

**EXECUTIVE
BOARD
MEETING**

SM/22/208

Correction 1

September 22, 2022

To: Members of the Executive Board

From: The Secretary

Subject: **Independent Evaluation Office—The IMF and Capacity Development**

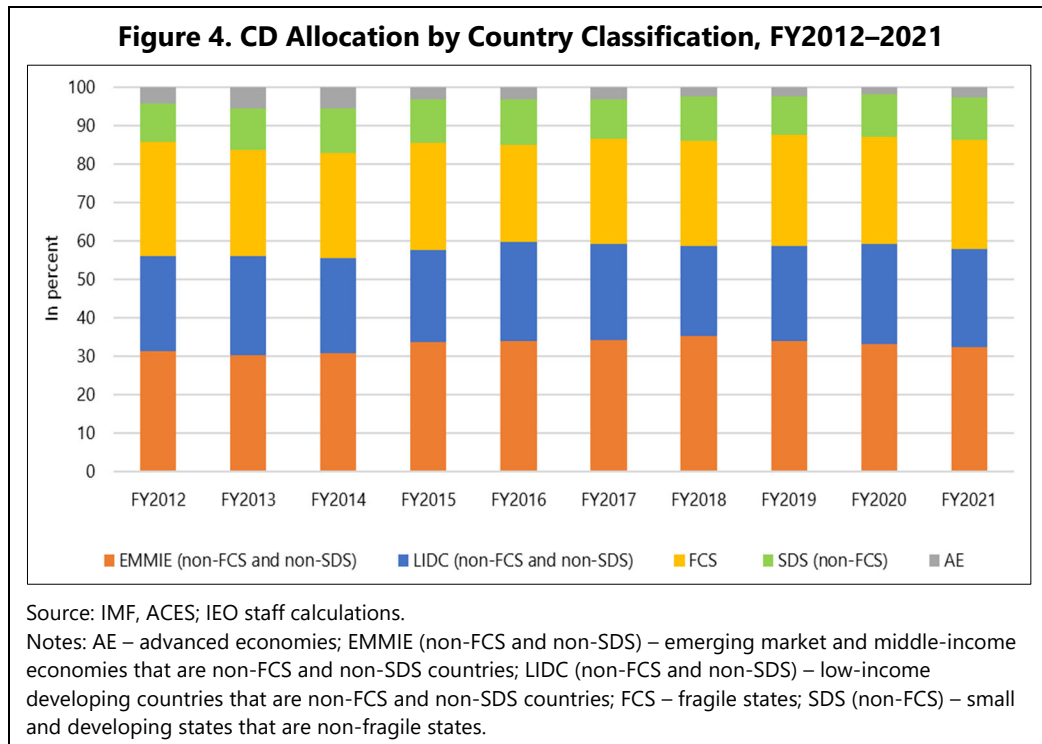
Board Action: The attached corrections to SM/22/208 (8/3/22) have been provided by the IEO:

Factual Errors Not Affecting the Presentation of the IEO's Analysis or Views

Pages 12 and 13

Questions: Mr. Collyns, IEO (ext. 38383)
Mr. Kell, IEO (ext. 37715)

25. **Almost all CD has been focused on low-income developing countries (50 percent) and emerging market and middle-income members (46 percent).** More than a quarter of IMF CD spending in the last three years went to fragile and conflict-affected states (FCS) (29 percent in FY2019, 27 percent in FY2020, and 28 percent in FY2021, Figure 4).¹³ Relative shares allocated to different country groups have not changed much over the evaluation period.

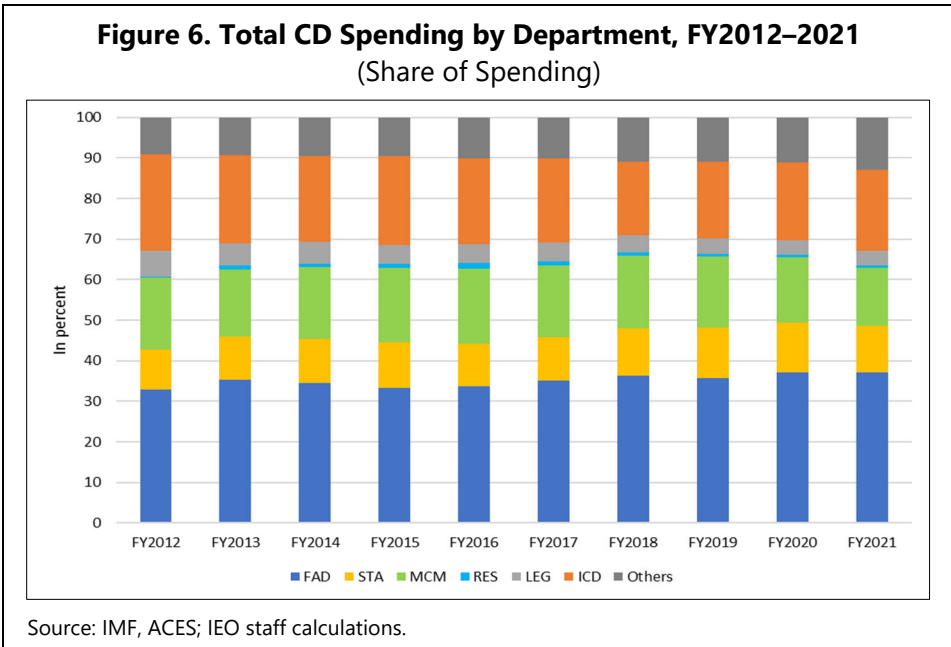
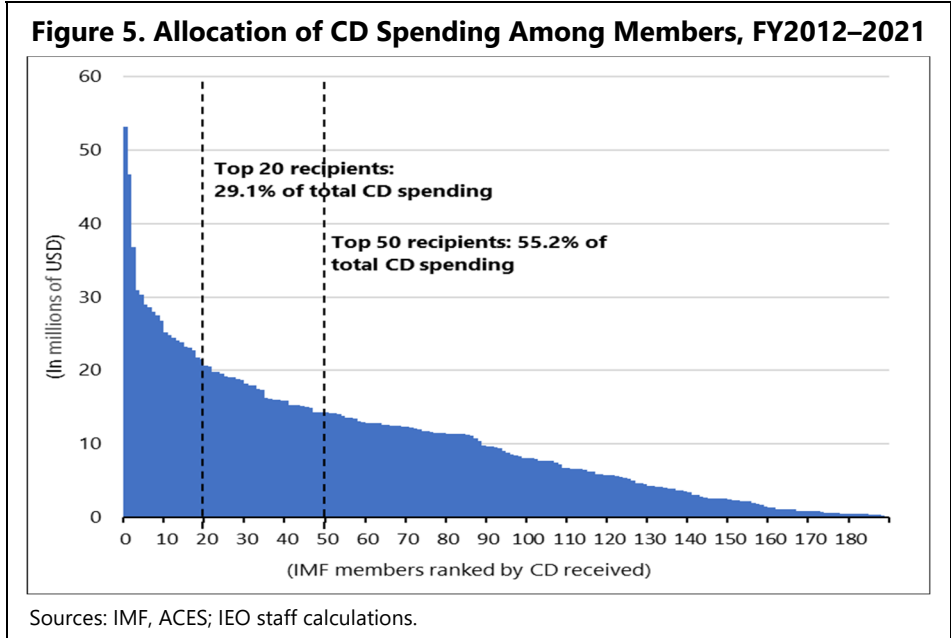


26. **CD has been provided to over 180 IMF member countries over the evaluation period (Figure 5).** At the country level, CD is spread widely across the membership, albeit with concentration among some heavy users. In any given year during the evaluation period, virtually all 155 non-advanced economies (or roughly 80 percent of the Fund’s membership) received some amount of CD. However, there has been a considerable degree of country concentration of Fund CD, typically reflecting the ramping up of CD programs in response to crises and IMF lending operations, and/or the existence of long-lived CD projects and extensive donor funding. This intensity is illustrated by the fact that 20 countries benefited from nearly thirty percent of total IMF CD over the evaluation period (Towe, 2022).

27. **The topical distribution of CD delivery has been steady, with CD in the fiscal area as the largest area of support (Figure 6).** CD in financial and central banking areas rose during the Global Financial Crisis to represent almost a third of total IMF CD delivery. CD in the area of statistics has had a roughly constant share of around 11 percent during the past decade, and assistance on AML/CFT and other legal issues has declined from ~~76~~ percent in FY2012 to ~~only~~

¹³ As of February 2022, the Fund’s classified 42 economies as FCS, around a fifth of its members (IMF, 2022c).

24 percent of total CD in FY2021. Beginning in FY2019, the Fund defined a number of topical “growth areas” where an increase in the share of CD over the medium-term was targeted. These topics are a combination of traditional CD areas where there has been persistent unmet demand, such as tax policy, and new topics such as digital money and climate change.¹⁴



¹⁴ The initial list of topical growth areas identified in the 2019 medium-term budget included anti-corruption; debt sustainability and debt statistics; expenditure policy and public investment management; tax policy, fintech, and cyber risks (IMF, 2019a). The topical growth areas have been modified slightly since then. In FY2021, the growth topics together constituted 9.3 percent of total CD delivered (IMF, 2021j).