



GPFP
GLOBAL PUBLIC FINANCE
PARTNERSHIP

**Minutes of the
Global Public Finance Partnership (GPFP)
Annual Steering Committee (SC) Meeting
June 25, 2024 (Hybrid)**

Overview

The first annual GPFP SC meeting was held on the second day of “Partnership Week: Domestic Resources for Sustainable Development”, which was spearheaded by the GPFP Secretariat and hosted by the IMF on June 24-27, 2024. The event brought together representatives from donor partners, international financial institutions (IFIs), and capacity development (CD) providers. It offered a unique opportunity for dialogue, and knowledge sharing. The week-long gathering also featured the TADAT 10-Year Anniversary, OECD Advisory Steering Group Meeting, the World Bank Global Tax Program Conference, and the Platform for Collaboration on Tax Meeting.

The GPFP’s first annual SC meeting agenda incorporated the following items (i) panel discussion on Modernizing the CD Delivery Model through the GPFP; (ii) IMF staff presentations on the GPFP (operations, financial performance and governance) and SC endorsement (revised FY25 workplan and budget; and SC Chair and Vice-Chair nominations); these were followed by afternoon panel discussions on (iii) Measuring Impact: Country and Program Levels; and (iv) Mainstreaming Cross-cutting Priorities.

Points and Decisions

1. The GPFP SC endorsed the revised FY25 workplan and budget, and appointed Switzerland and France as the inaugural SC Chair and Vice-Chair, respectively.

2. Key themes emerged: improving collaboration across donor partners, international financial institutions (IFIs) and CD providers and country authorities; impact measurement at the country and aggregated program levels; and visibility of partnerships, and country achievements and lessons learned.

Introduction

3. The IMF convened the first annual SC meeting of the GPFP on June 25, 2024, and extended a warm welcome to in-person and remote participants: current and prospective donor partners, IFIs and CD providers such as the World Bank, OECD, and UNDP.
4. The IMF expressed gratitude to partners Belgium, France, Germany, Japan, Luxembourg, the Netherlands, Sweden, Switzerland, and the U.K. for their generous commitment of \$46.5 million to the GPFP. The IMF also encouraged prospective partners to contribute to and actively participate in the GPFP's endeavors.
5. IMF acknowledged the collective efforts of its staff (FAD and ICD) that worked on launching the GPFP initiative, with a particular appreciation to Rebecca Sparkman for her coordination role. The IMF announced Matt Davies as the new head of the GPFP Secretariat starting September 3, 2024.
6. The GPFP has been cited in the Board-approved [IMF CD Strategy Review](#) as an example of the future direction of IMF CD, as a thematic vehicle that offers flexibility in country coverage, potential for reduced administrative costs, and support for comprehensive prioritization. This highlights how closely the Fiscal Affairs Department (FAD), which is responsible for delivering 45-50 percent of IMF's CD, is aligned with the IMF's overarching CD strategy review.

I. Session on Modernizing CD Delivery Model through the GPFP

7. The morning panel discussion focused on the GPFP's alignment with FAD's CD strategy on modernizing the CD delivery model, highlighting: the demand-driven, country-centered CD approach that integrates cross-cutting priorities and coordinates systematically with various stakeholders; the medium-term framework,

agility, and the sequenced methodology that are supported by a flexible CD financing structure.

Discussion

8. Several partners inquired about managing change and fostering agility, especially in program countries, and transferring knowledge amidst organizational transitions. The IMF described a platform that staff developed for working with new regimes, building managerial capacity and institutional knowledge, thus enhancing resilience and sustainability.
9. There was a discussion on the allocation of \$46.5 million--debating between more intensive projects in fewer countries versus less intensive ones in more regions. IMF discussed how staff prioritizes the needs of IMF-supported program countries that are often have fragile fiscal institutions. CD supports IMF program conditionality and fosters capacity to coordinate national reform agendas. Staff also considers the balance between coverage and depth in CD work planning, and assesses the management of intensive programs, the impact of long-term experts (LTXs), and the commitment of countries to reform.
10. Discussion focused on how achieving CD work plans align with surveillance and lending activities; as well as the potential inclusion of the CD plan in the Article IV Staff Report. The IMF discussed approach taken and regular interactions between FAD and Area Departments (AD) on CD demand, workplan prioritization and allocation of resources. Given the limited resources, tradeoffs are inevitable. The IMF has already started integrating the country CD strategy into the Article IV Staff Reports.

GPFP Finance and Governance

11. As of June 2024, the IMF has secured \$46.5 million for the GPFP, with nearly \$20 million already available in the account with contributions from Belgium, France, Germany, Japan, Luxembourg, Netherlands, Sweden, Switzerland, and the UK.

12. The projected income for FY24-FY25 stands at almost US\$30 million, which includes the resources already available in the account plus installments scheduled through the end of the year. This amount is below the endorsed program budget through the end of FY25 which is US\$36.49 million. The IMF projects that it will be able to mobilize additional contributions needed to cover the funding gap in FY25 and create resources for the following periods.
13. The IMF is currently in the active fundraising stage. In addition to the already signed contribution agreements, the IMF is engaging with a broad and diverse group of partners, including those who previously supported the IMF's legacy fiscal topical trust funds and collaborated through bilateral programs, as well as new partners.
14. In early September 2024, the GPFP will transition to the formal Steering Committee as the body that provides strategic guidance on the capacity development priorities and plans financed by the GPFP in line with the GPFP Operational Guidance Note. As part of this process, for the GPFP Steering Committee, the IMF will introduce a new distribution list with official representatives from the contributing donor partners that will be used for official communications related to the GPFP. With prospective partners, the GPFP Secretariat will continue to communicate bilaterally. Other partners who are not on the GPFP SC will be invited to attend the GPFP SC meetings as observers.
15. In FY25, Switzerland (SECO) will take the role of the first Steering Committee Chair of the GPFP, and France (Treasury) was elected the new SC Vice-Chair.

GPFP Operations

16. The IMF requested SC endorsement of the revised FY25 workplan and budget and will seek the SC's endorsement for FY26 budget and beyond at the mid-year meeting (anticipated in late January 2025). The IMF presented 29 proposals, of which, 19 are new program proposals and 10 are amendments to existing programs. These additions have a limited budget impact due to the close coordination and reprioritization of workplans across FAD and the ADs, the redesign of CD activities to reduce costs, the recycling of savings from legacy funds, and the use of alternative

funding sources. The IMF has managed the cash flow by allocating funding based on cash availability and the timing of prioritized CD needs.

17. Each GPFP CD project has a designated project lead who is the key point of contact for the project to play a central role in coordination across fiscal workstreams.
18. The IMF will refine GPFP program indicators based on feedback from partners, and welcomes the SC's input on improving processes, as well as structure and content of GPFP reporting.
19. The IMF has created an interim centralized repository of information on OneDrive/Teams and will develop a more permanent solution envisioned through Partners Connect and a future website.
20. The transition of legacy funds to the GPFP is on track. TADAT is expected to start utilizing GPFP funding in August. The use of legacy TADAT funds up to August, created a savings in expected expenditures through the GPFP. Therefore, the GPFP funding for TADAT was adjusted down to account for this savings (without impact to the annual expenditures of the TADAT) and presented in the annual report. The MNRW will run in parallel to the GPFP, with fiscal CD on natural resources transitioning to the GPFP by FY26. The RMTF program funds for projects are expended, and the full program will be completed by the end of July, with its final report submitted to the RMTF SC in due course. The GPFP will develop into IMF's main funding vehicle for domestic resource mobilization, as the transition of the legacy funds are completed, and it supports other funding projects and initiatives such as the main funding vehicle for IMF's partnership with the World Bank on the Joint Domestic Resource Mobilization Initiative.

Discussion

21. Several partners emphasized the need for systematic coordination between the IMF, partners, and other CD providers. The IMF discussed how CD teams coordinate efforts and meet with development partners in the field, and further committed to establishing a process that will facilitate a more systematic reciprocal information sharing among stakeholders. This could involve initiating contact with country teams

prior to mission, post-mission debriefing, and providing easier access to technical assistance reports.

22. Partners inquired about contingency measures if fundraising does not meet expectations. IMF staff have developed a robust contingency plan that would help mitigate risks associated with fundraising shortfalls, including liquidity management, collaboration across fiscal CD workstreams on reprioritizing activities, cost optimization strategies, and use of alternative funding sources.
23. A partner underscored the importance of setting indicators and baselines to measure progress and featuring more prominently in-country work and achievements through GPFP communications. Another partner asked about the visibility of contributors throughout the program's lifecycle. IMF staff concurred that establishing clear, measurable indicators and baselines is essential for tracking progress. As indicated in the "Partners feedback and IMF response" matrix (see page 14), *the GPFP Secretariat will consider the best way to review and make recommendations to refine the full GPFP Strategic Results Framework as initially drafted in Annex IV of the GPFP Program Document (pages 57-62). The final set of indicators will be standardized and reported on through the annual report to the SC.*
24. IMF staff highlighted that the GPFP is prioritizing communications and outreach that will be facilitated with a communications officer responsible for promoting country testimonials and success stories during the Annual and Spring Meetings and other similar events and through the IMF's social media, and developing a robust communication strategy that includes acknowledging and highlighting contributions of GPFP donor partners through multiple channels.
25. Some partners commented on the need to increase the focus on gender-related activities such as by systematically including gender components in country activities. IMF staff explained that incorporating gender in CD program design is based on the country's reform priorities and specific needs and the macro criticality of gender issues in the country's overall context. Through the IMF's Gender Strategy, gender is being integrated into the IMF's surveillance and lending functions thus linking policy, research and gender and increasing countries' understanding on gender aspects.

26. A partner commented on having separate sessions for the Revenue and Spending components in future SC meetings, which will focus monitoring and evaluation of progress on each component. The IMF advocates preserving the GPFP's country-centered approach and holistic view of public finances and discussing Revenue and Spending components collectively during SC meetings. This approach will allow for a comprehensive evaluation of the country's progress, facilitating decision-making and strategic alignment across all fiscal components.

II. Measuring Impact of CD at Country and Program Levels

27. To enhance its advice and recommendations, IMF staff combines CD with evidence-based analysis through fiscal diagnostic tools and data; develops economic models to infer causal impacts; and conducts ex-post impact assessments. Staff showcased fiscal tools and their application through various case studies.

28. Staff also addressed partners' various questions about classifications of revenue, collaboration across IFIs on Sustainable Development Goals (SDG) initiatives, applicability of fiscal tools and databases for country authorities or development partners, and the definition and measurement of impact.

29. Staff stressed the challenges of measuring impact of CD on performance, operations and policy as well as the challenge of attribution given the various factors and actions that contributed to these changes.

30. Fiscal tools highlighted included:

- [WoRLD](#) is a database derived from the IMF's surveillance data covering 190 countries and, among other things, enables staff to establish baselines as well as produce global comparative analysis of tax revenues.
- [SDG Costing Tool](#) is designed to assist country authorities in estimating financial requirements towards achieving the SDGs in critical sectors such as education, health and infrastructure.
- [PIMA and C-PIMA](#) are diagnostic tools to help assess infrastructure governance practices towards developing an action plan for increasing efficiency in capital spending.

- [RA-GAP](#) facilitates tax gap analysis; [ISORA](#) enables comparative cross-country analysis of revenue administration operations, performance, and other characteristics; and [VITARA](#) is a series of online training courses on revenue administration that helps country officials build skills and knowledge.

III. Mainstreaming Cross-Cutting Priorities

31. FAD's strategy on mainstreaming cross-cutting priorities--climate change, digitalization, fragile and conflict-affected states (FCS), and gender--is well aligned with the IMF's overall strategy on these themes. Demand for CD in these areas is growing. FAD has adapted its work, linked these priorities and fiscal CD workstreams, leveraged the department's technical expertise, and continues to build knowledge through analytical work.
32. The GPFP supports the IMF's CD strategy including on cross-cutting priorities. The GPFP's flexibility enables agility in responding to country demand, and its country-centered approach fosters stronger coordination on work planning, prioritization and sequencing. The GPFP facilitates partnership and collaboration with stakeholders in the field in delivering common goals.
33. Partners are pleased with the GPFP's focus on LIC and FCS and the integration of cross-cutting priorities. Partners suggested increasing visibility of these cross-cutting themes through concrete examples of country success stories and lessons learned, and including these priorities in GPFP program impact assessments. Partners asked about envisioning achievements, the handling of political economy challenges, engagement with subnational governments, and climate PEFA and PIMA frameworks.
34. IMF staff's response to partners' comments and questions is summarized as follows: Staff envisioned what could be achieved in the cross-cutting areas through the GPFP: increased efficiency in fiscal operations through digitalization; strengthened climate resilience of countries through the IMF's support on diagnostics, reform options and implementation of reforms; reduced gender inequality and increased female labor force participation; and reaching a level of revenue (as a percentage of GDP) that facilitates sustainable growth and eventual exit from fragility. Staff emphasized the

consistent collaboration with Area Department teams in addressing political economy challenges on cross-cutting themes and economic reforms in general, and with country authorities on raising awareness and buy-in on specific recommendations in surveillance and program work. Staff noted that coordination between national and regional levels could be beneficial and cited a country example. Staff explained that the PEFA and PIMA frameworks are different but complementary and consistent, and that the PIMA assessment is more focused and agile.

Closing

35. The IMF reflected on the valuable dialogue with meeting participants and summarized the key takeaways--the need to coordinate more effectively among partners, IFIs and country authorities; to establish indicators and monitor results to measure impact; and to enhance the visibility of country experience, success stories, and partnership.
36. The IMF committed to (i) establishing a working group, to be led by FAD Division Chief Carolina Renteria, to make a recommendation on an approach to improve collaboration and information flow of the GPFP CD delivery with other development partners that will be discussed at the mid-year SC meeting; (ii) improving the measurement of impact and will designate a lead for this undertaking; and (iii) raising the profile of country CD work and success stories and partnerships through the GPFP's communications and outreach efforts.
37. The IMF thanked partners who have already contributed to the GPFP, emphasized the need to broaden GPFP's donor partner base and encouraged partners to step up their support.
38. The IMF also thanked the SC for endorsing the revised FY25 workplan and budget and the appointment of the inaugural SC Chair and Vice-Chair. The IMF reiterated that the GPFP is one of the best examples of operationalizing the Board-approved IMF CD strategy review. As a multi-donor vehicle, the GPFP is flexible and incurs less transactional and administrative costs than multiple bi-lateral funding programs and improves on previous fiscal Thematic Funds which are in the final stages of

consolidation into the GPFP. The IMF is also mainstreaming key priorities (Climate Change, Gender, FCS, Digitalization) through the GPFP. Last, but not least, the GPFP plays a critical role in connecting fiscal CD with macroeconomic stability and poverty reduction, further helping integrate CD with Surveillance and Lending operations of the Fund.