

# A Lasting Partnership on Capacity Development

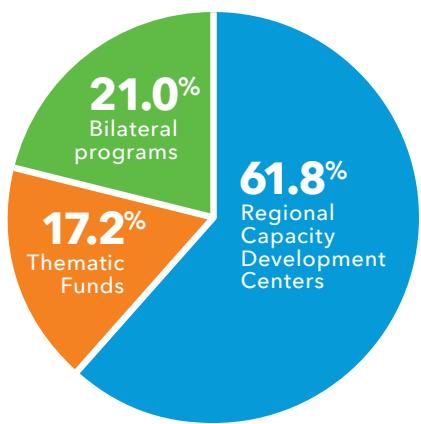
# EU & IMF

The European Union is a leading supporter of IMF capacity development. This critical partnership supports macroeconomic and financial stability in emerging markets and low-income countries, contributing to the EU's Global Gateway agenda. The EU also provided substantial contributions to the Catastrophe Containment and Relief Trust (USD 202 million) and the Poverty Reduction and Growth Trust (USD 103 million).



Nearly  
**500** **USD**  
**MILLION**  
All-Time EU Contribution to  
IMF Capacity Development Programs  
(until December 2025)

## European Union Funding for IMF Capacity Development



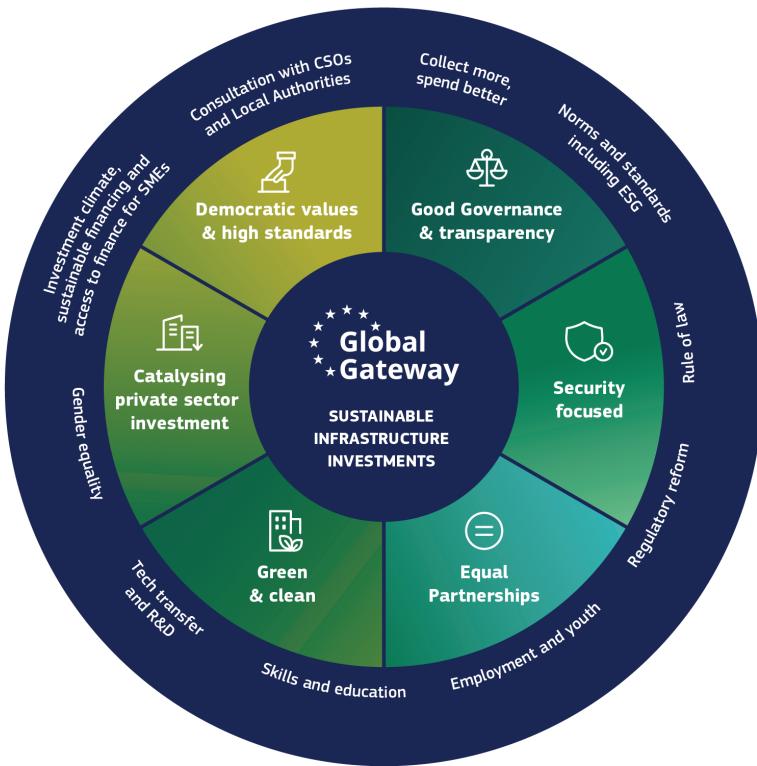
## How IMF Capacity Development contributes to the Global Gateway agenda

FOCUS	CONTRIBUTION
Public Financial Management	Better planning, budgeting, and execution of public investments improves fiscal and economic stability, which fosters private sector dynamism and growth.
Macro-Fiscal Policies	Effective macro-fiscal policies contribute to economic stability and maximize the impact of projects for people and the economy.
Revenue Administration	Increases revenues to finance public services, infrastructure, and development projects, including Global Gateway flagships. A robust revenue administration also fosters private sector investment.
Financial Supervision and Central Banking	Enhancing financial stability and financial markets ensures that domestic savings can be used for productive investments. Inflation control and currency stability enhance confidence.
Debt Management and Debt Market Development	Debt sustainability and debt management strategies promote investor confidence and facilitate market development to help unlock financing, including from partners and the private sector.
Statistics	Harmonized and accurate economic indicators provide the basis for informed decisions on all aspects of Global Gateway projects, enhancing transparency and increasing confidence.
Training on Structural Policies	Courses that strengthen institutional capacities on climate economics support green Global Gateway projects. Debt sustainability courses help ensure that countries can manage debt incurred for infrastructure projects.



## The EU 360-degree approach

The Global Public Finance Partnership—the IMF's main vehicle for fiscal support—helps mobilize revenues and set spending priorities, with a focus on efficient and transparent use of public resources in fragile and conflict states. This aligns with the EU's 360-degree approach to build foundations for Global Gateway investments.



## Supporting economic reforms in EU accessing and eastern neighborhood countries

The IMF's support for Southeastern- and Eastern Europe is aligned with countries' path towards EU accession, ensuring sustainability of reforms, like the ones outlined in the EU-Western Balkans Economic and Financial Dialogue.

The Eastern Partnership supports Armenia, Azerbaijan, Georgia, and Moldova in strengthening fiscal governance and public finances sustainability, in line with the EU's Structural Reform Facility objectives.

## Strengthening financial resilience in the most fragile and vulnerable countries

With the EU's support, IMF capacity development enables critical policy reforms that reinforce governance, improve fiscal frameworks, and boost resilience to shocks in conflict affected states such as Lebanon, Syria, and Ukraine. In Africa, initiatives like Improving Economic Governance in Africa enhance stability and address fragility, while in the Pacific and Caribbean, economies vulnerable to climate change benefit from strengthened fiscal systems.

## Key Achievements and Success Stories



The IMF's Regional Technical Assistance Center for **Central America, Panama** and the **Dominican Republic** supported **Costa Rica** to design and implement the single payment system for social resources, which centralizes transfers to beneficiaries under a single fund. It digitalized all beneficiary payments, promoting financial inclusion, and ensured data traceability.



**Yemen**, with the support of **Middle East Regional Technical Assistance Center** and the Data for Decisions program, produced government finance statistics and comprehensive public sector debt statistics.

This effort aims to strengthen evidence-based policymaking, support development goals, and unlock external financing and debt relief.



**Mongolia** received substantial IMF support to improve its revenue collection, including advancements in tax policy, law changes and improvements in administration.

As a result, revenues soared by around USD 1 billion per year.



**Tanzania** resumed publishing finance statistics data for the central government, covering fiscal years as of 2019.



With IMF's help, **Jamaica** conducted a top-down stress test and incorporated related scenarios into its fiscal planning. **Barbados** started incorporating natural disaster risks into its assessment framework and adopting natural disaster stress-testing guidelines.



The European Union and the IMF are longstanding strategic partners. Through the European Commissions' generous contributions, the IMF's capacity development helps emerging market and low-income member countries achieve greater economic stability and growth.



### KRISTALINA GEORGIEVA

Managing Director, IMF



**Malawi** implemented measures to improve data matching. The Malawi Revenue Authority recorded significant revenue growth, spiking by 98 percent in 2023-2024.



The **Africa Training Institute**, which serves 45 countries and benefits from EU funding, helps authorities improve data governance through delivery of courses on national accounts statistics or high frequency indicators of economic activity. Accurate national accounts data and improved data governance help track how Global Gateway projects in transportation, energy, and urban development contribute to economic growth, ensuring projects align with national development goals.



**Nigeria** strengthened regulations for expected credit loss under IFRS 9, updating the central banks' approaches to assessing expected credit loss to improve the stability of the financial sector and reduce financing costs.



**Democratic Republic of Congo** enhanced financial supervision, stress testing, and financial safety nets. **Zambia** strengthened financial markets infrastructure. **Angola** rebased its GDP to update the size of its economy. This will foster private investment for the LOBITO corridor and ensure the availability of reliable data to improve impact assessment of infrastructure projects.



**Ghana** developed a medium-term revenue strategy, advanced the Integrated Tax Administration System and digital strategy.

## Tackling Major Development Challenges Through Thematic and Country 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.

FUND	OBJECTIVE
<b>Global Public Finance Partnership (GPFP)</b>	Foster strong revenue mobilization policies, well-functioning tax administrations, effective expenditure policies, and sound public financial management practices.
<b>Tax Administration Diagnostic Assessment Tool (TADAT)</b>	Provide an objective assessment of the key components of a country's system of tax administration to improve its administration functions, processes, and institutions.
<b>Managing Natural Resources Wealth (MNRW)</b>	Help countries build capacity to manage their resource wealth effectively and sustainably.
<b>Data for Decisions (D4D)</b>	Put more and better data in the hands of decision-makers, thereby enhancing evidence-based macroeconomic policies and supporting growth.
<b>Southeast Europe Fund</b>	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.
<b>Somalia Country Fund</b>	Support Somalia's efforts to strengthen its capacity for making economic and financial institutions become more effective, transparent, and accountable.
<b>Ukraine Capacity Development Fund</b>	Increase the IMF capacity development work in Ukraine, in line with the priorities set out in the IMF lending program, and in close coordination with international partners.

## The EU supports 12 IMF Regional Capacity Developments Centers around the world

