These concluding remarks do not reflect decisions of the Executive Board but rather preliminary views expressed by Executive Directors in a discussion conducted in seminar format

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The Acting Chair's Concluding Remarks
Training as Part of Capacity Building—
Recent Initiatives and Strategic Considerations
Executive Board Seminar 08/3
May 12, 2008

Executive Directors welcomed the opportunity to discuss recent initiatives in IMF training and strategic considerations for the future. They emphasized that training is an important component of capacity building, which not only helps member countries to better formulate and implement macroeconomic policies but also increases the effectiveness of IMF surveillance, technical assistance, and lending operations, as well as strengthening relations between the IMF and member countries. Directors noted that IMF training is closely oriented toward the challenges of real-world policymaking, with most courses combining lectures with practical workshop exercises and drawing extensively on case studies. They stressed that it is important to keep the IMF's training program focused on areas in which the Fund has a comparative advantage. Directors were satisfied by the positive assessment of IMF training by member countries.

Directors noted that three-fourths of IMF training is delivered through the IMF Institute Training Program—mainly at Headquarters and at the IMF's seven regional training centers overseas—while the remaining one-fourth takes place at other venues and is organized by other IMF departments and the regional technical assistance centers (RTACs). They supported the increased role of RTCs and RTACs, which together now account for the bulk of IMF training. They considered the decentralization of training away from IMF Headquarters to be cost-effective, while providing the IMF with added flexibility in responding to rapidly-evolving needs and requests for training at the country or regional level. Some Directors suggested that more distance learning might be considered. At the same time, Directors welcomed the measures that have been put in place to develop and maintain a complete and integrated database on IMF training.

Directors welcomed the extensive work that the IMF Institute has done to upgrade its curriculum over the past few years, and to adapt the curriculum to the evolving needs of member countries and to the changing global economic environment. This has involved the development of new courses and the strengthening of existing ones. Directors commended, in particular, the more extensive treatment now being given to balance sheet vulnerabilities and capital account issues in financial programming courses, to complement the traditional focus on macroeconomic accounting and the design of an internally-consistent adjustment program. Directors emphasized the importance of maintaining training in languages other than English.

Directors generally considered that adequate internal and external oversight, feedback, and administrative mechanisms are in place to ensure that member countries receive good value from training provided through the IMF Institute program. They welcomed the positive feedback collected from course participants, regional training experts, IMF area departments, and country officials, as well as the favorable evaluation the IMF Institute program received in the most recent survey of sponsors of course participants conducted by an independent outside agency. Directors recognized also that strong oversight is exercised by the training partners and donors who cofinance the regional training programs.

Given the heavy demand for IMF training in member countries, some Directors expressed disappointment at the sizeable cutback in the training budget. While noting that in the current budgetary environment the prevailing volume of IMF training could not be justified unless member countries or donors are willing to cover part of the costs, some Directors feared that sufficient additional external funding will not be forthcoming. Directors acknowledged the difficulty of determining the most appropriate volume of IMF training, and therefore the extent of the scaling back. They underscored that the large excess demand for training is not necessarily an indicator that the volume is too small, given that IMF training has generally been provided free of charge rather than at prices that reflect its marginal cost. At the same time, Directors recognized that reliance on a pure market mechanism would not be appropriate, given the important public goods element of training and the fact that three-quarters of the participants in IMF courses are officials from low-income or lower middle-income countries.

Directors expressed a range of views on the staff proposal to recover at least part of the cost of training at Headquarters through a system of graduated charges based on country income level. Many Directors supported the proposal, or some variation of it. Many other Directors, however, were not in favor of the charges because of the potential adverse effects. A few Directors called for the cost of training for low-income countries to be fully subsidized. Some Directors were concerned that charging only for Headquarters-based training would shift demand away from the longer and more comprehensive courses at Headquarters. Some Directors thought that the proposed charging scheme would shift the balance of participants away from government ministries and in favor of central banks, or could reduce the diversity of countries—particularly industrial countries—represented in Headquarters-based courses. Directors who were in favor of charging asked the staff to assess the impact of charges on the level and composition of demand for training in their review after the first year of operation.

Let me conclude by expressing appreciation for the views expressed by Directors on the broad strategy of training and the charging regime. Management and staff will reflect carefully on the issues raised.