Independent Evaluation Office
of the International Monetary Fund

BACKGROUND PAPER

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The IMF and Capacity Development—Coordination and Collaboration with Partners

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ABBREVIATIONS

ACES	Analytical Cost Estimation System
AML/CFT	Anti-Money Laundering/Combating the Financing of Terrorism
AfDB	African Development Bank
AFR	African Department (IMF)
CD	Capacity Development
CDIMS	Capacity Development Information Management System
CDOT	Capacity Development Office in Thailand
CEF	Center of Excellence in Finance
CIAT	Inter-American Center of Tax Administrations
CICDC	China-IMF Capacity Development Center
COM	Communications Department (IMF)
COMSEC	Commonwealth Secretariat
CSN	Country Strategy Note
D4D	Data for Decisions Fund
DANIDA	Danish Development Authority
DMF	Debt Management Facility
DRC	Democratic Republic of the Congo
DRI	Debt Relief International
DRM	Domestic Revenue Mobilization
DSF	Debt Sustainability Framework
EBRD	European Bank for Reconstruction and Development
EC	European Commission
ED	Executive Director
EU	European Union
FAD	Fiscal Affairs Department (IMF)
FATF	Financial Action Task Force
FCS	Fragile and Conflict-Affected States
FIRST	Financial Sector Reform Strengthening Initiative
FSAP	Financial Sector Assessment Program
FSB	Financial Stability Board
FSLC	Financial Sector Liaison Committee
FSSF	Financial Sector Stability Fund
HIPC	Heavily Indebted Poor Countries Initiative
IADB	Inter-American Development Bank
ICD	Institute for Capacity Development (IMF)
ICDGP	Institute for Capacity Development Global Partnerships (IMF)
IFI	International Financial Institution
ILO	International Labor Organization
IMF01	Internal Funding
IMF02	External Funding
IOTA	Intra-European Organization of Tax Administrations
IR	Institutional Repository
ISORA	International Survey on Revenue Administration
JAI	Joint Africa Institute

JBIC	Japan Bank for International Cooperation
JICA	Japan International Cooperation Agency
JMAP	Joint Management Action Plan
JPA	Joint Partnership for Africa
JVI	Joint Vienna Institute
LEG	Legal Department (IMF)
LTX	Long-Term Expert
MCD	Middle East and Central Asia Department (IMF)
MCM	Monetary and Capital Markets Department (IMF)
MDB	Multilateral Development Bank
MDRI	Multilateral Debt Relief Initiative
MNRW	Managing Natural Resource Wealth Fund
MIP	Management Implementation Plan
MOU	Memorandum of Understanding
MPA	Multipronged Approach
MTDS	Medium-Term Debt Management Strategy framework
OECD	Organization for Economic Co-operation and Development
PCT	Platform for Collaboration on Tax
PFM	Public Financial Management
PEFA	Public Expenditure and Financial Accountability
PIMA	Public Investment Management Assessment
RCDC	Regional Capacity Development Center
RMTF	Revenue Mobilization Thematic Fund
RTC	Regional Training Center
SARTTAC	South Asia Regional Training and Technical Assistance Center
SC	Steering Committee
SCF	Somalia Country Fund
SDS	Small Developing States
SECO	State Secretariat for Economic Affairs (Switzerland)
TA	Technical Assistance
TADAT	Tax Administration Diagnostic Assessment Tool
TOR	Terms of Agreement
TPAF	Tax Policy Assessment Framework
TPA-TF	Tax Policy and Administration Trust Fund
UFR	Use of Fund Resources
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
WAIFEM	West African Institute for Financial and Economic Management
WB	World Bank
WHD	Western Hemisphere Department (IMF)
WTO	World Trade Organization

EXECUTIVE SUMMARY

This paper examines the IMF's coordination and collaboration with donors and other providers on capacity development (CD) activities, and the Fund's dissemination of CD reports and knowledge. It focusses on three ways in which the Fund works with partners on CD: (i) in-country coordination with other CD providers; (ii) donor financial contributions that scale up the Fund's CD work (through Regional Capacity Development Centers, or RCDCs; thematic funds; and bilateral sub-accounts); and (iii) arrangements aimed at leveraging the expertise of providers with complementary skills. In addition, the paper examines the Fund's policies and practices on dissemination and publication of CD material.

Working with Partners on CD

The Fund has been very successful with external financing partnerships that are designed primarily to scale up the Fund's own CD activities (through RCDCs, thematic funds, and bilateral funds). These partnerships have allowed to Fund to significantly expand its CD work, and to more fundamentally change the way in which the organization works, including through the more decentralized and field-based approach of the RCDCs, and through a more programmatic and results-oriented approach to CD. However, external funding has created risks and challenges for the Fund, including striking the right balance between internal and external funds, sustainability, and the balance between single-donor and multi-donor funds (further discussed in Stedman, 2022).

Coordination of CD activities in-country has improved but is uneven. In-country coordination tends to work best in the context of IMF programs, where the authorities are actively engaged in CD and where there is a resident representative that makes coordination a priority. However, in most cases, in-country coordination is limited to basic information sharing and avoiding duplication of activities, and is rarely more strategic or more deeply collaborative. The uneven levels of coordination reflect inconsistent emphasis, limited guidance, and varying support by managers.

Regarding collaboration on thematic issues, aimed at leveraging the expertise of other CD providers with complementary skills, there has been relatively little progress. This kind of collaboration is difficult, costly, and complex, but in certain circumstances it has the potential to bring significant benefits. The clearest successes have been in creating shared diagnostic tools and databases, such as the Tax Administration Diagnostic Assessment Tool (TADAT), and the Public Investment Management Assessment (PIMA), along with a few of the thematic trust funds that are structured to include joint work with other providers, such as the Debt Management Facility (DMF). Otherwise, there are limited examples of successful in-depth joint collaboration that leverage outside expertise.

Dissemination and Publication

We find that there has been relatively little progress on expanding the amount of information that is disseminated and published, and that the Fund is falling short of its goals in this area. Only about 7 percent of technical assistance (TA) reports currently are published, despite management's stated desire to publish more. Obtaining consent for publication remains fundamentally important. Nevertheless, at least some countries would have been willing to have had more information published during the evaluation period; sometimes staff have used the need for consent as an excuse to not publish. Three other constraints have inhibited publication. First, publication and dissemination require time and resources, and management has given little guidance on how departments should identify additional resources for this task. Second, staff have few incentives to disseminate or publish, and have been given little guidance on how and when to publish. Third, the publication process is unnecessarily time consuming, complex, and bureaucratic.

In January 2022, the Board discussed a paper outlining management's intended revisions to the policies and guidelines on dissemination of CD information (IMF, 2022). These include publishing more summaries of CD outputs, shortening the timeline for non-objection, eliminating post-transmittal corrections and deletions, removing the requirement to circulate final CD output to the Board, and expanding the coverage of the guidelines to include training material. While evaluating the impact of these intended revisions is beyond the scope of this paper, they should at least partially expand publication and dissemination, although they do not alleviate all of the constraints mentioned above.

I. Introduction

1. This paper examines the IMF's coordination and collaboration with donors and other providers on capacity development (CD) activities, and the Fund's dissemination of CD reports and knowledge. It is designed as a background paper for the Independent Evaluation Office's (IEO) evaluation of the IMF's CD efforts.

2. The issue of coordination between the Fund and other CD providers has become more prominent in recent years. It was raised in the 2018 Review of the IMF's CD strategy (IMF, 2018a) (and was emphasized by Directors in their discussion of the report) and in the IEO's 2018 report on Fragile States (IEO, 2018). The Fund's approach to coordination with other CD providers was updated and expanded in the Fund's 2019 Policies and Practices on CD (IMF, 2019c). The COVID-19 pandemic has exacerbated pressures on many countries, which has further highlighted to need for more effective coordination among CD providers. There are also long-running discussions and concerns about publication of technical assistance (TA) reports and wider dissemination of CD knowledge, which are key ways in which the Fund communicates with other providers, as well as being important for the global public good attributes of IMF CD.

3. The paper focusses on three prominent ways in which the Fund works with partners on CD: (i) in-country coordination with other CD providers; (ii) donor financial contributions that scale up the Fund's CD work (through RCDCs, thematic funds, and bilateral sub-accounts); and (iii) arrangements aimed at leveraging the expertise of providers with complementary skills.[1] It explores how coordination and collaboration affects both the Fund's CD work and the broader CD that countries receive from other providers. In addition, the paper examines the Fund's policies and practices on dissemination and publication of CD material, and how the Fund has balanced the benefits of greater information sharing alongside considerations of confidentiality, the Fund's role as a trusted advisor, and the voluntary framework for publication of TA reports and other CD information.

4. The paper is organized as follows. Section II lays out the Fund's stated goals for working with partners on CD, and its intentions and proposed steps for achieving those goals. Section III describes the three main ways in which the Fund works with partners on CD (in-country coordination, external funding of the Fund's CD work, and joint thematic and topical work to leverage complementary expertise). Section IV assesses and evaluates the Fund's progress in achieving its goals and intentions for working with partners on CD. Section V analyses the Fund's policies and practices on dissemination and publication, including the Fund's goals and its progress towards achieving those goals. Section VI summarizes the main findings and suggestions for next steps.

[1] Of course, the most important partners of the Fund in much of their CD work are the recipient authorities. The Fund's coordination with recipient countries is discussed in depth in the other thematic background papers and country case studies, and so is not covered in depth here.

5. The analysis is based on semi-structured interviews with current and former IMF management, staff, and Board members; representatives of external donors, bilateral and multilateral agencies, and other CD providers; and host country officials. It also draws on desk review of internal and public IMF documents and data and to the country case studies prepared as part of this evaluation. In this paper we use the term "partners" to include both donors and other CD providers with which the Fund works, including other multilateral and bilateral agencies. This differs from some IMF documents (including the 2018 Review of CD Strategy and the 2019 Policies and Practices on CD) which use "partners" in a much narrower sense to only refer to financial donors to the Fund.

II. THE FUND'S OBJECTIVES FOR WORKING WITH PARTNERS

6. The Fund's main goal for CD is "to help member countries build strong institutions and boost skills to formulate and implement sound macroeconomic and financial policies."[2] The 2018 CD Strategy Review lays out two mutually reinforcing objectives to meet this goal (2018a). The first is to increase the *impact* of CD activities, both by strengthening the integration of CD with the Fund's surveillance and lending operations, and by framing CD through comprehensive strategies tailored to each member's needs, capacity, and conditions. The second is to improve the *efficiency* of CD by improving CD processes and systems.[3] In turn, the Fund's work with partners aims to further both of these objectives.

7. More specifically, by working with partners the Fund aims to achieve the following three goals[4]:

- *Increase scale and scope*. The IMF's policies state that "partnerships allow the Fund to scale-up CD delivery to meet the increasing demands from its members, particularly in low-income and lower-middle-income countries."[5] The Fund's goal in considering new external funding is that "Donor financing should result in additional delivery of CD to members." Working with other CD providers also can broaden the scope of CD a country receives into areas that complement the Fund's core CD areas, such as in civil service reform, legal systems, management and leadership skills, human resources policies, and communications strategies (some of which are outside the Fund's core mandate, but are still critical to the success of the Fund's work) alongside broader approaches in climate, inequality, gender, and other issues.

- *Improve effectiveness*. Working with partners has the potential to improve the quality and effectiveness of the IMF's CD, since donors demand accountability for achieving results

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[2] IMF (2019c), paragraph 5.

[3] IMF (2018a), page 5.

[4] All of the goals included in this section are all drawn from various IMF documents, as noted; however, this specific three-fold classification is my own organization of the goals.

[5] IMF (2019c), paragraph 23.

with their resources. As stated in the IMF Policies and Practices on CD, "(b)eyond financing, partnerships promote accountability of the Fund for both resources and results. This allows donors to integrate the results of Fund CD with their own programming and resource allocation more directly, which helps increase the overall effectiveness of support to members."[6] Moreover, coordination and partnerships facilitate the exchange of knowledge, ideas, experiences, and best practices, which strengthens everyone's work and extends the Fund's role as a knowledge hub and convener.

- *Increase efficiency.* The IMF's Policies and Practices on CD states that "[e]ffective coordination supports efficiency gains and helps to sustain the impact of CD. It ensures consistency of policy advice, mitigates risks of duplicating efforts, helps better leverage the pool of available resources and expertise (especially in emerging areas of CD), and promotes more efficient use of resources at both the authorities' and the providers' ends."[7] Improving the coordination and efficiency of CD is particularly important for easing burdens on the authorities in receiving countries, especially in countries with more limited absorptive capacity, such as fragile and conflict-affected states (FCS) and small developing states.

8. The 2018 CD Strategy Review and the 2019 Policies and Practices on CD spell out several of the Fund's intentions and proposed steps for achieving these goals (we discuss progress on these steps in the next section):

- *Strengthening in-country coordination.* The 2018 Strategy Review states that "Coordinating better with other providers is key" to meeting the strategy's objectives.[8]

- *Adapting the Fund's internal machinery and culture*: "Realizing this vision will require continued concerted efforts to adapt the machinery of Fund CD operations, as well as the culture and incentives that will drive real change."[9]

- *Clarifying and adjusting roles and responsibilities*: "A strong role for area department mission chiefs and field-based staff in coordinating overall engagement with a country holds benefits in improving coordination with other CD providers at the country level."

- *Actively encouraging and supporting the authority's leadership in CD activities*. "Country authorities must play a leading role throughout the CD process…. The Fund should do more to encourage and support countries' efforts to develop their own CD strategies and

[6] IMF (2019c), paragraph 23.

[7] IMF (2019c), paragraph 26.

[8] IMF (2018a), paragraph 26.

[9] IMF (2018a), paragraph 5.

coordinate them within their own organizations and with development partners, as well as broader domestic stakeholders."[10]

- *Enhancing collaboration with providers with complementary skills*: The 2019 Policies and Practices states that "(g)iven a tight focus on core areas of expertise and limited resources, the Fund seeks to avoid duplication in coverage and to enhance complementarity with other CD providers," and the 2018 Review calls for "leveraging the knowledge of other institutions on topics where the Fund may not have expertise (e.g., civil service reform)."[11]

- *Systematizing best practices in coordination*: The 2018 Strategy Review calls on the Fund to "better leverage existing good practices on coordination in collaboration with other providers," and the 2019 Policies and Practices on CD states that "Systematizing existing good practices on coordination with other CD providers…is critical."

9. In Section IV we assess the extent to which the Fund has achieved these goals and progressed on its intentions for working with partners on CD.

III. How Does the Fund Work with Partners on CD?

10. In this section we describe three main ways the IMF works with partners on CD: (i) coordination with other CD providers in-country; (ii) financial partnerships through which donors contribute to the IMF to scale up its CD work; and (iii) joint thematic and topical work that leverages the expertise of other CD providers with complementary skills. We note here that while some activities can be categorized neatly in one of these categories (e.g., thematic funds funded by donors and implemented solely by the IMF), others overlap between two categories (e.g., thematic funds implemented jointly with the World Bank (WB)), and the RCDCs overlap all three. The basic classification system (and the overlaps) are shown by the Venn diagram in Figure 1.

A. In-Country Coordination in CD Receiving Countries

11. The most extensive way that the IMF works with partners is through cooperation and coordination in host countries, which takes many different forms:

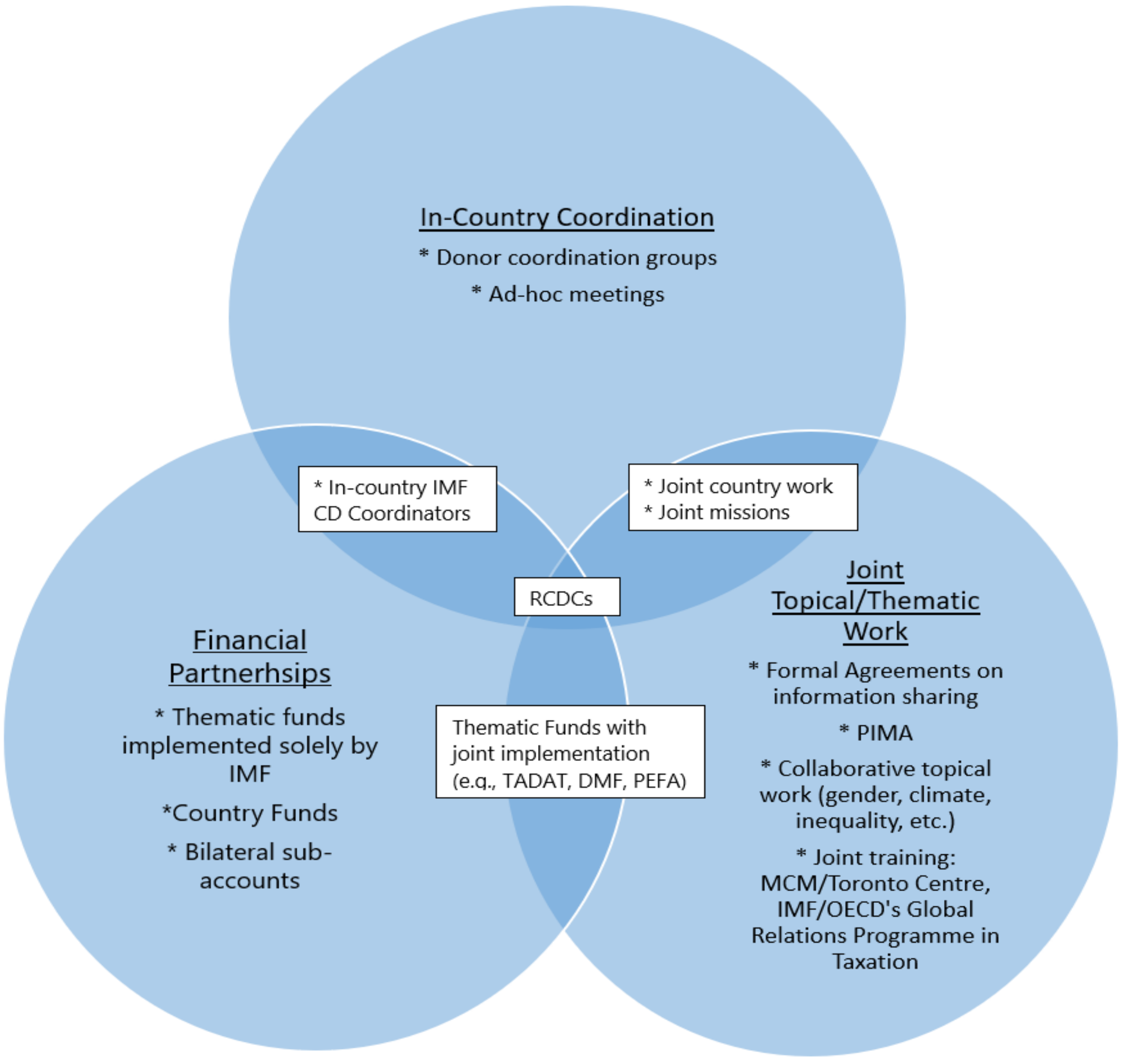
- Large donor coordination groups, typically organized as an umbrella group with sub-groups focused on specific sectors or delivery mechanisms (e.g., budget support). When the IMF participates, it is typically through the resident representative, coupled with (depending on the country) occasional participation by mission chiefs, long-term resident advisors, other local staff, or Regional Capacity Development Center (RCDC) directors and

[10] IMF (2018a), paragraph 15.

[11] IMF (2018a), page 8; and IMF (2019a), paragraph 11.

staff. In some countries the authorities play an active role in managing and leading these groups, in other countries they participate less actively, and in some countries the authorities have little or no involvement.

Figure 1. Typology of the Fund's Work with Partners on CD



Source: Author's analysis.

- Smaller thematic coordination groups organized around a specific sector or theme (e.g., public financial management (PFM)). As with the larger groups, the IMF resident representatives and occasionally mission chiefs, long-term expert (LTXs), and RCDC directors or staff participate in these groups. The involvement of the authorities in these groups varies across countries.

- Ad hoc, informal (but often regular) meetings between Fund staff (resident representatives, local staff, LTXs, RCDC Directors) and other providers, typically individually or in small groups.

- Mission chief meetings with groups of donors and other providers during the course of country visits, sometimes both at the beginning and the end. These missions include both CD delivery and Article IV consultation. Mission chiefs also will sometimes stop in donor capitals to meet directly with key donors (e.g., Japan).

- Joint country meetings in which representatives of the major International Financial Institutions (IFIs) meet with the authorities together, such as joint IMF/WB/Inter-American Development Bank (IADB) meetings in Brazil.

Less commonly, the Fund places a resident IMF CD Coordinator, specifically to enhance coordination of CD activities, both within the Fund and with other providers. These positions exist in Mozambique and in Ukraine (up until 2020), but (as far as we are aware) in no other countries. These two positions have been funded by donors, and so overlap with CD financial partnerships described in the next section.

12. The extent of the structure and the engagement by the authorities in these arrangements varies widely. For example, in Mozambique and Senegal, the authorities lead larger coordination groups, alongside separate smaller meetings among the donors on specific topics. In the Democratic Republic of the Congo (DRC), government ministers chair thematic groups, but these meetings were held irregularly and publicly, with a very large number of participants, which made them less effective. Smaller donor-led meetings took place in DRC on a more regular basis, and IMF CD experts took the lead in areas of IMF expertise. In Somalia, the Steering Committee of the Somalia Country Fund (SCF) has become an effective coordinating structure for partners to engage and coordinate with the Somali government and each other. In Rwanda, the authorities actively coordinate CD, set priorities, and have appointed coordinators for various sub-groups within the key government institutions.[12] In Uganda, the authorities are extensively involved in coordinating CD. In Albania, Georgia, Sri Lanka, and other countries, there is less structure, combined with extensive ad-hoc informal meetings among the providers. In Moldova and Nigeria, the central bank coordinates CD in their area, but otherwise the authorities are not particularly active in coordination. In China, Saudi Arabia, and to some extent Indonesia, the authorities discourage extensive coordination among CD providers, and prefer to work with partners individually.

13. In the majority of countries, the goals of these mechanisms are limited to exchanging information on activities, avoiding duplication of efforts, and reinforcing key messages. In a few countries, such as Somalia and Rwanda, the goals are more strategic, and aim to purposively align CD efforts and fill gaps around the authorities' key priorities. This latter approach requires

[12] IMF (2018b), paragraph 2.

more structure and communication, coupled with a willingness among CD providers (including the Fund) to be flexible and adjust their activities to fit the country's priorities rather than the priorities articulated by their own headquarters.

14. In a few cases, Fund staff actively sought out other CD providers with important complementary expertise. In Georgia, for example, for its work on developing a debt securities market, the Legal Department (LEG) reached out to partners that could provide TA in areas in which it did not have the required expertise. In consultation with the Georgian authorities, the Asian Development Bank was brought in to advise on asset-backed securities, the European Bank for Reconstruction and Development (EBRD) on derivatives, Belgium's Financial Services and Markets Authority on regulatory issues, and Deutsche Bundesbank on repurchase market issues. Working together resulted in a comprehensive package consistent with the European Union's (EU) Markets in Financial Instruments Directive.[13] However, this kind of active and strategic collaboration appears to be relatively rare.

15. The extent of involvement of IMF staff also varies, depending on whether there is a resident representative, whether there is an active IMF program, the extent of Fund CD, the number of other providers working on IMF issues, and the interests of the authorities. It also depends on the personal interests and motivations of individual staff members. Some resident representatives, long-term advisors, and mission chiefs are actively involved, while others focus mostly on the IMF's internal work and do not engage extensively in efforts at coordination other than basic information exchange. The pandemic has tended to weaken in-country coordination in many countries. While virtual meetings have the advantages of potentially facilitating participation by more people and saving travel time, the pandemic has brought to a halt the smaller, more frequent, informal meetings between providers that are so critical to building trust and exchanging information.

B. Financial Partnerships (RCDCs, Thematic Trust Funds, and Sub-Accounts)

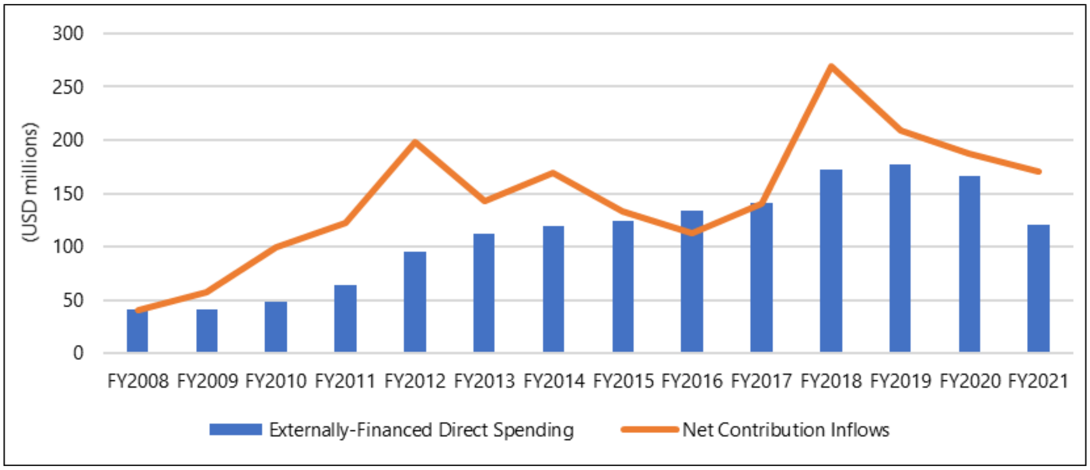
16. The second major way in which the Fund works with partners is through donor funding to the RCDCs, thematic funds, and bilateral sub-accounts. These funds essentially allow the IMF to scale up its own CD activities (as distinct from coordinating with other providers).

17. Externally-funded CD spending grew from $41 million in FY2008 to $95 million in FY2012 and then to a peak of $177 million in 2019 before declining to $121 million in FY2021 (Figure 2). Figure 2 also shows donor contributions provided (net contribution inflows), which do not arrive in a smooth pattern, reflecting, inter alia, donor funding cycles and the IMF's effort to raise funds in advance of when they are needed, as part of mitigating the risks of relying on outside resources. Externally-funded CD accounted for around 55 percent of all CD spending from FY2018–2020 and represented one-eighth of the Fund's overall spending (including indirect costs). Historically, Japan has been the largest contributor to IMF CD work, with total contributions

[13] Chopra (2022).

of $730 million since 1990. Over the period of review for this evaluation (FY2012–2021), Japan was the largest contributor ($327 million), followed by the European Commission (EC) ($304 million), Switzerland ($129 million), the United Kingdom ($124 million), and Canada ($118 million).

Figure 2. External Funding of IMF CD: Direct Spending and Inflows, FY2008–2021



Sources: IMF, ACES (FY08-FY10 reflects splicing of ACES data with data from the Report of the Task Force on the Fund's Technical Assistance Strategy 2011). These data exclude indirect overhead costs (such as the costs of the Executive Board, Fund buildings, and facilities). Capacity Development Information Management System (CDIMS), not adjusted for Regional Training Center (RTC) costs covered directly by the hosts.

18. The donors' intended purposes for their funding vary widely. The EU provides most of its funding (65 percent) for the RCDCs, with smaller but significant amounts for thematic funds (22 percent) and bilateral sub-accounts (13 percent). The EU is the single largest donor to the RCDCs, and contributes to a larger number of RCDCs than any other donor. However, the EU is shifting its own internal funding systems to focus more on individual countries, which may create challenges for them to continue to provide the same level of funding to the RCDCs in the future. Japan's allocation of funding differs markedly, as 95 percent of its funding goes to bilateral sub-accounts for specified high-priority countries. Switzerland shows more of a mix in its allocation, with 48 percent of its funding for the thematic funds, 30 percent for bilateral sub-accounts for specified priority countries, and 22 percent for RCDCs.

Regional Capacity Development Centers

19. Over the last 25 years, the IMF has substantially increased its regional presence from just 2 centers in the mid-1990s, to 15 in 2012, and 17 in 2021. The Fund currently hosts 6 regional centers in Africa, 5 in Asia-Pacific, 2 in the Middle East, 2 in Central/Latin America, 1 in Central Asia, and 1 in Europe. External funding for the RCDCs grew from approximately $54 million in 2011 to a peak of $135 million in 2018 before declining to $90 million in 2020. The RCDCs are the major focus of external funding, accounting for 45 percent of all external funding for the IMF's CD in 2020. More information about the RCDCs is provided in other background papers (Towe, 2022; Enoch, 2022; Stedman, 2022; and De Lannoy, 2022).

20. The partnerships and funding structures for each of the RCDCs vary. Some RCDCs have just one external funder, such as China for the China-IMF Capacity Development Center (CICDC) and Japan for the IMF Capacity Development Office in Thailand (CDOT). Some centers are funded primarily by the member countries themselves, such as the Joint Vienna Institute (JVI) and the South Asia Regional Training and Technical Assistance Center (SARTTAC). Host countries typically provide in-kind contributions of facilities and equipment, and in some cases provide financing (e.g., Singapore, Austria). Most centers receive support from between 5 and 10 external partners. Excluding member and host countries, 25 different external partners contribute funding to at least one RCDC, and many contribute to multiple centers.

21. In addition to funding, there are three ways these partnerships affect the substance of the RCDC's work and the Fund's broader CD work in countries covered by the RCDC:

- ***Steering Committees*** (SCs). The SCs for each RCDC are comprised of the IMF, donors, the host country, and member countries. They discuss and endorse budgets and work plans, and hence feed into the prioritization and allocation of CD resources; sometimes inform delivery through input to operations; share their experiences and knowledge of best practices; and monitor and assess progress. The substance of the work of the centers must be negotiated and jointly decided with the donors, and as such, the donor's viewpoints, priorities, and experiences can influence the direction and substance of the RCDC's work (although in practice, the Fund maintains most of the control).

- ***Accountability.*** The SC members bring additional accountability to the operations of the RCDCs, as the donors need to demonstrate results and value-for-money to their ultimate funders in their capitals. For this purpose, trust funds arrangements typically require periodic external evaluations of the trust funds' administers.

- ***Complementary CD work***. The relationships between the members of the SCs create opportunities for the Fund to coordinate with related bilateral agencies in each country. The Fund's CD work both influences and is influenced by the work of the RCDCs; similarly, the work of the RCDCs both influences and is influenced by partner's bilateral operations. For example, government officials from Japan stated that the Ministry of Finance's participation on SCs influences the work of the Japan International Cooperation Agency (JICA) and the Japan Bank for International Cooperation (JBIC) and creates opportunities for JICA and JBIC to work more closely with the IMF in their bilateral operations.

Multi-Donor Thematic Funds

22. The IMF currently manages nine multi-donor funds, eight of which finance CD work aimed at specific thematic areas, and one is focused on a specific country (Somalia). The IMF operated a tenth multi-donor fund that closed in 2020—the South Sudan Country Fund.[14] In

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[14] For more information, see IMF Factsheet "Thematic Funds for Capacity Development (CD)."

addition, there are two thematic funds managed by the World Bank that finance IMF CD work in collaboration with other partners. There are four different types of funds:

- **Five thematic funds that finance CD work that is carried out solely by the IMF**: the Revenue Mobilization Thematic Fund (RMTF, established 2011),[15] the Managing Natural Resource Wealth Fund (MNRW, 2011); the Anti-Money Laundering/Combating the Financing of Terrorism Fund (AML/CFT, 2009), the Financial Sector Stability Fund (FSSF, 2017), and the Data for Decisions Fund (D4D, 2018).

- **Three thematic funds that finance CD work that is carried out by the IMF in coordination with other CD providers (including both joint work and separate but coordinated work) that are managed (or co-managed) by the IMF.** TADAT (2014) works with many partners, as described in Box 1. The Financial Sector Reform Strengthening Initiative (FIRST, 2002) is co-managed and implemented in conjunction with the World Bank. The DMF III (2008) is also co-managed with the World Bank, with the work carried out by the Fund, the Bank, and six other implementing partners that participate in field missions and training.

- **Two thematic funds that finance CD work that is carried out by the IMF in coordination with other providers (including both joint work and separate but coordinated work) that are managed by the World Bank.** The Public Expenditure and Financial Accountability (PEFA, 2001) program is a partnership between the World Bank, the IMF, and seven other partners, with the Secretariat based at the World Bank. Several other bilateral providers use the framework. The Platform for Collaboration on Tax (PCT, 2016) is a joint initiative of the IMF, Organisation for Economic Co-operation and Development (OECD), United Nations (UN), and the World Bank, with the secretariat located at the Bank.

- **Country funds that finance CD work focused on specific countries, with the CD work carried out exclusively by the IMF**. The SCF (2015) aims to strengthen the country's operating and technical capacity to make economic and financial institutions more effective, transparent, and accountable. The South Sudan Country Fund, which had similar objectives, operated from 2010 until 2020.

23. External funding for thematic funds grew from approximately $10 million in 2011 to a peak of $61 million in 2019 before declining to $37 million in 2020 (these are funds received rather than expended). Thematic Funds accounted for 22 percent of external funding for CD in 2020. Most of the thematic funds are financed by between 6 and 11 donors. The RMTF has the largest number of donors at 14, while FIRST has 4. Overall, 25 different donors contribute to at least one of these funds, and several donors contribute to multiple funds.

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[15] The RMTF is the successor to the Tax Policy and Administration Trust Fund TPA-TF, which closed in 2017.

Box 1. The Tax Administration Diagnostic Assessment Tool

TADAT is a diagnostic and assessment instrument designed to provide an objective appraisal of the strength and weaknesses of a country's tax administration system. The initial development of the assessment tool, the subsequent creation of the TADAT Trust Fund at the IMF, and widespread use of the tool by a wide range of trained assessors make TADAT stand out as an unusual partnership.

TADAT was inspired by the PEFA program, which is a partnership between the World Bank, the IMF, and five other partners, carried out through the PEFA Trust Fund. PEFA developed a PFM diagnostic assessment tool that has become the acknowledged global standard for PFM assessments. In 2011, the PEFA SC began to discuss the possibility of creating a similar assessment tool aimed at tax administration. The World Bank conducted an initial feasibility study, Fiscal Affairs Department (FAD) began to approach donors in 2012, and the TADAT Trust Fund was launched in 2014. The second phase of the project began in 2019, and the current financing partners include France, Germany, Japan, the Netherlands, Norway, Switzerland, and the United Kingdom.

From the beginning the objectives went well beyond just developing a technically sound tool, and aimed at creating a wide consensus across providers on the approach and ultimate framework. The idea was to build an inclusive and widely participatory process so that the tool would be trusted and widely used by many organizations. FAD convened a series of meetings to begin to design the tool that included multilateral organizations, bilateral donors, regional tax administration bodies, country representatives, and other outside experts. Outside commentary was encouraged following the first four pilot projects, and more than 1,000 comments were submitted. A Technical Advisory Group was formed to provide ongoing input on the tool and the accompanying field guide. The TADAT Secretariat was purposely established at arm's length from the IMF so that TADAT would not be seen as an IMF assessment tool, but rather an internationally recognized instrument used by many different organizations and countries.

Crucially, TADAT assessments can be carried out by anyone that receives training as an assessor, not just the IMF or partner organizations. To date, more than 500 people have completed the full TADAT training and passed the required TADAT exam to become an assessor, including local government officials, independent experts, multilateral and bilateral experts, and experts from donor organizations that are not contributors to TADAT. Field missions are organized by a lead agency (determined in conjunction with the receiving government) but usually include trained assessors from a mix of different organizations so that the results are not seen as the agenda of any particular organization. TADAT has largely avoided turf battles and debates about attribution of results to particular donors. Instead, it is seen as a widely accepted global framework aimed at establishing sound tax administration systems. A senior representative of a major donor singled out TADAT as the initiative in which its collaboration with the IMF worked best.

Sources: TADAT website and interviews with staff and other providers.

24. As with the RCDCs, external partners affect the substance of CD work through the direction provided by the SCs, additional accountability, and stronger coordination with the donor's bilateral agencies. In TADAT, DMF, and FIRST, there is an important additional channel because the CD work is implemented by the IMF in collaboration with other partners, both as joint work (e.g., joint missions) and as separate but coordinated work. This allows for an expansion of areas of technical expertise and further sharing of knowledge and best practices that can add to the quality of the CD work. TADAT provides an important example: the extensive collaboration with partners and other CD providers substantially improved the design of the diagnostic tool, expanded the range of experts (including local authorities) that are trained to use the diagnostic tool, and, perhaps most importantly, helped create a global community that recognizes and values TADAT's approach (see Box 1).

Bilateral Sub-Accounts

25. The IMF currently manages 23 bilateral sub-accounts that house funds from individual donors earmarked for a variety of purposes. Most of the sub-accounts were established to finance CD work in specific countries that are of special interest to the donor. The number of bilateral sub-accounts has almost doubled over the last decade from 12 in 2010 to 23 today.[16, 17] Eighteen of these sub-accounts are funded by individual governments, such as Japan, Switzerland, and the United Kingdom; 4 are funded by multilateral organizations (the African Development Bank (AfDB), EU, the European Investment Bank, and the Islamic Development Bank), and 1 is for joint work with the World Bank.

26. In the 1990s, all of the IMF's external funding was provided through bilateral sub-accounts. Over the last two decades the Fund has tried to move away from bilateral accounts to larger multi-donor funds, which (in part) led to the development of the thematic funds. This process is ongoing—internal discussions are underway on proposals to consolidate funds or create "umbrella" vehicles. The rationale for the shift is straightforward: collectively the bilateral accounts are challenging to manage because each donor has different priorities and requirements.

27. Despite the attempted shift, external funding for bilateral sub-accounts grew from approximately $58 million in 2011 to $88 million in 2018 before declining to $61 million in 2020, and as mentioned earlier, the number of sub-accounts has continued to grow. But funding for the RCDCs and thematic funds grew faster, so the share of external funding in bilateral sub-accounts dropped from 100 percent in the 1990s to 51 percent in 2011 to 34 percent in 2020.[18]

28. Japan maintains by far the largest bilateral sub-account. It provided $309 million from FY2012–2021, accounting for 51 percent of all bilateral sub-account funds. The next four largest bilateral sub-accounts in this period were funded by the EC ($64 million, 10.6 percent), Canada ($58 million, 9.5 percent), the United Kingdom ($51 million, 8.4 percent), and Switzerland ($40 million, 7 percent).[19] The purposes and priorities of the bilateral sub-accounts are negotiated with each donor individually. For example, Japan's contributions are governed by a Letter of Understanding, updated annually, alongside a set of mutually-agreed operational guidelines. Details on plans, programs, and results are published in an annual report, alongside

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[16] In March 2009, the Fund established a new "Framework Administered Account for Selected Fund Activities" (the "SFA Instrument") to administer external financial resources for various Fund activities. This new account complemented the "Framework Administered Account for Technical Assistance" (the "TA Instrument"), and the earlier special account for Japan. Through these mechanisms, the Fund accepts and manages donations for the management of the thematic trust funds, RCDCs, and bilateral special purpose funds, each of which is established as a specific sub-account under the Framework.

[17] IMF (2010; 2020c).

[18] CDIMS/ICDGP. See Figure 4 in this paper.

[19] Historical Net Contributions to IMF02 as of June 2021.

annual program self-assessments. The IMF and the Government of Japan hold annual consultations to set priorities, amend programs as necessary, and organize field visits to beneficiary countries. The arrangements with other countries are similar, although usually less extensive, since Japan is the largest donor to the bilateral accounts.

C. Joint Topical and Thematic Activities

29. The IMF is engaged in an array of formal and semi-formal collaborative activities, initiatives and institutional framework agreements, primarily with various multilateral organizations, that are aimed at avoiding duplication or leveraging external expertise to complement the Fund's work.

30. *Collaboration with the World Bank*.[20] By far the most extensive Fund collaboration with an external partner is with the World Bank. Collaboration between the Fund and World Bank is underpinned by a 1989 memorandum known as the Concordat and is elaborated further through the 2008 Joint Management Action Plan (JMAP). Collaboration on CD occurs at many different levels, including information sharing, demarcation of responsibilities to avoid duplication, complementarity in areas of shared responsibility, and formal joint frameworks for specific issues.[21] Over the evaluation period, the Fund and Bank worked together on many initiatives relevant to CD, some funded by the thematic trust funds described earlier and some without dedicated funding. These include the Debt Sustainability Framework (DSF), Heavily Indebted Poor Countries/Multilateral Debt Relief Initiative (HIPC/MDRI), the Medium-Term Debt Management Strategy (MTDS) framework, the Financial Sector Liaison Committee (FSLC), Fintech, the Climate Change Policy Assessment tool, the Tax Policy Assessment Framework (TPAF), alongside other initiatives that are not CD-related, such as the Financial Sector Assessment Program (FSAP), which focuses on surveillance). Bank and Fund staff collaborate in individual countries on social protection, fragile states, debt management, PFM, financial stability, and a range of other issues. The Fund's new strategy on FCS also includes a commitment for strengthening collaboration with the Bank in these countries based on comparative advantages while focusing on core competencies.[22]

31. *Collaboration with other organizations*. The IMF has Memoranda of Understanding (MOUs) and cooperation agreements with several other organizations, including the World Trade Organization (WTO), the Financial Stability Board (FSB), and the Financial Action Task Force (FATF).[23] These agreements focus primarily on exchanging information and describing

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[20] Collaboration between the Fund and the Bank (on macro-structural issues in the context of IMF surveillance) was the subject of a recent IEO evaluation *IMF Collaboration with the World Bank on Macro-Structural Issues* (IEO, 2020).

[21] For further discussion on the various forms and levels of collaboration, see IEO (2020), page 6.

[22] We note that not all of these activities involve CD, and others (like the DSF) go beyond CD.

[23] Abrams (2021).

responsibilities, and most are not directly related to CD, though the IMF provides important input to the Basel Committee on the state of banking supervision and regulation in many of the countries to which it provides CD.

32. *Joint Training Programs*. The IMF participates in several joint training programs in collaboration with other organizations (De Lannoy, 2022). For example, the Joint Partnership for Africa (JPA), which operated from 2010 to 2017, was a collaboration between the IMF and the AfDB. The JPA was the successor to the Joint Africa Institute (JAI), which was a collaboration between the IMF, the AfDB, and the World Bank. Monetary and Capital Markets Department (MCM) organizes training programs in collaboration with the Toronto Centre on financial stability and financial regulation. The IMF is a financial contributor to the Toronto Centre (along with Canada, Sweden, the World Bank, and many other partners) and holds a seat on the Board of Directors. In addition, the IMF collaborates with the OECD to offer joint training on taxation through the OECD's Global Relations Programme in Taxation. Some of the RCDCs also offer training jointly with other partners. For example, the Center for Excellence in Finance (CEF) has offered training programs in collaboration with the OECD, World Bank, and WTO, among others (De Lannoy, 2022).

33. In addition, there are several agreements and arrangements on specific issues. Here we provide short overviews of a small sample of these arrangements, some of which overlap with previous categories (e.g., funded partnerships).[24]

- *The PEFA* program was established in 2001 with the aim of supporting integrated and harmonized approaches to assessment and reform in PFM. The PEFA program is a partnership between the World Bank, the IMF, the EC, France, Norway, Switzerland, Slovakia, Luxembourg, and the United Kingdom, with the Secretariat based at the World Bank. The collaboration extends beyond the partners that provide funding, as several other CD providers use the framework. The "PEFA Framework" is a diagnostic tool that provides a standard methodology for the government and development partners for PFM diagnostic assessments and shared data. More than 700 PEFA assessments have been carried out in 155 countries around the world. As a widely used diagnostic and assessment tool, PEFA was the inspiration for TADAT, as described earlier.[25]

- *The International Survey on Revenue Administration (ISORA)* collects national-level information and data on tax administration. ISORA is a partnership involving the IMF, the OECD, the Inter-American Center of Tax Administrations (CIAT), and the Intra-European Organization of Tax Administrations (IOTA). The Asian Development Bank has also participated as an affiliate. The goal of ISORA is to create a single, common online platform to gather revenue administration data globally. Before ISORA, these four

[24] One of the most important examples of IMF/World Bank collaboration is the FSAP, but since it focuses on surveillance rather than CD, we do not include it here.

[25] PEFA website, and Swedish Development Advisors (2016).

organizations collected their own data separately, which led to extra burdens on reporting countries, overlaps, gaps, and data inconsistencies across surveys. A common instrument helps to elevate performance measurement and reporting, and provides a common framework and data set that organizations and governments can use for diagnosis, analysis, and recommendations on tax administration. More than 150 tax administrations around the world participate in the survey. ISORA does not directly implement CD, but provides relevant data and enables better coordination among providers and the authorities. Financing for in-country support and training is provided through the IMF's RMTF.[26]

- *The DMF* was launched in 2008 by the World Bank as a multi-donor trust fund, and its second phase was launched in 2014 as a World Bank-IMF partnership. The program's objectives are to strengthen debt management capacity and institutions, reduce debt-related vulnerabilities, and improve debt transparency through a suite of tools that help countries assess, plan, and manage their debt. The DMF provides funding for the Bank and Fund to carry out joint CD work through the "Joint World Bank-IMF Multipronged Approach (MPA) for Addressing Emerging Debt Vulnerabilities," which was launched in 2018.[27] In addition, six other implementing partners work with the Fund and Bank and participate in joint missions and joint trainings.[28]

- *The PCT* is a joint initiative of the IMF, OECD, UN, and the World Bank. The PCT was launched in 2016 at the behest of the G20 in order to strengthen collaboration on domestic resource mobilization (DRM) and build stronger tax systems in low- and middle-income countries. The four PCT members support country efforts through policy dialogue, TA and capacity building, knowledge creation and dissemination, and input into the design and implementation of standards for international tax matters. The PCT aims to provide information on the individual activities of each of the partners, avoid duplication, and reinforce key messages, but the partners do not jointly implement CD activities. The PCT Secretariat is hosted by the World Bank, and the PCT's work is supported by contributions from France, Japan, Luxembourg, the Netherlands, Norway, Switzerland, and the United Kingdom.[29]

[26] See IMF (2019a; 2021b) and "ISORA: History, Purpose, and Implementation" (PPT presentation by Andrew Masters, FAD).

[27] IMF (2020b) and Abrams (2021).

[28] The six other implementing partners include Debt Management Program of the United Nations Conference on Trade and Development (UNCTAD-DMFAS), the Debt Management Section of the Commonwealth Secretariat (COMSEC), Debt Relief International (DRI), the Macroeconomic & Financial Management Institute of Eastern & Southern Africa (MEFMI), the West African Institute for Financial and Economic Management (WAIFEM), and the Agence UMOA Titres (AUT). For more information, see World Bank (2019).

[29] Abrams (2021) and the PCT website.

34. The nature of the collaboration and partnerships in these arrangements (and others not described here) vary widely. Some are focused relatively narrowly on basic information sharing. Some go a step further towards coordination of CD activity and involve understandings and agreements on respective roles with the aim of avoiding duplication of activities. Others are organized around a collaboratively designed and implemented diagnostic tool that can be used widely by governments and providers, such as TADAT, PEFA, and the PIMA, or as joint efforts to collect and disseminate data (like ISORA). Some, like PEFA and PCT, are set up as trust funds located outside the IMF (typically at the World Bank) to receive funds from donors, and so have similarities with the thematic funds housed at the IMF described earlier, including the benefits of gaining the experience and perspectives of members of Steering Committees, and enhanced coordination with bilateral providers at the country level. A small number of these arrangements aim for deeper collaboration across institutions involving joint analytic and implementation support with the aim of drawing on the distinct but complementary skills and experiences across the organizations (e.g., the DMF).

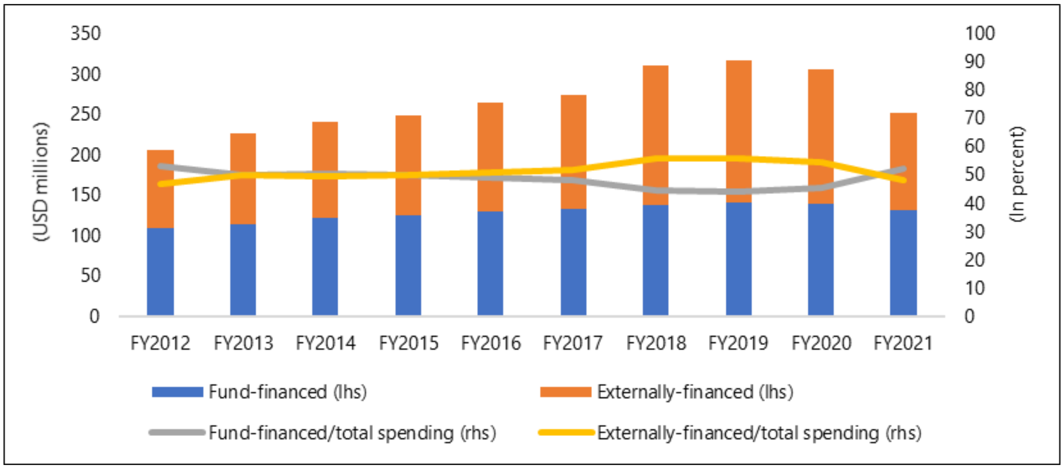
IV. ASSESSING THE FUND'S WORK WITH PARTNERS ON CD

35. In this section, we assess the extent to which the IMF has achieved its goals in working with partners on CD and followed through on its intended action, as set out in the 2018 CD strategy review.

A. Scaling Up the IMF's CD Work

36. The Fund has been highly successful in achieving its goal of scaling up its CD activities through external partnerships. Between FY2012 and FY2019, the Fund's direct spending on CD increased by 55 percent in nominal terms from $205 million to $317 million (Figure 3) before falling in FY2020 and FY2021. The increase was almost entirely due to external funding. The growth and scale of external funding raises several strategic challenges for the IMF, including the balance between internal and external funding, the sustainability and risks around relying on this funding, and the HR costs associated with administering and managing these funds. Those issues are analyzed more fully in Stedman (2022). But there is no question that external funding has been the primary catalyst for a substantial scale-up of CD activities, and has had an enormous impact on the Fund's work. A key conclusion is that *the RCDCs, thematic and country funds, and bilateral sub-accounts simply would not exist without these partnerships, and the vast majority of the CD work they have financed would never have been conducted*.

Figure 3. IMF Direct Spending on CD by Source Funding



Sources: IMF, ACES data as of September 2021; and IEO staff calculations. These data exclude indirect overhead costs (such as the costs of the Executive Board, Fund buildings, and facilities).

B. Strengthening In-Country Coordination

37. Effective coordination among CD providers in host countries is challenging and time consuming. Countries can be overwhelmed with recommendations and analyses from providers, and at times the advice can be contradictory. Each provider has their own priorities and the need to show results from their individual efforts. Coordination can suffer from poor communication, differences of opinion, personality conflicts, and lack of resources.[30]

38. Coordination tends to work well when the authorities are in the lead and the work is structured around shared goals, such as rebuilding after conflict or achieving HIPC completion points. By essentially all accounts, coordination tends to work particularly well in the context of IMF lending programs, as noted in the country cases studies on Somalia and Jamaica.[31] In part, this is because performance criteria and structural benchmarks provide clear objectives that most other CD providers want to help support. In addition, IMF mission chiefs have strong incentives to be more involved in coordination to ensure that other provider's CD is supportive of the program's objectives. Moreover, other providers (especially other IFIs) find it advantageous to leverage the results of IMF CD in designing their own policy support lending. Outside of IMF lending programs, improved coordination can occur in the context of other types of structure and shared goals, such as support for Albania's efforts towards EU accession.[32]

[30] It is worth noting that coordination and management of financial donors to the Fund is also challenging and time consuming, but the Fund has decided to dedicate resources specifically to this task to meet the challenges.

[31] IMF (2018b), IEO (2018; 2020). For country case studies, see Chopra (2022) on Somalia and Ter-Minassian (2022) on Jamaica. Towe (2022) also makes this point.

[32] Everaert (2022).

39. By most accounts from staff, partners, and authorities, IMF staff have become more engaged in country coordination mechanisms over the years, reflecting greater attention from resident representatives and mission chiefs, and the increased number of resident advisors, local staff, and RCDC Directors. The resident representatives stand out as playing important roles in this regard. In interviews, staff said coordination tends to be stronger in countries with a resident representative and active IMF programs, a view confirmed by many of our county case studies. For example, the closure of the resident representative offices in Albania and Peru notably reduced the extent of coordination with other providers. In some countries, IMF mission chiefs are also more active in coordination than they once were, especially by meeting with partners during missions. Coordination has worked particularly well in the two countries with dedicated CD coordinators located in country for this purpose (Mozambique and Ukraine). Staff report that coordination is time consuming and complex, and for mission chiefs (and accompanying staff), more time spent with partners may mean less time with authorities. Yet those we spoke with saw the effort as worthwhile in terms of making both the Fund's work and broader CD efforts more effective. This theme was echoed in many of the case studies for this evaluation.

40. While the Fund's in-country coordination appears to have gradually improved, in most cases, it is usually limited to basic information sharing and avoiding duplication of activities, as reported in the country cases studies for Brazil, Cambodia, the Democratic Republic of the Congo, Liberia, and Sri Lanka, among others. The IEO evaluation of fragile states found that "Ideally, effective collaboration on TA delivery involves broad agreement among development partners on the objectives, tasks, and responsibilities of each provider, but such collaboration has been rare in fragile states." It went on to say that "Some donor representatives expressed concern that collaboration was hindered because communication with the IMF tended to be one-way and not sufficiently interactive; the IMF would brief them on the outcome of negotiations but showed less interest in an open discussion of strategy.[33] A survey prepared for the 2018 CD Strategy Review found that only around 50 percent of partners and staff "strongly agree" or "tend to agree" with the statement that "IMF TA is well coordinated with other TA providers." Those who disagreed with the statement felt that lack of coordination reduced the effectiveness of IMF TA.

41. One reason for the lack of deeper coordination is the Fund's "culture of self-reliance" and working on its own, as we discuss below. The extent of coordination also depends on individual personalities, preferences, and motivations. To some extent, the Fund's coordination is constrained by its trusted advisor relationship with the authorities, which legitimately precludes staff from sharing confidential information, and in some countries (e.g., China, Indonesia, Saudi Arabia), the authorities actively discourage coordination. However, our interviews suggested that sometimes staff use the trusted advisor relationship as an excuse to not share information even when they could.

[33] IEO (2018), page 30.

42. Perhaps more importantly, the uneven levels of coordination reflect a lack of emphasis by managers on coordination and collaboration. Our interviews indicate that staff are more engaged in coordination when they get clear direction and support from managers (mission chiefs, area department leadership, and senior management), and when their roles and responsibilities for doing so are clearly laid out in Terms of Agreement (TORs), job descriptions, and other mechanisms. But these are not as clear and direct as they could be, as we discuss below.

43. Strikingly, the Fund's Policies and Practices on CD (IMF, 2019c) document is silent on in-country coordination. Given the extent of the Fund's in-country presence, the fact that the 2018 CD Strategy Review referred to this kind of coordination as "key" to achieving its goals, and the prominence that coordination received in the IEO evaluation on fragile states, this omission is perplexing. The single paragraph on external coordination on CD mentions systematizing institutional cooperation with the World Bank, multilateral development banks (MDBs), and bilateral agencies, but does not mention in-country coordination. This is a serious omission, both because it signals that management places little importance on the issue, and because it provides no policy or procedural guidance for staff on how to proceed.

44. Some area departments have begun to provide more guidance on these issues, e.g., African Department (AFR),[34] but to a large extent the amount of coordination, when to do it, and how to do it, still remain largely up to the individuals involved, and their personal interests, experiences, and motivations. Staff would benefit from much clearer guidance from management on expectations around how, when and why to coordinate with partners and other providers in-country. Clearer TORs, consistent communication from area department leadership, and guidance on best practices for coordination would be helpful in this regard.

C. Adapting the Fund's Internal Machinery

45. Here we examine two ways in which the Fund has adapted its "internal machinery" in recent years that have facilitated an increase in the Fund's work with partners: creating the structures to manage the multi-donor thematic and RCDC funds, and increasing the IMF's field presence.

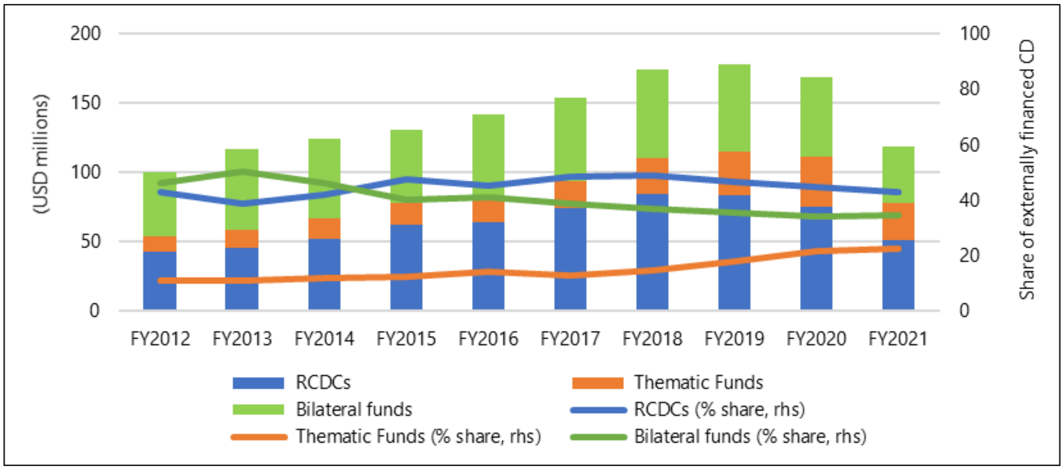
Multi-Donor Thematic and RCDC Funds

46. The first major way in which the Fund has adapted its internal machinery to work with partners is by creating the financial and operational structures of the multi-donor thematic and RCDC funds. In addition to the increased scale discussed previously, the *structure* of the trust funds has changed. In the 1990s, all external funding came through a relatively small number of bilateral sub-accounts. Since then, the Fund has introduced two significant changes—the RCDCs and thematic funds—as new ways of working with partners alongside the bilateral sub-accounts. As of FY2020, bilateral sub-accounts comprised 34 percent of external funding, whereas the

[34] For more specifics, see "Guidelines on the Management of AFR's Res Rep Program," alongside the TORs for the resident representative positions for Mali, the Republic of the Congo, Zimbabwe, and other countries in the region.

RCDCs account for 45 percent and the thematic funds 22 percent (Figure 4). Both the Fund's financial structure and its operational structure changed significantly as a result of the external funding that supported the creation of the RCDCs and the thematic funds and the management and accountability structures they entail.

Figure 4. Externally Financed CD by Funding Vehicle



Sources: IMF, CDIMS/ICDGP data; and IEO staff calculations.
Note: Drawdowns by vehicle, not including trust fund management fee.

47. One of the key challenges arising from the changing structure and composition of the external funds is the balance between single-donor and multi-donor funds. At the heart of this issue is the tension between the wishes and requirements of the donors relative to those of the IMF. Many of the donors—quite legitimately and understandably—prefer single-donor funds, since they better reflect the donor's own priorities and requirements, and they can more easily attribute results to their contributions. With a single donor fund, financial partners need to negotiate with the IMF, but they do not have to adjust to the needs of other donors. The IMF is trying to shift to a smaller number of multi-donor funds, which are easier to manage and align with the IMF's work. But the overall size of the bilateral funds has not changed appreciably over the last decade—donors have provided more funding for the RCDCs and thematic funds, but they have done so through additional funding rather than shifting away from bilateral accounts. Moreover, the number of bilateral sub-accounts has increased.

48. Although some donors are happy to support more broadly-themed multi-donor funds, our interviews suggested that as the funds get broader, some donors are less interested in providing support. The recent challenges in attracting support for the COVID-19 trust fund is a case in point—even in the case of a clear emergency, the broad focus of the fund made some donors reluctant to support it. When asked whether the more flexible governance mechanisms of the COVID-19 Initiative could be used more widely for IMF CD, a senior representative of a major donor diplomatically responded that "this was a delicate issue." The tension between the donor's needs and the IMF's needs will not go away, especially as the EC shifts towards more country-based funding.

49. Despite these difficulties, our overall assessment is that the IMF has managed these tensions relatively well. Donors to the thematic funds and RCDCs were very positive about these arrangements, the IMF's management of the funds, and their relationships with the IMF and with other donors. In our interviews, partners and IMF staff attributed the relative success to date in managing the potential differences among donors and the IMF to regular, ongoing, and frank discussions between the key parties, all of which is time- and resource-intensive. One major donor, in remarks echoed by other donors to different degrees, emphasized that "the IMF is the best partner among the IFIs" in terms of managing trust funds. They noted the importance of flexibility and communication in working with donors on these funds, and stated that "communication with the IMF is the best, and we are very grateful for the IMF's good engagement." Some donors, especially smaller donors, sometimes felt their voices were not fully heard, or that understandings had been negotiated behind the scenes without their full involvement, but these concerns were relatively few, and these donors still saw the relationship on balance positive terms.

Increased Field Presence

50. The second major way in which the Fund's "machinery" has changed in terms of working with partners in recent years is through its increased field presence and more decentralized approach.

51. In particular, the RCDCs—and the external funding that has made them possible—have brought about a fundamental change in the nature of how the Fund conducts its CD activity. They represent a major operational, philosophical, cultural, and geographic shift in the IMF towards a more decentralized and field-based organization for CD. The RCDCs are widely praised by country authorities, donors, and staff. A full analysis of the RCDCs is beyond the scope of this paper, but one point is central: the RCDCs could not have been launched and would not exist in their current form or at their current scale without external partnerships. It is important to recognize that the RCDC partners bring more than funding—they have shaped the RCDCs with their ideas and experiences based on their many years working at a more decentralized level in low- and middle-income countries. In short, the existence and successes of the RCDCs are a direct result of external partnerships, and these partnerships have helped bring about a deep change in the Fund's operating model for CD.

52. The increasing number of resident representatives is also bringing significant benefits for CD work. There are now 94 resident representatives, up from 69 in 1996. The number of positions in Africa doubled from 17 to 34. Our interviews, along with many of the background papers for this evaluation, consistently pointed to the resident representatives as being central to in-country coordination with both the authorities and other CD providers. Coordination is much weaker—and the IMF's CD work less effective—in countries without resident representatives, or where resident representatives do not actively engage with other providers. The 2018 IEO report on fragile states (IEO, 2018) also found that collaboration was significantly enhanced when there was a resident representative and when there was an active IMF program, but also varied by the interests and priorities of individual staff members.

53. A small but important example of the Fund expanding its field presence to improve coordination was the introduction of the TA coordinator positions in Mozambique and Ukraine (Box 2). These positions, especially the one in Mozambique, have been seen as highly beneficial by the mission chief, the country authorities, and the donors. Indeed, the donors have indicated the importance they place on the Mozambique position by continuing to fund it for many years. These positions helped coordinate CD within the Fund, with other providers, and with the authorities. Since so many people saw the Mozambique position as highly successful, it was surprising to find that so few people within the Fund were familiar with this model, and there had been so few attempts to replicate it. Similar donor-funded positions could be beneficial in countries with committed country leadership, significant IMF CD activities, and other providers working in areas related to the Fund's work. The Fund should consider introducing similar positions in a limited number of countries in which conditions are appropriate, as suggested in the 2018 CD Strategy Review.[35]

Box 2. CD and TA Coordinator Positions in Mozambique and Ukraine

The IMF has a CD Coordinator position in Mozambique, and until recently had a Coordinator for TA Delivery in Ukraine. These positions appear to be the only positions of their kind in the IMF.

In Mozambique, the IMF has had a CD Coordinator (or a similar position) for approximately 20 years. The position currently is funded by Switzerland's' State Secretariat for Economic Affairs (SECO). It previously was funded by the Danish Development Authority (DANIDA) and earlier by a consortium of donors, during which time it was called the Technical Assistance Coordinator. The position is sponsored by AFR, and previously was co-sponsored by AFR and FAD.

The CD Coordinator acts as a liaison with the authorities on CD needs and coordinates both within the Fund and with other CD providers on areas related to PFM, including tax policy and administration, fiscal decentralization, debt management, fiscal statistics, and natural resources wealth management. The Coordinator plays a critical role in integrating CD with surveillance, provides continuity between and across IMF TA missions, and helps various missions better understand the context and how their work fits more broadly into the Fund's work and the country's CD efforts.

According to the mission chief, the TA Coordinator position is "indispensable," and definitely improves the quality of the IMF's TA and that of other providers. The position is seen as particularly effective in ensuring continuity between and across missions, and in better integrating CD with surveillance activities. Donors also value the position (as indicated in our interviews and by their financing it for so many years), and see it as helping coordinate their work with the IMF, and in helping them liaise with the authorities on CD needs.

In Ukraine, the IMF had a Coordinator for TA Delivery for issues related to the central bank between 2018–2020, which was discontinued at the outset of the COVID-19 pandemic. The position was sponsored by MCM, located at the National Bank of Ukraine, and financed by the Canadian government. As with the position in Mozambique, the Coordinator acted as a liaison with the authorities and coordinated activities both within the Fund and with other CD providers. The ongoing IMF program provided the structure for TA activities, and for some leverage to coordinate with and focus the activities of other providers. MCM is not planning to continue the position, since the National Bank of Ukraine is seen as having the capacity to coordinate these activities, and the Canadian Funds will be repurposed for other activities.

Source: Interviews with Fund staff.

[35] IMF (2018a), paragraph 26.

D. Clarifying Roles and Responsibilities

54. The 2018 CD Strategy Review called for the Fund to clarify and adjust roles and responsibilities related to CD, especially those of the area department mission chiefs and field-based staff. Our review suggests that there has been some progress in this regard, but it remains limited. The Fund has begun to make the resident representative's role in coordination more explicit in some TORs, but this practice remains inconsistent. For example, the AFR's terms of reference for the resident representative position in Mali lists among the principal tasks "to contribute to and actively support the Fund's capacity development agenda and liaise with Mali's bilateral and multilateral development partners and donors," and goes on to say that core responsibilities include to "monitor and report on the implementation of capacity development programs by other donors in areas of relevance to the Fund." Even here the role is largely around exchanging information. However, in other countries the TORs for resident representatives say much less. Some only mention coordination with the World Bank or other multilateral organization, and some say nothing at all, including in some countries in which there are many other CD providers and coordination would seem to be important. Although specifying a coordination role is not relevant in all countries (e.g., countries where there are fewer IMF CD activities or fewer other providers), the inconsistency across countries was notable.

55. Moreover, even where the expectations for coordination are clear, resident representatives and other staff are often left on their own to determine *how* best to do it. As we discuss below, the resident representatives would benefit from guidance on best practices for coordinating with other providers in different circumstances, and what roles they should and should not play. While coordination is not necessary in all countries, there is clear scope for further systematizing and clarifying these roles across regions and countries. Furthermore, coordination can be time-consuming and entails an opportunity cost, and is largely an unfunded activity. Interviews for this paper and other background papers for this evaluation (e.g., Towe, 2022) found that most staff understand the importance of coordination, but receive little guidance on who is responsible for what, and how they should manage the inevitable tradeoffs with their time. Management should encourage area departments to carefully examine the resident representative TORs and include clearer roles for coordination with other providers where it is relevant, alongside clearer guidance on managing the tradeoffs and costs.

56. The role of the RCDC Directors in CD coordination is more explicit in both their TORs and the RTAC Handbook. The first page of the RTAC handbook says that each Director "oversees execution of the work program and coordinates execution of the RTAC work plan, intermediating between country authorities, local donor agencies, TA departments, Institute for Capacity Development Global Partnerships (ICDGP), and area departments."[36] The Director/Coordinator TORs contain similar language. The RCDC Directors play an important role in encouraging coordination through their regular dialogue with members of the SC, visits in-country (where

[36] IMF (2016).

they often meet with the bilateral agencies of the members of the SC), and by seeking the input of other CD providers in the content of RCDCs activities. It is not surprising that the coordination role is given more prominence for the RCDC Directors, given the funding structure of the centers and the role of the donors in the SCs. Overall, the responsibilities of the RCDC Directors for coordination with the partners appears to be sufficiently clear and formalized.

57. Mission chiefs clearly play a critical role in coordination, and indeed set the tone for the resident representatives and others on the team with their level of interest in and expectations about coordination. Mission chiefs enhance coordination when they meet regularly with other CD providers, show an interest in their work, are willing to share the IMF's work (to the extent possible), and look for ways to collaborate. When they are less interested, coordination suffers. The mission chief role does not have an explicit TOR, so it is hard to assess how their role in coordination is understood, or how it has evolved. It appears to be left largely to the discretion of individual mission chiefs. The emphasis they put on coordination and collaboration (for themselves and the larger country team) differs across countries, with some mission chiefs giving it a higher priority than others. As with the resident representatives, mission chiefs would benefit from guidance on best practices for encouraging enhanced coordination.

58. Each area department has formulated a regional CD strategy note. Most of these include at least some language on guidance for coordinating and collaborating with partners and other providers. But in most cases, it is quite brief. For example, in Middle East and Central Asia Department (MCD), the department guidance notes that during Article IV consultations, CD should "be discussed with resident advisors and other CD providers, to try to identify possible coordination issues" and notes that when preparing Country Strategy Note (CSN) annexes, teams are expected to consult with donors, if necessary and where possible, but otherwise does not mention coordination. The guidance from AFR is similar. In others, such as Western Hemisphere Department (WHD), coordination with external partners is not mentioned in the CD strategy document.

E. Actively Encouraging and Supporting the Authorities' Leadership in CD Activities

59. One of the most important determinants of successful CD activities is the leadership and commitment of the authorities, and this is discussed extensively in other background papers. In the context of this paper, it is critical to recognize that strengthening the recipient country's ability to coordinate the CD efforts of different CD providers and donors can be vitally important. Towards this end, the 2018 CD Strategy Review concluded that "in scoping and prioritizing CD needs, the Fund should do more to encourage and support countries' efforts to develop their own CD strategies and coordinate them within their own organizations and with development partners, as well as broader domestic stakeholders."[37]

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[37] IMF (2018a), paragraph 15.

60. While Fund staff have regular dialogue with the authorities on CD, there seem to be few cases of Fund staff following this guidance and actively encouraging and supporting the authorities in leading and coordinating CD efforts among providers. The dedicated TA coordinating positions in Mozambique and Ukraine were two important exceptions. Outside of these examples, our interviews and all of the background country case studies suggested that Fund staff are not undertaking this role, and seemed to be largely unaware that the CD Strategy Review had called for it. In reviewing the roles and responsibilities outlined in several dozen TORs for resident representatives, we did not find a single example which included encouraging and supporting the authorities in coordinating CD activities. Clearly more needs to be done to implement this policy.

61. Exactly how staff should undertake this role, and the ways in which their role might differ across countries, are important questions. For example, this role presumably would be a higher priority in fragile states with active Fund programs, especially in countries with significant amount of CD from other providers in areas related to the Fund's core competencies. It may include helping to identify training opportunities in executive leadership and management, since those skills are so important in making CD (and policy design and implementation) more effective. Of course, in some countries, the authorities already effectively coordinate CD activities (e.g., Rwanda, Senegal, Uganda), so further encouragement and support may not be necessary. In other countries, the authorities show little interest in playing this role. As such, best practices and specific responsibilities for encouraging country leadership in different country circumstances should be spelled out more clearly. The 2019 Policies and Practices does not provide guidance, and there is little indication that there has been any follow up or further definition of this role.

F. Enhancing Collaboration with Providers with Complementary Skills

62. Beyond in-country coordination and some of the joint thematic funds, progress in collaborating with partners and other providers to "leverage(e) the knowledge of other institutions on topics where the Fund may not have expertise" has been uneven at best. Our interviews suggest that most staff do not think much about deeper collaboration with other partners that have complementary expertise. It is notable that in both the 2018 Review of CD Strategy and the 2019 Policies and Practices on CD, the term "partnership" is used exclusively to refer to donors providing funding to the IMF to scale up its own CD work. Work with other CD providers is referred to as coordination or collaboration, but never as a partnership. Yet there are some examples of arrangements in which the Fund specifically works with other institutions on joint or complementary CD work, as discussed below.

63. *Formal agreements to share information and avoid duplication.* The Fund has entered into MOUs and other arrangements, but their goals are usually limited to exchanging information and avoiding duplication. These types of agreements exist with the World Bank, WTO, FSB, FATF, International Labor Organization (ILO), UN, and some other organizations, especially in certain thematic areas such as PFM, debt, and taxation. Even within these arrangements, partners voice concerns about not getting sufficient information from the Fund, including when the rules

around publication and dissemination allow for it. This issue is not just one-way—Fund staff also report that they often do not get information from other providers. Moreover, roles and responsibilities remain unclear in some cases, even when a formal MOU or arrangement is in place. In PCT, for example, different interpretations among the partners on its overall purpose, scope, and division of responsibilities created challenges and friction in the early years of the initiative.

64. *Joint diagnostic tools and databases*. The area in which there appears to have been the clearest success in formal collaboration is in creating shared diagnostic tools and databases, such as PEFA, TADAT, PIMA, and ISORA, along with a few of the thematic funds that are structured to include joint work with other providers, such as the DMF.[38] In these cases, Fund staff have worked closely with partners (usually over the course of several years) to identify a common need and develop an analytical tool or data collection mechanism to address that need that can be used as a foundation for CD. In these initiatives, the work has been done together from the beginning—partners have come together to develop tools that are jointly developed, jointly owned, and jointly utilized. In TADAT, for example, Fund staff worked diligently with other experts to develop a diagnostic tool that is not owned by or identified with any specific provider, but rather is seen as a public good that was developed and is used by a wide variety of organizations and experts that are trained to undertake assessments (see Box 1). In addition, IMF staff involved in TADAT believe that part of its success lies in its clearly defined role and in avoiding overstepping that role. In particular, staff see it as critically important that TADAT remain as a widely used diagnostic tool, but not extend its remit into making recommendations or implementing reforms.

65. *Joint work on specific topics*. Outside of the thematic funds that are implemented with the World Bank and other providers (e.g., DMF), there are limited examples of successful in-depth joint collaboration on specific topics that leverage complementary expertise from outside the Fund. Without doubt, this kind of collaboration is difficult, costly and complex. It is not always necessary, and should not be pursued simply for its own sake. Nevertheless, in certain circumstances, this kind of collaboration has the potential to bring significant benefits to the Fund's CD work and to host countries, given the relatively narrow range of the Fund's expertise. For example, for several years the Fund has aimed to better incorporate climate, gender, and inequality into its analyses. To do so it must either build up significant new expertise in these areas (as FAD has begun to do by creating a unit on climate change)[39] or find effective ways to collaborate with individuals or organizations that have that expertise. As an internal memo to senior management put it (referring to some pilot projects with the World Bank), "the objective [of outside collaboration] should be for the Fund to obtain access to state-of-the-art outside

[38] FSAP is another example, but it is designed for surveillance rather than CD.

[39] Enoch (2022).

knowledge, which could improve policy outcomes and avoid the need to build up expertise in-house."

66. Most of the Fund's attempts at in-depth collaboration have been with the World Bank. These arrangements were analyzed by the recent IEO evaluation on collaboration between the Fund and Bank on macro-structural issues in the context of Fund surveillance (rather than in programs or CD).[40] The evaluation found relatively few examples of in-depth collaboration, outside of some cases of joint analytical work, joint staffing of missions, or co-authored papers. It pointed to several barriers inhibiting deeper collaboration, and our interviews reinforced these findings. These include the difficulties of identifying the right people with whom to collaborate; differences across institutions in processes and timetables, misaligned institutional priorities, and incentives; the extensive time and effort required; and the potential for turf battles and disagreements around delineation of responsibilities. It identified the Fund's culture of self-reliance and the preference to work internally as a key barrier to deeper collaboration. Many of the Fund staff we interviewed indicated that they thought cooperation should be limited to exchanging information, avoiding duplication, and receiving funding from donors, and showed little interest in attempting to work jointly with other organizations.

67. Our interviews along with previous analyses indicate that collaboration works better when there is strong leadership from both institutions, a clear vision from management on purposes and responsibilities, individual personalities that are interested in working together, well-defined structures and goals around which to work, and clear gains to both partners. For example, the partners that came together to launch PEFA shared a common goal of developing a joint global framework for assessments and saw clear costs to the previous system of multiple and sometimes inconsistent tools. The Fund's collaboration with the Bank on debt issues also shares these characteristics.

G. Systematizing Best Practices in Coordination

68. The 2018 Strategy Review calls on the Fund to "better leverage existing good practices on coordination in collaboration with other providers," and the 2019 Policies and Practices on CD states that "Systematizing existing good practices on coordination with other CD providers…is critical." However, our interviews suggested that staff are largely on their own in determining when and how to coordinate. They receive little guidance on what might work (or not work) in different circumstances, and how their work and the work of others might benefit. In one our interviews, senior leadership of one of the CD departments expressed frustration and explicitly asked for guidance on the Fund's role in coordination, the requirements for good coordination, models for coordination, and managing the costs of coordination. Other interviewees expressed similar sentiments.

[40] IEO (2020), page 25.

69. The 2018 CD Strategy Review recognized this issue in the context of staff working with the authorities: "Despite this progress, the degree of interaction internally and with country authorities on CD issues still depends too much on the interest of individual mission chiefs and the availability of expert resources in a resource-constrained environment." The IEO's evaluation of Bank-Fund collaboration (IEO, 2020) concluded that "(o)ne lesson from this is the importance of thinking through and providing guidance on *how* to collaborate, as well as *when* to seek collaboration."

70. There has been little progress on documenting good practices for coordination with partners, or on embedding those practices more systematically. The limited awareness across the Fund of the benefits of the CD coordinator position in Mozambique is a case in point. In part, this calls for further strengthening knowledge networks, exchange of information, and publication and dissemination policies. It also calls for creating resources and possible training for resident representatives, mission chiefs, technical experts in CD departments, and others about how to strengthen coordination and collaboration with key partners. More broadly, it calls for Institute for Capacity Development (ICD) to be charged with identifying and disseminating best practices in CD coordination.

H. Partnerships to Enhance the Quality of the Fund's CD Work

71. It is not possible to quantify the impact of working with partners on the quality of the Fund's work. However, many of the people we interviewed (both Fund staff and external partners) believed that working with partners has a positive impact on the quality of CD work. Several of the county case studies (e.g., Jamaica, Somalia, Ukraine) reached the same conclusion. Staff noted that the Steering Committees of the RCDCs, the thematic funds, and the bilateral sub-accounts brought new ideas, experiences, and knowledge, and the exchange of views sharpened staff's ideas and approaches. In addition, they pointed out that donors to the funds and sub-accounts require accountability to their own funders for their financial contributions and had pushed the IMF for better metrics of impacts and results, driving and subsequently reinforcing the Fund's efforts to create a comprehensive Results-Based Management approach to its CD activities. In turn, donors felt that their participation in the SCs and sub-accounts brought new ideas and approaches to their own bilateral CD efforts. In addition, both staff and donors felt that the relationships in the SCs and bilateral sub-accounts helped improve coordination in-country on the broader CD efforts by the Fund and donor agencies, which helped strengthen those broader efforts and reinforced key messages to the authorities. The work on joint diagnostic tools and databases is similar. TADAT provides a good example in which Fund staff were strong in their view that the instrument would not be nearly as effective, widely used, or as highly regarded if it were not for the extensive partnerships involved.

72. Not all staff agreed with this assessment, and some see the relationship with donors as purely transactional around funding, with little addition to quality. They expressed frustration at the need to sometimes modify their work plans, priorities, and reporting to meet the donor's needs, and did not see the need to incorporate donor views in how the Fund should conduct CD.

They expressed the view that partners simply needed to recognize that if they are providing funding to the IMF, they should expect the IMF to do the work as they saw fit without a lot of input. But this view was not widely held.

I. Adapting the Fund's Culture

73. The Fund's long-standing culture has been to work alone and not collaborate deeply with other organizations. The recent IEO report on Bank-Fund collaboration (IEO, 2020) noted this issue repeatedly, pointing to the "IMF staff's tendency toward self-reliance that makes staff more inclined to rely on internally generated knowledge and analysis" and a "cultural reluctance to engage with external partners." A survey undertaken for that evaluation found that around 45 percent of World Bank respondents disagreed or strongly disagreed with the statement that "IMF culture and incentives generally promote collaboration with the Bank;" less than 20 percent agreed. Similarly, a recent evaluation of the AML/CFT found that "the IMF cooperates with other providers of AML/CFT capacity building to the extent of avoiding duplication of efforts but seldom undertakes tasks jointly."[41]

74. In part, this "tendency towards self-reliance" is because of the real costs in time and effort to collaborate with partners, which some staff pointed to in our interviews, coupled with the time and effort required just for internal Fund coordination. In part, it stems from the widely held (and accurate) view of the high quality of the Fund's technical work, which leads staff to think that other organizations produce lower quality work and so collaboration may not be worthwhile (a sentiment that came through in some of our interviews). But it also reflects, as pointed out by the evaluation of Bank-Fund collaboration (IEO, 2020), "a degree of insularity and a lack of awareness of the value of outside perspectives and analysis." For example, in interviews for this background paper, we heard some staff express the view that donors to the thematic funds should recognize that their role should be limited to providing funding, and that they should otherwise get out of the way and let the Fund staff do its work. It also reflects that management does not put much emphasis on collaboration and cooperation, as reflected by the dearth of attention collaboration receives in the Fund's Policies and Practices on CD.

75. Finally, the tendency towards self-reliance reflects individual personalities and preferences. We heard throughout our interviews that personalities (across organizations) are one of the most important forces influencing cooperation (or lack thereof). Some staff simply don't seem all that interested in collaboration. Staff often point to the "trusted advisor" relationship they have with the authorities as a reason to not collaborate and share information with others, and sometimes that view is correct. But in our interviews, some staff suggested that other staff sometimes invoke the "trusted advisor" relationship as an excuse to not make the effort to collaborate with other partners.

[41] IEO (2020), page 28; and IMF (2019b), page 13.

76. The Fund's culture of self-reliance is a barrier to more effective collaboration and partnerships on CD, which ultimate weakens the Fund's efforts, partner's efforts, and the host country's efforts to build capacity. As has been pointed out in previous reports, organizational culture is not immutable, although change is a long, slow, and hard process. Senior and middle management (along with the Board) play a major role in setting organizational tone, attitudes, and culture by sending clear messages to staff to engage with others more actively, and these efforts can be reinforced if they are accompanied by incentives in HR policies and practices. Most people interviewed for this evaluation thought that the Fund's culture had begun to shift slowly towards a greater willingness to collaborate, but had not gone far enough.

V. DISSEMINATION AND PUBLICATION

77. One of the most important ways that the Fund works and communicates with donors, other CD providers, recipient countries, and the general public is through dissemination and publication of TA reports and other CD information. The Fund's policies on dissemination were formalized in the 2009 *Staff Operational Guidelines on Dissemination of Technical Assistance Information* (IMF, 2009), which were updated in 2013 and 2020. It is important to note that these guidelines and policies are limited to TA, and do not include training. In January 2022, the Board discussed a paper outlining management's intended revisions to the policies and guidelines on dissemination of CD information (including expanding coverage to include training materials), which it will be formalized and published through revised *Staff Operational Guidelines* later in the year.[42]

78. The advantages of greater dissemination and publication to the Fund and to others are described in the 2020 version of the *Staff Operational Guidelines* as follows:

> "The more active sharing of TA information with donors and other TA providers will improve coordination, exploit synergies, and enable the Fund to prioritize and leverage its limited TA resources, thereby fulfilling key objectives under the Paris Declaration on Aid Effectiveness. Moreover, especially from the perspective of their own accountability to their governments and legislators, donors to the Fund's TA program have a legitimate interest in receiving information on TA that is financed by them. For TA recipient countries, the wider dissemination of TA information among different government agencies will strengthen ownership and facilitate the more effective implementation of TA recommendations. More generally, through publication, the membership and the public at large will benefit from a better understanding of best practices, and the Fund's experiences in the provision of TA."

79. Although these advantages are clear, the IMF cannot share everything, as it must protect the confidential nature of its relationship with country authorities, preserve the candor of staff assessments and recommendations, and recognize the resource costs associated with increased

[42] IMF (2022).

dissemination and publication. Moreover, the Fund's approaches on information sharing differ between CD and surveillance because CD comes at the request of the authorities, whereas surveillance is an obligation of Fund membership.

80. Thus, there is a clear tension between the benefits of more dissemination and the limitations on what can be published. The Fund tries to balance this tension with a policy that both encourages dissemination and simultaneously places certain limitations on it to protect confidentiality. More specifically, "Fund policy now provides for wider dissemination of CD information, combined with safeguarding confidential information and the candor of Fund advice."[43]

81. The key requirement for safeguarding confidential information is to obtain consent from the TA recipient and the authoring department before dissemination. The level of required consent differs between (i) dissemination of TA advice and other material to Executive Directors (other than the Executive Director (ED) for the recipient country), donors, and other CD providers and (ii) dissemination to the general public, which the Fund refers to as publication. The first category operates on a non-objection basis, with dissemination allowed if the TA recipient does not explicitly object within 60 days (in its intended new policy revisions, management plans to reduce this timeframe to 30 days).[44] By contrast, publication requires the explicit written consent of the TA recipient and the approval of the head of the authoring TA department, in consultation with the relevant area department.[45]

82. Fund management has clearly communicated that it wants to disseminate and publish more information, while also respecting the need for maintaining confidentiality and its trusted advisor relationship. The very first sentence of the 2020 *Staff Operational Guidelines on Dissemination of Technical Assistance Information* is unambiguous: "TA information should be disseminated more widely." The 2009 version of the *Guidelines* opens with the exact same sentence. The Guidelines go on to say that "Accordingly, staff should proactively encourage TA recipients to agree to publication of TA reports by the Fund. Staff should also encourage TA recipients to publish Fund TA reports on their own websites." The 2018 Review of the IMF's Capacity Development (CD) Strategy was equally clear: "Wider dissemination of CD information is needed." In their assessment of the 2018 review, the Fund's Executive Directors "saw merit in improving the presentation of recommendations in TA reports and publishing more topical notes and TA reports while preserving confidentiality and client trust."[46]

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[43] IMF (2019c), paragraph 35.

[44] IMF (2022), paragraph 32.

[45] IMF (2020a), paragraphs 18 and 16, respectively. Dissemination to EDs (other than those of the receiving country) requires consent on the 60-day no-objection basis (paragraph 14). TA advice may be shared with World Bank staff without obtaining the TA recipient's consent, with some restrictions (paragraph 17).

[46] IMF (2018a), paragraph 28.

83. More specifically, the 2018 CD Review and the 2020 Staff Operational Guidelines lay out three goals for dissemination and publication:

- Disseminate and publish more TA information;
- Publish more how-to notes, technical notes, and summaries of TA reports;
- Improve the timeliness and accessibility of relevant TA information disseminated to donors and other CD partners;

84. There has been modest progress, at best, in achieving these three goals in recent years. Over 2018–2020, the Fund published an average of only 7 percent of TA reports that were uploaded in the Institutional Repository (IR).[47] The actual publication rate is probably lower, since (according to our interviews) not all TA reports that should be deposited to the IR actually are deposited. By comparison, staff reports for Article IV consultations or the use of Fund resources (UFR) have a publication rate of around 96 percent. Despite Management's push for more, the amount of CD information disseminated and published remains a low share of the total in recent years (Table 1).

- The number of published TA reports increased from the very low base of 22 reports in 2016 to 61 reports in 2018 (a large percentage increase, but the number remains small), but has not changed since then.
- The number of "How-To-Notes" and "Technical Notes and Manuals" has remained small, and declined to just 3 and 2 in 2020, respectively. However, staff published 88 COVID Notes in 2020 as the Fund responded to the urgency of the global pandemic. But this increase appears to be temporary: the number of COVID notes is likely to decline over time, and just 13 were published in the first six months of 2021.
- There are no available data on publication of summaries of TA reports, but staff report there have been few.
- The process for dissemination is very slow. In 2020, it took an average of nine months from the end of a mission for TA reports to be made available to EDs and financing partners.[48]
- More positively, TA reports that actually are published are more easily available to the public on a new section of the Fund's website dedicated to this purpose.[49]

[47] IMF (2022), paragraph 10.

[48] IMF (2022), paragraph 15.

[49] See "Technical Assistance Country Reports."

- The launch of Partners Connect in 2018 has helped provide financial partners more information and data on the CD efforts to which they contribute. Several partners noted that Partners Connect had helped make more information available, but also noted that it remained incomplete (not all documents were made available) and slow (there were long time delays in posting documents).

Table 1. Publication of Selected Materials

CD Materials	2016	2017	2018	2019	2020
TA Reports	22	37	61	65	61
How-To-Notes	5	2	4	4	3
Technical Notes and Manuals	6	9	4	4	2
COVID Notes	-	-	-	-	88
Staff Reports					
Article IV	125	126	120	128	45
Selected Issues	84	92	81	70	25
FSAP Technical Notes	41	48	25	38	49
Other Staff Reports	122	106	93	100	145

Source: IMF staff estimates; IMF, Communications Department.

85. The Fund's lack of progress on dissemination has consequences. In our interviews, several financial partners expressed frustration that, while there had been some improvement, they were still not receiving all of the TA reports that should have been made available to them through the non-objection process. The IEO's evaluation of Bank-Fund collaboration (IEO, 2020) found that "(t)he Bank's ability to work with the Fund is in turn constrained by Fund staff's caution in sharing working documents and some TA reports. In the survey of Bank staff, over 60 percent of respondents indicated that the IMF never or rarely shared key country documents." A footnote points out that "(a)lthough Fund departments generally report that they adhere to this rule, interview and survey evidence gathered for this evaluation demonstrate that Bank staff still experience difficulty in gaining access to some such reports."

86. Our interviews and review of source documents indicate that there are four key constraints to expanding dissemination and publication:

- **Consent**. In some cases, the authorities may not want to provide consent for publication for confidentiality reasons, and of course that desire should be fully respected. In other cases, they might have no objection to publication, but getting their consent requires the authoring department to take the extra step of sending the report to the authorities under a transmittal letter that explicitly seeks agreement to publish the report. For both IMF staff and the authorities' own staff, it is easier to simply let it go and not publish, especially if they do not see much value in publication. However, our interviews and country case studies suggested that some recipients would be comfortable with more information being made public. For example, the Bank of Albania stated it had a keen interest in publication of reports, except when they contained sensitive information; in

Georgia the authorities expressed surprise to learn that more was not published and said that they had no concerns with at least some additional documents being in the public domain.[50] The country case studies suggest that Brazil, Indonesia, Liberia, Uganda, and some other countries would be open to more documents being published. Thus, more documents could be published while still respecting the need for confidentiality where appropriate.

- **Resources**. Dissemination and (in particular) publishing are very time consuming. The IMF has high standards for publication, and some departments do not think publishing more TA reports is a good use of scarce resources. While some material could be disseminated with little additional cost (e.g., summaries of TA reports), revising, polishing, and formatting reports for a public audience and going through the required clearance process is a long and time-consuming task. Some reports would need to be thoroughly rewritten, and reports written in languages other than English must be translated. If the Fund wants to disseminate and publish significantly more material, it will have to devote more resources to the task, and devote less to something else, and staff would need guidance on how to manage the tradeoffs and allocate the required resources.

- **Staff reluctance**. Interviewees indicated that some staff do not fully support the goal of more dissemination and publication, and believe the Fund does enough as it is. In some cases, this reluctance is because of the two reasons stated above—they are concerned about confidentially or they are concerned about the time required. Staff were clear that more time spent on dissemination meant less time for other TA projects. Some also were concerned that the possibility of publication might reduce the candor of advice and recommendations. Moreover, while the Staff Operational Guidelines state that staff should proactively encourage TA recipients to agree to publication, staff do not receive any guidance or encouragement on how to do so. But in addition, interviews suggested that some staff simply do not see much value in publication, do not see it as a good use of their time, or would simply prefer that their work not be made available for others to see. As one former senior IMF staff member put it: "IMF staff sometimes hide behind the argument that authorities don't want to publish when it is actually they that don't want to publish." It is worth noting that similar arguments were raised when the IMF began to publish Article IV and program documents, and were ultimately seen to have limited merit.

- **Internal processing issues**. The review process for publication of TA reports is cumbersome. TA reports must be circulated to the Board for information in advance of publication, which requires an extra step and a separate submission process. As part of that process, all non-English TA reports must be translated before circulation to the Board, requiring additional resources. In addition, the process for corrections and

[50] Everaert (2022) and Chopra (2022).

deletions is time-consuming and burdensome. Recipients request changes both at the draft stage and then again at the final stage, and any changes require a review by both the department and management. In addition, prior to June 2021, TA reports that were cleared for dissemination under the non-objection process were supposed to be sent by the authoring CD department to either the RCDCs for posting on their secure websites or emailed by request directly to donors. But not all reports were submitted to the RCDCs, and there has been some confusion between the departments and the RCDCs on responsibility. Starting in June 2021, TA reports that have completed the non-objection process are supposed be uploaded directly from the IR to the Partners Connect platform and disseminated to donors and other CD providers. However, historically there have been significant gaps in the submission of TA reports to the IR as the result of "ad hoc work practices, cumbersome procedures and inadequate incentives for knowledge sharing."[51] In our interviews, staff estimated that in 2020, only about 80 percent of TA reports were submitted to the IR.

87. Management's intended changes to the Fund's dissemination policies discussed with the Board early 2022 are aimed at partially addressing some (but not all) of these constraints and expanding the amount of material that is disseminated. The proposed changes include (i) broadening the scope of the policy to include training material and other forms of CD output in addition to TA advice; (ii) moving towards the default publication of high-level summaries of certain "strategic" final CD outputs on a 20-day non-objection basis, along with streamlined internal processes for producing such summaries (the authoring department will determine which final CD output they consider "strategic," based on guiding principles that will be laid out in the operational guidelines); (iii) simplifying the publication process for final CD outputs by eliminating post-transmittal corrections and deletions; (iv) reducing the timeline for non-objection for disseminating TA reports and other CD information to financing partners and the Board from 60 to 30 days; and (v) removing the requirement to circulate final CD output (including the summaries) to the Board in advance of publication, which would remove the need to translate non-English reports into English.[52]

88. It is beyond the scope of this evaluation to assess the likely impact of these changes. They should at least partially expand publication and dissemination but do not alleviate all of the constraints mentioned above. The default publication of high-level summaries of some CD output is an important step forward. However, other than the reduction of the non-objection timeframe from 60 to 30 days, the existing requirements to obtain consent from the CD recipient and the authoring department before dissemination of full TA reports on other final CD materials remain in place, including the burdensome requirement for obtaining explicit written consent from the recipient for publication. The intended changes do not include steps aimed at helping staff proactively encourage CD recipients to agree to publication of full TA reports. Moreover,

[51] IMF (2018b), paragraph 3.

[52] IMF (2022).

they explicitly state that additional resources will not be allocated to dissemination and publication. They put the burden on staff to accommodate any increased resource needs within existing envelopes without guidance on how to balance competing demands on existing resources.

VI. MAIN FINDINGS AND SUGGESTIONS FOR NEXT STEPS

A. Partnerships and Collaboration on CD

Main Findings

89. The Fund's efforts to increase external funding have been very successful in enabling a significant scaling up of CD activities, and have had other beneficial effects for the quality and impact of IMF CD.

- External funding has tripled since 2008, and between FY2016 and FY2020 financed more than half of all CD activities.
- The RCDCs, multi-donor funds, and bilateral sub-accounts simply would not exist without these partnerships, and the vast majority of the CD work they have financed would never have been conducted.
- External funding has helped bring about an important change in the Fund's operating model through the RCDCs, which represent a major operational, philosophical, cultural, and geographic shift towards a more decentralized and field-based organization for CD. The RCDCs are widely praised and supported, both internally and externally. They would not exist in their current size, scope, and approach in the absence of external funding.
- Most of the people we interviewed believe that external funding has improved the quality of the Fund's CD work through the input, deliberations and accountability that comes from the SCs of the RCDCs and thematic funds.
- External funders express strong satisfaction with the RCDCs and thematic funds. They judge that the Fund has done a good job of managing the funds, and managing the inherent tensions among different donors and stakeholders.

90. While the growth in external funding has had these positive impacts, it has created risks and strategic challenges for the Fund, including striking the right balance the balance between IMF01 and IMF02 funds, the sustainability and unpredictability of funding, and the balance between single-donor and multi-donor funds. Moreover, the growth of external financing partnerships has been organic and largely opportunistic, which has resulted in some tensions and strategic questions about the Fund's operating model for CD (and RCDCs in particular) which it needs to address. These issues are explored in a companion background paper.

91. Coordination in-country has improved but has been uneven.

- By most accounts from staff, partners, and authorities, IMF staff have become somewhat more engaged and active in country coordination mechanisms in recent years.

- The Fund's increased field presence through the larger number of resident representatives, LTXs, local staff, and RCDC Directors has helped improved coordination with other providers.

- However, in-country coordination is usually limited to basic information sharing and avoiding duplication of activities, and typically does not include agreeing on objectives, tasks, responsibilities, or joint work. Some donors express the view that communication with Fund staff is often one-way and not sufficiently interactive; some staff express a similar view about donors and other providers.

- Coordination is understandably constrained by the Fund's trusted advisor relationship, but also hindered by the Fund's culture of self-reliance.

- Coordination is further inhibited by the lack of emphasis and guidance from managerial levels. The Fund's Policies and Practices on CD (IMF, 2019c) document is silent on in-country coordination. How and when to coordinate still remain mainly up to the individuals involved, their personal interests, experiences, and motivations.

- In recent years, the Fund has begun to make the resident representative's role in CD coordination more explicit in some TORs, but this practice is uneven. By contrast, the responsibilities of the RCDC Directors for coordination is clear and formalized.

- Although Fund policy is for staff to encourage and support country efforts to coordinate CD activities with other providers, there seem to be few cases where this occurs. In reviewing the roles and responsibilities outlined in several dozen TORs for resident representatives, we did not find a single example which included encouraging and supporting the authorities in coordinating CD activities. The Fund could do more to systematically identify and disseminate examples of good practice in country-based coordination.

92. In terms of enhancing collaboration with providers with complementary skills, there has been much less progress:

- The clearest successes in formal collaboration have been in creating shared diagnostic tools and databases, such as with PEFA, TADAT, PIMA, and ISORA, along with a few of the thematic funds that are structured to include joint work with other providers, such as the DMF.

- There are limited examples of successful in-depth collaboration on CD projects that leverage complementary expertise from outside the Fund. This type of collaboration is much more difficult than either externally funded partnerships to scale up the Fund's work, or in-country cooperation. To some extent, these difficulties are understandable and stem from differences across organizations in timelines, priorities, institutional commitment, and operational procedures. But sometimes the difficulties stem from turf battles and a preference to work alone rather than collaborate.

- The Fund has entered into MOUs and other arrangements, but their goals are usually limited to exchanging information and avoiding duplication across organizations.

- The Fund's attempts to include climate, gender, inequality, and other issues in its work has had only limited success. Introducing new topic areas requires a clear commitment of resources, and it takes significant time to operationalize such work (Enoch, 2022). In these emerging, non-traditional areas, the Fund needs to consider whether it is prepared to commit the resources needed to match its ambitions. The Fund must more energetically pursue some combination of either expanding its core areas of expertise and hire experts in these areas, or commit the necessary time and resources at the highest levels to form more effective collaborative relationships with organizations that have that expertise.

- This type of collaboration works best when there is effective leadership from both institutions, a shared vision on purposes and responsibilities, individual personalities that are interested in working together, well-defined structured and goals, and evident gains to both partners from collaboration for achieving their own goals.

Suggestions for Next Steps

93. There are several steps that the Fund could take to further enhance and extend partnerships and collaboration on CD:

- Expand the expectations for in-country coordination to go beyond simple exchange of information to include more strategic agreements and understandings on objectives, tasks, responsibilities, and possible joint work, ideally under the leadership of the authorities. For example, this could include (where beneficial) an annual meeting with all providers and the authorities to discuss their planned CD work and deepen collaboration and coordination to better achieve the country's goals.

- Strengthen efforts to document best practices for coordination with partners, and to imbed those practices more systematically. In part, this calls for further strengthening knowledge networks, exchange of information, and publication and dissemination policies. It also calls for creating resources and possible training for resident representatives, mission chiefs, technical experts in CD departments, and others about how to strengthen coordination and collaboration with key partners. More broadly, it calls for ICD to be charged with identifying and disseminating best practices in CD coordination.

- Provide staff with guidance on expectations around how, when and why to coordinate with partners and other providers in-country, and on encouraging and supporting the authorities in leading and coordinating CD activities. More detailed and consistent TORs and effective communication from area departments would be helpful in this regard. This additional guidance on coordination and collaboration should be included in the official policies and practices on CD, especially around in-country coordination and on collaborating with providers with complementary skills.

- Further expand the Fund's field presence in high-volume CD countries by increasing the number of resident representatives and the size of the local staff in some countries, bearing in mind the resource costs involved. The proposed increase in the number of resident representatives and local economists in the new strategy for engagement in FCS, aimed in part to enhance coordination with other providers, is a good step in the right direction.

- Consider working with partners and national authorities to introduce resident CD coordinator positions in a small number of countries in which conditions warrant, and where donors are willing to fund the position.

- Identify training opportunities for authorities in executive leadership and management, since those skills could help the authorities coordinate CD providers and more generally are so important in making CD more effective, including possibly expanding RCDC offerings in these areas.

- Identify areas in which successful diagnostic tools (e.g., PEFA and TADAT) could be replicated in which the Fund could coordinate and collaborate with partners and outside experts to jointly develop new instruments, perhaps in other areas of tax policy, a treasury single account, or bank supervision.

- More actively promote systematic engagement with the World Bank and other organizations that have skills that are complementary to the Fund on specific CD issues and priority countries, in line with the actions agreed in the Management Implementation Plan (MIP) responding to IEO (IMF, 2021a). The Fund should be selective and strategic in the subject areas in which it attempts to develop collaboration to leverage outside expertise, and focus on areas with the highest net benefits. As the evaluation on Fund-Bank collaboration concluded, climate change and the environment is the area with perhaps the most potential benefits (probably with the World Bank), and some initial steps are already underway towards this end as outlined in the MIP. More broadly, the first step will be for the Fund to strategically identify areas where the benefits of collaboration may be the greatest. One possibility would be to consider establishing new thematic funds jointly with other providers and funded by donors for these purposes. Success will require committed and engaged leadership throughout the organization, and further work to improve the incentives for staff to collaborate.

B. Publication and Dissemination

Main Findings

94. Our main findings on dissemination and publication are as follows:

- There has been relatively little progress on expanding the amount of information disseminated and published in recent years. The Fund is continuing to fall short of its goals in this area.

- Management's intended revisions to the policies and guidelines on dissemination and publication are important steps forward. While a full evaluation of the impact of these changes is beyond the scope of this paper, it is clear that if they are introduced and implemented, they will address some (but not all) of the current constraints, and should lead to an increase in the amount of information that is disseminated and published.

    - In particular, publishing summaries of "strategic" CD outputs on a non-objection basis, coupled with reducing the timeframe for non-objection from 60 to 30 days are important changes. These steps should both increase the amount of information that is disseminated and published, and accelerate the pace of that process. It will be important that staff avoid any temptation to label output as non-strategic in order to avoid publication of these summaries. In addition, it may be that the number of full reports that are published falls as staff devote more resources to publishing summaries, and less to full reports.

    - Eliminating both the allowance for post-transmittal corrections and deletions and the requirement to circulate final CD output to the Board will help simplify and speed the publication and dissemination process, which currently is unnecessarily time consuming, complex, and bureaucratic.

    - Broadening the scope of the policies and guidelines to include training material is a noteworthy improvement.

- Obtaining consent for publication remains fundamentally important. Nevertheless, at least some countries would be willing to have more information published, and more could be published under existing rules. Staff are not given guidance on how to proactively encourage TA recipients to agree to publication. Moreover, sometimes staff use the need for consent as an excuse to not pursue publication. The continued requirement (including in the intended revisions to the guidelines) for explicit written consent limits publication, even for information that is not confidential or market sensitive and would not undermine the Fund's trusted advisor role.

- Publication and dissemination require time and resources, yet management has stated repeatedly that it does not intend to devote additional resources to this task. There is a fundamental tension between the stated desire to disseminate and publish more information and the unwillingness to devote more resources to achieve this goal. Management has given little guidance on how departments should identify additional resources for this task within existing envelopes, or how they should manage the tradeoffs (in a constrained resource environment) between resources for publication and resources for direct TA work. Management's intended revisions to the guidelines do not address this issue. It may be that the decision to retain the explicit consent rule for publication was driven at least in part by a desire to limit the resources needed for publication, since changing that rule would increase the number of documents eligible for publication.

- Staff have few incentives to disseminate or publish, and are given little guidance on how and when to publish when they want to do so. The intended revisions to the guidelines do little to address this issue.

Suggestions for Next Steps

95. The immediate priority is to fully implement the intended revisions to the policies and guidelines for publication and dissemination. The intended steps to publish more summaries (without allowing too many exceptions), shorten the timeline for the objection process, eliminate post-transmittal corrections and deletions, and remove the requirement to circulate final CD output to the Board are particularly important.

96. Going further, there are several other steps that the Fund could take to further increase dissemination and publication. The last of the steps outlined below on resources is perhaps the most important, as most of the other suggestions cannot be implemented to much effect without the Fund allocating more resources to meeting this objective.

- First, change the default consent requirement for final TA reports and other CD materials to a non-objection basis, consistent with the requirement for dissemination. That is, change the default to publication unless the authorities explicitly object. TA recipients could still object where necessary, and Fund staff could highlight to them reports with sensitive information where they might want to object. Some countries might want to issue a blanket objection, which is fine. Thus, safeguards for confidentiality and the trusted advisor role would remain in place. This step would increase the number of reports eligible for publication by removing the extra steps required to obtain explicit consent, and many countries would be comfortable with more material in the public domain. This change would require a major shift in understandings and expectations around TA reports, but the Fund successfully managed similar shifts in the move to publishing Article IV documents, program documents, and other staff reports, which were widely seen as positive shifts for the Fund and its members.

- Second, give staff more direction on encouraging TA recipients to provide consent. Fund policy is that "staff should proactively encourage TA recipients to agree to publication of TA reports by the Fund."[53] However, staff are given little direction or support on how to do this, and they often do not have strong incentives or expectations to make the effort.

- Third, more strongly encourage staff to write "How-To Notes," "Technical Notes," and other similar products that distill lessons learned and best practices for a wider audience. Similarly, consider encouraging other similar products, ranging from podcasts on specific topics to an annual flagship CD report published by ICD.

- Fourth, and perhaps most importantly, if the Fund is serious about expanding the amount of material that is disseminated and published, it must allocate more staff and financial resources to this task, and management must do more to create the motivations and incentives for publication. Management's exhortations over the last few years to disseminate more are essentially an unfunded mandate, with staff directed to publish more, but without being given the resources, the motivation, or the incentives to do so. The proposed revisions to the policies and guidelines are unlikely to be fully implemented without more resources devoted to the task, and without additional resources more publication of final documents seems unlikely. One option would be to expand the overall envelope of resources to CD activities, either from the Fund's own internal resources or from new donor funds dedicated to this purpose. The other option is to work within the existing resource envelope and directly face the current tradeoff that more time dedicated to dissemination means less time for other direct TA or CD activities. The 2018 CD Strategy Review concluded that to address the current low rate of publication "departments will need to consider how best to allocate resources among competing needs [which] will likely require targeting and prioritizing CD delivery more rigorously to focus on impact." The intended revisions simply state "Departments are expected to accommodate any modest resource costs within existing envelopes."[54] However, staff have little direction on how to follow through with this directive, much less the motivation or incentive to do so. The hard decisions on these tradeoffs and resource allocation must come more explicitly from senior management. In addition, senior management, middle management, and mission chiefs must more explicitly encourage and set expectations for greater dissemination, including by taking it into account in performance reviews and promotion decisions. If management continues to call for more dissemination and publication without backing it more strongly, the results will continue to disappoint.

[53] IMF (2020a), paragraph 18.

[54] IMF (2022), paragraph 43.

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