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June 20, 1984

To: Members of the Executive Board

From: The Secretary

Subject: Technical Assistance Programs--Annual Reports

There are attached for the information of the Executive Board the latest of the annual reports on the Fund's technical assistance programs, covering the year 1983.

The reports, prepared by the Central Banking and the Fiscal Affairs Departments, and the Bureau of Statistics, relate also to technical assistance activities of other departments, notably the Legal Department.

If Executive Directors have technical or factual questions relating to this paper, they should contact Mr. R. Miller (CBD), ext. (5)8568; Mr. Latham (FAD), ext. (5)8707; or Mr. McLenaghan (STAT), ext. (5)7902.

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INTERNATIONAL MONETARY FUND

Report of Technical Assistance:

Central Banking,  
Fiscal Field,  
Financial Statistics  
1983





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INTERNATIONAL MONETARY FUND

Central Banking Department: Technical Assistance Program

Prepared by

Central Banking Department

Approved by P. N. Kaul

June 15, 1984

This report reviews that part of the Fund's technical assistance program administered by the Central Banking Department (CBD) and its supporting activities in 1983.

Section I of the report assesses the overall program and its effectiveness; Section II concentrates on developments in 1983 and provides supporting statistics; and Section III comprises brief reviews of technical assistance provided to individual countries and organizations.

I. Major Developments in CBD's Technical Assistance Program in 1983

The extension of the technical assistance program into the area of external debt which was approved by the Executive Board on December 22, 1982 (EBD/82/316) evoked a number of requests from members and by year-end 10 experts had been placed with member countries experiencing a need for assistance in this field and there were ongoing discussions with members which led to an additional 8 experts being assigned in the early months of 1984. A number of these assignments were initially for a relatively short period but, in practice, they had to be extended because it became clear that it would take much longer to establish a permanent national machinery for the collection, reporting and management of external debt operations.

A second Central Banking Seminar was organized, with the IMF Institute, the results of which were most encouraging; a third seminar is planned for mid-1985. In a related field a CBD staff member participated with the Institute to present a most successful course on Banking and Monetary Policy in Xian, China in October 1983.

The total number of technical assistance assignments increased by about 28 per cent over the comparable figure for 1982 while the number of experts utilized in the program increased by some 31 per cent. This increase in activity did not, however, diminish concern for the guidelines stressed by Executive Directors in their review of the program in 1982. In particular, CBD has endeavored to ensure that assignments and

departmental resources have been used as effectively as possible; that, insofar as possible, experts have been used either directly or indirectly to support Fund adjustment programs; and that the best qualified candidates have been chosen with a particular eye on the need for the training of counterparts. In addition the Department was enjoined to assess the usefulness of technical assistance missions and it has continued to ascertain the degree to which country authorities have accepted recommendations. Research work in support of the whole program has continued and it is believed that collaboration with Area Departments is at an all time high.

1. The effectiveness of technical assistance

During 1983, CBD has continued to monitor the effectiveness of technical assistance. This has been pursued through frequent meetings with country officials at head office; through more frequent assessment missions in the field (ongoing evaluation of the external debt program has provided more frequent opportunities to discuss technical assistance); and as before, through monitoring the reports of experts.

Technical assistance provided under the CBD program has been generally very successful. The requirement of interviewing all potential experts has helped to maintain a high caliber and the merits of this selection process have been recognized both by central banks and international institutions. The CBD technical assistance program has helped to strengthen financial systems in general and recipient central banks in particular. In addition, however, advice has been given which has improved both the process and understanding of financial intermediation.

There have been several cases where the problems facing an expert have been somewhat intractable but the high caliber of the experts and the quality of their advice has been such that progress can clearly be seen to have been made. There have been occasions when an element of frustration has crept into the experts' performance either because of the slow speed at which counterparts absorb new ideas or because of local conditions which make the task of the experts difficult. Every effort is made to resolve these problems through informal discussions with the experts and the authorities concerned.

2. Fund supported adjustment programs

CBD has responded positively to any request for technical assistance by a country which has entered into, or is likely to enter into, a stabilization program with the Fund. This assistance has been aimed particularly at strengthening management within the central bank and with increased impetus, in 1983, the management and control of external debt.



During 1983 technical assistance was provided to no less than 19 countries which had stand-by arrangements with the Fund and to a further 4 countries which had entered into extended arrangements with the Fund. The CBD program normally provides for a ceiling of three full-time experts, in any one country, in any one year. This limit has, on an exceptional basis, been exceeded in those cases where a country needs considerable assistance to implement either a stand-by or extended Fund arrangement or, by the assignment of an expert, to meet a particular short-term need.

### 3. Recruitment of experts

The key ingredient to a successful technical assistance program is the quality of experts selected. Recruitment of experts is an uphill task and it has taken a heavy toll of the Department's resources. Almost all central banks in industrialized countries as well as the third world countries are extending their full cooperation to CBD but because of their own needs for the type of people required, some of them find it less easy to release their staff for the CBD program. These difficulties are also compounded by the reluctance of individuals to move for family reasons. This has perforce led CBD to recruiting in a much wider field and in 1983 the program encompassed nationals of some 37 countries.

### 4. Training of counterparts

As emphasized by Executive Directors the training of counterparts of experts on assignment is an important objective of the CBD program and it is emphasized in the Operational Terms of Reference provided by CBD to each expert before he proceeds on assignment. While the importance of this aspect of the program is not underestimated it is a goal the achievement of which is still elusive. While much training can be achieved when dealing with above average secondary school leavers there is still a problem in training counterparts in the more specialized fields such as research and accountancy where a more formal education, than is presently available, has to be a prerequisite for effective training. The host central banks are well aware of this deficiency and have or are taking steps to improve the situation. In several cases the central banks offer scholarships to university provided that following graduation the recipient agrees to work for say five years in the bank. It is possible to report, therefore, that progress is being made, albeit slowly.

### 5. Technical assistance (advisory) missions

Advisory missions usually comprising Fund staff only, but occasionally supported by an outside consultant, provide much technical assistance to members. Such assistance can cover, for example, the establishment and organization of a central bank, the drafting or revision (with the Legal Department) of central or general banking legislation,

financial intermediation and the structure of a financial system, the development of instruments of monetary policy, the financial implications of the integration or conversely the separation of states, accounting, foreign exchange and other aspects of central banking or central bank responsibilities.

This type of technical assistance has been successful and on inquiry, CBD elicited the information from recipient countries that most recommendations have been adopted. Even where the recommendations have not been adopted they have provided a basis for further dialogue within the country concerned and have contributed to a broader understanding of problems.

6. Research work in CBD

The research work of CBD provides essential back-up for experts in the field and remains a fundamental part of the preparations for advisory mission work. As mentioned in the report on the 1982 experience the basic rationale is to analyze concrete experience with members in formulating monetary and credit policies, the types and usefulness of instruments of monetary policy and so make Fund experience available to other members. The program of research is adapted to meet the perceived needs of members and it maintains a focus on the problems of developing countries.

7. Collaboration with area departments

CBD continues to work in close harmony with area departments, particularly in the fields of identifying a need for technical assistance and of fielding joint technical assistance advisory missions.

II. CBD's Technical Assistance in 1983

In 1983, 62 countries and 2 regional institutions received CBD technical assistance. There were 151 assignments of experts and 17 advisory missions involving a total of 1,086.25 man-months of service in the field (Appendix I). The corresponding figures for 1982 were 51 countries, 2 regional institutions, 118 assignments and 12 advisory missions. Man-months of service in the field totalled 944.5 (EBD/83/139).

1. Assignment of experts

Assignments of experts measured in terms of their numbers, man-months of assignments and number of countries receiving technical assistance all showed substantial increases in 1983 (Table 1). About 40 per cent of the Fund's membership, excluding industrial countries, have availed themselves of the CBD technical assistance program.

The number of unfilled requests as of the end of 1983 showed a sharp decline over that at end-1982 which itself was lower than at end of 1981. These declines reflect the effectiveness and intensity of the recruitment effort.

Table 1. Experts' Assignments

	CY 1982	CY 1983
Number of assignments	118	151 <u>1/</u>
Expert months of assignment	929.5	1,085.5 <u>1/</u>
Number of countries	51	62
Number of regional institutions	2	2 <u>2/</u>
Number of unfilled requests (at end-December)	25	14

1/ Includes one External Debt Advisor on assignment at Fund headquarters for nine months of calendar year 1983.

2/ Banque des Etats de l'Afrique Centrale and East Caribbean Central Bank.

Table 2 sets out the fields in which technical assistance was provided to members in 1982. Research continued to account for the largest share of assistance (25.7 per cent) about the same as in 1982; followed by bank supervision (21.3 per cent) rather more than last year; operations, foreign exchange and management and policy were roughly equal but down from 1982; followed by a group including statistics, accounting and external debt.

External debt at 3.8 per cent appeared as a significant statistic for the first time following the establishment of the special program in 1982. The decline in management reflects localization of positions and is something of an indicator of the success of the CBD program as experts in executive positions have been phased out. The increase in banking supervision reflects the increasing awareness of third world central banks of their responsibilities for the soundness of the institutions within their financial systems.

Table 2. Technical Assistance Provided by CBD Experts by  
Field of Specialization

Specialization	1982		1983	
	Man-Months	Per Cent	Man-Months	Per Cent
Accounting	47.5	5.1	59.5	5.5
Bank Supervision	182.0	19.7	229.0	21.3
External Debt	--	--	39.0	3.8
Foreign Exchange	82.5	8.9	95.0	8.8
Management and Policy	113.0	12.1	92.5	8.6
Operations	134.0	14.4	104.5	9.7
Organization	19.0	2.0	11.0	1.0
Research	240.0	25.8	276.0	25.7
Statistics and BOP	75.5	8.1	69.0	6.4
Training	26.0	2.8	33.0	3.1
Others	10.0	1.1	66.0	6.1
Total	929.5	100.0	1,074.5	100.0

The geographical distribution of the source of experts is given in Table 3. Of the 149 experts from 37 member countries some 80, or 54 per cent, about the same percentage as in 1982, came from developing countries. The demand for experts from the third world remains strong.

The regional distribution of experts is in Table 4.

As in the previous three years Africa was the recipient of more than 50 per cent of experts on assignment in 1983. Asia was the second largest recipient with 19.8 per cent, with the Middle East moving into third place with 15.3 per cent, while the Western Hemisphere declined slightly to 13.5 per cent. However there was a sharp increase in the number of short-term assignments to the Western Hemisphere.

Table 3. Experts Assigned under the CBD Technical Assistance Program by Country of Origin

Experts' country of origin	1982		1983	
	Number of experts	Number of assignments	Number of experts	Number of assignments
<u>Africa</u>	2	2	4 <u>1/</u>	4
<u>Asia</u>				
India	15	16	20	20
Sri Lanka	10	10	10	10
Others	7	7	9 <u>2/</u>	9
<u>Europe</u>				
France	13	13	16*	16*
U.K.	10	12	16	16
Belgium	9	9	11	11
Germany	4	4	5	5
Others	13	13	20 <u>3/</u>	21
<u>Middle East</u>				
Pakistan	6	6	8	8
Others	7	8	9 <u>4/</u>	10
<u>Western Hemisphere</u>				
U.S.	6	6	9	9
Others	<u>12</u>	<u>12</u>	<u>12</u> <u>5/</u>	<u>12</u>
Total	114	118	149	151

\* Includes External Debt Advisor on assignment at IMF Headquarters.  
1/ Tunisia (4)  
2/ Bangladesh, Burma (2), Philippines (6).  
3/ Austria (2), Denmark, Finland (3), Greece, Ireland, Israel (5), Italy, New Zealand (2), Norway (2), Portugal and Turkey.  
4/ Afghanistan, Egypt (2), Iran (3), Sudan, Syria (2).  
5/ Argentina (3), Bolivia (2), Canada, Chile, Costa Rica (2), El Salvador, Mexico and Panama.

Table 4. Regional Distribution of Technical Assistance  
Provided by CBD Experts

Region	1982			1983		
	Number of experts	Man- Months	Per Cent	Number of experts	Man- Months	Per Cent
Africa	63	514	53.4	73	557.5	51.4
Asia	22	178	18.6	29	214.5	19.8
Middle East	16	142.5	13.5	21	166.5	15.3
Western Hemisphere	<u>17</u>	<u>95</u>	<u>14.5</u>	<u>26</u>	<u>147.0</u>	<u>13.5</u>
Total	118	929.5	100.0	149 <u>1/</u>	1,085.5 <u>1/</u>	100.0

1/ Includes one External Debt Advisor on assignment at Fund headquarters for nine months of calendar year 1983.

## 2. Advisory technical assistance missions

CBD fields a mission to provide technical assistance to a member when requested to do so and when the area of advice has been clarified. In addition however there is a constant flow of correspondence between member central banks and CBD, discussions with visitors and during field trips by staff of CBD.

During 1983 the number of advisory missions increased significantly and there were 17 missions, shown in Table 5, encompassing some 11.75 man-months. In 1982 there were 12 such missions accounting for 15 man-months. Of the 1983 missions, 3 were of a legislative nature to the Federated States of Micronesia, the Solomon Islands and Western Samoa. Except for the mission to Micronesia, Legal Department staff participated in these missions in the field; the work done in Micronesia was reviewed by the Legal Department at headquarters. The mission to the Federated States of Micronesia was in response to a request made to the United States Executive Director for advice on a suitable financial structure. The mission discussed the need for such a structure and this led to discussion of the establishment of a monetary authority to perform modest central banking functions. A draft law to establish a monetary authority was prepared ad referendum.

Table 5. CBD Advisory Missions

	<u>Number of Missions</u>		<u>Staff-months in the Field</u>	
	1982	1983	1982	1983
<b>1. Type of mission</b>				
Missions led by CBD staff	11	17	14.00	9.75
Missions undertaken by outside experts	<u>1</u>	<u>--</u>	<u>1.00</u>	<u>2.00</u>
Total	12	17	15.00	11.75
<b>2. Services provided</b>				
Legislation <u>1/</u>	5	3	5.00	1.25
Financial system and policy studies <u>2/</u>	6	8	9.25	6.25
Monetary arrangements	--	1	--	3.00
Assessment missions	<u>1</u>	<u>5</u>	<u>0.75</u>	<u>1.25</u>
Total	12	17	15.00	11.75

1/ Legislation projects are generally undertaken with the Legal Department.

2/ Including reform of financial systems, capital and money markets, offshore banking, mobilization of savings, structure of interest rates, monetary policy instruments and techniques, statistical reporting, and bank supervision and regulation.

A member of the staff of CBD together with the Fund's Regional Advisor attended a meeting, in January 1983, of the officials of the member countries of ECCA to discuss the agreement to establish a regional central bank. The agreement subsequently reached led to the establishment of the East Caribbean Central Bank on July 5, 1983. CBD staff have also contributed to the ongoing discussions on the integration of Equatorial Guinea in BEAC; discussed financial programming with CEMLA; assessed the need for technical assistance in the field of external debt in Egypt and Liberia; and have discussed ways to improve bank supervision in Egypt, El Salvador and Yemen Arab Republic. CBD staff, together with a consultant, are also cooperating with MED in a major study, at the request of the Gulf Cooperation Council, to determine the impact of offshore banking units on the financial systems of countries in the Gulf Region.

Another major advisory mission took place in November/December 1983 when a CBD mission, supported by an Argentinian consultant, visited Jakarta to advise the Indonesian authorities on a new rediscount mechanism to complement existing facilities and to formulate a scheme of open market operations to serve as a permanent system of monetary control. The Indonesian authorities have expressed their appreciation of the mission's recommendations which are in course of implementation.

Other CBD staff missions have visited Madagascar to advise on foreign exchange accounting; and SEACEN to discuss interest rate policies. CBD also sponsored a computer feasibility study, made by a staff member of the Bureau of Computing Services, for the Central Bank of Syria.

### 3. Participation in area department missions

During 1983, CBD staff spent five and a half man-months participating in nine area department missions. These missions were to Bahrain (Article IV consultation); The Gambia (Use of Fund Resources); three to Niger (Article IV consultation; Use of Fund Resources and to discuss the budget, balance of payments and external debt); two to Somalia (Article IV consultation and an Extended Fund Facility); Yemen Arab Republic (Article IV consultation); and to Yugoslavia (review of stand-by arrangement).

### 4. Research activities

The broad focus of CBD's research activities has been on its technical assistance-orientated research for developing countries. Topics have been the independence of monetary policy in developing countries, the monetary analysis of open economies, and the choice facing small developing countries regarding the type of central banking institution to adopt. Other projects in hand include the role of financial structure in influencing the impact of interest rates, and the consequences of banking industry structure for monetary policy. These studies, while being of general interest to those dealing with LDCs, help significantly the on-going work of CBD advisory missions.



5. The Data Bank

The first phase of the data bank project is virtually complete. Classification of data on central banking legislation has been completed for some 141 countries. That for the People's Republic of China, Haiti, Nicaragua, Syria, Western Samoa and Uruguay is expected to be added in due course and the data base will then provide comprehensive coverage of the Fund's membership. Experience of the use of the material now entered in the computer is enabling CBD to refine the data thus increasing its comprehensiveness and utility.

Early in 1984, CBD made a start on an appropriate classification for general banking legislation and this type of legislation will shortly be added to the data bank.

6. Central Banking Seminar

In close collaboration with the IMF Institute the second Central Banking Seminar was held in Washington from August 22 - September 1, 1983. Its purpose was to enable senior officials to discuss and exchange views on three main topics: central banking and economic management; the international monetary system and external debt; and bank supervision. Participation was by invitation and participants came from 31 member countries. The seminar was most successful. It is not planned to hold a similar seminar in 1984 but it will be repeated in mid-1985. In December 1984 a seminar on external debt management will be held to focus on the basic issues related to the establishment of national machinery for the collection, reporting, and management of external debt.

In a similar vein a member of the staff of CBD joined the IMF Institute in presenting a course on Banking and Monetary Policy organized for, and held in, the People's Bank of China. The CBD representative presented four papers: "The Structure of a Central Bank"; "The Role of the Central Bank in a National Economy"; "Central Bank Government Relations"; and "Bank Regulation and Supervision."

### III. Technical Assistance Provided to Individual Countries in 1983

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#### Afghanistan

An Indian national was assigned to Da Afghanistan Bank as Statistical Advisor from August 1978 through September 1982. Despite the unsettled conditions in Afghanistan this expert improved the collection, quality and interpretation of data. Mobility of staff within the bank hindered the training element of the assignment. A new expert, also an Indian national, was recruited from March 1983 to advise in the same field and he is being extended for a second year.

#### Bahamas

The contract of the Israeli expert who has served in the Central Bank of the Bahamas since May 1982 as Chief Accountant was renewed for a second year. In addition to his regular work as the Chief Accountant, he has been working on the development of an internal control system and the upgrading of the Bank's computer operations.

A German expert spent six months in Nassau in 1983 to help design reporting forms for domestic and offshore banks. As the Central Bank does not have sufficiently well trained personnel to analyze and consolidate data reported to the Bank, the Governor requested CBD to provide someone able to set up and head an efficient Bank Supervision Department. An Indian national was selected and he took up his duties in March 1984.

#### Bahrain

A Pakistani national has been assigned to the Monetary Agency as Statistical Advisor since October 1980; in view of the success of this assignment and the continuing need for help in this area, the assignment has been extended for a fourth and final year to November 1984. The expert is of proven ability and the collection, quality and interpretation of statistics has been much improved under his influence.

#### Banque des Etats de l'Afrique Centrale (BEAC)

In January 1983 the assignment of the French national who was Advisor to the Director of Operations and External Relations was renewed for a third and final year. His role was to assist in the setting up of an administrative unit in charge of monitoring the financial relationship of the five member countries with the Fund. The unit is also responsible for the management of BEAC's foreign reserves. The position was phased out in December 1983.

Two experts, a French national assigned in September 1981, and an Italian national assigned in January 1983, are serving as Advisors on Bank Supervision. They are assisting in the development of a common bank inspection system for the BEAC region.

Following the agreement reached, in principle, between the authorities of Equatorial Guinea and those of the BEAC, the BEAC requested that Fund staff participate in the meetings on the entry of Equatorial Guinea into the BEAC. CBD sent a representative, together with staff of the African Department, in May and October 1983, to advise on technical issues on integration of Equatorial Guinea into the BEAC and demonitization of Equatorial Guinea's currency.

#### Belize

The Indian expert who helped organize the Research Department of the Monetary Authority left Belize in September 1983. He was replaced by another Indian national, a staff member, whose role was to advise generally on research matters and in particular on matters of monetary policy. The assignment was terminated in March 1984 for personal reasons and CBD is looking for a suitable replacement.

After the Monetary Authority's transformation into the Central Bank of Belize, CBD was asked for assistance in the field of bank supervision. A Sri Lankan national was assigned as Advisor in August 1983 and the assignment appears to be going well.

#### Bermuda

At the request of the Managing Director of the Bermuda Monetary Authority, a German expert was assigned for one month, November/December 1983, to review the current methodology and compilation procedures of balance of payments statistics in Bermuda. It was initially decided that this assignment would be completed a few months later by a one-month follow-up visit by the expert. At the end of his assignment, however, the expert reported that it was planned to transfer the responsibility for the compilation of balance of payments statistics from the Monetary Authority to the Statistics Department of the Ministry of Finance. The follow-up visit has, therefore, been postponed for the time being.

#### Bolivia

A Costa Rican expert was assigned, for six months, as Bank Supervision Advisor to the Central Bank of Bolivia in January 1983. His responsibilities were to train the local staff in the discharge of their inspection functions in accordance with a new manual of bank examination. This manual had been drafted with earlier technical assistance and a first attempt to apply its provisions had been made by the Costa Rican expert in 1982. Because key staff of the Bank Supervision Department were transferred to other functions, this training was not wholly satisfactory.

### Botswana

The U.K. national who had served in the Bank of Botswana for three years as Operations Manager completed his assignment in January 1983 and it was phased out.

To assist the Bank in developing the capacity to inspect and regulate financial institutions, a Sri Lankan national was assigned first as an Advisor in March 1981 but, later on, as Director of the newly established Bank Supervision Department. Examinations of all major commercial banks have been completed and the expert is engaged in training his counterpart and improving the reporting system for banks. An extension of this expert's assignment for a fourth and final year has been agreed.

An Advisor to the Governor, from El Salvador, was appointed in May 1981 to assist with economic policy issues. He also participated in the preparation of a national economic plan and advised on the Bank's internal organizational matters. He completed his assignment in May 1983.

### Bhutan

Following advisory assistance to establish the Royal Monetary Authority of Bhutan, it was formally established in December 1982. CBD has supported the new institution by providing a General Advisor (Operations), an Indian national, in August 1982, and an Advisor, Research and Statistics, a Sri Lankan national, in August 1983. The assignments are going well but progress in developing the functions of the Authority has been modest. Training, particularly in the fields of research and statistics, has been hindered by the lack of local counterparts with adequate formal education.

### Burundi

The Bank of the Republic of Burundi continued to rely heavily on CBD technical assistance in 1983. A Belgian national was assigned as Research Advisor in February 1983. His duties include advising the Bank on matters concerning economic research and statistics. A French national was assigned in September 1982 as Advisor on Bank Supervision and Internal Control to help develop a supervisory system. He has also been called upon to advise the Governor on any aspect of Central Bank activities and policies. His contract was renewed for a second year.

The assignment of the French national assigned as Credit Advisor in November 1982 was also extended for a second year.

### Cape Verde

An expert in balance of payments statistics, a Portuguese national, visited Praia for two weeks in October 1983 to follow up on the assistance that he had provided in January/February 1983. At that time he had examined the methodology and data collection system in the field of balance of payments statistics and provided recommendations for improvement. The expert prepared a report detailing the implementation of the balance of payments methodology recommended in his earlier visit. He also made recommendations for further training of staff of the Central Bank.

### Cayman Islands

The CBD expert, a United Kingdom national, assigned as Inspector of Banks and Trust Companies was replaced by another expert from the U.K. in March 1983. He has been improving the regular reporting system for the fast-growing offshore banking center and is also helping to improve the licensing procedure for new banks. A local counterpart who had been trained with a view to taking over this function left the Ministry of Finance and this will necessitate the continuation of CBD assistance for the immediate future.

### CEMLA

A staff member of CBD participated in a CEMLA seminar in October 1983, in Nassau, as a Resource person in the Study of Central Banking and Monetary Policy. The staff member presented papers on "Monetary Policy and the Control of Inflation"; "Public Sector Financing"; "Purposes, Methods and Limitations of Financial Programming"; "Simple and Complex Models of Financial Programming"; and "The Role of Statistics and the Basic Approach of the IMF."

### Chile

Following a request from the Central Bank of Chile, an expert, a U.S. national, visited Santiago for two weeks, in March 1984, to advise on the design and implementation of the new deposit insurance scheme. This expert has prepared a report which will be sent to the authorities after review by CBD and other concerned Departments.

### Comoros

The assignment of a Belgian national as Statistical Advisor to the Minister of Finance was renewed for a second year in May 1983. Apart from his duties in the field of customs and budget statistics, he has had to advise on the field of public debt management.

### Eastern Caribbean Central Bank (ECCB)

The Sri Lankan expert assigned as Senior Operations Manager in December 1981 left St. Kitts in December 1983. Following the Monetary Authority's transformation into a Central Bank, an Indian national was assigned as Executive Advisor to the Governor in March 1984. ECCB also had to establish a Bank Supervision Department, and an Israeli national was assigned as head of the new department in August 1983. The authorities also felt a need to strengthen the research functions of the Bank and a Guyanese national was assigned in March 1984, as a Research Advisor for this purpose.

A CBD staff member together with the Fund's Regional Advisor attended the meeting of officials of the East Caribbean Currency Authority, in January 1983, to assist in finalizing the draft agreement to establish the Central Bank. The staff advised the officials on the procedure for changing the external value of the East Caribbean dollar; the desirable minimum external reserve ratio; the Bank's role in the licensing of offshore banks; reserve requirements for commercial banks; and the regulation of interest rates. Among other subjects discussed were the Bank's development, its organizational structure and management, the profit-sharing formula and the need for withdrawal and termination provisions.

### Ecuador

Following a request from the Central Bank of Ecuador, a Chilean national took up a six-month assignment in July 1983 to advise on general economic matters. The expert's main responsibility was to help the authorities implement the stand-by arrangement approved by the Fund on July 25, 1983. He also advised on the preparation of statistics and internal reports of the Bank. The assignment was extended for a second period of six months through July 1984.

### Egypt

In response to a request by the Egyptian authorities for technical assistance in the area of external debt, a Finnish national was selected but unfortunately he withdrew his candidacy and CBD is looking for a suitable replacement.

### Equatorial Guinea

The Bolivian expert who served as Advisor to the Bank of Equatorial Guinea terminated his assignment in August 1983, after approximately three years. This expert advised management on a full range of economic, operational, and administrative matters, and also guided and trained the staff of the Bank. A request for his replacement has been received and is under consideration.

Following another request, a national of El Salvador was assigned as Deputy Governor of the Bank of Equatorial Guinea in February 1984. The arrival in Malabo of this expert was considerably delayed by difficulties in arranging adequate accommodation because of the severe shortage of housing. In view of the continued scarcity of managerial and operational skills faced by the Bank, this expert will have to deal with all the major issues now under consideration, including the pressing problem of external payments arrears, the possible negotiation of a program with the Fund, and the ongoing negotiations for the entry of Equatorial Guinea into the BEAC area.

### Fiji

After a number of years during which CBD provided experts to the Central Monetary Authority of Fiji, to fill the positions of General Manager and Research Manager the position of General Manager was filled by a Fiji national in April 1980. Only one expert is still assigned to the Authority. This expert, an Indian national, has been Research Manager since September 1981; and his Department has become a model for the developing countries of the South Pacific. The assignment which is now in the third year is going well and it is anticipated that at the end of the third year, a Fiji national will become Research Manager and the CBD expert will move to an advisory role for a limited period before being phased out. On January 1, 1984, the Central Monetary Authority was succeeded by the Reserve Bank of Fiji and a new General Banking Act came into force. Both the Reserve Bank Act and the Banking Act were prepared with assistance furnished from headquarters by the Central Banking and Legal Departments.

A request for CBD technical assistance was received from the Reserve Bank of Fiji to review the comprehensiveness and effectiveness of the external debt reporting system, already established by the authorities, embracing both public and private sectors. A New Zealand national was selected for this one-month assignment, March/April 1984.

### The Gambia

In May 1982, an Indian national began an assignment as Chief Economist in the Central Bank of The Gambia. This assignment was subsequently extended for a second year. The expert was first occupied in clearing the backlog in the Bank's official publications and then putting them on a routine basis; he has also spent considerable time in regularizing and improving the flow of statistical data. An important aspect of the assignment has been training staff so that the Research Department will become a viable, self-sustaining unit. The expert has also been monitoring the financial program with the Fund.

A request for technical assistance in the area of external debt was received from the Ministry of Finance and Trade during the last Annual Meetings. A Danish national has been assigned, initially for a period of six months, starting in April 1984.

### Guinea Bissau

An Argentine national was assigned as Advisor to the Governor of the National Bank of Guinea Bissau in July 1983; the assignment is being extended for a second year. In addition to assuming all the general advisory functions of his predecessor, the new expert has also taken over responsibility for research and statistics; an area in which the authorities had initially requested a second expert. One of the expert's main tasks has been to advise on the implementation of the financial program and train local staff. He also advised on the application of the new law of the National Bank of Guinea Bissau which was enacted in August 1983; this law had been finalized under the direction of his predecessor with assistance from the Central Banking and Legal Departments.

Following another request, CBD is in the process of recruiting an expert to advise on the establishment of a nationwide agricultural credit system.

### The Cooperation Council for the Arab States of the Gulf (GCC)

The GCC, comprising Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates, was established in May 1981 and has been endeavoring to promote economic cooperation and integration among its member states. In August 1983 the Council requested technical assistance in the preparation of a study on banking arrangements in the region with a particular emphasis on the impact of Offshore Banking Units on those banking systems. This study is expected to take some 6-9 months. A combined MED/CBD staff team and a Consultant recruited under the CBD technical assistance program are undertaking this study.

### Honduras

The assignment of the U.S. national who served as Advisor on Bank Supervision to the Central Bank of Honduras ended in September 1983. This expert had helped complete the Bank Inspection Manual and had begun to put it into practice. The success of this assignment led the authorities to request further assistance to complete this work. A replacement, another U.S. national, began his assignment in February 1984. In addition to continuing the work of his predecessor he has begun to evaluate the advantages of the new system.



### Indonesia

Technical assistance to Bank Indonesia had been phased out in August 1980 after the Pakistani national, who had been the last of a series of experts assigned to the Bank, completed a period as Statistical Advisor. Subsequently, however, Bank Indonesia reviewed its need for assistance and formally requested two experts, one to advise in the field of statistics/econometrics and another in the field of cost accounting.

An Indian national was recruited for the assignment of Advisor on Statistics/Econometrics and a U.K. national as Advisor in the field of Cost Accounting; these assignments were filled in April 1981 initially for one year. The assignment of the Indian advisor was extended twice, for a total of four man-months, before being phased out in June 1983, and that of the U.K. advisor for three months, in order to complete the accounting study.

In November/December 1983 a CBD Advisory mission, together with an Argentinian consultant, visited Jakarta at the request of the authorities to advise on the design of monetary instruments to improve open market operations and control of market liquidity. The Indonesian authorities have indicated their wish to implement the mission's recommendations.

### Ivory Coast

The Ministry of Finance of Ivory Coast requested an expert to be assigned to the Office of the Director of the Caisse Autonome d'Amortissement to provide technical assistance in the management of the country's external debt. In October 1983 a French national was assigned to this position for a period of one year.

### Jamaica

In December 1982 the Governor-designate of the Bank of Jamaica requested technical assistance in four areas: general policy, research, operations and the construction of flow of funds accounts. In response to these requests two experts were assigned to the Bank in April 1983, an Iranian national as Economic Advisor and a U.K. national as General Manager. On their arrival in Kingston the two experts encountered opposition on the part of the staff of the Bank of Jamaica to their envisaged positions. In the Governor's absence the Board had met and had decided not to endorse the appointment of an expatriate as the General Manager. The Board had decided instead to appoint the expert as an Advisor for Operations. The Fund concurred in the change in the expert's title.

On several occasions, the two experts felt that they were not fully utilized. However, the Governor has assured CBD that the Central Bank definitely needs the experts' advice. The effectiveness of the assignments is being kept under review.

## Kenya

Three experts were provided to the Bank of Kenya in 1983: a Training Advisor, a Bank Supervision Advisor, and a Computer Appraisal Consultant.

The Training Advisor, a U.K. national, completed his assignment, which ran for three years, at the end of February 1984. The expert's first year was spent largely in running training courses for the Kenya Banker's Institute, but thereafter he was fully engaged in establishing the College of Banking and Finance. Despite a slow start, to some extent reflecting hesitation by the commercial banks to support the scheme, progress subsequently accelerated. During 1982, two courses of middle grade management were successfully launched and in 1983 two further courses on Management Development and a supervisory course for banks were also given. These courses were well attended by the participant banks, but the response from the financial institutions was disappointing.

A Bank Supervision Advisor, a Sri Lankan, began his assignment in March 1982. In addition to producing studies on bank supervision and reorganizing the formats of the bank reforms, the expert also prepared recommendations for the reorganization of the Bank Inspection Department. In August 1983, the authorities requested that the expert's terms of reference be changed so that he could spend the last part of his assignment in reviewing the operational procedures of the Banking and Foreign Departments in order to improve the procedures and the systems of control.

A Consultant, a United States national, spent a month during November and December 1983 making a feasibility study of the areas in the Central Bank where computerization would be beneficial. The appraisal was submitted to the authorities in January 1984.

The Kenyan authorities have requested an Advisor to the Research Department, with special responsibility for helping reorganize the Department and the statistics, some of which will be important in monitoring the stand-by arrangement with the Fund. A New Zealand national has been identified for this assignment which will begin in April 1984.

### Kuwait

Technical assistance to the Central Bank of Kuwait was reduced from three to two experts during 1983.

A Greek national was Advisor to the Governor and his fourth year ended in August 1983 when the assignment was phased out. This expert advised on the development of a money market, the issue and management of government bonds, foreign exchange market techniques, the control and management of foreign reserves, as well as a broader range of policy matters in the economic field.

A U.S. national was assigned, in September 1982, as Advisor for Bank Supervision to continue the development of the bank supervision skills, the training of bank inspectors and to improve and update reporting procedures by commercial banks. This assignment was extended for a second year through September 1984.

The Advisor to the Foreign Relations Department, a Norwegian national, was initially assigned in August 1981 but he has been extended and is now in his third year. The expert has reviewed the appropriate link for the dinar and examined the merits of alternative baskets of currencies and differential weightings on which it might be based and advises on day-to-day matters in the foreign exchange field. The expert also serves on several high-level central bank policy committees.

CBD assisted the Central Bank to locate and employ a computer consultant. The expert is employed by Kuwait on a bilateral basis for one year from June 1983.

### Lebanon

CBD provided a consultant to accompany a MED mission in March/April 1982 to review the possibilities of issuing bonds to the non-banking private sector. The consultant addressed himself to the technical aspects of printing, issuing, transferring, redeeming and accounting for bond issues and evaluated the Central Bank's capacity to handle these matters and assess the need for training. Following renewed disturbances in Beirut, the effectiveness of the mission was not immediately apparent but the expert will be returning to Beirut for a brief period to finalize arrangements as soon as conditions permit. There was no progress on this assignment during 1983.

### Lesotho

A Research Advisor, an Iranian national, was assigned to the Central Bank of Lesotho in April 1982 to assist the authorities in developing a full-fledged Research Department. While the lack of trained personnel as counterparts slowed down the progress of the expert's work, his contribution has been appreciated by the authorities. The assignment was terminated by the expert, in December 1983, for personal reasons and CBD is in the process of locating a suitable successor.

CBD is assigning a U.S. national to Lesotho for six months as Advisor for Bank Inspections. The assignment will begin in April 1984 and training will play an important role in his responsibilities.

Assistance to the Ministry of Finance in the field of external debt has been under consideration since the beginning of 1983. The assignment of an Advisor initially for a three-month period is envisaged.

### Liberia

Three experts are assigned to the National Bank of Liberia: a General Manager, a Statistical and Research Advisor, and a Bank Supervision Advisor.

The General Manager, a Bangladesh national, began his assignment in February 1981 originally as a Research Advisor, but in April 1982 his responsibilities were expanded to include the operational departments of the Bank. He has been particularly concerned with improving accounting procedures, the management of offshore funds, and the preparation of the Bank's foreign exchange operating budgets; he has also assisted the Governors in reaching major policy decisions and has been closely involved with the Fund missions and the discussions on the new stand-by arrangement. His assignment has now been extended for a fourth and final year.

The Statistical and Research Advisor, an Iranian national, began his assignment in November 1982. Responsible for preparing the Bank's official publications, the expert had first to clear a substantial backlog that confronted him on his arrival before he could put matters on to a routine basis. Much of his attention has been concentrated on improving the collection and quality of the basic statistical data; he has also done considerable work in ensuring the reliability of the banking figures that form the basis of the financial program with the Fund. His assignment has been extended for a second year.

A Bank Supervision Advisor started his assignment in January 1984. He is responsible for organizing the bank regulation, supervision, and inspection capability of the Bank Supervision Department, as well as for developing a training program for the staff.

A national of the Philippines has been on assignment to the Ministry of Finance of Liberia since October 1983 in the area of external debt. He assists the authorities in establishing an accurate and comprehensive database for Liberia's external debt. The assignment was initially for a six-month period.

#### Madagascar

In January 1983 the Governor of the Central Bank of Madagascar requested technical assistance in the field of monetary statistics, accounting of external payments arrears and accounting of foreign exchange operations. A CBD staff member visited Antananarivo for two weeks in March 1983 to advise on the accounting of foreign exchange operations. Two consultants were assigned to the Bank at the same time, a French national to deal with the problems of monetary statistics, and a Belgian national to review the accounting of external payments arrears. The former expert spent two months in the field and the latter seven months.

At the request of the authorities two other experts visited Madagascar during the last quarter of 1983. A French national spent one month in Antananarivo to help redesign the reporting forms used by the commercial banks. He will return to Antananarivo in March 1984 for a two-week follow-up visit. In early 1984 another French national went to Madagascar for a two-month mission to assess the data processing requirements of the Central Bank.

A staff mission, together with two consultants visited the Central Bank of Madagascar in March 1983 to review the availability of monetary statistics and their dependability and to evaluate the problem of commercial arrears of payments. In addition the mission reviewed the accounting procedures for foreign exchange operations.

#### Malawi

A Training Advisor, a U.K. national, was assigned to the Reserve Bank of Malawi in November 1982 to develop a comprehensive job-related training program for the staff and to prepare teaching material. After an initial period that was spent in surveying the Bank's needs and in establishing the necessary administrative infrastructure, the first course on basic banking was launched in October 1983. A series of ten courses that can be run from the internal resources of the Bank have been prepared and these are now being presented with supporting films and video cassettes. A Training Manager has been appointed as a counterpart. The assignment has been extended for a second year.

During a CBD mission to Malawi, the Bank of Malawi requested the advice of an expert in the external debt field, who would review the overall system of compilation and reporting that the Bank is in the process of redesigning. An Austrian national has been assigned for three weeks beginning March 1984.

#### Maldives

CBD provided technical assistance to the Maldivian authorities which resulted in the establishment of the Maldives Monetary Authority in July 1981. Following the establishment of the Authority, CBD provided an Advisor to give short-term assistance to draft appropriate rules and regulations. This expert returned for three months at the end of 1982 and beginning of 1983 to review the appropriateness of the rules and regulations in the light of the first year's experience of the Authority. In October 1981 a Pakistani national was appointed as Advisor in the statistical field and his assignment has now been extended for a third year. A second expert, a U.K. national, was assigned as Accounting Advisor in August 1982 and his assignment was extended through February 1984. Both assignments have been effective and the Accounting Advisor was phased out at the conclusion of his assignment.

As the Monetary Authority has little expertise in general central banking the authorities are considering requesting another expert to provide advice in this field.

In January and February 1984, a staff team consisting of an Advisor from CBD and an Assistant General Counsel from the Legal Department visited Male in response to a request by the authorities for assistance in the formulation of general banking legislation. The draft of a Financial Institutions Act, initially prepared in Washington was discussed and adjusted in Male. The amended draft was reviewed at headquarters before being submitted to the authorities for their consideration.

#### Mali

The Minister of Finance requested technical assistance to review the functioning of the postal checking scheme and, more generally, the financial links between the Post Office and the Treasury.

A mission consisting of two Advisors from the French General Post Office visited Bamako for three weeks in January 1984. A CBD staff member joined the Advisors for one week at the end of the mission.

The mission's findings have been submitted to the authorities.

#### Mauritania

The contract of the Tunisian national serving as Advisor on Bank Supervision was terminated early, at the request of his own authorities. A Belgian national was assigned to take his place in September 1983.

The British Foreign Exchange Advisor completed his assignment in May 1983. He was replaced by a Belgian national.

A Tunisian national is still assigned to the Bank as Research Advisor. He will complete his third year in Mauritania in March 1984 and will be extended for a fourth and final year.

In October 1983 a Tunisian completed a six-month assignment to identify Mauritania's external debt, improve existing procedures for recording data, and train people to ensure that records on external debt are kept up to date on a regular basis.

#### Mauritius

After a two and a half year assignment, the Indian national serving as Advisor to the Governor returned to India in September 1983. She was replaced by another Indian national whose role is also to advise the Governor on the formulation of money and credit policies.

#### Federated States of Micronesia

In February and May 1983, CBD staff paid brief advisory visits to Ponape, at the request of the U.S. Executive Director from whom technical assistance had been requested. The missions discussed the financial structure of the Federation and the form of legislation, to establish a Monetary Authority. After review by the Legal Department at headquarters, the legislation is currently before the F.S.M. Congress.

In October 1983, CBD provided an Advisor for Bank Supervision and Operations, a Philippine national, to the Banking Board. The Board will be replaced in due course by the Monetary Authority. When the Monetary Authority is established CBD has a commitment to provide an Advisor for Research and Statistics.

#### Morocco

A study on the reorganization of the money market in Morocco, undertaken in cooperation with the Bank of France, had emphasized the benefits to be drawn from the Bank of Morocco pursuing a policy of intervening in the market. The Bank of Morocco requested technical assistance to establish appropriate procedures, and in April 1982 a French national was assigned for this purpose. The assignment was phased out in April 1983.

### Nepal

In response to an urgent request by the Governor of Nepal Rastra Bank, a staff member visited Kathmandu for two weeks in April 1982 to consider the regulatory and legislative framework which should precede the establishment of foreign banks in Nepal. After broad-ranging discussions and consideration of existing legislation the staff recommended (ad referendum) the adoption of a new Financial Institutions Act which, together with the Nepal Rastra Bank Act, would provide a legal framework within which the Nepalese authorities could maintain adequate control and one within which foreign banks could function effectively. It is understood that the bill is being processed.

The Nepal Rastra Bank requested technical assistance to establish a new cost of living index based on household expenditures. To meet this request CBD assigned a Burmese national to Kathmandu from August through December 1983 to establish the parameters within which data should be collected and collated. The expert will return to Nepal in November 1984, for about five months, when it is expected that the data will be available. She will then assist in its evaluation and in the computation of the new index.

The Nepal Rastra Bank has also requested technical assistance to upgrade the capability of its Research Department in quantitative analysis and related fields. A U.S. national has been recruited for this purpose and he is expected to take up his assignment in May 1984.

### Niger

In response to a request from the authorities of Niger for technical assistance in the field of external debt, a French national was selected and assigned to the Ministry of Finance for a six-month period beginning November 1983. The expert is assisting in the restructuring of the Public Debt Office in the Ministry of Finance, training the Debt Office personnel, and establishing efficient comprehensive reporting of foreign debt transactions.

### Nigeria

In March 1981 CBD met a request from the Central Bank of Nigeria to provide technical assistance to train officials in Bank Supervision and Examination. A U.S. national was assigned for this purpose as Training Advisor. The assignment was extended for a second year and then phased out in March 1983. The objectives of the assignment were successfully fulfilled.

During the Annual Meetings, there was a preliminary discussion between the Nigerian authorities and the Fund on the possibility of CBD assistance to the Central Bank of Nigeria in the area of private



short-term debt. Before a firm commitment can be made, further discussions with the authorities and the World Bank, which has also been asked to provide assistance in the area of long-term debt, is required.

#### Oman

Technical assistance to the Central Bank of Oman which began in 1974 has encompassed the fields of management, bank supervision and examination, the establishment of a central risk bureau, foreign exchange related matters, statistics, and the evaluation of computer needs and training. All technical assistance was phased out in July 1980 for a period during which the President of the Bank evaluated the independent performance of his staff. Further assistance was then requested and a Philippine national was recruited in February 1982 as Advisor on Banking Supervision; this assignment has been successful and extended for a third year to March 1985.

In the field of statistics, a Panamanian expert and former Fund staff member completed a six-month assignment in March 1981 during which period he focused on the improvement of monetary statistics and the identification of areas in which further assistance was required. A formal request was then received for a Statistical Advisor to help in the preparation of price and other indices and general studies. CBD recruited a Sri Lankan for this assignment in September 1981; this assignment was also successful and was extended for a second year. The expert was then replaced by another Sri Lankan in January 1984 to provide advice in the same field.

A U.K. national provided short-term assistance (3 months) to establish a procedure for issuing Treasury bills. This assignment was completed in November 1983.

A second U.K. national was recruited in August 1983 as Training Advisor with the responsibility of advising on the establishment and organization of a training institute for bankers and of assisting in the instruction.

#### Panama

Following the recommendation of a U.S. national, who was on a short-term assignment in 1982, the authorities requested assistance to improve the bank supervision capability of the National Banking Commission. An Argentine national, was assigned for this purpose in November 1983. He began by examining the internal administration of the Bank Supervision Department with a view to improving recruitment and staff capabilities, and by designing staff training courses. He also examined existing regulatory limitations to effective bank supervision.

### Papua New Guinea

CBD continues to assign three experts to the Bank of Papua New Guinea. As reported last year, the New Zealand national assigned as Deputy Governor was replaced by a Papua New Guinean in October 1981 and following this change a U.K. national was assigned, in March 1982, to the Bank as Advisor to the Governors. This expert has been widely involved in ongoing policy and administrative matters and particularly with a reorganization of the Bank. His assignment was phased out in December 1983.

In addition CBD has continued to assign Managers to the International Department (a U.K. national) and to the Banking and Finance Department (a German national). The International Department is making slow but sure progress but the Banking and Finance Department has been reorganized and the Research and Financial functions have been separated. At the request of the Papua New Guinea authorities CBD replaced the German Manager of this Department, at the end of his assignment in April 1983 with a U.S. national who is more research oriented and in tune with the current economic needs of the Bank of Papua New Guinea.

Currently CBD is assigning a U.K. national as Chief Manager, Corporate Services. He is expected to take up his assignment in May 1984.

The assignments are generally going well, but the authorities inherited a rather sophisticated organization from the Australian administration and it appears that the Bank will have to rely on expatriate assistance for some time to come if it is to continue to remain effective.

### Paraguay

The Bank Supervision expert, a U.S. national, who served in the Central Bank of Paraguay, was phased out of the CBD program in January 1984 having completed her fourth year. This expert helped the Bank to improve the reporting system of banks to the Bank Supervision Department and to coordinate this information with that collected by other departments of the Bank, established the basis for the operation of an early warning system, and started preparations for computerized reporting. The expert is remaining in Paraguay on a bilateral contract to complete the assignment.

An expert in Organization and Methods, a Costa Rican national, was assigned for one year starting in June 1983. This expert has focused on the consolidation of some departments and the establishment of new ones, the streamlining of the chains of command, and the establishment of a permanent system for administrative renovation and change.

### Peru

A Fund staff member on leave of absence took up a one-year assignment at the Central Reserve Bank of Peru in August 1983 to advise management on a wide range of operational matters. Thus far his advice has focused on some aspects of monetary management, the handling of bills and coins and the currency reform generally, the bank supervision system, and the publications of the Bank.

The Mexican expert who helped introduce wide-ranging reforms on administrative and control procedures in 1981 and 1982 took up a new six-month assignment in January 1984 to guide the Bank on its ongoing implementation of the new computerized accounting system which he had earlier helped to design.

### Philippines

Following a request by the Governor of the Central Bank of the Philippines for technical assistance to establish an economic briefing room and to assist in the formulation of economic policy, a Turkish national and former Fund staff member was assigned to the Central Bank in October 1981 as Consultant on Research-Related Matters. This assignment was extended through April 1984 when it was phased out.

### Romania

A Finnish Consultant was assigned to the Ministry of Finance for a total of three weeks in May and July 1983 to advise on the introduction and operation of a currency basket to which the Romanian currency was then pegged.

### Rwanda

Three experts are assigned to the National Bank of Rwanda as Advisors in Research, Bank Supervision and Internal Controls, and on Credit, Accounting and Bank Supervision. The Advisor on Credit, Accounting and Bank Supervision is involved in the reorganization of the saving system for which the National Bank has responsibility. The Belgian national who held this position for four years left Kigali at the end of 1982. He has been replaced by another Belgian who took up his duties in November 1982 and who has been extended for a second year.

The French and Belgian nationals assigned as Research Advisor and Advisor on Bank Supervision and Internal Control completed their second year in Rwanda and their contracts have been extended to May 1984 and July 1984, respectively.

### Saudi Arabia

A French national was assigned to the Statistics Department of the Ministry of Finance and National Economy for two months in January/ March 1983 as an Advisor for National Accounts. The assignment had as its objectives the preparation of a training program for the staff of the National Accounts Section and participation in it; the organization of the work of the Section; and coordination between SAMA and the Department of Statistics in the areas of Balance of Payments Statistics.

### SEACEN

A staff member of CBD participated in a SEACEN seminar in July 1983, in Bangkok, as a Resource person. He was required to present papers on "Towards Market Determined Interest Rates"; "International Aspects of Interest Rate Policy"; and "Development Finance and Interest Rate Policy." The role of the staff member also included involvement in discussions of these topics.

### Senegal

Following a request from the Ministry of Finance of Senegal for technical assistance in the area of external debt, a Tunisian was assigned in December 1983 for a one-year period. The expert is in charge of assessing all indebtedness to ensure that it is correctly recorded and advising on the structural organization of departments in charge of collection and quantification of external debt.

### Seychelles

In October 1982 a Philippine national was assigned for four months as Advisor on Bank Supervision to inspect three commercial banks and to prepare reports. In order to complete this bank inspection program, the same expert was reassigned for an additional three-month period at end-1983. The Governor of the Central Bank has now requested the assignment of a Bank Inspector on a more permanent basis. The Philippine expert is available and CBD is expecting his assignment to begin in April 1984.

The contract of the Indian national assigned as Research Advisor in 1982 has been renewed for a third year to February 1985 and the expert now has executive responsibility for the Research Department of the Bank.

### Sierra Leone

A Sri Lankan was assigned to the Bank of Sierra Leone in August 1982 as Director of Bank Supervision to organize and develop the operations and capability of the newly formed Bank Supervision Division. During his first year, the expert was occupied with forming the Bank's Supervision team, improving procedures and techniques in the Bank's examination and supervision of commercial banks, and the production of a new manual of operation guidelines. The assignment was renewed for a second year in order to consolidate the progress made so far, supervise the implementation of the guidelines and improve bank reporting.

The Sierra Leone authorities have requested the assistance of a CBD expert to evaluate, process and monitor the external debt of the economy. A Pakistani has been proposed and the assignment will begin in April/May 1984.

### Solomon Islands

The Fund has been providing technical assistance to the Solomon Islands to establish and to develop the Monetary Authority which then became the Central Bank. The Central Bank is now an effective arm of Government capable not only of managing technical monetary matters but also of providing an economic dialogue with the Government and international organizations. It continues, however, to depend rather heavily on technical assistance. During 1983 the technical assistance program, provided a Deputy Governor/Managing Director, an Israeli national, whose assignment was terminated because of illness in March; an Operations Manager, a Sri Lankan; a Research Manager, a New Zealander; and on a short-term basis an Advisor on Foreign Exchange Related Matters, an Indian national; and from December 1983, an Israeli national, also on a short-term basis, as Advisor on Bank Supervision.

The assignments have been competently handled and relations between experts and staff have yielded encouraging results in training. However, an insufficient number of local graduates is entering banking and finance, and it is not anticipated that technical assistance can be phased out for several years. An Indian national replaced the Sri Lankan as Operations Manager in March 1984 and a Philippine national was recruited for a short-term assignment in the field of rural credit at end-February 1984. The Foreign Exchange Advisor will be phased out after a short extension in May 1984.

During November 1983, a staff mission consisting of members of the Central Banking Department and the Legal Department visited Honiara to review the appropriateness of the existing general banking ordinance. The mission assisted in the drafting, ad referendum, of a comprehensive financial institutions act that would replace the existing ordinance; and also helped prepare consequential draft amendments to the existing central bank legislation.

#### Somalia

A Research Advisor, an Afghan national, began his assignment in August 1982 to assist the Central Bank in organizing and improving its research capability, developing a training program for the staff, and advising on appropriate monetary, credit, and exchange rate policies, with special reference to the financial program with the Fund. In addition to supervising the preparation of the Bank's publications and preparing data for visiting missions, the expert has undertaken a number of special studies that have included a review of the Commercial Bank's financial position, investigations into the industrial sector, and recommendations for rationalizing the systems for allocating credit and foreign exchange.

The assignment was extended for a second year.

In January 1984 the Somali authorities requested technical assistance to improve the collection of external debt data and develop the country's external debt reporting system. A qualified Peruvian candidate who has been proposed to the authorities is expected to be assigned in August 1984.

#### Sri Lanka

Since March 1983 the technical assistance program has provided an Advisor, an Indian national, in Regional Rural Banking Development and Rural Credit to the Central Bank of Ceylon; his assignment has been extended to end-May 1984. There is a continuing need for assistance in this field and a replacement, also an Indian national, will be assigned in the same field of competence. In January 1983 a U.K. national was assigned on a short-term basis as an Advisor for Money Market Matters. Unfortunately the expert fell ill and the assignment was terminated after only the initial market evaluation had been completed. A new expert will shortly be assigned to complete the project.

### Sudan

An Indian national assigned as Advisor on Banking Supervision completed his assignment with the Bank of Sudan in December 1982 and he was replaced by a Pakistan national in February 1983. Since there is continuing need for assistance, with an emphasis on Bank Examination, an Indian national was assigned to replace the present expert at the termination of his assignment in February 1984.

In October 1983 two other experts were assigned to Bank of Sudan. A Panamanian national is spending six months as a Statistical Advisor to improve the commercial banks reporting systems and the analysis of data in the Central Bank. An Economic Advisor, a Pakistan national, has been assigned for a period of one year with a brief to assist both the central bank and the Ministry of Finance and National Economy. The Advisor has been assigned to the Joint Monitoring Committee, set up to oversee the economic and rehabilitation program, and he works closely with the Monitoring and Evaluation Unit which has the supervisory function for the implementation of development projects as well as the coordinating function among government departments responsible for domestic and external resource management.

During the Annual Meetings, the Sudanese authorities requested technical assistance in the field of external debt. An Irish national was selected to assist the Debt Management Unit of the Government of Sudan in identifying all forms of financial loans that have been received by Sudan. The assignment which is for a one-year period started in February 1984.

### Swaziland

Technical assistance has been important throughout the development of the Swaziland Monetary Authority and its transformation into a Central Bank. In May 1982 a General Advisor, a Pakistan national, was appointed to assist the Central Bank in developing a bank supervision capability as well as in advising on operational and administrative procedures. The Advisor has completed the inspection of a major local bank and written a number of administrative rules and procedures. His assignment has been extended for a third year. A Research Advisor, an Austrian national, was appointed in July 1982 to provide assistance to the newly appointed local Director of Research who earlier on had replaced another CBD-sponsored expert. The emphasis of the Research Advisor's work has been on the strengthening of the economic data in general and the balance of payments data in particular. His assignment was extended for seven months. Both assignments have been most effective. More recently CBD was asked to provide a Deputy Governor for the Central Bank and a U.K. national was assigned in this capacity, in March 1984, initially for a period of one year.

### Syria

In February 1983 a staff member (BCS) visited the Central Bank of Syria in response to a request to evaluate the use of computers within their organization. A feasibility study for the introduction of computers was prepared and submitted to the authorities.

### Tanzania

During most of 1983 two CBD experts served with the Bank of Tanzania. An Indian national served as Economic Advisor, and a Pakistan national served as Advisor on Bank Supervision.

The Economic Advisor joined the Bank of Tanzania toward the end of March 1983. His duties included, among others, advising the Governor on all aspects of the Bank's policies and activities and assisting the Governor in his relations with the Fund. He also assisted in the training and development of the Bank of Tanzania staff, and examined ways of strengthening and improving the Bank's research and statistical work. This assignment is going well although for personal reasons the expert will not continue at the end of his contract. CBD is trying to locate an appropriate replacement. The Advisor on Bank Supervision took up his assignment in April 1983 and has been much involved in training and the inspection of banks. The assignment is proceeding smoothly and will be extended for a second year.

### Thailand

In response to a request from the Bank of Thailand an Advisor was assigned to the central bank for the month of October 1983 to review an internal assessment of the central bank's computer needs and to advise the bank on the feasibility of expanding the use of computers. The Advisor's report was submitted by CBD to the Bank of Thailand in January 1984.

### Turkey

Early in 1983 the Turkish authorities requested CBD to provide technical assistance in the field of external debt. Two experts, both from Bank of Finland, were assigned to the Ministry of Finance of Turkey, one for a one-year period, the other for three months (the latter expert has since completed his assignment). Their tasks were to assist the authorities in establishing an accurate and comprehensive database for Turkey's external debt, recommend procedures that will ensure that timely and complete information on external debt is produced, and advise on the sort of output that should be generated to allow the authorities to monitor effectively the country's external debt. This program is closely coordinated with the World Bank.



### Uganda

During 1983 CBD experts served in five key positions in the Bank of Uganda. A Pakistan national, continued his assignment as Director, Department of Foreign Exchange Operations. This expert has considerably strengthened the Department, helped in implementing the present two-tier exchange rate system under the country's economic program in support of which Fund resources are being used, prepared an operating manual for the staff, and has been instrumental in streamlining the Bank's exchange operations and its relations with foreign correspondents. He has also introduced new procedures for the management of the Bank's reserves.

The Director of Research, a Norwegian national was assigned in July 1983 in continuation of assistance in this field by a Belgian national. He has been instrumental in formulating economic policy options for the consideration of the Bank's management, strengthening the statistical base of the Bank, and generally training the Bank's economists.

The Chief Accountant, a U.K. national, was initially assigned in October 1982 as an Advisor. The assignment has been much more effective since he was given the executive position and this important assignment is proceeding well and has been extended for a second year.

An Advisor on Reserve/Public Debt Management and Accounting, a Philippine national, took up his duties in March 1982. His contribution was primarily in formulating plans for setting up an external debt unit, collating debt data, and assisting in the management of external debt. He completed his assignment in March 1983.

An Indian national was assigned in November 1983 as Advisor in the fields of Bank Supervision and Development Finance.

In December 1983, an Irish national, and an expert in the field of external debt was appointed Director of the newly established External Debt Unit in the Bank of Uganda. The assignment is for a one-year period. This unit is to act as the centralized database for the country.

### United Arab Emirates

The two experts in the fields of Foreign Exchange and Investment, an Austrian national; and Banking Supervision, a French national who were assigned to Abu Dhabi in August and September 1982, respectively, have continued to provide most effective technical assistance. The Advisor in Foreign Exchange and Investment terminated his assignment, after eighteen months, in March 1984. The Advisor for Bank Supervision is now in his second year.

### Vanuatu

Following independence and the establishment of the Central Bank of Vanuatu the authorities requested three experts to assist in its formative period. A U.K. national was assigned as Managing Director and Chief Executive Officer, and a French national as Assistant Chief Executive Officer. The latter was also in charge of the currency note issue and related matters. The U.K. national's contract was extended for a third year to September 1983 when he terminated his assignment. The French national was replaced by another Frenchman in March 1982 as Deputy General Manager and his assignment was extended to November 1984 when he became Chief Executive Officer in September 1983. He was then succeeded by a U.K. national as Deputy General Manager. In addition, an Indian expert was assigned in April 1981 as Research Manager to initiate the collection of statistics and advise on basic matters relating to economic policy. His assignment was extended to May 1983 when he was replaced by another Indian national. These assignments have been successful.

### Western Samoa

A staff mission consisting of members of the Central Banking Department and the Legal Department, visited Apia in November 1983 to advise on the technical arrangements necessary for the establishment of a central bank and to discuss and draft appropriate general banking legislation. Central Banking legislation which had initially been reviewed at headquarters by the Central Banking and Legal Departments and which was again discussed by the mission has been enacted by the authorities, and the central bank is expected to become operational in mid-1984. Further technical assistance has been requested in the early stages of development of the central bank. CBD has located an Australian national who was assigned as General Manager in March 1984 and it is locating an acceptable candidate to be the Research and Statistics Manager.

### Yemen Arab Republic

The training of counterpart experts in the Central Bank of Yemen has moved slowly and the Bank continues to need technical assistance in the fields of research and statistics, foreign exchange and bank supervision.

The assignment of the Sudanese Research Advisor is now in its third year having been extended through July 1984. The Advisor is involved in the preparation of the annual and other periodic reports, the improvement of the statistical base for monthly balance of payments and monetary data, the revision of the quarterly financial statistics bulletin, and the preparation for international conferences, missions, and generally advises the Governor on monetary policy.

In the field of foreign exchange, Advisors have served the Bank since 1976. They developed a program for the management of international reserves, expanded on-the-job training of staff in specific areas, such as handling of letters of credit, guarantees and foreign loans, and kept under review the work flows associated with the finance of trade. The expert, currently on assignment, an Indian national, has been extended through July 1984.

An Egyptian national who assumed the duties of Advisor on Banking Supervision in October 1979 was terminated after four years in November 1983. He was replaced by another expert of the same nationality. The expert has advised on problems of banking supervision arising from the rapid growth of the financial sector. Much attention has been given to improving central and commercial bank relations and the activities of money changers.

#### Yemen, People's Democratic Republic of

Following a request by the Bank of Yemen, a Management Advisor, a Syrian national, was assigned to the Bank in January 1981. This assignment was extended through January 1983 when it was phased out. Although the advice given by the expert was welcomed there remained a problem of implementation.

A second Syrian national was assigned as Advisor for Currency and Operational Procedures in August 1982 and the assignment has been extended through August 1984. The assignment is going well and recommendations of the Management Advisor are now being implemented.

The assignment of an expert on external debt matters to the People's Democratic Republic of Yemen has been under consideration since 1983. Administrative problems seem, however, so far to have hampered the authorities' decision to take action on the request.

#### Zaire

In June 1983 the two Belgian nationals serving as Internal Audit Advisor and External Payments Statistics Advisor to the Bank of Zaire completed four and a half years. However they stayed with the Bank on a bilateral basis.

The Canadian national appointed as Principal Manager in September 1981 left Kinshasa in December 1983. He was replaced by a Greek national who continues to assist the Governor in the economic and monetary fields and to coordinate the work of the team of experts.

The German national assigned as Foreign Exchange Advisor, in March 1981, has devoted a considerable amount of time to establishing an interbank foreign exchange market. His contract has been renewed for a

third year. To reduce his workload, and in order to have someone represent the Central Bank in the market, a French national was assigned as a Foreign Exchange Dealer in early 1984.

The contracts of the French national assigned as Research Advisor and of the Israeli national assigned as Commercial Arrears Advisor have been renewed for a third and second year, respectively.

#### Zambia

An Indian national began an assignment as Advisor to the Governor of the Bank of Zambia in February 1982, with responsibility for advising on the organizational structure and the operating and accounting procedures of the Bank. Initially the expert was engaged on a wide range of issues, but latterly his attention has been concentrated on matters such as the Credit Guarantee Scheme, the Bank's Training College, and, more recently, the reorganization of the Bank's Internal Audit and Inspection Department. Changes in senior staff tended to constrain the full benefits that could have been gained from the expert's presence. During the last part of his assignment, the expert assisted the newly appointed Deputy Governor in assuming his new responsibilities. The assignment ended in February 1984.

An Economic Advisor, also an Indian national, began his assignment in November 1983. He has special responsibilities in helping the Governor with the work of the Special Economic Unit that has been formed to monitor, coordinate, and advise on all phases relating to the financial program with the Fund and matters relating to the Paris Club. He is required to liaise closely with the economic ministries, especially the Ministry of Finance over budgetary developments.

The authorities have requested a Foreign Exchange Advisor to handle mainly the budgeting of foreign exchange resources.

A Danish consultant on External Debt started his assignment in November 1983 to assist in the field of external debt assessment. The assignment is for a six-month period and an extension for another six months is being considered.

Summary of CBD Technical Assistance Provided in the  
Field from January 1 through December 31, 1983

Country	Advisory Services		Experts	
	Subject	Man-Months	Subject	Man-Months
1. Afghanistan			1. Statistics	9 1/2
2. Bahamas			2. Bank Supervision	6
			3. Accounting	12
3. Bahrain			4. Statistics	12
4. BEAC	Technical Assistance on Integration of Equatorial Guinea into BEAC	1/2	5. Bank Supervision	12
			6. Bank Supervision	12
			7. Operations	12
5. Belize			8. Research	3
			9. Bank Supervision	4
			10. Research	9
6. Bermuda			11. Statistics	1
7. Bhutan			12. Research	4 1/2
			13. Operations	12
8. Bolivia			14. Bank Supervision	7
9. Botswana			15. Research	5 1/2
			16. Bank Supervision	12
			17. Operations	1
10. Burundi			18. Bank Supervision	12
			19. Research	10
			20. Credit	12
11. Cape Verde			21. Organization	1/2
			22. Statistics	1
12. Cayman Islands			23. Bank Supervision	2 1/2
			24. Bank Supervision	10
13. CEMLA	Financial Programming	1/4		
14. Comoro Islands			25. Statistics	12

Country	Advisory Services		Experts	
	Subject	Man-Months	Subject	Man-Months
15. ECCB (St. Kitts)	Draft Agreement to establish Central Bank	1/4	26. Bank Supervision	4 1/2
			27. Operations	11 1/2
16. Ecuador			28. Research	5 1/2
17. Egypt	Assessment of need for technical assistance in the field of External Debt	1/2		
	Technical Assistance in Bank Supervision	3/4		
18. El Salvador	Assessment of need for technical assistance in field of Bank Supervision	1/8		
19. Equatorial Guinea			29. Management and Policy	7 1/2
20. Fiji			30. Research	12
21. The Gambia			31. Research	12
22. Guinea Bissau			32. Management & Operations	7
			33. Management & Policy	7
			34. Bank Supervision	4 1/2
23. Gulf Cooperation Council	Study on Offshore Banking Units	3		
24. Honduras			35. Bank Supervision	8
25. Indonesia	Technical Assistance on Monetary Policy	3	36. Statistics	6
26. Ivory Coast			37. External Debt	3

Country	Advisory Services		Experts	
	Subject	Man-Months	Subject	Man-Months
27. Jamaica			38. Research	7 1/2
			39. Operations	8 1/2
28. Kenya			40. Bank Supervision	12
			41. Management & Policy	3 1/2
			42. Training	12
			43. Computerization	1
29. Kuwait			44. Foreign Exchange	12
			45. Management & Policy	9
			46. Bank Supervision	12
30. Lesotho			47. Research	12
31. Liberia	Assessment of need for Technical Assistance in the field of External Debt	1/4	48. Management & Policy	12
			49. External Debt	3
			50. Operations	8
			51. Research	12
32. Madagascar	Assessment of need for Technical Assistance in the field of Accounting	1/4	52. Statistics	2
			53. Accounting (Commercial Arrears)	7 1/2
			54. Statistics	1 1/2
	Study on Accounting Procedures of Central Bank Foreign Exchange Operations	3/4	55. Computerization	2
33. Malawi			56. Training	12
34. Maldives			57. Accounting	12
			58. Statistics	12
			59. Administration	1/2
35. Mauritania			60. Research	12

Country	Advisory Services		Experts	
	Subject	Man-Months	Subject	Man-Months
Mauritania (Contd.)			61. Bank Supervision	3
			62. External Debt	6
			63. Foreign Exchange	4 1/2
			64. Bank Supervision	5 1/2
			65. Foreign Exchange	7 1/2
36. Mauritius			66. Research	8 1/2
			67. Research	5
37. Micronesia	Discussions on establishment of Monetary Authority	1/2	68. Bank Supervision	2 1/2
38. Morocco			69. Operations	3 1/2
39. Nepal			70. Cost-of-Living Indices	4
40. Niger			71. External Debt	1 1/2
41. Nigeria			72. Training	3
42. Oman			73. Statistics	8 1/2
			74. Treasury Bills	4
			75. Bank Supervision	12
			76. Training	6
43. Panama			77. Bank Supervision	1 1/2
44. Papua New Guinea			78. Management & Policy	12
			79. Research	5
			80. Foreign Exchange	12
			81. Research	9
45. Paraguay			82. Organization	7
			83. Bank Supervision	12
46. Peru			84. Organization	3 1/2
			85. General Advisor	5
47. Philippines			86. Research & Policy	12



Country	Advisory Services		Experts	
	Subject	Man-Months	Subject	Man-Months
48. Romania			87. Currency Basket	1
49. Rwanda			88. Credit/Accounting	12
			89. Bank Supervision	12
			90. Research	12
			91. Computerization	1 1/2
50. Saudi Arabia			92. Statistics/ National Accounts	2
51. SEACEN	Interest Rate Policies	1/4		
52. Senegal			93. External Debt	1
53. Seychelles			94. Research	12
			95. Bank Supervision	1
			96. Bank Supervision	3
54. Sierra Leone			97. Bank Supervision	12
55. Solomon Islands	Assistance Drafting General Banking Legislation	1/4	98. Foreign Exchange	11
			99. Operations	12
			100. Management & Policy	4
			101. Research	1
			102. Research	9
			103. Bank Supervision	1
56. Somalia			104. Research	12
57. Sri Lanka			105. Rural Banking	9 1/2
			106. Money Market	5 1/2
58. Sudan			107. Economics	3 1/2
			108. Bank Supervision	11 1/2
			109. Statistics	3
59. Swaziland			110. Operations	12
			111. Research	12
60. Syria	Computer Feasibility Study	3/4		

Country	Advisory Services		Experts	
	Subject	Man-Months	Subject	Man-Months
61. Tanzania			112. Economics	10
			113. Bank Supervision	8 1/2
62. Thailand			114. Computerization	1
63. Turkey			115. External Debt	3
			116. External Debt	5
64. Uganda			117. Bank Supervision	1
			118. External Debt	2 1/2
			119. Accounting	12
			120. Accounting	2 1/2
			121. Foreign Exchange	12
			122. Research	6 1/2
			123. Research	5 1/2
65. United Arab Emirates			124. Bank Supervision	12
			125. Foreign Exchange	12
66. Vanuatu			126. Research	4
			127. Management & Policy	10 1/2
			128. Operations	12
			129. Research	9 1/2
			130. Management & Policy	2
67. Western Samoa	Discussions and Drafting General Banking Legislation	1/4		
68. Yemen Arab Republic	Assessment of need Technical Assistance in the field of Bank Supervision	1/8	131. Bank Supervision	10
			132. Bank Supervision	2
			133. Research	12
			134. Foreign Exchange	12

Country	Advisory Services		Experts	
	Subject	Man- Months	Subject	Man- Months
69. Yemen, PDR			135. Management	1
			136. Operations	12
70. Zaire			137. Auditing	6
			138. Research	12
			139. External Debt	12
			140. Management & Policy	12
			141. Foreign Exchange	12
			142. Exchange Control	6
71. Zambia			143. Research	3
			144. Research	7 1/2
			145. External Debt	2
			146. Management & Policy	12
Total		11 3/4	Total	1,074 1/2

Summary of Technical Assistance Provided in the Field  
by CBD from 1964 through 1983

(In man-months)

Country	Advisory Services	Experts
1. Afghanistan	9	323
2. Angola	3/4	-
3. Arab Monetary Fund	1/2	-
4. Argentina	1 1/2	12 1/2
5. Bahamas	3 1/4	230 1/2
6. Bahrain	3 1/4	70
7. Bangladesh	-	48 1/2
8. Barbados	5	142 1/2
9. BCEAO	1 3/4	272 1/2
10. BEAC	1 1/2	187 1/2
11. Belize (British Honduras)	1/2	44
12. Bermuda	3/4	1
13. Bhutan	1 1/2	21 1/2
14. Bolivia	14 3/4	160
15. Botswana	6 1/2	245 1/2
16. Brazil	-	9
17. Burundi	2 3/4	460
18. CAMC	1/2	53 1/2
19. Cape Verde	3/4	3 1/2
20. Cayman Islands	-	100
21. CEMLA	1/4	12
22. Chile	6 1/4	14
23. China (Taiwan)	13	-
24. Colombia	2	-
25. Comoro Islands	5 1/4	75 1/2
26. Costa Rica	6	84
27. Cyprus	1 1/2	12 1/2
28. Djibouti	2	30 1/2
29. ECCB	6 1/4	101 1/2
30. ECOWAS	1	-
31. Ecuador	12 3/4	56
32. Egypt	2 3/4	-
33. El Salvador	1 5/8	-
34. Equatorial Guinea	10 1/4	173 1/2
35. Fiji	3 1/4	207
36. Gabon	5 1/4	-
37. The Gambia	5 1/4	334
38. Ghana	2 3/4	18
39. Guatemala	6 1/2	-
40. Guinea	-	72 1/2

Country	Advisory Services	Experts
41. Guinea Bissau	8	86 1/2
42. Gulf Cooperation Council	3	-
43. Guyana	1 1/2	69 1/2 + 12 <u>1/</u>
44. Haiti	3	14
45. Honduras	2 3/4	74
46. Indonesia	6 3/4	525 1/2
47. Iran	1/2	-
48. Iraq	-	36
49. Israel	1 3/4	-
50. Ivory Coast	-	3
51. Jamaica	3/4	37 1/2
52. Jordan	1	48
53. Kampuchea	1	38
54. Kenya	8	432 1/2
55. Korea	1	-
56. Kuwait	4 1/2	412
57. Laos	-	30
58. Lebanon	3 1/4	45 1/2
59. Lesotho	9 1/4	92 1/2
60. Liberia	11 1/4	267
61. Libya	-	13
62. Madagascar	10 3/4	65 1/2
63. Malawi	-	170 1/2
64. Malaysia	10 1/2	125 1/2
65. Maldives	8	80 1/2
66. Malta	1 1/2	233 1/2
67. Mauritania	11	293
68. Mauritius	8 1/2	225 1/2
69. Mexico	1/4	-
70. Micronesia	1/2	2 1/2
71. Morocco	-	87 1/2
72. Nepal	1/2	108
73. Netherlands Antilles	2	-
74. Nicaragua	5 1/2	24
75. Niger	-	1 1/2
76. Nigeria	2	15 1/2
77. Oman	12 1/2	196 1/2
78. Pakistan	5 1/4	-
79. Panama	8 3/4	83 1/2
80. Papua New Guinea	7 1/2	314 1/2
81. Paraguay	1	80 1/2
82. Peru	7 1/2	17 1/2
83. Philippines	31 1/2	24
84. Qatar	4 1/2	50 1/2
85. Romania	-	1

Country	Advisory Services	Experts
86. Rwanda	2 1/4	453
87. Sao Tome & Principe	4 1/4	18 1/2
88. Saudi Arabia	-	31
89. SEACEN	1	-
90. Senegal	-	28 1/2
91. Seychelles	3 1/2	123
92. Sierra Leone	5 1/2	366 1/2
93. Singapore	9	211 1/2
94. Solomon Islands	1/4	186 1/2
95. Somalia	4 3/4	240
96. Sri Lanka	16 1/4	39
97. Sudan	16 1/4	153 1/2
98. Suriname	1/2	24
99. Swaziland	17 1/2	278 1/2
100. Syria	2 3/4	72
101. Tanzania	15	407
102. Thailand	10 1/4	1
103. Tonga	1/4	-
104. Trinidad & Tobago	1	195 1/
105. Tunisia	1 3/4	-
106. Turkey	9	32
107. Uganda	9	317 1/2
108. United Arab Emirates	3 1/2	216 1/2
109. Uruguay	3	108 1/2
110. Vanuatu	1 1/2	112 1/2
111. Venezuela	1/4	12 1/2
112. Vietnam	6	47 1/2
113. Western Samoa	4 3/4	12
114. Yemen Arab Republic	2 1/8	483
115. Yemen, PDR	3/4	143 1/2
116. Zaire	4	483
117. Zambia	5 3/4	315 1/2
Total (man-months)	516 3/4	13,114

1/ Includes a joint assignment to Guyana, Jamaica, Trinidad and Tobago.

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Technical Assistance in the Fiscal Field

Prepared by the Fiscal Affairs Department

Approved by Vito Tanzi

June 15, 1984

This memorandum, the 16th in an annual series, describes the technical assistance in the fiscal field provided to member countries in calendar year 1983. In line with the pattern of earlier reports, it begins with some general observations, followed by summary statistics of the 1983 program and notes on each country assignment. The procedures followed by FAD in its technical assistance activities are described in some detail in EBD/79/86, from which an extract is provided for ease of reference as Appendix 1.

I. General

The provision of technical assistance on fiscal matters to Fund member countries has always been a major activity of the Fiscal Affairs Department since its creation in 1964. This has in part been because experience has shown that there is a close relationship between fiscal imbalances and the emergence of balance of payments difficulties, together with the importance of fiscal adjustment in the balance of payments adjustment process. By easing member constraints (policy or technical) to the effective implementation of fiscal adjustment measures, technical assistance contributed to successful adjustment in many cases, both within the context of Fund-supported programs and in the context of the authorities' own unaided efforts.

By the end of 1983, field technical assistance on fiscal matters had been provided to 109 member countries or regional groups, and had totaled the equivalent of 388 man-years, of which nearly 31.8 were accounted for in 1983 alone (see Appendix 2). In addition, staff at Fund headquarters have spent many hours in support of experts on field assignments (8.7 man-years in 1983).

Kinds of technical assistance

Fiscal advice continues to be concerned as much with the implementation of policy changes as with the nature of reform; as much with improved technical efficiency as with policy.

Over the years, advice has covered a wide range of fiscal subjects. The reform of a country's tax structure has frequently been necessary, particularly in countries with tax systems inherited from preindependence days. Advice is also given on a specific form of tax, especially when a new form of taxation is being introduced. Tax rate structures are also reviewed, for example, in order to try to improve equity. The organization of fiscal research units has also been undertaken.

Proposals have been made for the reorganization of tax departments on functional lines for improving assessment and collection procedures, and for implementation of new taxes. The last has involved work on legislation (with the Legal Department), training of staff, education of the public, preparation of instruction manuals, and advice on post-introduction problems. Highly specialized advice has been provided in certain fields, such as the introduction of the Customs Cooperation Council Nomenclature, the application of the Brussels Definition of Value, or the training of tax officials in techniques of fraud investigation. Advice has also been given on the use of computers in tax administration, including the creation of a taxpayer master file.

In regard to budgetary matters, the technical assistance program has provided advisors in general financial management; on the organization and procedures for budget preparation; on classification of budget items to make the budget a more comprehensive and more suitable instrument of social and economic policy; on new budgeting systems and their applicability; on the monitoring of budget execution to permit a clearer view on a country's financial position at any point of time; and on auditing and expenditure control, government accounting systems, and the use of electronic data processing.

A more recent and expanding area of activity has been the provision of technical assistance in the field of nonfinancial public enterprises (NPEs). Specifically, such assistance has included reviews of the financial performance of NPEs and the formulation of measures that could lead to improved performance; reviews of the financial information systems between government and enterprises, and within enterprises; and the installation of improved accounting systems in them.

#### Goals of technical assistance

The goals of technical assistance activity in the fiscal field vary depending on the particular circumstances of the country requesting Fund help. In some countries at a relatively early stage in their economic development, assistance has focused on the establishment of modern administrative infrastructures and the basic techniques of financial management. In others, the emphasis has been on finding solutions to more specific problems of administration or policy. Given the wide range of circumstances faced by member countries, the varied nature of specific fiscal problems on which assistance can be provided, and the limited resources available under the program, its success continues to depend both on the careful selection and design of assignments by the Fund and on the ready use of assistance by recipients. In the overwhelming majority of cases, the evidence from individual country assessments in 1983 once again indicates that the technical assistance provided helped member countries improve their fiscal policies or administration, and developed the knowledge and skills of national staffs.



### Fund programs

The fiscal imbalances faced by members entering into Fund-supported adjustment programs increased in recent years. These imbalances in many cases have been identified as an important factor in the emergence of external imbalances. Consequently, fiscal policy changes aimed at the reduction of fiscal imbalances have been a central element of many programs. Although the provision of fiscal technical assistance to members is, as a matter of policy, not linked to a member undertaking a Fund-supported program of adjustment, nonetheless past or present fiscal technical assistance can often prove an important element in such programs. Technical assistance provided by the Fund has in some cases pointed to important policy changes (both tax and expenditure) which the authorities have subsequently adopted as part of a program's adjustment measures. Equally, technical assistance in the areas of tax administration, budgetary and expenditure control, and fiscal reporting have eased technical constraints to adopting new revenue measures or improved the implementation and monitoring of expenditure programs. By easing such constraints, technical assistance has increased the options open to the authorities when undertaking adjustment, while at the same time heightening awareness of the difficulties being faced.

There were a number of programs in which present or past technical assistance played a significant role during 1983 (e.g., Ecuador, Morocco, Uganda, Peru, and Zaire). In other cases (e.g., Sudan and Togo), assistance in the field during the year had a direct bearing on the monitoring and hence the implementation of a program. In addition, fiscal technical assistance has on occasion provided an important element of structural adjustment programs supported by the IBRD; a case in point in 1983 was Thailand.

### Prospects for success

On the part of the country requesting assistance, a number of conditions improve the prospects for success of an assignment. The recipient needs to have a clear appreciation of what is expected to result from the assignment, and a genuine interest in the attainment of its goals. This commitment extends to such basic matters as the provision of reasonable facilities for the expert's work and accommodation. The provision of appropriate counterparts to receive on-the-job instruction from the panel member is also a key prerequisite for success: in all long-term assignments, adequate training is essential if technical assistance is to have lasting benefits.

## II. 1983 Program

Details of the assignments undertaken in 1983 are listed in Appendix 3. The statistics for 1983, with comparisons from earlier years, can be summarized as follows:

	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>
Number of countries served	<u>34</u>	<u>36</u>	<u>46</u>	<u>48</u>	<u>46</u>
Number of individual field assignments	<u>58</u>	<u>57</u>	<u>69</u>	<u>74</u>	<u>71</u>
Long term	<u>34</u>	<u>32</u>	<u>36</u>	<u>38</u>	<u>38</u>
Short term	24	25	33	36	33 <u>1/</u>
Number of experts utilized	<u>58</u>	<u>62</u>	<u>85</u>	<u>74</u>	<u>76</u>
Panel members	<u>40</u>	<u>41</u>	<u>56</u>	<u>52</u>	<u>53</u>
FAD staff	18	21	29	22	23
Man-months in the field	<u>307</u>	<u>295</u>	<u>346</u>	<u>356</u>	<u>390</u> <u>2/</u>
Panel members	<u>282</u>	<u>270</u>	<u>300</u>	<u>328</u>	<u>358</u>
FAD staff	25	25	46	28	32
Man-months at Fund headquarters <u>3/</u>	<u>164</u>	<u>162</u>	<u>170</u>	<u>152</u>	<u>135</u>
Panel members	<u>21</u>	<u>32</u>	<u>39</u>	<u>48</u>	<u>30</u>
FAD staff	143	130	131	104	105

Eleven short visits to clarify technical assistance needs were made to 9 countries in 1983. 4/ Technical assistance was extended for the first time to Micronesia and Nigeria.

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1/ Includes 11 joint panel/staff missions. Staff members from AFR, BUR, LEG, and MED collaborated in 5 short-term assignments.

2/ Includes time spent in the field on technical assistance identification, inspection, and follow-up visits and recruiting for fiscal panel of about 8 man-months.

3/ Indicates staff time devoted (a) by panel members on briefing, debriefing, and report writing, and (b) by FAD staff on writing technical assistance reports, briefing and debriefing panel experts, and subsequent correspondence with them.

4/ Guatemala, Haiti, Honduras, Indonesia, Morocco, Panama, Sierra Leone, Thailand (2), and Uganda (2). (Those to Guatemala, Morocco, and Panama were undertaken by FAD staff in the course of Fund missions.)

By geographical area, countries received assistance between 1979 and 1983 as follows:

	Number of Countries				
	1979	1980	1981	1982	1983
Africa	12	17	21	22	23 <u>1/</u>
Asia and the Pacific	5	4	10	8	8 <u>2/</u>
Europe	1	1	1	1	—
Middle East	4	2	1	3	4 <u>3/</u>
Western Hemisphere	12	12	13	14	11 <u>4/</u>

The nature of the various assignments and the time FAD staff and panel experts spent in the field in 1983 compared with earlier years were as follows:

		(A) Number of Field Assignments (B) Man-Months in Field				
		1979	1980	1981	1982	1983
Accounting, auditing, and financial reporting	(A)	9	8	10	8	10
	(B)	69	53	57	61	66
Budget systems and procedures	(A)	5	10	15	18	23
	(B)	35	67	84	99	155
Customs	(A)	9	8	8	5	6
	(B)	49	55	37	26	38
General financial management	(A)	8	9	6	5	2
	(B)	50	48	46	25	3
Taxation	(A)	24	22	29	37	29
	(B)	93	72	106	133	118
Other	(A)	3	—	1	1	1
	(B)	11	—	4	3	2
Total	(A)	58	57	69	74	71
	(B)	307	295	334	347	382

1/ Botswana, Central African Republic, Comoros, Equatorial Guinea, Gabon, The Gambia, Guinea-Bissau, Mali, Mauritania, Mauritius, Morocco, Niger, Nigeria, Rwanda, Seychelles, Sierra Leone, Somalia, Swaziland, Tanzania, Togo, Tunisia, Uganda, Upper Volta.

2/ Bhutan, Fiji, Maldives, Federated States of Micronesia, Papua New Guinea, Solomon Islands, Thailand, Vanuatu.

3/ Bahrain, Lebanon, Sudan, and Yemen Arab Republic.

4/ Antigua, Barbados, Belize, Costa Rica, Dominica, Ecuador, Haiti, Panama, Peru, Trinidad and Tobago, and Uruguay.

The field assignments undertaken during the year totaled the equivalent of 31.8 man-years, of which 18.8 man-years were in respect of budgeting and related matters (including accounting, auditing, and general financial management) and 13.0 man-years of direct and indirect taxation. In addition, staff members spent about 8.8 man-years at Fund headquarters writing technical assistance reports, briefing, debriefing, and backstopping panel experts.

Of the 71 field assignments in 1983, 38 were long term of six months or more, and 33 were short term. Short-term advice on tax matters was given to 11 countries, 1/ on customs matters to 2, 2/ on budgetary systems and procedures to 5, 3/ on government accounting and financial reporting procedures to 4, 4/ on general and financial management matters to 2. 5/ Three countries received short-term assistance in more than one field. 6/

The services of 53 members of the panel of fiscal experts were utilized in 1983. They were recruited from 18 member countries 7/ and comprised 22 serving officers made available by their governments, 8/ 29 retired government officials, 1 retired FAD staff member, and 1 university professor. Twenty-eight of these panel experts had previously undertaken technical assistance assignments for the Fund.

By comparison with earlier years, the broad outlines of the 1983 program continued the trends evident in 1982. The numbers of countries served and of individual field assignments stayed at around the same level, while time spent in the field by panel members rose sharply.

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1/ Antigua, Dominica, Fiji, Mauritius, Morocco, Nigeria, Peru, Rwanda, Thailand, Trinidad and Tobago, and Uganda.

2/ Rwanda and Uganda.

3/ Bhutan, Equatorial Guinea, Lebanon, Mauritania, and Rwanda.

4/ Barbados, Thailand, Togo, and Tunisia.

5/ Micronesia and Solomon Islands

6/ Rwanda, Thailand, and Uganda.

7/ Argentina (2), Australia (3), Brazil, Canada (2), Chile (4), France (8), Ghana, Iceland, India (3), Iran, Ireland (3), Italy, Democratic Republic of Kampuchea, Portugal, Sri Lanka (4), Sudan (2), United Kingdom (9), and United States (6).

8/ Argentina (2), Australia (2), Canada, France (8), India (3), Ireland, Portugal, Sri Lanka (3), and United Kingdom.

FAD staff time devoted to technical assistance, both in the field and at headquarters, stayed near 1982 levels. This constitutes a decline from earlier years despite the general expansion of the program. As noted in last year's report (EBD/83/139, p. 51) several factors contributed to this decline, including the employment of two full-time consultants at headquarters. The increased use of panel experts for short-term technical assistance missions and the initiation of a practice whereby in suitable cases technical assistance missions prepare extended aides-mémoire in the field rather than a full report on return to Washington were also relevant.

In terms of the functional classification of assistance provided, time devoted to budget systems and procedures, already one of the two major categories, increased further in 1983. The geographic distribution of countries receiving assistance again showed little change, the majority involving African countries and followed by the Western Hemisphere, Asia and the Pacific, and the Middle East.

### III. Country Assignments in 1983

Headquarters' assessments of the progress achieved in the various assignments continue to be based on information gained from such sources as the interchange of letters with field experts, the reports and analyses prepared by them, both in the field and at final debriefing, reports by Fund area department missions, observations by senior FAD staff during inspection visits, 1/ comments received from ministers and officials of recipient countries, often at the Annual Meeting, and follow-up visits. 2/

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1/ Twenty such visits were undertaken in 1983 to Antigua, Bahrain, Belize, Botswana, Central African Republic, Ecuador, The Gambia, Guinea-Bissau (2), Haiti, Mali, Niger, Papua New Guinea, Sierra Leone, Sudan (2), Swaziland, Upper Volta, Uruguay, and the Yemen Arab Republic. (Those in Guinea-Bissau and Niger were undertaken by FAD staff in the course of Fund missions.)

2/ Eight such visits were undertaken in 1983 to Bahrain, Burundi, Malaysia (2), Morocco, Rwanda, Vanuatu, and Zaire.

### Antigua

I. A technical assistance mission, comprising two FAD staff members and a British member of the fiscal panel on long-term assignment as Fiscal Advisor in Antigua and Barbuda (see below), reviewed the tax system from February 14 to March 10, 1983. The mission observed that the need to raise tax revenue was accentuated by growing budget deficits. It concluded that emphasis also had to be placed on the expenditure side. Proposals were consequently made to improve control over current expenditure, improving budget estimates, and eliminating the earmarking of revenue to extrabudgetary funds. The mission's review of the tax system and its reform coincided with the finalization of the 1983 budget. A report was submitted to the authorities in April 1983.

II. The British member of the fiscal panel assigned as Fiscal Advisor in mid-1982 continued to provide advice and assistance throughout 1983. At the request of the authorities his assignment was extended until early 1984. He was primarily concerned with budget formulation, fiscal reporting, and expenditure control. By the end of the year, reports were being prepared on a regular basis to ensure that ministers and senior officials were kept properly informed. Expenditure control procedures were improved. Assistance was also provided in the recording of domestic and foreign debt, and through a study of the financial condition of a number of the nonfinancial public enterprises that require financial support from the central administration.

### Bahrain

Following a request for technical assistance to implement a Fund staff report on government financial management in Bahrain, an Australian member of the fiscal panel was assigned as Budget Advisor to the Ministry of Finance and National Economy in September 1982 for an initial period of one year. The assignment was later extended for six months. The principal objectives of the assignment were to provide advice on, and assistance in, the implementation of an economic and financial control system, the introduction of a multiyear financial planning system, and the restructuring of the budget on a more program-oriented basis. The advisor helped develop a new budget classification system. Budget information is now fully computerized and is available promptly and in considerable detail. The expert has been closely associated with the successful installation of a computerized system for accounts payable and the general ledger. Further enhancements are being introduced or considered. As part of these developments, the advisor submitted recommendations for the reorganization of the Ministry of Finance and National Economy: these have been accepted and implemented. The advisor has also assisted in the preparation of a finance manual and in the recruitment of professional staff.

In March 1984 he was succeeded by a New Zealand panel member, also a serving government officer.

#### Barbados

In response to a request from the authorities for a review of the accounting system of the National Insurance Scheme, a FAD staff member and a Sri Lankan panel member visited Barbados in October 1983. After a review of the system, the mission submitted a detailed report on the improvements needed. The recommendations made in the report, which cover improved procedures for accounting and internal audit, have since been accepted by the authorities.

#### Belize

Following a request from the authorities, the Fund assigned a Ghanaian member of the fiscal panel to Belize in December 1982 for an initial period of one year. His assignment was subsequently extended through June 1984. The expert has provided advice on, and assistance in, the implementation of the recommendations made in a technical assistance report prepared by a FAD staff member. A fully staffed budget office in charge of budget policy implementation was established with his assistance. Substantial improvements have been achieved in the recurrent revenue and expenditure estimates. A system for the quarterly allotment of funds was adopted and monthly expenditure is being closely monitored. New accounting machines are now in operation and a computer center has been installed with the capacity to undertake the accounting work of spending agencies.

#### Bhutan

In response to a request by the authorities, a FAD staff member and a British member of the fiscal panel visited Thimphu in June-July 1983 to conduct a review of the budgetary system, including accounting and fiscal reporting. On its return to headquarters, the mission prepared a report recommending a wide range of reforms; this report was transmitted to the authorities in September 1983. The recommendations included the introduction of a new unified budgetary and accounting classification, the rationalization and reclassification of revenue, and the restructuring of the expenditure estimates. On the accounting side, the mission recommended the establishment of controls on the use of imprests and revolving funds, and the preparation of consolidated and timely final accounts.

### Botswana

A Sri Lankan member of the fiscal panel was assigned for one year as Tax Advisor in April 1981. His assignment was subsequently extended through April 1984. Initially he advised on internal tax issues and on the establishment of a tax policy unit as recommended by a FAD staff technical assistance mission in 1980. He later assisted the authorities in preparing a tax reform package and in introducing sales and capital transfer taxes. During 1983 he advised on the reorganization of the tax administration headquarters and on a range of tax policy issues.

### Central African Republic

A French member of the fiscal panel was assigned for one year as Tax Advisor to the Central African Republic in June 1982. Initially he gave advice on tax policy issues to improve equity and to increase revenue through reducing deductions under the schedular income taxes and eliminating income-splitting under the general income tax, as was recommended by the September 1977 FAD staff technical assistance report. Later he provided assistance on administrative matters, such as the use of taxpayer survey findings for tax assessment purposes and the collection of business license fees.

### Comoros

A French member of the fiscal panel was assigned as Tax Advisor in April 1981 for an initial period of one year; his assignment was subsequently extended through June 1983. In the first year of his assignment he advised on the establishment of a unified tax service as recommended by a FAD staff technical assistance mission in July 1980. He later assisted in training tax officials of the new unified service. He has also assisted in the implementation of a turnover tax and in the introduction of centralized monthly statistics.

In April 1984 he was succeeded by another French panel expert, also a serving government officer.

### Costa Rica

In response to a request from the authorities, a Brazilian member of the fiscal panel was assigned to Costa Rica in August 1980 for an initial period of one year; his assignment was subsequently extended through December 1983. The expert has provided assistance in the implementation of the recommendations contained in a 1978 FAD report on budgetary procedures. He has advised the Budget Authority and its Technical Secretariat in establishing budget policy guidelines for public sector entities. He has assisted in the improvement of the recording



and reporting of budgetary and extrabudgetary revenue collections, in the consolidation of the budget of nonfinancial public sector entities on an accrual and on a cash basis, and in the analysis of monthly cash flows of the National Treasury and the nonfinancial public sector. The expert has also assisted in the preparation of a preliminary draft law aimed at reducing revenue earmarking and compulsory spending. He has provided on-the-job training in government budgeting and financial management to officials of the public nonfinancial administration.

#### Dominica

I. A U.S. member of the fiscal panel visited Dominica for two weeks in April 1983 to advise on reforming its consumption duty. He left an aide-mémoire in the field, and subsequently prepared a report which was transmitted to the authorities in June. His main recommendations were to rationalize the consumption duty rate structure by adopting a narrower band of rates comprising a standard rate, a reduced rate on most essential goods, and an enhanced rate on luxury goods. It was found that a revision of the rate structure should provide an opportunity to increase revenue by taxing selected goods and government imports that are now exempted, and by increasing specific duties on gasoline and on some undertaxed beverages. The study also disclosed certain areas in which administration of the consumption duty could be improved.

II. A British member of the fiscal panel was assigned as Accounting Advisor to the Ministry of Finance, Trade, and Industry in June 1981 for an initial period of one year. His assignment was subsequently extended through June 1983. The expert assisted the authorities in achieving significant improvements in the standard of financial administration. He also advised on the improvement of accounting practices and in making full use of a recently installed computer. As a result, government accounts are being prepared on a more timely basis. More recently the expert has devoted attention to financial control at the agency level, and to providing general support and assistance to the financial administration, including the preparation of a new Finance and Audit Act.

III. In response to a further request, a British member of the fiscal panel was assigned to serve as Budget Advisor for a period of six months from December 1983 (he had previously served in the island from February 1979 to August 1981, vide EBD/82/103, p. 46). The advisor's prime responsibility will be to assist in the formulation of the 1984/85 budget. He will also review the current machinery for expenditure control and for revenue collection. This review would include the functional and financial relationships of public enterprises to government.

### Ecuador

In response to a request from the authorities, a Chilean member of the fiscal panel was assigned to Ecuador in February 1981 for an initial period of one year; his assignment was successively extended through July 1984.

The expert has provided advice and assistance to the Office of the Comptroller General and the General Accounting Office in the Ministry of Finance as follows: in the implementation of a manual on government accounting that was prepared by his predecessor; in the preparation of a revised edition of the manual based upon the experience of its initial implementation; and in the preparation of several supplementary accounting manuals for specific entities of the central administration and for the National Treasury. The revised manual is now being implemented in the central administration and in several nonfinancial public enterprises; the expert has assisted in extending the manual's implementation to regional and local governments. The expert has been involved in providing on-the-job training in the implementation of the manual and in preparing several papers for training seminars. He has also advised on the preparation of a comprehensive report on the financial transactions of the central administration, including the National Treasury, for the fiscal year 1982, and on improvements in budgetary procedures with a direct bearing on government accounting.

### Equatorial Guinea

Following a request by the authorities, a FAD staff member was assigned in January 1983 for six weeks to advise on budget preparation and related matters. He assisted in the preparation of a preliminary budget for 1983, including a detailed classification of current expenditures, capital outlays, and financing operations. Balances of current and capital obligations incurred and unpaid at the end of the previous fiscal year were classified in detail and shown in the preliminary budget for 1983 as were the foreign exchange component of budgetary transactions. At the request of the Minister of Finance, he also prepared an aide-mémoire that included recommendations for the reduction of the overall deficit of the preliminary budget to a level commensurate with the financial capabilities of the country.

### Fiji

I. In August 1983, a report was issued summarizing the results of a FAD survey of the tax systems and containing short-term as well as medium-term tax-related recommendations undertaken in March 1983. This will be provided early in 1984.

II. A U.S. member of the fiscal panel visited Fiji for two weeks in May 1983 to implement the recommendations made in the Fund report with respect to greater use of computer technology. He reviewed computer operations and suggested new procedures; he also advised on the revision of the Inland Revenue Department manual. A follow-up visit will be made in 1984.

#### Gabon

The two-year assignment of a French member of the fiscal panel ended in August 1983. The expert directly advised the Minister of Economy and Finance on policy questions in the area of expenditure control, and worked on a day-to-day basis with the Expenditure Control Department of the same Ministry. He assisted in formulating improvements in the management and accounting of current expenditure for supplies and personnel. He also worked with the Director of the Treasury to design a new system to coordinate the budgeting and financial management of local authorities.

#### The Gambia

I. An Indian member of the fiscal panel was assigned as Budget Advisor in March 1979 for an initial period of one year to assist the authorities in improving budget formulation procedures, re-evaluating budget documents, and introducing a simple financial reporting system (see EBD/83/139, p. 58). His assignment was subsequently extended through August 1983.

II. In response to a further request from the authorities and to ensure that the work initiated by the previous expert is carried forward and systematically implemented, another Indian member of the fiscal panel was assigned as Budget Advisor in November 1983 for some ten months. The expert's principal tasks will be to consolidate and improve the measures introduced by the authorities, principally in relation to classification of estimates, control of payments, and monitoring of reporting systems. He will also assist in the formulation process of the 1984/85 budget. The expert has commenced work on a mid-term review of budget execution and on reviewing revenue and expenditure information systems and data flows.

#### Guinea Bissau

I. In response to a request for technical assistance in implementing recommendations made by a FAD technical assistance mission in 1980, a Portuguese member of the fiscal panel was assigned to Guinea-Bissau in May 1982 as Tax Advisor for a period of one year. His assignment was subsequently extended through November 1983. [He will commence a new one-year assignment mid-1984.]

The expert assisted in reforming the income and real estate tax legislation so as to integrate similar taxes, to convert the tax system to use of actual rather than imputed bases, and to abolish unnecessary rates. He also helped the authorities accelerate speedier tax collection procedures, improve taxpayers' registration and set up an enforcement "brigade." He assisted in the reform of the tax administration, including the organization of tax court services, and trained tax officials.

II. In response to another request, a Chilean member of the fiscal panel was assigned as Fiscal Advisor for one year from mid-February 1983, subsequently extended for a second year. Her principal tasks were to assist the authorities in improving the present system of budget formulation and execution and to integrate these improvements with the planning process.

In regard to the budgetary process, the expert successfully assisted the authorities in unifying and rationalizing the information required for the formulation of the budget. She also updated and revised the budgetary classifications to eliminate unnecessary duplication and to facilitate their identification throughout the execution of the budget. In regard to the coordination of the budget and the planning process, the expert reviewed the investment projects to be included in the capital budget and made good progress in the elaboration of a unified budget which would include both current and capital expenditures.

### Haiti

I. Technical assistance in government accounting by a French member of the fiscal panel continued in 1983 (see EBD/83/139, p. 59). During the year he helped the authorities to implement recommendations made by a 1978 technical assistance mission. He proposed and discussed with officials and with several aid agencies a new system for investment recording and the initiation of a functional classification of budget expenditure.

II. In 1982, a FAD staff mission undertook a study of a general sales tax (see EBD/83/139, p. 59). On November 3, 1982, the authorities adopted a law based on the mission's study. To help the authorities implement the tax, a Canadian panel member was assigned as Tax Advisor in November 1982 for an initial period of one year and subsequently extended through January 1984.

Advice was given on the preparatory work and training associated with the new sales tax, and monitored the various aspects of the introduction of the new tax. He also recommended solutions to problems that arose in the early stages of the implementation of the tax.

III. To continue the progress achieved in the tax area, a French member of the fiscal panel was assigned as a general advisor for technical tax matters, beginning mid-December 1983. He is expected to advise on the improvement of the sales tax administration, the audit function, statistics, and internal communications. He is also expected to help the authorities clarify the structure of the Tax Service.

#### Lebanon

At the Finance Minister's request, a mission consisting of two staff members (one from FAD, one from BUR), a French panel member, and a secretary visited Beirut for two weeks in May 1983.

The mission devised a methodology to consolidate all government expenditure and developed a computer program to classify these expenditure data by function. An aide-mémoire was given to the authorities, which contained recommendations on correcting the deficiencies of the present system.

#### Maldives

Following a request for technical assistance in budgeting, accounting, and fiscal reporting, a British member of the fiscal panel was assigned as Budget Advisor for an initial period of one year from October 1981 (see EBD/83/139, p. 62). The assignment was later extended through April 1983. The expert's tasks were to review the process of budget formulation (including revenue forecasting) and the determination of fiscal policy, and to advise on systems and administrative improvements to obtain more timely, accurate, and comprehensive accounts and other financial information for management.

The expert assisted the authorities in the introduction of improvements to the budget document, examined the role of state enterprises with a view to establishing a system for monitoring their financial performance, and proposed the establishment of a centralized accounts and payments unit in the Department of Finance. He prepared an analysis of the public debt and assisted local officials in the forecasting and monitoring of revenue. Assistance was also given on the financial aspects of the Development Plan. The authorities have implemented some of the expert's recommendations.

### Mali

In response to a request, the Fund assigned an Indian member of the fiscal panel as Budget Advisor for one year from mid-August 1982 (see EBD/83/139, p. 62). During this period the expert advised on the preparation and the execution of the budget, on the consolidation of budgetary operations, and on the improvement of budgetary accounting. As part of his work in the consolidation of budgetary operations, the expert devoted particular attention to the special accounts and funds. He helped collect, consolidate, and present data on these funds which, during Fund consultations, proved to be valuable.

At the completion of this assignment, and in response to a request for a continuation of assistance, the Fund assigned a French member of the fiscal panel as Budget Advisor for one year commencing January 1984. This expert will continue the work of the previous expert.

### Mauritania

In response to a request for a review of the government finance system and policies, a technical assistance mission composed of two FAD staff members and two members of the fiscal panel (French and Democratic Kampuchean nationals, respectively) visited Nouakchott in September-October 1983. The mission prepared a draft report in the field that contained recommendations in the areas of taxation, budgeting, expenditure policies, and treasury management, addressing both policy options and administrative improvements. The authorities have created several ad hoc commissions to study the recommendations. These commissions endorsed most of the mission's recommendations and proposed a detailed plan of action for 1984. A number of these tax recommendations were enacted as part of the 1984 Finance Law.

### Mauritius

I. An Irish member of the fiscal panel was assigned to the Ministry of Finance as Budget Advisor in January 1981 for an initial period of one year (see EBD/83/139, p. 63). His assignment was subsequently extended through July 1983. The expert was engaged in improving financial administration and budget formulation. He was instrumental in introducing improved procedures for cash management, for the monitoring of revenue and expenditure flows, and for forecasting budgetary estimates. He also helped the Economic Intelligence Unit develop a capability for fiscal analysis, helped strengthen expenditure control through the preparation of a handbook, and assisted in the provision of training courses.

II. A British member of the fiscal panel was assigned as Tax Advisor to the Minister of Finance in October 1982 for an initial period of six months, subsequently extended through August 1983 (see EBD/83/139, p. 64). He assisted with the introduction and the implementation of the Sales Tax Act based on a FAD staff report of February 1980. He particularly advised on administrative organization and procedures, training requirements, liaison with staff of other governmental departments, and use of information to minimize tax evasion. He also helped the authorities in the customs field to rationalize the rates of the customs tariff, to improve statistical information on imports and exports, to reform the bonded warehouse system, and to analyze problems arising from customs exemptions. [He was reassigned in 1984.]

III. In February 1983, a mission comprising a FAD staff member and a British member of the fiscal panel visited Mauritius for a two-week period. The mission advised the authorities on the creation of a Unified Revenue Board (URB), the structure of corporate taxation, and the introduction of a wealth tax. The Minister has already accepted the recommendations on the URB and the Fund is providing an advisor in 1984 to assist in implementation. [Further assistance was given in 1984 on corporate tax matters by the same team.]

#### Federated States of Micronesia

Following a staff survey of technical assistance needs and in response to a subsequent request, a U.S. member of the fiscal panel visited Micronesia for four weeks from June 1983. His main task was to review procedures for the control and management of public finances at both the federal and state level, and to recommend measures to improve budget formulation and monitoring. He made recommendations, including proposals for the establishment of a National Development Authority to strengthen the development effort, together with measures to improve expenditure control, cash management, and financial reporting procedures. A report was transmitted in October 1983.

#### Morocco

As indicated in EBD/83/139, p. 64, FAD has been actively involved in a number of major tax reforms undertaken by Morocco. These reforms include: (a) replacing the current schedular and complementary income taxes with a general unitary income tax (IGR) on individuals and a separate tax on corporations, (b) introducing a value-added tax in lieu of the tax on products and services, and (c) introducing a property tax on urban land. These reforms were outlined by a 1978 technical assistance mission comprising three FAD staff members.

In 1982 a FAD staff member visited Morocco to advise on the taxation of agricultural income and to outline the statistical studies that would shed light on the revenue effects and distributional changes that may follow the proposed reform. A report covering these issues was prepared.

In 1983 the same staff member twice visited Morocco to assist the authorities in finalizing the draft of the corporate income tax and the general income tax. The draft corporate tax was reviewed and a number of suggestions were made and incorporated in a revised draft. He also assisted in designing the appropriate rate scale of the general income tax, the size of personal exemptions, and the degree of differentiation in favor of wages and salaries. [A further visit followed in 1984.]

#### Niger

Following the March 1982 FAD survey of Niger's tax system, the French panel expert on the team was assigned to Niamey as Tax Administration Advisor in September 1982. His initial six months tour of duty was subsequently extended through March 1984.

The expert has helped the authorities implement the recommendations of the Fund tax report. Throughout 1983, he provided assistance in upgrading taxpayers' registers for cross-checking and tax assessment purposes, in training officials for office and field audit activities, in improving information flow and use within the Tax Department, and in using automated data processing. The expert has actively participated in the reorganization of the Tax Department so as to arrange tax offices by major taxpayer category and to create a General Directorate of Taxes with headquarters functions. He has assisted the tax committees that are studying the adoption of tax measures, and is presently involved with the administrative implementation of tax changes introduced by the 1983/84 Budget Law.

#### Nigeria

Following a staff survey of technical assistance needs and at the request of the Federal authorities, a U.S. member of the fiscal panel visited Lagos in January 1983 to study the feasibility of applying computer technology and other processing techniques to modernize and improve federal tax administration. The expert also studied the possibility for creating a tax master file system that would be instrumental in the detection of delinquent taxpayers and in the strengthening of tax collection and audit.



### Panama

At the request of the authorities, a Chilean member of the fiscal panel was assigned as Customs Advisor for an initial period of one year, beginning October 1982 (see EBD/83/139, p. 65). This assignment was extended for a second year.

The expert has advised on ways to improve customs organization, to streamline procedures, and on ways to improve collection of duties, accounting, statistical reporting, and the enforcement and training of technical and administrative staff. He has also advised on the changeover from f.o.b. to c.i.f. as a basis for duties, and in establishing sound valuation methods.

A decree reorganizing the Customs Department was prepared with the assistance of the expert, and recently signed. A "Commission for Reform" was established to implement the organizational changes. A training program was approved and courses were initiated. Preparations are being made to establish a major in customs at the National University of Panama. The expert drafted amendments to the Tariff Law, a new set of procedures for import declaration, and a simplified system of taxation of goods imported by travelers in their luggage.

### Papua New Guinea

I. A British member of the fiscal panel was assigned as Customs Advisor for a period of one year from October 1982 (see EBD/83/139, p. 66). The purpose of his assignment was to help the authorities implement the recommendations made in the 1978 FAD staff technical assistance report. His work covered all aspects of customs administration. Progress during 1983 can be summarized as follows: (1) The expert was instrumental in revising the schedule of exemptions, which allowed the introduction of a new tariff, based on the Customs Cooperation Council Nomenclature. He also helped solve the problems arising from implementation of the new tariff. (2) Administrative instructions were revised and a management information system set up. (3) A training plan was devised and a training officer appointed. (4) Customs valuation problems have been studied and efforts made to set up effective procedures. (5) The expert assisted in drafting amendments to the customs law, and in revising entry and clearance procedures and the internal audit system. (6) In the area of excise, he assisted in revising the beer excise law and the control system for warehouses, and advised on legislation and control measures concerning a new distillery. [A follow-up visit will be made in 1984.]

II. The authorities received technical assistance from the Fund during 1979 in regard to the policy framework governing the operations of nonfinancial public enterprises. The recommendations in this report were broadly accepted by the Government and they sought additional Fund assistance to design an information system on the operations of enterprises. Accordingly, a Sri Lankan member of the fiscal panel was assigned to Papua new Guinea for six months from March 1983.

He made suggestions for improvements in the generation and use of financial information in the enterprises, from enterprises to the sponsoring ministries, and from enterprises to central agencies such as Planning and Finance. His recommendations were consolidated in a report which was sent to the authorities at the end of the year.

#### Peru

I. In response to a request for technical assistance in a broad range of issues regarding administration of the value-added tax (VAT) and the income taxes, with special reference to collection methods, an Argentine member of the fiscal panel was assigned to Lima for several missions; the first from May through November 1982, followed by missions in January-April, July-September, and October-November 1983. The panel member gave advice with respect to the organizational structure for the collection function, the systems to be used by provincial offices, the establishment of new computer systems and a taxpayer register, the computerization of the collection function, and the use of payments vouchers and other techniques for small taxpayers. [Further visits followed in 1984.]

II. As part of the program of technical assistance to the Peruvian Tax Service requested by the authorities, a second panel member from Argentina was sent to Lima for an initial period from February through May 1983, followed by a further visit in August-October 1983. The main thrust of the expert's work was in the field of audit of sales and income taxes.

#### Rwanda

I. A FAD staff mission visited Kigali for three weeks in April 1983 to survey the tax and customs systems. On the basis of the mission's report, a government commission has been set up to implement its recommendations.

II. On matters of budgeting and government accounting, an Italian member of the fiscal panel made a brief diagnostic mission to Rwanda in June 1983. Since the Bank is providing assistance in the same field, there has been no further Fund activity on this matter.

III. In the course of the tax survey mission mentioned above, a request for technical assistance in the customs field was made. A French member of the fiscal panel was subsequently assigned as Customs Advisor for four months from mid-September 1983. At the beginning of this assignment, he was visited by a FAD staff member for two weeks to finalize plans for the training course, to work on the establishment of a permanent training unit, and to give lectures. During his assignment, the expert monitored progress on all aspects of the training program, including the preparation of a basic instruction manual and the establishment of a permanent staff in charge of the Department's training program. He also gave advice on problems of customs administration and procedures, that related mainly to the reinforcement of the supervision of customs offices, customs valuation control, and the internal transit system.

#### Seychelles

Following discussion at the Annual Meeting, an Australian member of the fiscal panel was assigned as Budget Advisor in December 1983. He will continue the work in the implementation of the recommendations of the technical assistance report prepared by a FAD staff mission in 1981. He will give advice and assistance on a wide range of budgetary issues including the relationship of recurrent and development expenditure and the control of the nonfinancial public enterprises.

#### Sierra Leone

Technical assistance in the fiscal area has been provided in Sierra Leone for a number of years. Most recently, an Indian member of the fiscal panel was assigned as Fiscal Advisor from May 1978 to May 1982 (EBD/83/139, p. 68). The expert assisted the authorities in their efforts to improve financial management, particularly in the areas of budget formulation and execution, expenditure control, and financial reporting.

At the conclusion of the expert's assignment, and because of political difficulties prevailing at that time which resulted in changes in technical personnel, budgetary discipline slackened in 1982. The authorities therefore requested further assistance in the budget field to restore budgetary procedures and to assist in the formulation of the 1983/84 budget. In response to this new request, the Fund assigned an Iranian member of the fiscal panel as Budget Advisor for an initial period of six months starting in April 1983. His assignment was subsequently extended through October 1984.

During the first nine months of his assignment, progress was achieved in several areas of the budgetary process: revitalizing the Budget Advisory Committee that overlooks fiscal developments and financial management, assisting in the formulation of the budget for 1983/84, preparing the periodic statistical and analytical reports on government financial operations, making progress towards the integration of and better coordination between the current and development budgets, and in on-the-job training activities.

#### Solomon Islands

Following a request by the authorities, a mission comprising a Fund consultant and an Irish member of the fiscal panel visited Honiara for three weeks in August 1983 to review the financial management system of the Central Government and to initiate a fiscal reporting system. The mission examined budgetary procedures both in regard to the preparation and to the implementation of the recurrent and development budgets, including aid management, and identified weaknesses in certain areas. These related mainly to budget preparation and the management of aid flows, and the mission made specific recommendations for improvements in these areas. The mission also explored the statistical base for a fiscal reporting system and recommended the adoption of a comprehensive system covering expenditure, revenue, and financing data for the Central Government. This fiscal reporting system was outlined and stages of implementation were recommended. A report containing the mission's findings was subsequently transmitted to the authorities in October 1983.

#### Somalia

In response to a request from the authorities, a Sudanese member of the fiscal panel was assigned to Somalia as Revenue Advisor for one year, beginning December 1983. He will advise on a wide range of tax matters: securing the administrative requirements for the introduction of a general sales tax, reforming the system for taxing public enterprises, streamlining the present stamp duty structure, and reviewing the income tax system. The expert will be guided by the recommendations made in a tax survey prepared by a Fund staff technical assistance mission in 1980.

#### Sudan

An Indian member of the fiscal panel was assigned as Fiscal Advisor in April 1982 for a period of one year (see EBD/83/139, p. 70); his assignment was subsequently extended for a second year. His work has concerned the areas of expenditure control, fiscal reporting, and the

management of external assistance, particularly commodity aid. Substantial progress has been made in all assigned areas: control of cash operations, expenditure sanctioning procedures, preparation and monitoring of a cash budget (in large part through the establishment of a monthly reporting system), and coordination between the expenditure disbursement unit and the accounts unit. In addition, a system to improve the reporting and financial control of commodity aid has been established under the aegis of a Commodity Aid Committee which represents various departments, ministries, and institutions that handle such aid. This more comprehensive and timely reporting system should benefit the budgeting process which had been greatly hampered by lack of up-to-date information.

#### Swaziland

An Australian member of the fiscal panel was assigned as Budget Advisor for one year in June 1982 (see EBD/83/139, p. 71). His assignment focused on improving the quality of analysis and the procedures for budget preparation and execution. His assignment was subsequently extended to June 1984, an important objective being to ensure that the systems of budget preparation, monitoring, and control which had been introduced over recent years with Fund technical assistance, could be maintained by the existing personnel in the central ministries following the conclusion of the expert's assignment. To this end, the advisor has conducted seminars and training sessions and is preparing documentation to support the systems. He has also provided assistance in the preparation of the Fourth National Development Plan for Swaziland and has helped to upgrade the recording of external public debt.

#### Tanzania

A Sri Lankan member of the fiscal panel was assigned as Tax Administration Advisor in March 1981 for an initial period of six months (see EBD/83/139, p. 71); his assignment was subsequently extended through March 1983. Initially, the expert's work focused on improving revenues by strengthening the existing field audit capability along the lines recommended in a 1978 FAD staff technical assistance report. Particular emphasis was placed on training audit officers and the preparation of an audit manual and special audit instructions regarding parastatal enterprises. The expert assisted in establishing a new appellate system, in devising methods to eliminate assessment backlogs, in designing a system for coding taxpayers' files according to economic activity, and in establishing an Information and Economic Intelligence Branch for income tax enforcement purposes. He advised the authorities on the consolidation and revision of the Income Tax Act. During the last period of his assignment he assisted in the reorganization of the direct tax administration, which included drafting the administrative framework for the new directorates.

## Thailand

I. Through a series of long- and short-term assignments by panel members and FAD staff, technical assistance has been provided in Thailand to improve tax administration and modernize tax-related data processing and management undertaken in 1976. Technical advice and assistance has been given to the major revenue-producing departments and the Ministry of Finance itself (EBD/83/139, p. 72). They provided assistance in the administration of property taxes, the reorganization of the Customs, Excise, and Revenue Departments, and the application of computer technology to income and business tax assessments and collection. They advised on assessment, audit, and collection functions through training tax officials, and on improving fiscal reporting.

The experts have most recently advised the authorities on: the establishment of eight field offices in the greater Bangkok area with responsibility for auditing and assisting taxpayers with only general guidance from the headquarter's new Auditing Management Division; the establishment of a document processing center with its own computer facilities which has accelerated the processing of tax returns and issuing of refunds; the creation of a master file system to identify delinquent filers of corporation and business tax and to assist in the audit by applying criteria to identify tax returns with high examination potential.

II. A U.S. member of the fiscal panel was assigned to Thailand during April-June 1983 to assist the Revenue Department manage the audit function. Assistance was provided in developing criteria for selecting returns for audit, including the accumulation of data to refine audit criteria, in establishing controls to measure audit capacity effectively and to monitor program accomplishments; to the newly created Audit Management Division in developing criteria and methods of evaluating the management effectiveness of the newly created eight local (Bangkok) field offices; in developing handbooks for audit supervisors and section chiefs defining their responsibilities; and in training audit supervisors in techniques to evaluate and assist subordinates of the Revenue Department in their responsibilities as tax administrators, including conducting a pilot training course for supervisors.

III. A U.S. member of the fiscal panel visited Thailand on a four-month mission which was extended in January 1983, followed by a visit of two and one half months which began in May 1983 to assist in implementing the computerized tax master file system plan. Accomplishments included resolving taxpayer identification, improving performance of the processing center, and initiating computer follow-up on delinquent taxpayers. Also, advice was provided on short-range needs and long-term plans on additional computer equipment utilization to improve tax administration.

IV. In May-June 1983 two FAD staff members and an Irish member of the fiscal panel visited Bangkok to assist the Thai authorities in determining the most appropriate way to tax consumption in the short and medium terms, including a study of the feasibility of a value-added tax. An extensive report, which was transmitted in September 1983, suggested that the three major taxes levied on consumption--the business tax, excises, and import duties--be coordinated and rationalized by assigning, to the extent possible, a distinct and specific objective to each levy.

The report was first discussed with the authorities at the time of the Annual Meeting and then again in early November 1983 when the Director of FAD and a FAD staff member stopped off in Bangkok to review outstanding technical assistance matters.

V. A FAD mission comprising a FAD staff member and a U.S. member of the fiscal panel visited Thailand and undertook a review of fiscal reporting in the Government and in the revenue departments. The mission prepared a report that identified the weaknesses of the existing system, and made recommendations for improvement. The authorities have accepted the recommendations and have issued instructions for improving data on the fiscal operations of the Government and the operations of the Department of Revenue. The progress in the implementation of recommendations has, however, been less than expected owing, inter alia, to the paucity of trained personnel. Further technical assistance is contemplated for 1984.

#### Togo

A French member of the fiscal panel was assigned to Lomé for six months in the first half of 1983 to assist the authorities in establishing a framework for within-year reporting of consolidated fiscal operations, and to facilitate monitoring and control. The expert assisted in establishing the methodology to derive consolidated fiscal figures from accounting and other data available, with particular attention paid to problems of expenditure control and discrepancies between monetary and fiscal accounts. Progress was also made in accelerating the monthly reporting system in the Treasury, in improving the debt monitoring exercise which is the responsibility of the Debt Amortization Agency (FNADP/SNI), and in improving data collection on public investment and its financing in the Ministry of Planning. The expert also assisted in aspects of data computerization, gave a one-week seminar on Public Finance and Fiscal Information, and provided training to Togolese officers involved in relevant fields.

### Trinidad and Tobago

Following an urgent request from the authorities for a review of the country's indirect tax system, a technical assistance mission visited Port-of-Spain in March 1983. A detailed report, containing the mission's analysis and recommendations for making the indirect tax system a more effective instrument of meeting budgetary needs and other objectives of the Government, was sent to the authorities in May.

### Tunisia

At the Finance Minister's request, a technical assistance mission consisting of three staff members (two from FAD and one from BUR) and a secretary visited Tunis for about four weeks early 1983. The mission established a methodology for the consolidation of public finance data for use with both the existing accounting system and a new accounting plan which is in the process of being implemented. The mission explained new economic and functional budget classifications to the officials concerned and helped to establish a better information system for the public debt. The mission also discussed the new accounting plan and suggested various changes which will provide more relevant data. The mission also gave a two-day seminar on public finance statistics for Tunisian officials. The Finance Minister was given an aide-mémoire summarizing the discussions held and the recommendations made by the mission.

### Uganda

I. A British member of the fiscal panel was assigned as Budget Advisor in January 1983 for a period of one year succeeding another British panel member (see EBD/83/139, p. 73). The purpose of his assignment was to help improve financial management and expenditure control which had been seriously weakened by several years of instability. The assignment benefited from the groundwork laid during earlier short-term assignments the previous year. The advisor has assisted in the improvement of budget preparation procedures and has advised on aspects of financial monitoring and control, including the system of cash allocation, monitoring of expenditure commitments, and the identification of extrabudgetary transactions. This has required consultation and coordination with other advisors in related areas. The format of the Development Budget estimates has also been revised and proposals have been submitted for the reclassification of a number of expenditure items.



II. Following a staff survey of technical assistance needs, a British member of the fiscal panel undertook a three-week study of indirect tax administration in September 1983. His work was an integral part of that undertaken a few weeks later by a FAD tax survey mission comprising a FAD staff member and a U.S. member of the fiscal panel. A LEG staff member accompanied them to prepare a redraft of the income tax act. The mission report was transmitted in February 1984.

#### Upper Volta

In June 1983 the Fund extended the assignment of a Democratic Kampuchea member of the fiscal panel for a second year. The assignment focuses on the improvement of budgetary structures and procedures. In the early part of the assignment, the expert designed a new budget nomenclature and, in late 1983, considered aspects of the implementing legislation. In addition, he provided advice on improved coordination between investment expenditure and the ordinary budget. He is also helping to improve techniques of budget preparation and execution and is advising the Minister of Finance on a broad range of financial and budgetary matters.

#### Uruguay

In response to a request for technical assistance in the areas of budgeting, accounting, and fiscal reporting, and following an identification mission by a FAD staff member in November 1980, a Chilean member of the fiscal panel was assigned as Advisor to the Accountant General in June 1981 (see EBD/83/139, p. 74). His assignment was for an initial period of one year, but was subsequently extended through July 1983.

The expert's principal task was the design and implementation of a new accounting system for government financial operations. He first conducted an in-depth study of the accounting system for government operations, and later became fully engaged in the work and coordination of 11 committees assigned to develop a new integrated accounting system. He assisted the authorities in improving the design and implementation of a system to record expenditure commitments, and helped improve the recording of public sector debt. He also advised the Accountant General on revisions to the revenue and expenditure classifications and general accounting procedures, and conducted extensive on-the-job training.

### Vanuatu

In response to a request from the authorities, a British member of the fiscal panel was assigned as Advisor to the Ministry of Finance in July 1983 for a period of six months. During his assignment the Budget Office was strengthened with additional staff, the format of the 1984 recurrent budget was improved with separate classifications of current and capital expenditure, and new revenue proposals were prepared by the Ministry of Finance and forwarded to the Cabinet Council for adoption. The expert's assistance was sought on a financial circular establishing important expenditure control measures for the execution of the 1984 budget. He assisted the Budget Committee in its deliberations and worked closely with the Accountant General on the design and improvement of budgetary procedures; he also provided on-the-job training on government budgeting.

### Yemen Arab Republic

I. Technical assistance to the Yemen Arab Republic in the customs field has been part of an extensive program of technical assistance in the fiscal field (see EBD/83/139, p. 75). Customs advice began in August 1975 and ended in December 1983. During 1983, a Sudanese member of the fiscal panel continued the consolidation of reforms initiated by his predecessors. The principal aspects of his terms of reference were: (a) enhancement of training programs, including the training of local instructors, and more efficient allocation of trained personnel; (b) further work on a statistical reporting system in connection with imports; (c) strengthening the antismuggling effort; (d) updating the customs tariff nomenclature; (e) finalizing and distributing the instruction manual; (f) updating the customs law and regulations and raising the standards of the tariff audit section.

In 1983 another seven-month training course was completed; two local instructors were appointed and are now preparing to teach. A new statistical form for imports was introduced: import statistics are being compiled and issued with less delay than in the past. Various antismuggling measures were proposed and are under consideration. The tariff nomenclature was updated according to the Customs Cooperation Council Nomenclature. The instruction manual for customs staff was completed and distributed. The expert prepared a draft updating the customs law; in addition, he reactivated the tariff audit work and a monthly reporting system for customs offices and stations, and made various proposals to improve control and clearance procedures.

II. Technical assistance in the field of internal tax administration has been provided to the Yemen Arab Republic since 1976 (see EBD/83/139, p. 75). In 1979, an Egyptian expert was succeeded by a Sudanese member of the fiscal panel. During his four-year assignment, the Sudanese expert advised the Tax Department on a wide range of issues: the simplification of profit tax assessment procedures, the reorganization of the Department's headquarters and regional offices, and the rationalization of the existing laws. He assisted in efforts to clear the backlog of profits tax assessments, in improving the recordkeeping and reporting systems in the regional offices, and in organizing the training program of the Tax Department. He also advised on the reorganization of the tax appeal system and on the collection of tax arrears.

III. Following discussion at the Annual Meeting concerning a request by the authorities for technical assistance to review the financial performance of selected public enterprises, a FAD mission visited Sana'a November 22-December 14, 1983. It comprised a FAD staff member and a Sri Lankan panel member. They reviewed the financial performance of five enterprises selected by the authorities including public utilities, trading organizations, and manufacturing units. A provisional report was submitted by the mission during its stay in the country, and a more detailed report is being prepared for transmission to the authorities.

Extract from EBD/79/86 Pages 13-17

1. Basic features of the Fund's technical assistance program in the fiscal field

The Fund technical assistance program is not intended to compete with other programs of technical assistance in the fiscal field but to complement them. <sup>1/</sup> Therefore, a preliminary requirement before Fund assistance can be extended is to ascertain whether others are already assisting the country.

Most short-term assignments are undertaken by staff members of the Fiscal Affairs Department, while long-term assignments of six months or more are usually carried out by members of the Fund's panel of fiscal experts. This international panel is composed of government officials, both those in service and retired, who have had long and varied experience, and of professional economists specializing in public finance. Several governments have made officials available for technical assistance assignments under the Fund's auspices, often through the help of the Executive Directors. In addition to checking on references, the Fiscal Affairs Department interviews candidates for the panel, making them aware of what is involved in such service for the Fund, and judging their expertise and suitability. The inclusion of an expert in the panel does not commit his government to release him nor commit the individual to accept a particular assignment; the panel constitutes, rather, a reservoir of specialized talent on which the Fund can draw to meet requests as quickly as possible. However, it frequently takes considerable time for a well qualified person to be released from his duties in order to take up a post as a fiscal expert in a member country.

All Fund fiscal experts serve in an advisory, rather than an executive, capacity. This policy was established by management in a memorandum dated July 29, 1963, delineating the functions of the new department, the Acting Managing Director stated that "staff members [providing technical assistance] shall serve in advisory capacities rather in executive positions." By analogy, this has been extended to the fiscal panel, who are Fund employees and are regarded as Fund staff members once they have been recruited and assigned to member countries.

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<sup>1/</sup> EBAP/63/82, dated July 16, 1963. It may be noted that the size of the technical assistance program in the fiscal field of the United Nations and the Organization of American States is now smaller than when the Fiscal Affairs Department was established. It is difficult to generalize about bilateral technical assistance programs in the fiscal field, but there are indications that overall they too may be smaller than they were in 1963.

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The rationale behind this policy is that it would not be desirable nor feasible for Fund employees to assume operational responsibilities in public finance matters that are closely linked with the political objectives and processes of the government.

2. Requests for technical assistance and the review process

Technical assistance is extended only when a specific request is received from an appropriate authority. Most requests originate either in the course of a Fund mission, when a public finance need is disclosed, or in informal discussions at the Annual Meetings. Often, requesting authorities make preliminary inquiries before making a formal request.

All requests are discussed fully with the area departments concerned, and where appropriate with other Fund departments, the World Bank, and other agencies, such as the United Nations and the Organization of American States. These discussions help to reveal the problems confronting the country and to determine whether other sources are already assisting the country.

If there is need for further identification of the specific problems and the type of expertise required, a FAD staff member visits the requesting country to review the requirements and to agree on a work program. This program helps to establish realistic objectives and assists the department in monitoring progress. The preliminary review also identifies the recipient country's commitment to undertake changes or adopt measures in order to achieve the objectives of the assignment. The resources to be supplied by the recipient country for the support of the technical assistance project are also assured. For example, it is generally required that counterpart staff be assigned as a means of providing practical training for national officials who will carry on when the advisor leaves. The review also indicates whether technical assistance can be better provided by Fund staff or by a member of the panel.

It is important that the program remain small, both to maintain its high quality and to permit proper monitoring by the department. In the majority of cases, therefore, a single expert is assigned to a country although more than one expert may be assigned if necessary. The assignment of a team of experts working under a leader has occasionally been found to be effective.

The review process is designed to make it probable that a vague or unrealistic request can be made specific enough to be useful to the member and to be capable of being handled by a Fund expert. Refusal of an unsatisfactory request rarely happens because if the review shows that the request is premature the country is encouraged not to proceed with it.

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Special attention is given to requests from newly independent countries, which often have serious fiscal problems and a grave shortage of experienced staff. Other considerations would be whether a request is for help in implementing Fund staff advice, whether the country has demonstrated earlier its ability to absorb Fund technical assistance, and whether the aim is structural reform in the public finance area in implementation of an extended Fund facility program.

Agreement on a work program and related matters with a member does not always ensure that adequate progress can be made within a reasonable time. The success of the assignment may be influenced by changes in government, new priorities, speed of implementation, and other factors. In such cases, the work program and other conditions may have to be revised. As a measure of last resort, if progress continues to be poor, consideration may be given to withdrawal of an expert.

3. Recruitment and briefing of panel experts

Once the review is complete, recommendations are made to Fund management. If it is agreed to provide assistance through the use of a panel member, a suitable expert is identified and his candidature proposed to the government, together with a summary of his qualifications and experience and an outline of the proposed administrative terms and conditions. Frequently, a letter is also sent to the appropriate authority stating the agreed objectives of the assignment.

Once he has been accepted, the expert is brought to Washington for a thorough briefing before he takes up his assignment in the field. The purpose of the briefing is to acquaint the expert with the Fund's framework and methods of operation and to set forth the terms of reference for the assignment and the relationship of the expert with the department. The expert is briefed on the substantive issues by the staff of the Fiscal Affairs Department, of the concerned area department and, if needed, of other Fund departments and the World Bank. He is also introduced to the Executive Director of the country receiving technical assistance.

4. Short-term assignments

Staff members of the Fiscal Affairs Department (sometimes in collaboration with members of the fiscal panel or with staff members from other departments) carry out short-term technical assistance assignments, 1/ such as surveys of the tax system and the potential

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1/ Staff technical assistance missions are subject to Executive Board approval under Rule N-15(d).

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revenue to be expected from reform, review of financial management practices, and the development of financial reporting systems. Detailed reports on problems, options available, manner and phasing of implementation, cost and manpower implications, and range of benefits or improvements that can be expected are submitted to the authorities as a framework for decision making.

In preparing these reports, account is taken of the Fund's views on policy questions, with full consultation with the other departments concerned. The distribution of the reports within the Fund staff is severely restricted. Normally, two copies are made available to World Bank staff of the relevant regional office for official use in work with the member country. The memorandum transmitting copies to the World Bank draws attention to the confidential nature of the report and requires that it should not be quoted or cited in Bank documents. A copy of each report is also sent to the Executive Director for the member country receiving the assistance. The Fund gives no outside publicity of any kind to technical assistance advice that is offered.

If, after studying a technical assistance report, the authorities of the member country decide to adopt some or all of its recommendations, they may request assistance in implementation. When the Fund agrees to give such assistance, it may provide for short visits by staff members or occasionally by panel members or for a long-term assignment of a panel member. These field activities may be supplemented at Fund headquarters by the preparation of draft legislation or regulations in collaboration with the Fund's Legal Department.

5. Operational control and assessment of results

The operational control of the FAD technical assistance activities is a continuous process. Fund advisors assigned to member countries are required to submit progress reports at intervals of not more than one month. These reports are copied routinely and sent to the area department concerned for information and comment. Although Fund fiscal advisors are expected to use their own judgment in offering advice on day-to-day problems, on major substantive issues they are required to report to the headquarters alternatives that appear feasible, as well as the basis for their recommendations, so that comments can be made, questions can be raised, and the experience of countries with similar problems can be examined.

Backstopping and operational controls are also supplemented by periodic inspection visits planned to take place at a critical period in the technical assistance assignment or at a time when an extension is being considered. During these visits, the staff assesses with the authorities the progress of the work program, calls attention to factors

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likely to affect the results of the assignment, and offers proposals on action that might be taken. Attempts are made to analyze the main successes and failures and to pinpoint responsibilities for them, including the government's success or failure in meeting its counterpart obligations. Frequently, the authorities are given the findings of an inspection visit, with the Fund staff's comments.

6. Debriefing and follow-up action

Responsibility for a technical assistance assignment in the fiscal field does not end with its formal closure in the field but continues for an appropriate period. After an assignment is completed, a panel expert returns to Washington for a debriefing, in the course of which full discussion of the results achieved and the problems still to be tackled provides an opportunity to assess the need for, and timing of, any follow-up action by Fund staff. While member countries are expected to be the prime movers in follow-up action, the Fiscal Affairs Department acts as a catalyst, where appropriate, by expressing readiness to render further technical assistance if desired. A letter may be sent to the authorities at the conclusion of an assignment pointing out necessary follow-up action, or information on subsequent developments may be obtained so that the need for further assistance may be determined in connection with a Fund mission. This latter method, together with informal contacts at the time of the Annual Meetings, has been useful in following up on FAD technical assistance activities.



Summary of Technical Assistance Provided in the Field by FAD  
from its Formation in 1964 until December 31, 1983

Country	Total Man-Months	Country	Total Man-Months
Algeria	3	Madagascar	7
Antigua	19	Malawi	30
Bahamas	85	Malaysia	77
Bahrain	19	Maldives	18
Bangladesh	10	Mali	22
Barbados	52	Mano River Union	1
Belize	13	Mauritania	41
Benin	16	Mauritius	92
Bhutan	5	Mexico	1
Bolivia	50	Micronesia	1
Botswana	69	Morocco	59
Brazil	2	Nepal	63
Burma	1	Netherlands Antilles	18
Burundi	105	New Zealand	2
Cameroon	2	Nicaragua	8
Cape Verde	9	Niger	19
Central African Customs and Economic Union (UDEAC)	1	Nigeria	1
Central African Republic	18	Oman	22
Chad	9	Pakistan	44
China, Republic of	42	Panama	23
Colombia	4	Papua New Guinea	47
Comoros	55	Paraguay	44
Congo, People's Republic of	12	Peru	87
Costa Rica	93	Philippines	16
Council of Arab Economic Unity	2	Portugal	7
Cyprus	2	Rwanda	101
Dominica	60	Saudi Arabia	2
Dominican Republic	4	Senegal	7
East African Community	8	Seychelles	12
Economic Community of West African States	2	Sierra Leone	213
Ecuador	127	Singapore	8
Egypt	26	Solomon Islands	6
Equatorial Guinea	17	Somalia	78
Ethiopia	109	Sri Lanka	55
Fiji	39	St. Kitts-Nevis	1
Gabon	40	St. Lucia	26
Gambia	91	Sudan	133
Ghana	18	Suriname	11
Grenada	33	Swaziland	81
Guatemala	3	Syrian Arab Republic	2
Guinea-Bissau	49	Tanzania	119
Haiti	154	Thailand	111
Honduras	4	Togo	22
Iceland	1	Trinidad and Tobago	18
Indonesia	421	Tunisia	29
Iran	10	Turkey	25
Ivory Coast	15	Uganda	46
Jamaica	11	United Arab Emirates	1
Jordan	15	Upper Volta	39
Kenya	56	Uruguay	25
Khmer Republic	1	Vanuatu	7
Korea	26	Venezuela	7
Lao Peoples Dem. Rep.	3	Viet-Nam	7
Lebanon	19	West African Economic Community	3
Lesotho	33	Western Samoa	3
Liberia	188	Yemen Arab Republic	427
		Zaire	4
		Zambia	5

Total: 115  
Total man-months: 4,665

Analysis by years:	1964	5	1971	191	1978	331
	1965	43	1972	253	1979	307
	1966	95	1973	295	1980	295
	1967	167	1974	291	1981	334
	1968	189	1975	216	1982	347
	1969	175	1976	222	1983	382
	1970	195	1977	331		4,665

FAD Technical Assistance Field Assignments  
from January 1 through December 31, 1983

Country	Number of Assignments	Area of Assignment	Man-Months	
			FAD Staff	Panel
Antigua	1	Budget		12
	1	Tax study	2	
Bahrain	1	Budget		12
Barbados	1	Review of accounting system of National Insurance Scheme	1	1
Belize	1	Budget		12
Bhutan	1	Budget study	1	1
Botswana	1	Taxation		12
Central African Republic	1	Taxation		6
Comoros	1	Taxation		6
Costa Rica	1	Budget		12
Dominica	1	Accounting, auditing, and financial reporting		6
	1	Taxation		1
	1	Budget		1
Ecuador	1	Accounting, auditing, and financial reporting		12
Equatorial Guinea	1	Budget	1	
Fiji	1	Tax study	2	1
	1	Taxation (ADP)		1
Gabon	1	Budget		7
Gambia	2	Budget		10
Guinea-Bissau	1	Taxation		10
	1	Budget		11

FAD Technical Assistance Field Assignments from January 1  
through December 31, 1983 (continued)

Country	Number of Assignments	Area of Assignment	Man-Months	
			FAD Staff	Panel
Haiti	1	Accounting, auditing, and financial reporting		12
	2	Taxation		13
Lebanon	1	Budget study <u>1/</u>	1	1
Maldives	1	Budget		4
Mali	1	Budget		7
Mauritania	1	Budget study	2	2
Mauritius	1	General financial management		7
	1	Taxation		8
	1	Tax study	1	1
Micronesia	1	General financial management		1
Morocco	1	Tax study	1	
Niger	1	Taxation		12
Nigeria	1	Taxation (ADP)		1
Panama	1	Customs		12
Papua New Guinea	1	Customs		9
	1	Accounting, auditing, and financial management		6
Peru	5	Taxation		11
Rwanda	1	Tax study <u>2/</u>	2	
	1	Budget study		1
	2	Customs training	1	3
Seychelles	1	Budget		1
Sierra Leone	1	Budget		9
Solomon Islands	1	Financial management study		2
Somalia	1	Taxation		1

FAD Technical Assistance Field Assignments from January 1  
through December 31, 1982 (concluded)

Country	Number of Assignments	Area of Assignment	Man-Months	
			FAD Staff	Panel
Sudan	1	Budget		12
Swaziland	1	Budget		12
Tanzania	1	Taxation		3
Thailand	1	Taxation (ADP)		2
	1	Fiscal reporting study	1	1
	1	Taxation (audit)		3
	1	Tax study	2	1
Togo	1	Accounting, auditing, and financial reporting		5
Trinidad and Tobago	1	Tax study	2	1
Tunisia	1	Accounting study <u>1/</u>	2	
Uganda	1	Budget		11
	1	Customs		1
	1	Tax study <u>3/</u>	1	1
Upper Volta	1	Budget		12
Uruguay	1	Accounting, auditing, and financial reporting		7
Vanuatu	1	Budget		5
Yemen Arab Republic	1	Taxation		10
	1	Customs		12
	1	Review of NPEs <u>4/</u>	1	1
46	71		24	358

1/ A staff member from BUR participated in this mission.

2/ A staff member from AFR participated in this mission.

3/ A staff member from LEG participated in this mission.

4/ A staff member from MED participated in this mission.

NOTE: A staff member from LEG visited Fiji and Western Samoa in connection with fiscal legislation.

Technical Assistance in Statistics

Prepared by the Bureau of Statistics

Approved by Werner Dannemann

June 15, 1984

This report reviews the program of technical assistance in statistics in 1983. A summary of the technical assistance provided during the year by staff of the Bureau of Statistics to member countries as well as to regional organizations is given in Section I. Section II presents a country-by-country survey of the technical assistance program in 1983. An historical overview of the Fund's program of technical assistance in statistics, which was presented in EBD/83/139 (May 20, 1983), is reproduced in Appendix I.

I. Summary of Technical Assistance in 1983

During 1983, staff of the Bureau of Statistics visited 52 countries and two regional organizations under the program to provide assistance to members in developing and improving their economic statistics. As in previous years, staff missions were concentrated in four main areas of statistics--money and banking, government finance, balance of payments, and general economic data. In addition, there were a number of visits to member countries in connection with the project on international banking statistics. In general, staff visits focused on the development of statistical capabilities in member countries, including in some newer member countries, the establishment of central bank bulletins, and the resolution of methodological and classification issues.

Of the total of 71 missions undertaken by Bureau staff in 1983, 66 were organized by Bureau staff; four (to Tunisia, Lebanon, and the Philippines, including a subsequent follow-up visit) were conducted in conjunction with other Fund departments; and through the provision of staff members as lecturers, the Bureau provided assistance to the Arab Monetary Fund in 1983 in the conduct of a regional seminar on balance of payments statistics.

The importance of data on international banking and external debt was reflected in the number of missions by Bureau staff to offshore banking centers and other countries included in the Fund's project on international banking statistics. In all, nine of these countries were visited in 1983 in order to describe the Fund's project and to assess the prospects for these countries' participation in the project, as well as to identify, and, if possible, resolve problems in the collection and reporting of data in the countries concerned. The project was also discussed in other countries being visited by Bureau staff on technical assistance missions in other areas of statistics.

One feature of government finance statistics missions during 1983 was the presentation of a three-day seminar on the underlying principles

of the GFS system and its application for economic analysis. The seminars, based on a case study prepared in English, French, Spanish, and Arabic, were given in ten countries and were attended by a total of 225 government officials. They served to increase understanding and support for the systematic collection of comprehensive data on government finance and to enhance cooperation among the government agencies involved.

In addition to mission activities, the Bureau of Statistics provides training in statistics to officials from member countries and regional organizations at Fund Headquarters. In 1983, six officials visited the Bureau of Statistics for training for periods varying from one to three weeks. In most cases, the visits were arranged for participants in IMF Institute courses, as a means of gaining further knowledge and expertise in statistics following the completion of courses. The officials who visited the Bureau in 1983 were from the following countries and one regional organization: China, Ethiopia, St. Lucia, Romania, and the Eastern Caribbean Central Bank.

In 1982, the staff of the Bureau of Statistics participated in 72 missions to 63 countries under the program of technical assistance in statistics, and in that year, there were two missions involving assistance to regional organizations in the conduct of regional seminars at which Bureau staff gave lectures.

## II. Technical Assistance to Individual Countries in 1983

A description of each technical assistance mission by staff of the Bureau of Statistics in 1983 is given below. In almost all cases, the missions were undertaken by one Bureau staff member. A tabular presentation of the program of technical assistance in statistics for the period 1969-83 is given in Appendix II.

### Algeria (November 1983--Money and Banking)

The objective of the mission was to review several aspects of the financial system with a view to effecting improvements in the compilation and presentation of monetary statistics in the national and Fund publications. The mission made several recommendations. The most important of these related to the classification of the foreign accounts of the Central Bank and the commercial banks in accordance with international guidelines. In particular, it was suggested that the foreign assets and liabilities be compiled on a residency basis and that contingent claims and liabilities be excluded from these measures.

### Bahamas (December 1983--International Banking)

A brief visit was made to discuss the authorities' participation in the Fund's project on international banking statistics. In an earlier visit (1982), the authorities had already received suggestions from the

Fund concerning data collection forms and instructions to reporting banks. During the current visit, it was agreed that the Fund would provide the authorities with computer software capable of processing the information on micro-computers, which the authorities agreed to lease, locally, for this purpose. It was agreed that important elements in the computerized system would be a catalog of resident financial institutions capable of monitoring the inflow of bank sections, and a limited number of analytical aids for comparing developments over time.

The computer software and related documentation were sent to the Bahamas during March 1984. It was learned that the Bahamas have begun the collection and processing of the new bank returns.

Bahrain (July 1983--Government Finance)

The objectives were to train officials in the GFS data collection procedures and to review the methodology underlying the compilation of data for the GFS Yearbook. A three-day seminar on the GFS system and its application for economic analysis was conducted for 12 participants from Bahrain's Monetary Authority and the Ministry of Finance and National Economy. The seminar comprised a lecture outlining the main principles of the GFS system, followed by a case study on compilation procedures. In the course of the review on government finance data, conversion keys were developed linking the GFS classification with the national classification; this should facilitate the timely submission of data.

Bahrain (November 1983--International Banking)

The purpose of this visit was to secure the agreement of the authorities in participating in the project on international banking statistics. The visit helped to clear the way for the inclusion of Bahrain's data on international banking in the aggregate for reporting countries that the Fund publishes on a regular basis in IFS.

Bahrain (December 1983--Balance of Payments)

The mission took place in reference to a request, made by the Bahrain Monetary Authority (BMA) during the 1983 Fund consultation mission to Bahrain, and followed up on an earlier mission conducted in January 1982. The purpose of the visit was to assess the progress made in implementing the recommendations made in the course of the 1982 visit as well as to help clarify some of the technical issues involved. Some progress had been made in effecting improvements in the data, especially through the inclusion of balance of payments transactions reported to the BMA by some of the major public enterprises. Arising from the follow-up visit, the monthly return completed by offshore banking units was redesigned, which should help to resolve some of the problems in estimating the balance of payments transactions of these units.

Bangladesh (July 1983--Money and Banking)

The mission reviewed the financial statistics compiled by the Statistics Department of the Bangladesh Bank on the one hand, and those compiled by the Bank's Research Department on the other. Discrepancies in the two sets of data were attributable to differences in coverage and the application of different principles of residency in identifying foreign accounts of the commercial banks. The mission undertook a reconciliation of the monetary survey data of both units of the Bank and recommended that efforts be made to harmonize the two sets of data. Currently, the statistics as compiled by the Statistics Department, appear to be more appropriate for economic analysis in view of their better coverage and their appropriate identification of foreign accounts of the commercial banks. Unlike the Research Department, the Statistics Department identified foreign accounts on the basis of the residency of the transactor rather than on the basis of the currency in which the transactions took place. In addition, the mission recommended that appropriate steps be taken to speed up the reporting of data by the commercial banks.

Barbados (January 1983--Government Finance)

The objectives of the mission were to complete and update the presentation of government finance data for Barbados in the GFS Yearbook and to acquaint users and producers of statistics with conceptual underpinnings of the GFS system and its application for economic analysis. As a result, several outstanding data issues were resolved; the tables of the GFS questionnaire were updated and ten years of data on outstanding debt were compiled. During the course of the mission, a three-day seminar on the GFS system was given which was attended by 17 officials from four departments, viz., the Ministry of Finance, the Central Bank, the Accountant General's Office, and the Data Processing Department. The seminar comprised an exposition of the GFS system, followed by a unified case study. Discussion in the seminar focused mainly on the technical issues and their implications for the Barbados data.

Bermuda (January 1983--Balance of Payments)

The purpose of the mission was to review the state of balance of payments statistics with a view to defining the major thrusts of longer-term technical assistance to be provided subsequently through the Fund's Central Banking Department. The mission's objective was accomplished through the identification of the methodological and coverage problems pertaining to the various components of the balance of payments. Recommendations were made that the expert's assignment should take place in two phases. Phase one would have concentrated on the methodological aspects of the assignment coupled with a public relations task of persuading the business community to respond to changes in reports and statistical procedures. Phase two would have consisted of a review process of the completed new report forms and editing procedures which should be introduced following the report's recommendations.



Burma (January 1983--Money and Banking)

The mission's objectives were to review the methodology underlying the money and banking data supplied by the authorities for publication in IFS and to resolve some outstanding technical issues. These issues related mainly to the definition of foreign assets, banks' credit from the central bank, monetary authorities' other foreign liabilities, and the bank/nonbank distinction of banks' foreign accounts.

As a result, the presentation of money and banking data in the Burmese page of IFS will be improved through definitional revisions in several of the time series shown under the IFS sections for monetary authorities, deposit banks, and monetary survey. A major improvement in the presentation will stem from a better sectorization of the items and a reduction in the magnitude of the unclassified items.

Burundi (February 1983--Money and Banking)

The mission was concerned with: the review of money and banking data compiled by the Central Bank; the expansion of the coverage of financial institutions on the Burundi page of IFS, in light of developments in the financial system in the country; and the reconciliation of the data published in IFS with the corresponding data in the Bulletin Mensuel of the Banque de la Republique du Burundi.

With the growth in nonmonetary financial institutions in Burundi, the mission recommended that the coverage of the IFS section on Other Financial Institutions should be expanded through the authorities supplying data on all of these institutions. In the presentation of monetary data, the mission recommended that certain official entities that are financially autonomous be separated from the rest of the government sector and that several deposit accounts of the commercial banks should be reclassified on the basis of instrument and liquidity considerations. The mission also determined that it was possible to reconcile the monetary aggregates published in IFS with similar data published in the Bulletin Mensuel; the principal difference lay in the treatment of data on Fund accounts.

Canada (February 1983--Money and Banking)

The purpose of the mission was to examine the ways in which the data on chartered banks, which are published on a fully consolidated basis, could be adjusted to better meet the requirements of IFS. In addition, the mission undertook a review of the availability and significance of data on other financial institutions for use in IFS.

The Bank of Canada had started collecting banking data which consolidated the accounts of the banks and their domestic nonbank subsidiaries, as well as bank subsidiaries operating abroad. The consolidation of the accounts of the domestic nonbank subsidiaries reflected the fact that, for legal and practical reasons, the banks did some types of business

through subsidiaries which, in other countries, would be considered part of the banking business. The use of global reporting was inappropriate for purposes of IFS and the mission discussed possible ways the statistics could be adjusted to a booked-in-Canada basis. The mission also ascertained that the Bank of Canada had more detailed and meaningful data on some groups of other bank-like institutions than was published. Arrangements were made for the regular reporting of such data.

Cape Verde (June 1983--Money and Banking)

The primary objective of the mission was to assist the Bank of Cape Verde (BCV) in a review of its procedures for compiling monetary data, with the aim of improving the analytical quality and currentness. The mission was devoted to a detailed evaluation of the BCV's proposed new accounting plan representing a reporting system for the collection of data from the financial system. The new accounting plan represented a substantial improvement over the previous methods of collecting data. However, in the course of the mission's review, further refinements to the reporting system were suggested. These included the need for using a uniform report form system to collect data on a monthly basis from the financial system. The authorities agreed to introduce a monthly reporting of data beginning with 1984. The mission also impressed upon BCV the desirability of having a regular statistical bulletin. It was suggested that such a bulletin should attempt to include the main macroeconomic variables and should contain an interrelated set of data that would be helpful in the formulation and assessment of economic policy. The format of such a bulletin was discussed.

Cayman Islands (December 1983--International Banking)

The objectives of the mission were: to review the status of the authorities' participation in the Fund's project on international banking statistics; discuss any technical impediments to further progress in their work; and determine whether additional Fund assistance would be required to ensure that the data collection and processing systems are operational.

Data on a limited geographic breakdown of banks' foreign accounts have been provided for end-1982. In this connection, the mission ascertained that about 95 percent of all banks eventually reported data, including 99 percent of the largest banks. As for end-1983 data, the authorities were to inform the Bureau in February/March as to the approximate date when data could be provided. A principal concern of the authorities was the large amount of time expended on the preparation of reminder correspondence and the placing of phone calls to many of the banks in order to obtain the reports. It was five months after the reporting date before most banks submitted returns. Due to the amount of staff time devoted to the 1982 collection effort, the authorities were not able to consider undertaking a quarterly compilation.

Chile (January 1983--Money and Banking)

The principal objective of the mission was to assist the Central Bank of Chile in converting its in-house data processing system to the system maintained by the Fund's Bureau of Statistics. As a result, software together with job and data files, was converted to parallel the existing procedures. All current production jobs were converted with tests showing up to an 8:1 reduction in disk usage when updating files. In addition, the data bases relating to the accounts of the Central Bank, the deposit money banks, and other financial institutions were converted to the new system. At the Central Bank's request, assistance was given in the creation of new data bases in other areas such as external trade and administration. The Central Bank's balance sheet was redesigned at the request of the authorities in order to align it with the modifications of the Bank's accounting system, which was effected in March 1982. Furthermore, some IFS time series were revised while further details were sought in respect to other series with a view to providing useful sub-aggregates.

Chile (August 1983--Government Finance)

The purpose of the mission was to conduct a three-day seminar on the principles underlying the GFS system and its application for economic analysis. The seminar was addressed to both users and producers of government finance statistics and was attended by 36 participants drawn from governmental agencies. The seminar was organized in two parts. In the first part an exposition was provided on the main principles of the GFS system. These covered such issues as the delineation of the general government sector, the classification of revenue items, the classification of expenditures by economic and functional categories, and the sectorization of the financing of government deficit. The second part of the seminar consisted of a workshop aimed at finding solutions to a unified case study. For this purpose, the participants were divided into six working groups. The seminar achieved its objective in acquainting a wide spectrum of officials with the underlying principles of the Fund's GFS system and its applications.

People's Republic of China (August 1983--Balance of Payments)

The first part of the mission consisted of a two-week seminar on balance of payments methodology and compilation; the seminar was sponsored jointly by the People's Bank of China and the State Planning Commission. The seminar, comprising a series of lectures given by Fund staff, was attended by slightly over 100 participants drawn from a number of governmental agencies including the Ministry of Foreign Economic Relations and Trade, the Ministry of Finance, the People's Bank of China, the Bank of China, and the State Planning Commission. The seminar met its objective of acquainting the statisticians in China with the Fund's methodology and reporting requirements in the field of balance of payments statistics. As a result, improvements in the statistical methodology

used by the Chinese authorities in compiling balance of payments data can be expected.

The second part of the mission was devoted to a review of the sources and methods used by the authorities in compiling balance of payments data. The recommendations made by Fund staff related principally to the reclassification of the amounts included in some of the component items in order to make them conform to the recommendations of the Fund's Balance of Payments Manual.

Comoros (March 1983--Money and Banking)

The mission was primarily concerned with the examination of the status of work relating to the collection and compilation of money and banking statistics in the Comoros; the development of procedures for data transmission to the Bureau of Statistics; and the classification of money and banking data for publication in IFS.

The review of monetary statistics in the Comoros suggested that the data were suitable for publication in IFS. Consequently, standard report forms were prepared and arrangements were made for the regular submission of data by the authorities. As soon as bank data are received and processed, it will be possible to introduce a country page for the Comoros in IFS.

Denmark (June 1983--Money and Banking)

The mission reviewed the revised data compiled by the authorities and their implications for the presentation of money and banking and international banking statistics in IFS. In addition, the mission discussed the availability of data on nonmonetary financial institutions and reviewed the reconciliation of the monetary aggregates in IFS with those published in the Quarterly Review.

Discussions with the authorities revealed that there were only a few differences between the IFS definition of banks' external assets and liabilities and the comparable definitions used in the national presentation of data. The mission noted that data on nonmonetary financial institutions which supplied a substantial part of medium- and long-term domestic credit, were not collected with the same frequency as the data for deposit money banks. However, the mission determined that it was possible to develop an appropriately sectorized set of IFS data which could probably be published on an annual basis.

The mission assessed the differences between IFS money and banking data and those published in the Quarterly Review and noted that the definition of the available stock data in the Review was rather similar to the IFS stock data. However, the mission noted that the focal point of the Danish monetary analysis dealt only with flows. Because of valuation adjustments, it was difficult to reconcile the flow data with the available balance sheet data.

Egypt (January 1983--International Banking)

The purpose of the mission was to explain the scope and objectives of the project on international banking statistics and to invite the authorities to participate. In explaining the aims of this project, the mission emphasized the confidentiality of the data to be reported. The authorities evinced interest in the project and have, since then, undertaken some exploratory work in ascertaining from the commercial banks the likelihood of their furnishing the requisite information.

Egypt (March 1983--Money and Banking)

The mission was primarily concerned with the additional information on the institutional structure of the financial system, the resolution of specific classification issues with respect to the financial accounts for each institutional group compiled by the Control of Banks Department of the Central Bank, and the discussion of a revised presentation of Egypt's money and banking statistics in IFS.

The mission noted that the Central Bank's sole criterion for classifying institutional groups within the financial institutions sector was by category of registration. This had given rise to the exclusion of the two so-called "offshore banks" in any institutional group because they were not registered with the Central Bank. The mission recommended that the authorities extend the network of reporting banks to cover these two "offshore banks" and that, furthermore, financial institutions be asked to report separately data on their claims on and liabilities to "offshore banks," differentiating between free zone banks and other "offshore banks." This procedure would help reconcile the special analytical concerns of the authorities and the need for internationally comparable data.

As a result, a revised presentation of IFS money and banking statistics for Egypt was developed. In general, three principal changes were introduced. First, the public enterprises sector was clearly demarcated in the claims of all financial institutions. Second, the institutional coverage of the "Commercial Banks" section had been expanded and relabeled "Deposit Money Banks" accordingly. Thirdly, foreign currency demand deposits of residents (businesses, individuals, public enterprises, and specialized banks) were included in the IFS measure of money.

Egypt (November 1983--Balance of Payments)

The principal objectives of the mission were to review the sources and methods employed by the authorities in compiling balance of payments statistics and to make recommendations, where appropriate, for improvements in coverage and conceptual deficiencies.

The mission noted that the balance of payments statistics for Egypt were based, to a large extent, on the exchange record representing the

receipts and payments effected through the Central Bank and the authorized commercial banks' pools of foreign exchange. Although attempts were made to supplement the foreign exchange record with data drawn from other sources, the balance of payments statement nevertheless suffered from problems of underestimation of some items and the exclusion of certain external transactions.

The mission made several recommendations for rectifying the coverage and conceptual deficiencies. In particular, the mission recommended that transactions giving rise to movements in foreign currency accounts of deposit money banks comprising the authorized commercial banks and the so-called foreign currency banks, be brought within the purview of the balance of payments statement. Other recommendations of mission staff related to the inclusion of the transactions of foreign-owned oil companies; the comprehensive and appropriate recording of transactions of joint ventures established under Law 43; the inclusion of transactions of enterprises operating in areas designated as free zones; the resolution of discrepancies in data for disbursements and repayments on project and commodity loans and supplier credits as compiled by the different agencies; the inclusion of data on grants in kind; and, the appropriate application of the residency criteria in respect of certain banks.

France (July 1983--Money and Banking)

The main objectives of the visit were to: study the relationship between the banks' balance sheet data on external accounts and the corresponding data that are published in official balance of payments statistics; to discuss the new procedures adopted by the Banque de France in deriving measures of money held by residents; and to propose possible improvements in the compilation of IFS money and banking data and international liquidity data for France.

The mission traced the difference between the balance of payments and balance sheet data on banks' external accounts to differences in the coverage of institutions and financial instruments. It was agreed that, for IFS purposes, the balance sheet data would be utilized; the need for consistency (other than valuation changes) between the monetary data and data on the balance of payments flows was emphasized. The definition of the new series on money held by residents (as compiled by the Direction des Analyses et Statistiques Monetaires and published in the Bulletin Trimestriel of the Conseil National du Credit) was reviewed and it was established that the corresponding IFS data should have a similar definition. In reviewing the coverage of the official data on international liquidity, arrangements were proposed to the authorities for the receipt of additional data that would allow Fund staff to derive data based on a definition identical with that used for purposes of balance of payments compilation.

Germany (November 1983--Money and Banking)

A brief stopover visit discussed with the authorities the possibil-

ities for electronic transmission of data from the Bundesbank to the Fund. It was arranged that the Bureau of Statistics would assess the prospects in this regard. The Bundesbank is already transmitting data via magnetic tape.

Guyana (January 1983--Balance of Payments)

The purpose of the visit was to review the balance of payments statistics with a view to making recommendations concerning the methods of compilation, and to encourage the collection of stock as well as flow data. The report on the mission made recommendations in several areas. In the first place, suggestions were made to improve the coverage of several of the balance of payments items, notably imports, transportation and travel, other services, long-term loans, trade credits, and direct investment capital. Secondly, the mission recommended modification in the existing questionnaires used in collecting data so as to better align them to the requirements of data on balance of payments flows as well as the associated data on stocks of external assets and liabilities. In addition, the mission offered methodological advice on the recording of the transactions relating to foreign technical assistance in order to bring the current practices into conformity with the recommendations of the Fund's Balance of Payments Manual.

Indonesia (February 1983--Balance of Payments)

The mission reviewed the present methods of estimating balance of payments data with a view to making recommendations in the statistical methodology. Particular attention was paid to the recording of transactions pertaining to merchandise trade and direct investment.

The mission noted that a major shortcoming in the Indonesian balance of payments data was the inadequate coverage of the external transactions of resident enterprises including both the corporate and the noncorporate sector. The recommendations therefore focused on broadening the scope of data collection through the introduction of questionnaires aimed at a detailed coverage of the corporate sector including the petroleum sector. For this purpose, sample questionnaires were prepared. The report also suggested that it would be desirable to obtain a more detailed breakdown of transactions in the existing exchange record, especially with regard to the external transactions of the noncorporate sector. Pending implementation of the surveys, the mission also recommended refinements in existing procedures and the use of alternative sources in estimating data for several of the components of the balance of payments, including merchandise, shipment, investment income, official unrequited transfers, direct investment, long-term loans received by the official sector, and short-term capital flows of the private sector. In view of the importance of stock data for an analysis of the international investment position and external debt issues, the mission also emphasized the parallel development of such data as a counterpart to the collection of data on external

flows. The questionnaires for the collection of transactions data would be used as a vehicle for collecting data on stocks of external assets and liabilities.

Indonesia (July 1983--Government Finance)

The visit was scheduled in order to review the current status of the provincial and local government finance statistics project, which had been initiated during a previous mission in 1980, and to discuss several unresolved questions regarding the GFS data for central government.

The mission noted that data on provincial governments, based on questionnaires that yield information on revenues, grants, expenditures, and financing, are readily convertible to the GFS format. Financing data were prepared and reviewed, and were published for the first time in the 1983 GFS Yearbook. It is expected that data on outstanding debt, which are currently lacking, will be available in a year or two.

With regard to local governments, the same questionnaire that was used for the provinces was mailed to the municipalities in July of 1982. The initial composite results were expected to be available by the end of the year. A computer program was already available for conversion to the GFS format and procedures for computation of data for nonreporting units were discussed and agreed upon.

Central government data were reviewed with the Ministry of Finance, where the revenue and expenditure tables were prepared, and Bank Indonesia, where the financing and debt tables were prepared. Questions in the revenue and expenditure area were readily resolved, while procedures for further review were agreed upon for resolving apparent discrepancies between financing and year-to-year changes in debt.

Jamaica (August 1983--Government Finance)

The mission objectives were: to train officials in the GFS data preparation procedures by conducting a three-day seminar; to review the methodology used in compiling the statistical presentation for Jamaica in the Government Finance Statistics Yearbook; and to discuss the main problems that had precluded the assembly of more recent data by the authorities.

The seminar, which was attended by 17 officials drawn from various government agencies, focused mainly on the case study dealing with the compilation of government finance data and its application in economic analysis. The work on each part of the study was preceded by a lecture explaining the concepts and methodology involved and by an introduction to the respective parts. As a result, the institutional and the derivation tables were updated and the changes incorporated in the 1983 Government Finance Statistics Yearbook. Arrangements were made for the Ministry of



Finance and Planning to produce the relevant data asked for in the GFS questionnaire, using the totals for revenue, grants, expenditures, lending minus repayments, and financing, as calculated in the derivation table, and the classification keys developed during the previous visit. In addition, quarterly data on the domestic and external debt of the government were derived for the period December 1980 through March 1983.

Japan (November 1983--Money and Banking)

The purpose of the mission was to review the statistical methodology adopted by the authorities in compiling money and banking data. The review of basic data revealed three problems so far as IFS concepts were concerned. First, the balance sheets of the deposit money banks did not distinguish the residency of accounts, except for export bills bought, foreign security holdings, and nonresident yen deposits. This distinction is currently approximated on the basis of stock data on the deposit money banks' external position as compiled for the balance of monetary movements in the balance of payments statistics. Second, neither the IFS monetary survey nor the Bank of Japan's Economic Statistics Monthly included balance sheet data for resident branches of foreign banks due to reporting lags. Third, the exchange rates used to convert foreign currency data into yen for compiling monetary statistics varied between departments of the Bank of Japan and bureaus of the Ministry of Finance.

The mission report recommended that the present reporting system for the financial institutions be modified to reflect a resident/nonresident distinction of the accounts. Further, the balance sheet returns of the resident branches of foreign banks should also be revised to reflect this distinction, and efforts should be made to integrate their data with the rest of the deposit money banks. Pending the revisions of the balance sheet returns, the mission suggested that, for purposes of IFS, the data submitted by the authorities to the BIS be used since they were more comprehensive than the present sources. Other specific suggestions concerned the exclusion of nonresident foreign currency and yen deposits in the measures of money and quasi-money.

Kuwait (November 1983--Balance of Payments)

The purpose of the visit was to review the balance of payments statistics with a view to making recommendations concerning methods of compilation. The mission report made recommendations in several areas and suggested an order of priorities for implementation. The principal recommendation related to the inclusion in the balance of payments of the acquisition of foreign assets of the public enterprises, notably the Kuwait Petroleum Corporation (KPC), as well as the associated investment income earnings on these assets. In this connection, the mission suggested that the Central Bank and the Ministry of Finance jointly review the coverage of data in budget statements for the external transactions of the government in order that the Central Bank can determine which enter-

prises and government bodies should complete a balance of payments questionnaire. Furthermore, the mission suggested that the Ministry of Finance provide data for the balance of payments transactions of the government which would alleviate the need for the Central Bank to make its own estimates of investment income receipts. The mission also suggested an expansion in the coverage of the existing survey of enterprises by the inclusion of all Kuwaiti shareholding companies (in which there was foreign equity participation), commercial banks, the Kuwait Finance House, the Industrial Bank of Kuwait, the Real-Estate Bank, and foreign-owned construction companies. For this purpose, the existing questionnaires were redesigned by the mission in order to better align them to needs of balance of payment compilation. In order to improve the coverage of private sector transactions, the mission suggested introducing some reporting by banks on their customers' transactions.

#### Lebanon (May 1983--Government Finance)

The objective of the visit, which was part of a Fund-wide technical assistance mission, was to compile data on the expenditures incurred by the various units of government and to prepare a consolidated statement of government expenditures in accordance with the United Nations classification of the functions of government (COFOG).

For the purpose of this mission, data for 1982 were utilized; the actual cash expenditures of each government entity were measured utilizing the accounts of the Central Bank which were kept on a calendar year basis. The Lebanese functional classification was reviewed and a new classification key table was constructed. Information on the expenditures of other units of government were obtained. Subsequently, detailed data on central government expenditures were provided by the Ministry of Finance. In using these data, the mission made adjustments so as to bring the data base on a consistent basis with that of the Central Bank. The expenditures of other units were classified; the transfers between them were identified and eliminated, and a consolidated presentation for the central government was compiled. A tentative aide memoire was presented to the Minister of Finance stating the results achieved, problems encountered, and recommendations for improvement.

#### Lesotho (August 1983--Government Finance)

The principal objectives of the mission were to acquaint the concerned officials with the underlying principles of the GFS system and its applications in economic analysis and to review and update the presentation of government finance statistics for Lesotho in the GFS Yearbook.

A three-day seminar was conducted for users and producers of government finance statistics; it was attended by eight participants drawn from the Central Bank, the Ministry of Finance, and the Treasury. The seminar consisted of a presentation followed by a unified case study

that was undertaken by the participants; during the seminar, the discussions focused mainly on technical issues and their implications for the Lesotho data.

Replies to the GFS questionnaire have not been received since 1978 due to the dearth of trained personnel as well as to the problems encountered by the Treasury Department in preparing their accounts during the last few years. The latest published annual report of the Accountant-General referred to the fiscal year 1977/78. With the help of a team of foreign advisors, the Treasury was in the process of computerizing its accounting system, which would enable them to produce reliable and timely statistics in the future. During the mission, the transactions of the Technical Operations Unit were discussed since these are not covered entirely in the Treasury Accounts.

Lesotho (December 1983--Money and Banking)

The mission was primarily concerned with assessing the progress made by the Central Bank of Lesotho in implementing the recommendations of the previous Bureau of Statistics' mission in financial statistics.

As regards the implementation of the recommendations made during the previous mission, considerable progress had been made, as evidenced by the revised classification and sectorization of accounts in the Central Bank's Quarterly Review, which now conforms closely to the IFS presentation.

Two other issues discussed during the mission related to the appropriate classification of the deposits of the Miners' Deferred Pay Fund and the Government Workers' Pension Fund. The mission recommended that, in conformity with the international guidelines on the concept of residence, the deposits of the Miners' Deferred Pay Fund ought to be classified as foreign liabilities. However, given the practical problems in ascertaining the duration of stay of workers in South Africa, the mission suggested that these balances be treated as liabilities to residents. Concerning the deposits of the Government Workers' Pension Fund, it was clarified that they should be classified as deposits of statutory bodies rather than central government sector. Finally, the treatment of the South African rand in circulation was discussed and it was concluded that IFS data should be revised to include rand held by the nonbank public from the measures of foreign assets and reserve money, because of the difficulties of estimating the actual amounts in circulation.

Malta (April 1983--Government Finance)

The mission focused on two principal activities: an extensive examination with the GFS correspondent in the Central Bank of Malta of issues arising in the compilation of government finance statistics; and a discussion with the Ministry of Finance concerning closer collaboration in the compilation of government finance statistics.

A number of questions with regard to the classification of institutions were examined and revisions to the institutional tables were made accordingly. It was agreed that the Posterity Fund should be classified as a public financial institution. Regarding the derivation tables, revisions were made on a number of points. The netting procedure previously applied to the receipts and payments of extrabudgetary funds included in the consolidated public account as a group was revised. Arrangements were made to receive additional data from the Treasury to distinguish sinking fund receipts of interest from government and from others. Recommendations were made for the Treasury to provide separate data on lending in kind so that it would be excluded from the data shown under lending minus repayments. In addition to these changes, the mission report suggested reclassification changes in several areas of the statistical tables.

Malawi (November 1983--Money and Banking)

The mission to Malawi had the primary objective of reviewing the compilation procedures underlying the money and banking data reported to the Fund with a view to assessing the adequacy of IFS report forms and the accuracy of data published in IFS.

Discussions pointed to the need for some changes in the report forms and a revision of the IFS series for Claims on Government through the consolidation of the Treasury's IMF accounts. Observed differences between the monetary data published in IFS and the Reserve Bank of Malawi's Financial and Economic Review were discussed and a scheme for reconciliation was outlined. Finally, the mission discussed the choice of definition of commercial banks' credit to the private sector, the application of which would have yielded data that reflected the actual amount of additional credit extended. It was agreed that an analytical rather than an accounting definition would best satisfy this requirement. Consequently, a revised series for credit to the private sector was assembled that excluded the overdue interest, which the commercial banks had capitalized and included in outstanding loan portfolios.

Malaysia (June 1983--Government Finance)

The primary objective of the mission was to work with national officials to develop a system for consistent definition and classification of the governmental units, agencies, and enterprises to be included in public sector statistics; the secondary objective was to resolve a number of data problems in the most recent submission of government finance statistics.

In a series of meetings, a list was made of all entities that might be considered to be included in the public sector. The most controversial and difficult to classify included some of the units established under the Companies Act of 1965, and also some of the bodies created under statutory authority legislation. For these units, a classification of

ownership, control, and nature of operations was made in order to classify them as extrabudgetary units of government, nonfinancial public enterprises, public financial institutions, or outside the public sector. These distinctions were made in accordance with the definitions set forth in the Fund's Draft Manual on Government Finance Statistics. The recent submission of data on government finance was reviewed with the GFS correspondent and other staff. Discrepancies between the derivation and statistical tables were resolved and several apparent inconsistencies in the previous year's data were either explained or corrected. The revised numbers were published in the 1983 GFS Yearbook.

Mauritania (March 1983--General Economic Data)

The mission reviewed the methodologies underlying the compilation of data on external trade, prices, and production, and made several recommendations for improving and expanding their scope.

The mission noted that the present statistical structure with the consequent proliferation of statistical offices in the different ministries constituted a less than optimal use of resources resulting in delays as well as a lack of coordination and development in basic statistics. Recommendations were made for assigning the responsibility for the compilation of all statistics (other than balance of payments, money and banking, and government finance) to the Direction des Statistiques et de Comptabilité Nationale (DSCN).

In the area of external trade, the mission noted that because of delays in availability of customs data, the Central Bank of Mauritania compiled trade statistics on the basis of the foreign exchange record. Furthermore, problems of valuation (overinvoicing of imports and underinvoicing of exports) and coverage (due to smuggling) were noted in the case of customs data, and suggestions were made for correcting the deficiencies.

Deficiencies pertaining to the consumer price index for Nouakchott e.g., coverage, weighting pattern, the base period, etc., were discussed and the mission supported plans for undertaking a new household budget survey. In the context of improving agricultural statistics, the mission endorsed the authorities' efforts, with the assistance of the FAO, to gather the requisite data by aerial photographs, supported by spot checks on the ground.

Morocco (November 1983--Money and Banking)

The mission objectives were to discuss a proposed presentation of money and banking data in IFS based on the new call form established by the Bank of Morocco since January 1983 and to review the differences between the presentation of data in IFS and that of the Bank of Morocco.

As a result, a system of report forms was recommended to standardize

the submission of data to the Fund and improve the currentness of the data published in IFS. Regarding differences between the IFS and the national presentation, the mission noted that discrepancies were due principally to the treatment of Fund-related accounts and of discount and rediscount transactions. The proposed IFS presentation will consolidate the monetary authorities' net position vis-à-vis the Fund while the Bank of Morocco only presents a partial position because certain Fund drawings that were transferred to the Treasury are not recorded in the Bank's balance sheet.

Netherlands Antilles (December 1983--International Banking)

The mission objectives were to review the status of the international banking center's participation in the project, discuss any technical impediments to further progress in their work, and determine whether additional Fund assistance would be required to ensure that their data collection and processing systems are operational.

The mission noted that a modified version of the BIS call report form had been issued to offshore banks and that the banks had been asked to report geographic details on their assets and liability positions with nonresident banks and nonbanks for end-September 1983. The mission suggested that the data collection should cover the commercial banks as well as the offshore banks, and it was agreed that the commercial banks would also be issued reporting forms.

The mission noted that the offshore banks were not required by law to report their accounts to the monetary authorities, and they had been asked to volunteer little information over the year. Consequently, the recent survey impressed most bankers as a major initiative by the Central Bank to extend its information base. The mission's impression, based on discussions with the general managers of some of the offshore banks and the Secretary of the Offshore Bankers Association, was that most of these banks, especially those with head offices in Europe and the United States, would be willing to provide the pertinent data.

Pakistan (February 1983--General Economic Data)

The main purpose of the mission was to review the methodologies underlying the construction of consumer price and wholesale price indices.

In reviewing the methodology for computing the consumer price index (CPI), the mission suggested that more explicit instructions be given with regard to seasonality and the substitution of items in order to enhance the usefulness of the Manual of Instructions for Price Collection. In addition, the mission suggested the national publications pertaining to the consumer price index provide explicit and comprehensive information in respect to the weighting structure, the coverage of items, and other

technical points useful for the interpretation of index numbers. It was also suggested that a breakdown of the consumer price index according to the categories of employees e.g., industrial, commercial, and government, be shown in future publications of data on the CPI.

Concerning the wholesale price index, the mission noted that the derivation of the weighting structure, based on production statistics, remained a point of weakness in the current methodology. This was especially so in the case of production estimates of agricultural products which comprised half of the commodities used in computing the index. In addition, the exclusion of imported commodities, especially of intermediate products, tended to lend a downward bias to price movements as reflected in the wholesale price index.

Pakistan (December 1983--Balance of Payments)

The major objectives of the mission were to review the sources and methods used in the compilation of Pakistan's balance of payments statistics and to reconcile the balance of payments data reported to the Bureau of Statistics by the State Bank of Pakistan with the balance of payments data provided to the Fund's Middle Eastern Department by the Ministry of Finance and Economic Affairs.

In reviewing the sources and methods of balance of payments estimation, the mission made recommendations for improvement in several areas. For example, in the case of the merchandise item, suggestions were made for improving the coverage and valuation of transactions through the inclusion of trade with neighboring countries and comparisons on a commodity basis of the value data as recorded in the exchange record and in the customs returns. Methodological improvements were also suggested in the items other transportation, travel, investment income, unrequited transfers, direct investment, and other capital movements excluding reserves.

The main difference between the balance of payment of the State Bank and that of the Ministry of Finance arose from the recording, until recently, of some transactions by the State Bank on a net basis and by the Ministry of Finance on a gross basis. For example, prior to the third quarter of 1981, the foreign exchange earnings of the national airline was recorded net of loan servicing by the State Bank while the Ministry of Finance recorded these transactions on a gross basis. Likewise, prior to the third quarter of 1982, rescheduled interest and principal payments were not recorded by the State Bank, while the Ministry of Finance made the appropriate entries in the current account with the contra-entries reflected in the capital account. The mission suggested that the two sets of data be fully reconciled through the provision of the pertinent data by the Ministry of Finance to the State Bank.

Panama (March 1983--Balance of Payments)

The purpose of the visit was to evaluate the progress made in the

implementation of recommendations made by the previous Bureau mission in balance of payments statistics (1979). The principal recommendations by the latter mission related to the appropriate balance of payments recording of transactions of the enterprises operating in the Colon Free Zone and the external flows of the banking sector.

The mission noted that not much progress had been made in either area. A survey of the enterprises in the Colon Free Zone had been undertaken, but because of a shortage of personnel, the questionnaires had not been tabulated. The questionnaire in use was analyzed and certain changes were suggested so as to enhance its suitability for balance of payments compilation. With respect to the banking sector, the mission observed that data provided by the Banking Commission on the current account transactions and the changes in foreign investment and reinvestment of earnings contained numerous inconsistencies and errors. For that reason, the Controller's office decided to undertake its own survey of the banks, duplicating the requests for information made by the Banking Commission. The mission stressed the need for both offices to coordinate their efforts in this field. In addition, the mission suggested revisions to the questionnaires currently used in gathering data on insurance companies, transportation companies, and direct investment companies.

Panama (April 1983--Money and Banking)

The mission was mainly devoted to studying a number of problems in the compilation of monetary data arising, to a large degree, from the considerable growth and increased complexity of the financial sector in Panama. The methodology and statistical routines applied in the compilation of money and banking data were reviewed and recommendations were made for improving the statistical procedures and better presentation of monetary data.

A framework for the presentation of monetary data for the National Bank and the deposit money banks was developed and preliminary suggestions were made for the collection of data on the nonmonetary financial institutions. The mission recommended that the revised presentation produce time series covering data for 5 years, 12 quarters, and 13 current months. To attain the objectives of the national authorities, the introduction of a new reporting system for banking data, which would replace the existing system of the National Banking Commission, was recommended. A set of model reporting forms with explanatory notes was prepared. The authorities endorsed the mission's recommendations.

Panama (December 1983--International Banking)

The purpose of the brief visit was to discuss the country's participation in the Fund's project on international banking statistics. The authorities had already received suggestions from the Fund concerning data collection forms, and instructions during an earlier visit (1982).



During the current visit, it was agreed that the Fund would provide the authorities with computer software capable of processing the information on micro-computers, which the authorities agreed to lease for this purpose. It was agreed that important elements in the computerized system would be a catalog of resident financial institutions, capable of monitoring the inflow of bank returns, and a limited number of analytical aids for comparing developments over time. The computer software and related documentation were sent to Panama during March 1984.

Peru (November 1983--Money and Banking)

The main objective of the visit was to discuss the methodology used for the compilation of monetary data and to develop a standardized system of data collection. Special attention was given to the valuation of foreign currency accounts in the balance sheets, the criteria used for the sectorization and classification of the accounts, and the accounting for loan guarantees. The format of the monetary authorities' balance sheets and monetary accounts were redesigned according to uniform criteria concerning sectorization and classification of financial instruments.

Philippines (April 1983--Money and Banking)

The purpose of the technical assistance mission, initiated by the Asian Department, was to review the available financial statistics in light of data provided by the authorities for publication in IFS, for use by the Asian Department, and published in national documents, and to expand and improve the limited data available on investment and savings, particularly with respect to the public sector. The mission identified four main problems that were responsible for the discrepancies between data published in IFS, those provided to the Asian Department, and those published in national documents. These problems related to sources of raw data; classification of foreign assets and liabilities; valuation of foreign assets and liabilities; and sector classification of accounts.

The mission recommended that the consolidated balance sheet should be the primary source for compiling monetary data; the identification of foreign assets and liabilities should be with reference to the residence of the foreign creditor or debtor rather than the currency of denomination; consistency in the sector classification of accounts should be established; and that additional subsectors should be introduced in order to provide information for detailed analysis. After a review of the methodology employed in compiling investment and savings data, the mission identified four main problem areas. They related to double counting of some investment expenditures; the treatment of all imported parts as capital formation; a disproportionately large share of the manufacturing output being classified as capital formation; and overestimation in the annual changes in inventories. The mission made preliminary adjustments to the official data to account for these factors.

Philippines (August 1983--Money and Banking)

As a part of the follow-up technical assistance visit, initiated by the Asian Department, the mission examined in detail a number of the accounts of the Central Bank of the Philippines and the Philippine commercial banks with a view to assessing the appropriate treatment of these accounts in the monitoring of a standby arrangement. The mission made recommendations on the classification of various items among net domestic assets, total liquidity, and foreign liabilities, within the monetary survey used for such monitoring.

Philippines (December 1983--Government Finance)

The purpose of the mission was to assist in conducting a seminar on government finance statistics in which the concepts and definitions followed in the Fund's Draft Manual on Government Finance Statistics were to be explained to government officials. Four days were devoted to the seminar on statistics of government finance and one day to a separate briefing on data required on public enterprise operations.

The seminar was attended by 35 participants drawn from 10 government agencies. Teaching methods and materials used in other GFS seminars, including small working groups, case studies and latent image answer sheets were employed in the seminar. The topics discussed included the delineation of the government sector, adjustment of national source data to conform to the Fund's methodology, and use of the resulting statistics for overall economic analysis with particular reference to the coordination with balance of payments and monetary targets. Following completion of each portion of the case study, participants discussed the relevant sections of the Philippine presentation in the Government Finance Statistics Yearbook, paying particular attention to the definition of government and of the public sector and to the adjustments necessary to bring national source data into conformity with the Fund's methodology.

Portugal (December 1983--International Banking)

The main objectives of the mission were to complete the work done on Portugal's debt synthesis, and to discuss the first return received by the Bureau of Statistics on the geographic distribution of the external position of Portugal's deposit banks.

Regarding Portugal's external debt synthesis, the mission's work centered on understanding the methodology and definitions used by the Bank of Portugal to compile external debt statistics and promote the use of the balance of payments questionnaire as the means to report external debt statistics to the Fund. The differences found among the tables on Portugal's external liabilities published in the Quarterly Bulletin of the Bank of Portugal were explained and an update for Portugal's external debt was obtained. Concerning international banking statistics,

the mission obtained the returns for March 1983, together with a copy of the form and instructions that are sent to the bank. The Bank of Portugal is endeavoring to reduce the current delays in the availability of data.

Data for deposit money banks claims on, and liabilities to, nonresident banks and nonbanks were obtained for the period December 1979 to September 1982 and arrangements were made to receive such data on a regular basis in the future. It was also learned that, in future, the Bank of Portugal would be able to provide the Fund with data on the monetary authority's external positions with nonresident monetary authorities, banks, and nonbanks.

Saudi Arabia (June 1983--International Banking)

The mission's purpose was to discuss Saudi Arabia's participation in the Fund's project on international banking statistics. Following an explanation of the objectives, the officials expressed support and viewed the undertaking as one yielding information that would be useful to SAMA, for bank supervision, as well as to the Fund. Agreement was reached with the SAMA staff on the draft text and simplified report form for a SAMA circular to begin the collection of data on the geographic analysis of commercial banks' foreign assets. The SAMA staff expected to submit the results of this inquiry around August 1983. The data have since been reported to the Fund.

Spain (November 1983--International Banking)

The principal objectives of the mission were to obtain and analyze the detailed international banking statistics that the Bank of Spain had started to collect, to discuss revised money and banking data, and to review external debt data.

The Bank of Spain has commenced the quarterly compilation of data on the geographic distribution of the deposit money banks' assets and liabilities, starting with data for end-1982. The mission obtained quarterly data through June 1983 and arrangements were made for the regular submission of these data in the future. The present reporting system elicited information on ultimate risks and guarantees and provided consolidated data, including the amounts of Spanish banks' foreign branches. Attempts are being made to avoid double-counting the accounts of foreign branches before integrating the Spanish data in the Fund's files.

The mission explained the present work of the Fund on a synthesis of external debt statistics and learned that the authorities contemplate the publication of comprehensive statistics on the country's external position in the Bulletin in March 1984. At that time, a determination will be made as to what additional data will be required by the Fund to achieve a comprehensive picture of Spain's external debt position.

Sri Lanka (January 1983--Money and Banking)

The purpose of the visit was to review the definitional bases of Sri Lanka's monetary statistics, including data on international reserves, with a view to improving the currentness of the data. Particular stress was laid on the reconciliation of discrepancies between three sets of major aggregates, viz., those published in IFS, the Central Bank's Bulletin, and the Recent Economic Developments prepared by the Fund's Asian Department. Thus, the nature of various accounts of the Central Bank and the commercial banks were reviewed and their implications for monetary analysis considered. The items reviewed included the classification and valuation of gold, Fund-related accounts, and various accounts of the Treasury. Furthermore, the treatment of certain deposit accounts at commercial banks was examined, as was the feasibility of separate reporting, in IFS, of commercial banks' claims on public sector nonfinancial enterprises. In addition, the appropriate treatment of the growing nonmonetary financial sector was examined to determine whether more comprehensive data could be made available on nonmonetary financial institutions.

The mission report made the following recommendations concerning money and banking data. Firstly, the government's monetary authorities' accounts should be consolidated with those of the Central Bank. Secondly, import margins should not be excluded from the measure of quasi-money. Thirdly, the coverage of financial statistics should be expanded to include more detailed data on other financial institutions. Finally, the main balance sheet items of Foreign Currency Banking Units should be included in the IFS section on Other Financial Institutions.

Sudan (July 1983--Government Finance)

The mission's objectives were to acquaint the concerned officials with the principles underlying the compilation of data according to the GFS format and its application in economic analysis; to resolve outstanding problems in compiling government finance data in accordance with Fund methodology; and to update the statistical presentation for Sudan in the Government Finance Statistics Yearbook. A three-day seminar, involving a presentation and a unified case study, was attended by 18 officials drawn from various government agencies.

The 1982 data that were received by the Bureau of Statistics were reviewed during the visit and revisions were incorporated in the 1983 GFS Yearbook. The mission noted that the data suffered from problems of coverage; for example, some expenditure items were charged against suspense accounts and reserve accounts rather than the budgetary accounts. In addition, discrepancies were eliminated in the data for total financing and the measure of overall government deficit. As a result, the authorities agreed to use the GFS format in the national presentation of government finance data. In addition, the authorities agreed that in future they will report quarterly data in the GFS format.

Sudan (April 1983--Money and Banking)

The purpose of the mission was to look closely into the monetary data, especially the balance sheet of the Bank of Sudan, eliminate any inconsistencies in the data, and to identify the sources of monetary expansion. One of the principal tasks was to disaggregate the composite item in the monetary survey labeled "Other Items (Net)" and identify the devaluation adjustment accounts and other major components of "Unclassified Assets and Liabilities."

The examination of the balance sheet of the Bank of Sudan revealed some misclassifications of accounts. The review of the components of unclassified assets showed that the major items related to some 14 devaluation accounts and a rescheduling adjustment account. The monetary survey data were reworked after reclassifying the rescheduling accounts, the public entities' deposits, and foreign institutions' deposits, and after separating the devaluation losses and rescheduling adjustment accounts from "unclassified assets," the data for June 1982, and January and February 1983 were brought from Sudan, as were monthly data on the breakdown of unclassified assets and liabilities and the rescheduling accounts. As a result, the IFS report forms were revised to incorporate the disaggregated data obtained during the mission.

A number of the problems identified by the mission could not be resolved in the context of short-term technical assistance; longer-term assistance was therefore provided to the Sudanese authorities through the Central Banking Department's panel of experts.

Swaziland (December 1983--Balance of Payments)

The purpose of the mission was to review the compilation of balance of payments and to determine the degree of progress in implementing the measures recommended in the report that was prepared following the Bureau of Statistics' technical assistance mission in 1981.

The review of balance of payments compilation indicated some progress since the earlier technical assistance mission, but also pinpointed difficulties that continue to hinder the preparation of reliable estimates of the balance of payments. The lack of trained personnel remained a major problem. Although an effort had been made to collect more comprehensive data on the nonbank sector--a major problem area in compiling Swaziland's balance of payments--a lack of understanding of what the newly instituted survey form was designed to do made the estimation of the balance of payments a difficult task. Another problem was the failure to follow up on incomplete and/or incorrect reporting by Swazi enterprises. The mission report made recommendations on improving methods used in estimating various components of the balance of payments. These concerned, most notably, imports, other transportation, passenger services, travel, labor income, migrants' transfers, loan transactions of the official

sector, treatment of customs union transactions, and reserves. Subsequently, the mission suggested that priority should be given to improving the coverage of the nonbank sector and developing a new method of estimation for the circulation of rand in Swaziland. During the mission, balance of payment statements for 1980-1982 were reviewed in detail and new estimates were developed on the basis of available information.

Switzerland (June 1983--Money and Banking)

Three main issues were reviewed during the brief stopover visit to the Swiss National Bank. They related to the treatment of the precious metal accounts in money and banking data; the implications of the precious metal accounts in international banking statistics; and the treatment of data on banks operating in Liechtenstein. The mission noted that the authorities had not yet formulated a common view as to the appropriate treatment of the precious metal accounts; the national reporting system on which the IFS data are based does not provide for the separate reporting of such data. Hence, the adjustment of data on resident demand deposits to exclude the deposit liabilities related to customers' transactions in gold from a measure of money supply is estimated in IFS on the basis of the available annual data. The precious metal accounts also formed a substantial part of banks' foreign assets and liabilities as presently reported in IFS. It was not possible to identify their balances on a monthly basis in the IFS data base.

Thailand (January 1983--Money and Banking)

Discussions during a stopover visit centered on questions relating to interest rates, revision of the Bank of Thailand's Bulletin data on monetary aggregates, and the reporting system for IFS money and banking data. The mission noted that data on government bond yields were not collected because of the absence of an active market for such bonds. The authorities planned to publish data on effective lending and deposit rates as soon as additional details were collected as part of the regular reporting by commercial banks to the Bank of Thailand. At the time of the mission, progress had been achieved in the revision of money and banking data and the authorities intended to publish these data in an early issue of the Bulletin. Subsequently, the revised data were reported to the Bureau of Statistics for publication in IFS.

Thailand (May 1983--General Economic Data)

The objective of the visit was to review the methodologies underlying the compilation of statistics on prices, production, employment, and external trade used by the Bank of Thailand's Research Department.

The mission noted that methodology underlying the construction of the consumer price index followed international conventions; however, the

mission suggested that the long delay in the introduction of a new index, after the conduct of a household expenditure survey, should be avoided in the future. Regarding the wholesale price index, the mission suggested that a separate compilation for import commodities, which had been discontinued, be resumed in view of its use for economic analysis. The mission noted the methods used for compiling the variety of price indices were technically sound; however, it suggested that instead of repeating previous price data when quotations are lacking, a method of interpolation be applied once price data were again available.

In the area of external trade statistics, the mission suggested the use of transaction values rather than customs values as the basis for valuing trade flows. It was also suggested that a sample survey of invoices be undertaken so as to determine the c.i.f./f.o.b. conversion factors in order to derive measures of imports f.o.b. Such a survey would provide some estimates of the costs of freight and insurance on imports separately for different areas of origin of merchandise as well as for different modes of transport. Regarding export and import volume indices, the mission recommended that the directly calculated Laspeyres indices be published as well, in view of the known deficiencies of a derived Paasche index.

With respect to employment statistics, the mission suggested that the existing definition of unemployment be revised to be consistent with ILO guidelines.

#### Trinidad and Tobago (January 1983--Government Finance)

The mission objectives were to familiarize officials with the GFS framework and its application in economic analysis, resolve outstanding data problems, and to update the presentation for Trinidad and Tobago in the GFS Yearbook. During the mission, training was given in two parts: first, a two-day seminar on the GFS system was conducted for 24 officials drawn from the Ministry of Finance and Planning, the Central Bank of Trinidad and Tobago, the Central Statistical Office, and the Comptroller of the Accounts Department; and second, additional training was given to three officials in charge of completing the reply to the GFS questionnaire. The seminar opened with a lecture outlining the main principles of the GFS system, after which a case study was introduced.

A number of technical issues were discussed and arrangements were made to resolve problems the authorities encountered in preparing a reply to the GFS questionnaires. Two additional years of data were compiled during the visit and, as a result of training given to the officials, the authorities were able to compile data for 1976-1978 in the GFS format using the classification keys constructed during the mission. The data were later received and incorporated in the 1983 GFS Yearbook. The authorities also agreed to utilize the GFS format for the compilation and presentation of monthly data.

Tunisia (January 1983--Government Finance)

The mission, carried out as part of a Fund-wide technical assistance efforts, had as its major objectives a review of the new accounting plan of the authorities; a review of the methodology used in the compilation of consolidated government finance statistics under the existing system and the new public accounting plan; an investigation of the possibility of establishing an economic and functional classification of government expenditures; and a discussion of measures for setting up a system for compiling data on public debt. An aide memoire was prepared and discussed with the authorities. In addition, a two-day seminar based on a Tunisian case study was held to acquaint users and producers of government finance data with the principles of the GFS system and its application for economic analysis. Discussions focused on the coverage, derivation of GFS aggregates from national sources, classification, and analysis of government finance statistics. The seminar was attended by 38 participants from the Ministry of Planning and Finance, the Central Bank, the National Institute of Statistics, the National Center for Computing Activities, the three social security units, and the Institute for Quantitative Economics.

Uganda (January 1983--Balance of Payments)

The mission objectives were to review the methods of collecting and compiling Uganda's balance of payments statistics, to advise the Bank of Uganda on ways of improving the data, and to encourage the collection of stock as well as flow data.

The mission report contained recommendations aimed at improving the coverage and quality of balance of payments data. The most immediate issue on which a decision needed to be made related to the choice of the unit of account, in which balance of payments transactions were to be reported. Because of the adoption of a dual exchange rate, the use of the national currency as a unit of account was inappropriate. The mission recommended that either a unitary rate, representing a weighted average of rates used for the different transactions be used or alternately, the statement be compiled in terms of the currency most often used in the country's international transactions. Recommendations were made to improve the classification of transactions included in the exchange record. For this purpose, existing report forms were redesigned which sought to provide a reconciliation between reported foreign exchange transactions and changes in holdings of foreign exchange as well as provided for the separate identification of repayments of payments arrears. A similar system of reporting was suggested for the Bank of Uganda. In addition, the mission redesigned a reporting form to be used by the banks for recording balance of payments transactions from profit and loss accounts and balance sheet data for foreign assets and liabilities. In addition, it was thought useful for the banks to compile data on the accrual of payments arrears based on resident transactors' applications to banks for foreign exchange. It was suggested that data for disbursement



of loans under fixed aid facilities should be reported by resident parties to the transactions. The sources of data on the servicing of public sector debt should comprise payment schedules in respect to interest and repayment of principal. Payments data on these transactions should be used to derive entries for liquidations of payments arrears. The mission also devised a standard report form for the reporting of transactions by enterprises that are permitted to hold accounts abroad in which there was some foreign capital participation, and that are major exporters or importers. Other methodological recommendations were made in several components of the balance of payments.

Uganda (August 1983--Government Finance)

The principal mission objective was to provide assistance to the officials in the preparation of government finance statistics for use in formulating economic policy and for publication in the Government Finance Statistics Yearbook. A three-day seminar was held on the compilation and analysis of government finance data for government officials, who were users or producers of these statistics; the training consisted of a presentation followed by a case study. The seminar was attended by 20 officials from the Ministry of Finance, Bank of Uganda, Ministry of Planning and Development, Ministry of Local Government, Treasury Department, and Social Security Fund. An attempt was made during the visit to develop a reconciliation between the data presented in the GFS format with those presented in the Fund's Recent Economic Developments (RED) report.

As a result, the institutional tables were revised through an update of the list of nonfinancial public enterprises. Statistical tables for the budgetary central government sector were updated and an attempt was made to compile data on the operations of the Social Security Fund.

Uganda (August 1983--Money and Banking)

The primary objective of the visit was to review monetary statistics and to make recommendations. The mission identified several weaknesses in the monetary data and made recommendations for improvement.

The mission noted compilation difficulties in the measurement of foreign assets of the Bank of Uganda. Late and inadequate reconciliations had been a source of problems. While it was understood that there was a lag of several weeks in the receipt of bank statements, there was evidence of significant additional lags in performing reconciliations and correcting errors. The mission recommended that foreign accounts be revalued monthly in order to make the balance sheet reflect their current value. The mission also recommended that the transactions vis-à-vis the Fund, conducted by the Treasury, be consolidated with those of the Bank of Uganda. In addition, payments arrears were asked to be identified. In particular, local currency deposits made for the acquisition of foreign exchange should be classified as payments arrears on the part of the Bank of Uganda and classified as foreign liabilities.

The discussions concerning the commercial banks centered on obtaining an understanding of the existing monthly report form with a view to developing an improved and simplified reporting system. Revised reporting forms were developed. A fair amount of detail sought in previous forms have been eliminated from the proposed form to reduce the reporting burden on the banks and the lag in the submission of the forms.

Additionally, a reconciliation in the derivation of monetary survey data was developed between the IFS measures and those compiled by the Bank of Uganda.

United Arab Emirates (July 1983--Money and Banking)

The purpose of the visit was to discuss with the Central Bank the recent revision of foreign exchange reserves data, which excluded the deposits of Emirate governments, banks, and other financial institutions (including their reserve requirements) from the measure of foreign assets of the Central Bank. Discussions focused on defining the criteria used in IFS for recording foreign exchange. In the first place, it was determined that the deposits of the Emirate governments, banks, and other financial institutions were in the ownership of the Central Bank and not held by the latter as an agent. Secondly, from the standpoint of marketability, the assets were available to meet balance of payments needs. Finally, no by-laws, rules, agreements, or other documents were in existence to suggest that the Central Bank was prohibited from using that part of its foreign assets that correspond to the deposits of the Emirate governments, banks, and other financial institutions. In light of these considerations, the mission informed the authorities that, in its opinion, it would not be appropriate to deduct the reserve requirements of the banks and other financial institutions from the measure of official foreign exchange reserves.

Venezuela (March 1983--Balance of Payments)

The mission's objectives were to gather information on the sources and methods used in the compilation of Venezuela's balance of payments statistics and to evaluate the methodology in the light of the guidelines of the fourth edition of the Fund's Balance of Payments Manual, with a view to making recommendations for improvement where necessary.

Revised data for 1981 were obtained and the derivation of the standard components of the balance of payments from items given in the national presentation was analyzed in detail. National compilers were acquainted with the relationship between the national publication and the Fund's standard presentation. The need for receiving information on the stock of foreign assets and liabilities in addition to data on flows was emphasized. The review of the national methodology pinpointed the need for improvements in several component items of the balance of payments. The areas where the mission made recommendations for improvement were: imports of the public sector; estimates of freight and insurance on imports; transactions of

domestic and foreign airline and shipping lines; and the estimates of the short-term and long-term liabilities of the public and private enterprises. In addition, the mission suggested that foreign assets of the state oil company, Petroleos de Venezuela (PDVSA), should be included in the measure of reserves in as much as they meet the definition of reserves as stipulated in the Balance of Payments Manual.

Viet Nam (August 1983--Money and Banking)

The mission undertook a review of the methodology underlying the compilation of monetary data and made suggestions for the improvement of statistical routines, including the introduction of an appropriate reporting system.

A review of the consolidated monetary data for the State Bank and the specialized banks revealed a number of shortcomings. On the assets side, an appropriate distinction between resident and nonresident accounts was not made. On the liability side, the accounts were not shown by degree of liquidity and by sector, and the presentation of data on foreign liabilities was inadequate. The mission suggested that the authorities compile an improved presentation of data. A model of the new presentation was developed and discussed. The mission recommended that data for the banking system be compiled monthly and that time series of the financial system covering a period of 5 years, 12 quarters, and 13 months be produced. The introduction of a new reporting system for timely and systematic reporting of money and banking data was suggested. It was recommended that such a system be based on a report form of the type usually used in other countries reporting data to central monetary authorities.

Western Samoa (March 1983--Money and Banking)

The purpose of the visit was to review the data on money and banking, government finance, and national accounts statistics so that they could serve as the basis for the 1983 use of Fund resources program.

The Monetary Board of Western Samoa did not, at that time, have a balance sheet. Consequently, an approximate statement was constructed taking into account the amount of arrears on international payments. In addition, it was necessary to include in the balance sheet of the Monetary Board foreign liabilities resulting from imports, since banks considered these liabilities as contingent liabilities pending allocation by the Monetary Board of foreign exchange to the importers. The Commercial Banks' present reporting was reviewed and reporting changes were suggested to provide sectoral classification of the accounts. The financing of the government overall deficit was reviewed in light of the revised monetary survey data, and a detailed analysis of extra-budgetary accounts enabled a nearly complete reconciliation between monetary and government finance statistics.

The data on government finance, balance of payments, and social security operations have been consolidated into a set of national accounts

data using earlier estimates on the production accounts. Starting from this pragmatic approach, it should be possible to develop a system of national accounting which can be improved as firmly based data become available.

Zaire (February 1983--Balance of Payments)

The objectives of the visit were to collect information on the present sources and methods used in compiling the balance of payments statistics; to identify the areas where improvements were most needed and the sources of information that could be used; and to make methodological recommendations.

The mission noted that the exchange record was the primary source of data for balance of payments; however, it suffered from shortcomings, e.g., delays in production, incomplete coverage, and classification problems. The mission made recommendations for improvements in these areas. The report recommended that the existing software and hardware should be used to produce computer printouts that could serve as a basis for the compilation of quarterly and annual reports on exchange transactions, without necessitating an intermediate step of additional processing by hand, of the bank tables and bank documents. The mission recommended that the exchange record be supplemented with data on payments for imports and expenditures for invisibles (services and capital movements) that GECAMINES was authorized to make abroad. Furthermore, procedures should be instituted for recording the transactions of Zaire with other signatories of the agreement creating the Central African Clearing House. In addition, the classification of transactions reflected in the exchange record should be revised so as to be in accord with the recommendations of the fourth edition of the Fund's Balance of Payments Manual.

Zaire (November 1983--Money and Banking)

The mission reviewed the financial data compiled with respect to the Bank of Zaire, the deposit money banks, and the nonmonetary financial institutions. Regarding the balance sheet of the Bank of Zaire, the mission noted shortcomings in the presentation of data, in particular, the foreign sector accounts. The mission recommended that the flow of information between the Exchange Operations and the Accounting Departments be scrutinized to ensure an accurate reporting of foreign assets and liabilities. It suggested that the revisions of data on foreign assets and liabilities be followed by an evaluation of the other accounts of the Bank of Zaire's balance sheet. The mission prepared a framework for the presentation of monetary data. Concerning data on deposit money banks, the mission suggested the introduction of an improved report form for use by the authorities. A model of the report form was prepared for use in collecting data on the nonmonetary financial institutions. The revised presentations and reporting systems were designed towards the possibility of introducing updating in a computer routine in the future.

Zambia (September 1983--Money and Banking)

The primary objectives of the mission were: to review the procedures underlying the compilation of money and banking statistics at the Bank of Zambia with a view to assessing the adequacy of the contents of the current IFS report forms; to reconcile differences in monetary data as published in IFS and in the Bank of Zambia's Quarterly Financial and Statistical Review (Review); and to explore the possibility of improving the currentness and expanding the coverage of IFS data on Other Financial Institutions (OFIs).

The review suggested the need for revising the Bureau's Report Form 10R to match the contents and sequence of the Bank of Zambia's statement of assets and liabilities, and other data required. The mission made specific recommendations. It suggested that the measure of reserve money be redefined to exclude restricted deposits relating to import payment arrears and that the measure of foreign liabilities should include import payment arrears as well as some central bank liability items currently included in residual liabilities. On the assets side, the measure of foreign assets should include holdings of foreign currency and discounted bills. As regards the relationship between IFS and Review data, the mission noted that differences in concepts and classification were the main cause of discrepancies between the two sets of data. Regarding the uncurrentness of the OFIs section in IFS, the mission recommended that steps be taken to improve reporting.

III. Visits to Regional Organizations

Arab Monetary Fund--Abu Dhabi (January 1983--Balance of Payments)

Two staff members of the Bureau of Statistics served as lecturers in the Seminar on Balance of Payments Statistics organized by the Arab Monetary Fund (AMF). This was the second seminar organized by the AMF in the field of balance of payments. It was attended by 29 participants from 16 Arab countries and the AMF.

The objective of the seminar was the dissemination of knowledge of balance of payments concepts of the Fund's Balance of Payments Manual, and of the collection, presentation, and analysis of data. The contribution to the seminar helped to improve the working relationship in the field of balance of payments statistics between the AMF and its member countries and between the countries and the Fund.

Eastern Caribbean Central Bank (February 1983--Money and Banking)

The objective was to resolve technical problems relating to the monetary statistics reported to the Fund by the Eastern Caribbean Central Bank (ECCB) on behalf of its member countries. The mission discussed improvements to the methodology used by the Bureau to apportion the currency in circulation and the foreign assets of the ECCB among its

members, and obtained historical data on the bank/nonbank split of foreign assets and liabilities of commercial banks. In addition, the mission recommended that the ECCB should initiate the collection of data on nonmonetary financial institutions. Agreement was reached on improvements to the current procedures for reporting data to the Bureau.

Extract from EBD/83/139 (May 20, 1983) Page 105

I. Technical Assistance Program of the Bureau of Statistics

(a) The Evolution of the Program

There are three main approaches to the provision of technical assistance in statistics to member countries. The main thrust of the Bureau's technical assistance activities is through missions to member countries. Each mission involves preparatory and follow-up work at headquarters. In most cases the staff prepares a report which contains the mission's findings and a summary of recommendations. After discussions and clearance within the Fund, this report is sent to the member country. In addition to missions, arrangements are frequently made for national technicians in statistics to visit the Bureau of Statistics for two to three weeks, but in special cases for longer periods. Bureau staff also give lectures at the various courses organized by the IMF Institute. In two of these courses--balance of payments methodology and government finance statistics--Bureau staff present the main course lectures and organize and supervise the case studies.

Since its inception, the Fund has been concerned with the needs of member countries for technical assistance in statistics. Prior to 1968 there was no formal program for the provision of such assistance, although staff visits took place in response to ad hoc requests by members. In December 1968 the Executive Board approved the introduction of a program by the Bureau of Statistics which was keyed to "the establishment or improvement of central bank bulletins or similar bulletins that attempt to bring together in one place and in a suitable form the materials needed for the analysis of monetary policy." <sup>1/</sup> In addition, the program was aimed at training national technicians in the various areas of statistics which are of interest to the Fund. The primary objective of this program, through the medium of central bank bulletins, was to encourage the development and enhancement of statistical data bases in member countries that would facilitate the formulation and analysis of economic policy. During the 1970s the Bureau expanded the coverage of its technical assistance in statistics. In 1972 it became responsible for the development of government finance statistics and, in 1977, with the transfer from the Research Department of the Balance of Payment Division, the Bureau assumed responsibility for the development and maintenance of balance of payments data. In addition to these new activities, the Bureau has also been asked to provide technical assistance in the development of computerized data bases in a number of member countries. By the latter part of the 1970s, with the establishment of bulletins by the central banks or monetary authorities in a large number of new member countries, the emphasis of technical assistance in statistics had gradually shifted toward improving the quality of data and to the training of national technicians, although close attention continues to be paid to the improvement of national statistical publications.

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<sup>1/</sup> Statistical Bureau Program on Technical Assistance, EBD/68/196, December 3, 1968

Bureau of Statistics: Technical Assistance Missions, 1969-1983

	1969/79	1980	1981	1982	1983		1969/79	1980	1981	1982	1983
<u>African Dept.</u>						<u>Germany</u>					
<u>Countries</u>						<u>Countries</u>					
Algeria	1				1	Greece	6		2		1
Benin		1		1		Hong Kong			1	1 3/	
Botswana	3					Hungary				1	
Burundi	7			1	1	Iceland	6				
Cameroon	2		2			Ireland	1			1	
Cape Verde	1				1	Israel	1	2			
Central Africa	2					Italy	2		1	1	
Gen. Afr. Rep.	2			1		Luxembourg			1		
Chad	1					Malta	1			1	1
Comoros					1	Netherlands				1	
Congo, P.R.	2		1			Neth. Antilles	4			1 3/	1 3/
Djibouti			3			New Zealand		1		1	
Ethiopia	11		1			Portugal	9	2	1		1 3/
Gabon	3	1				Romania		1	2	1	
Gambia, The	12	1	1			South Africa			1		
Ghana	6					Spain	3			1 3/	1 3/
Guinea		3	3	1		Sweden	1			1	
Guinea-Bissau	1					Switzerland			1		1
Ivory Coast	2	2		1		Turkey	5			2	
Kenya	8		1			U.K.		1		1	
Lesotho	2	1			2	Yugoslavia	1			1	
Liberia	10		1	1		Subtotal	46	8	12	19	10
Madagascar	5		1			<u>Middle Eastern</u>					
Malawi	8				1	<u>Dept. Countries</u>					
Mali	3	2	1	1		Afghanistan	7				
Mauritania	5		2		1	Bahrain	4	1		2 3/	3 3/
Mauritius	5					Egypt	4		2		3 3/
Morocco	6	1	1	1	1	Iran	7				
Niger	1	1		1		Iraq	5				
Nigeria	3			1		Jordan	6	1		1	
Rwanda	7	3	2			Kuwait	5	2		2 3/4/	1
Sao Tome & Principe			1	1		Lebanon	4				1 5/
Senegal	1		1	2		Libya	8	1			
Seychelles			1			Oman	4				
Sierra Leone	9	1				Pakistan	7		2		2
Somalia	5	1		1		Qatar	2				
Swaziland	4		1	1	1	Saudi Arabia	2		1	1 5/	1 3/
Tanzania	7	2		1		Sudan	6		1		2
Togo	1	1	1			Syrian Arab Rep.	13		1	1	
Tunisia	6		1		1 5/	U.A.E.	6		1	1 3/	1
Uganda	4	1	1		3	Yemen, Arab Rep.	5	1		1	
Upper Volta	1	1				Yemen, P.D.R.	2	1			
Zaire	7		1		2	Arab Mon. Fund			1 1/		1
Zambia	12				1	Subtotal	97	7	10	9	15
Zimbabwe		1	2			<u>Western Hemisphere</u>					
BCEAO	1		1 1/	1 1/		<u>Countries</u>					
Subtotal	177	24	31	17	17	Argentina	9	1		2	
<u>Asian Dept.</u>						Bahamas	6	1	2	1 3/	1 3/
<u>Countries</u>						Barbados	5				1
Bangladesh	6		1		1	Belize				1	
Burma	3	1			1	Bolivia	10			1	
China, P.R.			1 2/	1 4/	1	Brazil	8		2	1	
Fiji	7	1				Canada					1
India		1				Chile	6	2	1		2
Indonesia	6	1	1	2 3/	2	Colombia	13	1			
Japan	1				1	Costa Rica	6		1		
Khmer Rep.	1					Dominica		1			
Korea	4		1	1 3/		Dominican Rep.	8	1			
Lao P.D.R.	4					Ecuador	16			2 4/	
Malaysia	8	1	2		1	El Salvador	6		2		
Maldives	1	1		1		Grenada	2		1		
Nepal	13	1		1		Guatemala	12				
Papua New Guinea	4					Guyana	7	1			1
Philippines	5	1	1	1 3/	3 5/	Haiti	7				
Singapore	7		1	1 3/		Honduras	8				
Solomon Islands	1		2	1		Jamaica	6			1	1
Sri Lanka	5	1	1		1	Mexico	1	1	1		
Thailand	6	1	2	3 4/	2	Nicaragua	6			1	
Viet Nam	3				1	Panama	5	1		1 3/	3 3/
Western Samoa	8	1			1	Paraguay	8		2		
South Pacific Commission				1 1/		Peru	14			1 4/	1
Subtotal	93	11	13	13	15	St. Lucia				1	
<u>European Dept.</u>						St. Vincent				1	
<u>Countries</u>						Suriname	5	1			
Australia			1			Trin. & Tobago	8		2		1
Austria		1	1			Uruguay	9	1			
Bermuda					1	Venezuela	7		1		1
Cayman Islands				1 3/	1 3/	BANCEPAC	1				
Cyprus	5			1		CAMC			1 1/		
Denmark	1				1	ECCB	2		1		1
Finland			1			Subtotal	201	12	17	14	14
France			1	1		Total	614	62	83	72	71

1/ Assistance in regional seminars.

2/ Special introductory statistical mission.

3/ Includes mission in international banking statistics.

4/ Includes mission in data base computerization.

5/ Includes technical assistance provided during participation by a staff member in a special area department mission.