



**Project Proposal for
Fiscal Sustainability Course
in CAPTAC-DR**

June 2025

Component: Spending

Module: SM-III: Training and Peer Learning



PROJECT SUMMARY

COUNTRY: CAPTAC-DR (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama, and the Dominican Republic)

LEAD DEPARTMENT: ICD

REGION: WHD

PLANNED DATES: FY26

PROJECT MANAGERS: Leonardo Martinez, General Macro and Fiscal, ICDMF (Lead)

ESTIMATED BUDGET \$160,500

BUDGET FOR ENDORSEMENT: \$160,500

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ACRONYMS

CAPTAC-DR	IMF's Central America-Panama-Dominican Republic Regional Technical Assistance Center
CD	Capacity development
DDT	Debt Dynamics Tool
FS	Fiscal sustainability
ICD	IMF's Institute for Capacity Development

I. PROJECT PURPOSE

This project involves the delivery of a one-week in person multi-country training of the course on Fiscal Sustainability (FS) at the IMF's Central America-Panama-Dominican Republic Regional Technical Assistance Center (CAPTAC-DR) to officials from ministries of finance, debt agencies, and other government agencies responsible for implementing macroeconomic and debt policies in Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama and the Dominican Republic. Countries in the CAPTAC-DR region face persistent fiscal challenges, including low revenue collection, increasing demands for social and infrastructure spending, and, in several cases, high public debt. These pressures have intensified in the wake of recent external shocks, underscoring the urgent demand from member countries for tools and knowledge to strengthen their fiscal frameworks. Delivering a course on FS directly supports ongoing reform efforts and is critical to enhancing macroeconomic stability and resilience in the region.

The Fiscal Sustainability (FS) course, which is part of the training curriculum of the IMF's Institute for Capacity Development (ICD), introduces the easy-to-use Excel-based Public Debt Dynamics Tool (DDT). It explains how to use this tool for projecting the evolution of stock of public debt for baseline (most likely) and alternative scenarios, including natural-disaster scenarios and fan charts. The DDT is also used to estimate paths of fiscal adjustments consistent with a user-defined target level of debt.

This project will be conducted under the management and technical guidance of ICD, in coordination and collaboration with CAPTAC-DR. ICD staff will be primarily responsible for coordinating the overall project and delivering the project outputs.

The estimated budget for this project is \$160,500 and endorsement is requested for the full amount through FY26.

II. BACKGROUND

Macro-fiscal situation

Not applicable for multi-country training.

Country engagement and alignment to reform priorities

Not applicable for multi-country training.

IMF priority areas / cross-cutting themes

The FSy course, in addition to public debt projection and analysis, covers modeling of natural disaster scenarios and the fiscal impact of climate change.

III. PROJECT MODULES - DESCRIPTION

In-Person training. Deliver one-week course on FS—from the ICD curriculum—in-person, during January 2026, at CAPTAC-DR. The FS course will involve regional customization. It will train approximately 30 officials and will be offered in Spanish.

Table 1. Summary of Objectives covered by the Proposal

Component	Module	Objective
Spending	SM-III: Training and Peer Learning	Participants effectively acquire knowledge and skills taught in the Fiscal Sustainability (FS) course and use them subsequently on the job or in their interaction with the Fund

A. SM-III: Training and Peer Learning

Scope

This course is particularly useful for officials from ministries of finance, debt agencies, and other government agencies responsible for implementing macroeconomic and debt policies. The course presents to officials the easy-to-use Excel-based DDT, explains how to use this tool for projecting the stock of public debt, and allows them to reflect on their national contexts. Hands-on exercises with data for participant countries and practical discussions help bridge theory and practice effectively.

The project will be conducted under the management and technical guidance of ICD, in coordination and collaboration with the Central America-Panama-Dominican Republic Regional Technical Assistance Center (CAPTAC-DR). ICD staff will be primarily responsible for coordinating the overall project and delivering the project outputs.

Program Objectives

The course aims to increase the ability of the government officials to project public debt, identify main drivers of public debt changes, and estimate paths of fiscal adjustments consistent with a target level of debt. As the result of the course, officials will be able to use the public DDT in their daily jobs and in their interaction with the Fund. They will have a stronger understanding of public debt projections and links to macroeconomic frameworks.

Expected Results (outcomes)

Upon completion of this course, government officials be able to:

- Project public debt.
- Identify the main drivers of public debt changes.
- Compute measures of fiscal adjustments consistent with a public debt target.
- Conduct a stress test to public debt projections, including through the use of fan charts.
- Identify the main components of a debt sustainability analysis to assess the risk of debt distress.

Project proposals typically cover only one to two years of capacity development (CD) activities, which are expected to contribute to the achievement of the objectives outlined in the sections above. The objectives of this Global Public Finance Partnership (GPFP) project may require extended and ongoing support to be fully and sustainably realized. Therefore, progress reports will serve to monitor advancement towards these objectives, and it may be necessary to adjust or broaden project workplans to better facilitate the achievement of these goals.

IV. ORGANIZATIONAL ARRANGEMENTS

A. Country Engagement

Not applicable for multi-country training.

B. Delivery Modalities

Interactive learning and workshops - IL: Preparation and delivery of synchronous learning activities delivered in-person or remotely; includes structured content learning activities and workshops.

C. Coordination / Cooperation

Partner	Coordination Type	Coordination Area	Frequency
CAPTAC-DR	CD delivery, including logistical and administrative aspects	FS with the public DDT	Annual

V. RISK ASSESSMENT AND MITIGATION

Category/Module	Description	Risk Assessment	Mitigation Measures
EXTERNAL CLIMATE/CONDITIONS			
SM-III: Training and Peer Learning	Security concerns at the training location	Low	ICD coordinates closely with CAPTAC-DR local staff and follows their recommendation on the best location (country and facility) to deliver training
POLITICAL SUPPORT			
SM-III: Training and Peer Learning	No risks associated with political support are identified	Low	No mitigation measures needed
MANAGEMENT AND TECHNICAL STAFF SUPPORT AND COMMITMENT			
SM-III: Training and Peer Learning	No risks associated with management and technical staff support and commitment are identified	Low	No mitigation measures needed
RESOURCE ADEQUACY			
SM-III: Training and Peer Learning	Staffing constrained	Low	A mix of HQ-based staff and highly qualified short-term experts is used to deliver the training.
OTHER RISKS			
SM-III: Training and Peer Learning	No other risks are identified	Low	No mitigation measures needed

VI. CD DELIVERY PLAN

Table 2. Summary of Indicative CD Delivery

CD Modalities (Remote or Field-based CD)	FY26	FY27	FY28	FY29	Grand Total
Workshops (inc. during HQ and remote CD)	1	-	-	-	1

Note: In-person training delivery will enable hands-on use of the tool and group discussions to effectively bridge the content of the course with practical use of the tool by officials and its relevance for their day-to-day work.

Table 3. First year workplan

Timing	CD Modality	Proposed Topics of CD
SM-III: Training and Peer Learning		
Q3/FY26	Interactive learning or workshop	Fiscal Sustainability with the Public Debt Dynamics Tool (DDT)

VII. PROGRAM FINANCIALS

Module	FY26	FY27	TOTAL (USD)
SM-III: Training and Peer Learning	\$150,000	-	150,000
Trust Fund Management Fee (7%)	\$10,500	-	\$10,500
TOTAL	\$160,500	-	\$160,500

Note: The estimated budget for this project is \$160,500 and endorsement is requested for the full amount through FY26.

VIII. TARGETED LOGICAL FRAMEWORK

A. SM-III: Training and Peer Learning

Objective: Participants effectively acquire knowledge and skills taught in the Fiscal Sustainability (FS) course and use them subsequently on the job or in their interaction with the Fund. - FSU	
Outcome(s)	Indicator(s)
The participants value this training.	Post-course feedback measured by the end-of-course survey [favorable range 4.4+] reflecting the participants' reaction to (a) the knowledge/skills usefulness for their job; (b) the content relevance to their job; and overall satisfaction with the course.
Participants demonstrate that they have effectively acquired knowledge and skills at the Learning Gain level as measured by pre- and post-course test	Percentage point increase of the average post-test score compared to the average pre-test score (The Learning Gain value)
Participants demonstrate that they have effectively acquired knowledge and skills at the Absolute Learning level as measured by pre- and post-course test	The percent of participants who acquire 60% or above on the post-course test (Absolute Learning value)