

CSOs inputs: consultation on 2018 IMF's capacity Development Strategy Review

Gabriele Quinti

Knowledge & Innovation (www.knowledge-innovation.org)

Pays: Italie

A) What are your views on IMF CD in general? (De manière générale, que pensez-vous des activités du FMI en matière de renforcement des capacités ?)

1. Bénéficiaires

Les activités de renforcement des capacités du FMI considèrent très correctement les différences qui existent entre les pays membres.

Il faudrait tenir plus en compte également du fait que l'éventail des personnes intéressées et impliquées (ou devant être impliquées) dans les matières traitées, doit aller au-delà des cadres et des dirigeants des Ministères de l'Economie et des Finances (ou assimilables), des Banques centrales et des autres institutions gouvernementales centrées sur les politiques monétaires, fiscales, etc et sur le traitement des données correspondantes.

Les activités de renforcement des capacités du FMI devraient également, de façon majeure, impliquer les cadres et les dirigeants intéressés et compétents des associations entrepreneuriales et syndicales, des ONG (et/ou de la société civile en général), ainsi que de la communauté scientifique (et des entités décentralisées, le cas échéant).

Cela est déjà un état de fait pour les cours en ligne (environ 7.000 cadres de la fonction publique et 6.400 participants non gouvernementaux ont suivi avec succès un cours en ligne depuis le lancement du programme à la fin 2013).

Cette tendance devrait être renforcée pour la formation "face to face" (et peut-être aussi dans l'assistance technique).

2. Thèmes

Les activités du FMI en matière de renforcement des capacités mettent l'accent sur la macroéconomie, la politique et la gestion budgétaires, les systèmes monétaires et financiers, la réglementation correspondante et les statistiques macroéconomiques et financières (plus en détail: (i) macroeconomic policy framework and management; (ii) balance of payment issues; (iii) monetary policy and exchange rate policy; (iv) financial stability frameworks; (v) debt and asset liability management; (vi) fiscal policy and institutional frameworks; (vii) tax and expenditure policy; (viii) revenue administration and public financial management; (ix) macroeconomic and financial statistics; (x) data dissemination standards; and (xi) legislative frameworks (for the above)), c'est à dire sur les "core areas of competency" du FMI, ce qui est, bien entendu, correct. Cependant, étant donnée la forte interaction entre ces thèmes et d'autres thèmes relatifs au "social" et à l'

January 2018

"environnemental", il apparaît de plus en plus indispensable d'ajouter dans ces mêmes activités de "capacity development" d'autres thématiques desquelles, par ailleurs, le FMI s'intéresse de plus en plus, telles que, par exemple, l'amélioration de la gouvernance et la lutte contre la corruption, le renforcement de la cohésion sociale, le changement climatique et la gestion des risques naturels et considérer aussi des thèmes "cross-cutting", tels que la question de genre.

Par ailleurs, il résulte que le FMI est déjà en train d'aller dans ce sens: de "nouveaux cours de formation sont offerts, par exemple dans le domaine de la croissance inclusive, de l'inclusion financière et des vulnérabilités extérieures". Cette tendance devra être renforcée autant que possible.

Cela devrait, par ailleurs, rendre plus efficace l'application du "FINE model"

3. Approche

Il pourrait être utile d'affiner l'analyse et la considération des besoins de formation des bénéficiaires des activités de renforcement des capacités du FMI.

Un besoin de formation doit être compris non pas simplement comme une «non-entité», c'est-à-dire un écart identifié par l'application d'un modèle abstrait définissant les compétences et les orientations nécessaires. Il s'agit plutôt d'un phénomène social «positif» lié à un «défi», c'est-à-dire un changement possible à introduire. Il est de nature sociale puisqu'il est lié, en même temps, aux attentes et aux intentions des individus, aux opportunités concrètes qu'ils peuvent saisir, aux problèmes qu'ils rencontrent et enfin aux solutions disponibles qu'ils peuvent adopter. Dans ce cadre, une activité de formation doit être comprise comme un outil à travers lequel les bénéficiaires sont soutenus pour faire face aux nouveaux défis et contrôler (c'est-à-dire établir un régime de contrôle) les problèmes qu'ils doivent résoudre dans leur vie professionnelle et personnelle.

Il faut donc considérer non seulement l'augmentation des compétences techniques spécifiques, mais aussi d'autres éléments, tels que :

- permettre aux bénéficiaires d'exercer des **responsabilités** (individuellement et collectivement) en renforçant leur **esprit d'entreprise** nécessaire pour exercer leur leadership, acquérir une appropriation de parcours personnels et de projets de vie et renforcer leur engagement envers les services d'**intérêt public**;
- permettre aux bénéficiaires d'acquérir les **connaissances** nécessaires sur l'environnement dans lequel ils travaillent, en augmentant leur capacité à transformer les données et les informations de base en connaissances, même critiques, utiles pour gérer les politiques de réforme et surmonter le bon sens;
- permettre aux bénéficiaires de **gérer les processus de "policy"** en augmentant leur capacité à comprendre ce qui est en jeu, à prévoir et identifier leurs effets réels et potentiels et à reconnaître les conséquences et les paradoxes possibles que la mise en œuvre d'une "policy" peut produire;
- permettre aux bénéficiaires de **travailler en équipe** afin d'accroître leurs compétences et de saisir les opportunités offertes par la fluidité du rôle intragroupe;
- permettre aux bénéficiaires de développer leur **capital social**, en les sensibilisant à la manière de créer, gérer, soigner et développer les relations sociales fondées sur la confiance.

B) Selon vous, quels sont les principaux points forts et points faibles des activités du FMI en matière de renforcement des capacités ?

Le fait que "le renforcement des capacités est un des trois piliers du travail du FMI et représente plus d'un quart du budget du Fonds" représente, sans aucun doute, un point fort des activités du FMI en cette matière. Nous partageons également sans réserve l'objectif principal du renforcement des capacités du FMI, à savoir

January 2018

"aider les pays membres à renforcer leurs institutions et les capacités administratives nécessaires pour élaborer et exécuter des politiques économiques et financières saines."

La création, à la suite de la revue de 2011 de l'Institute for Capacity Development (ICD) représente un autre point fort.

Parmi les points faibles, l'implication encore limitée des acteurs non gouvernementaux (associations entrepreneuriales et syndicales, ONGs/société civile en général, communauté scientifique) et une tendance encore trop limitée à prendre en considération la forte interaction entre le niveau "macro-économiques" et les niveaux "social" et "environnemental".

C) Comment le FMI pourrait-il améliorer l'impact et l'efficacité de son travail de renforcement des capacités ?

Le FMI peut améliorer l'impact et l'efficacité de son travail de renforcement des capacités, entre autres, en tenant compte de ce qui a été proposé au point A) quant aux bénéficiaires, aux thèmes et à l'approche. Il est évident que les ressources allouées au Capacity Development sont loin d'être illimitées et que le FMI doit, bien entendu, opérer selon des priorités. Et, dans ce sens, tout ce qui est plus centré sur son mandat apparaît comme prioritaire par rapport à d'autres thèmes. Il ne faut toutefois pas sous-estimer que:

- l'élargissement de thèmes à affronter que nous proposons (et qui, en partie, est déjà une réalité) est fonctionnel exactement à pouvoir être plus efficaces quant au mandat du FMI (affronter les thèmes "classiques" pourrait devenir "insuffisant" et risque d'être inefficace);
- il en est de même en ce qui concerne les bénéficiaires;
- quant à l'approche, ce que nous proposons est fonctionnel à améliorer l'effectiveness du capacity development;

Comme il est très bien souligné par les documents du FMI, il est également très important de:

- poursuivre sur une intégration aussi intense que possible entre la formation et l'assistance technique, ainsi que entre le Capacity Development (AT + formation) et les autres fonctions fondamentales du FMI, à savoir les fonctions de surveillance et de prêt;
- Intégrer le "capacity development" avec le "policy dialogue" (ce dernier, toutefois, outre aux "country authorities" devrait également impliquer les acteurs intéressés et compétents de la société civile, du monde des affaires et de la communauté scientifique);
- Utiliser de façon appropriée la formation à distance, de plus en plus praticable grâce aux ICTs; cependant la formation à distance ne peut que remplacer en partie la formation "face to face" (qui ne doit pas être abandonnée ou trop réduite) aussi pour les raisons mentionnées sous le point "approche" ci-dessus (voir A) 3)

D) Approuvez-vous les objectifs, la portée et la structure de la revue de 2018 de la stratégie de renforcement des capacités ? (Voir ci-après)

Les quatre aires thématiques de la revue de 2018 (prioritization, funding, delivery, M&E) sont toutes importantes, ainsi que les Background Studies et les surveys qui sont prévus.

A notre avis, toutefois, la revue de 2018 devrait prendre en considération aussi les points que nous avons soulevés antérieurement et, notamment, la nécessité d'élargir la portée du Capacity Development du FMI quant aux thèmes, aux bénéficiaires et à l'approche.

January 2018

Udeagbala Chukwuebuka Collins
Economics Department, University of Nigeria
Nigeria
Chukwuebuka.udeagbala.196730@unn.edu.ng

Good evening, The IMF have been doing a very good job in trying to stabilise various countries economy and it is good to begin by commending them for the good work they have been doing but I think there are enormous task ahead as we move into a new year and attention should be placed on ICT training I think the government of countries like south Sudan, Nigeria and Zimbabwe (that just experienced the new change of government after 37 years) should be assisted and the focus should be on training the personals of the various countries those who are in charge of the day to day activities or day to day implimentations of economic policies I think the IMF should assist in training the workers making sure that they are ICT literate and then they should be in a cut in the rate at which IMF lends to various countries so to allow them to be able to meet up with their various obligations in paying back the loans and also meeting up with the interest payments thank you

RAOELIJAONA Antsa
Coordonnateur de la Direction Générale du Budget
Ministère des Finances et du Budget | Secrétariat Général | Direction
Générale du Budget
Madagascar

Hi,

I would like to make a comment on the integration of CD providing team and Surveillance team (area department), the reform is very fascinating. But it would be more interesting to integrate the area department in the process of CD demand.

Actually, the country (sometimes the country consolidates all the department TA needs) ask for a TA to the CD providing team (ICD, FAD, RTAC, ...). The prioritization is made by the CD providing team with the information in their disposition.

The integration of the Surveillance team in the process of CD demand would take the form of a prioritization of the CD demand by the area department (unlike CD providing team who have a narrow vision they have more information about the country).

Regards,



Oxfam welcomes the opportunity to provide input on the IMF's capacity development strategy over the next three years. IMF technical assistance and capacity development has expanded significantly in recent yearsⁱ, and the Fund now plays an increasing role in helping countries, especially low-income countries, reform finance ministries, revenue authorities and other public institutions. Oxfam recognizes that capacity development is challenging to both implement and evaluate, but this 2018 Review provides the IMF the opportunity to integrate inequality, gender and climate change into its strategy going forward. Reducing extreme inequality starts with political commitment and smart policy, but ends with strong implementation. Therefore, the IMF's commitment to mainstreaming inequality (and other macro-critical issues) must permeate to the design and evaluation of its capacity development (CD).

As part of the IMF's 2018 review of its Capacity Development Strategy, Oxfam has the following recommendations:

1. **The IMF Transparency Policy should treat Technical Assistance (TA) products the same as other country documents (e.g. Art IVs and program documents), which are assumed published unless a country objects.** The [IMF 2018 Review concept note](#) for this consultation identifies several themes to be reviewed, including the "publication and dissemination of TA".ⁱⁱ Oxfam strongly supports that this policy be revisited, and recommends that the IMF end the special treatment of TA within its Transparency Policy and practices to ensure consistency across all its functions, where publication of TA becomes "voluntary but presumed" and consent is obtained on a "non-objection" basis (same as an Art IV report, for example). We are pleased to note that some Technical Assistance reports are indeed published (with consent from government) and we would suggest that, in order to make this practice more systematic and avoid the reliance on IMF staff to request permission from governments, that the IMF adopt disclosure of TA on a non-objection basis.

As an extension of IMF policy advice, TA projects should be public information available to the citizens of that country. Greater transparency strengthens accountability for the IMF (and governments), and as a byproduct can improve traction of Fund advice. Furthermore, transparency of capacity development, whether it is TA or training, is essential for more effective development cooperation. And as global development partners embark on new processes to strengthen donor coordination, such as Medium-

January 2018

Term Revenue Strategies (MTRS), public institutions like the IMF should be leading by example.

In addition, given that nearly half (49 percentⁱⁱⁱ) of IMF CD is externally funded by donors channeling aid for Domestic Revenue Mobilization (DRM), Public Financial Management (PFM) and other sectors.

January 2018

through IMF, the Fund should consider how aid effectiveness principles (such as transparency and ownership) could be applied to IMF TA.

2. **The success of Capacity Development must be measured by its impact, particularly on the reduction in income and gender inequalities.** The purpose of CD is and should be more than spending money on training courses and conferences, and must be evaluated for its outcomes, not outputs. Oxfam welcomes the Fund's efforts to strengthen evaluation of CD and focus more on outcomes through its Results Based Management (RBM) framework. The concept note states that the RBM is based on a "catalog of agreed CD outcomes" but what are these agreed outcomes? There is no information about what these expected outcomes entail, or if they include any focus on macro-critical issues such as inequality or gender. The IMF's Institute for Capacity Development (ICD) and functional departments (e.g. Fiscal Affairs Department) should publish the expected outcomes for different types of CD programs, and how they contribute to the Fund's commitments under the Financing for Development (FFD) agenda and the Sustainable Development Goals (SDGs).

Example - CD related to Domestic Revenue Mobilization (DRM): The training and technical assistance that the IMF provides on domestic revenue mobilization should be pro-poor, which means the Fund should design CD strategies with governments toward a more equitable composition of revenues. IMF CD should prioritize investments that strengthen direct taxation (such as more effective corporate taxation, property tax systems, audit institutions, high-wealth individual compliance programs, etc.) and reduce the reliance on indirect taxation to finance expenditures. This also means that Fund concerns with debt sustainability and fiscal deficits should not justify CD programs aimed at increasing domestic revenue by any means possible, especially short-term regressive revenue mobilization.

3. **Ensure that capacity development and technical assistance is demand-driven.** The Fund should review new methods to strengthen ownership of TA and training. Oxfam urges the IMF to conduct broad consultation with external stakeholders to help identify new methods and third-party sources (e.g. country-owned reviews or Addis Tax Initiative surveys^{iv}). The IMF should not rely solely on previous Article IV reports to inform CD needs. The "Review" concept note suggests that IMF increase its preparation to provide new types of TA that respond to emerging/macro-critical issues such as gender and inequality. The IMF should consult national and local civil society in the design of TA missions that seek to address inequality, gender or climate change. We also suggest to look to Oxfam's assessment^v of the IMF's incorporation of inequality into Article IV pilots as there are also some transferrable lessons for CD work.
4. **Bring civil society voices into governance of the IMF's Multi-donor Trust Funds and activities,** such as the Managing Natural Resource Wealth (MNRW) and the Tax Administration and Policy (TPA) Topical Trust Funds, as well as Regional Technical Assistance Centers (RTACs). Stronger, more inclusive and transparent governance of these multi-donor vehicles, which fund a substantial percentage of IMF CD, can help strengthen ownership and quality of CD – including its value-add to FFD and SDG goals.
5. **Improve the delivery of Technical Assistance** by collaborating more with regional and local organizations, such as tax administrator forums, civil society and local private sector actors. IMF should

review opportunities for greater south-south cooperation in delivery of CD and TA (for example, TADAT missions led by Southern governments).

ⁱ IMF's capacity building programs has been the IMF's largest single output since 2012, and the 2018 budget

estimate for CD is \$311 million. See IMF Medium-Term Budget, pg 13. Accessed at: <https://www.imf.org/en/Publications/Policy-Papers/Issues/2017/05/12/pp032917fy2018fy2020-mediumterm-budget>

ⁱⁱ IMF concept note, pg. 9. <http://www.imf.org/en/Publications/Policy-Papers/Issues/2017/03/21/2018-quinquennial-review-of-the-funds-capacity-development-strategy-concept-note>

ⁱⁱⁱ Ibid, pg 12

^{iv} The Addis Tax Initiative conducted some surveys which partner countries identified needs for support related to DRM. ATI Monitoring Report 2015, pg 6.

https://www.addistaxinitiative.net/documents/Addis-Tax-Initiative_Monitoring-Report_2015_EN.pdf

^v Mariotti, Chiara, Great Expectations: Is the IMF turning words into action on inequality? <https://www.oxfam.org/en/research/great-expectations-imf-turning-words-action-inequality>

AIDMI

<mailto:director@aidmi.org>

Questions for the Consultation

While we welcome feedback on any aspect of the IMF's work on Capacity Development, We are specially interested in receiving feedback on the following:

1. What are your views on IMF CD in general?

For more can be done in two areas: One, integration of Disaster Risk Reduction (DRR) and Climate Change Adaptation (CCA) in private sector, and two, helping SME decide what to do with when the economy transforms from "coal and oil" to "sun and wind".

2. What do you think are the main strengths and weaknesses of IMF CD?

Main weakness is focus on the link between finance and job creation. And additional finance must create more jobs, jump in public expenditure on social sectors, employment and minimum wages.

3. What can be done to improve the impact and effectiveness of Fund CD in the period ahead?

To set up a consultative group to offer inputs into the ongoing and new activities with the focus on refining the goals of economic development to expanding fiscal space through appropriate actions to inclusion of natural resources and unpaid domestic services and raising domestic demand. Such a group has to be independent and well informed.

January 2018

4. Do you agree with the goals, scope, and framework of the 2018 CD strategy review?

Yes, but needs a review from risk reduction point of view that is find more ways on CD to reduce risks of disasters and build resilience of citizens and cities.

Should you wish AIDMI will be glad to help in this process next steps.

Ifemade Damilola Adetunji
Lagos State Ministry of Economic Planning and Budget
Assistant Chief Planning Officer
Nigeria
damilolaifemade@hotmail.co.uk

My General views on IMF CD

It gives me great pleasure to contribute towards making the IMF Capacity Development Initiative more effective and efficient in the coming years. Since inception, the Initiative of educating government officials and the general public alike on Macro and Financial Economics topic as well as their Legal frameworks has been a very good idea with far reaching consequences such as reforming citizens to become oversight watchdogs on public finances, encouraging government officials to be more innovative, transparent and dynamic in delivering their duties, reforming human resource units within the Public Sector to encourage training and development for staffers alike, encouraging healthy competitions amongst staff members of relevant units within the government ministries, to mention a few.

Main Strengths of the Trainings

Identifiable strengths of the IMF Trainings include;

- ✓ Bringing together participants from various member countries together to share experiences on public financial Management and macroeconomic issues.
- ✓ Government Ministries of various member countries now understand better, the practical approach required in implementing reforms with respect to how they do their work.
- ✓ It serves as an excellent way of re-educating graduates of economic and similar discipline from diverse universities on best practices and universally acceptable standards with respect to macroeconomic issues that can affect their nation's growth.
- ✓ The Online courses are excellent ways of deciphering the unique strengths of various participants because of their grading system. This can serve as a feed back to ministry heads for proper job placements of staff members taking part in the courses.
- ✓ Also, the online courses all put together can more or less be likened to a master's degree in macro financial economics for development multilateral organization offered by the IMF.

January 2018

- ✓ IMF courses eventually reduces the risk of government failure or unsustainable governments' by ensuring that staff members of various ministries across the world are able to advise policy makers on the right and efficient policies to mitigate such occurrences.

Some Weaknesses of IMF Trainings

Having noted some of the tremendous benefits of IMF trainings, a few weaknesses remains posit. Chiefly among them are as follows;

- ✓ IMF courses don't particularly affect policies in participant's home countries. This is because **policy implementers** are not taking the trainings. *(Neither online version nor the face-to-face versions.)*
- ✓ IMF online courses don't particularly translate into an equivalent master's degree in any economics field hence a dedicated participant that have excelled tremendously in these courses cant leverage on them to advance his or her opportunity like earning a PHD.
- ✓ Participants in the IMF courses don't necessarily get more responsible roles or promotions upon completion of the courses. This is because human resource departments of the various government ministries have not incorporated IMF courses as important criteria's for staff advancements in their Agencies.
- ✓ Participants in the Face-to-face courses don't essentially get to take training courses from other regions of the world. I mean participants from Asia can only attend courses in Asia locations and not other regions such as Africa or Europe.
- ✓ Some courses are uniquely offered only in certain locations and not in all the various regional locations.

Do you agree with the goals, scope, and framework of the 2018 CD strategy review?

I consider the adopted goals, scope and framework of the 2018 strategy to be quite robust and insightful in other to achieve the overarching benefit of global macro economy stability. Although leveraging the use of technology to achieve these objectives is a very brilliant idea and forward thinking too, the fund needs to be able to assess the level of technology usage and literacy across the world amongst beneficiaries of the courses (both online and in-person courses) from time to time. To this end, I recommend the IMF could incorporate teaching basic –intermediate-advanced IT skills alongside its course offerings such as teaching skills like Programming with R, Python, Visual Basic Applications (VBA), presentation skills, and some artificial intelligence skills if possible. I would also continue to suggest that the Fund should retain Face-to-Face courses and gradually face out some courses from the Face-to-face version to the online version and may be virtual games. The face-to-face course of macroeconomics management for resource rich countries is already getting this experience.

What can be done to improve the impact and effectiveness of Fund CD in the period ahead?

- 1) Just as I have suggested in winning the **External Training Crowd Sourcing Ideas** award earlier held in the year 2017, I remain positive that enforcing all Participant applying for IMF capacity

January 2018

development courses are made to take online courses before proceeding to take Face-to-face courses would eventually lead to countless advantages for both the participants and the Fund. A few of these advantages are highlighted as follows;

- ✓ Participants get a better understanding of topics to be discussed during the face-to-face courses because some of the concepts to be discussed have been introduced during online versions.
 - ✓ The best way to understand and appreciate IT skills in conducting policy analysis is by taking online courses.
 - ✓ Online courses would easily identify skill strengths of participants because they are all graded.
 - ✓ Online courses cover more participants than face-to-face course. The overarching aim of the fund is to educate as many as possible finance and economics professionals within the public sector.
- 2) Specialized courses should be made available for policy implementers with the support of various National assemblies.
 - 3) The Fund should create opportunities for candidates to attend other regional centers other than the region where they are based and Washington. I.e. candidates from Africa should be able to take courses in Asia, Vienna and other regions once in a while.
 - 4) Face-to-face courses that are uniquely offered in certain locations needs a complementary online version so that other candidates can benefit from these courses across the world.
 - 5) Finance ministers, other ministers alike, directors of various ministries and participants of IMF courses should seldom be invited to talk about their experiences on certain public finance and macro-economic challenges they face in their home countries whenever new and relevant online courses are to kick off. This should be a fall out from surveillance report by the Fund. An example of this has already started with the Public Financial Management (PFM) course.

Finally, as an award winner in the external training ideas challenge earlier mentioned, I was promised a book and a small price. I have since received the book “Why Nations Fail by Daron Acemoglu et al” at home but not the promised small price. While I have no idea what the funds small price could mean, I want to humbly suggest that the fund should grant me the unique grace and privilege of a job as an Economist with the Institute for Capacity Development alongside the unique opportunity to complete a PHD in related Macro Financial Economic field in a North American school where I have opportunity to be supported by IMF ICD experienced lecturers whom have been teaching us at the Head office. I do believe this unique privilege would have a deeper trickle-down effect on government officials and civil servants that are partaking the course like me. I see future participant not only striving hard to pass all online courses with flying color but would also put on a brave thinking cap when next they get the opportunity to participate in Ideas challenge because it could elevate them to become any thing in life.

I want the IMF to consider what the power of a Personal Computer, Internet connection and hard work can lead to for a Civil Servant. While this initiative might not have been done before, I strongly believe implementing effective policies across the world to stabilize global growth is highly hinged on the kind of motivation a government official can benefit while being educated to do the right thing at the same time. In future I see so many participants of IMF courses implementing award winning policies for their Home country and the world at large as well.

Lastly, I think if given the unique privilege mentioned, the IMF’s Institute for Capacity Development should design a mentor protégé program for intakes through this window or other beneficiaries for proper

January 2018

assessment and integration into the Fund. This would permit us to leverage on what we have been taught and also deploy our experiences from implementing policies in our home country.

Thank you very much,

Damilola Ifemade.