

**LAPSE OF
TIME**

EBS/20/174
Correction 1

December 11, 2020

To: Members of the Executive Board

From: The Secretary

Subject: **Framework Administered Account for Selected Fund Activities—COVID-19
Crisis Capacity Development Initiative Subaccount**

Board Action:

The attached correction to EBS/20/174 (11/24/20) has been provided by the staff.

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

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Questions:

Mr. Warburton, ICD (ext. 37955)



November 23, 2020

FRAMEWORK ADMINISTERED ACCOUNT FOR SELECTED FUND ACTIVITIES—COVID-19 CRISIS CAPACITY DEVELOPMENT INITIATIVE SUBACCOUNT

Approved By
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Prepared by the Institute for Capacity Development, the Legal Department, and Finance Department.

- 1. This paper proposes the establishment of a COVID-19 Crisis Capacity Development Initiative Subaccount to support IMF member countries' immediate capacity development priorities as they steer their economies through the financial crises caused by the COVID-19 pandemic.** The Subaccount will be used to administer resources secured under the COVID-19 Crisis Capacity Development Initiative (C-19 CCDI), which aims at securing US\$ ~~100~~ million to support a broad range of COVID-19 crisis response CD activities, and to cover funding gaps under existing vehicles. In staff's view, establishing a distinct IMF subaccount for the C-19 CCDI is the most effective way to administer and report on the planned Initiative. The C-19 CCDI will cover a broad range of topics related to the impact of the pandemic, and the majority of activities would be implemented through existing subaccounts via transfer from this subaccount. The proposed Subaccount Terms and Conditions are drafted to ensure flexibility and responsiveness in the implementation of the Initiative. Specifically, the Subaccount can be used to administer technical assistance, training and related activities, and can also easily transfer resources to other subaccounts (for example, those existing subaccounts used to administer Regional Capacity Development Centers or Thematic Funds).
- 2. The paper requests Executive Board approval to establish the COVID-19 Crisis Capacity Development Initiative Subaccount (the "Subaccount") under the terms of the "SFA instrument."** In March 2009, the Fund established a new Framework Administered Account to administer external financial resources for Selected Fund Activities (the "SFA Instrument").¹ The financing of activities under the terms of the SFA Instrument is implemented through the establishment and operation of subaccounts within the SFA.
- 3. The COVID-19 Crisis Capacity Development Initiative is a flexible tool that complements IMF lending programs and will be closely coordinated with other global**

¹ Establishment of a New Framework Administered Account for Selected Fund Activities (EBS/09/27, March 6, 2009) and Decision No. 14294-(09/31), adopted March 27, 2009.