IMF Capacity Development Strategy Review 2023

10TH MEETING OF THE AFRICA TRAINING INSTITUTE
KINSHASA, DRC
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2023 CD Strategy Review

2018:
The 2018 CD Strategy Review built on the reforms of the 2013 review and aimed at two mutually-reinforcing objectives:

- Increasing the impact of CD by continuing to strengthen integration between CD, surveillance, and lending; and
- Increasing the efficiency of CD by improving CD processes and systems.

2023:
The 2023 CD Strategy Review will seek to further increase the impact of Fund CD and address recommendations that emerged from the recent IEO evaluations.

2013:
The 2013 CD Strategy Review highlighted reforms to increase the effectiveness of Fund CD.

2022:
The IEO reaffirmed that Fund CD is highly valued by Fund members. Evaluations also found that while CD is broadly effective and efficient, there is room to further increase the value to member countries.
Review Framework

**Interdepartmental Contact Group**
A group with representation from area departments; CD departments; the Strategy, Policy & Review Department; and the Office of Budget & Planning to guide process and outputs

**External Advisory Group**
A group of four independent experts with broad regional representation and policy experience to provide an independent view of staff’s analysis and recommendations

**Background Studies**
Several background studies will inform the review, including studies on delivery modalities, field presence and the RCDC model, Fund’s comparative expertise, CD evaluations, and HR policies

**Outreach**
Views from CD recipients and other providers / partners will be gathered through consultations and other channels
Why? – Enhancing the Strategic and Prioritization Framework

<table>
<thead>
<tr>
<th>Current Objective and Principles</th>
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<td><strong>Objective</strong></td>
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<tr>
<td>To help countries build strong institutions and boost skills to formulate and implement sound macroeconomic and financial policies</td>
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<td><strong>Core Competence</strong></td>
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<td><strong>Results and Impact</strong></td>
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<td><strong>Demand</strong></td>
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<td><strong>Comparative Expertise</strong></td>
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<td><strong>Integration with Other Core Activities</strong></td>
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- The review aims at updating and clarifying the **objective and principles of Fund CD**:
  - More detailed guiding principles on CD objectives
  - Defined board engagement around principles
  - Mapping of Fund’s comparative expertise
  - Identification of opportunities for collaboration
  - Assessment of progress toward integrating CD with surveillance and lending
  - Indication of whether recommendations require further enhancement of systems
What? – Ensuring the Size, Composition, and Funding of CD is in line with the Proposed Strategic Framework

- The review provides a chance to reflect on the size, composition, and funding of CD:
  - Desirable CD spending relative to other core activities
  - Ensuring impactful delivery
  - Current composition of Fund CD against proposed new principles
  - CD funding model, funding options, and modalities

![Figure 1. Country Operations Spending by Major IMF Activities, FY 2022](chart)

Source: IMF staff estimates. Excludes minor miscellaneous items and travel. ¹ Direct delivery only. Excludes CD activities related to policy, analytics, and other output areas.
How? – Modernizing CD Delivery

- The review provides an opportunity to build on past success and consider **effective combinations of modalities**:  
  - Modernized delivery models (e.g., blended learning, hybrid engagements)  
  - Field presence impact and efficiency  
  - HR policies related to CD work and specialists
To What Effect? – Assessing Effectiveness and Impact of CD

- The review provides an opportunity to analyze assessments of CD effectiveness/impact to better inform planning, design, and prioritization of CD:
  - Mechanisms for more systematic usage of existing M&E tools
  - Summarized findings, recommendations, and action plans from evaluations
  - Approaches to assessing absorptive capacity and measures to promote country buy-in and commitment
External Advisory Group (EAG)

Members

- Dr. Nancy Birdsall, Center for Global Development
- Dr. Salam Fayyad, Princeton University
- Dr. Daranee Saeju, Bank of Thailand
- Dr. Julius Muia, National Treasury, Kenya

Key Themes

- Integration of CD with Fund surveillance and lending; complementarity of these functions in achieving outcomes
- External factors that impact CD outcomes:
  - Country ownership, capacity, and willingness for reforms
  - Roles of other stakeholders in the implementation of reforms
- Assessment of long-term outcomes and macro-level impacts of CD
Background Studies

• Delivery Modalities
• CD Evaluation and Impact
• Field Presence/RCDC Model
• HR Policy
• Mapping Exercise of Fund CD/Fund’s Comparative Advantage
Contributing Partners Phase I
Mauritius
Australia
China
Korea
Angola
Togo
Seychelles

Contributing Partners Phase II
Mauritius
China
European Investment Bank
European Union
Germany
Ghana
Kenya
Madagascar
Malawi
Mozambique
Nigeria
South Africa
Zambia
Zimbabwe

Thank You – Merci – Obrigado