

# IMF SOUTH ASIA REGIONAL TRAINING AND TECHNICAL ASSISTANCE CENTER



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

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# ANNUAL REPORT 2020

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IMF SARTTAC Member Countries:



Bangladesh



Bhutan



India



Maldives



Nepal



Sri Lanka

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Development Partners:



European Union



Ministry of Strategy  
and Finance  
(Korea)



UK Government



Australian Government  
The Treasury

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Acknowledgment:

This report was prepared  
by the staff of IMF SARTTAC.

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



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**ANNUAL  
REPORT  
2020**

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# ACRONYMS AND ABBREVIATIONS

<b>APD</b>	Asia and Pacific Department (IMF)	<b>FPAS</b>	Forecasting and Policy Analysis System
<b>BB</b>	Bangladesh Bank	<b>FPP</b>	Financial Programming and Policies
<b>BCG</b>	Budgetary Central Government	<b>FP 2.0</b>	Financial Programming (modernized 2.0 version)
<b>CAG</b>	Office of the Comptroller and Auditor General (India)	<b>FPW</b>	Field Person Weeks
<b>CBIC</b>	Central Board of Indirect Taxes and Customs (India)	<b>FSR</b>	Financial Sector Supervision and Regulation
<b>CBS</b>	Central Bureau of Statistics (Nepal)	<b>FY</b>	Fiscal Year
<b>CBSL</b>	Central Bank of Sri Lanka	<b>GDP</b>	Gross Domestic Product
<b>CD</b>	Capacity Development	<b>GFS</b>	Government Finance Statistics
<b>CDMAP</b>	Capacity Development Management and Administration Program	<b>GFSM-2014</b>	Government Finance Statistics Manual 2014
<b>CDOT</b>	IMF Capacity Development Office in Thailand	<b>GOI</b>	Government of India
<b>CGA</b>	Office of the Controller General of Accounts (India)	<b>GRB</b>	Gender Responsive Budgeting
<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>ESC</b>	Evaluation Sub-Committee (for the Mid-term Independent External Evaluation)	<b>HQ</b>	Headquarters
<b>FAD</b>	Fiscal Affairs Department (IMF)	<b>IAS</b>	Indian Administrative Service
<b>FCDO</b>	Foreign, Commonwealth and Development Office	<b>ICD</b>	Institute for Capacity Development (IMF)
<b>FEEM</b>	Fiscal Economics and Economic Management	<b>IES</b>	Indian Economic Service
<b>FIT</b>	Flexible Inflation Targeting	<b>IIP</b>	Index of Industrial Production
		<b>IFMS</b>	Integrated Financial Management System
		<b>IMF</b>	International Monetary Fund
		<b>IPF</b>	Institute of Public Finance (Bangladesh)

<b>IPSAS</b>	International Public Sector Accounting Standard	<b>QBS</b>	Quarterly Business Survey
<b>IT</b>	Information Technology	<b>RA</b>	Revenue Administration
<b>LBSNAA</b>	Lal Bahadur Shastri National Academy of Administration	<b>RBI</b>	Reserve Bank of India
<b>LTX</b>	Long-Term Expert	<b>RBM</b>	Results Based Management
<b>MAT</b>	Macroeconomic Analysis and Training	<b>RCDC</b>	Regional Capacity Development Center
<b>MCM</b>	Monetary and Capital Markets Department (IMF)	<b>RCF</b>	Rapid Credit Facility
<b>MIEG</b>	Monthly Index of Economic Growth	<b>RMA</b>	Royal Monetary Authority of Bhutan
<b>MIRA</b>	Maldives Internal Revenue Authority	<b>RMG</b>	Risk Management Guideline
<b>MMA</b>	Maldives Monetary Authority	<b>RSS</b>	Real Sector Statistics
<b>MoC</b>	Ministry of Commerce	<b>SARTTAC</b>	South Asia Regional Training and Technical Assistance Center
<b>MONOPS</b>	Monetary and Foreign Exchange Operations	<b>SC</b>	Steering Committee (SARTTAC)
<b>MoF</b>	Ministry of Finance	<b>SOE</b>	State-Owned Enterprise
<b>MOSPI</b>	Ministry of Statistics and Program Implementation (India)	<b>STA</b>	Statistics Department (IMF)
<b>NBS</b>	National Bureau of Statistics (Maldives)	<b>STX</b>	Short-Term Expert
<b>NRB</b>	Nepal Rastra Bank	<b>SUT</b>	Supply and Use Tables
<b>PAYE</b>	Pay-as-you-earn	<b>TADAT</b>	Tax Administration Diagnostic Assessment Tool
<b>PFM</b>	Public Financial Management	<b>TA</b>	Technical Assistance
<b>PPI</b>	Producer Price Index	<b>TOR</b>	Terms of Reference
<b>PPP</b>	Public-Private Partnership	<b>SDGs</b>	United Nations Sustainable Development Goals
<b>PSDS</b>	Public Sector Debt Statistics	<b>VAT</b>	Value Added Tax
<b>PSDSG</b>	Public Sector Debt Statistics Guide for Compilers and Users	<b>WB</b>	World Bank

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**SECTION I**

EXECUTIVE  
SUMMARY

# EXECUTIVE SUMMARY



**Mr. Sameer Kumar Khare**  
*Additional Secretary,  
Department of Economic Affairs,  
Ministry of Finance, India*

“IMF SARTTAC with its country centered, demand driven and flexible approach has scaled up rapidly over the past two years...having provided over 100 training courses... it is serving the needs of the region well...however, the next phase is going to be challenging in the COVID-19 and post-COVID-19 world at the same time providing opportunities to explore new ideas”.

**Before the COVID-19 shock, the South Asia Regional Training and Technical Assistance Center (SARTTAC) activities were progressing well across the region.** In the first half of Fiscal Year (FY) 2020, because of political and security challenges in the region and changes at counterpart organizations, capacity development (CD) delivery was somewhat below the planned level. Technical assistance (TA) took the brunt of the decline and was only partially offset by highly valued, demand-driven tailored training in the region. Subsequently, activity picked up significantly in the third quarter and an extensive program of work was scheduled for the final quarter before the COVID-19 crisis. Overall, 59 percent of activities in the revised workplan (62 percent of resources planned) were delivered. The Center

managed to conduct 50 courses, 13 of which were delivered outside India in the recipient countries. This was despite challenges beyond COVID-19, namely various project and country specific shocks such as the Easter 2019 terrorist attack that delayed work in Sri Lanka. Some notable achievements this year included: (i) several countries producing new Gross Domestic Product (GDP), price and Government Finance Statistics (GFS) series; (ii) considerable progress towards a Goods and Services Tax (GST) in Bhutan; (iii) improved risk management frameworks for banks and insurance in Bhutan and Maldives; (iv) major revisions to budgeting in Odisha state in India; and (vi) notable conferences on South Asia’s growth, international corporate taxation and gender responsive budgeting (GRB).

**The COVID-19 crisis led to an abrupt halt in operations in late February 2020.** Technical assistance missions and all training courses were suspended. Most experts were relocated, and the office closed before travel restrictions were introduced and India was put into lockdown. This was consistent with the practice adopted by the International Monetary Fund (IMF) for all its operations. Throughout the suspension, the Steering Committee (SC) was consulted on key operational decisions. Bhutan decided conditions were not conducive to hosting the fourth meeting of the SC, and a virtual meeting was held on June 3, 2020.

**SARTTAC has sought to support the IMF's global response to the COVID-19 crisis by integrating its CD support with its members' surveillance and financial and non-financial requests.** As members understandably focus on the crisis response, SARTTAC has proactively offered CD support in its areas of expertise. Staff have been deployed for CD-related work on IMF country teams handling emergency financing requests. Experts have provided input on the Fund's technical notes on dealing with the crisis (including on business continuity), started to deliver virtual support and, building on the strong on-the-ground relations with member country counterparts, responded to ad hoc requests for advice and undertaken desk reviews.

**The FY2021 workplan is designed to be as flexible and demand driven as possible to assist members through a shock unprecedented in its suddenness, breadth and depth.** Moreover, travel restrictions mean SARTTAC is adjusting to remote delivery for the foreseeable future. The workplan focuses on key ongoing medium-term projects that remain highly relevant as part of the response to the crisis, including during the recovery phase. It also includes COVID-19 related requests that have already been received by the IMF, including through the country teams. The Center is flexibly accommodating additional requests intra-year as recipient agencies elaborate their needs, with SARTTAC well prepared to deliver on these new requests and the existing workplan from remote.



**Mr. Shirajun Noor Chowdhury**  
*Joint Secretary, Finance Division,  
Ministry of Finance, Government of  
Bangladesh*

"The Government of Bangladesh is highly appreciative of the sustained capacity building efforts of SARTTAC. The technical assistance and training provided by SARTTAC, has given us rich exposure and understanding of the latest tools and best practices across a range of macroeconomic and public financial management issues. Our team has immensely benefited from the interactions we had with SARTTAC advisors and resource persons. We look forward to continuing our fruitful association."



**Ms. Idham Hussain**  
*Assistant Governor, Monetary  
Policy, Research and Statistics,  
Maldives Monetary Authority*

"We are in an unprecedented situation that could go critical for the Maldives should we fail to obtain timely finance and adopt swift policy measures to mitigate the current situation. It is reassuring to know that the SARTTAC experts are here to help us navigate through this storm"



**SECTION II**

IMF CAPACITY  
DEVELOPMENT  
DURING THE CRISIS

# IMF CAPACITY DEVELOPMENT DURING THE CRISIS



## Mr. Percy Bell

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

“Inspiring to see how far the organisation has been able to progress and adapt this year despite the very difficult circumstances in the second half of the program year. Looking forward to continuing working together.”

### **Capacity development work has played an important role in the IMF’s response to the COVID-19 crisis.**

SARTTAC’s experience has in many ways mirrored the institution at large.

- **IMF CD has adapted rapidly:** The focus of immediate IMF plans changed to the most critical crisis-related needs, in areas such as business continuity and expenditure policy. The Fund was able to deliver CD to a wide range of member countries, with more than 400 virtual missions during March and April 2020. All staff involved in delivery—IMF headquarters (HQ), long-term experts (LTXs), and short-term experts (STXs)—have had to adapt to a dramatic change in the content and method of delivery. Support initially involved following up on previous recommendations, desk reviews of authorities’ documents, and on-demand advice on technical crisis-related issues. A large set of crisis-related technical notes were also produced. Thereafter, the range of CD delivery expanded to include the full range of Fund CD activities. Internally, IMF CD departments have provided extensive support to country teams working on program or near-program member countries, including by seconding staff and

providing technical guidance. Online training has ramped up, with increased offerings and enrollments on the public edX platform. The IMF Institute Learning Channel has also been launched on YouTube, which has microlearning videos of key components of the Fund’s TA.

- **CD will remain crisis-focused in the near-term:** The focus will very much remain on responding to the urgent CD needs of our members, with steps taken to ensure the IMF adapts internally to this end. All CD departments have reprioritized their activities to the areas of greatest need, from crisis management in the Monetary and Capital Markets Department (MCM) to the incorporation of epidemiological issues in Research Department models and member forecasts and also in TA on countries’ macroeconomic frameworks provided by the Institute for Capacity Development (ICD). Program countries will continue to be the highest priority. Notwithstanding pandemic-related dislocation, CD demand has been and is expected to remain high. As always, CD will be specific to the vulnerabilities and needs of individual countries. In the coming years, core Fund

CD—such as revenue mobilization, public financial management (PFM), financial supervision, and improved macroeconomic statistics—are expected to remain in high demand. This will be complemented by growth areas, both from the crisis and before, such as expenditure policy and GRB, debt sustainability and fiscal risks, financial sector stability and access, digitalization and use of big data, and governance and anti-corruption.

- **Staff has geared up for continued remote delivery at least through the end of FY2021, not without challenges.** Early experience with remote CD shows it works best where relying on pre-established relationships and responding rapidly to immediate technical enquiries. With the initial experience, the capacity to provide diagnostics assistance and hands-on implementation support, too, is growing rapidly. A logistical challenge relates to digital infrastructure, exacerbated by many counterparts themselves working from home. And tasks may take longer to achieve without the close contact provided during in-person missions. Looking forward, a more blended approach will increase in prominence, with more-focused shorter missions supplemented by ongoing virtual interactions.
- **Capacity development support through Regional Capacity Development Centers (RCDCs) at the IMF will continue to remain a strategic priority.** As operations gradually return to normal, RCDCs will stay at the forefront of responding to member demand given their flexibility to adapt to local conditions and leverage pre-existing relationships with counterpart officials.



**Mr. Gaurav Kapoor**  
*Head Inclusive Growth and Investments, UK Foreign, Commonwealth, and Development Office in India*

“SARTTAC’s ability to respond to the challenge of COVID-19 remains essential to stabilise and build back better - proud to have been a founding member”



**Dr. Boosung Kang**  
*Deputy Director General of the International Finance Bureau, Ministry of Economy and Finance, Korea*

“SARTTAC has greatly contributed to strengthen institutions and policy capacity of the member countries in the South Asia region. Going forward, its role will be increasingly important.”



**Mr. Jean-Louis Ville**  
*Director (acting) for Asia, Central Asia, Middle East/Gulf and Pacific, Directorate General for International Cooperation and Development, European Commission*

“I welcome the work that is being undertaken by the SARTTAC. SARTTAC is a good example of joint efforts towards the common goal of improved economic governance, public finance management, domestic revenue mobilization and institution building.

I believe that post COVID-19, SARTTAC, with its strong support at central and sub-national levels, will have an even more important role to play in contributing to its member countries’ national capacities for a speedy economic recovery, resilience, and accountability.”





**SECTION III**

REPORT ON  
ACTIVITIES:  
FY2020

## A

## OVERVIEW



### Sukhwinder Singh

was the first Director of SARTTAC. His term of duty ended in September 2020.

**Support from SARTTAC continued to be in high demand across the region, building on the activities initiated in the first two years of its operations.**

However, with activities suspended for much of the fourth quarter of FY2020 due to the COVID-19 crisis and other delays in project approval and implementation, delivery outturns across all sectors fell short of plans. Table 1 indicates that 59 percent of the 236 activities planned for the year were executed; a similar outcome occurred in terms of Field Person Weeks (FPWs) of CD delivery. Execution was evenly distributed between H1 and H2, despite the fourth quarter disruption, reflecting a very active third quarter. Delivery over FY2020 was also broadly even between TA and training. Technical assistance, which had been somewhat backloaded, was particularly affected by the inability to field missions during the crisis. Despite the virtual standstill in the fourth quarter, FY2020 delivery (in FPWs) was still 85 percent of FY2019.

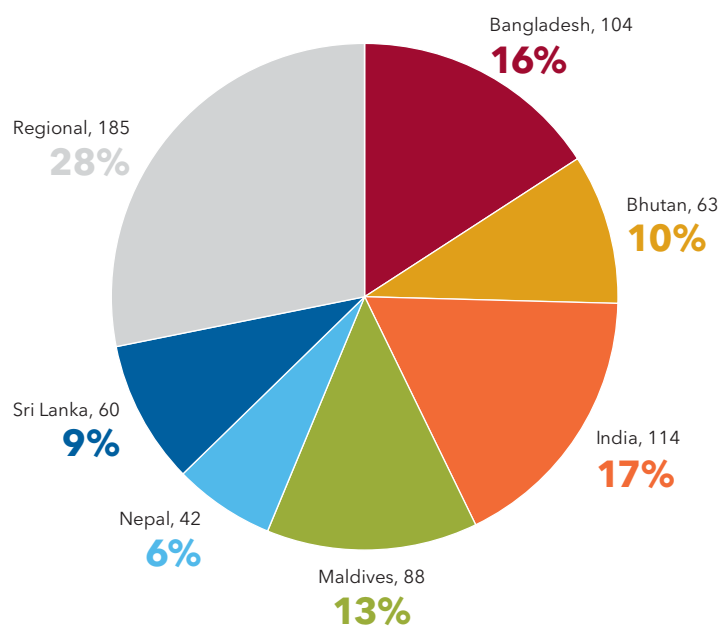
**Resource allocation by country remained as planned with mixed sectoral outcomes, largely from a TA perspective, and the robust training program generated good results.**

- **SECTOR:** Sectoral outcomes varied considerably despite the systemic shock. Work in Revenue Administration (RA) and PFM was most seriously affected, partly due to the large workplans, but also because of delays in some reforms. In contrast, several other sectors (Macroeconomics, Real Sector Statistics (RSS), GFS and Public Sector Debt Statistics (PSDS), and Monetary and Foreign Exchange Operations (MONOPS)) were able to deliver support approaching the original plan as the bulk of activities had been delivered by March.
- **Country:** Resources devoted to regional work—i.e. multi-country training and support for Bangladesh—were broadly commensurate with workplans. By contrast, delivery to India, Nepal and Sri Lanka fell short of plans, albeit for different reasons. In addition to the suspension of TA, each country was affected by delays in following up on previous requests or because of major domestic shocks, such as the Easter 2019 terrorist attacks in Sri Lanka (see Figure 1 and Table 2).

TABLE 1. SUMMARY OF SARTTAC ACTIVITIES IN FISCAL YEARS 2019 AND 2020

SARTTAC Activities (in number of activities)	FY2019	FY2020			
	Execution	Planned		Execution	
	Annual Actual	Original Plan	Revised Plan	Annual Actual	Execution Rate (% of revised plan)
TA Mission	86	118	138	70	51
Meeting/Retreat/Other	23	18	21	18	86
Regional Training	24	22	25	20	80
Attachment/Mentoring	5	1	1	0	0
National Training	37	43	51	31	61
<b>Total Number of Activities</b>	<b>175</b>	<b>202</b>	<b>236</b>	<b>139</b>	<b>59</b>
<b>TYPE OF ACTIVITY (IN FPWS)</b>					
TA	432	577	648	327	50
Training	336	352	409	325	79
	<b>768</b>	<b>929</b>	<b>1057</b>	<b>652</b>	<b>62</b>
<b>MODALITIES OF DELIVERY (IN FPWS)</b>					
Resident Advisor	403	408	475	260	55
STX	237	326	359	211	59
Attachments	11	11	11	0	0
IMF HQ Staff	118	185	212	182	86
<b>TOTAL FPW</b>	<b>768</b>	<b>929</b>	<b>1057</b>	<b>652</b>	<b>62</b>

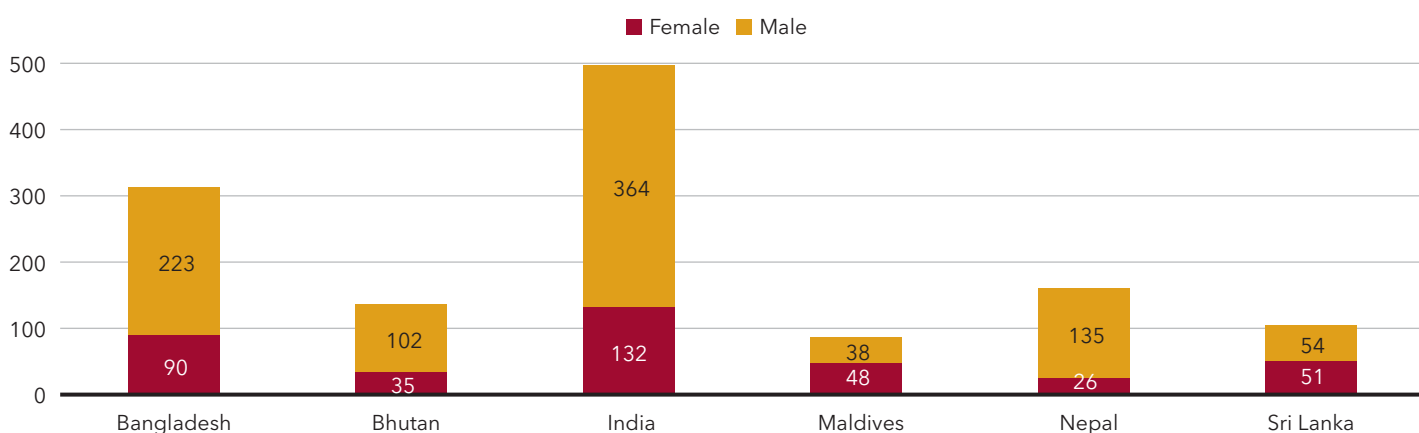
FIGURE 1. CAPACITY DEVELOPMENT DISTRIBUTION BY COUNTRY, FY2020 (FPW)



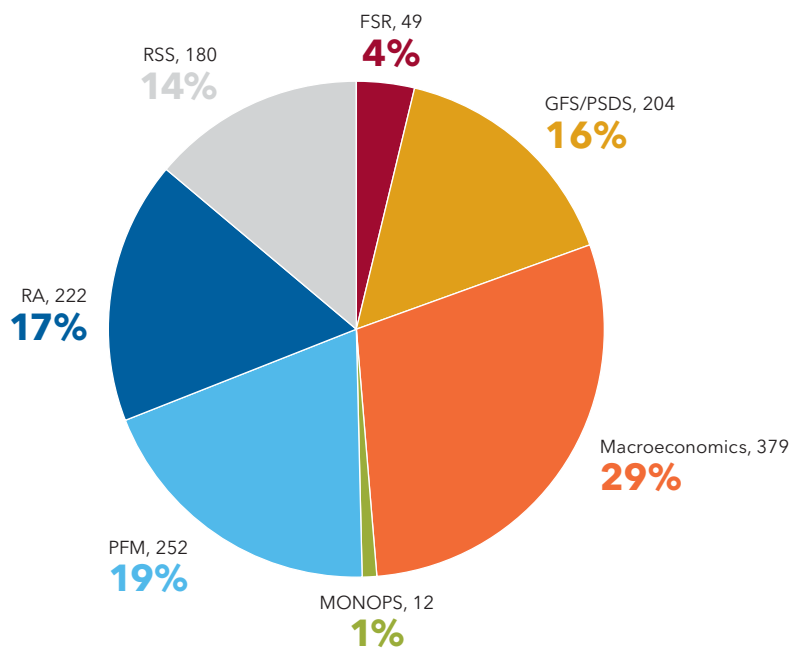
**TABLE 2. SARTTAC ACTUAL RESOURCE DISTRIBUTION BY SECTOR AND COUNTRY, FY2020 (IN FPW)**

	Total	RA	PFM	Macroeconomics	FSR	MONOPS	RSS	GFS/PSDS
Bangladesh	104	16	25	18	3	14	18	9
Bhutan	68	19	5	16	8	12	4	3
India	111	15	31	45	5	0	4	11
Maldives	88	16	16	12	8	16	13	8
Nepal	42	0	13	0	4	6	12	6
Sri Lanka	53	14	0	21	0	0	12	6
Regional	185	18	22	95	8	13	14	16
<b>TOTAL</b>	<b>652</b>	<b>98</b>	<b>112</b>	<b>207</b>	<b>37</b>	<b>61</b>	<b>76</b>	<b>61</b>

**FIGURE 2. PARTICIPANTS BY GENDER AND COUNTRY, FY2020 (ALL COURSES)**



**FIGURE 3. PARTICIPANTS BY SECTOR, FY2020 (ALL COURSES, NUMBER OF OFFICIALS)**



- Training:** SARTTAC delivered 50 training courses in FY2020, attended by around 1,300 officials from across the region. Approximately 30 percent of participants were women (Figure 2). Subnational authorities, too, were able to benefit from SARTTAC training, with approximately 40 percent of Indian officials attending SARTTAC courses from its states. Of the 50 courses, 19 were regional trainings at SARTTAC in Delhi, including one conducted jointly with the IMF Capacity Development Office in Thailand (CDOT), and the remainder were delivered for national authorities in the hosting countries. Fiscal training (RA and PFM) accounted for 37 percent of participants, and statistics (RSS and GFS/PSDS) 30 percent (see Figure 3). Counterpart agencies in both areas (fiscal and statistics) have a large

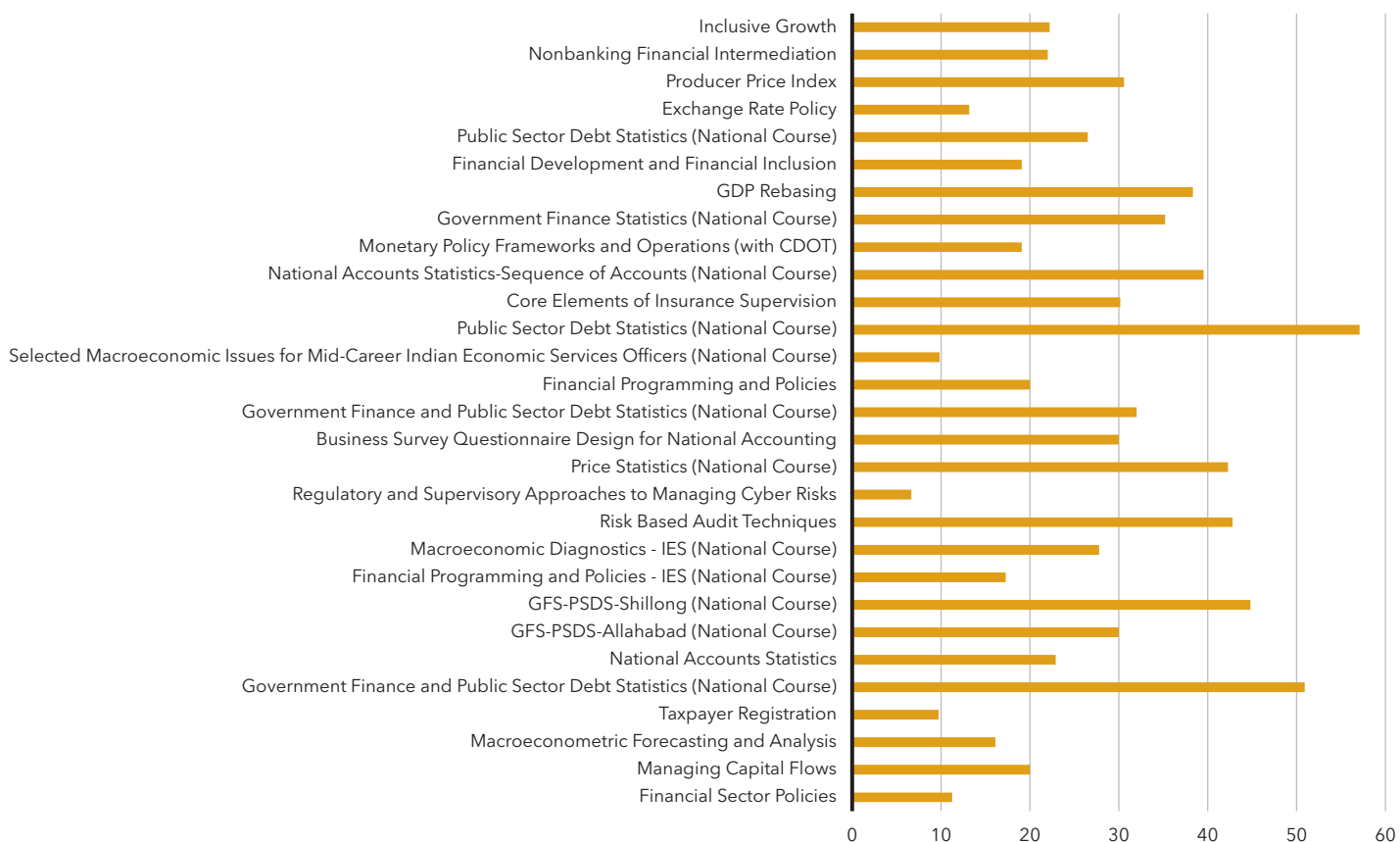
number of staff requiring training. Macroeconomic training (29 percent), which broadly comprises the delivery of ICD courses, accounted for most of the remainder. Learning gains continue to be encouraging across all the sectors, with an average of 31 percent increase in scores from pre- to post-course tests, with 71 percent of participants scoring 60 percent or above at the end of the course (see Figures 4 and 5).

- Key achievements:** Some key achievements in FY2020 marking progress towards final project outcomes were:
  - The publication of a rebased Consumer Price Index (CPI) in Maldives by its National Bureau of Statistics (NBS).
  - Progress was also made in strengthening and reporting GFS/PSDS. In Maldives, GFS in

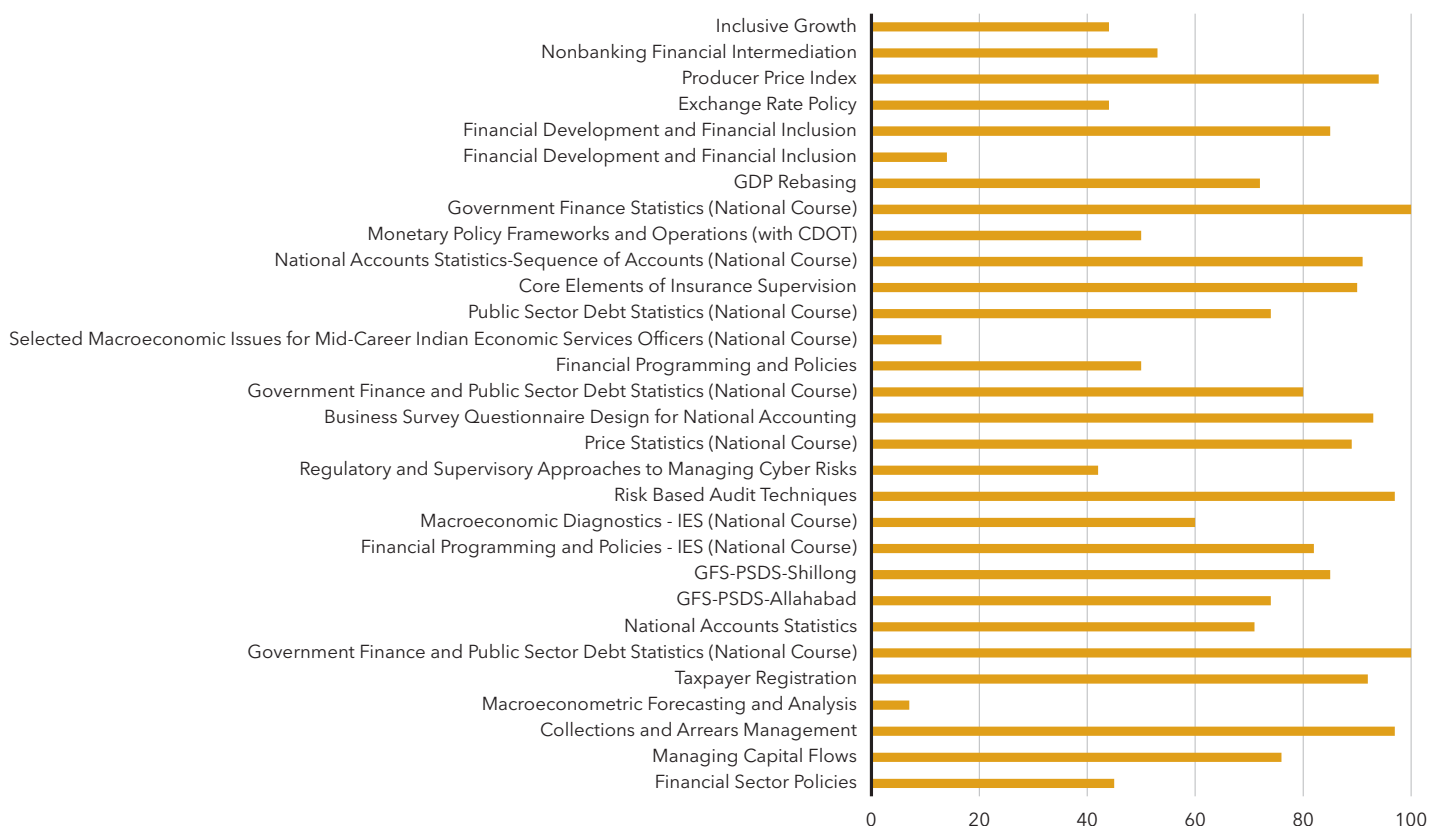
accordance with international standards was compiled and disseminated for the first time. Bhutan and Nepal engaged in efforts to expand GFS sectoral coverage, with Nepal compiling GFS for provincial and local governments and resuming dissemination of PSDS. Support on GFS/PSDS assisted India's Ministry of Finance (MoF), Office of the Controller General of Accounts (CGA), and Office of the Comptroller and Auditor General (CAG) in developing a plan to fulfill two G-20 Data Gaps Initiative targets. As partial fulfillment of the plan, the CGA began preliminary compilation of GFS for India's budgetary central government.

- Bangladesh Bank (BB) staff are now able to generate model-based inflation forecast and scenarios to be incorporated in the

**FIGURE 4. COURSE LEARNING GAINS**  
(percentage point increase in average quiz scores from pre- to post-course test)



**FIGURE 5. ABSOLUTE LEARNING**  
(share of participants scoring at least 60% in post-course quiz)



monetary policy decision-making process. The Royal Monetary Authority of Bhutan (RMA) is now sufficiently well-versed with standard procedures underlying its monetary policy operations after conducting a successful dry run with all commercial banks.

- In Bhutan, key steps were taken to obtain cabinet approval for and enact a new GST law, and in support of its implementation of the GST training was provided.
- The Central Board of Indirect Taxes and Customs (CBIC) in India received training on both, international aspects of GST, and the Tax Administration Diagnostic Assessment Tool (TADAT) through two accreditation courses for state officials.

- Risk Management Guidelines (RMGs) for financial institutions in Bhutan were published, along with central bank board approval of a plan to implement a risk-based supervision framework. In Bhutan and Maldives, the program to build a risk-based supervision framework for the insurance sector was also completed.
- Engagement with Indian states was expanded, notably with Odisha, focused on strengthening budget practices by developing a forecasting model for macroeconomic and fiscal indicators, introducing a revised budget calendar and budget ceilings for spending departments, substantially streamlining budget guidelines, and developing a tool to assess the financial soundness of public sector undertakings.

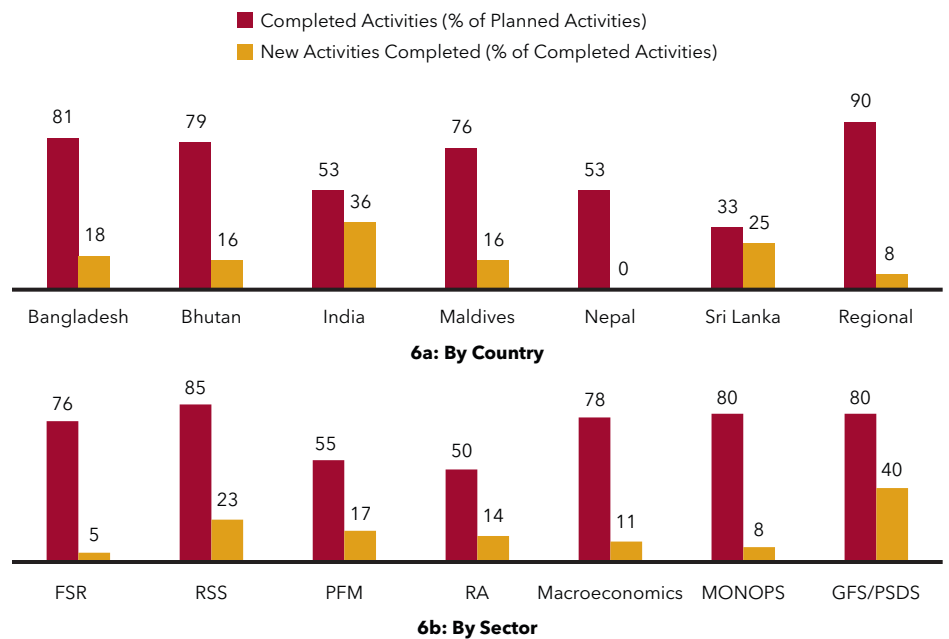
- The high-level Seminar on Fiscal Federalism in Nepal, organized in Kathmandu, attracted wide participation from various levels of government and identified areas requiring capacity building efforts.

• **Deviation from and adjustment in the workplan:** Figure 6 presents deviations from the workplan as approved by the SC at its third meeting in Maldives. In most countries and sectors, planned activities were largely implemented. However, as noted above in discussions of resource use, delivery in fiscal work (RA and PFM) has been affected by a range of country and internal SARTTAC (turnover) factors. The data on the statistics sector also capture SARTTAC's responsiveness, with new demands from India in RSS

and GFS accommodated during the year. Some key country requests added to the plan intra-year were:

- Assisting the Maldives Monetary Authority (MMA) with improving the Quarterly Business Survey (QBS) and commencing rebasing of several price series in Sri Lanka.
- Undertaking an IMF HQ scoping mission to Tamil Nadu to identify priority actions to build macro-fiscal forecasting capacity and identify fiscal risks, and to Maldives to review State-Owned Enterprises (SOE).
- Providing the MMA with hands-on training on monetary policy operations.
- Integrating GFS training into a Bhutan TA mission.
- Assisting India’s Ministry of Statistics and Program Implementation (MOSPI) on the United Nations Sustainable Development Goals (SDGs), and expanding the scope of a training mission in Nepal to also include a component of TA.

**FIGURE 6. DEVIATION FROM WORKPLAN BY COUNTRY AND SECTOR**



- **Development Partners:** SARTTAC continued to coordinate closely with development partners working in related areas, sharing workplans and providing debriefings where requested, e.g. to the United Kingdom’s Foreign, Commonwealth and Development Office (FCDO) Economic Policy and Prosperity

Partnership Steering Committee. In the statistics area, SARTTAC has coordinated with the World Bank (WB) to provide support on the Index of Industrial Production (IIP) to India’s MOSPI. The Center has also liaised frequently with the Asian Development Bank to avoid any duplication of assistance.

## B

SARTTAC FINANCING AND  
THE FY2020 BUDGET**David Cowen**

became the Director of SARTTAC in September 2020. He previously served in a similar capacity in CDOT. During his career at the IMF, Mr. Cowen has worked on surveillance, lending, and CD issues, mainly in the IMF's Asia and Pacific, Africa, and Statistics Departments. Among his assignments in Asia and Pacific Department (APD) have been division chief for Bangladesh, Maldives, and Sri Lanka and mission chief for Bangladesh, also serving earlier as a desk economist on India.

**SARTTAC's liquidity situation is reasonably strong in the face of the crisis, with 92 percent of its Phase I (2017-2022) indicative budget secured** (Table 3). Out of the expected disbursements, 91 percent have been received. Thanks to stakeholders disbursing most of their commitments early, SARTTAC entered FY2021 well equipped financially to provide the CD support requested by members. In addition to development partners, all SARTTAC member countries have signed agreements to support the Center, a strong demonstration of ownership. Since the last SC report, the IMF signed an agreement for an additional GBP 0.5 million with the United Kingdom (on top of the initial USD 2.5 million) to support PFM work at SARTTAC. With only two more fiscal years in the first phase of SARTTAC, discussions regarding the next phase's scope and size are expected to start soon.

**Table 4 provides the FY2020 Budget outcome, which was USD 11.0 million.**

Total expenditure reflects use of 72 percent of the USD 15.3 million approved budget. As in previous years, SARTTAC took measures to reduce the cost of its activities, including re-negotiating contracts with hotels for accommodation and catering services for training and securing in-kind contributions from member countries for seminars. As mentioned earlier, COVID-19 had a negative effect on the execution rate during the last quarter of the fiscal year. For the full year, the highest execution rates were in TA provided in MONOPS and in the training courses component of the budget.



**TABLE 3. SARTTAC FINANCIAL CONTRIBUTIONS**  
Phase 1: FY2017-FY2022 (as of April 30, 2020)

Agreement/Amendment Information					Contribution Received
Partners/Members	Signed Date <sup>1/</sup>	Currency	Amount	U.S. Dollars	U.S. Dollars
Partners				20,482,615	18,281,849
Australia	4/16/2016	AUD	2,500,000	1,923,373	1,471,400
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	324,325
United Kingdom	3/6/2017	USD	2,500,000	2,500,000	2,499,964
Members				10,200,000	6,775,000
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	75,000
Nepal	10/5/2017	USD	2,000,000	2,000,000	600,000
Sri Lanka	5/23/2017	USD	5,000,000	5,000,000	3,000,000
<b>Partners and Members Total</b>				<b>30,682,615</b>	<b>25,056,849</b>
Host Country					
India		USD	32,800,000	32,800,000	32,800,000
<b>Host Country Total</b>				<b>32,800,000</b>	
<b>Grand Total</b>				<b>63,482,615</b>	<b>57,856,849</b>
Program Document Budget				68,607,930	
<b>Funding Gap</b>				<b>-5,125,315</b>	

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

**TABLE 4. SARTTAC FY2020 EXPENDITURE**  
(as of April 30, 2020, in millions of U.S. dollars)

Activity	Working Budget <sup>1/</sup>	Expenses <sup>2/</sup>	Remaining Balance
PFM	2.8	1.9	1.0
RA	1.9	1.4	0.6
Banking Supervision and Regulation	1.0	0.7	0.2
Monetary and Foreign Exchange Operations	0.7	0.6	0.1
RSS	1.2	0.8	0.4
GFS	0.9	0.6	0.3
Admin Project	2.6	2.1	0.4
Training Project	2.7	2.2	0.5
Governance and Evaluation (including Results Based Management (RBM) advisor/backstopping)	0.3	0.0	0.3
<b>Total TA Delivery</b>	<b>14</b>	<b>10.3</b>	<b>3.8</b>
Trust Fund Management	1.0	0.7	0.3
Intra-year Strategic Re-allocation	0.3	0.0	0.3
<b>GRAND TOTAL</b>	<b>15.3</b>	<b>11.0</b>	<b>4.3</b>

1/ As approved by SC on June 10, 2019.

2/ Total FY2020 Expenses recorded as of April 30, 2020.

## C

## IMPACT OF COVID-19



**Bhaswar Mukhopadhyay** joined SARTTAC as the Deputy Director in February 2020. In his 26-year career at the IMF he has worked on low-income countries in Africa, transition countries in Central Asia and Central Europe, and countries in the Middle East, and in the Strategy, Policy and Review Department. He has been the IMF's resident representative in Tanzania and the Kyrgyz Republic, and mission chief for The Gambia and Eritrea.

**The ongoing COVID-19 global pandemic has disrupted SARTTAC's activities since the beginning of March 2020.** In February 2020, with evidence mounting of the significant health impact and risks that the novel coronavirus was inflicting in Asia and Europe, social distancing to contain the virus spreading begun being enforced. IMF management issued orders at the beginning of March to cancel all non-essential travel and thereafter to cancel all travel and for its staff to work from home. Such developments, together with national lockdowns/shelter-in-place orders, closure of national borders and suspension of international travel placed a hold on SARTTAC being able to continue with its activities.

**The disruption has affected both training and TA activities severely and is likely to persist throughout FY2021.**

- As regards TA, while several planned activities were disrupted, they have almost all been re-programmed for FY2021 and will likely be delivered virtually. In a couple of cases, specifically TA to the Maldives Internal Revenue Authority (MIRA) and to the MoF in Bhutan (see Box 1), virtual delivery had already replaced in-person delivery in the last quarter

of FY2020. Indeed, SARTTAC had also used virtual delivery following the Easter 2019 terrorist attacks in Sri Lanka to continue support for the Central Bank of Sri Lanka's (CBSL) monetary modeling and communication efforts. Following the initial onset of the COVID-19 crisis, remote delivery of some of the TA program, notably to Bhutan, India, Maldives and Sri Lanka, and the Indian state of Odisha has commenced.

- Training activities that had been scheduled for March-May 2020 in the areas of GFS/PSDS, PFM, Macroeconomics, and Financial Sector Supervision and Regulation (FSR) could not be held. Most of these activities have been reprogrammed for FY2021 and have started to be delivered virtually.

**SARTTAC has been actively supporting the IMF's efforts to respond to COVID-19, while continuing work on existing projects where possible.** After consulting the SC, it was decided that the Center's staff would only join or support IMF country teams working on emergency financing requests for SARTTAC members. In addition to continuing on existing workstreams, such support has included priority

needs on macroeconomic frameworks as well as the COVID-19 response in areas such as better spending, revenue mobilization, financial sector stability, monetary/exchange policy and operations, data aspects of the crisis, and broader IMF program-related work. Examples of crisis-related support provided by SARTTAC staff in the immediate phase of the crisis include:

- Joining IMF teams working on SARTTAC member country programs to develop a country CD strategy framed around the recovery efforts (Nepal) and to work on fiscal adjustment (Maldives).
- Reviewing and commenting on financing requests for SARTTAC members and COVID-19 related technical policy notes, monitoring policy responses in member

countries, and advising them on transactions arising from the crisis response—e.g. the GFS/PSDS treatment of fiscal measures to mitigate the impact of COVID-19.

- Proactively contacting counterparts to assist in SARTTAC’s areas of expertise, such as on drafting business continuity plans, and identifying short-term reform priorities during COVID-19—e.g. for RA and statistical agencies. SARTTAC staff has also undertaken desk reviews and responded to ad hoc requests from member country officials. For example, in RSS, Maldives’ NBS requested advice on estimation of value added for tourism operators that are closed, the value added for industries with a wage subsidy program and treatment of food delivery activities.

- Delivering remote CD missions where possible and starting up virtual courses and workshops, in keeping with workplans, as well as focused webinars around the IMF’s COVID-19 guidance.

SARTTAC’s local staff have played a very important role in helping the Center mobilize quickly to deliver CD support to its members. Notably, course administration and information technology (IT) support staff adapted very quickly to familiarize themselves with all aspects of virtual delivery. Moreover, administrative support staff, who were not previously engaged in course administration, built skills to support SARTTAC holding the large number of virtual events—webinars, workshops, and courses, and TA mission meetings—that have taken place.

## BOX 1. TRIALING VIRTUAL SUPPORT DURING THE LOCKDOWN

As SARTTAC adjusted to remote delivery in the last quarter of FY2020 and going into FY2021, it adapted both technical assistance (TA) and training to a virtual platform, and also deployed webinars as an effective means of engagement with member countries. For Maldives, a SARTTAC-supported TA mission by an IMF Fiscal Affairs Department (FAD) short-term expert (STX) was undertaken during March 19 – 27, 2020 to help the Maldives Inland Revenue Authority (MIRA) develop an employer guide to the withholding tax on and valuation of employee taxable benefits, prior to the start of the new employee withholding tax regime on April 1, 2020.

Given travel restrictions due to the COVID-19 pandemic, the mission was undertaken virtually by a STX from Australia. Essentially the visit was structured as if it had been an in-person visit, with a combination

of meetings/workshops/discussions to scope the work, to provide international good practice on the topic, and to work together to develop the employer guide and then validate the final version of it.

Workshops and meetings were held during Maldives’ normal working hours using a platform that supports the sharing of presentations. Email was used for the sharing of documents between the MIRA staff and the experts and IMF cloud resources were used for the sharing of documents between the expert and their managers at IMF headquarters. The staff of MIRA worked both from the office and their homes during the mission.

The feedback from MIRA was very positive, including on the effectiveness of the IT platform for engaging in discussions with the expert. The main downside was that the virtual

format did not permit staff who were not involved in the visit to benefit from interacting directly with the expert, which can occur with an in-person mission. This shortcoming highlights a more general point that remote delivery cannot fully substitute for the hands-on TA delivery and institutional diagnostic that takes place in person.

The visit’s success was founded on good internet connections to support videoconferencing and staff having access to the necessary remote communication tools. Strong preparation and clear meeting objectives were also critical. Another factor affecting success is the time difference between Australia and Maldives, which did not present a challenge, with a quick turnaround of draft documents possible.

These lessons, and those from other IMF virtual missions, have been taken on board as virtual missions are

prepared for other SARTTAC countries, including ones that provided support to Bhutan, both in advancing plans to implement the new GST and on developing Bhutan's macroeconomic forecasting and policy analysis. On the latter, SARTTAC began conducting the first of a series of virtual meetings in May 2020 to provide macroeconomic forecasting CD to Bhutan, which built on a series of physical missions over the last three years. During the meetings, the long-term expert provided feedback on work undertaken by the Bhutanese officials since the previous in-person mission and delivered new technical content to improve macroeconomic forecasting capacities. This medium proved very successful, as it allowed SARTTAC to pool resources from the IMF's regional training center in Singapore as well as expertise in Washington into one video call.

In mid-May, a webinar was organized between the Index of Industrial Production (IIP) team at India's Ministry of Statistics and Program Implementation (MOSPI), compilers of the Monthly Survey of Manufacturing from Statistics Canada, experts from IMF headquarters, and members of the World Bank's Poverty and Equity



Virtual FPP work with MoF, Bhutan

Global Practice team. The MOSPI was seeking guidance on imputation methods for non-responders in their IIP survey. Given the large changes in IIP expected due to COVID-19, traditional methods of imputation are less appropriate. Several recommendations

were provided during the webinar, including making greater use of international merchandise trade data, adding questions on the IIP survey on business continuity plans, and exploring donor and nearest neighbor imputation methods.

## HIGHLIGHTS BY SECTOR



### Stefaan Ide

joined SARTTAC in November 2018 as its Monetary and Foreign Exchange Advisor. He previously worked at the National Bank of Belgium's Research and Economics Department with a focus on International Macroeconomics and on Monetary Policy Strategy and Implementation. Before joining SARTTAC, he assisted the Bank of Algeria in modernizing its monetary policy framework as an IMF resident advisor.

### MONETARY AND FOREIGN EXCHANGE OPERATIONS

- **TA:** In Maldives, the new Governor reconfirmed the MMA's commitment to the overall objective of modernizing monetary policy implementation, but at a more gradual pace than envisaged previously, leading to a significant revision in the timing of earlier agreed milestones. Other pillars of the MMA's strategic plan were advanced with a focus on the

foreign exchange market and a de-dollarization strategy. This included hands-on training to MMA staff on implementing a currency basket and reactivating open market operations. In Nepal, the Nepal Rastra Bank (NRB) received SARTTAC support for refining its liquidity monitoring, forecasting and reporting tools. Advice was also provided on the monetary instruments for sterilization and the modalities for instituting an



TA Mission to MMA on Currency Basket and Open Market Operations, November-December 2019



TA on Modernizing the Monetary Policy Framework at the Bangladesh Bank, Bangladesh, March 2020

effective interest rate corridor. As part of its efforts to modernize its monetary policy framework in Bangladesh, BB is progressing in its objective to establish the interest rate as its operational target. SARTTAC assisted with developing the framework and tools for liquidity management as well as modeling approaches for inflation forecasting. BB has reiterated its commitment to these reforms but without an explicit timeline, hence delays on milestones. In Bhutan, the RMA is focusing on implementing active liquidity management and requested SARTTAC assistance with the operational aspects of open market operations. Typical of the practical approach of the Center, in addition to preparing a standard operating procedures manual and providing training, a dry run of several open market operations

with commercial banks and the stock exchange were conducted. Support also continued for Sri Lanka's efforts to adopt flexible inflation targeting (FIT) by 2020, concentrated on ICD's Forecasting and Policy Analysis System (FPAS) TA, involving enhancements to the CBSL's Quarterly Projection Model and internal and external communication aspects of the July Monetary Policy Announcement.

- **Training:** In October 2019, a course on Monetary Policy Frameworks and Operations, the fifth MCM regional training, was organized based on the IMF Policy Paper on *Evolving Monetary Policy Frameworks in Low-Income and Other Developing Countries*. It brought together 23 mid-level policy and operational central bank staff from SARTTAC and CDOT countries, who presented

on the design, implementation and challenges of their own countries' monetary policy frameworks.

#### FINANCIAL SECTOR SUPERVISION AND REGULATION

- **TA:** SARTTAC supported the Reserve Bank of India (RBI) by providing inputs on global perspectives on the regulation and supervision of non-bank financial companies for its Department of Non-Bank Financial Supervision's May 2019 annual conference. Support to Bhutan in the practical implementation of corporate governance regulations and finalizing and implementing RMGs continued, with their publication for all financial institutions in June 2019. Following board approval by Bhutan's RMA in June 2019 of an action plan, TA was provided in developing and

implementing a more risk-based approach to bank supervision, and in insurance supervision, where the TA project was completed in May 2019. In Maldives, support has been provided on finalizing revised corporate governance regulations, the preparation of RMGs and the revision of off-site and on-site banking supervision manuals. Work was extended to the preparation of a regulatory and prudential framework for the non-bank financial sector. Here, too, the insurance work was deemed complete following a SARTTAC assessment in August 2019, but some continuing support is required given high turnover among insurance supervisors. Since July 2019, SARTTAC's work in Bangladesh by BB has been based on a revised action plan to implement risk-based supervision on a pilot basis. In Nepal, NBB's work on off-site supervision should now progress as the Supervisory Information System, which the authorities considered a prerequisite, went live in January 2020. Recently, in Sri Lanka, the CBSL has sought assistance in risk based/ consolidated supervision following



Work at the NRB on Banking Supervision, November 2019

the Financial Sector Stability Review conducted in late FY2019.

- **Training:** SARTTAC hosted a seminar in June 2019 delivered by relevant IMF HQ experts covering the critical topic of Managing Cyber Risks in the Financial System. To draw on wider peer experience, the seminar

also included participants from Southeast Asian countries covered by CDOT. In September 2019, SARTTAC held its first course for insurance supervisors. The Center also delivered a customized training on the supervision of non-banking financial intermediaries to officials from the RBI in January 2020.



Workshop on Regulatory and Supervisory Approaches to Managing Cyber Risks in the Financial System, New Delhi, India, June 2019



### Rodger Sceviour

joined SARTTAC in August 2018 as its RSS Advisor. He is a national accountant from Statistics Canada. His areas of expertise are benchmarking, estimation of supply-use tables and business survey methods.

### REAL SECTOR STATISTICS

- **TA:** Considerable resources were devoted to Bangladesh in FY2020 to rebase its GDP statistics. Supply and Use Tables (SUTs) were prepared for the new benchmark year (2015) and preliminary back-casted estimates were compiled from 2005 to 2015. In the prices area, the Bangladesh Bureau of Statistics received support in updating the CPI. Likewise, the NBS in Maldives finalized the index weights of the CPI with SARTTAC's support and published its new series in October 2019. Work also continued with the NBS on development of expenditure-based GDP estimates for publication in late 2020. The MMA received assistance on reviewing their QBS, which the central bank uses as a leading indicator of economic activity. Price statistics work scaled up in Sri Lanka, including updating reference weights for the CPI. Progress was also made towards rebasing and expanding the Producer Price Index (PPI) and the IIP. The updated CPI now awaits final cabinet approval before publication. The GDP



National Accounts Mission, Maldives, September 2019

rebasement exercise has also advanced by expanding SUTs estimates and commencing back-casting to the previous base year of 2010. Delays caused first by the terrorist attacks and then by the pandemic have delayed completion of this work from the August 2020 target date. Work on GDP rebasing has also commenced in Bhutan, with recent activity focused on updating the methodology for compiling estimates of financial services, insurance and pension activity. The National Statistics Bureau of Bhutan is on track to modernize their national accounts program by March 2021. Finally, with the Central Bureau of Statistics (CBS) of Nepal, a diagnostic of their PPI program was undertaken and a workplan developed to update and expand it to selected service activities. At the request of the WB, which has been providing support to the NBS on rebasing GDP, SARTTAC reviewed preliminary results of that exercise.

- **Training:** The intensive RSS training program delivered over the first three quarters included a regional training on GDP rebasing to support the ongoing TA in Sri Lanka, Bhutan and Bangladesh. To deepen the bench of national accounts statisticians at statistics offices and central banks, this was complemented by a broad-based national accounts course. Regional officials were also trained in updating the PPI, as this often accompanies GDP rebasing. A more specific training on the Sequence of Accounts was organized for the CBS in Nepal, as they intend to expand their core national accounts program after the current GDP rebasing exercise is completed. Finally, a training workshop on business survey questionnaire design was conducted at the National Statistical Systems Training Academy in Noida, India for junior officers from the MOSPI.





### Brooks Bruce Robinson

joined SARTTAC in February 2017 as RSS advisor and has served as GFS advisor since May 2018. He began working with the IMF in 2013, and before that he was a U.S. government national accountant, having served with the U.S. Department of Commerce, Bureau of Economic Analysis in Washington, DC for 20 years.

### GOVERNMENT FINANCE AND PUBLIC SECTOR DEBT STATISTICS

- **TA:** SARTTAC's GFS/PSDS program accelerated and intensified during FY2020, focusing on PSDS CD, but integrating GFS support. Bangladesh, Bhutan, Maldives, Nepal and Sri Lanka all received TA missions for aligning further their GFS and PSDS with the Government Finance Statistics Manual 2014 (GFSM-2014) and Public Sector Debt Statistics Guide for Compilers and Users (PSDSG), respectively. For Bangladesh and Nepal, emphasis was on assisting these countries in resuming dissemination of their GFS to international (i.e., IMF) standards. Bhutan's GFS TA missions extended efforts to develop a financial balance sheet to complete the fully integrated GFSM 2014 framework. It also included GFS training to begin expanding coverage to the general



TA Mission on GFS/PSDS, Sri Lanka July-August 2019

government sector. Nepal used its missions to resume international dissemination of PSDS. Support to Maldives covered compiling and disseminating GFS in a GFSM-2014 Statement of Operations framework for the first time and preparing for the inaugural international dissemination of its PSDS in early FY2021 (the latter was achieved at the end of June 2020). With India, SARTTAC focused primarily on assisting the MoF, CGA and CAG in designing and beginning to implement a plan to translate budgetary central and state government fiscal statistics into GFSM-2014 and PSDSG frameworks to meet G-20 Data Gaps Initiative requirements. Despite these and earlier achievements, the region still has a pronounced need to compile GFS/PSDS for general government and at a higher frequency. SARTTAC's GFS/PSDS Advisor also participated in MOSPI's efforts to meet SDG statistical requirements, helping on those goals for which the IMF's Statistics Department (STA) serves as custodian. The advisor also presented a paper at Nepal's

central bank's annual international conference on the suitability of its GFS data for policymaking.

- **Training:** Extensive GFS/PSDS training was conducted during FY2020. One-week intensive PSDS training programs were held in four of the six SARTTAC member countries: Bangladesh, Maldives, Nepal, and Sri Lanka. Bhutan GFS TA missions integrated GFS training to begin expanding coverage to the general government sector by adding local governments. One week of GFS training was added to Bangladesh's workplan to facilitate training of new officials being brought into the GFS compilation process. There were two GFS/PSDS short courses in India (in Allahabad and Shillong) as part of an ongoing capacity building program with the CAG. The GFS/PSDS Advisor also supported SARTTAC's efforts to improve fiscal forecasting at the subnational level in India. Member countries' new hires and staff changes due to promotions and reassignments will necessitate a significant level of GFS/PSDS training for the remainder of Phase I and probably beyond.



GFS/PSDS Training in Allahabad, India, May 2019



**Jacques Loubert**

joined the SARTTAC in August 2017 following a long career in Banking Supervision at the Banque de France. He has also worked previously for the IMF, WB and the French Futures and Options Exchange.



**Mark Jackson**

joined SARTTAC in July 2017 as RA Advisor. He has 35 years of experience in Public Administration, most of which was with the Australian Tax Office.

**REVENUE ADMINISTRATION**

- **TA:** Of the planned 40 activities, 22 were delivered with the remaining disrupted on account of the COVID-19 pandemic and leadership changes in administrations. Work advanced on ongoing multi-year work programs, including on the Inland Revenue Act in Sri Lanka and the implementation of a GST in Bhutan. For Sri Lanka, most of the milestones related to the Inland Revenue Act were achieved, with the review of its implementation rescheduled for 2021. With the first annual returns under the Act due in November 2019, a mission to assess implementation preparedness and review the administration of the Pay-as-you-earn (PAYE) program was undertaken in September 2019. In Bhutan, GST legislation was approved by Cabinet and Parliament in January 2020, both key milestones, with the GST now expected to be introduced on

July 1, 2021. SARTTAC supported preparation for this implementation, which has spanned internal and external communications planning, assistance with GST training and developing a contemporary data analytics capability. Milestones related to the GST implementation were either met or adjusted to take account of the delay in introduction. A plan for modernizing income tax administration was also provided. Work in India broadened to include the Central Board of Direct Taxes (CBDT) where SARTTAC assisted in transforming its operational management via “faceless transactions”. This was done through establishing a bilateral engagement with the Australian Taxation Office, thereby enabling an interchange of information on contemporary international best practice. Discussions also advanced with India’s tax administration on several areas of potential future support including TADAT workshops

for central and state administrations, compliance risk management (CRM) and tax dispute resolution and audit techniques. Bangladesh received SARTTAC support with CRM and Value Added Tax (VAT) administration, following the introduction of the 2012 VAT Act on July 1, 2019. Some progress was made in the engagement with Maldives, with milestones related to undertaking strategic planning and implementing new legislation being met. A mission supported MIRA's implementation of the new Income Tax Act introduced on January 1, 2020. This was followed up during the COVID-19 crisis with virtual expert support for the development of an employer guide to withholding tax and valuation of employee taxable benefits, prior to the start of the new employee withholding tax regime on April 1, 2020 (see Box 1). Engagement with Nepal remains limited to participation in SARTTAC regional training courses.

- Training:** Demand for regional and in-country RA courses has continued to be high. Nine courses were delivered in FY2020, of which five were specifically for Indian central and state government officials seeking training on the TADAT framework, which provides exposure to international good practice in tax administration. Other regional courses drew on the core RA courses developed in FY2019 on risk-based audit techniques, collections and arrears management, and registration compliance. A national training course on GST Basics and Understanding of the GST Law was tailored for officials from Bhutan. All courses were heavily oversubscribed reflecting



Workshop for Bhutan on Implementation of GST IT System, New Delhi, July 2019



Training on the TADAT for Indian Tax Officials, New Delhi, India, February 2020

growing demand for training support from revenue authorities. A successful conference on Current Developments in International Corporate Taxation, drawing on

a recent IMF board paper, was hosted in February 2020, with representatives from all but one of SARTTAC's members attending (see Box 2).

## BOX 2. CONFERENCE ON CURRENT DEVELOPMENTS IN INTERNATIONAL CORPORATE TAXATION POLICY, LEGISLATION AND ADMINISTRATION

Forty-two officials from the tax policy area and revenue administrations of Bangladesh, Bhutan, India, Nepal, and Sri Lanka attended the conference on corporate taxation policy, legislation, and administration at SARTTAC in New Delhi on February 3-4, 2020. The purpose of the conference was to bring together senior officials from around the South Asian region and internationally to discuss developments in international corporate taxation, following the release in March 2019 of a major IMF Policy Paper titled *Corporate Taxation in the Global Economy*. This paper sets out the current state of international corporate income tax arrangements and explores options for their future development, including those currently discussed in the G-20/Organization for Economic Cooperation and Development Inclusive Framework on Base Erosion and Profit Shifting, as well as options tailored to developing countries. IMF staff from its Fiscal Affairs, Legal, and Asia and Pacific Departments and

Institute for Capacity Development also attended.

Presentations on a full range of international tax policy and administrative issues, including Corporate Tax Policy in the Global Economy, Digital Taxation—the Current Debate, Mechanisms for Ensuring a Global Minimum Level of Taxation, Administrative Aspects of International Taxation, and the Future of International Taxation, were followed by lively panel discussions, which included senior representatives from SARTTAC member country finance ministries and tax administrations covering their policy and administrative challenges.

This forum provided a platform for sharing country experiences in dealing with international corporate taxation issues and highlighting policy challenges in the region. As a key provider of capacity development on tax issues, the IMF is well placed to share its perspectives with the South Asian

countries, including those that are not members of the Global Forum on the Transparency and Exchange of Information on Tax Evasion or the Inclusive Framework.

The conference took note of the importance of building capacity in international tax issues, with several participants indicating very limited capacity on these topics. On the other hand, India as a G-20 member, has made important contributions to the global policy dialogue. It was also noted that domestic taxation in South Asian countries accounts for a large majority of tax revenues. Reducing risks to the domestic tax base must be prioritized and, depending on the materiality and prevalence of those risks in the country's tax base, resources assigned accordingly. In sum, participants welcomed the opportunity to discuss current thinking on important issues facing their tax system and economies and were keen on SARTTAC hosting future conferences of this kind.





**Raju Sharan**

joined in May 2019 as a PFM Advisor. In his professional career spanning 28 years, Mr Sharan has worked with the Government of India, public sector corporations and multilateral institutions including the WB, United Nations and IMF.

**PUBLIC FINANCIAL MANAGEMENT**

- **TA:** SARTTAC has divided its work between support at the national and sub-national levels.
  - **At the national level,** a SARTTAC team visiting Bhutan to follow up on budget reporting found the Budget Report has been improved in its policy and analytical focus. Bhutan also benefited from TA in
  - **Subnational** work in India has mostly concentrated on the state of Odisha. Odisha’s budget process has been considerably revised to include elements of strategic budget formulation. The budget circular has been simplified

strengthening cash management. A PFM work program has been outlined following discussions with the Finance Minister of Nepal and key counterpart institutions such as the National Natural Resources and Fiscal Commission and Financial Comptroller General’s Office. A SARTTAC team visited Bangladesh to assess the current cash management practice in government and suggested further improvements. Finally, SARTTAC-funded and joined IMF HQ-led missions that identified significant fiscal risks presented by public-private partnerships (PPPs) in Bangladesh and by SOEs in Maldives, providing guidance to address institutional weaknesses and mitigate the fiscal risks from SOEs dependent on government transfers.



Meeting with the Finance Secretary during PFM Scoping Mission, Bhutan, July 2019

from 34 to 5 pages, a medium-term macro-fiscal forecasting tool has been developed, top-down expenditure ceilings have been issued to all departments and the analytical content and clarity of budget documents have improved. These reforms could

Seminar on Fiscal Federalism, Kathmandu, Nepal, February 2020





Mission to Odisha state, India, to assess progress in PFM reforms, November 2019



### Lesley Fisher

joined SARTTAC in April 2017. Prior to coming to SARTTAC she was a senior economist in the FAD of the IMF in Washington DC. She has provided PFM TA to European, African, Middle East and Central Asian countries. Previously she worked for the MoF in South Africa.

be useful for other states, with peer learning opportunities at SARTTAC offering a vehicle for their propagation. Odisha is also developing methodologies to improve the accuracy of its Gross State Domestic Product, in line with national accounts statistics techniques. In response to a PFM training program hosted for southern states in India, a scoping mission identified priority actions for the state of Tamil Nadu to develop macro-fiscal forecasting capacity and improve its fiscal risk management. Finally, based on interactions to date, the government of Assam is preparing a CD request for the Government of India's (GOI) approval.

- **Training:** SARTTAC collaborated with CDOT and the UN Women's Regional Office for Asia and the Pacific to organize a GRB course in Bangkok (see Box 3). A customized PFM training course launched for officers of the Government of Bangladesh was very well received, with three batches undertaking part of their Fiscal Economics and

Economic Management (FEEM) training at SARTTAC (see Box 4). Regional training programs on Accelerating Cash Management Reforms in South Asia, Fiscal Reporting, and Strategic Budget Formulation were also delivered successfully, generating interest for further support. With respect to national training, a high-level seminar on Fiscal Federalism was held in Kathmandu at the request of the authorities and was attended by over 40 participants from federal, provincial and local governments. SARTTAC also organized a course on Strengthening Budgeting Institutions and Improving PFM Systems in Assam for participants from eastern and northeastern states in India. Topics included budget formulation and documentation, medium-term fiscal frameworks, strengthening the budget challenge function, and developing baselines. To facilitate greater participation from southern states, SARTTAC delivered a PFM course for senior finance department officers in Tamil Nadu in September 2019.

### BOX 3. CDOT/SARTTAC TRAINING ON GENDER RESPONSIVE BUDGETING

In support of IMF research that gender equality contributes to economic growth and development outcomes, the IMF's Fiscal Affairs Department, Capacity Development Office in Thailand (CDOT), and SARTTAC, in collaboration with the UN Women's Regional Office for Asia and the Pacific, organized a seminar on gender responsive budgeting (GRB) during June 17-19, 2019 for 31 delegates (including 18 women) in Bangkok. Participants from ministries of finance and budget offices of twelve Asian countries and four Indian States attended the event. GRB concepts and tools to achieve gender equality goals were analyzed in depth. The cross-regional collaboration enabled peer learning and exposed SARTTAC and CDOT countries to good practices across Asia.

Most countries have a legal framework to support some of the GRB

tools. Notwithstanding this, the degree of GRB use along the budget cycle (budget preparation, linkage to policies, identification of programs, performance measurement, data collection, monitoring, reporting, statements, etc.) varies widely among the countries. Amongst SARTTAC members, Bangladesh and Nepal are the most advanced in the use of GRB tools. They employ GRB in budget preparation with a gender budgeting statement, budget circular with guidelines to ministries, performance indicators, some monitoring systems and an annual report.

However, even in these countries the impact on parliamentary decisions and next year's budget is limited. Bhutan and India have incorporated some tools such as a gender budgeting statement and circulars. Also, Bhutan

considers the integration of planning and budget while Sri Lanka has developed circulars and some indicators with gender disaggregated data. Some countries analyze selected gender criteria in policies and budget proposals that constitutes a good basis for Gender Impact Assessments (Bangladesh and Nepal). However, most of the countries do not carry out ex-ante and/or ex-post evaluations in a systematic way and do not have sufficient data.

All countries highlighted the need to increase awareness among decision makers and society on gender equality and how to integrate it into budget decision-making. Monitoring of gender-budgeting activities will be supported as part of SARTTAC's budget formulation technical assistance to member countries.



## BOX 4. TRAINING PROGRAM FOR BANGLADESH'S FISCAL ECONOMICS AND ECONOMICS MANAGEMENT COURSE PARTICIPANTS

In April 2019, the Bangladesh authorities requested SARTTAC to conduct a one-week training program for participants in the Fiscal Economics and Economics Management (FEEM) Course offered by Bangladesh's Institute of Public Finance (IPF). The objective of this training program was to enable mid-level officers nominated by Government of Bangladesh to develop a better understanding of the role of fiscal institutions and the relationship between macroeconomic forecasting and fiscal policy. During FY2020, the IPF conducted the FEEM course on three occasions. One week of each offering was delivered by SARTTAC in New Delhi, with more than 75 mid-level officers participating in total.

The SARTTAC training module covered several aspects of PFM including: (i) macroeconomic and financial implications of fiscal policy; (ii) macroeconomic accounts and linkages, (iii) strategic budgeting, (iv) elements of revenue and expenditure forecasting, (v) analysis of fiscal aggregates and the fiscal position, (vi) medium-term expenditure framework, (vii) public investment management, (viii) public-private partnerships, (ix) fiscal risks management, (x) budgetary classification and fiscal reporting, and (xi) fiscal transparency.

The course succeeded in familiarizing participants with good international practice in strengthening budget

credibility, improving public investment management, and improving budget classification and fiscal reporting. It also exposed officials to the need for effective fiscal risk management. The classroom sessions, delivered by international experts and senior government officials from India, were very well received. SARTTAC has agreed to the request made by the national authorities to continue this program during FY2021. This project provides a good example of SARTTAC partnering with national training institutes (e.g., IPF) to institutionalize a cohort approach to capacity development.







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**MACROECONOMIC FORECASTING AND POLICY ANALYSIS**

• **TA:** SARTTAC stepped up its support in the emerging area of TA on macroeconomic forecasting and analysis (see Box 5). Missions were undertaken in Bhutan and Bangladesh to help build macroeconomic frameworks for policy analysis, provide training, and develop a multi-year workplan with verifiable milestones. Initial discussions were held with Maldives during a national Financial Programming and Policies (FPP)

training. These TA projects build on preceding years’ training on financial programming and macroeconomic diagnostics provided to country officials at SARTTAC. The projects will aim to strengthen the preparation and analysis of the medium-term macroeconomic framework for use by senior policymakers. In all three countries, an institutional structure is already in place and a core group, drawn from the finance and planning ministries, statistical agencies and the central bank, has been established. In Bangladesh, initial scoping work was done in October 2019, while for Bhutan it was undertaken in November 2019 and April 2020, respectively, with the last done from remote. An FP 2.0 mission to Maldives was postponed to FY2021 due to the outbreak of COVID-19.

• **Training:** During FY2020, ICD completed fifteen training activities with SARTTAC (Table 5). Seven were regional training courses from the ICD curriculum held in Delhi, supported by eight tailored national (in-country) courses. The core of the macroeconomic curriculum

continues to be training on FPP and macroeconomic diagnostics. Of note this year was also the first offering of the IMF’s Inclusive Growth course. Likewise, in-country training was developed and delivered for the first time for mid-career Indian Economic Service (IES) officers, following a request from India’s Chief Economic Advisor. The agenda drew relevant material from the broad range of ICD courses and incorporated the work of other sectors (e.g. PFM, GFS, and FSR) and analytical work of the IMF’s India team. Other notable training events included a partnership with the Government of West Bengal to deliver the Macro-Forecasting and Policy Analysis training for eight states, most in northeast India. The course utilized the macroeconomic and fiscal tools for state finances that were developed through SARTTAC’s earlier work with Rajasthan. Following a number of unfortunate shocks hitting Sri Lanka in recent years, SARTTAC was finally able to deliver on a commitment to provide fiscal forecasting training for its Treasury Department officials in late January 2020.



Regional Course on Inclusive Growth, New Delhi, February 2020



Course on Macroeconomic Diagnostics for IES Officers, New Delhi, June 2019



Customized Training on Macro-Fiscal Policy Analysis for Indian States - Kolkata, West Bengal, India, September 2019

## BOX 5. CUSTOMIZED MACROECONOMIC TRAINING AND THE EMERGING FP 2.0 PROJECTS IN SARTTAC COUNTRIES

Following the provision of extensive classroom training at both a regional and national level over the initial years of SARTTAC's operations, the demand from its membership for technical assistance (TA) in macroeconomic forecasting and policy analysis has increased. This TA is intended to build on regular classroom training by developing capacity in national institutions that are expected to provide high-quality macroeconomic advice for senior policymakers.

The IMF's support in this area focuses on a cohort of individuals involved in macroeconomic analysis and policy-making from either a single national agency or group of agencies. Course materials, including on developing frameworks, are taught in regular classroom training are tailored to the institutional settings of the country, including recipients' own abilities. This end-to-end TA involves IMF experts working in the country's institutional context, allowing appropriate design of tools for macroeconomic analysis tailored to country conditions to ensure strong ownership by recipient agencies. A good example in recent years has been IMF TA on Forecasting and Policy Analysis System (FPAS), provided by the IMF Institute for

Capacity Development (ICD) and supported by SARTTAC, to modernize monetary policy at the Central Bank of Sri Lanka.

Strong demand for this TA exists across many regions, which has resulted in ICD's developing and strengthening its TA-delivery practice, which are embedded in a new financial programming module (FP 2.0) and the FPAS. FP 2.0 aims at modernizing the basic "financial programming" framework, including adding behavioral equations and tools for policy analysis. The main objective of FP 2.0 TA is to support country authorities in putting in place and operating their own macroeconomic framework for making projections and doing policy analysis, with this work anchored by a core group of officials. A project typically focuses on supporting one agency such as a ministry of finance, but in many cases, may be undertaken through an interagency project also involving the central bank and statistical office, as well as planning and revenue agencies.

Several FP 2.0 TA projects commenced at SARTTAC in FY2020. A scoping mission to Bangladesh

in October 2019 followed a request from the authorities after several classroom FPP training courses in 2017 and 2018. This mission examined existing institutions and frameworks for macroeconomic projections. A project will involve work with a technical committee (or core group) made up of officials from the central bank, the planning ministry, and the finance ministry. The initial work identified areas where an existing macroeconomic framework could be enhanced. Likewise, in Bhutan, the authorities also requested tailored engagement to enhance their existing framework. Here, SARTTAC is working with an interagency technical committee coordinated by the Ministry of Finance's Department of Macroeconomic Affairs. The initial phase of this project aims to streamline Bhutan's existing macro-spreadsheets to ensure accounting and economic consistency. The next phase seeks to develop a simplified tool for making projections.

Going forward, SARTTAC anticipates further resources will be devoted to FP2.0 TA projects and expects to commence a project with Maldives and potentially Sri Lanka in FY2021.

**TABLE 5. ICD TRAINING AND TA IN FY2020**

Course	Participants	Duration (weeks)	Participant Weeks
FPP (India IES)	22	2	44
Macroeconomic Diagnostics (India IES)	32	2	64
FPP-(Maldives)	17	1	17
FPP	28	2	56
Macro-Fiscal Policy Analysis for Indian States - Tailored Training	25	1	25
Selected Macroeconomic Issues for Mid-Career IES Officers	24	2	48
Financial Sector Policies	20	1	20
FPP-Tailored Training (Bangladesh)	45	1.4	63
Financial Development and Financial Inclusion	21	2	42
FPP (Bhutan)	19	1.6	30.4
Managing Capital Flows	25	1	25
Exchange Rate Policy	25	1	25
Macroeconometric Forecasting and Analysis	27	1	27
Fiscal Analysis and Forecasting	21	1	21
Inclusive Growth	28	1	28
<b>TOTAL</b>	<b>379</b>	<b>21</b>	<b>535.4</b>

**TABLE 6. SARTTAC TRAINING IN FY2020**

Lead Department	COURSES	Dates (FY2020)	Duration (Weeks)	Target Audience
<b>ICD COURSES</b>				
ICD	FPP	May 20-31, 2019	2	India (IES) RBI, MoF, MOSPI, Ministry of Commerce (MoC) Indian Institute of Foreign Trade (IIFT)
ICD	Macroeconomic Diagnostics	June 10-21	2	India (IES)
ICD	FPP	June 11-17	1	Maldives
ICD	FPP	August 19-30	2	All member countries
ICD	Macro-Fiscal Policy Analysis - Tailored Training	September 2-6	1	India (Sub National)
ICD	Selected Macroeconomic Issues for Mid-Career IES Officers	September 16-27	1	India (IES)
ICD	Financial Sector Policies	October 28-November 1	1	All member countries
ICD	Financial Development and Financial Inclusion	November 11-22	2	All member countries
ICD	Managing Capital Flows	December 9-13	1	All member countries
ICD	Exchange Rate Policy	December 16-20	1	All member countries
ICD	Macro-econometric Forecasting and Analysis	January 13-17, 2020	1	All member countries
ICD	Fiscal Analysis and Forecasting	January 27-31	1	Sri Lanka
ICD	Inclusive Growth	February 24-28	1	All member countries

TABLE 6. CONTINUED

Lead Department	COURSES	Dates (FY2020)	Duration (Weeks)	Target Audience
<b>NON-ICD COURSES AND TAILORED TRAINING</b>				
GFS/PSDS-ST/A	GFS /PSDS	May 15-17, 2019	0.3	India (CAG)
GFS/PSDS-ST/A	GFS/PSDS	May 20-22	0.3	India (CAG)
PFM-FAD	GRB (with CDOT)	June 17-19	0.3	All member countries, Cambodia, Lao PDR, Myanmar, Vietnam, Korea, Philippines, Malaysia, Thailand
RA-FAD	Risk Based Audit Techniques	June 24-28	1	All member countries
FSR-MCM	Regulatory and Supervisory Approaches to Managing Cyber Risks in the Financial System	June 25-27	1	All member countries, Cambodia, Lao PDR, Myanmar, Vietnam
RSS-ST/A	Price Statistics Training	June 30-July 4	1	Bangladesh
GFS/PSDS-ST/A	PSDS	August 4-8	1	Maldives
PFM-FAD	Strengthening PFM Framework Batch-1	August 5-9	1	Bangladesh
RSS-ST/A	Business Survey Questionnaire Design for National Accounting	August 5-9	1	India
GFS/PSDS-ST/A	Government Finance and PSDS	August 7-9	1	Bhutan
RA-FAD	Collections and Arrears Management	August 19-23	1	All member countries
RA-FAD	Taxpayer Registration	September 16-20	1	All member countries
PFM-FAD	PFM for State Governments (Southern States)	September 16-20	1	India
GFS/PSDS-ST/A	PSDS	September 22-26	1	Nepal
FSR-MCM	Core Elements of Insurance Supervision	September 23-27	1	All member countries
RSS-ST/A	National Accounts Statistics-Sequence of Accounts	October 14-18	1	Nepal
MPO-MCM	Monetary Policy Frameworks and Operations (with CDOT)	October 21-25	1	All member countries, Cambodia, Lao PDR, Myanmar, Vietnam
GFS/PSDS-ST/A	GFS	October 20-24	1	Bangladesh
GFS/PSDS-ST/A	PSDS	October 27-31	1	Bangladesh
RA-FAD	TADAT High Level Meeting (Chief Commissioners/Commissioners)	October 31-November 1	0.2	India
RA-FAD	TADAT Training Batch-1	November 4-7	0.4	India
RSS-ST/A	GDP Rebasing	November 4-8	1	All member countries
PFM-FAD	Strengthening PFM Framework Batch-2	November 4-8	1	Bangladesh
PFM-FAD	Strengthening Budget Institutions and PFM	November 11-15	1	India (Eastern and Northeastern states)
RA-FAD	TADAT Training Batch-2	November 11-14	0.4	India
PFM-FAD	Key Elements of Strategic Budget Formulation	November 18-22	1	All member countries
RA-FAD	GST Basics and Understanding of the GST Law	November 25-29	1	Bhutan
GFS/PSDS-ST/A	PSDS	November 25-29	1	Sri Lanka
PFM-FAD	Accelerating Government Cash Management Reforms in South Asia	December 9-13	1	All member countries
RSA-ST/A	PPI	January 20-24, 2020	1	All member countries
FSR-MCM	Non-banking Financial Intermediation	January 27-31	1	India
RSS-ST/A	National Accounts Statistics	February 10-14	1	All member countries
PFM-FAD	Strengthening PFM Framework Batch-3	February 17-21	1	Bangladesh
PFM-FAD	Fiscal Reporting	February 17-21	1	All member countries
RA-FAD	TADAT	February 24-28	1	India



**SECTION IV**

SARTTAC WORK  
PROGRAM AND  
ACTIVITY IN FY2021

## A

## OVERVIEW

Given the uncertainty over the COVID-19 pandemic and the related disruption, delivering SARTTAC's activities in FY2021 will continue to require considerable flexibility. There is still little clarity as to when the pandemic will ease and normal activities can resume. Face-to-face activity is very likely to remain suspended in FY2021 and possibly for longer, requiring CD delivery to continue in a virtual mode. As in previous years, prioritization in FY2021 remains on ongoing multi-year CD projects to build macroeconomic institutions and resilience in member countries. Considering the fiscal and financial stresses from the crisis, projects on strengthening tax systems and expenditure management, and on financial sector regulation and macroeconomic data, have become more urgent because of the challenges posed by the crisis. That said, as any additional crisis-related needs become apparent, SARTTAC will want to be nimble in meeting these demands. Given the exceptional circumstances this year, a mid-year SC meeting is expected to be held, with new CD demands that SARTTAC has received to be presented then to the committee for approval.

TABLE 7. SARTTAC ACTIVITIES IN FY2021

IMF SARTTAC Activities (number)	FY2020	FY2021	
	Execution	Planned	
		Annual	H1
TA Mission	70	110	48
Meeting/Retreat/ Other	18	12	6
Regional Workshop (including ICD)	20	25	11
Attachment/Mentoring	0	3	3
National Training	31	22	14
<b>Total Number of Activities</b>	<b>139</b>	<b>172</b>	<b>82</b>
Resources (FPW)			
Type of Activity			
TA	327	520	214
Training	325	214	97
	<b>652</b>	<b>733</b>	<b>311</b>
Modalities			
Resident Advisor	260	323	145
STX	211	288	128
Attachments	0	6	6
IMF HQ Staff	182	116	32
<b>Total FPW</b>	<b>652</b>	<b>733</b>	<b>311</b>



**TABLE 8. SARTTAC PLANNED RESOURCE DISTRIBUTION BY SECTOR AND COUNTRY FY2021**

(In FPW)	Total	RA	PFM	Macroeconomics	FSR	MONOPS	RSS	GFS/PSDS
Bangladesh	131	33	26	23	6	28	9	6
Bhutan	109	23	26	23	11	4	16	7
India	69	11	30	6	5	0	4	14
Maldives	106	35	16	12	12	4	21	8
Nepal	55	2	23	-	9	13	0	8
Sri Lanka	102	22	23	26	4	15	9	5
Regional	161	8	32	64	14	3	16	24
<b>Total</b>	<b>733</b>	<b>133</b>	<b>176</b>	<b>153</b>	<b>60</b>	<b>66</b>	<b>74</b>	<b>70</b>

**Notably, SARTTAC will integrate its CD support with the IMF’s more intensive engagement in the region, including with the recent financial support to some members.**

While countries have focused their initial efforts on dealing with the immediate macroeconomic consequences of the COVID-19 crisis, SARTTAC also expects new CD demands deriving from the policies associated with intensified engagement. The workplan and budget have space to accommodate such requests. In keeping with this, SARTTAC’s workplan and the IMF’s CD Resource Allocation Plan will aim to respond flexibly with necessary and appropriate adjustments.

- **Overview:** SARTTAC plans a 24 percent increase in activities in FY2021 (Table 7) (12 percent in FPW terms). Despite the disrupted start to the year, some of this assumes a recovery from the FY2020 shock combined with strong CD demand to support emergency needs in SARTTAC members. At this stage, calculations of resource use remain highly tentative. As noted above, demand in FY2021 remains uncertain. Furthermore, with the Fund ramping up virtual delivery, the most effective ways are being

determined to deliver CD virtually and to modify existing courses to fit the changed modality, with the costs associated with these activities still not fully known.

- **Country and Sector:** Country and sectoral allocations are presented in Table 8. With the huge macroeconomic impact of and fiscal response to the crisis, we anticipate some ramping up of the share of fiscal TA work relative to FY2020. At the same time, some reduction may occur in the demand for traditional training, offset in part by training responding to COVID-19 related issues. These activities will have to be built into the workplan as needs become evident and, if necessary, some events currently programmed may have to be postponed. Specifically, on India, several projects are still under discussion, notably for the states, and any that are approved by the GOI will be added to the workplan.
- **Training:** The tentative plan at the time of the SC meeting was for SARTTAC to conduct 25 regional and 22 national training events in FY2021. Of these, there are six ICD training courses over seven training weeks,

with some scaling back of ICD’s regional training given the planned expansion in financial programming TA (i.e. a modernized version of FPP, or FP 2.0) to six missions over eleven weeks (Table 11). An additional two training courses for the IES entering cohort were also under discussion with India. In addition, SARTTAC plans to deliver 41 non-ICD training events in FY2021, including a number of COVID-19 related webinars. Building on several of these webinars, additional training could be organized to build capacity to address specific COVID-19 related needs.

- **FY2021 Budget:** The budget (Table 9) has been developed based on a detailed costing of the workplan and on the assumption that it will be fully implemented. Given underspending in FY2020, there is scope to increase the budget should members require additional support. Savings on travel costs associated with virtual delivery in FY2021 will also provide room to meet members’ additional CD needs. A budget update for FY2021 will be provided at the time of the mid-year SC meeting, factoring in revisions to existing TA and training plans and new CD requests.

**TABLE 9. SARTTAC FY2021 BUDGET**

Project/Activity	FY2021
	Proposed Budget <sup>1/</sup>
PFM	2.0
RA	1.5
Banking Supervision and Regulation	0.7
Monetary Policy Operations	0.6
RSS	0.9
GFS	0.6
Admin Project	2.4
Training Project	1.9
Governance and Evaluation (including RBM advisor/backstopping)	0.3
Sub Total	10.9
Trust Fund Management	0.8
Intra-year Strategic Re-allocation	0.2
<b>Total</b>	<b>11.9</b>

1/ For SC's endorsement

## WORKPLAN

**The workplan in SARTTAC for FY2021 is that approved by the SC meeting in June 2020.** It is being adapted, as necessary, to accommodate different remote work modalities of the member countries and their own prioritization of requests considering vulnerabilities arising from the COVID-19 crisis. Implementation of the workplan in virtual mode has begun, with the sections below reporting on activities in FY2021 related to the workplan and other crisis related CD support.

#### MONETARY AND FOREIGN EXCHANGE OPERATIONS

**The work program continues to be designed with the overall aim of achieving members' key medium-term objectives.** In addition, should it be needed in the context of the current crisis, SARTTAC stands ready to support member countries in designing their intervention policy to address funding/market liquidity risk to enable central banks to pursue their price and financial stability objectives, as well as any other crisis-related needs. A challenge is that the work program in FY2021 will be delivered virtually, with a focus on the following issues:

- **Enhancing monetary policy implementation and central banks' operational frameworks:** In Bangladesh, SARTTAC will continue to provide hands-on guidance to BB in its transition towards a flexible monetary targeting regime with the interest rate as an operational target. In addition, SARTTAC's advice on interbank market development and on deepening the collateral framework for central bank operations should help improve monetary policy transmission in Bangladesh. In Sri Lanka, past TA on modeling and communication will be matched by refining monetary policy implementation practices to allow the central bank's policy rate to fully signal the monetary policy stance. SARTTAC stands ready to provide follow-up TA to Bhutan's RMA to keep on track introducing active domestic liquidity management. In Nepal, to allow the NRB to improve financial market development, as well as policy signaling and transmission, SARTTAC will continue to provide guidance to put in place a well-functioning interest rate corridor to reduce volatility in short-term interbank rates. In Maldives, SARTTAC's workplan will incorporate

the MMA's revised implementation timeline of its Strategic Plan to address de-dollarization.

- **Enhancing the effectiveness of central bank foreign exchange operations:** Within the current de facto exchange rate regime in Bangladesh, SARTTAC TA will advise on technical improvements to BB's foreign exchange intervention practices, supporting development of the foreign exchange market.
- **Supporting the transition towards a more model-based monetary policy decision-making process:** To support forward-looking monetary policy in Bangladesh, SARTTAC will continue to provide hands-on guidance to BB on inflation modeling to gradually enhance the use of model-based inputs in determining the monetary policy stance. A first mission to Nepal to improve model-based monetary policy decision-making at the NRB will focus on inflation forecasting.
- **Training in MONOPS:** Following the well-received regional training in FY2020 on Monetary Policy

Frameworks and Operations, a tailored version will be rolled out at the national level, initially in Bangladesh and Sri Lanka. Convening both mid-level policy and operational staff, this will address specific challenges members are facing with their monetary policy frameworks.

## FINANCIAL SECTOR SUPERVISION AND REGULATION

The core areas of the medium-term program—enhancing risk-based supervision and improving regulation—have acquired greater urgency after the crisis. The TA program also stands ready to adapt to immediate requests related to crisis needs, including presenting to supervisory authorities policy notes prepared by MCM addressing important crisis related challenges. Specifically, the work program will focus on the following issues:

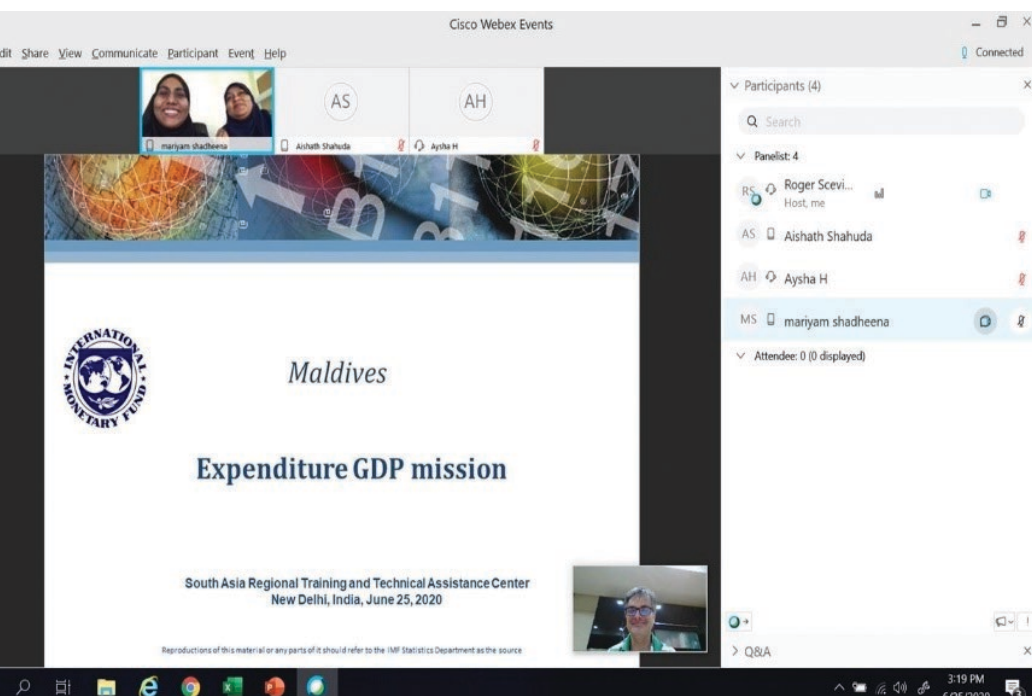
- **Further implementing the action plan to strengthen risk-based supervision of banks in Bangladesh, Bhutan, Maldives and Nepal.** This is in line with policy frameworks

supported under the IMF's Rapid Credit Facility (RCF) in several SARTTAC member countries, seeking to strengthen banking supervision and regulation capacity. SARTTAC will also aim to respond to Sri Lanka's request for TA on risk-based/consolidated supervision.

- **Providing continued support to implementing the risk-based supervision framework for insurance in Bhutan and Maldives.** In Maldives, SARTTAC has already delivered urgently required virtual training in June 2020 for newly hired supervisors of banks, non-banks and insurance agencies.
- **Further strengthening banking regulations and prudential norms and supervisory capacity** through a review of prudential regulations in Bhutan and Maldives and a revision of on-site and off-site supervision manuals and hands-on support for their implementation in Bhutan, Maldives and Nepal.
- **Building on the work initiated in Maldives during FY2020 on strengthening the regulatory and prudential framework for non-banking financial intermediation.**
- **Training on FSR:** The lockdown prevented SARTTAC from delivering the highly valued IMF course on Core Elements of Banking Supervision in April 2020. In FY2021, SARTTAC will continue delivering several webinars that incorporate many of the key lessons of the COVID-19 crisis. A regional course on insurance supervision delivered in FY2019 will also be offered again.

## REAL SECTOR STATISTICS

The work program is based on existing projects reflecting medium-term priorities. With 23 activities planned, it covers re-benchmarking and



Virtual TA Mission on RSS, Maldives June 2020

rebasings and making other upgrades to price statistics and undertaking broader improvements to statistical systems. However, as crisis-related needs emerge, some activities could be postponed, and the medium-term programs may have to be implemented over a longer timeframe than initially anticipated. Possible crisis-related needs include assistance on estimating the size of the COVID-19 shock, improving business continuity, and compiling high frequency indicators (HFI), especially for those member countries without a quarterly GDP program. Other needs could arise in doing trend extrapolation and estimating exceptional transactions on the balance of payments and financial accounts.

- **Re-benchmarking and rebasing:** With SUT constructed and preliminary consistent current and constant price estimates compiled, Bangladesh will progress to the next stage of the rebasing process, preparing dissemination material and conducting outreach to data users. Sri Lanka will focus on compiling consistent current and constant price estimates. Intensive rebasing assistance is planned for Bhutan, as there is a desire to complete work in this area by March 2021.
- **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 PPI, and on expanding the index to include some service activities. Maldives will commence updating its PPI. Sri Lanka will turn its attention from the CPI to the development of a rebased PPI. Assistance is planned for Bangladesh to update its PPI and the Quantum Index of IIP. Finally, Bhutan will receive assistance in updating the PPI, using the 2017 Economic Census.

- **Improving the broader macroeconomic statistical system:** The RMA of Bhutan will receive support on using HFIs to construct a Monthly Index of Economic Growth (MIEG). SARTTAC will assist Maldives in compiling and disseminating expenditure-based GDP coinciding with their annual GDP release in September. SARTTAC will also review Maldives' quarterly GDP compilation system. An external sector statistics mission is planned for Maldives to improve the International Transactions Reporting System. Maldives will also receive assistance to ensure their upcoming Economic Census follows internationally accepted best practices. Finally, the MMA will receive assistance with seasonally adjusting the QBS.

- **Training in RSS:** Virtual regional workshops will be conducted in the areas of HFIs, external sector statistics, the CPI, and Advanced Issues in National Accounts.

#### GOVERNMENT FINANCE STATISTICS

**The GFS/PSDS work program will enter the first year of a two-year extension in FY2021.** Work will be deepened in FY2021 with a shift from the initial training phase to TA. The focus will also pivot to expanding the coverage and scope of fiscal statistics, while continuing to help ensure that GFS and PSDS are increasingly aligned with international standards. At this stage, eleven TA missions, and eight training activities are envisaged, focused on the following:

- **Aligning the statistics with concepts and definitions:** Two TA missions will be conducted with five (Bangladesh, Bhutan, Maldives, Nepal, and Sri Lanka) of the six member countries to help ensure that they maintain high-quality institutional tables, charts of accounts, IT systems, and follow best practices in compiling GFS and PSDS. By the end of FY2021, the expectation is that all member

countries will be compiling and disseminating GFS and PSDS that meet international standards both domestically (on National Summary Data Pages) and internationally (to the IMF and WB). TA missions for Bhutan and Nepal will be integrated with short courses on GFS and PSDS, respectively.

- **Expanding coverage and scope:** To date, member countries have mainly compiled GFS/PSDS for budgetary central governments (BCG) only. The new focus will be on assisting countries in developing and implementing a plan to expand the coverage and scope of their fiscal statistics to the general government economic sector by adding state and/or local governments.
- **Compiling and disseminating high-frequency statistics:** This program component mainly applies to India. To fulfill requirements for the G-20 Data Gaps Initiative, India plans to increase to quarterly the frequency of its compilation and dissemination of GFS/PSDS for a modified general government sector (BCG plus state governments). SARTTAC assisted the MoF, CGA and CAG in preparing to meet these requirements during FY2019 and FY2020 and plans to continue providing training during FY2021 to help complete fulfillment of the requirements.
- **Training on GFS/PSDS:** The workplan includes a one-week regional workshop on PSDS issues and a one-week regional workshop covering GFS/PSDS issues. Also, SARTTAC will use one umbrella mission to organize regional webinars on statistical recording of unique COVID-19-related government transactions. An intensive program for India's states will include seven GFS/PSDS workshops to ensure high-quality translation of state fiscal statistics into GFSM-2014 and PSDSG frameworks.

## REVENUE ADMINISTRATION

The workplan for FY2021 approved by the SC consists of 34 activities within the broad topical area of better RA, management, and governance arrangements and stronger core functions. This program will be delivered in collaboration with IMF HQ staff, with training supporting TA projects. With the COVID-19 pandemic likely to impact travel in FY2021, it is expected that in consultation with revenue administrators, different delivery mechanisms such as virtual missions and desktop reviews will be utilized. The following activities are planned for SARTTAC countries:

- **Strengthening GST/VAT administration:** For Bhutan, the focus will continue to be on preparation for the implementation of the GST planned for July 1, 2021. Assistance will be provided to ensure the IT system has the necessary functionality to support the GST law, including matching business processes to the IT system and data analysis, definition risk and migration, along with post-implementation support to address any issues that arise. Additional outreach will ensure taxpayers are aware of their obligations under the law. For Bangladesh, assistance with investigation techniques of the income tax and VAT, analysis of financial statements for income tax and VAT purposes and data driven audit case selection are included in the work program.
- **Supporting income tax implementation:** In both Maldives and Sri Lanka, assistance in implementing income tax, specifically with risk identification and mitigation for issues such as refund payment and developing guidelines for PAYE are planned.

- **Strengthening compliance risk management:** Support on CRM is an important component of the RA program for SARTTAC countries, with regional training and TA missions planned for Bangladesh, Maldives and Sri Lanka. Discussions with both the India's CBDT and CBIC on assistance with CRM are also ongoing.
- **Improving understanding and uptake of international best practice in revenue administration:** Building upon the successes of TADAT accreditation for Indian officials in FY2020, assistance will also be provided to extend TADAT knowledge in a more systemic manner with two accreditation courses planned.
- **The balance of the program reflects a broad range of topics, based on the specific CD needs of each country's RA.** Planned activities include support for dealing with international tax risks for Maldives and Bangladesh; customs risk management and data analysis for Bangladesh; support for in Sri Lanka for its Internal Revenue Department's new Large Taxpayer Office, while continuing to strengthen the administration's capacity to manage the core obligations of registration, filing, correct reporting and payment compliance; a program of comprehensive training support for India's CBDT, which will include tailored 'train the trainer' courses on topics such as Audit Techniques and Collections and Arrears Management; strengthening criminal investigations processes for Maldives; and continuing to engage with Nepal to share the range of IMF expertise in tax administration.
- **Training on RA:** Two regional training courses are planned for FY2021. Based on strong continuing

interest, one will be on CRM and the other on a topic to be determined after further consultation with member countries.

## PUBLIC FINANCIAL MANAGEMENT

SARTTAC currently has work planned within the following topics.

- **Improving PFM laws and building effective institutions:** Following up on an IMF HQ review, SARTTAC is expected to participate in a HQ mission to assist Maldives in drafting a revised Fiscal Responsibility Act. Bhutan and Nepal will be assisted to further strengthen their fiscal federalism framework.
- **Ensuring comprehensive, credible and policy-based budgeting:** Bhutan will further advance reforms in baseline budgeting and improving the analytical and policy focus of its Budget Report, with the report for 2020 already revised in line with SARTTAC support. A training event on budget documents, postponed from FY2020, will be delivered virtually to a group of officials responsible for macro-fiscal policy, budget formulation, revenue policy and fiscal risk management. SARTTAC will continue to support Sri Lanka's work on its medium-term fiscal framework.
- **Strengthening budget execution and control:** Bhutan will be supported in modernizing its receipt and payments systems. Bangladesh and Sri Lanka will also receive assistance in strengthening expenditure control by expanding functionalities in existing IT systems. Nepal will benefit from a Public Investment Management Assessment mission to improve appraisal, selection, costing and monitoring of public investment projects, in which SARTTAC will participate.



## Celeste Kubasta

joined SARTTAC on 1st June 2020 as a PFM Advisor. She has previously worked for the IMF's CD Centers in the Caribbean and Pacific. She has over thirty years of experience across PFM issues having worked for the US Treasury, and in the Budget Office at state level in the US.

- **Improving the coverage, quality and timeliness of fiscal reporting:** Bangladesh, Bhutan and Nepal will work on extending fiscal reporting for general government and revising their charts of accounts. In this regard, it is significant that Maldives will be the first SARTTAC country to undergo a Fiscal Transparency Evaluation, an important benchmark for the region and a priority identified in its recent RCF policy framework.
- **Improving integration of asset and liability management:** Following the pandemic and the need for governments to increase spending while revenues decline, cash and debt management have assumed critical importance in most developing countries. A workshop on cash flow forecasting and management will be organized virtually for members of Cash Coordination Committees in Bhutan and Bangladesh. The workplan also includes a virtual TA mission to the Public Debt Management Office in Nepal to suggest ways to strengthen the institutional framework.
- **Strengthening the identification, monitoring and management of fiscal risks:** To help mitigate the impact of the COVID-19 crisis, SARTTAC will continue to support Maldives in developing capacity to identify and contain fiscal risks from SOEs, PPPs and contingent liabilities, including guarantees. Sri Lanka's SOE oversight will also receive further attention.
- **Building subnational capacity:** The state of Odisha in India is expected to further improve its macro-fiscal forecasting tool by anchoring the fiscal strategy to its fiscal rules. It is expected to produce a fiscal strategy report mid-year and publish a fiscal risk statement alongside the state budget for FY2021. These priorities have become even more critical since the revenue shortfalls experienced by the Union

Government as a result of COVID-19. To better anticipate and mitigate the attendant risks, a cash forecasting tool adapted from the state of Maharashtra will be developed, and SARTTAC will support the development of the commitment control module in integrated financial management system (IFMS) of Odisha. SARTTAC will work closely with the Union Finance Ministry to identify the need for follow-up TA and training resulting from scoping missions and interactions with other Indian States. Notably, the CAG requested support to evaluate the financial statements of selected states against international standards with a view to adopting International Public Sector Accounting Standard (IPSAS) for cash reporting. One webinar for Odisha and another for a group of Indian states is planned on the topic of managing fiscal risks during the COVID-19 crisis.

- **Training on PFM:** Although COVID-19 has resulted in the cessation of face-to-face trainings planned during the year, SARTTAC is continuing to offer capacity building support through virtual workshops and training courses. These activities will focus on areas of immediate interests of governments in the region, namely budgeting, public investment, cash management, fiscal reporting and fiscal risks. In this regard, a key event in the workplan is a seminar for State Finance Secretaries in India, postponed from FY2020, offered in conjunction with the Lal Bahadur Shastri National Academy of Administration (LBSNAA). Countries and states will also participate in three strategic budgeting training webinars focusing on improving budget communications, developing medium term fiscal frameworks, and preparing and executing the budget. A virtual regional seminar on Public Expenditure and Financial Accountability framework is also being planned later in the year.

## MACROECONOMIC ANALYSIS AND TRAINING

**In FY2021, SARTTAC's macroeconomic training program has been dealing with two important and related challenges.** First, given the impact of the pandemic, virtual delivery of courses has replaced face-to-face training. SARTTAC has had to invest considerable resources to build up its capacity to this end. This is also requiring ICD to modify its core curriculum for virtual delivery, with shorter lectures and courses, greater reliance on online learning videos, and several other adaptations, all of which are resource intensive. Second, in the months immediately after the onset of the crisis, many ICD staff were deployed to help in IMF departments that are at the frontline of the Fund's COVID-19 response to its membership. Workplans focus on the following:

- **Developing macroeconomic frameworks:** The crisis has emphasized the importance of strong macroeconomic analysis and forecasting capacity, with SARTTAC's ICD program expected to accommodate increased demand

for TA in this area. The FP 2.0 TA projects in Bangladesh and Bhutan, as well as requests from Maldives and potentially Sri Lanka, dovetail well with the work of IMF country teams in the region. Several missions are planned for Bangladesh and Bhutan, and at the time of the SC meeting missions to Maldives were also anticipated in FY2021.

- **Continuing support for FPAS work:** In FY2021, the Sri Lanka FPAS TA project will continue assisting the authorities in enhancing their monetary policy communication to support the adoption of a FIT framework. IMF HQ-led TA missions will assist the CBSL on further integration of the Quarterly Projections Model more firmly into the central bank's decision-making and communication processes.
- **Providing macroeconomic training virtually:** The SC approved regional training to be reduced to five courses given the expansion of TA mentioned above. Two of them—Macroeconomic Diagnostics and Fiscal Policy Analysis—will be offered

to a regional audience for the first time. Various modalities to enhance virtual delivery are being examined. SARTTAC is involved in IMF working groups looking at different virtual training options, and pending their readiness, the IMF's online courses could be a particularly valuable resource in these times. SARTTAC's ICD program has the flexibility to evolve as the year progresses to refocus its resources to support countries changing CD requirements in response to the pandemic.

- **Focusing training on building capacity in cohorts of civil servants and economic service cadres:** Going into FY2021, discussions are ongoing on two planned trainings targeting the IES. Training for Indian Administrative Service (IAS) and other senior Indian civil servants offered in conjunction with LBSNAA, which was rescheduled from FY2020 due to the pandemic and is targeted at senior officials working in ministries charged with economic policy issues, is also in the workplan.



**SECTION V**

OTHER MATTERS

## A

FOURTH STEERING  
COMMITTEE MEETING**SARTTAC's fourth SC meeting was held virtually on June 3, 2020.**

The meeting focused on assessing the Center's activities in FY2020, the economic impact of the crisis in the region, the IMF's CD response to COVID-19 globally and in the region, SARTTAC's FY2021 workplan in the context of the pandemic and related preparations for virtual CD delivery. On the crisis, the meeting noted that the IMF had already approved 60 emergency support programs out of approximately 100 requests received, including for three SARTTAC members (Bangladesh, Maldives, and Nepal), and facilitated support from other multi-lateral agencies. A COVID-19 policy tracker has disseminated information on policy measures taken by IMF members, complemented by a special series of nearly 50 IMF COVID-19 notes on policy advice in response to the crisis. With respect to CD support, the Fund had adapted with more than 400 CD engagements in 160 countries in March and April 2020. IMF CD will prioritize crisis related support

and program cases, with the role of the Fund's RCDCs, such as SARTTAC, critical in this effort.

**The SC acknowledged SARTTAC's continued progress in FY2020 despite the COVID-19 and other shocks.**

They took note of the large volume of CD delivered, some key results from TA and training, and the deepening partnerships across the region. SARTTAC staff highlighted new courses in FY2020 such as on cyber risk and inclusive growth, as well as the launch of a customized training workstream on macroeconomic frameworks. The Center was lauded for the significant share of female course participants. About one quarter of the FY2020 work program was affected by COVID-19 and reprogrammed to FY2021. It was reported that virtual delivery of TA and some webinars had started, with such remote support expected to ramp up given in-person delivery was likely to be delayed at least through FY2021. The FY2021 work program is subject to considerable

uncertainty, with many COVID-19 related demands yet to be elaborated by members given their focus on the crisis response. The crisis has reinforced the relevance of many of SARTTAC's medium-term projects, for example on revenue mobilization, better budgeting, and strengthening financial sector regulation and supervision. SARTTAC noted it would be flexible and agile in executing the work program and hold an interim SC meeting in FY2021 to review revisions to the annual workplan and, if necessary, budget.

**SARTTAC's liquidity situation remains relatively comfortable, which positions it well to help respond to the crisis.**

Based on past spending and absorptive capacity, the Center should have adequate resources to continue current levels of CD support through the end of the current phase in April 2022. This notwithstanding, fundraising efforts will continue to close the remaining financing gap of approximately USD 5.0 million.

## SARTTAC'S MID-TERM EVALUATION

**Some progress has been made on the mid-term evaluation.** Preparations for the mid-term independent external evaluation of Phase I of SARTTAC started in October 2019 with the drafting of terms of reference (TOR) for the procurement process. That same month an Evaluation Sub-Committee (ESC) was established on a voluntary basis. The ESC, which comprises member countries, SARTTAC development partners, and IMF staff from relevant area and CD departments, allows the SC to actively participate in the evaluation process. After the TOR was agreed with the ESC and finalized, a procurement bidding process started and a request for proposals was issued on December 13, 2019. Technical proposals were then reviewed by IMF

members of the ESC in early 2020 and the contract for the evaluation was awarded to TRANSTEC, signed on April 20, 2020. Thereafter, Fund management requested departments to refocus staff time to urgent tasks related to COVID-19. In that context, ICD had suggested to defer temporarily the CD-related evaluations that were to start in April 2020, including for SARTTAC. Since then, work on the SARTTAC evaluation has begun; the necessary documents have been provided to TRANSTEC and interviews with some relevant stakeholders have commenced. TRANSTEC is targeting completing its inception note by January 2021, which will help narrow down the areas which it will review intensively.

## C

IMF REFORMS ON  
CD MANAGEMENT

An update on progress on the IMF's efforts to improve efficiency in the Fund's CD delivery model—the Capacity Development Management

and Administration Program (CDMAP)—is provided in Box 6. This initiative was one of the key outcomes of the IMF's 2018 CD Strategy Review.

Notwithstanding the disruptions related to COVID-19, Release 1 of CDMAP was launched on schedule in July 2020.

#### BOX 6. IMF CAPACITY DEVELOPMENT MANAGEMENT AND ADMINISTRATION PROGRAM (CDMAP)

##### WHAT IS CDMAP?

The CDMAP was launched in 2018 and has two main components: the simplification and harmonization of IMF CD processes, and the development of a user-friendly IT system to support the new processes.

It is phased with a first release in July 2020 and two additional phases through mid-2021. **It will be fully operational for FY2022 planning and execution and beyond** (from May 2021 onwards), while FY2021 operations (covering May 2020 through April 2021) will still be executed using the existing systems and procedures.

##### WHY IS CDMAP IMPORTANT?

Effectively meeting our members' needs requires better integration

of our CD, surveillance and lending activities, and more efficient management of CD. Easier access to CD information and streamlined processes surrounding management of CD—the central objectives of CDMAP—are fundamental to this effort.

##### WHAT ARE THE BENEFITS OF CDMAP?

Key enhancements to IMF CD management include:

- A country-focused and results-based approach to CD planning and delivery to ensure optimal allocation of CD resources.
- A digital form to easily capture and process our members' new CD demands.

- Harmonized processes for demand capture, planning and budgeting for more efficient CD administration.
- Transparent data sharing to offer a more comprehensive picture on CD operations in a country and to ensure optimal internal collaboration and coordination, including between HQ and RCDC activities.

##### WHAT ARE THE MAIN IMPLICATIONS FOR RCDCS?

With CDMAP, RCDCs will be better folded into the Fund's general CD management, with their activities being fully reflected in country projects focused on specific results, and their processes and procedures being aligned with the general harmonization and standardization effort.

Specifically, to improve the alignment of RCDC and HQ planning and budget processes, a modified calendar that

would slightly shift the timelines, including for SC meetings, is proposed. The modified calendar would be

applicable to FY2022 and results in changes to the timing for the following in the planning and budget cycle:

Impacted Steps of the Planning and Budget Cycle*	Updated Timing (applicable for FY2022)
The <b>preparation of country strategies</b> focused on priority country outcomes, which along with IMF priorities and country demand would then drive the definition of Fund CD priorities	<i>Current:</i> Late fall to January <i>Future:</i> September to January
The <b>preparation and alignment of detailed work plans</b> at RCDCs and HQ in seeking to deliver on these outcomes over the medium-term	<i>Current:</i> Begins in the fall <i>Future:</i> Begins in January
The <b>SC meetings</b> , which will provide views on strategic priorities for the next three years and endorse detailed work plans	<i>Current:</i> March to June <i>Future:</i> May to June

\*Workplan submission (currently February) and workplan approval (currently April) dates will remain unchanged.

The modified calendar recognizes that Donor preferences need to be reflected in RCDC programs and annual consultations with SCs must

continue. Better aligning processes and timelines leads to greater collaboration between HQ and RCDCs on designing workplans with institutional

priorities and country demand and will ensure the most efficient use of resources to achieve priority country outcomes.

**TABLE 10. SUMMARY LOG FRAME FOR FY2021**

Log frame	Bangladesh	Bhutan	India	Maldives	Nepal	Sri Lanka	Regional
<b>Revenue Administration</b>							
Improved customs administration core functions						•	
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			•		•		
Strengthened identification, monitoring, and management of fiscal risks			•	•			
<b>Macroeconomic Analysis and Training (MAT)</b>							
Better macroeconomic forecasting and analysis feeds into economic policy process	•						
<b>Financial Sector Regulation and Supervision</b>							
Develop/strengthen banking regulations and prudential norms		•		•			•
Improved financial stability via early detection of and effective and timely responses to insurance sector vulnerabilities		•					•
To implement a risk-based supervision system and upgrade other supervisory	•	•				•	

TABLE 10. CONTINUED

Log frame	Bangladesh	Bhutan	India	Maldives	Nepal	Sri Lanka	Regional
<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>Real Sector Statistics</b>							
Strengthen compilation and dissemination of data on macroeconomic and financial statistics for decision making	•	•	•	•	•	•	
<b>Government Finance Statistics</b>							
Strengthen compilation and dissemination of data on macroeconomic and financial statistics for decision making	•	•	•	•	•	•	

TABLE 11. SARTTAC'S TRAINING PLAN FOR FY2021 (APPROVED BY THE SC)<sup>1,2</sup>

Lead Department	COURSES	Dates (FY2021)	Duration (Weeks)	Target Audience
<b>ICD Courses and Macroeconomic Frameworks TA</b>				
ICD	Financial Sector Surveillance	November 2020	2	All member countries
ICD	Macro-econometric Forecasting and Analysis	January 2021	1	All member countries
ICD	Fiscal Sustainability	January 2021	1	All member countries
ICD	Fiscal Policy Analysis	March 2021	1	All member countries
ICD	Macroeconomic Diagnostics	March 2021	1	All member countries
ICD	Select Macro Issues for IAS officers (with LBSNAA)	TBD	1	India (IAS)
ICD - TA	Financial Programming 2.0 (FP 2.0)	October 2020	2	Bhutan
ICD - TA	Forecasting and Policy Analysis System (FPAS)	October 2020	2	Sri Lanka
ICD - TA	FP 2.0	November 2020	2	Bangladesh
ICD - TA	FP 2.0	March 2021	2	Bhutan
ICD - TA	FP 2.0	March 2021	1	Maldives
ICD - TA	FP 2.0	TBD	2	Bangladesh
ICD - TA	FP 2.0	TBD	2	Sri Lanka
ICD - TA	FPAS	TBD	2	Sri Lanka
<b>Non-ICD Courses</b>				
GFS/PSDS - STA	Nation-wide GFS/PSDS Translation Workshop (training and TA)	June 2020	0.4	India (CAG)
GFS/PSDS - STA	Regional PSDS Training Course - Special Topics	June 2020	1	All member countries

<sup>1</sup> Activities and dates are tentative, subject to changes.

<sup>2</sup> FPAS and FP 2.0 are technical assistance on macroeconomic frameworks with customized training component.

**TABLE 11: CONTINUED**

Lead Department	COURSES	Dates (FY2021)	Duration (Weeks)	Target Audience
GFS/PSDS - STA	Indian State training to assist officials in compiling GFSM-2014 compliant GFS and PSDS on an annual and high-frequency basis. (Tamil Nadu)	TBD	0.4	India (CAG)
GFS/PSDS - STA	Indian State training to assist officials in compiling GFSM-2014 compliant GFS and PSDS on an annual and high-frequency basis. (Karnataka)	TBD	0.4	India (CAG)
GFS/PSDS - STA	Indian State training to assist officials in compiling GFSM-2014 compliant GFS and PSDS on an annual and high-frequency basis. (Rajasthan)	TBD	0.4	India (CAG)
GFS/PSDS - STA	Indian State training to assist officials in compiling GFSM-2014 compliant GFS and PSDS on an annual and high-frequency basis. (Uttar Pradesh)	TBD	0.4	India (CAG)
GFS/PSDS - STA	Indian State training to assist officials in compiling GFSM-2014 compliant GFS and PSDS on an annual and high-frequency basis. (Northeast India)	TBD	0.4	India (CAG)
GFS/PSDS - STA	Regional GFS/PSDS Training Course - Special Topics	TBD	1	All member countries
GFS/PSDS - STA	COVID-19 Webinar Series	TBD	1	All member countries
RSS - STA	HFI and the Monthly Index of Economic Activity	TBD	1	All member countries
RSS - STA	The Fundamentals of External Sector Statistics	TBD	1	All member countries
RSS - STA	Advanced Issues in National Accounts	TBD	1	All member countries
RSS - STA	The CPI	TBD	1	All member countries
RSS - STA	COVID-19 Webinar: CPI and PPI	May 27	0.2	All member countries
RSS - STA	COVID-19 Webinar: National Accounts	June 4	0.2	All member countries
RSS - STA	Webinar: HFI	June 30	0.2	All member countries
RA -FAD	CRM	TBD	1	All member countries
RA -FAD	TADAT	TBD	1	India
RA -FAD	TADAT	TBD	1	India
RA -FAD	Training - TBD	TBD	1	All member countries
PFM - FAD	Strengthening PFM Framework - FEEM Course Participants	TBD	1	Bangladesh
PFM - FAD	Strengthening PFM Framework - FEEM Course Participants	TBD	1	Bangladesh
PFM - FAD	Strengthening PFM Framework - FEEM Course Participants	TBD	1	Bangladesh
PFM - FAD	Workshop on Fiscal Federalism	TBD	1	Bhutan
PFM - FAD	Improving the Budget Report	TBD	1	Bhutan
PFM - FAD	Revision of the Budget Report	TBD	1	Bhutan
PFM - FAD	Quantifying Risks from PPPs, Public Sector Undertakings (PSUs) and Revenue Shocks (Odisha)	TBD	1	India
PFM - FAD	Fiscal Risks (all Indian States in Odisha)	TBD	1	India
PFM - FAD	Seminar for State Finance Secretaries (with LBSNAA)	TBD	1	India
PFM - FAD	Gap Analysis of Financial Statements against IPSAS Standards for Selected States	TBD	1	India (CAG)
PFM - FAD	Regional Workshop on PPP Fiscal Risk Assessment Model (PFRAM) (in Sri Lanka)	TBD	1	All member countries

**TABLE 11: CONTINUED**

Lead Department	COURSES	Dates (FY2021)	Duration (Weeks)	Target Audience
PFM - FAD	Regional Workshop: Fiscal Reporting (in Maldives)	TBD	1	All member countries
PFM - FAD	Elements of Strategic Budgeting, (including budget ceilings, baselines and program costing)	TBD	1	All member countries
PFM - FAD	Best Practices in Designing IFMS Systems (with CDOT)	TBD	1	All member countries
PFM - FAD	PFM Webinars on selected topics	TBD	1	All member countries
FSR - MCM	Customized Training to the RBI	TBD	1	India (RBI)
FSR - MCM	Core Elements of Banking Supervision	TBD	1	All member countries
FSR - MCM	Insurance Supervision	TBD	1	All member countries
FSR - MCM	FSR Webinars on selected topics	TBD	1	All member countries
MONOPS - MCM	Monetary Policy Frameworks and Implementation	TBD	1	Bangladesh
MONOPS - MCM	Monetary Policy Frameworks and Implementation	TBD	1	Sri Lanka
MONOPS - MCM	Webinar on selected topics	TBD	1	All member countries



**APPENDIX**

IMF SARTTAC STAFF  
(as of April 30, 2020)

# IMF SARTTAC STAFF

(as of April 30, 2020)



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