



Forecasts into Action

Building Capacity in
Macroeconomic Policy Analysis

25.33

20.15

48.89

23.43

50.77

55.93

THE VALUE OF MACROECONOMIC FRAMEWORKS

Good economic decisions rely on good analysis. To tackle issues like volatile inflation, elevated debt, and sluggish growth, countries need to understand how their economies work and where they are heading.

To this end, the IMF's Institute for Capacity Development (ICD) works closely with government institutions to strengthen their ability to forecast and analyze policy options, helping them build, adapt, and effectively use macroeconomic frameworks tailored to their evolving needs.

A macroeconomic framework is a structured tool that helps policymakers understand the links between economic variables, allowing for informed decision-making.

By supporting the development of practical tools for sound analysis, ICD helps equip policymakers with the capacity to:

- Make better informed decisions
- Communicate policies more clearly
- Strengthen institutional resilience





ENHANCING POLICY DIALOGUE THROUGH A SHARED LANGUAGE

Macroeconomic frameworks are central to IMF programs and surveillance, creating strong synergies with technical assistance by enabling both sides to use a common language. By providing technical assistance in macroeconomic frameworks, engagement between national authorities and IMF teams is enhanced, allowing both parties to use similar analytical tools. This leads to stronger and more efficient policy dialogue.



A LEGACY OF CAPACITY BUILDING

Over time, and driven by the needs of beneficiary countries, ICD's role has shifted from classroom-based training to a mix of technical assistance, customized training, and peer learning, strengthening both institutional and human capacity. This evolution reflects the growing demand for hands-on support in areas like macroeconomic forecasting and policy analysis, where ICD plays a leading role within the Fund's broader CD strategy.

As the world evolves, ICD integrates innovations such as AI-powered virtual tutors and blended learning to broaden access and enhance impact.



1964

IMF Institute established helping countries build core analytical skills in macroeconomic policy and management, including macroeconomic frameworks.

1992

Joint Vienna Institute (JVI) launched marking the **start of regionally focused support**. Today, a global network of 17 Regional Capacity Development Centers brings tailored assistance closer to country needs.

2012

IMF Institute renamed Institute for Capacity Development (ICD) signaling a **shift from training alone to structured, hands-on technical assistance**—reflecting growing demand for deeper, more practical support.

2014

Training curriculum overhauled to address emerging global challenges like financial crises, natural disaster-related risks, and digital transformation.

2016

Customized training introduced enabling **on-the-job learning** in real institutional contexts.

2024

AI-Powered Learning rolled out to expand access, personalize training, and boost real-world impact.



A UNIFIED APPROACH TO MACROECONOMIC CAPACITY BUILDING

ICD's macroeconomic training and technical assistance work hand in hand to build lasting capacity. Training equips officials with foundational skills in forecasting and policy analysis, while Technical Assistance helps institutions apply those skills through tailored tools and hands-on support. Insights from Technical Assistance

projects inform course design, and trained officials are better prepared to engage in deeper Technical Assistance. Together, they form a coherent system that strengthens policymaking and supports long term self-reliance.

TRAINING-DRIVEN TECHNICAL ASSISTANCE

With over **60 years of training experience**, ICD brings a nuanced understanding of capacity-building needs and integrates this insight into its technical assistance. Its approach emphasizes **practical tools** that help authorities better understand and communicate the full economic picture. ICD also collaborates closely with other IMF departments to ensure its support aligns with the Fund's broader policy advice, creating **synergies with surveillance and lending** activities to help countries build lasting capacity to manage their own economies.

ICD doesn't simply deliver tools—it applies a set of guiding principles and works together with authorities to jointly develop both the capabilities and tools they need. The goal is not ongoing support, but long-term self-reliance.

GUIDING PRINCIPLES FOR EFFECTIVE IMPACT



COUNTRY-LED APPROACH

Authorities take the lead, with ICD support through targeted training and technical assistance.



TAILORED SOLUTIONS

Macroeconomic frameworks are adapted to each country's specific context and policy priorities.



COACHING-BASED TA

Hands-on coaching provided during and between missions to reinforce capacity and ownership.



EMBEDDED IN POLICY

Macroeconomic Frameworks are integrated into policymaking processes to inform and strengthen economic decisions by the authorities.



BUILT TO LAST

ICD equips authorities with the capacity to independently adapt and use models and tools, which are documented through manuals and guides to ensure continuity and sustainability—even during staff transitions.



PEER LEARNING

Communities of practice connect officials across countries, fostering shared learning and long-term partnerships.

MACROECONOMIC FRAMEWORKS TECHNICAL ASSISTANCE TO CENTRAL BANKS & MINISTRIES OF FINANCE/ECONOMY

GOALS



Macroeconomic forecasting, policy analysis, and communication



Public debt sustainability analysis



Integrating natural disaster-related risks and macrofinancial linkages into macroeconomic frameworks

DEVELOPING FORECASTING & POLICY ANALYSIS SYSTEMS

MACROECONOMIC FRAMEWORKS

- Financial Programming Frameworks
- Model-Augmented Financial Programming Frameworks
- Semi-Structural Models
- Structural (DSGE) Models

SUPPORTING TOOLS

- Public debt dynamics tools
- Nowcasting & Near-term Forecasting Tools
- Potential output analysis
- Natural disaster-related risks and adaptive investment effect

UNDERSTANDING COUNTRY NEEDS

ICD engages with a broad range of beneficiaries including ministries of finance, central banks, and multi-agency groups, each with distinct policy priorities and institutional contexts. ICD's work is shaped by these specific contexts, objectives, and challenges faced by counterparts, whether related to macroeconomic stability, fiscal planning, or structural issues.



FROM DESIGN TO DELIVERY

STEP 1

COUNTRY REQUEST RECEIVED

Country authorities submit a request for technical assistance

Country Authorities → IMF HQ / Regional Centers

STEP 2

INITIAL REVIEW & PRE-SCOPING

Early request assessment, evaluate availability of funding, and alignment between the country's request and potential support

IMF HQ + Regional Centers

STEP 3

NEEDS ASSESSMENT & SCOPING

Collaborative review to identify technical priorities and tailor the scope of support

IMF HQ + Regional Centers

STEP 4

CO-DESIGN WORKPLAN

Time-bound plan developed together with authorities

IMF HQ + Regional Centers

STEP 5

DEVELOP & IMPLEMENT TOOLS

Custom models and tools are created and applied

IMF HQ + Regional Centers

STEP 6

PROJECT COMPLETION

Outcomes achieved and tools handed over to authorities

Country Authorities + IMF HQ

STEP 7

MONITORING & EVALUATION

Follow-up and feedback to measure outcomes and ensure sustainability

IMF HQ + Country Authorities



FROM FRAMEWORKS TO OUTCOMES

MONGOLIA

MINISTRY OF FINANCE

With ICD's support, Mongolia's Ministry of Finance enhanced its forecasting capacity using the **Comprehensive Adaptive Expectations Model (CAEM)**. The Financial and Fiscal Research Department refined projections and developed alternative scenarios, leading to more credible forecasts and approval for ten new analyst positions.

Strong ownership, tailored training, and close collaboration with the Central Bank helped embed the new framework into medium-term budget planning—now a core tool for fiscal policy analysis.



The CAEM is the main tool for our policy analysis and projections.

We appreciate [the IMF's] recognition of the Ministry of Finance's efforts in executing this technical assistance, it could serve as a valuable example for the peer countries.

ZOLBOO GANBOLD

Director of the Fiscal
and Financial Research
Department, MOF



MAURITANIA

MINISTRY OF ECONOMY AND FINANCE AND NATIONAL COMMITTEE ON PUBLIC DEBT

ICD helped Mauritania strengthen debt analysis using a customized **Public Debt Dynamics Tool (DDT)** tailored for resource-rich economies. The tool enabled the Ministry and Public Debt Committee to produce detailed projections and scenario-based reports, including shocks from commodity prices and natural disasters.

Strong ownership and collaboration within the IMF, the World Bank, and AFRITAC West led to rapid capacity gains. The DDT is now being institutionalized through regular public debt reporting.

LAO PDR

MULTI-AGENCY GROUP

To strengthen policymaking under economic pressure, Lao authorities formed a multi-agency Core Macroeconomic Group led by the Macroeconomic Research Institute. ICD supported the group in building a shared database and customizing the **Macroframework Foundations Tool (MFT)**, now used across agencies for forecasting and planning. The reform improved coordination and embedded economic analysis into the state budget and development plans. This marked a major step forward in institutional collaboration and policy effectiveness.



GHANA

CENTRAL BANK

The Bank of Ghana enhanced its forecasting and policy analysis capacity through the [\(FPAS\) Technical Assistance Project](#). Staff developed key modeling tools, especially the [Quarterly Projection Model \(QPM\)](#), to generate real-time forecasts, policy scenarios, and recommendations. The project also improved internal communication and strengthened external messaging. Frequent engagement and strong buy-in from Bank of Ghana leadership helped embed FPAS into the monetary policy process, aligning Ghana's approach with best practices among central banks.



SOLOMON ISLANDS CENTRAL BANK

The Central Bank of Solomon Islands (CBSI) modernized its monetary policy process by establishing a robust framework for model-based forecasting and analysis. Staff developed key tools including **nowcasting, near-term forecasting, and the Quarterly Projection Model (QPM)** to produce real-time forecasts and policy scenarios. The project also redesigned internal procedures, introduced a



We are immensely grateful for the invaluable support rendered by the IMF through the on-going FPAS TA project, and the opportunities provided through the STI which enabled the Central Bank's staff to access specialized trainings and better equipped with the essential knowledge and technical skills to support the FPAS project.

RAYNOLD MICAH MOVENI

Deputy Governor,
CBSI

formal Forecasting Calendar, and created a Technical Subcommittee reporting to the Monetary Policy Committee. External communication was strengthened through forward-looking policy statements and press releases. Today, FPAS is fully embedded in CBSI's policy preparation, supporting a structured and data-driven approach aligned with global best practices.

THE PEOPLE BEHIND THE WORK

Behind every project is a team of seasoned economists and policy advisors who know how things work on the ground. With operational experience working in central banks and ministries of finance, they bring practical knowledge that makes ICD's support not just theoretical—but grounded, relevant, and effective in building traction.



HQ STAFF

Lead analytical and technical work, provide strategic oversight, and engage with key stakeholders.



REGIONAL ADVISORS

Reside in the field, offering local knowledge and agile, tailored responses to country needs, and building strong relationships with key local counterparts.



SHORT-TERM EXPERTS

Provide specialized expertise to address specific technical issues, complementing the work of HQ teams.



PARTNERSHIPS

ICD sustains a wide network of global partnerships that enable our capacity development work:

REGIONAL CAPACITY DEVELOPMENT CENTERS

Regional Capacity Development Centers are at the forefront of delivering tailor-made training and technical assistance to member countries. Located around the world, these centers can respond quickly to the unique and emerging needs of member countries.



THEMATIC AND COUNTRY FUNDS

Thematic and country funds, such as Global Public Finance Partnership or Somalia and Ukraine funds, provide flexible, targeted resources focusing on particular expertise and aligned with country needs.



BILATERAL PARTNERS

Bilateral partners, like Japan, contribute about one-third of the IMF's Capacity Development funding, often focused on specific countries, regions or projects—like the Online Learning Program.



REGIONAL PARTNERS

Regional partners, such as AMRO, WAIFEM, and CEMLA, complement our support for member countries, facilitating knowledge sharing, co-hosting training, and deepening regional ties.

These partnerships help us scale up the capacity development work, provide it to even more member countries, according to their needs and in a regional context, while leveraging our pool of experts and knowledge base.



Interested in strengthening your institution's
ability to forecast, analyze, and plan?
Learn how ICD can help.

INTERNATIONAL MONETARY FUND
IMF.org/CapDev

 @IMFCapDev

 @IMFCapacityDevelopment

 [linkedin.com/showcase/IMFCapacityDevelopment](https://www.linkedin.com/showcase/IMFCapacityDevelopment)

MACROECONOMIC FRAMEWORKS AND SUPPLEMENTARY TOOLS



Comprehensive Adaptive Expectations Model (CAEM)

Supports forecasts and policy analysis in a familiar Excel-based environment.

Natural Disasters in Macroframework Tool (ND_MT)

Integrates natural disaster-related risks and adaptive investment effects into macro projections.

Public Debt Dynamics Tool (DDT)

Estimates debt paths, simulates shocks, and calculates adjustment needs.

Debt-Investment-Growth and Natural Disasters (DIGNAD)

Simulate the impacts of natural disasters on developing countries, focusing on capital damage, productivity losses, and creditworthiness issues.

Natural Disasters Public Debt Dynamics Tool (ND-DDT)

Extension of the DDT that includes the effects of natural disasters.

Forecasting Model of Internal and External Balance (FINEX)

A semi-structural gap model (SSGM) designed for forecasting and scenario analysis with a stronger focus on internal and external balance, accommodating imperfect capital mobility and hybrid monetary policy regimes.

Global 3-region Projection Model (G3MOD)

SSGM designed to produce external sector forecasts with a focus on the US, Euro Area, and China.

Macroframework Foundations Tool (MFT)

Forecasts and analyzes macroeconomic policy using a simplified model with feedback between sectors.

Nowcasting (NWC)

Econometric tools to forecast the near-term ("now") using high-frequency indicators.

Potential Output Estimation Tool (POET)

Estimate potential output to support fiscal and monetary policy decisions.

Quarterly Macroeconomic Forecasting Framework (QMFF)

Supports quarterly forecasts using a semi-structural approach and short-term indicators.

Quarterly Projection Model (QPM)

Canonical SSGM for inflation-targeting central banks, supporting medium-term forecasting.

Standard Macroframework Template (SMT)

Traditional accounting-based FPP framework.

Structural Analysis of Macroeconomic Policies (STAMP) Model

A structural DSGE model tailored to the technical assistance recipient country for risk assessment and scenario analysis.