening PIM, enhancing cash management and the TSA, and setting-up of a public asset registry in Bangladesh, as key element of the IMF-supported program; ii) refining the CoA and developing a manual to strengthen financial reporting and support enhanced budget credibility and the medium-term budget framework in Bhutan; iii) supporting the reform of SOEs and strengthening budget execution in Maldives; and iv) strengthening commitment controls, fiscal reporting and cash management in Sri Lanka; v) further supporting the preparation of a fiscal risks statement, improving cash forecasting and capital spending execution in Nepal. For India, SARTTAC engagement at the sub-national level with selected Indian states will be scaled-up. Notably, planned CD will support the state of Odisha in conducting a PIMA and Climate-PIMA, implementing key PIMA recommendations, developing a Green PFM reform plan, and strengthening commitment control. Furthermore, it will support the state of Assam in strengthening its MTFF and enhancing fiscal risks management. Further discussions with the India authorities are expected to take place to identify one or two new states for CD engagement. A Green/Climate PFM course is planned to be delivered to India State Governments. National training on key PFM issues will continue to be provided to Bangladesh in collaboration with the IPF. At the regional level, a high-level seminar on digital money and fiscal operations (in collaboration with the IMF Fiscal Affairs Department (FAD)) will be delivered and new courses on cash management and TSA and on FRM are planned.

Real Sector Statistics

The RSS work program will be geared towards supporting MCs in further strengthening compilation and dissemination of GDP data according to international statistical standards and improving their periodicity and updating price indexes. In Phase II, planned CD will focus on supporting: i) strengthening national accounts and developing seasonal adjusted estimates in Bangladesh; ii) developing QGDP estimates and input-output tables in Bhutan; iii) updating PPI and developing a new construction index, developing MIEG and institutional sector accounts in Maldives; iv) updating the PPI, and developing institutional sector accounts in Nepal; and v) developing input output tables, updating CPIs and developing institutional sector accounts in Sri Lanka. For India, targeted training will support strengthening national accounts at the subnational level and TA is planned to strengthen the compilation of financial sector accounts and balance sheets. Furthermore, a dedicated seminar series on selected topic will be delivered to the MOSPI. A wide range of regional workshops and training courses are planned, including new deliveries. A first-time regional workshop on compilation of national accounts will be held in Nepal. In



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addition, courses on CPI, institutional sector accounts, ESS and a new course in big data/machine learning are planned.

Monetary and Foreign Exchange Operations

The MONOPS work program will continue to focus on supporting CBs in the region in modernizing their MONOPS framework. Planned CD will support: i) strengthening FX reserve management and monetary policy implementation in Bhutan; ii) enhancing liquidity management in Maldives; and iii) developing the FX market and establishing a strategic communications framework in Sri Lanka. Furthermore, a wide set of regional courses are planned, including several new course deliveries, jointly with CDOT. This includes new courses on central bank communication and transparency, emergency liquidity assistance and FX operations as well on monetary policy implementation and liquidity forecasting.

Financial Sector Supervision and Regulation

The FSR work program will be geared towards strengthening supervisory capacity as well as supervisory and regulatory frameworks in the region and to achieve international standards and best practices. Planned CD will focus on: i) continuing the ongoing engagement to support the implementation of Risk-Based Supervision at the BB, a key element of IMF-supported program; ii) strengthening banking supervision in Bhutan and Maldives, with a focus on expected credit loss-based provisioning and corporate governance; iii) strengthening banking supervision capacity in Sri Lanka, Maldives and Nepal. For India, a new customized training on selected fintech issues for the RBI is planned. Furthermore, a first-time regional workshop will focus on IFRS9 will be held in Bhutan and a new regional workshop on climate prudential risks will be conducted in Sri Lanka. This will be complemented by a new regional course on cyber supervision. A webinar on climate-related prudential risks is also planned.

Public Debt Management

A new public debt management workstream will start at SARTTAC (March 2024) fully financed by the JSA - covering Sri Lanka and Maldives. Planned CD will support strengthening debt management, developing comprehensive debt management strategies, and establishing effective institutional frameworks and legal structures. It will also focus on improving debt recording, reporting, and monitoring practices, as well as enhancing the functioning and liquidity of local currency bond markets. The focus will be on enhancing transparency and improving the governance of debt management in Sri Lanka and strengthening the legal framework in Maldives for debt management. Furthermore, regional training on medium-term debt management strategy will be provided to all SARTTAC MCs and other regional workshops are envisaged, with funding support from other DPs.



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SECTION IV: GOVERNANCE, RISKS AND RISK MANAGEMENT, OPERATIONS, FINANCIAL MANAGEMENT AND FINANCIAL NEEDS

A. GOVERNANCE

22. The Center is guided by a SC composed of representatives from SARTTAC MCs, DPs and the IMF (Figure 1). The SC provides strategic guidance and helps set SARTTAC's priorities, including endorsing annual workplans and budget and is a vehicle for feedback on CD quality. This model of governance helps in promoting member country ownership, DPs' involvement and ensuring the Center's accountability. The SC meets annually and is chaired by the principal SC representative of the country where the SC takes place. Observers from neighboring countries, regional organizations, interested DPs, or other CD providers may join the SC meeting. Before the COVID-19 pandemic, the SC meetings were held in-person. SARTTAC will continue to capitalize on the hybrid model of the SC meetings during Phase II to facilitate attendance of MCs representatives, IMF and DPs' field offices and senior staff from the IMF headquarters (HQ). An external evaluation of the work of SARTTAC will be carried out by independent experts, mid-way through Phase II (¶135).

23. The Center comprises a Director, a Deputy Director, resident advisors, and support staff. The Center Director is responsible for the overall management of the Center, with strategic guidance from the SC and general oversight from the IMF, including managing day-to-day operations. The Director manages a team of resident advisors, and local staff, oversees delivery of projects, and administers the Center's budget in coordination with CDDs. The Director, in consultation with APD and CDDs, leads the preparation of SARTTAC annual workplan and budget, which is then submitted to the SC for endorsement. The Director oversees the execution of the work program and he/she is in regular contact with country authorities, DPs, and other CD providers in the region to keep them informed about the Center's activities and to facilitate coordination.

24. IMF CDDs are responsible for the training and TA delivered by SARTTAC in the different workstreams. Working in conjunction with Director and resident advisors, they design, approve and direct the CD programs delivered by the resident advisors and short-term experts (STXs) and provide quality control, monitoring, backstopping, and supervision (¶139).⁴ They lead the drafting of the sectoral workplans in conjunction with the Director and supervise the technical content of the work. In addition, CDDs prepare related Results-based Management (RBM) framework and log frames and monitor activities execution in the Fund's Capacity Development Management and Administration Program (CDMAP).

⁴ Backstopping involves the provision of strategic advice and guidance, including on the annual workplan and CD activities content, implementation support and quality control to resident advisors by designated staff of IMF CDDs based at headquarters.

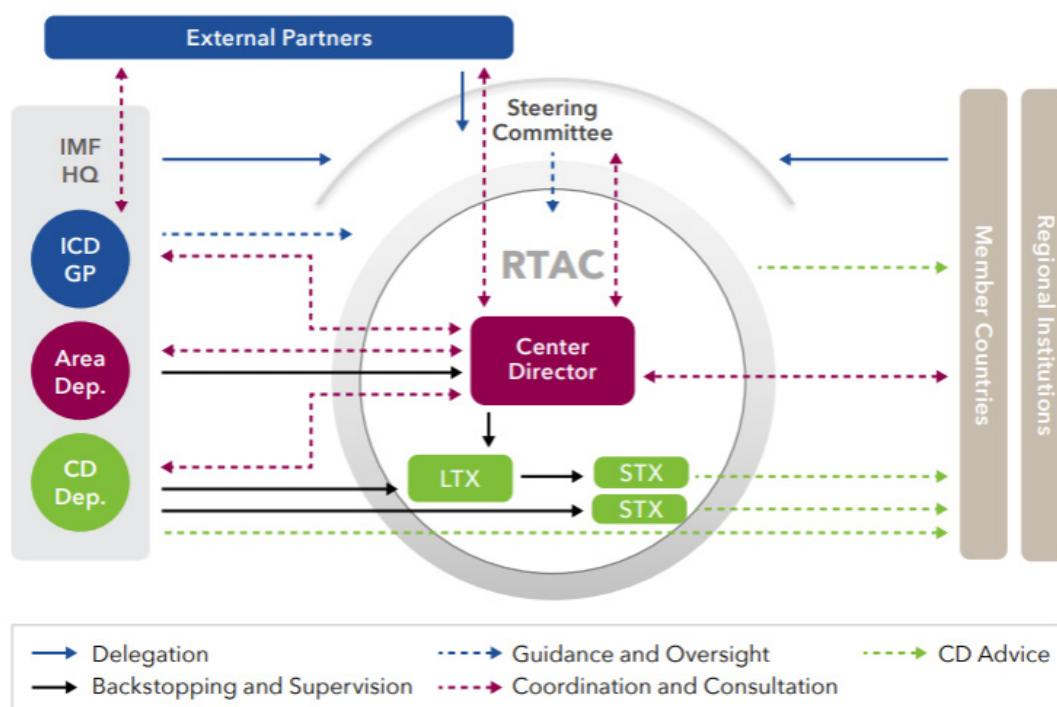


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25. Financial controls and safeguards, technology and quality control are all done at IMF HQ, while work program implementation risks are managed at the level of the Center. SARTTAC is governed by, and administered in accordance with, the provisions of the IMF's Framework Administered Account for Selected Fund Activities (the "SFA Instrument"), the Essential Terms and Conditions for the administration of the SARTTAC subaccount, and the SARTTAC Program Document. The Center follows the policies, principles, and procedures outlined in the IMF's Regional Technical Assistance Centers' (RTAC) Handbook that sets governance, program management, fundraising, communication, human resource issues, administration, finance, and evaluation of RCDCs.

Figure 12: SARTTAC Governance Structure



Source: IMF 2022 RTAC Handbook



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B. OPERATIONS

DIRECTOR

26. SARTTAC is headed and managed by a Director who is staff member of APD. The Director is selected by APD and IMF Institute for Capacity Development (ICD), in consultation with CDDs. He/she reports to APD and strives to ensure that the work of the Center is consistent with the overall strategy of APD and the IMF and CDD's CD strategies. The Director maintains regular contacts with APD, all relevant CDDs and MCs to identify strategic priorities and country needs. He/she manages day-to-day administrative, travel, budget, reporting, procurement, and accounting operations and ensures that the Center complies with all Fund administrative rules and HR policies.

STAFF

27. SARTTAC staff comprises resident advisors and locally recruited support staff. CDDs, in consultation with the Director, select and hire SARTTAC resident advisors through external international advertisements and provide them with the required support and backstopping to ensure quality and consistency in their advice and activities. The transparency of the recruitment process is ensured by regular reports to the SC. Resident advisors are responsible for hiring STXs for peripatetic assignments, who are backstopped by the resident advisors. In all recruitment of experts, due consideration is given to qualified candidates from the region. Support staff positions are filled regionally. They are selected and managed by APD and the Center director, with the support of HRD.

WORKPLAN

28. The Director leads SARTTAC's annual workplan, in consultation with MCs and within the context of the IMF's CD prioritization processes set in APD Regional Strategy note and broader IMF CD resource allocation. The annual workplan is rooted in each MC's economic policies and reforms strategy and CD priority needs, identified through the continuous dialogue between the IMF and MCs. On this basis, a detailed country-tailored CD programs is formulated jointly by SARTTAC and IMF HQ. This ensures that CD activities are integrated with each other and with each country's reform agenda. The development of the annual work plan is also coordinated with the IMF budget cycle and resource allocation process to ensure timely and predictable delivery of planned CD. The draft annual workplan is presented at the annual SC meeting for endorsement to ensure members' buy-in as well as accountability.



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29. SARTTAC 's workplan consists of training and TA activities to MCs. This includes regional training courses and workshops, tailored single country national training, high-level seminars, webinars, attachments, TA missions, and desk review support. The Center Director seeks strategic guidance from SC members on the workplan including by asking them to send their requests for CD needs, prior to seeking their formal endorsement. At each SC meeting, the Director presents a monitoring report on the progress of the activities outlined in the workplan and lays out, in consultation with the chairperson of the SC, selected issues for discussion.

30. It is a core objective of SARTTAC that the activities of the Center reflect the ownership and commitment of its members. The IMF's CD activities are driven by demand from its MCs. Their planning and implementation require the full involvement and buy-in of beneficiary countries to ensure effectiveness and sustainability of the CD delivered. Inputs from beneficiary countries will be sought at various stages of work planning and operations of SARTTAC: during surveillance ("Article IV Consultations") programs and diagnostic CD missions that inform the CD planning process by APD and CDC departments in their preparation of CD strategies, and through the input and oversight of SARTTAC's SC.

31. The delivery of CD is carefully coordinated with other IMF multi-partner vehicles. These include the IMF Data for Decisions Fund (D4D), the Financial Sector Stability Fund (FSSF), Thematic Trust Fund on AML/CFT, and the Tax Administration Diagnostic Assessment Tool (TADAT). In addition, collaboration with external (non-Fund) facilities is also pursued to bring complementarity and synergies with SARTTAC's activities and help avoid overlap of CD provided.

INTEGRATION OF SARTTAC CD WITH IMF SURVEILLANCE AND PROGRAM PRIORITIES

32. SARTTAC workplans are demand-driven and reflect the surveillance or program priorities that are identified by APD country teams. APD country teams and SARTTAC LTXs identify CD priorities arising from their respective interactions with MCs. To foster the integration of SARTTAC CD with the IMF program and surveillance priorities, the LTXs and all the relevant APD country teams meet to discuss countries' priority needs and reach agreement on SARTTAC work plan. In addition, APD country teams and SARTTAC LTXs debrief each other on each program mission.

COORDINATION WITH DEVELOPMENT PARTNERS AND OTHER CD PROVIDERS

33. Close coordination and consultation with all DPs and CD providers will continue during Phase II. The DPs will continue to play a pivotal role in the Centre's contribution to CD in the region. They work with the Centre to ensure that its priorities are aligned to support the broad objective of economic growth, poverty reduction, and climate resilience in South Asia. They participate in Centre's SC meetings when they review its work program and results and endorse the work plans and budgets. They provide feedback on strategic CD issues such as strengthening collaboration with CD recipients and improving RBM. The Centre will continue to engage with them on a regular basis to discuss topical issues such as



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climate resilience, incorporating gender equality in CD, financial innovation, and digitalization.

ACCOUNTABILITY, MONITORING AND EVALUATION

34. SARTTAC is designed and operated to ensure that CD is delivered in a responsive and accountable manner to the recipient countries. SARTTAC maintains the high-quality standards that are expected of IMF CD. Monitoring against pre-set objectives and outputs will contribute to timely and effective CD. SARTTAC will use the RBM framework to monitor and track the progress of CD projects and activities in each country against pre-set objectives and outputs. The RBM provides consistency, coherence and predictability in the planning and execution of SARTTAC CD and contributes to strengthen CD effectiveness. Furthermore, SARTTAC will continue to use the Capacity Development and Administration Program (CDMAP) to monitor and report on project progress and status of outcomes through verifiable indicators and milestones.

35. As in the previous phase, a mid-term external evaluation of SARTTAC's activities will be carried out by independent experts during Phase II. This external evaluation will focus on the effectiveness and impact of SARTTAC's CD activities and sustainability. The external evaluation will be based on the IMF's RBM catalog, which sets out the objectives and expected results and allows for better monitoring of activities in the medium term.

36. The SC provides a key forum for accountability. MCs can provide immediate feedback and recommendations on the planned workplan as well as the quality and effectiveness of CD deliver. All SC members receive the required information that allows them to guide SARTTAC's work.

37. The IMF provides internal institutional support to ensure accountability and consistency in CD delivery. The combined responsibilities of the IMF Committee on Capacity Building, APD and the CDDs provide the institutional framework for CD project delivery in the field. All projects, whether internally or externally financed, whether delivered by IMF HQ or by the IMF regional centers, are supported by this framework.

38. The IMF's CD information dissemination policy⁵ will guide SARTTAC in sharing TA reports to foster accountability and coordination. Under the policy, TA reports may be shared with the SC members with consent of the TA recipient on a no-objection basis (after 30 days from initial request), and on the understanding that such information shall be kept confidential. Sharing of TA reports with non-SC DPs will be determined on a case-by-case based on whether the requesting institution has a legitimate interest in the TA report, for example through its engagement in related activities in the beneficiary country. TA reports will be published with the explicit consent of the TA recipient, which is encouraged to maximize transparency. High-level summaries of strategic CD output will be published unless the recipient authorities expressly object within 30 days from the initial transmittal. Recipient consent is

⁵ See <https://www.imf.org/en/Publications/Policy-Papers/Issues/2022/04/25/Staff-Operational-Guidance-on-The-Dissemination-of-Capacity-Development-Information-517227>



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assumed for sharing country specific RBM data with financing partners and the Board, unless otherwise stated by the recipient. Explicit recipient consent will be obtained before country specific RBM data are published.

QUALITY CONTROL

39. Maintaining the quality of CD delivered by SARTTAC is the responsibility of the IMF HQ and SARTTAC. The IMF HQ backstops SARTTAC resident advisors. CDDs discuss with resident advisors the objectives and outcomes of each mission with a view to ensuring CD effectiveness and proper sequencing in building capacity in beneficiary countries. CDDs provide supervision and support throughout the assignments of resident advisors. In addition, STXs are backstopped by resident advisors. CD departments review and authorize the TA reports produced by resident advisors and STXs.

VISIBILITY OF DEVELOPMENT PARTNERS

40. DPs will be systematically recognized, with acknowledgement in publications and featured outreach outlets (145). To ensure partner visibility, SARTTAC uses the standardized logos of DPs in all communication materials, including published reports and the certificates of course completion. The support of SARTTAC partners will also be featured in virtual meeting backgrounds featuring the flags/logos of its members and partners.

C. FINANCIAL MANAGEMENT

41. Contributions from DPs and beneficiary countries will be made into the SARTTAC Subaccount under the IMF's Framework Administered Account for SFA.⁶ The Subaccount will be used to receive and disburse financial contributions for the Center's activities. All resources contributed to the Subaccount will be for the sole use of SARTTAC. The IMF provides DPs and MCs with reports on the Subaccount's expenditures, liquidity and commitments through a secure external gateway ([PartnersConnect](#)). Financial reporting on the execution of the Center's budget will be provided at each SC meeting. Costs will be on an actual basis⁷. The operations and transactions conducted through the Subaccount during the financial year of the IMF will be audited as part of the IMF's Framework Administered Account for SFA. SARTTAC is also subject to audits by the IMF's internal audit office. As an IMF office, SARTTAC complies with IMF procurement practices and other applicable IMF policies, practices, and procedures.

42. The basis for the financial arrangements between the IMF and SARTTAC MCs and the IMF and SARTTAC DPs will be Letters of Understanding. These will establish the purposes of the contributions related to this program document and subject to the terms and conditions of the Subaccount and the SFA Framework Instrument.

⁶ See <http://www.imf.org/external/np/pp/eng/2009/030409.pdf>

⁷ See <http://www.imf.org/external/np/pp/eng/2008/040308a.pdf>



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D. RESOURCE NEEDS AND FINANCIAL STABILITY

43. A scaled-up budget will support SARTTAC's Phase II of operations. A Phase II budget of US\$80 million was endorsed at the Eight SC Meeting held on July 31, 2024. This represents a significant increase from financial contributions of US\$64.8 million received in Phase I (Table 1) and it is anchored by India's financial commitment of US\$50 million for Phase II (from US\$32.8 million in Phase I). India is building a new facility for SARTTAC in Delhi (a training/office building and a hostel wing), to be completed by end-2025. Due to the one-off fitting out costs (estimated at about US\$10 million over FY24-26) and higher operational costs of the new SARTTAC facility – which were not anticipated when the strategy note for Phase II was circulated – administrative costs will sharply pick-up over Phase II, currently budgeted at US\$25.3 million. The envisaged relocation of the IMF Resident Representative Office for India to the new facility will reinforce synergies and help reduce some of the fitting out costs and operational costs. In view of the need to cover these costs, CD spending is budgeted at about US\$46.6 million in Phase II, just slightly higher than in Phase I (US\$45.6 million), which will allow to maintain CD delivery to the region broadly in line with Phase I. This will support the implementation of Phase II priorities (T21), the continuation of SARTTAC's current CD workstreams, stepping-up activity in emerging and transformational areas such as climate, gender and digitalization, providing tailored CD to program countries while ensuring to maintain strong engagement with surveillance countries in the region, scaling-up tailored national training, and scaling-up the engagement at the subnational level with Indian states.⁸ Furthermore, a strategic budget reserve of about US\$2.4 million is budgeted to provide a buffer for additional new CD demands from MCs. The distribution of resources across CD programs will be broadly similar to Phase I. A strategic budget reserve of about US\$2.4 million is set to provide a buffer for additional new CD demands from MCs as well as the implementation of selected CD activities outside SARTTAC established workstreams.

44. Fundraising is ongoing to mobilize needed financing for the envisaged US\$80 million Phase II budget. A multi-pronged approach to manage SARTTAC's financial sustainability over Phase II. This is anchored by requests to MCs to provide financial contributions (as done in Phase I) and seeking strategic partnerships with new donors while maintain strong partnership with existing donors. As of end-November 2024, SARTTAC has secured financial contributions and commitments for US\$54.6 million: i) US\$50 million from India; ii) US\$0.1 million from Bhutan; iii) US\$0.1 million from Maldives; iv) US\$1.1 million (AU\$ 1.5 million) from Australia; v) US\$3 million from Korea; and vi) US\$ 0.31 million from the IMF (Table 2). Draft letters of understanding are being discussed with other SARTTAC members. Discussions are advanced with the EU and USAID for a possible financial contribution and avenues with new DPs are being explored.

⁸ The new Public Debt Management workstream is fully financed by the JSA and, as such, not included in Phase II budget of US\$80 million.



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45. As developing human and institutional capacity is a long-term process, SARTTAC's activities and resource needs are expected to continue beyond Phase II and address MCs evolving needs. CD delivery in Phase II, outcomes and lessons will inform SARTTAC's successive phases of operations.

Table 1: SARTTAC Phase II Budget: December 1, 2023-April 30, 2029¹

Activity	Budget (Million USD)
Macroeconomics Analysis and Training	16.3
Revenue Administration	7.1
Public Financial Management	11.1
Real Sector Statistics	4.3
Monetary and Foreign Exchange Operations	3.2
Financial Sector Supervision and Regulation	4.1
Government Finance Statistics and Public Sector Debt Statistics ²	0.2
Legal Frameworks and Financial Integrity ³	0.1
CD Total	46.6
Administrative Project ⁴	25.7
Governance and Evaluation	0.1
Strategic Budget Reserve	2.4
Sub Total	74.8
Trust Fund Management fee (7 %) ⁵	5.2
Total	80.0

¹ Phase II budget as approved by the SC during IMF SARTTAC's Eight Annual SC Meeting held on July 31, 2024.

² Government Finance Statistics and Public Sector Debt Statistics program was discontinued at end-FY24.

³ This represents the budget allocation for the delivery of a standalone training on AML/CFT issues during January 8-12, 2024. SARTTAC does not have a workstream on Legal Frameworks and Financial Integrity.

⁴ The Administrative Project budgetary allocation covers the Center's operational costs over Phase II. This includes local staff personnel costs, utilities, sundries, leasing and facilities costs, and fitting-out costs of the new SARTTAC facility in New Delhi.

⁵ Trust Fund Management budgetary allocation covers the anticipated costs incurred by the IMF in managing and overseeing external funds. This is calculated as 7 percent of the overall expenses.

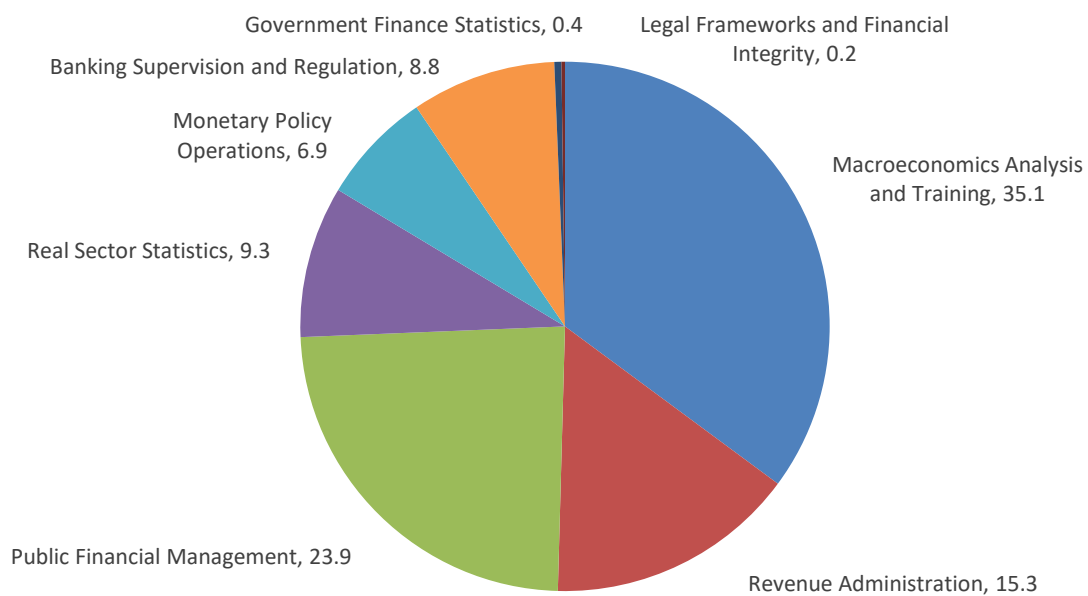


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Figure 13: Phase II Capacity Development Budget by Workstreams

(as share of total CD spending)





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Table 2: SARTTAC Financial Contributions—Baseline

Partners/Members	Phase II					Phase I
	Agreement/Amendment Information ¹			Contribution Received		Contributions Received
	Currency	Amount	U.S. Dollars	Amount	U.S. Dollars	U.S. Dollars
Partners			6,305,833		3,653,850	21,759,256
Australia	AUD	1,500,000	1,073,192	500,000	653,850	2,522,165
European Union	EUR	2,000,000	2,232,641	-	-	11,112,511
Korea	USD	3,000,000	3,000,000		3,000,000	5,000,000
United Kingdom	USD					3,124,580
Members			200,000		75,000	10,200,000
Bangladesh	USD					3,000,000
Bhutan	USD	100,000	100,000	50,000	50,000	100,000
Maldives	USD	100,000	100,000	25,000	25,000	100,000
Nepal	USD					2,000,000
Sri Lanka	USD					5,000,000
Partners and Members Total			6,505,833		3,728,850	31,959,256
Internal Transfers²						
COVID19 Initiative	USD					45,000
Internal Transfers Total						45,000
Host Country and IMF						
Host Country (India)	USD	50,000,000	50,000,000		25,000,000	32,800,000
IMF	USD		318,884			
Host Country and IMF Total			50,318,884		25,000,000	32,800,000
Grand Total			56,824,717		28,728,850	64,804,256
Program Document Budget			80,000,000			
			-23,175,283			

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

² Refers to a transfer from the IMF COVID-19 Crisis Capacity Development Initiative (CCCDI) to SARTTAC.



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E. OUTREACH AND VISIBILITY

46. The Director leads the planning and execution of SARTTAC outreach activities. Under Phase II outreach activities to key stakeholders will be scaled-up to increase the visibility of SARTTAC's CD and related outcomes and highlight the support of its DPs. Notably, debriefs to DPs will be increased and communication on upcoming country mission will be scaled-up. Collaboration with IMF headquarters communications services will be enhanced. In addition, existing outreach tools will be further leveraged:

- **SARTTAC Website.** The website will be revamped to feature upcoming CD activities and key events, published TA reports, program documents, annual reports, quarterly newsletters, and independent evaluations. All DPs and members are acknowledged on the home page.
- **The quarterly newsletter.** It is posted on the website and its dissemination via email will be scaled-up, including to country representatives, the SC and key stakeholders. The Centre uses this publication to provide stakeholders with updates on TA and training activities, highlight key CD activities and outcomes, and upcoming events.
- **The annual report.** The annual report will be published on the website and disseminated via email to all members and DPs.
- **Social Media.** Posting on SARTTAC X (former Twitter) and Facebook pages will be scaled-up, featuring highlights of TA missions, trainings, and meetings with DPs. A linked in account will also be established to increase visibility. SARTTAC-related content will also be cross-promoted via IMF HQ-led accounts such as the Twitter and Facebook accounts of ICD for greater outreach.

F. RISKS AND RISK MANAGEMENT

47. Potential risks to SARTTAC Phase II program rest on:

- **Financing risks.** Several MCs are currently facing financial strains which are likely to impair their ability to provide financial contributions in Phase II. Some DPs have also reduced their contributions for Phase II (compared to Phase I). Risks exists of a funding shortfall for Phase II, which could lead to the need to scale back SARTTAC CD activities delivery to the region and increase the use of virtual modalities for CD delivery.
- **Economic and political risks.** Economic and political shocks in MCs could lead to increased CD demand and rapid changes in MCs CD priorities. This could also lead to higher turnover of senior policymakers, limiting countries' ownership on CD recommendations.
- **Implementation risks.** Constraints in CD absorption capacity and high staff turnover could reduce the effectiveness of SARTTAC's CD to the region.



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48. Mitigating factors are being put in place to manage these risks:

- **Active fundraising.** Financial sustainability considerations have been incorporated into the strategy for Phase II. Active fundraising is ongoing, anchored by a constructive dialogue with MCs, maintaining strong partnership with existing donors, and seeking strategic partnerships with new donors.
- **Continuous dialogue with main stakeholders.** Maintaining an ongoing dialogue with MCs, APD country teams, resident representatives, CDDs, and DPs will allow to identify changes in CD demand and prioritize and allocate resources.
- **Adaptability.** Remaining attuned to MCs needs and regularly re-assessing the workplan will support addressing changing priorities. In this context, the planned strategic budget reserve in Phase II budget will provide some buffers and resources to respond to new or changed CD demands.

ANNEXES

Annex 1: Log Frames for Phase II

Strategic Objective	Outcome (s)	Verifiable Indicators	BGD	BTN	IND	MDV	NPL	LKA	Regional
Macroeconomics									
Better macroeconomic forecasting and analysis feeds into economic policy process	Improved skills for macroeconomic policy analysis and forecasting		•	•	•	•		•	
	Macroeconomic projections and policy analyses integrated in the policy process		•	•	•				
	A fully operational Macroeconomic Projection Tool(s) / Simulation Tools(s) (MPT)			•					
	Transparency and policy credibility improved through better communication			•					



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Strategic Objective	Outcome (s)	Verifiable Indicators	BGD	BTN	IND	MDV	NPL	LKA	Regional
Develop capacity in macroeconomic forecasting and policy analysis to support policy decision making and communications - MFR	Authorities have a baseline understanding of their existing forecasting and analytical capabilities and opportunities for improvement	(1) Relevant staff have successfully completed agreed training delivered via various modalities (online, classroom courses, workshops) (2) A user manual on MPT and other auxiliary models and tools is prepared, and is readily available to all staff (3) MPT is developed in the form of an Excel-based macroeconomic framework for forecasting and policy analysis, respecting accounting relationships (4) Diagnostic/scoping produced an overview of existing (baseline) capacities and opportunities for improvement supported by an action plan and agreed upon key outcomes and deliverables (5) Projection Coordinator assumes official responsibility for coordinating and leading the forecasting activities (6) Analytical framework	•	•	•	•		•	



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Strategic Objective	Outcome (s)	Verifiable Indicators	BGD	BTN	IND	MDV	NPL	LKA	Regional
		centered around the MPT is used to produce medium-term forecasts, scenarios as well as risk and policy analysis (7) Relevant staff demonstrates the capability to independently operate the MPT and other auxiliary analytical models and tools (8) Roles and responsibilities identified/streamlined/clarified within the core forecasting team (9) Periodical analytical reports are published with pre-announced frequency (10) Fully operational near-term forecasting (NTF) models and tools are developed (11) MPT is developed in the form of a core Quarterly Projection Model (QPM) (12) Forecasting team regularly interacts with policymakers (13) Policymaking committee/board demonstrates understanding							

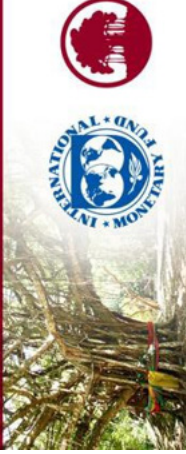
Strategic Objective	Outcome (s)	Verifiable Indicators	BGD	BTN	IND	MDV	NPL	LKA	Regional
		of the structure of the MPT and its core role in the forecasting process (14) A Forecasting Team is created and institutionalized, with Modelling Unit at the core (15) Forecast Calendar is officially adopted and followed (16) Modelling Unit is set up and made solely responsible for operating the MPT (17) A policy strategy document (describing the policy regime, objectives, decision-making process, and instruments) is published (18) Monetary/Fiscal Policy Report is published at least four (4) times a year (19) More than one communication channel is used to inform market participants about policy decisions and underlying assumptions and forecasts (20) Yearly calendar of regular Policymaking							



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Strategic Objective	Outcome (s)	Verifiable Indicators	BGD	BTN	IND	MDV	NPL	LKA	Regional
		committee/board meetings is published in advance							
	Analytical models and forecasting tools are developed and operational							.	
	Decisionmakers understand the structure and function of the MPT, and use staff's MPT-based analysis and forecast in the policy formulation process							.	



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Strategic Objective	Outcome (s)	Verifiable Indicators	BGD	BTN	IND	MDV	NPL	LKA	Regional
	Decision-making process is well-structured, streamlined, and documented, and associated roles and responsibilities are well-defined.							.	
	Improved analytical skills, and better macroeconomic forecasting and policy analysis capacity		.	.		.	.	.	
	Transparency and policy credibility are improved through better external communication of the macroeconomic outlook and related forecasting scenarios and policy analysis							.	
Financial Programming and Policies (FPP) - Better macroeconomic forecasting and policy analysis at the Ministry or at	Improved skills for macroeconomic policy analysis and forecasting	n/a	.	.	.	.		.	



Strategic Objective	Outcome (s)	Verifiable Indicators	BGD	BTN	IND	MDV	NPL	LKA	Regional
governmental agency/agencies feeds into the economic policy process	A fully operational MPT is operational.		•		•				
	The preparation of macroeconomic projections and economic policy analyses is integrated in the economic policy process, supported by better internal cooperation and communication		•		•				
Develop capacity in macroeconomic forecasting and policy analysis to support policy decision making and communications - MEC	Authorities have a baseline understanding of their existing forecasting and analytical capabilities and opportunities for improvement	(1) A user manual on MPT and other auxiliary models and tools is prepared, and is readily available to all staff (2) Centralized forecasting database is established and is linked to the forecasting system (3) Fully operational NTF models and tools are developed (4) Fully operational nowcasting models and tools are developed (5) MPT is developed in the form of a core QPM (6) Diagnostic/scoping	•	•	•	•		•	



Strategic Objective	Outcome (s)	Verifiable Indicators	BGD	BTN	IND	MDV	NPL	LKA	Regional
		produced a baseline workplan of CD engagement, including a tentative timeline for the CD project, indicative schedule for training and TA missions, and expected key outcomes and deliverables (7) Diagnostic/scoping produced an overview of existing (baseline) capacities and opportunities for improvement supported by an action plan and agreed upon key outcomes and deliverables (8) Forecasting team regularly interacts with policymakers (9) Policymaking committee/board demonstrates understanding of the NTF, nowcasting, and other satellite models and their auxiliary role in the forecasting process (10) Policymaking committee/board demonstrates understanding of the structure of the MPT and its core role in the							



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Strategic Objective	Outcome (s)	Verifiable Indicators	BGD	BTN	IND	MDV	NPL	LKA	Regional
		forecasting process (11) A Forecasting Team is created and institutionalized, with Modelling Unit at the core (12) Forecast Calendar is officially adopted and followed (13) Modelling Unit is set up and made solely responsible for operating the MPT (14) Analytical framework centered around the MPT is used to produce medium-term forecasts, scenarios as well as risk and policy analysis (15) Relevant staff demonstrates the capability to independently operate the MPT and other auxiliary analytical models and tools (16) Relevant staff have successfully completed agreed training delivered via various modalities (online, classroom courses, workshops) (17) Roles and responsibilities identified/streamlined/clarified							

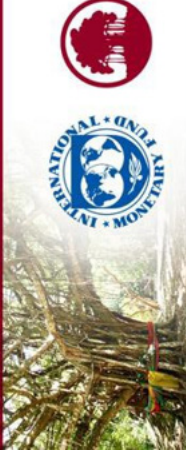
Strategic Objective	Outcome (s)	Verifiable Indicators	BGD	BTN	IND	MDV	NPL	LKA	Regional
		d within the core forecasting team (18) A policy strategy document (describing the policy regime, objectives, decision-making process, and instruments) is published (19) Monetary/Fiscal Policy Report is published at least four (4) times a year (20) More than one communication channel is used to inform market participants about policy decisions and underlying assumptions and forecasts (21) Yearly calendar of regular Policymaking committee/board meetings is published in advance							
	Analytical models and forecasting tools are developed and operational		•						



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Strategic Objective	Outcome (s)	Verifiable Indicators	BGD	BTN	IND	MDV	NPL	LKA	Regional
	Decisionmakers understand the structure and function of the MPT, and use staff's MPT-based analysis and forecast in the policy formulation process		.						
	Decision-making process is well-structured, streamlined, and documented, and associated roles and responsibilities are well-defined.		.						
	Improved analytical skills, and better macroeconomic forecasting and policy analysis capacity		.						



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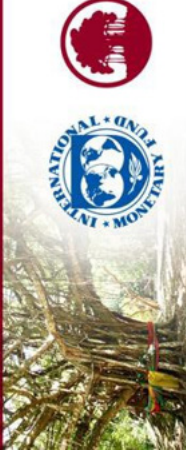
Strategic Objective	Outcome (s)	Verifiable Indicators	BGD	BTN	IND	MDV	NPL	LKA	Regional
	Transparency and policy credibility are improved through better external communication of the macroeconomic outlook and related forecasting scenarios and policy analysis		•						
Developing modeling and analytical capacity, establishing processes and organizational structure of FPAS, and incorporating it into the decision-making process at the Central Bank (CB) - FPS	Authorities have a baseline understanding of their existing MPAF capabilities and opportunities for improvement	Diagnostic or scoping have produced baseline and opportunities for improvement	•					•	
	Economic analysis and forecasting capabilities at the CB are improved							•	
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 demonstrate that they have effectively acquired knowledge and skills at the Absolute Learning level as measured by pre- and post-course test	(1) The percent of participants who acquire 60% or above on the post-course test (Absolute Learning value) (2) Percentage point increase of the average post-test score compared to the average pre-test score (The Learning Gain value) (3) Post-course feedback measured by the end-of-			•				•



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Strategic Objective	Outcome (s)	Verifiable Indicators	BGD	BTN	IND	MDV	NPL	LKA	Regional
		course survey [favorable range 4.4+] reflecting the participants' reaction to (a) the knowledge/skills usefulness for their job; (b) the content relevance to their job; and overall satisfaction with the course.							
	Participants demonstrate that they have effectively acquired knowledge and skills at the Learning Gain level as measured by pre- and post-course test				•				•
	The participants value this training.				•				•
Participants effectively acquire knowledge and skills taught in the Fiscal Policy Analysis (FPA) course. - FPA	Participants demonstrate that they have effectively acquired knowledge and skills at the Absolute Learning level as measured by pre- and post-course test	(1) The percent of participants who acquire 60% or above on the post-course test (Absolute Learning value) (2) Percentage point increase of the average post-test score compared to the average pre-test score (The Learning Gain value) (3) Post-course feedback measured by the end-of-							•



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Strategic Objective	Outcome (s)	Verifiable Indicators	BGD	BTN	IND	MDV	NPL	LKA	Regional
Participants effectively acquire knowledge and skills taught in the Monetary Policy course and use them subsequently on the job or in their interaction with the Fund. - MOP		course survey [favorable range 4.4+] reflecting the participants' reaction to (a) the knowledge/skills usefulness for their job; (b) the content relevance to their job; and overall satisfaction with the course.							
	Participants demonstrate that they have effectively acquired knowledge and skills at the Learning Gain level as measured by pre- and post-course test								•
	The participants value this training.								•
	Participants demonstrate that they have effectively acquired knowledge and skills at the Absolute Learning level as measured by pre- and post-course test	(1) Participants demonstrate that they have effectively acquired knowledge and skills at the Absolute Learning level as measured by pre- and post-course test			•				•
	Participants demonstrate that they have effectively acquired knowledge and skills at the Learning Gain level as measured by pre- and post-course test	(2) Participants demonstrate that they have effectively acquired knowledge and skills at the Learning Gain level as measured by pre- and post-			•				•



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Strategic Objective	Outcome (s)	Verifiable Indicators	BGD	BTN	IND	MDV	NPL	LKA	Regional
	The participants value this training.	course test (3) The participants value this training.			•				•
Develop capacity in macroeconomic forecasting and policy analysis to support policy decision making and communications - GMA	Analytical models and forecasting tools are developed and operational	(1) A user manual on MPT and other auxiliary models and tools is prepared, and is readily available to all staff (2) Fully operational near-term forecasting (NTF) models and tools are developed (3) Fully operational suite of satellite and sectoral tools is developed (4) MPT is developed in the form of a general equilibrium model with mainly adaptive behavior (5) Policymaking committee/board demonstrates understanding of the structure of the MPT and its core role in the forecasting process (6) Analytical framework centered around the MPT is used to produce medium-term forecasts, scenarios as				•			



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Strategic Objective	Outcome (s)	Verifiable Indicators	BGD	BTN	IND	MDV	NPL	LKA	Regional
		well as risk and policy analysis (7) Relevant staff demonstrates the capability to independently operate the MPT and other auxiliary analytical models and tools (8) Roles and responsibilities identified/streamlined/clarified within the core forecasting team							
	Decisionmakers understand the structure and function of the MPT, and use staff's MPT-based analysis and forecast in the policy formulation process					•			
	Improved analytical skills, and better macroeconomic forecasting and policy analysis capacity					•			
Stronger analytical skills and better macroeconomic forecasting and policy analysis at the Ministry CB / or other governmental agency(ies) feeds into the economic policymaking process - MFP	Authorities have a baseline understanding of their existing macroeconomic forecasting, policy analysis and analytical capabilities and opportunities for improvement	Diagnostic or scoping have produced baseline and opportunities for improvement				•		•	



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Strategic Objective	Outcome (s)	Verifiable Indicators	BGD	BTN	IND	MDV	NPL	LKA	Regional
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 demonstrate that they have effectively acquired knowledge and skills at the Absolute Learning level as measured by pre- and post-course test	(1) The percent of participants who acquire 60% or above on the post-course test (Absolute Learning value) (2) Percentage point increase of the average post-test score compared to the average pre-test score (The Learning Gain value) (3) Post-course feedback measured by the end-of-course survey [favorable range 4.4+] reflecting the participants' reaction to (a) the knowledge/skills usefulness for their job; (b) the content relevance to their job; and overall satisfaction with the course.							
	Participants demonstrate that they have effectively acquired knowledge and skills at the Learning Gain level as measured by pre- and post-course test								
	The participants value this training.								



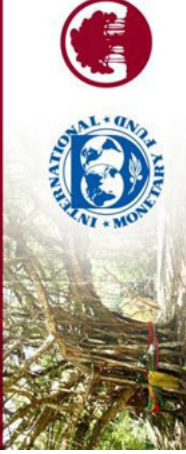
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Strategic Objective	Outcome (s)	Verifiable Indicators	BGD	BTN	IND	MDV	NPL	LKA	Regional
Participants effectively acquire knowledge and skills taught in the Financial Sector Policies (FSP) course and use them subsequently on the job or in their interaction with the Fund. - FSP	Participants demonstrate that they have effectively acquired knowledge and skills at the Absolute Learning level as measured by pre- and post-course test	(1) The percent of participants who acquire 60% or above on the post-course test (Absolute Learning value) (2) Percentage point increase of the average post-test score compared to the average pre-test score (The Learning Gain value) (3) Post-course feedback measured by the end-of-course survey [favorable range 4.4+] reflecting the participants' reaction to (a) the knowledge/skills usefulness for their job; (b) the content relevance to their job; and overall satisfaction with the course.							
	Participants demonstrate that they have effectively acquired knowledge and skills at the Learning Gain level as measured by pre- and post-course test								
	The participants value this training.								



Strategic Objective	Outcome (s)	Verifiable Indicators	BGD	BTN	IND	MDV	NPL	LKA	Regional
Participants effectively acquire knowledge and skills taught in the Financial Sector Surveillance (FSS) course and use them subsequently on the job or in their interaction with the Fund. - FSS	Participants demonstrate that they have effectively acquired knowledge and skills at the Absolute Learning level as measured by pre- and post-course test	(1) The percent of participants who acquire 60% or above on the post-course test (Absolute Learning value) (2) Percentage point increase of the average post-test score compared to the average pre-test score (The Learning Gain value) (3) Post-course feedback measured by the end-of-course survey [favorable range 4.4+] reflecting the participants' reaction to (a) the knowledge/skills usefulness for their job; (b) the content relevance to their job; and overall satisfaction with the course.							
	Participants demonstrate that they have effectively acquired knowledge and skills at the Learning Gain level as measured by pre- and post-course test								
	The participants value this training.								



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Strategic Objective	Outcome (s)	Verifiable Indicators	BGD	BTN	IND	MDV	NPL	LKA	Regional
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 demonstrate that they have effectively acquired knowledge and skills at the Absolute Learning level as measured by pre- and post-course test	(1) The percent of participants who acquire 60% or above on the post-course test (Absolute Learning value) (2) Percentage point increase of the average post-test score compared to the average pre-test score (The Learning Gain value) (3) Post-course feedback measured by the end-of-course survey [favorable range 4.4+] reflecting the participants' reaction to (a) the knowledge/skills usefulness for their job; (b) the content relevance to their job; and overall satisfaction with the course.							
	Participants demonstrate that they have effectively acquired knowledge and skills at the Learning Gain level as measured by pre- and post-course test								
	The participants value this training.								



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Strategic Objective	Outcome (s)	Verifiable Indicators	BGD	BTN	IND	MDV	NPL	LKA	Regional
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 demonstrate that they have effectively acquired knowledge and skills at the Absolute Learning level as measured by pre- and post-course test	(1) The percent of participants who acquire 60% or above on the post-course test (Absolute Learning value) (2) Percentage point increase of the average post-test score compared to the average pre-test score (The Learning Gain value) (3) Post-course feedback measured by the end-of-course survey [favorable range 4.4+] reflecting the participants' reaction to (a) the knowledge/skills usefulness for their job; (b) the content relevance to their job; and overall satisfaction with the course.							
	Participants demonstrate that they have effectively acquired knowledge and skills at the Learning Gain level as measured by pre- and post-course test								
	The participants value this training.								



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Strategic Objective	Outcome (s)	Verifiable Indicators	BGD	BTN	IND	MDV	NPL	LKA	Regional
Revenue Administration									
Improved tax and non-tax revenue policy (SDG 17.1) - TXP	Improved structures and capacity related to tax policy advice and analysis, including organization of tax policy units and building tax models or other tools for analysis and revenue forecasting	Cooperation and information sharing between agencies increased		•					
Strengthen the legal frameworks in: Financial Institutions, Markets, Fiscal and Tax Systems - FFL	Tax Law: The country improves the effectiveness and efficiency of the tax system	New or amended laws are enacted		•					
Strengthened core tax administration functions	Audit and other verification programs more effectively ensure accuracy of reporting	Appropriate range of tax audits and other initiatives used to detect and deter inaccurate reporting and fraud (TADAT 2015 POA6-16/TADAT 2019 POA6-19)				•			
Strengthened core tax administration functions (SDG 17.1) - TAD	A larger proportion of taxpayers meet their filing obligations as required by law	(1) Self-assessment used to declare tax liabilities and strengthened (2) Management of tax arrears improved (TADAT 2015 POA5-15/TADAT 2019 POA5-18) (3) Management of filing compliance improved (TADAT 2019 POA4-13)		•					•



Strategic Objective	Outcome (s)	Verifiable Indicators	BGD	BTN	IND	MDV	NPL	LKA	Regional
		(4) Appropriate range of tax audits and other initiatives used to detect and deter inaccurate reporting and fraud (TADAT 2015 POA6-16/TADAT 2019 POA6-19) (5) Corporate priorities are better managed through effective risk management (6) More accurate and reliable taxpayer information held in centralized database (TADAT POA1-1)							
	A larger proportion of taxpayers meet their payment obligations as required by law			•					•
	Audit and other verification programs more effectively ensure accuracy of reporting			•			•		•
	Taxpayer services initiatives to support voluntary compliance are strengthened			•		•	•		
	The integrity of the taxpayer base and ledger is strengthened			•				•	•
Strengthened revenue administration management and governance arrangements	Capacity to reform increased due to clear reform strategy and strategic management	(1) Reform management capacity strengthened or in place for reform	•		•	•	•		



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Strategic Objective	Outcome (s)	Verifiable Indicators	BGD	BTN	IND	MDV	NPL	LKA	Regional
	framework adopted and institutionalized	(1) implementation, including dedicated resources (2) Support functions and policies strengthened or in place, including infrastructure, finance, legal, research, and communications (3) Key performance indicators established, regularly reported and monitored (4) Strategic and operational plans prepared and adopted (5) New/modernized tax implemented on scheduled date							
	Effective implementation of a new tax or modernized legislation					•			
	Support functions enable more effective delivery of strategy and reforms		•			•	•		
Strengthened revenue administration management and governance arrangements (SDG 17.1) - RAM	Capacity for reform increased due to clear reform strategy and a strategic management framework adopted and institutionalized	(1) Multi-year reform implementation plan, with supporting resource plan, adopted and well communicated (2) Reform management		•			•		



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Strategic Objective	Outcome (s)	Verifiable Indicators	BGD	BTN	IND	MDV	NPL	LKA	Regional
		capacity strengthened or in place for reform implementation, including dedicated resources (3) Improved monitoring and evaluation of compliance risk mitigation activities (TADAT POA2-5) (4) New/modernized tax implemented on scheduled date (5) Strategic and operational plans prepared and adopted (6) Better mitigation of risks through a compliance improvement program (TADAT POA2-4) (7) Improved identification, assessment, ranking and quantification of compliance risks (TADAT POA2-3) (8) Improved ICT strategies and systems to support the tax administration (9) Improved human resources strategies and practices to support the tax administration (TADAT 2019 POA2-7)							



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Strategic Objective	Outcome (s)	Verifiable Indicators	BGD	BTN	IND	MDV	NPL	LKA	Regional
		(10) Clear organizational structure along functional lines and/or taxpayer segments established and operating or strengthened							
	Corporate priorities are better managed through effective risk management		•	•		•	•		
	Effective implementation of a new tax or modernized legislation			•					
	Organizational arrangements enable more effective delivery of strategy and reforms			•		•		•	
	Tax and/or customs laws are updated, simplified, and better aligned with modern standards and international protocols			•					



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Strategic Objective	Outcome (s)	Verifiable Indicators	BGD	BTN	IND	MDV	NPL	LKA	Regional
Improved customs administration functions (SDG 17.1) - CAD	Customs control during the clearance process more effectively ensures accuracy of declarations	(1) A larger share of trade controlled progressively through a properly designed post clearance audit program (2) Effectiveness of the fight against fraud and smuggling increased (3) Cargo clearance times decreased (4) Framework to control special regimes and exemptions strengthened (5) Risk-based control selectivity applied more consistently (6) Rate of physical inspections decreased							
Public Financial Management									
Comprehensive, credible, and policy based budget preparation	A more credible medium-term budget framework is integrated with the annual budget process	(1) Medium-term perspective in budget framework (PEFA PI-16, FTC 2.1.3) (2) Presentation and explanation of medium-term macroeconomic and fiscal forecasts (PEFA PI-14, FTC 2.1.2) (3) Effectiveness, orderliness and timeliness of budget		•	•			•	



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Strategic Objective	Outcome (s)	Verifiable Indicators	BGD	BTN	IND	MDV	NPL	LKA	Regional
		preparation process (PEFA PI-17) (4) Availability, adoption and reporting of fiscal strategy (PEFA PI-15) (5) Transparency and timeliness of transfers to subnational governments (PEFA PI-7) (6) Percentage variation between aggregate expenditure outturn and approved budget (PEFA PI-1) (7) Inclusion of medium-term projections for investments in budget (PEFA PI-1.3, FTC 2.1.4)							
	A more comprehensive and unified annual budget is published				•	•			
	A more credible medium-term macro-fiscal framework that supports budget preparation		•	•	•		•		
	Budget preparation of subnational governments is efficient and transfers to them from central government are timely and governed by a rules-based system.				•				



Strategic Objective	Outcome (s)	Verifiable Indicators	BGD	BTN	IND	MDV	NPL	LKA	Regional
Comprehensive, credible, and policy-based budget preparation - BPR	Information on resources and performance by program is included in budget documentation				•				
	Planning and budgeting for public investments is more credible.						•		
	A more credible medium-term budget framework is integrated with the annual budget process	(1) Percentage variation between revenue outturn and approved budget (Record Score: PEFA PI-3)							
Improved Asset and Liability Management	Cash and debt management are strengthened and better integrated	(1) Timeliness and accuracy of cash forecasting and monitoring (PEFA PI-21.2) (2) Extent of consolidation of cash balances by the Treasury (PEFA PI-21.1) (3) Satisfactory debt management practices, records and controls (PEFA PI-13) (4) Effectiveness and timeliness of cash flow forecasting and cash balance management (DEMPA DPI 11) (5) Timeliness of transfer of collected revenue to the Treasury (PEFA PI-20.2) (6) Timeliness and accuracy of						•	



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Strategic Objective	Outcome (s)	Verifiable Indicators	BGD	BTN	IND	MDV	NPL	LKA	Regional
Improved budget execution and control		cash forecasting and monitoring (Record Score: PEFA PI-21.2)							
	Cash flow forecasts for central government is more accurate and timely		•	•			•	•	
	Disclosure and management of state assets is improved								
	More central government revenues and expenditures are deposited and disbursed through a TSA		•				•	•	
Improved budget execution and control	Appraisal, selection, and implementation of public investments is improved	(1) Coverage and quality of standards and procedures applied in internal audit (PEFA PI-26)	•				•		
	Budget execution and controls are strengthened	(2) Effectiveness of internal controls for non-salary expenditure (PEFA PI-25)	•	•			•	•	
Improved budget execution and control - BEX	Budget execution monitoring and controls are strengthened	Effectiveness of internal controls for non-salary expenditure (Record Score: PEFA PI-25)			•	•			
Improved coverage and quality of fiscal reporting - FRP	Audited annual financial statements are published,	(1) Consistency and comparability of budget							



Strategic Objective	Outcome (s)	Verifiable Indicators	BGD	BTN	IND	MDV	NPL	LKA	Regional
	timely, and scrutinized by parliament	classification with international standards (Record Score: PEFA PI-4, FTC 1.3.1)							
	Comprehensiveness, frequency, and quality of fiscal reports is enhanced	(2) Internal consistency of fiscal reports (Record Score: FTC1.3.2)		•	•			•	
	The CoA and budget classifications are aligned with international standards	(3) Completeness, timeliness and consistency of annual financial reports (Record Score: PEFA PI-29) (4) Comprehensiveness, accuracy and timeliness of in-year budget reports (Record Score: PEFA PI-28)		•		•			
Improved PFM laws and effective institutions	PFM information systems are improved	(1) Comprehensive Financial Management Information System (TSS Indicator - World Bank FMIS Assessment Framework)						•	
	The capacity of MOF to plan, implement and sustain PFM reforms is enhanced	(2) Reformed organizational structure			•				
	The capacity to plan, implement and sustain infrastructure governance reforms is enhanced				•				
Improved PFM laws and effective institutions - BLF	A more comprehensive legal framework covering all stages of the PFM cycle is enacted	(1) Comprehensive PFM legislation (Record Score: FTC2.2.1)				•			
		(2) Diagnostic of PFM systems							



Strategic Objective	Outcome (s)	Verifiable Indicators	BGD	BTN	IND	MDV	NPL	LKA	Regional
Improved Public Investment Management	Implementation of public investment projects is improved to deliver productive and durable public assets	(1) Infrastructure procurement is open, transparent and adequately monitored (Record Score: PIMA11) (2) Project proposals are subject to systematic project appraisal (Record Score: PIMA4) (3) Diagnostic of infrastructure governance framework (PIMA) (4) Effective oversight of implementation of the entire public investment portfolio (Record Score: PIMA13) (5) Medium-term planning for public investments taking account of fiscal sustainability considerations is in place (Record Score: PIMA1)							
	Planning for public investments is strengthened to ensure sustainability		•		•		•		
	Public investments are allocated to the right sectors and projects				•				



Strategic Objective	Outcome (s)	Verifiable Indicators	BGD	BTN	IND	MDV	NPL	LKA	Regional
Strengthened identification, monitoring, and management of fiscal risks	Analysis and presentation of macroeconomic risks are enhanced	Comprehensiveness and timeliness of monitoring and reporting public corporation's fiscal risks (PEFA PI-10.1, FTC 3.3.2)			•		•	•	
	Central fiscal oversight and analysis of public corporation risks are strengthened				•	•	•	•	
	Central fiscal oversight and analysis of sub-national government risks are strengthened						•		
	Presentation and analysis of long-term fiscal sustainability are enhanced.				•	•			
	Risks to assets and liabilities are disclosed and their management is improved				•	•			
Strengthened identification, monitoring, and management of fiscal risks - FRK	Analysis, disclosure and fiscal oversight of public corporation risks are strengthened	Comprehensiveness and timeliness of monitoring and reporting public corporation's fiscal risks (Record Score: PEFA PI-10.1, FTC 3.3.2, PIMA 3.c)				•			
Real Sector Statistics									
Strengthen compilation and dissemination of Balance of Payment / International	Staff capacity increased through training, especially on developing source data,	(1) Average score of the Overall Value section of the post-course survey (2) Percentage point increase							•

Strategic Objective	Outcome (s)	Verifiable Indicators	BGD	BTN	IND	MDV	NPL	LKA	Regional
Investment Position (BOP/IIP) - BOP	compilation methods, and dissemination.	of the average post-test score compared to the average pre-test score							
Strengthen compilation and dissemination of Consumer Price Statistics - CPP	Methodological basis for the statistics follows internationally accepted standards, guidelines, or good practices.	(1) Average score of the Overall Value section of the post-course survey (2) Percentage point increase of the average post-test score compared to the average pre-test score							•
	Staff capacity increased through training, especially on developing source data, compilation methods, and dissemination.	(3) Concepts, definitions, and compilation methods broadly align with, as relevant, the latest Manual or Handbook and follow international best practices							•
Strengthen compilation and dissemination of High Frequency Economic Activity Indicators - HFE	Staff capacity increased through training, especially on developing source data, compilation methods, and dissemination.	(1) Average score of the Overall Value section of the post-course survey (2) Percentage point increase of the average post-test score compared to the average pre-test score							•
		(3) The source data concepts align with the concept being estimated							•



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Strategic Objective	Outcome (s)	Verifiable Indicators	BGD	BTN	IND	MDV	NPL	LKA	Regional
Strengthen compilation and dissemination of Institutional Sector Accounts - ISA	Methodological basis for the statistics follows internationally accepted standards, guidelines, or good practices.	(1) Average score of the Overall Value section of the post-course survey (2) Percentage point increase of the average post-test score compared to the average pre-test score			•	•	•	•	
	Staff capacity increased through training, especially on developing source data, compilation methods, and dissemination.	(3) The sectorization used is in broad conformity with internationally recommended systems. The latest system of national accounts (SNA) is followed to sectorize institutional units (4) The international statistical standards recommended standard dataset is published							•
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	Data are compiled and disseminated using appropriate statistical techniques, including dealing with data sources, and/or assessment and validation of intermediate data and statistical outputs	(1) Best possible methodologies used to comply with 2008 SNA. Issues include: Production approach. Minimal use of fixed ratios Owner-occupied dwellings FISIM Inventories and WIP valuation Vol. measures Exp. components derived independently in sufficient detail (2) The general framework,		•		•	•	•	

Strategic Objective	Outcome (s)	Verifiable Indicators	BGD	BTN	IND	MDV	NPL	LKA	Regional
		concepts and definitions broadly follow the 2008 SNA (3) Intersecretariat Working Group on National Accounts (ISWGNA) recommended tables and accounts: annual supply and use tables (4) National accounts compiled and disseminated on a quarterly or monthly basis. (5) Source data needed to compile annual estimates are comprehensive and reasonably approximate the definitions, scope, classifications, valuation, time of recording required, and timely. (6) The number of staff trained to compile and disseminate these statistics is adequate. (7) Source data to compile periodic benchmark estimates comprehensive, reasonably approximate definitions, scope, classifications, valuation, and time of							



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Strategic Objective	Outcome (s)	Verifiable Indicators	BGD	BTN	IND	MDV	NPL	LKA	Regional
		recording required and timely. Additional data needed to compile supply tables are available. (8) Adequate statistical regulations exist to enable/empower the compiling agency to collect comprehensive source information and safeguard confidential information, through legal requirements and penalties. (9) BOP and/or IIP source data obtained from comprehensive data collection programs, take into account country-specific conditions; data reasonably approximate definitions, scope, classifications, valuation; time of recording required; source data are timely. (10) Specific quarterly compilation techniques used, including: Appropriate benchmarking techniques to ensure consistency between							



Strategic Objective	Outcome (s)	Verifiable Indicators	BGD	BTN	IND	MDV	NPL	LKA	Regional
		annual and qtlly estimates Seasonal adjustment using appropriate techniques Discrete (time series) estimates compiled and disseminated (11) The scope covers 2008 SNA accounts/aggregates: Minimum requirements specified by ISWGNA: annual expenditures of GDP at current and constant prices annual rest of the world accounts (until net lending) (12) GFS for central government operations are compiled and disseminated on a quarterly basis. (13) Concepts, definitions, and compilation methods broadly follow, as relevant, the 2004 CPI Manual. (14) Concepts, definitions, and compilation methods broadly follow, as relevant, the 2004 PPI Handbook. (15) Metadata sufficient to support data analysis have been developed and are							



Strategic Objective	Outcome (s)	Verifiable Indicators	BGD	BTN	IND	MDV	NPL	LKA	Regional
		available to users. (16) For RPPI appropriate techniques used for property mix-adjustment.							
	Data are compiled and disseminated using the concepts and definitions of the latest manual/guide		•			•	•	•	
	Data are compiled and disseminated using the coverage and scope of the latest manual/guide		•	•		•		•	
	Higher frequency data has been compiled and disseminated internally and/or to the public		•			•	•		
	Legal/institutional environment conducive to compile and disseminate macro and fin statistics and monitor relevance/practicality; QA processes in place;					•			

Strategic Objective	Outcome (s)	Verifiable Indicators	BGD	BTN	IND	MDV	NPL	LKA	Regional
	Integrity/Transparency/Ethical Practices meet statistical standards; leadership/strategic planning in place								
	Metadata released internally and to the public have been strengthened consistent with the dataset to enhance interpretation and analysis							.	
	Source data are adequate for the compilation of the national accounts		.	.				.	
	Source data are adequate for the compilation of these macroeconomic statistics					.			



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Strategic Objective	Outcome (s)	Verifiable Indicators	BGD	BTN	IND	MDV	NPL	LKA	Regional
	Staff capacity increased through training, especially on developing source data, compilation methods, and dissemination		•	•	•	•	•	•	
Strengthen compilation and dissemination of NAS - Comprehensive updates and rebasing - NAR	Staff capacity increased through training, especially on developing source data, compilation methods, and dissemination.	(1) Average score of the Overall Value section of the post-course survey (2) Percentage point increase of the average post-test score compared to the average pre-test score							•
Strengthen compilation and dissemination of National Production, Income and Expenditure Accounts - PIE	Improved periodicity, timeliness, and consistency of data	(1) Average score of the Overall Value section of the post-course survey (2) Percentage point increase of the average post-test score compared to the average pre-test score (3) The source data are available at the same frequency as the target statistic/account (4) The source data are available in an acceptable time following the reference period (specify acceptable time in the target value)	•	•		•	•		

Strategic Objective	Outcome (s)	Verifiable Indicators	BGD	BTN	IND	MDV	NPL	LKA	Regional
		(5) Internationally recommended benchmarking techniques are used (6) National Accounts statistics are published with a timeliness consistent with the country's subscription to the IMF data standard (7) Constant prices estimates of GDP (and its components) have been updated (rebased) using the most recent benchmark estimates (8) Classifications in broad conformity with internationally recommended systems: SNA for institutional units, transactions, other flows; ISIC, NACE, CPC, CPA, COICOP for household consumption; COFOG for government functions							
	Methodological basis for the statistics follows internationally accepted standards, guidelines, or good practices.		•	•		•	•		•



Strategic Objective	Outcome (s)	Verifiable Indicators	BGD	BTN	IND	MDV	NPL	LKA	Regional
	Source data are adequate for the compilation of these macroeconomic statistics		•	•		•	•		
	Staff capacity increased through training, especially on developing source data, compilation methods, and dissemination.								•
	Statistical techniques are sound		•	•		•	•		
Strengthen compilation and dissemination of Producer Price and Trade Price Statistics - PPT	Staff capacity increased through training, especially on developing source data, compilation methods, and dissemination.	(1) Average score of the Overall Value section of the post-course survey (2) Percentage point increase of the average post-test score compared to the average pre-test score (3) Developed and released first time PPIs							•
	Staff capacity increased through training, especially on developing source data, compilation methods, and dissemination.	(1) Average score of the Overall Value section of the post-course survey (2) Percentage point increase of the average post-test score compared to the average pre-test score							•



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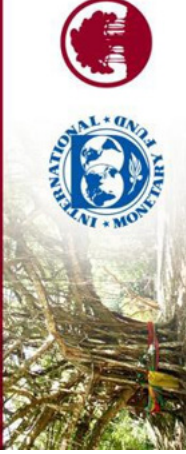
Strategic Objective		Outcome (s)	Verifiable Indicators	BGD	BTN	IND	MDV	NPL	LKA	Regional
Monetary Policy and Foreign Exchange Market Operations										
Improving the economic analysis and forecasting capabilities at the CB for the monetary policy decision-making process tailored to the specific monetary and exchange rate policy regime.	Strengthen efficient implementation of monetary policy under the existing regime - MPR	Improved economic analysis and forecasting capabilities at the CB	A near term forecasting toolkit is operational, used in the regular forecasting exercise rounds, and regularly updated.	•						
		Participants exchanged/acquired knowledge and skills in training/workshops.	Staff show competency gained from training through presentations, discussions, or exercises						•	
		Effective interest rate corridor	(1) CB standing facilities are accessible to all eligible counterparties	•	•					
		Operational framework with a clear operational target of the monetary policy is in place	(2) Standing facilities are operational as a daily backstop instrument to discretionary monetary operations	•						•
		Flexible/appropriate monetary instruments and operational strategy to deal with changing liquidity conditions	(3) Operational framework and related policy decisions are aligned with money market conditions				•			
Strengthen the implementation of monetary policy under the existing monetary regime - MRI		Active and efficient interbank/money market to support monetary policy transmission	(4) Reserve requirements (RR) framework is consistent with its main objective					•		
			(5) Financial market							



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Strategic Objective	Outcome (s)	Verifiable Indicators	BGD	BTN	IND	MDV	NPL	LKA	Regional
		infrastructures are supportive of interbank trading (6) Interbank reference rates are computed and widely disseminated (7) Market trading information is available to the CB on a real-time basis							
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	The authorities have a clear FX intervention policy that is consistent with the chosen FX regime and its well understood by markets and the public	(1) Appropriate instruments are available for the conduct of FX intervention including spot markets and potentially forward and derivatives markets if appropriate (2) An internal policy document exists that defines the objectives of intervention, the criteria for its use and the indicators that will be used to assess the success of intervention operations (3) A policy document should exist that lays down the objectives of and principles that would guide FX reserves accumulation and distribution operations							



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Strategic Objective	Outcome (s)	Verifiable Indicators	BGD	BTN	IND	MDV	NPL	LKA	Regional
To strengthen the capacity of the CB to implement monetary policy effectively in the context of the given monetary policy regime	The authorities have the capacity to accumulate FX reserves without creating market distortions and to be able to efficiently distribute FX to the market						•	•	
	The capacity of the FX market is sufficiently developed to facilitate the efficient allocation of FX and that an adequate degree of price discovery can occur			•				•	
	An effective interest rate corridor is developed to limit volatility in market interest rates within an acceptable range, consistent with the chosen type of interest rate corridor The CB has a sufficiently accurate liquidity forecasting framework to guide the liquidity management operations The CB has adequate operational instruments and is able to formulate operational strategy to deal with changing liquidity conditions	(1) A well articulated operational strategy outlining how the CB will align market conditions with its announced stance of monetary policy and who it will deal with (2) A consistent liquidity table is constructed on a daily basis (or at least at a frequency of regular monetary operations), drawing information from all relevant sources within and outside the CB (3) Appropriate Open Market Operations (OMO)				•			



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Strategic Objective	Outcome (s)	Verifiable Indicators	BGD	BTN	IND	MDV	NPL	LKA	Regional
	The CB has an operational strategy consistent with the monetary framework and the country circumstances	instruments are available with varieties in terms of type and maturity to deal with different liquidity conditions (cyclical/structural, excess/shortage) (4) A well articulated and published collateral framework (5) The CB has in place standing facilities (lending and deposit facilities) with open access to all eligible counterparties (given sufficient collateral in the case of lending facility) (6) Liquidity forecasting is derived from the liquidity table, and the forecasts are done on a regular basis with an appropriate forecasting horizon (consistent with reserve maintenance period and operation	•	•	•				
	The collateral framework is consistent with the CB's risk tolerances and sufficiently broad so as to not constraint the implementation of monetary policy					•			
Develop/strengthen the CB capacity to provide Lender of Last Resort (LOLR) - LOL	Provision of LOLR support is well- implemented					•			
	Clearly defined LOLR-related organizational arrangements					•			



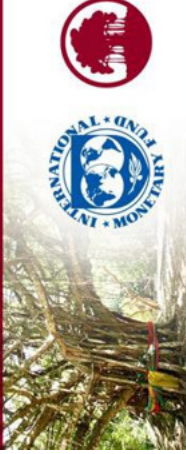
Strategic Objective	Outcome (s)	Verifiable Indicators	BGD	BTN	IND	MDV	NPL	LKA	Regional
Strengthen the reserve management policy framework and management of FX reserves - FXR	Effective communication and disclosure policies, while maintaining appropriate confidentiality					•			
	Effective and consistent investment policy and guidelines	(1) Internal organization ensures segregation of duties and independence of the risk management function.	•	•					
	Effective decision-making process	(2) Risk Policy Framework is in place.	•	•					
	Effective and consistent Risk Policy Framework	(3) Optimized tranches of reserves (portfolios) based on strategic objectives are defined.	•	•					
Financial Sector Regulation and Supervision									
Demonstrate a baseline understanding and articulate specific CD needs in Financial Supervision and Regulation topics - FSB	Baseline and roadmap for follow-up CD project(s) are prepared	(1) Authorities acknowledge the receipt of the diagnostics/scoping recommendations (2) Authorities make a decision on whether to proceed with a follow-up CD							•
Develop/strengthen banks' regulation and supervision frameworks - BRS	Forward-looking assessment of banks' risk strengthened.	Risk assessment matrix developed/strengthened, including inherent risk assessment, evaluation of risk management, and internal							•



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Strategic Objective	Outcome (s)	Verifiable Indicators	BGD	BTN	IND	MDV	NPL	LKA	Regional
		control and forward-looking direction of risks							
Develop/strengthen insurance companies' regulation and supervision frameworks - ICS	Supervisors have sufficient capacity to effectively implement risk-based supervision and other supervisory processes.	Supervisors are adequately trained to be able to implement risk-based supervision and other supervisory process							•
Develop/strengthen regulation of insurance companies (IC) and RBS capability of the insurance supervisor (IS)	Effective RBS in place and being used for their intended purpose(s)	Ratings are assigned, reviewed and revised periodically.		•		•			
Strengthened Financial Sector Surveillance through upgrading of regulatory framework in line with international standards	Supervisors and regulations require banks to apply sound policies and processes to identify, measure, monitor and control their financial risks on a timely basis and assess their capital adequacy in relation to their risk profile	(1) Guidelines and regulations for corporate governance and internal controls are adopted (2) Inspectors assess the adequacy of banks' governance and controls, and their compliance with applicable regulations (3) Guidelines and regulations for risk measurement and management are adopted (4) Supervisors perform a regular review of the regulatory framework and provide suggestions on how to upgrade regulations based				•	•		



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Strategic Objective	Outcome (s)	Verifiable Indicators	BGD	BTN	IND	MDV	NPL	LKA	Regional
To implement RBS system and upgrade other supervisory processes		on developments in banking sector and international standards							
	Supervisors and regulations require banks to have robust governance policies and processes covering among others effective board and senior management oversight and sound control environment			•	•				
	Supervisors have the necessary capacity to upgrade banking regulations and effectively apply them					•			
	Amended legal/regulatory frameworks underpinning the implementation of risk-based supervision implemented	(1) On-site inspection scope and frequency is performed based on risk and impact of banks and are guided by off-site risk analysis (2) Inspection reports of individual banks are more risk oriented and identify key qualitative and quantitative risks (3) Supervisors monitor banking problems and risks and take early action as						•	



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Strategic Objective	Outcome (s)	Verifiable Indicators	BGD	BTN	IND	MDV	NPL	LKA	Regional
		needed (4) Supervisors follow implementation of corrective measures and escalate actions as needed (5) Supervisors fully trained to be able to implement risk-based supervision (6) Supervisory reports focus on key risk aspects of the banking system, and provide appropriate recommendations. (7) Supervisory structure and responsibilities are adopted to allow more cooperation between different functions, notably onsite and offsite functions. (8) Implementation of necessary amended legislation and regulations to operationally underpin risk-based supervision started by [date] (9) Risk-based processes and manuals are implemented							



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Strategic Objective	Outcome (s)	Verifiable Indicators	BGD	BTN	IND	MDV	NPL	LKA	Regional
	Strengthened institutional structure and operational and procedures for RBS implementation		•				•	•	
	Supervisors have sufficient capacity to effectively implement risk-based supervision and other supervisory processes		•	•	•		•	•	
	Supervisors timely address unsafe and unsound practices or activities that could pose risks to banks or to the banking system		•						
Improve accounting and prudential provisioning regulatory guidelines. - APR	A framework for implementing IFRS 9 relating to expected credit loss (ECL) developed	(1) An action plan for implementing IFRS 9 framework developed (2) Issuance of enhanced/new regulations/guidelines on assets classification and provisioning that balance between by IFRS 9 requirements and Basel principles		•		•			
	Provisioning regulation/ guidelines strengthened to balance the requirements of IFRS 9's ECL concept and Basel principles on credit risk.			•		•			



Annex 2: SARTTAC Phase I MID-TERM Evaluation Action Plan

Recommendations at the CD Level

Recommendation / Priority	IMF Staff Response	Actions	Comments	Timing	Owners
1. (High) Explore an increase of SARTTAC budget in Phase II and review the composition (new Resource Allocation formula) of budget allocations per workload. Consideration should be given to a budget increase that responds to deep-rooted and long-avowed structural issues and new, coherent, and changing priorities in country needs post-pandemic. PFM, tax administration (TADM), and government finance statistics/public sector debt statistics (GFS/PSDS) portfolios of capacity development (CD) activities should be prioritized and better streamlined, just focusing on areas that promise strong compliance. If required, consider dedicating more resources to	Agree	On increasing the budget for SARTTAC Phase II: 1. ICDGP (IMF Institute for Capacity Development Global Partnerships Division) will continue outreach with partners to increase support for the financing of Phase II. On reviewing the composition of budget allocations per workload:	On increasing the budget for SARTTAC Phase II: In light of tightening partner budgets, SARTTAC is communicating with partners to at least match their Phase I contribution, and also exploring possible new partners. On reviewing the composition of budget allocations per workload: It is part of the CD demand prioritization exercise and will be considered by CDDs, which with SARTTAC will update the allocations to CD spending–programs in the context of Phase II preparations.	Ongoing with a five year horizon	APD, CDDs and SARTTAC



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Recommendation / Priority	IMF Staff Response	Actions	Comments	Timing	Owners
accompanying beneficiary entities in the job of mainstreaming new skills and techniques acquired to the relevant national systems and processes, with a view to enabling the creation of more impactful outcomes.		1. CD departments to consider budget reallocation per workstreams and include it in the next prioritization exercise.			
2. (High) Update and regularly review the outcomes and milestones of the SARTTAC RBM log frame, introducing new ones, if justified (like those on global topics that will require new baselines and targets). Pay more attention to the relevant TADAT and G-20 Data Initiative milestones in the RBM log frame and with a view to complying with global international guidelines and standards. A thorough exercise is justified by the high probability of having outdated outcomes combined with	Agree	1. ICDSE (ICD Strategy and Evaluation Division) will announce deadlines for revisions of the RBM catalog twice a year in the summer and winter. 2. CDDs in coordination with SARTTAC will request changes in the catalog and actively contribute to adding	As stated in the Operational Guidance for the RBM Governance Framework, CDDs have an opportunity to propose revisions to the catalog twice a year. In addition, ICDSE conducts periodic reviews of the catalog to ensure departments are alerted to any potential misalignment with the RBM Governance Framework and harmonization and consistency issues are highlighted early and often.	Ongoing	SARTTAC and ICDSE (RBM team) in consultation with APD and CDDs



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Recommendation / Priority	IMF Staff Response	Actions	Comments	Timing	Owners
unrealistic milestones, thus overestimating the Authorities' capacity to meet them post-pandemic.		and commenting on any deficiencies of the RBM framework, especially regarding whether existing outcomes and objectives link well to the SARTTAC-funded CD activities.	Some global topics are already included in LEG (IMF Legal Department), FAD (IMF Fiscal Affairs Department), and MCM (IMF Monetary and Capital Markets Department) catalogs.		
3. (High) Define new outcomes and milestones in the RBM framework that will justify the budget supporting the implementation of CD services in favor of the global topics -- governance, climate change, gender, and financial inclusion.					
4. (Medium) Build on efficiency gains to reduce unit costs. Workstreams should define an optimal mix between in-person and virtual missions. IMF Head Office should also review and adjust STX daily fees in their hiring policy to reduce their dispersion, while acknowledging the professional background and international salary	Agree	Regarding the blended missions: 1. Workstreams modality for Phase II will be further explained in the program document. 2. The program	Some ratios on the mix of CD delivery modality have been considered in the FY23 work plan. SARTTAC, like other IMF CD providers, is using a hybrid/blended delivery modality selectively depending on the mission's objective and authorities' preference, which recognizes the challenges faced with virtual delivery, especially TA. Going	Ongoing	SARTTAC in consultation with APD and CDDs. TG2 Inter-departmental committee



Recommendation / Priority	IMF Staff Response	Actions	Comments	Timing	Owners
scales that justify different levels of remuneration.		document will be submitted for endorsement of the SC. Regarding the STX daily fees: This action falls outside the scope of activities for the RCDCs. 1. The interdepartmental committee will finalize a report on STX remuneration and present it to the B-level committee.	forward these will be part of the discussion at SC meetings. Regarding the STX daily fees: Following the 2018 IMF Office of Internal Audit (OIA) Advisory Report on decentralized field-based STX appointments, a senior-level governance committee comprised of CDD coordinators/Resource Management division chiefs and the IMF Human Resources Department (HRD) (referred to as the “interdepartmental committee”) was established to implement the recommendations set forth in the report. The interdepartmental committee appointed a technical group (TG) in September 2019, with representation from all five CDDs, HRD, and LEG’s Administrative Law Unit. The working group was sub-divided into three sub- TGs to propose good practices for STX recruitment (TG1), remuneration (TG2), and code of conduct (TG3). The subgroups will submit their		



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Recommendation / Priority	IMF Staff Response	Actions	Comments	Timing	Owners
			proposals to the interdepartmental committee for their review and approval, and thereafter to Fund management. The proposals aim to harmonize practices, increase transparency, and, where possible, centralize processes and data, resulting in an improved employment framework for STXs. TG2 has: i) reviewed existing CDDs' salary formulas/principles with the aim of drawing on best practices as well as streamlining and harmonizing processes; ii) discussed practices employed by comparator organizations (World Bank Group and Inter-American Development Bank); iii) received a presentation by HRD on their observations and recommendations on harmonizing practices; and iv) began discussion on establishing a baseline and agreeing on definitions of level and functions.TG2 resumed work in early February 2022 after several months of pause due to competing work		



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Recommendation / Priority	IMF Staff Response	Actions	Comments	Timing	Owners
5. (Low) Do ex-ante country-based local capacity assessments (CAs) upfront before engaging in CD activities. Also ensure a sufficient budget for peer-learning and follow-up supervisory missions to those CD activities whose initial positive compliance with milestones shows promising achievement of outcomes. CAs can better inform ex-ante what can be done given the limited skill capacities, number of local staff and political economy constraints that may prevent implementation of TA recommendations.	Agree	1. SARTTAC will include modalities in the program document for Phase II.	Political economy considerations are taken on board while formulating CD plans. This includes assessment of risks related to political support, management support, and technical staff capacity/commitment and risk mitigation strategies. Updates on political economy conditions are being gathered from multiple sources by SARTTAC advisors, including from CDDs, country teams, donor partners, and CD recipients. These conditions are reflected in reports--briefing papers and back-to-office reports.	Ongoing	SARTTAC



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Recommendations at the Entity Level

Recommendation / Priority	IMF Staff Response	Actions	Comments	Timing	Owners
1. (High) Consider having bi-annual meetings of the SC, possibly retaining virtual meetings, and lift the level of SC membership of beneficiaries (e.g. including Ministers, Governors).	Partially agree	1. SARTTAC will continue SC meetings bi-annually.	SARTTAC already has bi-annual SC meetings--typically in January and June/July and will continue the practice. The level of membership of beneficiaries is determinate by the members itself. The center does not consider that Ministers or Governors should attend these meetings regularly.	Completed	SARTTAC
2. (High) Increase support from existing donors and solicit other potential development partners for the financing of Phase II in order to expand SARTTAC activities to meet the needs of the beneficiary countries.	Fully agree	1. ICDGP will continue outreach with partners to increase support for the financing of phase II.	In light of tightening partner budgets, SARTTAC is communicating with partners to at least match their Phase I contribution, and also exploring possible new partners.	Ongoing	ICDGP and SARTTAC



Recommendation / Priority	IMF Staff Response	Actions	Comments	Timing	Owners
3. (High) Given that a new modus operandi brought significant cost-savings, from now on work programs should be structured under a different format and assumptions, thus reflecting significant cost-savings per year compared to previous years and customized to the needs of each country; however, it should be noted that countries tend to prefer in-person activities. There is a need to pursue a balanced approach in addressing country needs/balanced representation of in-country missions and TA distribution in the workplan.	Partially agree	1. SARTTAC will consider specific modalities in the Program Document for phase II to better respond to the country needs. 2. Program document will be endorsed by members of the SC.	The IMF is considering the modalities of the future hybrid model through its Fund-wide working group. As part of this work, the working group has been considering the most effective approaches for hybrid delivery. Additionally, CDDs have been undertaking pilot activities to examine best practices for CD operations in a hybrid model (e.g. synchronous/asynchronous activities and virtual/face to face engagements). The outcomes of this work will help inform the hybrid model for future IMF HQ and field-based operations. However, the intensity of use will depend largely on member country preferences, with excessive use of hybrid delivery potentially undermining the purpose of have RCDCs physically located in the region being served.	Ongoing	SARTTAC



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Recommendation / Priority	IMF Staff Response	Actions	Comments	Timing	Owners
4. (Medium) The SC or SARTTAC could act as a coordinator for donor coordination, since World Bank and ADB are working in similar areas; it would be good to include them as observers in SC meetings. They work mainly on PFM and macro-economics.	Disagree	Not applicable	The center director and LTXs participate in various coordination meetings with the other development partners. Only potential funding and beneficiaries members are invited as observers to the SC meetings.	Not applicable	SARTTAC and APD.
5. (Medium) Additional CD topics requested by beneficiaries could be considered: Green Finance, Climate Change and related mitigation issues, Financial Inclusion, Climate Finance – covering issues like climate risk taxonomy, disclosure norms, and data gaps, plus financial stress-testing of analogous trainings.	Agree	1. SARTTAC will consider specific modalities in the Program Document for Phase II to better respond to the country needs. 2. Program document will be endorsed by members of the SC.	The Phase II program and budget allocation across funding programs will reflect the new priorities, including CD on the global topics and to countries facing fragile conditions. CD will remain demand driven and closely linked to domestic reform programs of MCs, including those supported under IMF lending programs. New resident advisors being recruited will support the global topics. The center will be guided by IMF policy documents and guidance notes in delivery of the Phase II CD program (e.g., New Framework for Enhanced Engagement on Governance and Corruption Issues, IMF Strategy on Gender, New IMF	Program document and start of Phase II.	SARTTAC in consultation with APD and CDD.

Recommendation / Priority	IMF Staff Response	Actions	Comments	Timing	Owners
			Strategy on Climate, IMF strategy on Fragile and Conflict-Affected States (FCS), Staff Reports, IMF programs with MCs, etc.). The center will continue to coordinate CD priorities for the region with donor partners.		

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