

Donor Partnerships—Continuing a Conversation on Topical Trust Funds

Topical trust funds (TTFs), which support specialized global Technical Assistance (TA) and that incorporate international best practices, are complementary to the Fund's Regional Technical Assistance Centers (RTACs).

The Fund has already established TTFs on:

- **Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT).** Money-laundering activities have the potential to bring serious macroeconomic distortions and thus integrity of financial systems is essential to financial sector and macroeconomic stability. IMF TA assists in developing a robust AML/CFT regime needed for full integration into the global financial system.
- **Tax Policy and Administration (TPA).** Improving revenue policy and administration is important for revenue mobilization to achieve the developmental goals of low and middle income countries, provide long-term macroeconomic stability and to reduce dependency on external aid. IMF TA assists countries to establish sound tax policy frameworks and well-drafted tax laws, and build effective revenue agencies to administer these policies.
- **Managing Natural Resource Wealth (MNRW).** Large, volatile and exhaustible revenue from extractive industries present resource-rich countries with great economic and governance challenges as well as a development opportunity. IMF TA helps resource-rich countries with their specific needs with respect to fiscal regime and related contracts, revenue administration (incl. commitments under the Extractive Industries Transparency Initiative), macroeconomic management, transparency arrangements, and asset and liability management. The objective is to maximize the development benefits of natural resource wealth.

The Fund has designed and is implementing comprehensive work programs under these TTFs. Donors are actively engaged in the governance of the TTFs through Steering Committees.

The Fund is also developing TTFs in the following areas:

- **Sustainable Debt Strategies in LICs.** With international debt relief initiatives restoring debt sustainability in many LICs, appropriately formulated debt strategies and risk analyses are needed to prevent them from returning to an unsustainable debt path. Donors, TA providers and country authorities have called for a coordinated approach on capacity building in debt management and expect IMF TA, which also assists countries in linking debt management to PFM reforms, to play a central role in this effort.
- **Training in Africa.** Training would strengthen the macroeconomic management skills of mid- and high-level government officials, through a practical training program that blends lectures and hands-on workshops.
- **Financial Stability Statistics.** IMF TA would build statistical and analytical capacity to monitor financial vulnerabilities in emerging market countries.