

# IMF SOUTH ASIA REGIONAL TRAINING AND TECHNICAL ASSISTANCE CENTER



**SARTTAC**  
SOUTH ASIA REGIONAL TRAINING  
& TECHNICAL ASSISTANCE CENTER

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# ANNUAL REPORT 2021

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### FOREWORD

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

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



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REPORT  
2021**

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# ACRONYMS AND ABBREVIATIONS

<b>APD</b>	IMF Asia and Pacific Department	<b>FP2.0</b>	Financial Programming 2.0
<b>BB</b>	Bangladesh Bank	<b>FPWs</b>	Field Person Weeks
<b>BCG</b>	Budgetary Central Government	<b>FRS</b>	Fiscal Risk Statement
<b>CAG</b>	Office of the Comptroller and Auditor General (India)	<b>FSP</b>	Fiscal Strategy Paper
<b>CBDT</b>	Central Board of Direct Taxes (India)	<b>FSI</b>	Financial Soundness Indicator
<b>CBSL</b>	Central Bank of Sri Lanka	<b>FSR</b>	Financial Sector Supervision and Regulation
<b>CD</b>	Capacity Development	<b>FY</b>	Fiscal Year
<b>CDMAP</b>	Capacity Development Management and Administration Program	<b>GDP</b>	Gross Domestic Product
<b>CDOT</b>	IMF Capacity Development Office in Thailand	<b>GDP-E</b>	Expenditure-based Gross Domestic Product
<b>CEFT</b>	Centre of Excellence in Fiscal Policy and Taxation (India)	<b>GDP-P</b>	Production-based Gross Domestic Product
<b>CoA</b>	Chart of Accounts	<b>GFS</b>	Government Finance Statistics
<b>COFOG</b>	Classification of Function of Government	<b>GFSM 2014</b>	Government Finance Statistics Manual 2014
<b>CPI</b>	Consumer Price Index	<b>GST</b>	Goods and Services Tax
<b>CRM</b>	Compliance Risk Management	<b>HFI</b>	High Frequency Indicator
<b>DLMF</b>	Domestic Liquidity Management Framework	<b>HQ</b>	Headquarters
<b>e-PEMS</b>	Electronic Public Expenditure Management System	<b>IAS</b>	Indian Administrative Service
<b>ESC</b>	Evaluation Sub-Committee	<b>ICD</b>	IMF Institute for Capacity Development
<b>FAD</b>	IMF Fiscal Affairs Department	<b>IES</b>	Indian Economic Service
<b>FCDO</b>	Foreign, Commonwealth and Development Office (United Kingdom)	<b>IIP</b>	Index of Industrial Production
<b>FPAS</b>	Forecasting and Policy Analysis System	<b>ITA</b>	Income Tax Act (Maldives)
<b>FPP</b>	Financial Programming and Policies	<b>IMF</b>	International Monetary Fund
		<b>IRDAI</b>	Insurance Regulatory and Development Authority of India

<b>LBSNAA</b>	Lal Bahadur Shastri National Academy of Administration (India)	<b>PSDS</b>	Public Sector Debt Statistics
<b>LTX</b>	Long-Term Expert	<b>PSDSG 2011</b>	Public Sector Debt Statistics Guide 2011
<b>MMA</b>	Maldives Monetary Authority	<b>RA</b>	Revenue Administration
<b>MCM</b>	IMF Monetary and Capital Markets Department	<b>RAMIS</b>	Resource Administration Management Information System
<b>MDS</b>	Macroeconomic Diagnostics	<b>RBI</b>	Reserve Bank of India
<b>MFU</b>	Macro-Fiscal Unit	<b>RBM</b>	Results Based Management
<b>MIEG</b>	Monthly Index of Economic Growth	<b>RCDC</b>	Regional Capacity Development Center
<b>MIRA</b>	Maldives Inland Revenue Authority	<b>RGOB</b>	Royal Government of Bhutan
<b>MOF</b>	Ministry of Finance	<b>RMA</b>	Royal Monetary Authority of Bhutan
<b>MONOPS</b>	Monetary and Foreign Exchange Operations	<b>RMG</b>	Risk Management Guidelines
<b>MOSPI</b>	Ministry of Statistics and Programme Implementation (India)	<b>RSS</b>	Real Sector Statistics
<b>MTMF</b>	Medium-Term Macroeconomic Framework	<b>SARTTAC</b>	IMF South Asia Regional Training and Technical Assistance Center
<b>MTFF</b>	Medium-Term Fiscal Framework	<b>SC</b>	Steering Committee
<b>NBS</b>	National Bureau of Statistics (Maldives)	<b>SD</b>	Statistical discrepancy
<b>NRB</b>	Nepal Rastra Bank	<b>SPPD</b>	Status Paper on Public Debt
<b>PDMO</b>	Public Debt Management Office (Nepal)	<b>SEACEN</b>	South East Asian Central Banks Research and Training Centre
<b>PEFA</b>	Public Expenditure and Financial Accountability	<b>SFPU</b>	Strategic Fiscal Planning Unit
<b>PFM</b>	Public Financial Management	<b>SNA</b>	System of National Accounts
<b>PFTAC</b>	IMF Pacific Financial Technical Assistance Centre	<b>SOE</b>	State-Owned Enterprise
<b>PIMA</b>	Public Investment Management Assessment	<b>STA</b>	IMF Statistics Department
<b>PPI</b>	Producer Price Index	<b>STX</b>	Short-Term Expert
		<b>TADAT</b>	Tax Administration Diagnostic Assessment Tool
		<b>TA</b>	Technical Assistance

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# EXECUTIVE SUMMARY

**Fiscal year (FY) 21 (May 1, 2020 - April 30, 2021) was unlike any other for the IMF South Asia Regional Training and Technical Assistance Center (SARTTAC).** All support for capacity development (CD) for the six member countries was delivered virtually, as necessitated by the COVID-19 pandemic. Despite challenges in providing training and technical assistance (TA) from remote, the Center was able to implement a sizable share of its workplan—i.e. an original one endorsed at the time of the Fourth Annual Steering Committee (SC) Meeting in June 2020 and revised at a mid-year SC meeting in January 2021. However, execution was uneven across sectors and countries, with training rather than TA more amenable to the virtual environment at the onset of the pandemic.

**As SARTTAC adapted to remote delivery and regional lockdown measures eased, CD activity picked up during FY21, following a sharp pullback starting in late FY20 as the initial effects of the pandemic set in.** Initially, activity in FY21 centered on re-engaging member countries through COVID-19 related webinars and through selected training and TA.

Activities such as CD events for senior officials and a roll-out of new training courses proceeded as planned, but all were modified for a virtual platform. Both the regular and mid-year SC meetings took place virtually and in a streamlined format, with strong representation from member countries, development partners, and the IMF. At the SC meeting in June 2020, SARTTAC stakeholders urged the Center to stay cognizant of member country needs and align support to help mitigate economic shocks from the pandemic.

**For FY21, SARTTAC had 138 activities—80 percent of the number of activities (172) envisaged in the revised and original workplans.** In terms of field person weeks (FPWs), measured engagement was 87 (78) percent of the revised (original) workplan. The revised workplan itself was balanced toward more training events and webinars and fewer TA activities than the original workplan, given the experience in the first half of FY21 and country preferences. Its under-execution continued to be concentrated in national activities—both TA and training—delayed mostly at the request of country authorities as they pursued more pressing matters in the

second half of FY21 and a resurgence of COVID-19 toward the end of the FY which affected delivery.

**Execution by sector was highest in those areas more focused on training delivery, with macroeconomic training leading the way (105 percent of FPWs compared to the revised workplan), benefitting from work done early in FY21 by IMF headquarters and SARTTAC to adapt face-to-face training to virtual delivery by streamlining course content and adopting more interactive tools.** Execution was also relatively strong in public financial management (PFM) and revenue administration, owing to priority given by TA-receiving agencies to address fiscal exigencies arising from the pandemic.

**Looking at countries, regional activities accounted for around one-third of SARTTAC's support in FPWs, somewhat more than planned, while country activities in Maldives, India, and Bhutan accounted for one-half of all support in FPWs, with a concentration in fiscal-related areas.** Engagement was more in line with plans in Maldives and India, and less so in Bangladesh



and Sri Lanka. For Maldives and Bhutan, the more limited impact of lockdowns on government operations aided delivery, notably TA, along with strong local ownership. In India, delivery was facilitated by a heavy concentration of the workplan in training in relative and absolute terms, supported by a more robust and accessible IT infrastructure. Bhutan's ambitious workplan had to be scaled back because of access issues; these were also a factor in Bangladesh and Sri Lanka, along with election timing in the latter. In Nepal, execution fared better but from a lower planned base, with overall direct CD engagement by SARTTAC limited. Selected support was provided by SARTTAC to several IMF country teams in South Asia at the start of the pandemic in an effort to help stem economic and financial fallout from the pandemic.

**The budget picture for SARTTAC tells a somewhat similar story, with total spending in FY21 at 60 percent of**

**the working budget based on preliminary data.** Not surprisingly, budget execution was strongest in macroeconomic training, including for related TA. Overall, around three-fifths of the underspending was attributable to the absence of participant travel costs associated with in-person delivery and less intensive use of short-term experts, including their own travel costs. Roughly 25 percent of the underspending was due to lower SARTTAC staffing costs—mainly international—as most long-term expert advisors worked remotely from their home countries (thus reducing duty station costs) and were also incurring no official travel expenses.

**Looking ahead to FY22, the regional workplan was formulated through close dialogue with member country agencies on CD priorities, which remain broadly in keeping with SARTTAC's Phase 1 work program.**

The plan factored in work by and coordination with other development partners, notably in the area of PFM.

It was also informed by the experience so far with remote delivery and better adaptation to this modality by SARTTAC and the member countries, with face-to-face engagement not likely at least until early 2022. The workplan envisaged some further deepening in cohort training at the national level, focused for now on India, and also selective CD engagement with more senior level officials.

**The financial position of SARTTAC allows the execution of the FY22 workplan and may enable extension of Phase 1 beyond April 2022.** As

such, the working budget for FY22 has been formulated accordingly, including selected engagement necessitated by the pandemic. With the SC's endorsement of the workplan, current resources are expected to be supplemented in FY22 by funding provided to SARTTAC under the IMF's COVID-19 CD Initiative for requested cybersecurity training for member countries and a new macro-fiscal advisor.



**SECTION I**

INTRODUCTION

# INTRODUCTION



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

SARTTAC has successfully delivered on its mandate and the work plan adopted by it in FY21, considering the challenging times. We appreciate the initiatives taken by SARTTAC on reflecting our priorities and broadening the engagement with sub-national governments in India, other fiscal policy agencies, and public sector units and look to build on this engagement in the coming years.

**This report highlights activities of IMF South Asia Regional Training and Technical Assistance Center (SARTTAC) in FY21 and lays out its workplan for FY22.** It comes after a year dominated by the COVID-19 crisis, affecting the pace, timing, and intensity of delivery of capacity development (CD). Fiscal year (FY) 2021 (May 1, 2020 to April 30, 2021) saw South Asia experience several waves of the pandemic, the most severe being toward the FY's end. Despite the challenges posed by lockdowns, displacements, and lack of connectivity, with all CD delivered virtually, SARTTAC made good progress, though uneven at times, in executing its Phase 1 work program. This achievement spoke to the importance that stakeholders placed on IMF CD and the dedication of those involved in ensuring its delivery. For SARTTAC, all occurred at a time when a number of staffing changes took place, with a new Director and three new long-term expert advisors (LTXs) brought on board during FY21.

**At a glance, SARTTAC continued to engage intensively with member countries in FY21, both on training and technical assistance (TA), notwithstanding challenges arising from virtual delivery.** Overall, the

number of activities and field person weeks (FPWs) of delivery, as a share of the revised workplan, were 80 and 87 percent, respectively. Execution by sector, country, and type of engagement can be summarized as follows:

- **Engagement by country:** At the country level, Maldives, India, and Bhutan were the largest recipients of SARTTAC's support in FPWs in absolute terms (Figure 1). This concentration was mainly due to the intensity of CD in fiscal-related areas, with all member countries more intensively focused here during the pandemic. For Maldives, engagement remained comparatively intense as a fragile and conflict-affected state, buttressed by strong local ownership.
- **Engagement by sector:** Looking at sectors, engagement was generally the strongest in the largest areas of support provided by SARTTAC (Figure 2). For most of these sectors (namely macroeconomic training, revenue administration (RA), and public financial management (PFM)), higher execution was aided by a larger concentration of training courses and workshops in workplans.

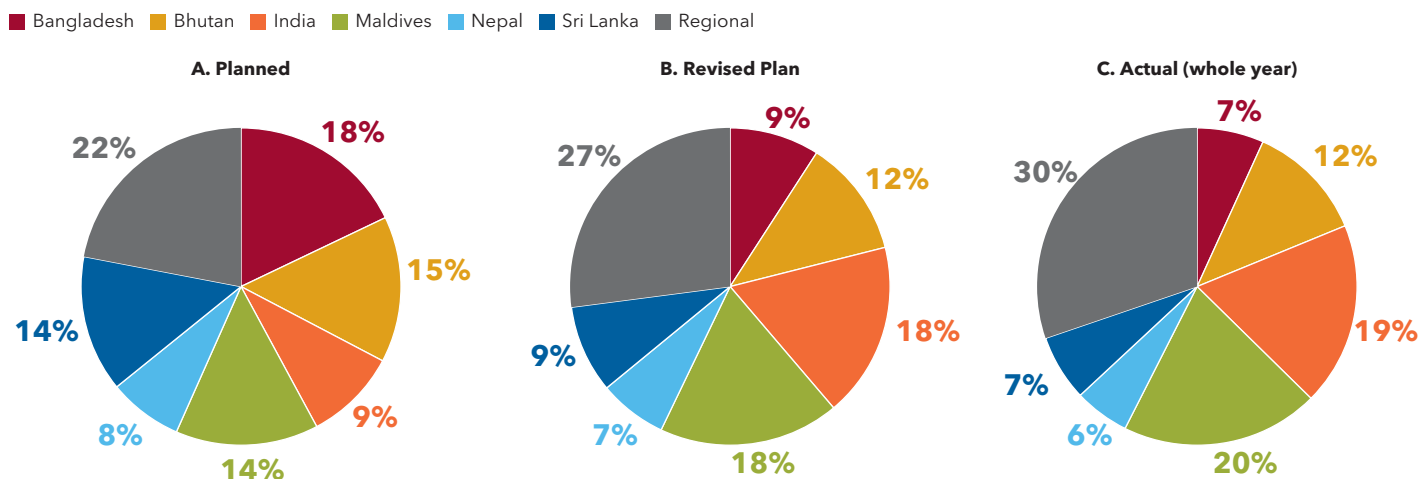
- **Deviation from plan:** Deviation in activities against the original workplan in FY21 averaged around 35 percent by sector and country (Figure 3)—more than double the rate of deviation in FY20. This outcome in part reflected SARTTAC’s effort to be responsive to country needs in the face of the pandemic and adapt workplans accordingly. Variation in FY21 was larger across sectors than countries, with sector variation in plans greatest where TA was not able to move forward (e.g. financial sector supervision and regulation (FSR).

- **Training versus TA:** Training adapted faster to the virtual environment and picked up earlier, but TA delivery also improved over time. The ability of SARTTAC to rotate its workplans between training and TA, with the endorsement of its SC, spoke to the strength of its set up as the IMF’s only fully integrated regional capacity development center (RCDC).

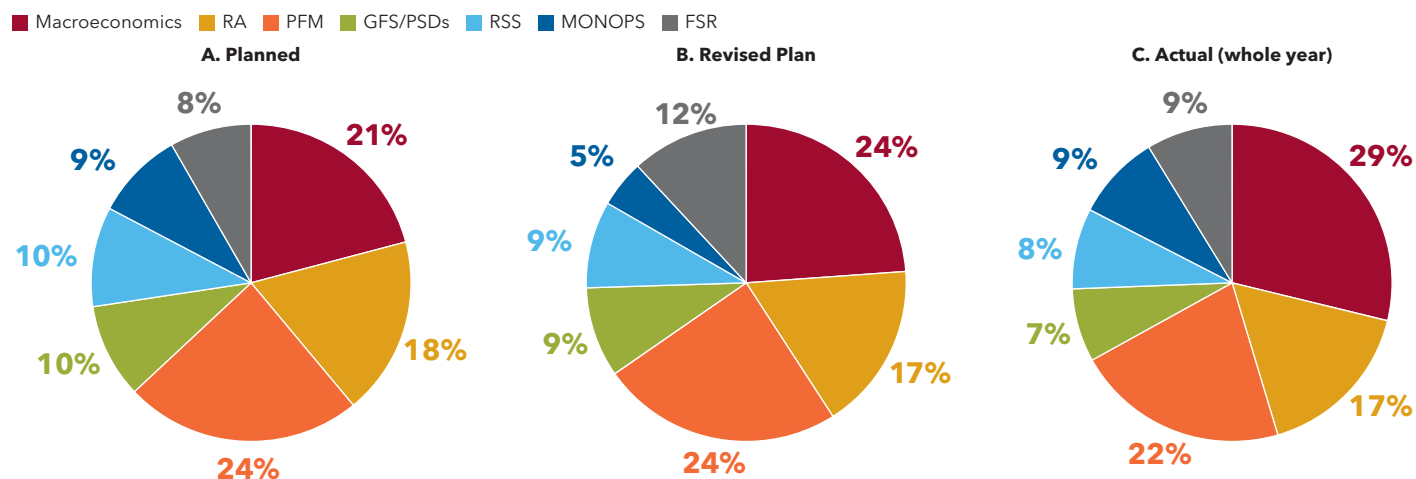
**FY21 also witnessed significant staff changes in SARTTAC, foremost the completion by Mr. Sukhwinder Singh of a successful four-year term in September 2020 as SARTTAC’s**

**first Director.** He returned to the IMF African Department as an Advisor and was replaced by Mr. David Cowen, who had previously headed the IMF Capacity Development Office in Thailand (CDOT), which supports TA and training mainly in Southeast Asia. Earlier on, Ms. Celeste Kubasta joined SARTTAC in June 2020 as a new PFM advisor, having moved from a similar position in the IMF Pacific Financial Technical Assistance Centre (PFTAC) in Fiji and replacing Ms. Lesley Fisher, who is now a senior economist in the IMF Fiscal Affairs Department (FAD).

**FIGURE 1: CAPACITY DEVELOPMENT DISTRIBUTION BY COUNTRY IN FY21 (In percent of FPWs)**

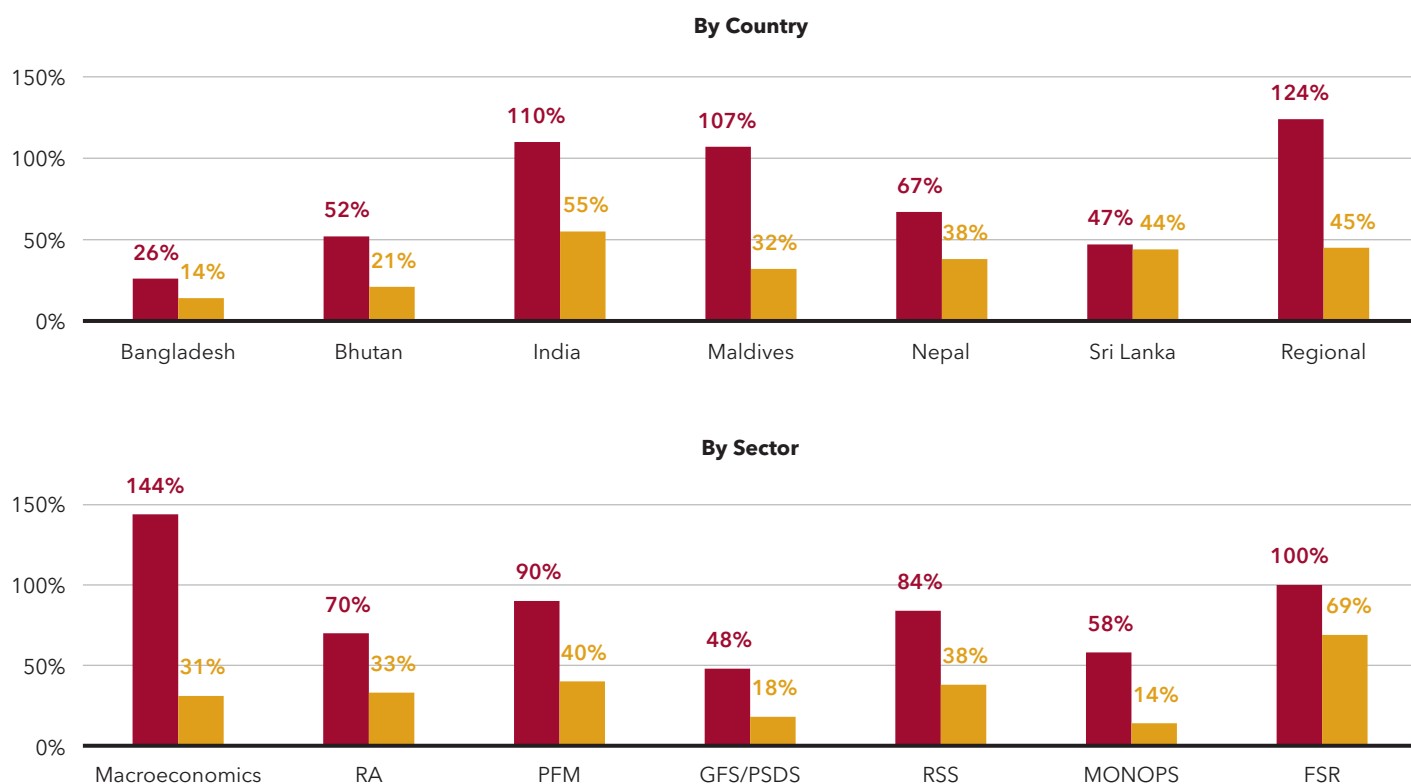


**FIGURE 2: CAPACITY DEVELOPMENT DISTRIBUTION BY SECTOR IN FY21 (In percent of FPWs)**



**FIGURE 3: DEVIATION FROM WORKPLAN BY COUNTRY AND SECTOR IN FY21**  
(Based on number of activities)

■ Completed Activities (% of Planned Activities) ■ New Activities Completed (% of Completed Activities)



Mr. Andrew Evans joined SARTTAC in February 2021 as the new Government Finance Statistics (GFS) and Public Sector Debt Statistics (PSDS) Advisor, previously serving as Head of the Public Expenditure Classification and Budgeting Branch of the HM Treasury (United Kingdom). He replaced Mr. Brooks Robinson, who reached the end of his assignment in December 2020. Finally, Mr. Christian Johnson joined SARTTAC in April 2021 as the new Macroeconomics Advisor, having spent the past seven years leading and delivering training in the IMF Institute for Capacity Development (ICD), where he was a Senior Economist. He replaces Mr. Andrew Ceber, who completed his assignment in SARTTAC in January 2021 and is now an economist in FAD.<sup>1</sup>

**The rest of this report elaborates on workplans and results as SARTTAC enters its fifth year of operations, with considerable momentum expected going forward.** Despite intensive engagement so far in Phase 1, demand for high-quality, well-tailored CD remains large, including some new requirements emerging from the pandemic, with continued strong buy-in and support from member countries and development partners. In Section II, the report reviews in detail execution of SARTTAC’s workplan for FY21, highlighting major activities and results. It looks at challenges posed by virtual delivery, but also adaptations made in SARTTAC to stay engaged in the region. Effective results have come from building support around country

reform plans, responding flexibly to new needs, and tailoring CD delivery to institutional requirements, as discussed here. This focus sets the stage for Section III of report, which lays out sector and country workplans for FY22, covering main objectives, envisaged support, and targeted results. Section IV covers SARTTAC’s finances—both the FY21 preliminary outturn and FY22 proposed budget. Finally, Section V updates SARTTAC Steering Committee (SC) meetings, the mid-term external evaluation, and implementation of Capacity Development Management and Administration Program (CDMAP) as a new tool within the IMF for CD planning and execution.

<sup>1</sup> A complete staff list as of April 30, 2021 is found in Annex 1. For a current list, see <https://www.sarttac.org/content/sarttac/en1/staffmembers.html>.

**SECTION II**

ACTIVITIES IN FY21

## A

## OVERVIEW


**Ms. Idham Hussain**

*Assistant Governor, Monetary Policy, Research and Statistics, Maldives Monetary Authority*

SARTTAC has been a key partner in the capacity development efforts of the Maldives. The continued support and collaboration, especially in the implementation of key macroeconomic reforms of the government, has aided the Maldives to progress on many fronts, in spite of the pandemic.

**This section discusses the main delivery of CD and results achieved in FY21 under the CD programs in SARTTAC.** Eighty percent of the revised regional workplan in FY21 was delivered in terms of the number of activities, and 87 percent in terms of FPWs (Table 1). In comparing country and sector composition of delivery, measured by FPWs, the distribution of engagement remained similar in FY21 as in FY20. The major difference was Bangladesh, where FPWs fell sharply owing to a preference for in-person delivery, notably TA, and in fiscal-related CD, where the relative intensity of engagement in RA and PFM increased vis-à-vis other sectors owing to its prioritization against pandemic-related needs (Table 2). However, compared to previous years, when face-to-face delivery was the predominant means of engaging with member countries, standard measurements may not tell the full story of the scope and intensity of engagement. Thus, a set of boxes is presented in this section that elaborate on selected achievements in FY21 and inform the way forward in terms of achieving further results in FY22 and beyond. A closer examination at evaluations of training courses also provides an interesting look at how well the virtual training platform

functioned for the nearly 800 SARTTAC country officials in training courses in FY21.

**In setting out SARTTAC's original annual workplan, a significant increase in activities in FY21 was envisaged compared to the previous year.**

Given the uncertainty wrought by economic and health crises at the time of the plan's formulation and ongoing disruptions to travel, livelihoods, and workplaces, this workplan built in considerable flexibility to ensure time and resources were available to meet all anticipated CD needs, including new ones arising from the pandemic. Endorsed at the fourth annual SC meeting in June 2020, the original workplan envisaged a 24 percent rise year-on-year in the number of activities and 12 percent rise in FPWs in FY21. Despite disruptions to delivery at the start of the year, a recovery was programmed over the course of FY21 owing to strong expected demand to support emerging needs in SARTTAC member countries and an expected return to in-person delivery. To mitigate the adverse macroeconomic impact of the crisis, the workplan embodied a sizable ramping up of the share of fiscal-related TA work relative to FY20. At the same time, it envisaged



**TABLE 1: SUMMARY OF SARTTAC ACTIVITIES IN FY20 AND FY21<sup>1</sup>**

	FY20	FY21			
	Execution	Planned		Execution	
	Annual Actual	Original Plan	Revised Plan	Annual Actual	Execution Rate (percent of revised plan)
<b>SARTTAC Activities (in number of activities)</b>					
Technical Assistance	70	110	86	61	71
Regional Training	20	25	37	35	95
National Training	31	22	36	29	81
Meeting/Retreat/Other	18	12	13	13	100
Attachment/Mentoring	0	3	0	0	0
<b>Total</b>	<b>139</b>	<b>172</b>	<b>172</b>	<b>138</b>	<b>80</b>
<b>Type of Activity (in FPWs)</b>					
Technical Assistance	327	520	418	336	80
Training	325	214	241	236	98
<b>Total</b>	<b>652</b>	<b>733</b>	<b>658</b>	<b>573</b>	<b>87</b>
<b>Modalities of Delivery (in FPWs)</b>					
Resident Advisor	260	323	298	237	79
Short-Term Expert	211	288	240	183	76
IMF HQ Staff	182	116	121	154	127
Attachments	0	6	0	0	0
<b>Total</b>	<b>652</b>	<b>733</b>	<b>658</b>	<b>573</b>	<b>87</b>
<b>Sector (in FPWs)</b>					
Macroeconomic Analysis and Training	207	153	157	165	105
Revenue Administration	98	133	112	95	85
Public Financial Management	112	176	161	123	77
Government Finance Statistics/Public Sector Debt Statistics	61	70	60	43	71
Real Sector Statistics	76	74	58	47	81
Monetary and Foreign Exchange Operations	61	66	32	50	155
Financial Sector Supervision and Regulation	37	60	78	50	64
<b>Total</b>	<b>652</b>	<b>733</b>	<b>658</b>	<b>573</b>	<b>87</b>

<sup>1</sup> Regional and national training are inclusive of webinars.

a moderate scaling back in training courses, with resources allocated instead to new macroeconomic frameworks TA projects. Finally, the workplan also envisaged delivering a number of webinars (either one-off or multiple events), at first focused on guidance notes prepared by IMF headquarters (HQ) on COVID-19-related issues.

**At the mid-year SC meeting in January 2021, SARTTAC proposed a revised FY21 workplan, which was modified to accommodate member countries' re-prioritization of their own CD needs.** It took account of countries' ongoing response to the pandemic and adaptation to virtual delivery. At the time, demand for CD

from SARTTAC had begun to pick up, notably for TA. While the overall number of activities was expected to remain the same, expected FPWs delivered were reduced by 10 percent for FY21, because of programmed shift to less-resource intensive training versus TA for the year as a whole. The SC endorsed the revised workplan,

**TABLE 2: ACTUAL RESOURCE DISTRIBUTION BY COUNTRY AND SECTOR IN FY21**  
(In FPWs, unless otherwise indicated)

	Total		Share of Total FPWs (in percent)		Macroeconomics	RA	PFM	GFS/PSDS	RSS	MONOPS	FSR
	FY20	FY21	FY20	FY21	FY21						
Bangladesh	104	39	16	7	16	0	6	3	0	11	4
Bhutan	68	69	10	12	14	20	16	0	4	11	5
India	111	107	17	19	35	20	33	7	0	0	13
Maldives	88	115	14	20	0	39	27	4	26	5	13
Nepal	42	32	6	6	0	0	15	6	0	10	2
Sri Lanka	53	39	8	7	16	0	4	0	8	9	2
Regional	185	173	28	30	85	17	22	23	8	6	13
<b>Total</b>	<b>651</b>	<b>573</b>	<b>100</b>	<b>100</b>	<b>165</b>	<b>95</b>	<b>123</b>	<b>43</b>	<b>47</b>	<b>50</b>	<b>50</b>
<b>FY21 Share of Total (in percent)</b>					<b>29</b>	<b>17</b>	<b>22</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>9</b>
<b>FY20 Share of Total (in percent)</b>					<b>25</b>	<b>14</b>	<b>19</b>	<b>7</b>	<b>7</b>	<b>8</b>	<b>8</b>

recognizing the need for flexibility and adaptability, but also encouraged continued strong planning and coordination, including with other development partners, to ensure all efforts were made to achieving milestones set out in SARTTAC's Phase 1 work program.

**For the year as a whole, the number of TA missions and national training events were lower than programmed, while regional training fared better.**

The ability of SARTTAC to execute its workplan for FY21 was affected by a number of factors, notably the initial start-up time needed to adapt to remote delivery, the availability of member country counterparts to receive CD—in some cases constrained by lockdowns, the need to handle more time-sensitive work (e.g., crisis mitigation), and a lack of access to high-quality IT infrastructure, notably outside India. In some cases, one or more of these factors led to outright cancellation of planned activities, especially TA missions. Several ongoing ones also had to be halted in April 2021 given the impact of a second wave of the pandemic in South Asia on officials' accessibility. From SARTTAC's perspective,

the location of technical experts and attendant time differences with South Asia were a particular challenge, especially the use of IMF HQ-based resources to facilitate training delivery owing, to limited overlap between the official workday of Washington D.C. and South Asia. Thus, adaptations were made through greater use of e-mail exchanges, off-hour activities, and, in the case of some training, streamlined courses that also intertwined traditional lectures and exercises with the IMF's online learning resources. To ensure good work-life balance amongst staff in India and strong regional participation by officials, all virtual training courses were targeted to end by 6:30 p.m. Indian Standard Time.

**SARTTAC remains committed to working with other regional CD providers to leverage each other's resources and ensure good coordination in South Asia, with the same expected going forward.**

In FY21, the Center collaborated selectively with other IMF RCDCs in the Asia-Pacific region through joint workshops and webinars. SARTTAC continued to monitor progress on PFM and RA CD in

India through a logframe focused on joint areas of interest with the UK's Foreign, Commonwealth and Development Office (FCDO), with support provided to SARTTAC under the FCDO's Economic Policy and Prosperity Partnership with India (to June 2021) and Programme for Strengthening State Capabilities. SARTTAC advisors joined selected donor coordination groups on PFM-related issues and gave selected TA mission debriefings to development partners, also with the support of IMF resident representative offices in South Asia.<sup>2</sup>

**With the IMF facing unprecedented demand from its member countries for emergency financing at the onset of the pandemic, SARTTAC, like other RCDCs, supported efforts to ensure rapid disbursements as a complement to its CD engagement.** Temporary volunteers amongst field

<sup>2</sup> One of the SARTTAC PFM advisors participated in a joint World Bank-Asian Development Bank virtual workshop for Bangladesh on the Fiduciary Alignment Initiative, presenting on the role of Public Expenditures and Financial Accountability (PEFA) tool in sound resource use.



### SARTTAC Local Staff Meeting

office staff were sought to assist area department country teams at IMF HQ charged with handling financing requests, as reported to and agreed by the SC. SARTTAC's Deputy Director and selected LTXs contributed early on in the crisis to work led by the IMF Asia and Pacific Department (APD) in support quick approval of emergency financing for Maldives and Nepal, as well as intensive surveillance on Sri Lanka. While this support dissipated by mid-2020 as regional macroeconomic and financial conditions stabilized, SARTTAC LTXs continued to stay engaged with APD country teams in the discharge of their

regular responsibilities, as part of continuous efforts to integrate CD, surveillance, and lending operations and in keeping with ensuring CD plans reflected country priorities.

**Steps were taken in FY21 to improve the planning and monitoring of CD and timeliness of information on SARTTAC operations to ensure more value to stakeholders.**

SARTTAC staff received considerable training from remote on the use of CDMAP, which was rolled out in different phases starting in FY21. To facilitate timely preparation and dissemination of information, SARTTAC adopted more systematic

processes for finalizing TA reports, clearing a sizable backlog, issuing them to member countries, and posting authorized ones on SARTTAC's secured website. In FY21, 22 TA reports were uploaded, although more than two-thirds were from missions in the previous FY, as the initial drop-off in activity at the start of the pandemic afforded time for a catch-up. Further streamlining was done to SARTTAC's quarterly newsletter, reducing time to publication. Training events were also notified earlier, facilitated by better internal planning, in the interest of stronger participant uptake.

## HIGHLIGHTS BY SECTOR


**Mr. Roger H. Nord**

*Deputy Director, Institute for Capacity Development, IMF*

The pandemic has further underscored the critical role of regional centers like SARTTAC in the future – putting expertise even closer to the stakeholders.

**As noted earlier, activity in FY21 was uneven across sectors and countries by standard measures, notably on TA.** Delivery of TA itself was considerably less than expected, with actual activities at 71 percent of the revised plan (Table 3). Activity was concentrated in fiscal related areas, namely RA and PFM, which countries prioritized, accounting for around half of the TA missions in FY21. A quarter were focused on real sector statistics (RSS), which adapted well to remote delivery, especially in Maldives, aided by dedicated counterparts. In the case

of monetary and foreign exchange operations (MONOPS), TA picked up late in the year as countries focused more on liquidity management issues given earlier policy stimulus, while on macroeconomic frameworks and forecasting systems, it remained modest in terms of missions, but impactful in scope in Bangladesh and Sri Lanka. By country, nearly two-thirds of all TA mission took place with Maldives and Bhutan, in part unpinned by their commitment to fiscal reforms and related momentum from earlier CD. Engagement with these countries was also less severely affected by pandemic-related lockdowns in FY21. The remainder of TA missions were fairly evenly split across the four other member countries, including with the Indian state of Odisha, where strong local buy-in (on PFM) aided TA delivery. Where TA lagged, SARTTAC LTXs maintained informal contacts with country counterparts, partly in preparation for later support, but also in their roles as trusted advisors.

**On training, 64 activities took place in FY21—around a 10 percent shortfall compared to the revised workplan, but one-third higher than envisaged in the original workplan (see Table 1).** Ten were ICD courses, 18 were non-ICD

courses, and the rest were webinars (Table 4).<sup>3</sup> FPWs for training were around the same as envisaged in the original workplan, despite the additional programmed events, as these were mainly less resource-intensive webinars. Following time needed to re-tool for virtual delivery, the year kicked off with well-received national training for GFS compilers in Indian states in June 2020. Other highlights included a selected macroeconomic issues course for senior civil servants and a four-day state finance secretaries seminar on PFM in August 2020, both for India in partnership with Lal Bahadur Shastri National Academy of Administration (LBSNAA). New regional courses were also introduced on advanced issues in national accounts, fiscal risk tools, and special topics on GFS, notably treatment of environmental taxes. However, the 28 delivered courses compared to 50 in the original workplan. The main shortfall came from non-ICD related courses and was also concentrated in national offerings, which were more heavily influenced by local conditions and/or also delayed because of officials' preference for in-person delivery.

<sup>3</sup> The number of activities includes selective ones with multiple webinars.

**TABLE 3: TECHNICAL ASSISTANCE MISSIONS BY COUNTRY AND SECTOR IN FY21**  
(In number of activities)

	By Country			
	Planned		Execution	
	Original Plan	Revised Plan	Annual Actual	Execution Rate (in percent of revised plan)
Bangladesh	23	12	6	50
Bhutan	23	19	11	58
India	6	5	4	80
Maldives	29	32	29	91
Nepal	11	6	5	83
Sri Lanka	18	12	6	50
<b>Total</b>	<b>110</b>	<b>86</b>	<b>61</b>	<b>71</b>
By Sector				
Macroeconomics	8	6	4	67
RA	23	18	12	67
PFM	22	21	16	76
GFS/PSDS	10	5	3	60
RSS	19	18	15	83
MONOPS	8	5	5	100
FSR	20	13	6	46
<b>Total</b>	<b>110</b>	<b>86</b>	<b>61</b>	<b>71</b>

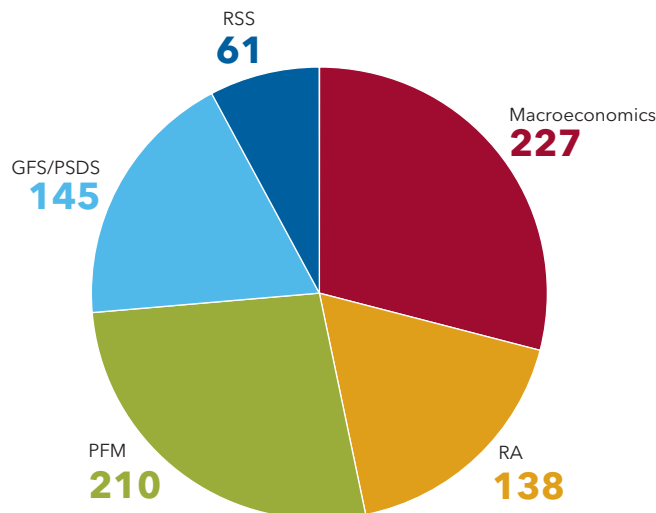
**TABLE 4: SARTTAC ICD AND NON-ICD TRAINING IN FY21**  
ICD Courses and Workshops

	Number of Courses	of which National	Average Number of Participants	Share of Female Participants (in percent)
Macroeconomics	10	3	23	43
Non-ICD Courses and Workshops				
Revenue Administration	6	4	23	33
Public Financial Management	5	2	42	22
Government Finance Statistics/Public Sector Debt Statistics	5	3	29	21
Real Sector Statistics	2	0	31	44
All Non-ICD Courses and Workshops	18	9	31	27
	Number of Webinars	of which National	Average Number of Participants	Share of Female Participants (in percent)
Non-ICD Webinars				
Revenue Administration	1	0	7	n/a
Public Financial Management	11	3	44	n/a
Government Finance Statistics/Public Sector Debt Statistics	2	0	44	n/a
Real Sector Statistics	6	1	34	n/a
Monetary and Foreign Exchange Operations	3	0	55	n/a
Financial Sector Supervision and Regulation	26	17	30	n/a
All Webinars	49	21	35	n/a

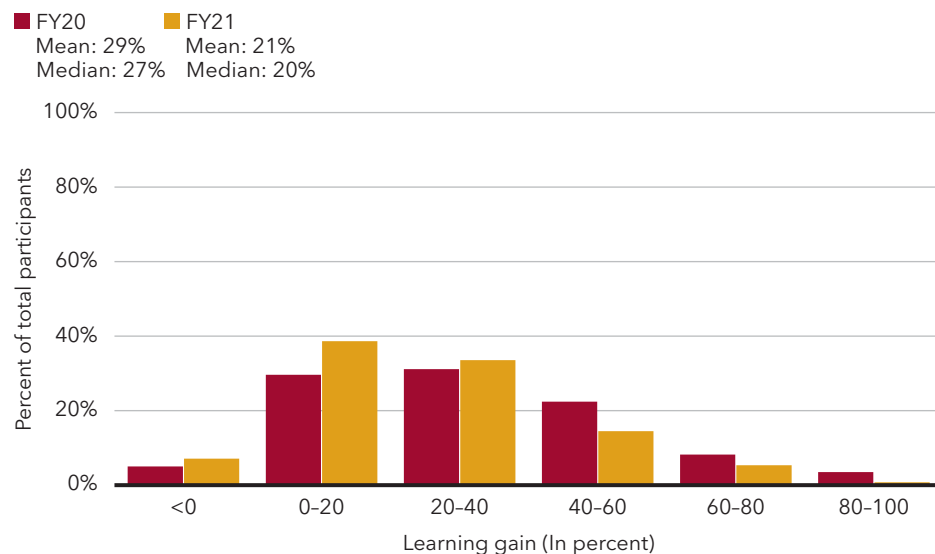
With nearly 50 webinars in FY21, SARTTAC was able to cast a wider reach, including a more varied mix of junior and senior level officials than attracted through traditional training, with the average number of registered participants also around one-third higher than for training courses. However, this difference is likely understated, given the prevalence of shared internet connections at these events. As indicated earlier, webinars were used initially as means of connecting to member countries on COVID-19-related issues, highlighting technical and policy changes needed to deal with the economic fallout of the pandemic and protect those most vulnerable to crises. In some cases, they led to deeper engagement in CD—both in training and TA. Webinars were also used to frame common CD challenges regionally and then followed by individual country events, as was the case with a number on banking and insurance supervision.

**Overall, the number of participants in training courses declined by 40 percent namely due to fewer offerings.** While all countries experienced a drop-off in the number of participants, India's was smaller, as more national training moved ahead there than elsewhere, including all cohort training done by SARTTAC in FY21. Better IT connectivity in India (both in office and from home) versus other countries appeared to be a factor in facilitating stronger uptake of virtual training. For Bangladesh, which had the sharpest decline in training participants in FY21, the drop was partly because of the cancellation of three cohort training events around a Fiscal Economics and Economic Management course done for government officials by the Institute of Public Finance. In terms of gender, female participation in FY21 was around one-third—the same level as in FY20 (Table 5). The average size of courses was slightly larger in FY21 compared

**FIGURE 4: TRAINING PARTICIPANTS BY SECTOR IN FY21**  
(All courses, number of officials)



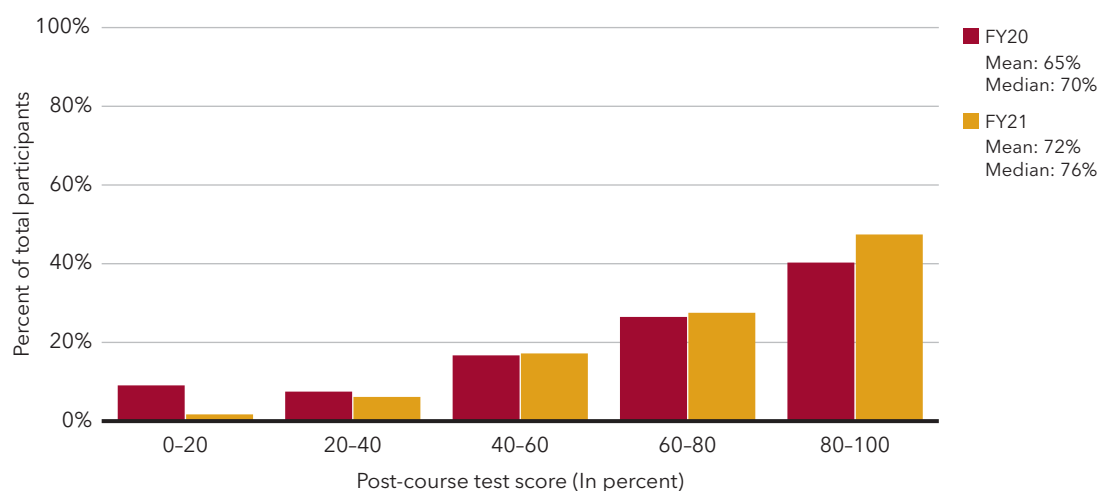
**FIGURE 5: DISTRIBUTION OF LEARNING GAIN FOR PARTICIPANTS - FY20 VS. FY21**



to the previous year, with macroeconomic and PFM training attracting more than half of all course takers (Figure 4). Participants' learning gains remained significant but were smaller in FY21 compared to FY20 (Figure 5). Part of this could be due to shorter courses and more outside distractions. However, overall post-course test scores were higher in FY21 (Figure 6), suggesting that participants in virtual courses were also joined by more skilled and experienced officials.

**In terms of milestones in FY21, the number (270) was about the same as FY20, but results were more skewed toward "not achieved/delayed".** Total achieved milestones remained around one-quarter, but not achieved/delayed ones rose to more than 50 percent. Focusing on countries, the share of not achieved/delayed appears to be inversely correlated with the intensity of TA uptake. Some of this under-performance also reflects carry-over from the last quarter of FY20, when the onset of the pandemic put the brakes

**FIGURE 6: DISTRIBUTION OF POST-COURSE TEST SCORES FOR PARTICIPANTS - FY20 VS. FY21**



**TABLE 5: PARTICIPANTS BY COUNTRY AND GENDER IN FY20 AND FY21**

SARTTAC Training Participants (excluding webinars)						
Country	FY20			FY21		
	Number of Participants	Share of Total (in percent)	Of which Women (in percent)	Number of Participants	Share of Total (in percent)	Of which Women (in percent)
Bangladesh	313	24	29	75	10	36
Bhutan	137	11	28	60	8	43
India	496	38	33	429	55	26
Maldives	86	7	63	43	6	67
Nepal	161	12	13	102	13	13
Sri Lanka	105	8	48	72	9	58
<b>Total</b>	<b>1,298</b>	<b>100</b>	<b>32</b>	<b>781</b>	<b>100</b>	<b>32</b>
Number of Courses	50			28		
Participants per Course	26			28		
SARTTAC Webinar Participants in FY21						
	Q1	Q2	Q3	Q4	Total	
Number of Participants <sup>1</sup>	731	350	420	218	1,719	
Number of Webinars	18	8	13	10	49	

<sup>1</sup> Registered participants only; actual number is likely larger because of shared connections.

on TA engagement, followed by a less robust re-start than envisaged in FY21. Nonetheless, some key achievements were made in project implementation across sectors, as discussed in the next section of this report.

**MACROECONOMIC ANALYSIS AND TRAINING**

**The pace and intensity of SARTTAC's macroeconomic training program picked up over the course of FY21, as adaptations were made in light**

**of the pandemic.** Lockdowns in the region from March 2020 and concomitant restrictions on staff and participant travel initially had a severe impact on the delivery of training, which persisted into the first

quarter of FY21. During this time, SARTTAC and ICD focused on the resource-intensive task of modifying standard courses for a virtual setting, with the time difference between the region and many trainers, as well as local workplace and connectivity issues, requiring a significant streamlining of curricula. SARTTAC, too, invested considerable resources in building up its own technical capacity to seamlessly administer and support delivery in a virtual setting. The first course of SARTTAC's ICD training program was launched in August 2020, with offerings picking up from October onward. By end-FY21, the modified training plan endorsed by the SC in January 2021 was fully delivered. SARTTAC's ICD-supported TA program also saw a new Financial Programming 2.0 (FP2.0) project in Bangladesh started in earnest in FY21 and continued strong engagement on a Forecasting and Policy Analysis System (FPAS) project in Sri Lanka.



**Mr. Anshuman Kamila**

*IES Assistant Director,  
Department of Economic  
Affairs, Ministry of Finance,  
Government of India*

This training course [Macroeconomic Diagnostics] helped me in learning about the way the IMF looks at and reads various macroeconomic imbalances and the signals that they convey in assessing the state of an economy.

**Despite challenging circumstances, SARTTAC delivered a strong macroeconomics training program in FY21, with main achievements as follows:**

- **Providing high-quality macroeconomic training virtually:** Shorter training sessions necessitated by virtual delivery, reliable IT connectivity for course participants, and their own ability to devote sufficient time to training posed considerable challenges. SARTTAC and ICD staff used various modalities to enhance the quality of delivery and keep participants engaged, such as complementing class lectures with asynchronous online learning resources and using polling tools to facilitate fuller engagement with participants. In response, ICD course participants consistently rated the quality of the lecturers and the course materials as notable strengths of the training experience, with training as a whole in SARTTAC receiving high marks for course relevancy and overall satisfaction. However, a novel analysis of participants' comments in course evaluation surveys shows an overwhelming desire to return to face-to-face training. In addition to the constraints mentioned above, participants were often not fully released from their office responsibilities, preventing them at times from giving their complete attention to training (Box 1).
- **Focusing training on building capacity in cohorts of civil servants:** A significant element of the FY21 training program was focused on capacity building of cohorts of civil servants (Box 2). All three macroeconomic training events—one a new Selected Macroeconomic Issues course with senior Indian officials offered in conjunction with LBSNAA, and the other two—a sequence of Financial

Programming and Policies (FPP) and MDS courses for the entering cohort of the Indian Economic Service (IES)—were delivered successfully, with these course having some of the highest course satisfaction ratings and most positive comments from participants in regularly administered end-of-course evaluation surveys.

**Notwithstanding the challenge posed by the pandemic, SARTTAC's ICD-supported TA program progressed well in FY21, with highlights as follows:**

- **Developing macroeconomic frameworks:** Strong engagement with the inter-ministerial and agency group in Bhutan led to the establishment of a comprehensive and consistent data system and its use by the authorities in an FPP-based framework for policy analysis. In Bangladesh, an IMF team helped enhance the authorities' own macroeconomic framework, while refining key accounting linkages, imbedding a behavioral model, and producing tables compatible in several formats, including the 8<sup>th</sup> Five Year Plan (Box 3). The team also produced an instructional manual for dissemination of the framework.
- **Continuing support for FPAS work:** The FPAS TA project in Sri Lanka moved toward its final stage. In FY21, the IMF team assisted a core group of officials at the Central Bank of Sri Lanka (CBSL) in dealing with pressing near-term forecasting and monetary policy analysis issues related to the COVID-19 shock, along with specific matters pertaining to a possible transition to a flexible inflation targeting framework. The authorities also received assistance in how to draft a Monetary Policy Report.





## BOX 2: INDIA - COHORT TRAINING

As the IMF's only fully integrated training and technical assistance (TA) center, SARTTAC is well placed to exploit the synergies between training and TA to tailor its activities to better meet member authorities' training needs. A particularly useful approach is to integrate SARTTAC training into member government agencies' own human resource development strategies and training programs. This "cohort training" approach has several advantages.

- First, it allows curricula to be tailored to specific needs of cohorts being trained—e.g., by using case studies based on the country concerned or even by combining material from different courses to provide a customized product.
- Second, the training group is typically more motivated as they recognize that the training will play an important role in helping them undertake their current and future responsibilities.

- Third, cohort training is usually by closed as opposed to open invitation, meaning sponsoring agencies help identify the most suitable candidates. This structure ensures a more homogeneous group in their abilities and skill set so that training can be better paced and targeted at the recipient.
- Finally, cohorts nominated for training by their HR departments are less likely to face interruptions related to their daily jobs than candidates who apply for courses on their own initiative.

SARTTAC has, since its inception, conducted several cohort training programs for government officials in India and Bangladesh. At present though, the size of SARTTAC's cohort training programs is small in relation to its regional training program. In the last three years, some 200 officials on average participated in cohort training, as compared to 500 officials on average in regional programs. Focusing on India, cohort training has concentrated around

three areas—macroeconomic training, revenue administration (RA), and government finance statistics (GFS) and public sector debt statistics (PSDS), with details as follows:

*Macroeconomic training for the Indian Economic Service (IES) and Indian Administrative Service (IAS):* The macroeconomics cohort training program for the IES and the IAS has grown to where it accounts for nearly 30 percent of all the ICD training courses planned to be delivered at SARTTAC in FY22. In FY21, these courses were among the most successful of all the ICD courses at SARTTAC. While delivered virtually, they had impressive overall satisfaction and learning gains, and in these important respects matched those of similar courses delivered in-person in FY20.

*IES:* The program for the IES comprises two elements. The first element is integrated into the 3½-month foundation training program for entering IES cohort. In FY21, SARTTAC delivered two courses to this cohort—Financial Programming and Policies and

**KEY ACCOUNTS**

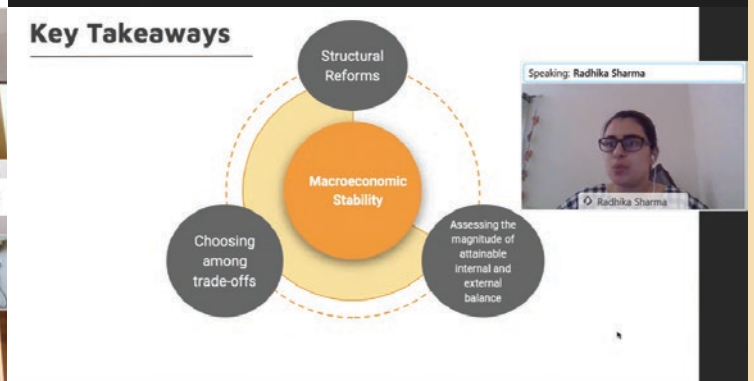
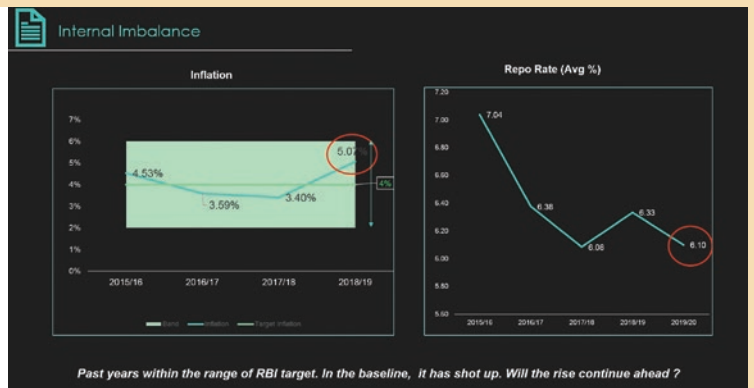
**REAL SECTOR**

**GDP by expenditures, from National Accounts (SNA 2008, domestic currency, transactions)**

- Private consumption
- Final government consumption
- Private investment
- Government investment
- Exports of goods and nonfactor services
- Imports of goods and nonfactor services
- Gross Domestic Product

• GDP Identity  $Y = C + I + (K - M)$

• Supply=Demand  $Y + M = C_p + C_g + I_p + I_g + X$



Course on Financial Programming and Policies for IES (India), March 15-26, 2021



### Course on Selected Macroeconomic Issues for Senior Indian Civil Servants, August 10-14, 2020

Macroeconomic Diagnostics. The training is technically advanced and customized around Indian case studies to illustrate better the specific challenges facing the Indian economy. The IES training administrators consider the tools employed in these courses, including hands-on exercises in which participant groups prepare macroeconomic adjustment scenarios, very useful for young officials at the start of their careers. In the virtual environment, these courses have a significant advantage over other offerings, in that probationary officers have no office work-related distractions while in training. The benefit of allowing uninterrupted time is evident in strong learning gains, the depth of the questions participants ask, and the lively discussions during course sessions. The second element, in contrast, is a mid-career training course for IES officers who have been in the service for about 10 years. This program is geared to officials who may not need the training offered in the technical courses. The objective is to provide a clear and intuitive presentation of modern macroeconomic

thinking and use it to gain insights on specific problems relevant to the Indian economy.

*IAS:* A selected macroeconomic issues course was offered for senior Indian civil servants in FY21, similar in design to the one for mid-career IES officers, but more India-focused. It covered the key macroeconomic concepts required to analyze India's current economic challenges and paired it with applications to India's recent growth challenges, fiscal and monetary policy implementation, India's debt situation, its banking sector challenges and their macro-financial implications, and structural reform needs. The course culminated in a panel discussion on how to unleash India's economic potential after COVID-19, which included, among others, former Reserve Bank of India (RBI) Governor Duvvuri Subbarao and former Director of the IMF Asia and Pacific Department (APD) and member of India's 15<sup>th</sup> Finance Commission Mr. Anoop Singh. A notable feature of the course was the close integration

of the capacity development and surveillance agenda and cooperation between SARTTAC and the IMF's India team, members of which delivered nearly half the lectures.

*Training with Indian revenue agencies:* SARTTAC has had an active engagement with Indian revenue agencies since its inception. Tax Administration Diagnostic Assessment Tool (TADAT) accreditation courses, delivered to officials from India's Central Board of Indirect Taxes and Customs and the Central Board of Direct Taxes (CBDT) since FY18, were the first instances of cohort training offered by SARTTAC. These courses have been well regarded, with the success of this training leading to such courses being offered to officials from state RA in FY21 at the request of the Goods and Services Tax (GST) Council.

In FY21, following agreement with CBDT's HR Directorate and endorsement of a workplan, SARTTAC delivered a tailored train-the-trainer course for CBDT training officers,



**Tax Administration Diagnostic Assessment Tool (TADAT) Workshop (India), April 22-30, 2021**

providing them with content knowledge of SARTTAC’s various RA courses to train other specialists. The aim of this innovative approach is to extend the reach of SARTTAC’s cohort training beyond the immediate training participants. Such events, which were first offered in FY21, are expected to be a regular feature of SARTTAC’s workplan. The CBDT has also worked pro-actively with SARTTAC to match participants to training that is relevant to their current duties and professional development, including coordinating the nominations for SARTTAC’s regional and national RA courses. National courses have been tailored to reflect specific developments (e.g., faceless assessments

in India). The CBDT has also ensured that its participants can join courses in full without interruptions from their normal duties.

*GFS/PSDS Workshops with the Comptroller and Auditor General of India (CAG):* SARTTAC now has a regular engagement with the CAG to help Indian state governments produce quarterly GFS and PSDS that meet international standards as promulgated in Government Finance Statistics Manual 2014 (*GFSM 2014*) and in Public Sector Debt Statistics Guide 2011 (*PSDSG 2011*). To this end, SARTTAC conducted two one-week long national GFS/PSDS Translation Workshops in

early FY21 for 28 states. The workshops had strong high-level support and the participation of a senior CAG official in the delivery of all the workshops served as an important signal to the participants of the CAG’s commitment to this training. The workshops were lively, and participants contributed actively to the discussions. They provided high marks to the training events and noted its relevance for their work. The overall satisfaction with the events is particularly noteworthy in that these were the very first virtual training events hosted by SARTTAC during the pandemic, and indeed the IMF, at a time when the Center was still in the process of finding its footing in virtual training.

risks and implement Enterprise Risk Management and Business Continuity Planning, as well as compliance risk management (CRM). Similarly, Bhutan was assisted with the preparations for the planned introduction of its goods

and services tax (GST), mainly through support for a new integrated tax system, which will eventually provide integrated online services for all Department of Revenue and Customs’ administered taxes and duties.

**A strong partnership was established with India’s Central Board of Direct Taxes (CBDT) during the year, which saw the delivery of three tailored training courses, including an innovative train-the-trainer virtual**

### BOX 3: BANGLADESH - ENHANCING MACROECONOMIC FORECASTING AND POLICY ANALYSIS CAPACITY

Since 2020, Bangladesh's Ministry of Finance (MOF) and IMF Institute for Capacity Development (ICD) have been jointly engaged in a customized training and technical assistance program. The goal is to enhance the process of macroeconomic forecasting and policy analysis over the medium term in support of better and more informed policy decisions. The project is envisaged to last through FY23 (i.e. to end-April 2023) and is supported by SARTTAC. It was developed in detailed discussions with the MOF, Bangladesh Bank, National Planning Commission, and several other agencies, in response to a request from the MOF for support in establishing an integrated macroeconomic framework.

As the MOF already had a functioning medium-term macroeconomic framework (MTMF) that captured those linkages, a key task of the project has been to upgrade the framework by incorporating in it analytical anchors and a short-term macroeconomic model. To drive this process, the MOF designated a core group of analysts from their Macro Wing in early 2020 to work on the project with ICD. It was agreed that other agencies would be involved, including through the inter-agency Coordination Council that is legally charged with developing a comprehensive view of fiscal, monetary, and exchange rate policies.

This set up represents best practice for the implementation of Financial Programming 2.0 projects.

The authorities and the ICD team agreed that macroeconomic projections used for policy analysis should be supported by an economic narrative. To this end, the team helped imbed into the existing framework two key elements: (1) anchors to link the forecast to the long-run feasible productive capacity of the economy, such as potential output, trend interest rates, and real exchange rates; (2) a short-run macroeconomic model that ties the expenditure components, the inflation rate, and the interest rate to the long-run anchors, while allowing for the existence of short-run macroeconomic imbalances or gaps (relative to internal and external balance). The enhanced framework has been used to make projections in several different formats, including the Eighth Five-Year Plan.

With only virtual engagement since early 2020, several modalities were used to deliver support. The initial changes to the extant MTMF were discussed via e-mail and a series of (asynchronous) instructional videos. Then in September and October 2020, the ICD team engaged with the MOF's core team through a series of synchronous sessions, providing virtual training on the model's theoretical



**Mr. Jayendu De**  
*IMF Resident Representative  
for Bangladesh*

The Bangladesh authorities are deeply appreciative of having SARTTAC in the region. The access to tailored technical assistance and training from highly qualified experts is helping the authorities formulate reforms necessary to support Bangladesh's goal to achieve middle-income status.

underpinnings and its implementation. These sessions culminated in a trial run of the model conducted by members of the MOF core team. With membership of the core team expected to evolve over time, the ICD team drafted a comprehensive description of the framework—a working paper and user's manual, which should help build durable capacity, not only in Bangladesh, but other countries seeking support on macroeconomic forecasting and policy analysis.

#### **course on taxpayer registration.**

This course aimed at equipping CBDT training officers with the knowledge to conduct internal training courses for CBDT officers engaged in the taxpayer registration function, thereby extending the reach of SARTTAC beyond its own training. A further Tax Assessment Diagnostic Assessment Tool (TADAT) Accreditation course was held for

Indian state revenue administrations, which was well attended by senior officers from the GST Council and 14 state administrations.

**The RA program was rounded out in FY21 by the delivery of two regional training courses on the topics of CRM and taxpayer registration, both of which are critical to maintaining revenue collection during and after**

**the pandemic.** These courses were also well attended by and included representatives from most of the SARTTAC member country revenue administrations. In addition, in October and December 2020, SARTTAC and PFTAC collaborated to offer a set of virtual workshops aimed at fostering peer-to-peer exchanges between revenue administrators from six of their member countries (including Bhutan

## BOX 4: MALDIVES - INCOME TAX ACT IMPLEMENTATION

The Maldives Inland Revenue Authority (MIRA) has successfully embarked on implementing its new Income Tax Act (ITA) under ambitious timeframes and challenging circumstances. The ITA commenced on January 1, 2020, for all provisions except tax on employment income, which came into force on April 1, 2020. The new ITA replaced the former Business Profits Tax and introduced personal income taxes for the first time in Maldives. The first withholdings under the ITA were due July 23, 2020, while the first annual returns under the new ITA are due to be filed by August 31, 2021.

MIRA requested SARTTAC support in evaluating their implementation readiness given tight timelines. A mission in January 2020 provided advice on priority actions to ensure that in the short term that MIRA was prepared for

the various reporting obligations under the new Act. This mission subsequently led to an expert visit in March 2020 to assist with the development of an employer guide to withholding and the valuation of employee taxable benefits. This mission also highlighted issues to be addressed in the medium term and helped define SARTTAC's revenue administration workplan for Maldives for FY21. An immediate priority was support for refunds, as these are a new feature of the ITA. Two expert visits provided advice on refund processes and risk management and assistance with the systems requirements to manage refunds.

A number of factors have guided MIRA's progress on implementation readiness. SARTTAC has provided timely advice and regular ongoing support through

technical assistance (TA) on key issues, with priorities informed by a strong partnership between country officials and the IMF country team. A dedicated and motivated reform team in MIRA has acted on TA recommendations quickly. The MIRA has also employed good project management skills employed by prioritizing and sequencing action plans, with progress being monitored regularly. Leadership by MIRA in coordinating donor assistance has yielded a complementarity of partner support. In addition, proactive communications by MIRA—both internally and externally—has ensured obligations are understood. Finally, good infrastructure supporting work from remote has contributed to MIRA's ability to continue implementation throughout the pandemic, with strong uptake of SARTTAC's virtual support.

and Maldives). Participants, with expert support, developed and presented revenue plans in light of collection and compliance issues arising from the COVID-19 shock to these tourism-dependent economies.

### PUBLIC FINANCIAL MANAGEMENT Execution of the PFM work program in FY21 was broadly in keeping with the revised workplan endorsed at the time of the mid-year SC Meeting.

Much like the original workplan, the revised one aimed at responding flexibly to CD needs while recognizing the challenging environment posed by the pandemic. The original workplan focused on continuation of support in ensuring comprehensive, credible, and policy-based budgeting; strengthening budget execution and control; improving the coverage, quality, and timeliness of fiscal reporting; and identifying, monitoring, and managing fiscal risks—all the more critical as countries grappled with rising fiscal deficits and debt burdens as a fallout

The image shows a virtual meeting interface with two slides. The top slide is titled "Importance of Collections and Arrears Management" and contains the following text:

- A key aim of tax administration is to attain high rates of voluntary on-time payment and low incidence of tax arrears.
- However, there always needs to be effective management of the arrears when they arise, and a focus on preventing arrears occurring

The bottom slide is titled "Smarter Debt Collection" and contains the following text:

Critical first step is to understand the drivers of your arrears and understand what arrears you have.

Instead of following a fixed order, be able to choose the right tool to be applied at the right time to the right segment of taxpayers

Options

- Focus on the debtor instead of the debt
- Develop treatment plans
- Use modern techniques such as
  - advanced analytics
  - behavioural sciences

to understand what is driving debtor behaviour

The meeting interface shows several participants in a grid view, including Cheryl-Lea Field, Debraj Chaudhary, Ashim Kumar Chakrabarti, Cameron Sorensen, Kapil Mandal, Sanrat, Somnath Wajale, and Vivek Kumar Upadhyay.

### Collections and Arrears Management Course for India's Central Board of Direct Taxes, January 11-15, 2021

from economic shockwaves induced by the pandemic. Support for improvements to fiscal laws and frameworks

and to asset and liability management were also envisaged in the workplan. A mix of TA missions and

complementary national and regional training was planned, with priority given upfront to providing guidance on managing the exigencies stemming from the pandemic. For India, this work extended to subnational entities, through a combination of selected national training and customized TA focused on the Indian state of Odisha.

**A significant modification was made to the workplan at mid-year given the slow delivery of TA in the first half of FY21 on account of some preference for face-to-face support and more urgent priorities by policy makers.**

Technical assistance picked up moderately in the second half of FY21, as programmed in the revised workplan, in part as country officials adapted to remote delivery. It stayed focused on supporting PFM reform agendas in keeping with the original workplan. A number of regional training activities were also delivered aimed at addressing contemporary challenges and staying engaged with country officials, in light of challenges in executing planned national activities.

**A highlight of engagement on PFM was a High-Level Seminar on PFM for State Finance Secretaries in September 2020, organized jointly with the FAD and LBSNAA.** The seminar was organized around the broad themes of assessing the impact of COVID-19 on the implementation of fiscal policy in India, managing fiscal risks stemming from the pandemic, and engendering more inter-governmental coordination, especially in times of crisis. It comprised a mix of lectures and discussions, featuring IMF Chief Economist and Research Department Director (and now First Deputy Managing Director) Ms. Gita Gopinath and FAD Director Mr. Vitor Gaspar, as well as selected state finance secretaries. Other senior officials joined from the IMF, UK Treasury, India's Ministry of Finance (MOF) and Finance Commission, the Reserve Bank of India (RBI), and LBSNAA. SARTTAC engagement with the Indian



### High-Level Seminar on PFM for State Finance Secretaries, September 1-4, 2020

state of Odisha was highlighted as an example of how budget reforms and fiscal risk management could assist in providing financial security in difficult times (Box 5).



**Dr. Satya Priya Rath**  
IAS, Director, Budget, Finance Department, Government of Odisha

**Focusing on SARTTAC's work in India at the subnational level, support for strengthening PFM in the state of Odisha was delivered broadly in keeping with plans, in part owing to strong local ownership and clear senior guidance (Box 5).** Technical assistance was provided on improving budget formulation, increasing fiscal transparency, and mitigating fiscal risks to the budget, with work also starting on cash and commitment control at end FY21 (and to be continued in FY22). A special webinar for Odisha on managing fiscal risks during a fiscal crisis was also delivered in early FY21, as a lead-in to accelerated TA engagement.

**Regarding other TA on PFM, in Bangladesh, missions centered around ensuring greater fiscal transparency, focusing on the Chart of Accounts (CoA) and on fiscal reporting.** Following up on earlier work and in coordination with other partners, support was extended to Bhutan's

The government of Odisha, with technical assistance from SARTTAC, has started reforms in public financial management, which have been lauded at different national and sub-national fora and highlighted in the Reserve Bank of India's publication *State Finances: A Study of Budget, 2020-21*. We look forward to continuing our valued relationship with SARTTAC in the coming years and taking PFM reforms to the next level.

## BOX 5: ODISHA (INDIA): DEVELOPING FISCAL FRAMEWORKS AND MANAGING FISCAL RISKS TO BUTTRESS AGAINST UNCERTAINTY

The Indian state of Odisha has undertaken several recent reforms in public financial management (PFM) with SARTTAC's support, which strengthened the authorities' hand in dealing with the economic fallout of the pandemic. The reform activities through FY21 centered around the development of a macro-fiscal function, improvement in the transparency of budget processes, and management and reporting of fiscal risks. This work has benefited from the coordination and support from the United Kingdom's Foreign Commonwealth and Development Office, notably through its Programme for Strengthening State Capabilities managed through the World Bank.

TA has focused on macro-fiscal related reforms—formalizing a medium-term macro-fiscal forecasting process, improving forecasting methods, strengthening analytical practices, and embedding these in the Medium-Term Fiscal Framework (MTFF). Timely assistance was seen as necessary to help Odisha preserve fiscal sustainability in an uncertain economic environment. Some improvements had already been undertaken since the issuance of an initial IMF TA report on Odisha in

early 2019, with more expected over time, in support of improvements to medium-term planning processes and formulation of a fiscal strategy consistent with fiscal objectives.

A key result in this effort has been the establishment of a Strategic Fiscal Planning Unit (SFPU) within Odisha's Finance Department (FD), staffed with a mix of practitioners and academics from India's Centre of Excellence in Fiscal Policy and Taxation (CEFT) trained in macro-fiscal concepts and tools. The Unit works under the guidance of the Joint Secretary (Budget), with its activities subject to review by a committee headed by the State Finance Secretary, which has facilitated concrete actions on the part of the authorities. Notably, a MTFF has been developed by the Unit as part of the partnership activities with the CEFT and now anchors Odisha's budget processes.

In FY21/22, the SFPU prepared and updated the MTFF, better enabling the state government of Odisha to make strategic economic decisions during pandemic-related turbulence. The MTFF has also been a launchpad for further PFM reforms. Over the past

year, focus of CD has been placed on the identification, quantification, and mitigation of fiscal risks, namely around revenue shocks, natural disasters, public sector undertakings, public-private partnerships, and contingent liabilities and guarantees. In February 2021, Odisha published a Fiscal Risk Statement (FRS) identifying the major known risks and mitigation measures, with annual publication expected going forward.

With SARTTAC's support, the FD introduced Strategic Budget Making for the FY21/22 budget using a hard budget ceiling as a tool for budget preparation. A Fiscal Strategy Paper (FSP) was published in February 2021, with key budget parameters and narrative explanation for the FY21/22 budget. A Status Paper on Public Debt (SPPD) with a state debt sustainability analysis was also included as part of the FY21/22 budget.<sup>1</sup> Ongoing reform work in Odisha will continue to improve these documents and procedures in the upcoming year.

<sup>1</sup> See <https://budget.odisha.gov.in/previous-yearly-budget/2021> for published versions of the state of Odisha's FRS, FSP, and SPPD for FY21/22.

MOF to identify business processes and IT infrastructure upgrade in order to fully operationalize its unified CoA, which also features large in its FY22 work program with SARTTAC (Box 6). With reference to its budget-related activities, Bhutan also received CD in the form of a mission to strengthen fiscal planning and improve budget documents. Nepal hosted a TA mission on fiscal reporting, identifying issues with its existing CoA, which, once addressed, could also help to simplify the government's banking arrangements, enhance the Treasury Single Account, and aid cash management.

**On training, early in FY21, focus was placed on quick-actioned webinars, kickstarted by ones on public investment management, fiscal risk management, and macro-fiscal forecasting, and later bolstered by several on budget communications, budget preparation, and fiscal frameworks—each with special consideration given to challenges arising during the pandemic.** In the second half of FY21, well-received and timely workshops were conducted on fiscal risk tools, fiscal transparency, and Public Investment Management Assessment (PIMA) tools, including introduction

of a new climate change module.<sup>4</sup> National training took place more selectively in Bhutan (budget documentation), India (gap analysis in financial statements), and Nepal (public debt management). In adapting to emerging needs, SARTTAC also provided customized training on the fundamentals in fiscal analysis and

<sup>4</sup> See IMF PFM blog post on Public Investment Management in South Asia by Celeste Kubasta and Raju Sharan (both SARTTAC), April 5, 2021 (<https://blog-PFM.IMF.org/PFMblog/2021/04/-public-investment-management-in-south-asia-.html>).



forecasting to a new macro-fiscal unit (MFU) in Sri Lanka's MOF. Apart from this CD, SARTTAC also contributed to FAD's fiscal transparency evaluation for Maldives and PIMA for Nepal.

## GOVERNMENT FINANCE STATISTICS

**Over the course of FY21, both training and TA on GFS and PSDS required adaptations to counter adverse effects of the pandemic on planned engagement.** In early FY21, a one-week regional workshop on PSDS and two week-long GFS/PSDS workshop for Indian states' officials kicked off the resumption of regional and national training in SARTTAC. These workshops, which followed the cessation of face-to-face training in March 2020, were instrumental in helping SARTTAC establish its protocols for virtual training delivery. They were bookended in late FY21 by a three-day regional workshop covering specialized topics, particularly treatment of capital injections by government—a timely matter given the adverse financial impact of the pandemic on public sector undertakings—and on recording of environmental taxes—an emerging area of interest, as governments do more to mitigate the financial and environmental impacts of climate change. Preceding this was a more general webinar on the recording of pandemic-related GFS transactions for regional statistical agencies.

**Starting mid-FY21, TA missions resumed virtually, first in Nepal with several agencies charged with the compilation and dissemination of GFS, where agreement was reached with the authorities to disseminate budgetary central government (BCG) GFS for FY16/17-18/19 to the IMF Statistics Department (STA) (Box 7).** The mission also reviewed GFS Statements of Operations for Nepal's provincial and local governments, which met international standards, making Nepal the first SARTTAC member country to compile consolidated GFS for general government,



**Sri Lanka Ministry of Finance Macro-Fiscal Unit Training and Technical Assistance, March 2021 (with Tubagus Feridhanusetyawan, IMF Resident Representative for Sri Lanka [center])**

apart from some statistical gaps for BCG extrabudgetary units. This mission was followed by one on GFS and PSDS with Bangladesh's MOF and Office of the Controller General of Accounts, in which the latter agreed to consider assuming responsibility for GFS compilation and dissemination, based on earlier recommendations. A GFS and PSDS TA mission was also undertaken with Maldives, engaging with various departments of the MOF and the Maldives Monetary Authority (MMA). The MOF's Fiscal Affairs Department outlined its plans for the year ahead including compilation and dissemination of quarterly GFS for BCG, development of a revisions policy, and production of GFS-compliant classification of function of government (COFOG) statistics. Further engagement with SARTTAC was agreed to update the MOF's institutional table, with particular reference to extra-budgetary units.

**For Bhutan and Sri Lanka, TA engagement was postponed until FY22 at the request of the authorities, although officials in these countries**

**actively participated in regional workshops.** For India, planned training for Indian states on translating GFS to *Government Finance Statistics Manual 2014* (GFSM 2014) and *Public Sector Debt Statistics Guide 2011* (PSDSG 2011) compliant accounts at end FY21 was also postponed at the behest of the Office of the Comptroller and Auditor General (CAG) owing to the impact of a resurgence of the pandemic at the time on officials' availability.

## REAL SECTOR STATISTICS

**Delivery of the FY21 work program on RSS proceeded well, with key objectives achieved.** Most agencies were open to receiving both training and TA, as envisaged in the revised workplan, although a few expressed a strong preference for in-person delivery. The Royal Monetary Authority of Bhutan (RMA) received virtual TA on developing a preliminary monthly index of economic growth (MIEG) using high frequency indicators (HFIs)—work that attracted interest in other countries. In the absence of a quarterly gross

## BOX 6: BHUTAN - STAYING ENGAGED ON KEY PUBLIC FINANCIAL MANAGEMENT REFORMS IN FY21

The onset of COVID-19 severely affected planned delivery of CD by SARTTAC to member countries. However, effective management of the challenges arising from the pandemic helped Bhutan to stay the course and continue its efforts to build on the earlier PFM reforms. Previous missions had identified challenges pertaining to fiscal planning, strategic budget communication, receipt and payment systems, and fiscal reporting, with support through CD provided to the Royal Government of Bhutan's (RGOB) by SARTTAC on each of these topics in recent years. In FY21, work continued on improving fiscal reporting, with a mission in November 2021 concluding that a unified chart of accounts (CoA) could address some fundamental issues in ensuring sound PFM. Acting on this recommendation, the RGOB decided to transition to a modern CoA, which would align with international standards, with such a reform expected to be transformative in the coverage, usefulness, and, foremost, transparency of future fiscal reporting.

As a lead up to this work, the RGOB has been developing a Resource Administration Management Information System (RAMIS)<sup>1</sup> and electronic Public Expenditure Management System (e-PEMS)<sup>2</sup> which facilitate the collection of government receipts and effecting of government payments electronically, resulting in significant strides by Bhutan in the digitization of PFM. The positive externalities associated with electronic transfers have been visible during the pandemic, when the RGOB enlarged its social safety net and sought to

utilize electronic funds transfer. The SARTTAC mission on fiscal reporting, however, explained that more functionalities would need to be added to the existing system to fully leverage the potential offered by a unified CoA. Current manuals and business processes on government accounting would also need to be revised to reflect the changes ushered in by advancements in IT systems.

While introduction of RAMIS, e-PEMS, and other systems have made a significant positive impact on fiscal reporting and cash management by the RGOB, the absence of a unified CoA means that much remains to be achieved. Hence, with SARTTAC's support, Bhutan's Ministry of Finance has begun to undertake a modernization of the CoA to align it with the international standards. Upon development, the unified CoA will affect fiscal and financial reporting in a manner that shall result not only in improved PFM practices but also aid good governance and fiscal transparency.

<sup>1</sup> The RAMIS has been developed under the principal lead of the MOF's Department of Revenue and Customs, with external support from the Asian Development Bank.

<sup>2</sup> The MOF's Department of Public Accounts has taken the lead on developing the e-PEMS, in collaboration with the DRC and Royal Monetary Authority of Bhutan, in part through donor resources from the European Union and Austrian Development Agency administered by the World Bank.

domestic product (GDP) program in Bhutan, a MIEG could be used to monitor short-term changes in economic activity. Furthermore, CD on existing projects with the National Bureau of Statistics of Maldives on compilation and dissemination practices on GDP continued to be delivered, with an important objective achieved on producing expenditure-based GDP for the first time under the 2014 reference year (Box 8). The MMA received customized training and TA on seasonal adjustment of the Quarterly Business Survey, which could be used as a timely leading indicator of economic activity.

**Regionally, a new training course was held on advanced issues in national accounts compilation, which garnered**

**positive feedback from country statisticians.** The course, in part, aimed at improving the efficiency of future TA on GDP rebasing with the Bangladesh Bureau of Statistics, the Department of Census and Statistics of Sri Lanka, and the National Statistics Bureau of Bhutan. A regional course on Supply and Use Tables and Input-Output Tables was also delivered with the goal of supporting the aforementioned TA on GDP rebasing.

**To address immediate pandemic-related needs, SARTTAC also hosted several RSS-focused webinars around ensuring business continuity.** Notable ones were held on compiling consumer and producer price indices, ensuring fiscal policy measures due to COVID-19 were reflected in the national accounts

estimates, and using HFIs in the compilation of a MIEG. A webinar was also delivered for the Ministry of Statistics and Programme Implementation in India (MOSPI) on methods of imputing for non-response in survey programs, supporting the compilation of the index of industrial production (IIP). It was followed by one for the MOSPI on guidance on chain-linking methods for an IIP.

### MONETARY AND FOREIGN EXCHANGE OPERATIONS

**At the start of FY21, CD demand on monetary and FX operations from SARTTAC central banks continued to be limited, as they grappled with crisis management in the early stages of the pandemic.** Coming on the heels

## BOX 7: NEPAL - PROGRESS ON GFS AND PSDS

During FY21, engagement with Nepal on capacity development in government finance statistics (GFS) and public sector debt statistics (PSDS) remained strong, notwithstanding challenges posed by virtual delivery. A one-week virtual workshop on PSDS was delivered at end-August 2020, with the intent of helping Nepal's Public Debt Management Office (PDMO) prepare to assume full responsibility for the nation's debt management, including the compilation and dissemination of PSDS by end 2020. In addition to PDMO officials, Nepal's Financial Comptroller General Office, which had been compiling and disseminating Nepal's PSDS, and the Nepal Rastra Bank participated in the workshop.

As one of SARTTAC's first virtual national training events, the course combined highly interactive synchronous learning with four after-session assignments for participants, who subsequently presented their

results during live sessions. Despite some challenges with connectivity, which limited overall participation, learning gains were strong—nearly 25 percentage points. More importantly, the workshop helped facilitate the transition of responsibilities on PSDS to the PDMO, which further agreed to finalize plans for PSDS valuation and coverage improvements ahead of a planned November 2020 technical assistance (TA) mission.

The virtual TA mission that followed the workshop was successful on multiple fronts. First, the mission collaborated with the authorities to refine a previously developed methodology to estimate *Currency and deposits* financial assets and liabilities, which had served as a stumbling block for reducing *Statistical discrepancies* (SDs) in Nepal's GFS Statements of Operations for budgetary central government (BCG). Given reasonably reduced SDs (less than about 3 percent

of *Expenditure*), the authorities agreed to disseminate BCG GFS for fiscal years (FYs) 2016/17 – 2018/19 to the IMF Statistics Department and, potentially, to other statistical users.

Furthermore, the mission reviewed GFS Statements of Operations for Nepal's provincial and local governments, which met international standards. Accordingly, Nepal became the first SARTTAC member country to compile consolidated GFS for general government, apart from a statistical gap in data on BCG extrabudgetary units. Finally, the mission gained clarity on prospects for the compilation and dissemination of high-frequency GFS for BCG, and gathered valuable information concerning management information systems used to collect and compile GFS for Nepal's three levels of government—an important step in recognition of the country's federal structure.

The image displays a workshop presentation slide with two main sections: 'Vertical Consistency' and 'Horizontal Consistency'. The 'Vertical Consistency' section features a table of classifications and a diagram of the Stock-Flow Reconciliation process. The 'Horizontal Consistency' section shows a flow diagram for Stock-Flow Reconciliations. Below the slides is a video call interface showing a speaker, Brooks Robinson, and several other participants in a grid view.

**Vertical Consistency**

No.	Classifications
1	Revenue
2	Expenditure
3	Net Lending(+)/Net Borrowing(-) (3=2-1)
4	Net Financing (4=5-6)
5	Net Acquisition of Financial Assets
6	Liabilities
7	Statistical Discrepancy (7=3-4)

Vertical Consistency Ensures Minimization of the Statistical Discrepancy

**Horizontal Consistency**

Horizontal Consistency ensures full Stock-Flow Reconciliations

OPENING BALANCES + TRANSACTIONS + OTHER ECONOMIC FLOWS = CLOSING BALANCES

Public Sector Debt Statistics Workshop (Nepal), August 30-September 3, 2020

## BOX 8: MALDIVES - ACHIEVING A MILESTONE ON EXPENDITURE-BASED GROSS DOMESTIC PRODUCT

On October 1, 2020, the National Bureau of Statistics (NBS) of Maldives disseminated expenditure-based gross domestic product (GDP-E) for the first time under the 2014 reference year. GDP-E will now be an annual product of the NBS. The dissemination was accompanied by a webinar by SARTTAC, which included a presentation on the sources of data and methods used to compile GDP-E, as well as the results.

In Maldives, the compilation of GDP-E and production-based GDP (GDP-P) are performed concurrently, as in other countries. Both measures of GDP must be identical, with the introduction of GDP-E requiring reconciliation and integration of it with GDP-P. This process yields a more accurate estimate of GDP

relative to a System of National Accounts (SNA) program, which only produces GDP-P.

With the dissemination of GDP-E, the NBS completed an important milestone under their SNA program being undertaken with support from SARTTAC. Computation and publication of GDP-E is one of key economic statistics included in the Milestones and Minimum Data Requirements, as outlined by the Inter-Secretariat Working Group on National Accounts. It is considered a high-priority achievement by statistical agencies before they develop other advanced tables within the SNA.

On SARTTAC's part, support on GDP-E was provided by several missions before and during the pandemic,

with priority placed by the NBS on finalizing estimates before technical assistance (TA) commenced in other areas. Although there were challenges and difficulties, SARTTAC did virtual missions in July and September 2020 to bring this project to completion and meet the milestone of disseminating GDP-E.

Flexibility was the key to a successful delivery of these missions, notably regarding meeting times, as NBS compilers and the SARTTAC advisor were located in widely different time zones. Videoconferencing was used for formal meetings, which focused around presentation of estimates, while direct messaging was helpful for informal communication around performing technical tasks and updating each other on progress.

The image shows a video conference interface. On the left, a presentation slide titled "Supply and Use Tables – what are they?" is displayed. It lists key points: "Part of the wider Input-Output Table 'family', Supply and Use Tables (SUT) are designed to support the production of GDP through coherent and regular benchmarking of estimates", "SUT are matrices by products and industries showing the production processes and transactions for particular products or industries", and "Scalable to country circumstances and economy (using standard product and industry classifications)".

Below the slide, a Microsoft Excel spreadsheet is visible. The spreadsheet has columns for "SUPPLY" (Output, Imports, Supply at basic prices) and "INTERMEDIATE CONSUMPTIONAL USE" (PCE, GFCF, Changes in inventories, Exports). The data is organized by industry (A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z).

On the right side of the video conference, two participants are visible: Massimo Ianni (Cohost) and Roger Sceivour (Cohost). Both are wearing headsets and appear to be engaged in the discussion.

RSS Regional Workshop on Supply and Use Tables, Input-Output Tables, and Extensions, February 8-12, 2021

## BOX 9: SRI LANKA - STRENGTHENING THE CENTRAL BANK COLLATERAL FRAMEWORK

Support from SARTTAC to strengthen the Central Bank of Sri Lanka's (CBSL) collateral framework was an outgrowth of general guidance provided in a note on *Expanding the Central Bank's Collateral Framework in Times of Stress*<sup>1</sup> prepared by the IMF's Monetary and Capital Markets Department (MCM) at the start of the pandemic. At a joint MCM-SARTTAC regional webinar in July 2020 focused around the note, SARTTAC member countries were asked to share recent experiences in handling liquidity stresses tied to the onset of the pandemic, as economic activity seized up in the first half of 2020.

On its part, the intervention by the CBSL at the webinar pointed to shortcomings in risk mitigation under its existing collateral framework and identified challenges with accepting bank loans as collateral under the central bank's New Credit Schemes. The schemes aimed to facilitate credit provision by the commercial banks to businesses severely affected by the pandemic.

In response and at the request of CBSL, SARTTAC conducted a remote technical assistance (TA) mission to address issues identified at the webinar. Discussions and meetings

<sup>1</sup> See <https://www.IMF.org/en/Publications/SPROLLS/covid19-special-notes>.



**Mr. Masahiro Nozaki**  
*Deputy Division Chief and Mission Chief for Sri Lanka, Asia and Pacific Department, IMF*

We appreciate SARTTAC's support and effort to make critical capacity development happen, as evidenced by its quick response in support of a new macro-fiscal unit in Sri Lanka—a very important project to improve fiscal policy making in Sri Lanka.

were held with CBSL's Domestic Operations, Economic Research and Public Debt Departments between late October and early December 2020, with work slowed by lockdowns. The mission addressed short-term challenges that emerged in the context of the COVID-19 crisis and provided more structural and permanent recommendations to improve the CBSL's collateral framework embedded in the overall modernization of the CBSL's implementation of monetary policy.

of intense engagement by central banks in FY20 on strengthening monetary operations frameworks, the initial focus of SARTTAC's engagement in FY21 shifted to the delivery of webinars around COVID-19 policy and guidance notes prepared by the IMF Monetary and Capital Markets Department (MCM), notably ones on central bank support to financial

markets and on collateral frameworks during times of stress. The latter led to a new demand for TA from Sri Lanka on central bank collateral frameworks, with timely delivery in mid-FY21 (Box 9). SARTTAC also pursued opportunities to cooperate with other RCDCs and in this regard a webinar on debt management was organized jointly with CDOT in



**SARTTAC - MCM Webinar on Central Bank Collateral Frameworks in Times of Stress, July 8, 2020**

The mission's recommendations centered on creating a multidisciplinary internal working group in the CBSL to focus on collateral issues, i.e., the Collateral Policy Framework Group, tasked with building a framework for collateral policy and adequacy within the system, along with the formulation of more robust risk control measures. The mission also offered a roadmap to formalize a framework to accept non-standard collateral, including credit claims, in domestic liquidity management—an area of further SARTTAC TA in FY22.

June 2020. On the other hand, time needed by Bangladesh Bank (BB) to handle pandemic-related strains to the economy delayed programmed TA on a planned transition to a flexible monetary targeting framework.

**Demand for TA delivery in monetary operations picked up in the latter half of FY21.** In Bhutan, with the launch

## BOX 10: STRENGTHENING THE REGULATORY AND SUPERVISORY FRAMEWORK OF THE FINANCIAL SECTOR IN THE COVID-19 ENVIRONMENT

The COVID-19 crisis has highlighted the need to maintain a strong regulatory and supervisory framework for the financial sector, as countries dealt with the fallout of suddenly curtailed economic activity and associated financial stresses. In response, SARTTAC organized a number of CD webinars in this area for the benefit of member countries' supervisors, some in response to requests from central banks in the region. In light of challenges in moving forward with planned TA missions, these webinars were an effective means of staying connected with central banks early in the pandemic and highlighting appropriate technical recommendations and policy changes to limit pandemic-induced financial stresses.

Several regional webinars on the regulatory and supervisory response and on-site and off-site issues were also used as lead-ins to one-day break-out sessions with individual central banks, each customized to discuss issues and concerns with the respective supervisors from Bangladesh Bank, the Royal Monetary Authority of Bhutan (RMA), the Maldives Monetary Authority (MMA), the Nepal Rastra Bank, and the Central Bank of Sri Lanka. Their reaction to this format of engagement was positive, with officials seeing it as enhancing their supervisory roles amidst the pandemic and requesting more guidance through the same type of webinars. In March-April 2021, a similar approach was used to engage insurance supervisors from the Insurance Regulatory and Development Authority of India (IRDAI), RMA, MMA, Beema Samiti of Nepal, and the Insurance Regulatory Commission of Sri Lanka.

In the case of the Reserve Bank of India (RBI), the RBI Academy sought a series of webinars for supervisors. The starting point was in June 2020

**NBFIs: Response of Authorities in Crisis**

- Authorities responses to the crisis do not generally include NBFIs and may aggravate the impact
- NBFIs already enjoy simplified or reduced prudential requirements in most countries, and regulatory forbearance (i.e., a relaxation of prudential and accounting requirements) should not be encouraged as not to further undermine confidence in the sector
- Government relief measures, for instance stabilizing their funding base, could be useful in alleviating the impact of the crisis on NBFIs' financial position
- Supervisory flexibility could also be employed to ensure that NBFIs can weather the impact of the crisis
- Liquidity support by the Central Bank should be considered

**The COVID-19 pandemic is testing the resilience of the banking sector**

Figure 1.8. Quarterly World GDP (2017=100, annualized rate) (excludes from January 2020 World Economic Outlook Update)

What is the appropriate supervisory response?

### SARTTAC Webinar for the Reserve Bank of India on Regulatory and Supervisory Issues in the Coronavirus Pandemic, June 8, 2020

with the presentation of a policy note prepared by the IMF Monetary and Capital Market Department (MCM) on the *Regulatory and Supervisory Response to the Pandemic on the Banking Sector*.<sup>1</sup> The webinars provided the objectives of the immediate regulatory and supervisory response to the pandemic including to: (i) support the economy and provide adequate credit, (ii) preserve financial stability and the health of the banking system, and (iii) maintain the soundness and transparency of the regulatory and supervisory framework by avoiding a relaxation of prudential requirements. Also addressed were issues specific to non-bank

financial institutions, including their business models' vulnerability in times of stress, less robust governance, and simplified or reduced prudential requirements.

Subsequent webinars with the RBI Academy also discussed the risk management of financial institutions in the time of the pandemic, the impact of the health crisis from banks' and the supervisors' perspective, and the consequences in terms of regulation and supervision. Finally, a few addressed the issues of on-site and off-site supervision during the pandemic, in particular the adaptation of on-site supervision (i.e., taking "on-site off-site") and off-site reporting, focusing on detecting emerging problems and monitoring the impact of regulatory relief measures. While these webinars were not a perfect substitute for on-the-ground missions, they have contributed to strengthening the supervisory capacity of the financial sector in the COVID-19 environment and further implementing risk-based supervision frameworks.

<sup>1</sup> See MCM Special Series on COVID-19 (<https://www.imf.org/en/Publications/SPROLLS/covid19-special-notes#mf>) in particular: *Banking Sector Regulatory and Supervisory Response to Deal with Coronavirus Impact (with Q and A); Supervisory Actions and Priorities in Response to the COVID-19 Pandemic Crisis; Strengthening Regulatory Reporting and Supervisory Analysis in response to COVID-19.*

of its Domestic Liquidity Management Framework (DLMF) in November 2020, the RMA of Bhutan took an important step towards introducing active liquidity management, a process in which SARTTAC has been involved since its inception. Over the course of the second half of FY21, SARTTAC continued to be closely engaged with the RMA on putting in place a full-fledged (i.e., active and rules-based) DLMF to assist in effectively signaling and implementing the monetary policy stance and to create supportive conditions for deepening financial markets. In Bangladesh, TA was delivered to support the development of a model-based monetary policy decision-making process at BB. Capacity development focused on monetary modeling and forecasting, mainly through introducing theory-based and structural modelling approaches in order to understand the nature of the transmission mechanisms of monetary policy, with a focus on short- and medium-term forecasting. This work is now being integrated into BB's internal policy decision-making. In addition, a nowcasting tool developed by SARTTAC through TA is being used to complement the BB's economic analysis toolkit.

**With Nepal Rastra Bank (NRB), SARTTAC combined training and TA to contribute to a better understanding of implementing domestic liquidity management under an exchange rate peg.** The training component targeted both junior and senior staff and covered theoretical foundations as well as practical examples. The SARTTAC monetary operations TA program continued to engage with NRB in strengthening its interest rate corridor framework,

providing it with a simple mechanism to contain volatility and steer short-term market interest rates as effectively as possible, regardless of the system's overall liquidity position (i.e., being in surplus or deficit), while preserving the exchange rate peg.

## **FINANCIAL SECTOR SUPERVISION AND REGULATION**

**The delivery of the FSR work program was affected by the pandemic, as the authorities' priorities shifted to short-term responses to the crisis.** As a result, medium-to-long term issues at the core of the work program were put on the back burner, with limited TA provided on further strengthening risk-based supervision frameworks. In its place, a program of regional and national webinars was developed around the more pressing issues faced by supervisors during the crisis (relaxation of prudential frameworks, risk management, on-site and off-site work in the time of the pandemic, etc.), some drawing on COVID-19 policy notes prepared by MCM. On banking supervision and regulation issues, these webinars considered tradeoffs between preserving financial stability, maintaining banking system soundness, and sustaining economic activities. In the area of insurance supervision, topics focused on new risks in insurance, sustainability in insurance, use of fintech in insurance, and consolidated supervision. A further webinar was held on cyber risks in the financial sector (in collaboration with CDOT).

**Regional engagement through webinars served as a gateway to follow on dialogue at the national level (Box 10).** In the case of India, a series of nine customized webinars

were arranged for the RBI Academy on regulatory and supervisory challenges and response by banks during the COVID-19 crisis. For the other countries, individual "break-out" sessions followed regional webinars, tailored to supervisors in central banks in Bangladesh, Bhutan, Maldives, Nepal, and Sri Lanka, where specific issues could be discussed to reinforce oversight in times of elevated financial stress. Similar tailored "break-out" sessions were conducted with insurance supervisors from Bhutan, India, Maldives, Nepal and Sri Lanka, which were organized themselves around a presentation made by each insurance supervisory authority on the pandemic's effects, related concerns around such, and actions taken to mitigate risks.

## **As noted, selected national training and TA on FSR was provided in FY21.**

They were delivered in the form of a training program for insurance supervisors in Maldives and a virtual CD mission in Bangladesh to give a new start to the TA program on strengthening the capacity of BB to implement risk-based supervision. These activities were complemented over the year by ad hoc virtual support provided by SARTTAC to counterparts in Maldives and Bhutan to ensure work progressed on implementing earlier TA recommendations. Through these contacts, Maldives made progress in the implementation of a new corporate governance regulation published in July 2020 and in the finalization of risk management guidelines (RMG)—both important objectives—while Bhutan made progress in strengthening its off-site supervision framework.





**SECTION III**

WORKPLAN FOR FY22

## A

## OVERVIEW


**Mr. Percy Bell**

*Minister-Counsellor (Economic) and Senior Treasury Representative, Australian High Commission, New Delhi*

We continue to be impressed with the great work SARTTAC is doing and are very happy to support the work wherever possible and look forward to continuing to work together in support of capacity development in South Asia.

**The FY22 workplan builds on recent support and encompasses selected new activities to ensure that SARTTAC continues to address macro-critical CD needs of its member countries.** Plans reflect

an expected continuation of virtual delivery at least until early 2022. That said, the overall workplan envisages more balance between TA and training activities, in part with anticipation of an easing of pandemic-related disruptions over the course of the year, which should facilitate better delivery of TA from remote. The resumption of regular TA engagement will also be important to ensure that durable capacity is built across sectors, especially as countries possibly confront larger macroeconomic imbalances, elevated financial stresses, greater debt burdens, and more acute data reporting lags as they emerge from the pandemic.

Focus on these areas is complementary to sector programs in SARTTAC on macroeconomic training, RA and PFM, GFS and RSS, and MONOPS and FSR, with the plans taking into account economic dislocations posed by recent crises. At the same time, SARTTAC is adapting CD to address other issues important to ensuring longer-term resilience and growth, in particular more gender-inclusive economies, climate change adaptation, digitalization, and cybersecurity.

In the FY22 workplan endorsed by SARTTAC's SC at its fifth annual meeting, total activities are expected to rise by one-third compared to FY21 and FPWs by about one quarter from the previous year (Table 6). All envisaged support continues to be informed by and responsive to member country demand, with sufficient flexibility in planning and budgeting to accommodate emerging needs over the course of FY22, especially given still elevated risks as countries confront the lasting economic challenges posed by the pandemic and accelerate CD-related reform agendas delayed by dealing with economic and health crises. Activities are generally distributed evenly over the course of the year, although execution will require an acceleration in the first half from the current pace of delivery, which has been affected, in part, by continued disruptions from the pandemic, notably on TA. Overall, delivery is expected to continue to be led by SARTTAC LTXs, supported by short-term experts (STXs) and selected IMF HQ missions and trainers, notably on RA, PFM, and macroeconomic training—regional and customized. To ensure fuller delivery of training plans, careful consideration has been given to dates and timing in setting out a SARTTAC training schedule in FY22—both for ICD and non-ICD courses (Annex 3).

**TABLE 6: SUMMARY OF SARTTAC ACTIVITIES IN FY22<sup>1</sup>**

	FY21	FY22	
	Execution	Planned	
	Annual	Annual	H1
<b>Activities (in number of activities)</b>			
Technical Assistance	61	113	42
Regional Training	35	40	20
National Training	29	28	11
Meeting/Retreat/Other	13	4	2
<b>Total Number of Activities</b>	<b>138</b>	<b>185</b>	<b>75</b>
<b>Resources by Type of Deliver (in FPWs)</b>			
Technical Assistance	336	434	144
Training	236	277	118
<b>Total Field Person Weeks</b>	<b>573</b>	<b>711</b>	<b>262</b>
<b>Modalities (in FPWs)</b>			
Resident Advisor	237	308	130
Short-Term Expert	183	223	83
IMF HQ Staff	154	181	49
<b>Total Field Person Weeks</b>	<b>573</b>	<b>711</b>	<b>262</b>

<sup>1</sup> Regional and national training are inclusive of webinars.

Ongoing work on SARTTAC’s website is also expected to aid the notification and administration of training, as well as raise the visibility of all activities.

**By sector and country, the proposed workplan for FY22, as reflected in the SARTTAC logframe (Table 7), can be summarized as follows:**

- **By sector:** Nearly half of SARTTAC’s work will continue to be devoted to fiscal-related areas (RA, PFM, and GFS), apart from envisaged macroeconomic training, which also includes courses on fiscal frameworks and fiscal sustainability (Table 8). Macroeconomic training and TA will itself comprise around one-quarter of the workplan, with a full slate of ICD course and related TA programmed along with cohort training in India (also built into RA, PFM, and GFS engagement). The rest of the sectors account for the balance of CD, but with RSS, MONOPS, and FSR rising

in both absolute and relative terms, as TA factors larger in delivery in FY22, with more regional training offerings, too. Collaborative work is expected across sectors through a range of CD activities, notably in areas such as medium-term revenue strategies, government accounting and fiscal reporting, and macroeconomic forecasting and monetary programming. On RA and PFM, envisaged workplans also factor in other development partners’ support, given the concentration of complementary CD efforts in these sectors in South Asia.

- **By country:** In relative and absolute terms, as measured by FPWs, engagement is expected to rise most significantly in Bangladesh, Nepal, and Sri Lanka in FY22, based on discussions with country authorities, earlier lags in execution of CD plans, and priorities and recommendations identified through their surveillance

dialogue with the IMF. This support is generally expected to rise across all sectors, although in absolute terms, RA and PFM CD is expected to account for the largest share of the overall programmed increase. For the heavier users in FY21, SARTTAC CD is expected to be substantial, with envisaged work aligned with ongoing intensive support, notably on RA TA in Maldives, PFM TA in Bhutan, and macro- and fiscal-related training at the national level for India, as well as PFM CD for the state of Odisha. National training, including customized support from SARTTAC and ICD-led TA, is also expected to feature larger in engagement with Bangladesh, Bhutan, and Sri Lanka. For regional training courses and workshops, the intensity of engagement should return closer to past levels of overall delivery of CD by SARTTAC, as measured by the share of FPWs (around one-quarter), but also with the number of activities still rising in FY22.

**TABLE 7: SUMMARY LOG FRAME FOR FY22**

	Bangladesh	Bhutan	India	Maldives	Nepal	Sri Lanka	Regional
<b>Macroeconomic Analysis and Training</b>							
Incorporating FPAS into the decision-making process	●					●	
Better macroeconomic forecasting and analysis feeds into economic policy process	●	●		●		●	●
<b>Revenue Administration</b>							
Strengthened core tax administration functions	●	●	●				●
Strengthened revenue administration, management and governance arrangements	●	●	●	●	●	●	
<b>Public Financial Management</b>							
Comprehensive, credible, and policy based budget preparation	●	●	●	●		●	●
Improved Asset and Liability Management	●		●		●		●
Improved budget execution and control	●		●			●	
Improved coverage and quality of fiscal reporting		●	●	●	●		●
Improved PFM laws and effective institutions			●	●			●
Strengthened identification, monitoring, and management of fiscal risks			●	●	●		●
<b>Government Finance Statistics/ Public Sector Debt Statistics</b>							
Strengthen compilation and dissemination of Government Finance Statistics	●	●	●	●	●	●	●
<b>Real Sector Statistics</b>							
Strengthen compilation and dissemination of data on macroeconomic and financial statistics for decision making	●	●	●	●	●	●	
<b>Monetary and Foreign Exchange Operations</b>							
Enhance the effectiveness of monetary policy implementation and strengthen central banks' operational framework within the monetary policy regime of choice	●	●				●	●
Enhance the effectiveness and consistency of central bank foreign exchange operations with the chosen monetary policy and foreign exchange regime				●			
Improve the economic analysis and forecasting capabilities at the central bank for the monetary policy decision making process tailored to the specific monetary and exchange rate policy regime	●				●		
<b>Financial Sector Supervision and Regulation</b>							
Develop/strengthen banking regulations and prudential norms				●			
Develop/strengthen cybersecurity regulations and prudential norms			●				●
Improved financial stability via early detection of and effective and timely responses to insurance sector vulnerabilities		●		●			
Supervisors have sufficient capacity to effectively implement risk-based supervision and other supervisory processes		●	●		●	●	●
To implement a risk-based supervision (RBS) system and upgrade other supervisory processes	●	●					

**TABLE 8: PLANNED RESOURCE DISTRIBUTION BY COUNTRY AND SECTOR IN FY22**  
(In FPWs, unless otherwise indicated)

	Total	Share of Total FPW (in percent)	Macroeconomics	RA	PFM	GFS/PSDS	RSS	MONOPS	FSR
Bangladesh	119	17	27	22	18	5	16	26	6
Bhutan	92	13	18	11	25	6	15	12	6
India	102	14	27	11	33	17	2	0	12
Maldives	95	13	8	34	18	5	14	10	6
Nepal	52	7	0	11	20	4	2	7	9
Sri Lanka	74	10	11	14	20	5	9	12	3
Regional	177	25	74	20	27	6	12	18	20
<b>Total</b>	<b>711</b>		<b>166</b>	<b>122</b>	<b>161</b>	<b>46</b>	<b>69</b>	<b>84</b>	<b>62</b>
Share of Total FPW (in percent)			23	17	23	6	10	12	9

## WORKPLAN BY SECTOR



**Ms. Anne-Marie Gulde-Wolf**  
Deputy Director, Asia and  
Pacific Department, IMF

SARTTAC continued to provide capacity development during the pandemic to its South Asian members. In fact, capacity development has clearly become the linchpin of IMF's engagement over the past year, providing continuity and depth.

#### MACROECONOMIC ANALYSIS AND TRAINING

**The broad priorities of SARTTAC's macroeconomics CD support remain unchanged from the previous year, while its scope of activities will expand.** With continued pandemic-related disruptions and travel restrictions persisting into FY22, most courses will likely be delivered virtually. SARTTAC's macroeconomics training program is set to expand by some 40 percent, with this larger workplan accommodating a more diverse set of courses, both regional and for India. They include foundational courses, i.e., FPP and MDS; and other training on fiscal policy, monetary policy, financial sector policy, and macro-econometric forecasting, as well as a new offering on gender inequality and macroeconomics. Collaborative training is also programmed with South East Asian Central Banks (SEACEN) Research and Training Centre on managing capital flows. TA will focus on the existing FP2.0 projects in Bangladesh and Bhutan and a new one in Maldives to help build capacity to develop and implement macroeconomic and forecasting frameworks, and on the FPAS project in Sri Lanka and a new one expected to commence with

Bangladesh's central bank, in part building on support received through SARTTAC's MONOPS program. Some notable features of the training and TA program in FY22 are discussed below.

**Training:** Main elements of the FY22 macroeconomic training program are:

- **Addressing fiscal challenges:** An especially important challenge in FY22 is related to addressing elevated fiscal vulnerabilities after the crisis, especially those related to public debt sustainability. Thus, SARTTAC's training program includes regional courses on Fiscal Sustainability and Fiscal Frameworks, which will be geared toward officials in MOFs and debt offices to help them apply the most recent thinking on these issues to their work.
- **Supporting other emerging challenges:** SARTTAC is committed to being at the forefront in bringing to its membership courses on emerging issues that affect macroeconomic outcomes. In this regard, two areas that the IMF Executive Board has directed the staff to mainstream in its work are climate and gender. In FY19 and FY20, SARTTAC, in collaboration

with CDOT, delivered courses on gender responsive budgeting aimed at budget practitioners, with the one planned in FY21 on gender inequality and macroeconomics geared towards policy makers.

- **Deepening cohort training:** Cohort training will remain an important part of SARTTAC's work program. In FY22, it will again be focused on the IES's entering cohort and mid-career participants from both the IES and the Indian Administrative Service (IAS), with some moderate deepening in engagement with CBDT (India) cohorts also expected, focused on macro-fiscal forecasting.

**Technical assistance will be concentrated on:**

- **FP2.0:** Ongoing projects in Bhutan and Bangladesh are progressing well, support in FY22 envisaged to help the authorities use the frameworks for policy analysis and decision making. A new project in Maldives, which was planned to start in FY21 but was delayed at the authorities' request because of the pandemic, will be initiated. In Sri Lanka, following the successful training provided to the new MFU in the MOF in FY21, with support from SARTTAC's PFM program, scope may exist over the medium term to deepen support through the implementation of an FP2.0 project. As a first step, an FPP course for an inter-agency cohort is planned in FY22.
- **FPAS:** The FPAS project in Sri Lanka is expected to end in FY22, with remaining work expected to be focused on helping the CBSL prepare and fine-tune the Monetary Policy Report for publication. A project in Bangladesh will start in FY22 with BB, with an initial focus expected on developing the institutional framework to support a possible flexible inflation targeting framework.

## REVENUE ADMINISTRATION

**The workplan on RA for FY22 will continue in supporting revenue mobilization efforts and ongoing modernization initiatives, such as the income tax in Maldives and the GST in Bhutan.** Around 30 activities are planned within the broad topical areas of strengthening core revenue administrative, management, and governance arrangements and ensuring corporate priorities are better managed through effective risk management. The balance of the program reflects a broad range of topics, based on the specific CD needs of each country's RA and their related needs in the post-pandemic environment. While IT challenges experienced in FY21 may remain a factor in workplan execution for some member countries, the following activities (many representing a continuation of last year's focus) are planned:

- **Supporting modernization initiatives:** In Maldives, assistance with implementing the income tax will continue, focused on developing an automated income tax refund processing system and CRM framework for income tax. For Sri Lanka, assistance will be provided to implement a large taxpayer office to ensure that these important taxpayers are fully meeting their tax obligations. This support was postponed from FY21 at the authorities' behest, due to other priorities during the pandemic. With planned full implementation of the GST in Bhutan from July 1, 2022, assistance with IT system functionality will continue.
- **Strengthening CRM:** Support for CRM will be critical for helping administrations recover from the impact of the pandemic on revenue collections. For Bangladesh, assistance with CRM for VAT and income tax is planned.

Other planned activities include continued training for India's CBDT in several compliance-related areas as well as regional CRM training.

- **Improving the uptake of international best practice in RA:** In the second half of FY22, a TADAT assessment is planned for Maldives and complementary assistance will be provided on tax gap analysis. As a new activity, a CD mission on data analytics for the GST is planned for Bhutan.
- **Training on RA topics:** Building on the successful workshops in FY21 on COVID-19 Business Continuity and on Re-Invigorating Tax Collections Post-COVID-19, four regional workshops are planned in FY22, focused on managing the post-pandemic recovery: risk-based audit techniques, collections and arrears management, CRM, and taxpayer registration. They are aimed at identifying revenue administrations' medium-term priorities and helping manage reform efforts, with a view to supporting revenue generation and collection and managing compliance risks. National workshops for India's CBDT on risk-based audit techniques, dispute resolution and tax rulings, and behavioral insights techniques are also planned.

## PUBLIC FINANCIAL MANAGEMENT

**SARTTAC's workplan for PFM CD in FY22 build on earlier activities, notably on TA, but also covers several emerging areas in training.** Some activities are carried forward from FY21, given delays in execution of workplans early in the pandemic as countries dealt with crisis-related fiscal matters and adapted to remote delivery. In Maldives, a series of recommendations generated from early TA missions and other donors' assessments are reflected in a new PFM Roadmap for reforms, which will

guide engagement. Areas of focus there and in other member countries are as follows:

- **Ensuring comprehensive, credible and policy-based budgeting:** Bhutan will continue to improve strategic budget communication, with its Budget Reports for 2020 and 2021 already revised in line with SARTTAC support, and to advance reforms in baseline budgeting. Bangladesh, will be assisted in improving the analytical and policy focus of its budget report improving budget documentation will also commence with the Indian state of Odisha.
- **Strengthening budget execution and control:** Bangladesh and Sri Lanka are programmed to receive assistance in strengthening expenditure control by expanding functionalities in existing IT systems. Nepal is expected to benefit from a follow-up mission on implementing recommendations from the PIMA, in which SARTTAC will participate.
- **Improving the coverage, quality and timeliness of fiscal reporting:** Bhutan will be further supported in its efforts to modernize the CoA and align it with international standards. Nepal is also expected to benefit from a review of its CoA, which should lead to improvements in fiscal reporting. An IMF HQ mission is expected to assist Sri Lanka in strengthening fiscal reporting for the general government.
- **Strengthening fiscal frameworks:** An IMF HQ TA mission is expected to assist Bhutan to further strengthen its fiscal federalism framework. Additional TA is also expected on developing a medium-term fiscal framework for the Indian state of Odisha and in Sri Lanka.
- **Better integrating asset and liability management:** Effective cash and debt management have

assumed more importance in the face of declining and uncertain revenues and increasing debt burdens and contingent liabilities, as agencies confront new challenges posed by the pandemic. Nepal, Bangladesh, and Sri Lanka are slated to receive support in this area, with an additional TA mission to Bangladesh expected to focus on some recent reforms undertaken by the government and to further strengthen debt management practices. As noted earlier, TA engagement is expected to continue with the Indian state of Odisha on strengthening cash management and commitment control, with this work a key feature of a new two-year plan for CD engagement with SARTTAC approved by India's MOF from August 2021.

- **Strengthening the identification, monitoring and management of fiscal risks:** SARTTAC will continue to support member countries to identify, assess, and manage fiscal risks, including through participation in an IMF HQ mission for Nepal in this area. In Maldives, work in this area will focus on improving oversight of state-owned enterprises (SOEs) through a combination of TA and training aimed at enabling better management and oversight of fiscal risks associated with these entities through oversight activities and better reporting on the financial status of these entities. Further TA on fiscal risks is also programmed for the Indian state of Odisha, looking more closely at identifying, quantifying, and mitigating risks and improving supporting documentation.
- **Training on PFM:** The ongoing pandemic has highlighted the need to build capacity for effective management of limited resources and to mitigate fiscal risks that have emerged in several countries over



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SARTTAC is working in a very structured manner in this very difficult time and has made good progress. We welcome the development of new course modules by SARTTAC, especially on gender and climate.

the past year. Accordingly, courses will be offered in FY22 focused on areas of immediate interest, namely strengthening cash management, integrating digitalization and PFM, improving fiscal transparency, designing a fiscal strategy, and preparing a fiscal risk statement. Building on the success of the seminar for State Finance Secretaries in India, organized in FY21, SARTTAC plans to offer another such seminar in conjunction with the LBSNAA, likely focused on post-COVID-19 challenges such as creating fiscal space and managing risk areas to reinvigorate growth. A regional workshop is also planned on addressing climate change and natural disaster issues, looking at the roles of MOFs in implementing country policies in such areas as green budgeting/ spending, climate-considerate public investment policies, and climate change adaptation. This workshop, along with the ones on cash management and digitalization and PFM, will be done with CDOT to exploit synergies across the



region, including PFM expertise. To complement TA, SARTTAC has also programmed national workshops on COA and budget documentation (Bhutan), fiscal risk management for CAG officials (India), and SOE governance, reporting, and fiscal risks (Maldives), and stands prepared to provide further training to Bangladesh government cohorts through its Institute of Public Finance, as in-person learning permits (the authorities' stated preference). Selected other training on contemporary PFM issues for Indian states may be done, subject to agreement with the India's MOF, focused on similar topics as regional workshops, but customizing diagnostic and assessment tools to address subnational PFM challenges.

## GOVERNMENT FINANCE STATISTICS

**The GFS/PSDS workplan in FY22 covers a number of activities, some planned in the previous year, when SARTTAC member countries faced challenges in engaging on TA.** With most countries now having a good foundation in the principles of GFS and

PSDS, the focus is shifting to providing TA aimed at broadening the frequency and coverage of compiled statistics. In the main, countries have become proficient at producing GFS data for the budget central government (BCG) sector annually and on a cash basis. For FY22, the emphasis will be on addressing more challenging issues of compiling GFS for general government GFS, including quarterly data in the near term and on an accrual basis over the longer term. While delivery of CD is expected to pick up in FY22, prospects this year for implementing more TA rest in part on recipients overcoming IT issues and doing more offline through data and file sharing.

**In this context, main aspects of the workplan are as follows:**

- **Aligning GFS with concepts and definitions:** Two TA missions are planned with each member country (excluding India) to help ensure that they maintain high-quality institutional tables that are well integrated with the CoA and IT systems to compile GFS and PSDS. By the end of FY22, the expectation is that all member

countries will regularly be compiling and disseminating GFS and PSDS that meet international standards. For Bhutan, a TA mission will be integrated with a short course on GFS and PSDS. A TA mission is also planned with the RBI on PSDS.

- **Expanding coverage and scope:** Currently, member countries, apart from Nepal, only compile GFS/PSDS for BCG. The focus remains on assisting them to advance their plans for expanding the coverage and scope of their fiscal statistics to the general government by incorporating state and/or local governments.
- **Compiling and disseminating high-frequency statistics:** India continues to work to meet the requirements for the G-20 Data Gaps Initiative, with SARTTAC remaining committed to assisting the relevant Indian agencies in FY22 to achieve this. SARTTAC will also work with other countries, including Bangladesh and Maldives, as they aim to produce quarterly GFS data initially for BCG in FY22.
- **Training on GFS/PSDS:** The workplan for FY22 includes two one-week regional workshops on specialized GFS/PSDS issues. An intensive program for India's states will include five GFS/PSDS workshops to ensure high-quality translation of state fiscal statistics into GFSM 2014 and PSDSG frameworks, building on the work delivered in early FY21.

## REAL SECTOR STATISTICS

**The work program is based on existing projects reflecting medium-term priorities and on selected new projects.** While more than 25 activities are planned, most aim at improving the quality and timeliness of price statistics and also at developing more timely and frequent indicators of economic activity. Given the substantial economic disruptions as a result of the pandemic, a relatively new priority is developing a MIEG,



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with this CD to be delivered through a regional training course and direct TA to Bhutan and Maldives. As well, a new regional course will be delivered on External Debt Statistics, which has taken on further relevance given increased national debt burdens during the pandemic. To mitigate challenges posed to virtual delivery, notably poor IT connectivity, the possible use of local off-site facilities will be pursued to host TA and training recipients for the sake of facilitating remote delivery. Specific areas for CD on RSS focus around the following objectives and activities in FY22:

- **Re-benchmarking and rebasing of GDP:** With supply-use tables constructed and preliminary consistent current and constant price estimates compiled, Bangladesh is ready to progress to the next stage of the rebasing process by preparing dissemination material and conducting outreach to data users. Intensive rebasing assistance is also planned for Bhutan and Sri Lanka, given their desire to complete work in this area by the end of 2021. Finally, Maldives will commence a new rebasing process by updating the base year to 2019 from 2014.
- **Expanding and updating price indices:** India's Department for Promotion of Industry and Internal Trade will receive assistance on the methods for transforming their Wholesale Price Index to a Producer Price Index (PPI), and on expanding the index to include some service activities. Maldives will continue updating its PPI and commence development of a construction price index. Sri Lanka is expected to turn its attention to finalizing a rebased PPI. Assistance is planned for Bangladesh to update its PPI, Consumer Price Index (CPI), and the Quantum IIP. Finally, Bhutan and Nepal are programmed to receive assistance in updating the PPI, using their most recent Economic Census.

- **Generating higher frequency and more timely estimation of economic activity:** The RMA of Bhutan will continue to receive support on using HFIs to construct a MIEG. Maldives will also commence development of a MIEG. Finally, the Bangladesh Bureau of Statistics will receive assistance on the planning and development of a new Quarterly GDP program.
- **Training in RSS:** Regional workshops will be conducted in the areas of a MIEG, the CPI, and National Accounts Statistics, as well as External Debt Statistics, and a webinar series on selected issues in National Accounts Statistics will also be delivered to highlight topical areas for improvement and possibly inform future TA. The CPI training is intended to broaden participants' understanding of the concepts and methods of compiling CPIs, with a special emphasis on the IMF's recently updated *CPI Manual: 2020*. National Accounts Statistics training will cover theoretical and practical aspects in the compilation of national accounts statistics based on the conceptual framework of the 2008 SNA.

## MONETARY AND FOREIGN EXCHANGE OPERATIONS

**SARTTAC's work in the area of MONOPS will continue to be guided by policy work at the IMF covering monetary policy implementation in the early stages, as well as transitional and advanced stages of modernization.**

The aim is to support policy makers in operationalizing their own vision for modernizing monetary policy in a way consistent with the consensus view on monetary policy making. Given the high level of heterogeneity of countries, CD in MONOPS will mainly focus on individual countries, built around the following objectives:

- **Enhancing monetary policy implementation and operational frameworks:** The bulk of CD



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Trainings offered by SARTTAC are both well designed and well received and serve as a capacity building, knowledge sharing and networking platform. We look forward to the resumption of face-to-face trainings, for the benefit of the member countries.

delivery in FY22 will focus on this objective. Over the medium term, member country economies will likely further integrate into the global economy and financial markets will deepen and become more complex. Therefore, full-fledged implementation of a forward-looking strategy and an interest-rate focused monetary policy framework will contribute to macroeconomic stability, promote financial development, and enhance the transmission of monetary policy to the broader economy. Under this objective, SARTTAC will support the CBSL to further refine its Enhanced Monetary Policy Framework. Bangladesh Bank is also expected to pick up the thread in FY22 after fruitful initial TA missions in FY19 and FY20. The RMA of Bhutan has opted for a gradual implementation of active domestic liquidity management, with SARTTAC expected to continue to be engaged in supporting this effort.

- **Improving the effectiveness of central bank FX operations and economic analysis and forecasting**

**capabilities:** SARTTAC stands ready to support the MMA in implementing and operationalizing past TA recommendations to achieve an effective and a liquid two-way foreign exchange market. In addition, support will be provided to the NRB to upgrade model-based decision-making.

- **Training:** Further support will be given to achieving objectives pursued through TA with selected training, mindful of the need to take into account the heterogeneity of the monetary and exchange rate regimes among the member countries. SARTTAC and CDOT will jointly set-up a training program explaining the basic building blocks of an interest-rate focused monetary policy framework. SARTTAC will also offer intensive two-week courses to Bangladesh and Sri Lanka allowing for a more customized approach to their specific country setting as well as hands-on exercises and simulations. SARTTAC will also provide a package of webinars on current challenges to the monetary operations toolbox of interest to South Asia central banks.

## FINANCIAL SECTOR SUPERVISION AND REGULATION

**The broad objectives of the FSR work program are unchanged, focused on enhancing risk-based supervision and improving prudential regulation.**

Progress is all the more urgent given recent financial stresses and need now to consider an unwinding of the pandemic-related measures. Increased attention will also be given to cyber

security and risk, and a new focus will be placed on climate-related risks in the financial sector. The main challenge in the delivery of the work program will be continuing reliance in the near term on virtual delivery. While certain activities such as upgrading of regulatory and prudential frameworks have adapted to this modality, CD in supervisory activities is usually achieved through hands-on work, which is better suited to face-to-face interaction.

That said, countries are expected to become more fully engaged on TA as the pandemic eases and priorities shift, which should improve prospects for delivery of this element of the work program in FY22. Specifically, focus will be placed on:

- **Further implementing the action plans to strengthen risk-based banking supervision and banking regulations and prudential norms:**

A new start of FSR TA is planned for Bangladesh given delivery that commenced at the end of FY21. In Bhutan, priority will be placed on finalization of revised off-site and on-site supervision manuals. Support for Maldives will focus on the implementation of the recently adopted RMGs. In Nepal, further efforts will be made to build up off-site supervision capacity. In addition, SARTTAC stands ready to respond to a request by Sri Lanka for TA on risk-based/consolidated supervision. TA reviewing prudential regulations and providing hands-on support for their implementation is programmed for Bangladesh, Bhutan, Maldives and Nepal.

- **Responding to the concern expressed by countries on cyber risk and cyber security through dedicated regional and national webinars:**

Work in this area is in response to requests made at the time of SARTTAC's mid-year SC meeting in January 2021 and is benefitting from supplemental resources provided to SARTTAC under the IMF's COVID-19 CD Initiative.

- **Providing continued support to the insurance supervisors in Bhutan and Maldives:** While the risk-based supervision framework for insurance can be considered completed, its proper implementation requires further support in the form of training and finalization of supervisory and training manuals.

- **Training:** On FSR, training will build on the experience gained during the pandemic, with a continued mix of regional webinars and break-out sessions dedicated to SARTTAC countries. Regarding India, SARTTAC will continue to collaborate with the RBI Academy through specific programs for non-supervisors and follow-up on the new collaboration initiated in FY21 with the RBI College of Supervisors through specific programs for supervisors, as part of SARTTAC's broader efforts to integrate its work with agencies' learning and development programs.



**SECTION IV**

SARTTAC FINANCES

## A

FINANCIAL POSITION AND  
FY21 BUDGET

**SARTTAC's liquidity situation remains reasonably strong, with 92 percent of its Phase I (2017-2022) indicative budget secured (Table 9).** Out of the pledged commitments, 94 percent have been received. Early disbursement of commitments by stakeholders during the Phase 1 funding cycle left SARTTAC well-resourced financially in FY21. In addition to development partners, all SARTTAC member countries have signed agreements to support the Center—a strong demonstration of ownership. With less than a year remaining in the first phase of SARTTAC's five-year funding cycle, discussions regarding the next phase's timing and scope are expected to start following a full assessment of the liquidity situation by end 2021.

**Despite expected disruptions to the delivery of CD, the original FY21 budget comprised a detailed costing based on full implementation of the workplan.** Given underspending in FY20 and upfront contributions to SARTTAC by stakeholders, scope existed to increase the budget to US\$11.9 million in FY21 from the estimated outturn of US\$10.9 million in FY20 on the expectation that member countries might require the programmed additional support to meet CD needs arising from COVID-19

crisis mitigation measures. Savings on travel costs associated with virtual delivery in FY21 was expected to provide additional room within the budget.

**The budget outcome for FY21 was broadly in line with that conveyed to the SC at its mid-year meeting (Table 10).** At the time of the meeting, a downward adjustment was made in the project outturn in keeping with the revised workplan, including new requests. In total, US\$7.2 million was spent in FY21, representing 60 percent of the approved working budget. Savings were realized across all sectors and in the administrative budget for SARTTAC, Around half was attributable to the absence of participant travel costs associated with in-person delivery and less intensive use of STXs and lower associated travel costs. Slightly under 20 percent of the savings was due to lower SARTTAC staffing costs—mainly international—in part as LTXs worked remotely from their home countries (thus reducing duty station costs) and also had no official travel expenses. An equal share of savings was realized in administrative and governance costs, the former due in part to lower operating cost of the Center and the latter mainly because of delayed work on the external evaluation (see below).

**TABLE 9: SARTTAC FINANCIAL CONTRIBUTIONS**

Phase 1: FY2017-FY2022 (As of April 30, 2021)

Agreement/Amendment Information					Contribution Received
Partners/Members	Signed Date <sup>1</sup>	Currency	Amount	U.S. Dollars	U.S. Dollars
<b>Partners</b>				<b>20,482,615</b>	<b>18,879,310</b>
Australia	4-16-2016	AUD	2,500,000	1,923,373	1,836,700
European Commission	12-16-2016	EUR	10,000,000	10,414,497	8,986,160
Korea	5-4-2016	USD	5,000,000	5,000,000	5,000,000
United Kingdom	10-31-2019	GBP	500,000	644,745	556,486
United Kingdom	3-6-2017	USD	2,500,000	2,500,000	2,499,964
<b>Members</b>				<b>10,200,000</b>	<b>8,200,000</b>
Bangladesh	2-7-2017	USD	3,000,000	3,000,000	3,000,000
Bhutan	3-19-2018	USD	100,000	100,000	100,000
Maldives	4-2-2018	USD	100,000	100,000	100,000
Nepal	10-5-2017	USD	2,000,000	2,000,000	1,000,000
Sri Lanka	5-23-2017	USD	5,000,000	5,000,000	4,000,000
<b>Partners and Members Total</b>				<b>30,682,615</b>	<b>27,079,310</b>
<b>Host Country</b>					
India		USD	32,800,000	32,800,000	32,800,000
<b>Host Country Total</b>				<b>32,800,000</b>	<b>32,800,000</b>
<b>Grand Total</b>				<b>63,482,615</b>	<b>59,879,310</b>
Program Document Budget				68,607,930	
<b>Funding Gap</b>				<b>-5,125,315</b>	

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

**TABLE 10: SARTTAC FY21 BUDGET AND EXPENDITURE**

(As of April 30, 2021, in millions of U.S. dollars)

Activity	Working Budget <sup>1</sup>	Expenses <sup>2</sup>	Remaining budget	Rate of Execution (in percent)
Public Financial Management	2.02	0.88	1.14	44
Revenue Administration	1.48	0.68	0.80	46
Banking Supervision and Regulation	0.71	0.49	0.22	69
Monetary Policy Operations	0.64	0.39	0.26	60
Real Sector Statistics	0.89	0.36	0.53	41
Government Finance Statistics	0.60	0.34	0.26	57
Admin Project	2.36	1.88	0.48	80
Training Project	1.90	1.61	0.29	85
Governance and Evaluation (including RBM advisor/backstopping)	0.31	0.03	0.28	10
Strategic Budget Reserve	0.20		0.20	0
<b>Sub Total</b>	<b>11.11</b>	<b>6.66</b>	<b>4.45</b>	<b>60</b>
Trust Fund Management	0.78	0.47	0.31	
<b>Total</b>	<b>11.89</b>	<b>7.13</b>	<b>4.76</b>	<b>60</b>

<sup>1</sup> As endorsed by the Steering Committee on June 3, 2020.

<sup>2</sup> Total FY21 expenses recorded as of April 30, 2021.

## FY22 BUDGET

SARTTAC's proposed working budget for FY22 is sufficient to fully fund sector programs, including selected engagement necessitated by the COVID-19 crisis. In total, the proposed budget is US\$10.5 million in FY22 (Table 11)—a considerable increase compared to the previous year's outturn, but still somewhat lower than pre-pandemic levels owing to continued expected savings on staff, travel, and overhead costs this year. Budgetary resources for execution of the regional workplan will stay focused on CD delivery and management by the SARTTAC LTXs, supported by STXs and IMF HQ TA missions and trainers, in line with sector workplans. Current resources are expected to be supplemented in FY22 by funding provided to SARTTAC under the IMF's COVID-19 CD Initiative for requested cybersecurity training for member countries (approved in March 2021) and a new regional macro-fiscal advisor (approved in July 2021).

**TABLE 11: SARTTAC FY22 BUDGET<sup>1</sup>**  
(As of April 30, 2021, in millions of U.S. dollars)

Activity	Working Budget <sup>1</sup>
Public Financial Management	1.75
Revenue Administration	1.27
Banking Supervision and Regulation	0.60
Monetary Policy Operations	0.65
Real Sector Statistics	0.70
Government Finance Statistics	0.51
Admin Project	1.99
Training Project	2.23
Governance and Evaluation (including RBM advisor/backstopping)	0.12
<b>Sub Total</b>	<b>9.81</b>
Trust Fund Management	0.69
<b>Total</b>	<b>10.49</b>

<sup>1</sup> As endorsed by the Steering Committee on July 7, 2021.



**SECTION V**

OTHER ISSUES

# OTHER ISSUES

## **STEERING COMMITTEE MEETINGS SARTTAC's Fifth Annual SC Meeting was held virtually on July 7, 2021 and was preceded by an interim meeting of the SC on January 20, 2021.**

The interim meeting came at a time of serious challenge in execution of Center's work program in the face of the COVID-19 crisis. In this light, it provided an opportunity to review execution of the original workplan for FY21 endorsed by the SC at its fourth annual meeting in June 2020, which itself occurred at a time when CD by SARTTAC was only beginning to be delivered virtually. The fifth annual meeting provided a clearer picture on how to best meet the needs of member countries during the global pandemic, while at the same time recognizing that execution of SARTTAC's Phase I work program would be slowed by the exigencies of the COVID-19 crisis and limitations to virtual support.

## **At the interim SC meeting in January 2021, a revised FY21 workplan was presented to the SC, given the need for significant changes to the original one due to the ongoing pandemic.**

In endorsing this plan, the SC expressed its gratitude for how SARTTAC had adapted to virtual delivery and facilitated new country requests. They recognized that execution of planned CD in the first half of FY21, notably TA, had met up against more urgent

priorities in most member countries, including several finalizing emergency lending requests from the IMF. At the same time, the SC urged adaption of workplans to meet COVID-19 related CD needs, notably in PFM and financial supervision; renewed coordination with other CD providers to maximize impact; and further integration of training and TA to ensure agencies strengthened their own absorptive capacity. They also recommended new support in emerging areas of CD, in particular assisting member countries agencies in their role in countering cybersecurity threats, elevated during the pandemic with greater reliance on information technology in government service delivery and oversight responsibilities.

## **At the annual SC meeting in July 2021, an FY22 workplan was endorsed, building on progress made in Phase I and adapting to needs and constraints posed by the pandemic.**

The plan recognized more time was needed to achieve programed results, in part given execution challenges in the preceding year and factoring in new priorities. In providing guidance, the SC noted how the pandemic had upended the traditional modalities of CD delivery in FY21 and at the same time presented new opportunities for reaching a broader audience in member countries. They welcomed the

moderate shift toward more training versus TA in FY22, given easier adaptation of the former to the virtual environment, with SARTTAC front-loading training in anticipation that travel restrictions would ease over the course of the year. While recognizing the challenges to remote delivery, the SC saw selective activities as broadening and enlarging the audience for CD, notably around the use of topical webinars and streamlined courses, but also urged a return to in-person delivery at the earliest possible date, given views expressed by some of its greater effectiveness in meeting institutional needs. The SC welcomed new training proposed in the workplan on cybersecurity, which in part would be funded by resources that SARTTAC had received under the IMF's COVID-19 Crisis Capacity Development Initiative, and further commended new courses on nowcasting, gender inequality and macroeconomics, PFM and digitalization, and the role of PFM in addressing climate change issues. The SC continue to urge more alignment of CD plans with other providers and in keeping with their own operations in the region, notably the European Union, which also sought more updated reporting by SARTTAC in the context of the IMF's results-based framework for CD management—now migrated from CD-PORT to CDMAP (see below).

**The annual SC meeting was preceded a virtual Training Directors' Meeting on July 1, 2021.** It brought together officials in member countries agencies responsible for staff development to discuss the effectiveness of SARTTAC training, given the move to remote delivery of training and reliance on more distance learning tools. The meeting was informed by a short training survey conducted in June 2021 with regional officials administering learning programs and sponsoring participants in SARTTAC training. In the survey and at the meeting, training directors were appreciative of SARTTAC's work and generally satisfied



**SARTTAC Fifth Annual Steering Committee Meeting, July 7, 2021**

with how training administration was organized. They noted difficulties posed by virtual delivery in terms of setting aside time during workdays when officials could receive training. Selected requests were made for new training, including on financial stability issues, anti-money laundering regimes, and foreign exchange reserve management. They also suggested pursuit of more cohort training—i.e., better integrating and customizing SARTTAC training with agencies' own learning and development program.

#### **EXTERNAL EVALUATION**

**An independent external assessment commenced in FY21 to ensure CD services provided by SARTTAC were meeting member country needs.**

As indicated in SARTTAC's Program Document, the external evaluation was to take place within three years of the start of the current funding phase. A draft inception note was presented by TRANSTEC (the external evaluators) to the Evaluation Sub-Committee (ESC) for comments in February 2021. These comments were incorporated into a final draft of the inception note, which was endorsed by the ESC in May 2021. Soon thereafter, the evaluation

consultants began interviewing stakeholders, starting with IMF staff and experts. Completion of the evaluation has been delayed in part owing to the need to perform all work from remote because of the pandemic and an earlier hold placed on CD-related evaluation by ICD, as noted in last year's annual report.

#### **CDMAP**

**As of May 1, 2021, IMF CD operations are now managed in CDMAP.**

Full implementation was expected to be achieved by 2021 with the release of functionality for project evaluation and closure. The transition to CDMAP includes an updated reporting structure for partners, and also will provide them with several benefits including: 1) comprehensive information on the Fund's CD delivery to which partners are contributing; 2) insight on the costs associated with achieving specific country objectives; and 3) a strongly coordinated approach across CD delivery modalities and funding vehicles. The information for SC representatives will be made available through the Partners Connect, reflecting the new modality structure.



# ANNEXES

## IMF SARTTAC INTERNATIONAL STAFF MEMBERS



DIRECTOR  
David Cowen



DEPUTY DIRECTOR  
Bhaswar Mukhopadhyay



FINANCIAL SECTOR  
SUPERVISION ADVISOR  
Jacques Loubert



REAL SECTOR STATISTICS ADVISOR  
Rodger Sceviour



MONETARY AND FOREIGN EXCHANGE  
OPERATIONS ADVISOR  
Stefaan Ide



PUBLIC FINANCIAL  
MANAGEMENT ADVISOR  
Raju Sharan



REVENUE ADMINISTRATION ADVISOR  
Elizabeth Goli



PUBLIC FINANCIAL  
MANAGEMENT ADVISOR  
Celeste Kubasta



GOVERNMENT FINANCE  
STATISTICS ADVISOR  
Andrew Evans



MACROECONOMIC ADVISOR  
Christian Johnson

## IMF SARTTAC LOCAL STAFF MEMBERS



OFFICE MANAGER  
Pramod Bhardwaj



ECONOMIC ANALYST  
Ankit Singh



SENIOR IT OFFICER  
Sanjeev Sharma



SENIOR COURSE ADMINISTRATOR  
Debraj Chaudhuri



BUDGET ASSISTANT  
Nidhi Mehrotra



SENIOR ADMINISTRATIVE ASSISTANT  
Shaveta Gulati



COURSE ADMINISTRATOR  
Jagriti Arya



IT ADMINISTRATOR /  
ADMINISTRATIVE ASSISTANT  
Sumit Kumar



ADMINISTRATIVE ASSISTANT  
Mudit Mittal



DRIVER  
Umesh Kumar Singh

## ANNEX 2: ICD AND NON-ICD TRAINING (BY EVENT) IN FY21

Course Title	Dates	Target Audience	Number of Participants
<b>I. ICD Courses</b>			
Selected Macroeconomic Issues	August 10-14, 2020	India (IAS)	39
Macroeconomic Diagnostics	October 26-November 6, 2020	Regional	21
Financial Sector Surveillance - Batch 1	November 9-13, 2020	Regional	11
Financial Sector Surveillance - Batch 2	November 16-20, 2020	Regional	17
Macroeconometric Forecasting and Analysis	January 15-29, 2021, 2021	Regional	20
Monetary Policy	February 25-26, 2021	Regional	13
Fiscal Policy Analysis	March 1-12, 2021	Regional	26
Financial Programming and Policies for Indian Economic Service (IES) Probationary Officers	March 15-26, 2021	India (IES)	30
Macroeconomic Diagnostics for IES Probationary Officers	March 30-April 9, 2021	India (IES)	30
Fiscal Sustainability	April 26-May 6, 2021	Regional	20
<b>II. Non ICD Courses</b>			
<b>Revenue Administration</b>			
Taxpayer Registration	December 10-18, 2020	India (CBDT)	15
Tax Administration Diagnostic Assessment Tool	December 14-22, 2020	India (GST Council)	25
Collections and Arrears Management	January 11-15, 2021	India (CBDT)	21
Compliance Risk Management	February 1-5, 2021	All member countries	30
Taxpayer Registration	April 12-16, 2021	All member countries	22
Tax Administration Diagnostic Assessment	April 22-30, 2021	India (CBDT)	25
<b>Public Financial Management</b>			
Public Financial Management for State Finance Secretaries	August 31-September 4, 2020	India (State Finance Secretaries)	51
Fiscal Risk Management Tools	January 11-14, 2021	All member countries	47
Public Investment Management Assessment	February 8-12, 2021	All member countries	66
Fiscal Transparency and Reporting	March 1-4, 2021	All member countries	39
Strengthening the Macro-Fiscal Unit (Fiscal Analysis and Forecasting)	March 15-26, 2021	Sri Lanka (Ministry of Finance)	7
<b>Government Finance Statistics/Public Sector Debt Statistics</b>			
Government Finance and Public Sector Debt Statistics - Batch 1	June 8-12, 2020	India (CAG)	31
Public Sector Debt Statistics	June 15-19, 2020	All member countries	25
Government Finance and Public Sector Debt Statistics - Batch 2	June 22-26, 2020	India (CAG)	34
Public Sector Debt Statistics	August 30-September 3, 2020	Nepal (Public Debt Management Office)	16
Government Finance Statistics: GFS Special Topics	April 26-28, 2021	All member countries	39
<b>Real Sector Statistics</b>			
Advanced Issues in National Accounts	November 2-6, 2020	All member countries	36
Supply and Use Tables, Input-Output Tables, and Extensions	February 8-12, 2021	All member countries	25



**ANNEX 2: (CONTINUED)**

Course Title	Dates	Target Audience	Number of Participants
<b>III. Webinars</b>			
<b>Revenue Administration</b>			
Impact of COVID-19 on Revenue Administration	June 23, 2020	All member countries	7
<b>Public Financial Management</b>			
Managing Fiscal Risks Under Fiscal Stress	May 29, 2020	India (Odisha State)	18
Public Investment Management	June 24, 2020	All member countries	38
Managing Fiscal Risks During Fiscal Stress	July 08, 2020	All member countries	35
Managing Fiscal Risks to Ensure Sound Public Finances and Achieve Macroeconomic Stability in Indian States	July 24, 2020	India (State officials)	62
Preparing for the 2021/22 budget in a Time of Uncertainty: Managing Fiscal Risk with a Simple Fiscal Framework	August 21, 2020	India	44
Managing Government Guarantees in Usual and Unusual Times	October 22, 2020	All member countries	72
Budget Communications	November 23, 2020	All member countries	58
Preparing the Fiscal Framework in a Time of Uncertainty	November 25, 2020	All member countries	44
Detailed Budget Preparation and Execution During a Time of Fiscal Stress	November 27, 2020	All member countries	46
Fiscal Risk Management: Oversight and Monitoring of State-Owned Enterprises and Public Sector Undertakings	December 11, 2020	All member countries	38
Fiscal Risk Management: Fiscal Risks Stemming from Public Private Partnerships (PPPs)	January 07, 2021	All member countries	34
<b>Government Finance Statistics/Public Sector Debt Statistics</b>			
Recording COVID-19-Related Government Transactions (#1)	July 29, 2020	All member countries	44
Recording COVID-19-Related Government Transactions (#2)	August 19, 2020	All member countries	43
<b>Real Sector Statistics</b>			
Strategies for Dealing with Nonresponse and Imputation Methods for MOSPI's Index of Industrial Production (IIP)	May 19, 2020	India	14
Consumer Price Index (CPI) and Producer Price Index (PPI) Business Continuity	May 27, 2020	All member countries	35
COVID-19 Related Issues in National Accounts Statistics	June 04, 2020	All member countries	38
High Frequency Indicators and Monthly Index of Economic Growth	June 30, 2020	All member countries	72
Residential Property Price Index	October 22, 2020	All member countries	25
CPI Manual	March 17, 2021	All member countries	18
<b>Monetary and Foreign Exchange Operations</b>			
Central Bank Support to Financial Markets in the Coronavirus Pandemic	June 11, 2020	All member countries	100
Debt Management	June 25, 2020	All member countries	26
Central Banks' Collateral Frameworks in Times of Stress	July 08, 2020	All member countries	38
<b>Financial Sector Supervision and Regulation</b>			
Banking Sector Regulatory and Supervisory Response to Deal With the Coronavirus Impact	June 08, 2020	India	43
Regulatory and Supervisory Response to Deal With the coronavirus Impact: Insurance Sector	June 24, 2020	All member countries	30

## ANNEX 2: (CONTINUED)

Course Title	Dates	Target Audience	Number of Participants
Cybersecurity of Remote Work During the Pandemic	June 25, 2020	All member countries	70
Banking Sector Regulatory and Supervisory Response to Deal With the Coronavirus Impact	July 01, 2020	All member countries	35
Regulation and Supervision of the Risk Management of Financial Institutions in the Time of a Pandemic	July 27-28, 2020	India	26
On-Site and Off-Site Supervision of Banks in the Time of a Pandemic	August 4-5, 2020	India	28
Regulatory Sandboxes and Regulation and Supervision for Peer-to-Peer Lending and Crowdfunding	August 25-26, 2020	India	45
Cybersecurity–The Use of Virtual Private Networks	August 27, 2020	All member countries	13
On-Site and Off-Site Supervision in the COVID-19 and Post COVID-19 Environment	October 30-31, 2020	All member countries	80
Banking Supervision in the COVID-19 environment	November 04, 2020	Nepal	38
Banking Supervision in the COVID-19 environment	November 05, 2020	Maldives	22
Banking Supervision in the COVID-19 environment	November 06, 2020	Bhutan	12
Banking Supervision in the COVID-19 environment	November 09, 2020	Bangladesh	13
Banking Supervision in the COVID-19 environment	November 10, 2020	Sri Lanka	30
Supervision of the Risk Management of Credit Risk in the COVID-19 and Post COVID-19 environment	December 17, 2021	India	32
Supervision of the Risk Management of Liquidity Risk in the COVID-19 and Post COVID-19 environment	December 18, 2021	India	32
Supervision of the Risk Management of Operational Risk in the COVID-19 and Post COVID-19 environment	December 21, 2021	India	21
New Risks in Insurance	March 29, 2021	All member countries	37
Sustainability in Insurance	March 30, 2021	All member countries	35
Use of Fintech in Insurance	March 31, 2021	All member countries	42
Consolidated Supervision in Insurance	April 01, 2021	All member countries	45
Insurance Supervision in the COVID-19 environment	April 02, 2021	Bhutan	4
Insurance Supervision in the COVID-19 environment	April 05, 2021	Sri Lanka	8
Insurance Supervision in the COVID-19 environment	April 06, 2021	Maldives	9
Insurance Supervision in the COVID-19 environment	April 07, 2021	Nepal	5
Insurance Supervision in the COVID-19 environment	April 09, 2021	India	15
<b>IV. Non-SARTTAC Webinars<sup>1</sup></b>			
<b>Statistics Department, IMF</b>			
2019 Financial Soundness Indicators (FSI) Compilation Guide	November 24, 2020	All member countries	57
COVID-19 and Treatment of Restructured Loans for FSI Compilation	December 17, 2020	All member countries	70

<sup>1</sup> Webinars hosted by SARTTAC outside its capacity development programs.

### ANNEX 3: SARTTAC TRAINING PLAN FOR FY22

Title	Date <sup>1</sup>	Target Audience
<b>I. ICD Courses</b>		
Financial Programming and Policies	July 5-16, 2021	All member countries
Fiscal Frameworks	August 2-13, 2021	All member countries
Managing Capital Flows (with SEACEN)	September 13-17, 2021	All member countries
Macro-econometric Forecasting and Analysis	September 13-24, 2021	All member countries
Macroeconomic Diagnostics	September 27–October 7, 2021	All member countries
Fiscal Sustainability	November 8-19, 2021	All member countries
Macroeconomic and Fiscal Forecasting	November 24, 2021	India (CBDT)
Financial Programming and Policies for IES Probationary Officers	November 29–December 10, 2021	India (IES)
Model Based Monetary Policy Analysis and Forecasting	December 6-17, 2021	All member countries
Macroeconomic Diagnostics for IES Probationary Officers	January 10-21, 2022	India (IES)
Gender and Macroeconomics	February 14-18, 2022	All member countries
Monetary Policy	March 14-25, 2022	All member countries
Selected Macroeconomic Issues India for Mid-Career IES Officers	April 4-15, 2022	India (IES)
Financial Sector Policies	April 18-29, 2022	All member countries
Forecasting and Policy Analysis System (FPAS) Training	TBD (H2)	Bangladesh
Macroeconomic and Fiscal Forecasting	TBD (H2)	India (CBDT)
Macroeconomic and Fiscal Forecasting	TBD (H2)	India (CBDT)
Financial Programing 2.0 (FP2.0) Training	TBD (H2)	Sri Lanka
<b>II. Non-ICD Courses</b>		
<b>Revenue Administration</b>		
Risk-Based Audit Techniques	May 17-21, 2021	India (CBDT)
Collections and Arrears Management	July 12-16, 2021	All member countries
Risk-Based Audit Techniques	September 6-10, 2021	All member countries
Behavioral Insights	December 1-2, 2021	India (CBDT)
TADAT Accreditation	December 13-21, 2021	India (CBDT)
Compliance Risk Management	February 7-11, 2022	All member countries
Taxpayer Registration	April 4-8, 2022	All member countries
Dispute Resolution and Tax Rulings	April 11-13, 2022	India (CBDT)
<b>Public Financial Management</b>		
Developing Unified Chart of Accounts	May 17-21, 2021	Bhutan
State-Owned Enterprise Governance, Reporting, and Risk Management	July 5-7, 2021	Maldives
Fiscal Risk Management	July 27-August 2, 2021	India (CAG)
Effective Cash Management Under Fiscal Stress (with CDOT)	August 2-6, 2021	All member countries
Tackling Public Investment in Challenging Times	September 6-10, 2021	All member countries
Digitalization and Public Financial Management	September 20-24, 2021	All member countries
Addressing Climate Change in Asia: What is the role for Ministries of Finance? (with CDOT)	October 25-28, 2021	All member countries
Strategic Budgeting: Integrating the Fiscal Strategy with Budget Formulation	November 22-26, 2021	All member countries

### ANNEX 3: (CONTINUED)

Title	Date <sup>1</sup>	Target Audience
Better Budget Communication	January 10-14, 2022	Bhutan
Fiscal Transparency	January 17-21, 2022	All member countries
Fiscal Risks Analysis and Management	April 4-8, 2022	All member countries
<b>Government Finance Statistics/ Public Sector Debt Statistics</b>		
GFS/PSDS Training - Special Topics	August 23-27, 2021	All member countries
GFS for CAG (Andhra Pradesh, Karnataka, Kerala, Odisha, Tamil Nadu and Telangana)	November 15-19, 2021	India (CAG - State Officials)
GFS for CAG (Gujarat, Haryana, Jammu and Kashmir, Maharashtra, Punjab, and Rajasthan)	December 6-10, 2021	India (CAG - State Officials)
GFS for CAG (Chhattisgarh, Himachal Pradesh, Jharkhand, Madhya Pradesh, Uttar Pradesh, and Uttarakhand)	December 13-17, 2021	India (CAG - State Officials)
GFS for CAG (Assam, Arunachal Pradesh, Bihar, Meghalaya, and West Bengal)	December 20-24, 2021	India (CAG - State Officials)
GFS for CAG (Manipur, Mizoram, Nagaland, Sikkim, and Tripura)	December 27-31, 2021	India (CAG - State Officials)
GFS/PSDS Training - Special Topics	March 21-25, 2022	All member countries
<b>Real Sector Statistics</b>		
High Frequency Indicators and the Monthly Index of Economic Activity	July 12-16, 2021	All member countries
National Accounts Statistics	October 25-29, 2021	All member countries
External Debt Statistics (with STI)	February 7-11, 2022	All member countries
Consumer Price Index	March 7-11, 2022	All member countries
<b>Monetary and Foreign Exchange Operations</b>		
Monetary Policy Implementation: Interest Rate Corridor (with CDOT)	August 24-26, 2021	All member countries
Monetary Policy Implementation Under an Evolving Monetary Policy Framework	September 12-23, 2021	Bangladesh
Monetary Policy Implementation: Liquidity Management (with CDOT)	October 25-29, 2021	All member countries
Monetary Policy Implementation: Central Bank Collateral Framework (with CDOT)	January 17-21, 2022	All member countries
Monetary Policy Frameworks and Implementation	TBD (H2)	Sri Lanka
<b>Financial Sector Supervision and Regulation</b>		
Customized Trainings for RBI Supervisors through the College of Supervisors	Ongoing during FY22	India (RBI)
Customized Training on Corporate Governance for Non-Supervisors (with the RBI Academy)	October-November 2021	India (RBI)
Cybersecurity Training: Regional Issues	December 1-2, 2021	All member countries
Customized Training on Cybersecurity for Non-Supervisors (with the RBI Academy)	November-December 2021	India (RBI)
Insurance Supervision	April 25-29, 2022	All member countries
Banking Supervision Issues	March 7-11, 2022	All member countries
<b>III. Webinars</b>		
<b>Revenue Administration</b>		
Customs Tax Collaboration	December 7, 2021	All member countries
Using Behavioral Insights for Revenue Collection in the post-COVID period	April 20, 2021	All member countries

**ANNEX 3: (CONTINUED)**

Title	Date <sup>1</sup>	Target Audience
<b>Public Financial Management</b>		
Fiscal Risk Management	July 26, 2021	India (CAG)
<b>Real Sector Statistics</b>		
Gross Fixed Capital Formation in Intellectual Property	August 11, 2021	All member countries
Non Observed Economy	September 22, 2021	All member countries
Cost, Insurance and Freight/Free on Board	November 23, 2021	All member countries
Taxes and Subsidies on Products	January 31, 2022	All member countries
<b>Monetary and Foreign Exchange Operations</b>		
The Monetary Policy Toolbox: Longer-Term Refinancing Operations–Design and Experience from the Eurosystem	June 29, 2021	All member countries
The Monetary Policy Toolbox: Topic 2	TBD (H2)	All member countries
The Monetary Policy Toolbox: Topic 3	TBD (H2)	All member countries

<sup>1</sup>H1: May-October, H2: November-April.







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