European Union—International Monetary Fund
CAPACITY DEVELOPMENT PARTNERSHIP

In addition to its large financial support to the Catastrophe Containment and Relief Trust (USD 196 million) and the Poverty Reduction and Growth Trust (USD 107 million), the European Union supports multiple IMF regional capacity development centers, thematic funds, and bilateral programs to help low- and middle-income countries achieve the Sustainable Development Goals. This partnership relies on 4 pillars: collect more, spend better, cooperation in Africa, and cooperation on a global scale.

European Union Funding for IMF Capacity Development

Over the 2005–2023 period, the European Union contributed USD 388 million to IMF Capacity Development programs.

A Large, Global Support for IMF Regional Capacity Development Centers

By supporting all IMF regional technical assistance centers in Africa, as well as its centers in the Caribbean, Central America, Southeast Asia, and the Asia-Pacific, the European Union provides decisive support to long-term, tailored, and locally delivered capacity development responding to countries’ development needs.

Tackling Major Development Challenges Through Thematic Funds

The European Union supports several IMF multi-donor thematic funds that tackle global economic and financial challenges like collecting more and spending better, improving economic policymaking, and modernizing resource management. Some funds also provide targeted support to Somalia and Southeast Europe.

6 Thematic Funds

<table>
<thead>
<tr>
<th>THEMATIC FUND</th>
<th>OBJECTIVE</th>
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<tr>
<td>Revenue Mobilization Thematic Fund</td>
<td>Help countries meet their development objectives by increasing domestic revenue mobilization.</td>
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<tr>
<td>Data for Decisions</td>
<td>Put more and better data in the hands of decisionmakers, thereby enhancing evidence-based macroeconomic policies and supporting the achievement of the SDGs.</td>
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<tr>
<td>Tax Administration Diagnostic Assessment Tool</td>
<td>Provide an objective assessment of the health of key components of a country’s system of tax administration to improve tax administration functions, processes, and institutions.</td>
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<tr>
<td>Managing Natural Resources Wealth</td>
<td>Help countries build capacity to manage their resource wealth effectively and sustainably.</td>
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<tr>
<td>Somalia Country Fund</td>
<td>Support Somalia’s efforts to strengthen its operating and technical capacity to make economic and financial institutions become more effective, transparent, and accountable.</td>
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<tr>
<td>Southeast Europe</td>
<td>Support countries in Southeast Europe in applying best international practices in public financial management, revenue administration and tax policy, and support their preparations in the EU accession process.</td>
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Key Achievements and Success Stories

Promoting Green, Gender, and Program-Based Budgeting
Mainstreaming of green and gender budgeting, and promoting program-based budgeting, in several countries in francophone Africa and Latin America.

Peer-to-peer regional seminars, such as with UN Women in Latin America.

Updating SDG Costing Tools and Developing a Climate Module of the Tools
The climate-related extension of the SDG costing tools enables the assessment of spending needs to achieve the Sustainable Development Goals in the five climate action goal targets while accounting for countries' vulnerabilities to climate-related events and natural disasters.

Modernizing Fiscal Institutions in the Western Balkans, Eastern Europe, and the Caucasus
Securing progress in fiscal reforms in the Western Balkans and in the Eastern Partnership countries with the European Union, modernizing tax administrations and public investment in these regions, and assessing climate fiscal risks.

Supported by the EU-funded program for the EU’s Eastern Partnership Countries and the program for Southeast Europe jointly funded by the EU and Switzerland.

Enhancing Public Financial Management in Togo
Programmatic approach with gradual reform steps building one onto another, with the introduction of:
- program-budgeting (2019)
- gender budgeting (starting 2021)
- climate budgeting (starting as new field in 2023)

Supported by the EU-funded program on Strengthening Public Financial Management in Togo.

Making Public Investment More Efficient in Order to Meet Climate Goals
Creating the Climate Public Investment Management Assessment to help countries leverage public investment more effectively to meet their climate objectives. The C-PIMA has been implemented in 29 countries across Africa, Asia, Latin America, and Europe, and effectively complements the recently-launched IMF Resilience and Sustainability Trust.

Implemented by the EU-funded Regional Technical Assistance Center for Central America, Panama, and the Dominican Republic.

Improving Customs and Revenue Mobilization in Central America
- Conducting a gender equality gap analysis in seven customs administrations
- Improving core functions of tax administrations, including on the identification of non-registered taxpayers
- Narrowing the gap to adopt the World Trade Organization / Trade Facilitation Agreement standards and enhancing transparency in customs administrations

Providing Tailored Bilateral Support to Individual Countries and Regions
The European Union also supports dedicated programs benefitting regions (such as large programs on public financial management and revenue administration in Africa and Eastern European countries) and individual countries like Angola, the Gambia, Guinea, Senegal, Sierra Leone, Togo, and Uzbekistan. The EU also funds the development of analytical tools.