



Minutes of the GPFP FY25 Mid-Year Steering Committee (SC) Meeting

January 23, 2025 (Virtual), 8:00-10:30 am EST

1. The IMF hosted the GPFP FY25 Mid-Year SC meeting on January 23, 2025, that was attended by representatives from: Belgium, Denmark, the European Commission (EC), France, Germany, Japan, Luxembourg, Norway, The Netherlands, Saudi Arabia, Sweden, Switzerland, and the U.K. The IMF acknowledged the attendance of other partners (non-SC members) - Slovak Republic, and the U.S., as well as World Bank colleagues.
2. The agenda incorporated presentations and discussions on 1) the global fiscal policy context; 2) GPFP recent developments and achievements; 3) GPFP way forward; 4) matters for SC endorsement; 5) coordination platform on fiscal CD support; and 6) plans for the June 2025 SC meeting. SC partners and staff engaged in active discussions as described in the following sections. IMF staff had provided detailed responses to the SC partners' written questions and comments that were received prior to the meeting. Some of these were summarized by staff at the meeting.

Points and Decisions

3. The GPFP SC endorsed the following items:
 - Medium-term budgets (through FY27) for already approved projects; the new projects and their budgets through FY27; and the extension of funding programs' end dates to April 30, 2028.
 - A phased development of a coordination platform on fiscal CD support.
4. Regarding the timing and location of the next Annual SC meeting, the IMF and the SC agreed to continue discussions to define the details.

Introduction

5. The IMF welcomed and thanked partners for their generous commitment of \$80 million to the GPFP, and underscored efforts towards raising the GPFP's visibility, expanding partnerships and reaching \$200 million funding target. IMF staff acknowledged the GPFP's first full year of operations and the first SC meeting with Matt Davies as head of the GPFP Secretariat.

Global Fiscal Context and Challenges

6. The IMF gave a presentation on the “trilemma” that countries are facing—significant debt accumulation, increasing spending pressures, and political constraints on implementing tax reforms—and how the GPFP can support countries in addressing the challenges posed by the trilemma, including as part of the new Joint Domestic Resource Mobilization Initiative (JDRMI). The GPFP and JDRMI are aligned with the IMF CD strategy’s critical concepts—programmatic approach, country-centered, multi-year, inclusive, and results focused—and share the same priorities—supporting countries on revenue mobilization, efficient spending, and financial sector development. The GPFP will be the main funding vehicle for IMF CD that is provided in the context of JDRMI.

Discussion

7. A partner commented on the importance of communicating to countries a realistic potential for increasing tax revenue collection in the short to medium term versus the long term to avoid setting overly ambitious targets that pressure governments and lead to poor short-term outcomes or public unrest. IMF staff responded that analysis of potential must be done at the country level and aligned with credible and implementable tax reform plans. The Medium-Term Revenue Strategy (MTRS) framework is useful in this regard because it links revenue generation and spending needs.

8. Partners inquired about the status and progress of the JDRMI; how the GPFP and JDRMI address the three pillars of revenue, spending and debt markets; and what are the prospects for these elements in the GPFP pipeline of activities? IMF staff explained that the IMF and the World Bank teams have been coordinating on elements of reform design and practical aspects, across functional and area departments within both organizations, and have ongoing discussions with authorities/stakeholders in a number of countries aiming to ensure that the countries themselves own the initiatives. Ownership by the authorities is paramount for JDRMI to be successful. The GPFP is focusing on two of the three pillars for this resource mobilization initiative—revenue and spending—while work on the financial sector is undertaken by the Monetary and Capital Markets department and is not covered by the GPFP.

Recent Developments and Achievements

9. The IMF gave a presentation on the financial status; transition of legacy thematic funds; integration of CD policy advice with surveillance and lending; coordination among stakeholders; as well as reporting and communication enhancements. Staff acknowledged that funding constraints led to a slow start for the GPFP but noted increasing momentum and financial

support have enabled the initiation of 52 CD programs, with over a third of the programs focused on both revenue and spending across various regions. The GPFP has an approved budget of \$37 million, with \$10 million spent so far, and is expected to spend approximately \$32 million by the end of FY25. The IMF noted that the transition of the legacy thematic funds (RMTF, TADAT, and MNRW) into the GPFP is progressing well, and the RMTF and TADAT closing reports will be issued in the coming months. The MNRW's six-month extension (up to October 31, 2025) facilitates the full execution of its remaining activities and budget. Staff discussed the critical link between the IMF's CD policy and institution building advice and its lending and surveillance activities to ensure that recommendations are realistic and aligned with countries' institutional capacities. Staff also noted that teams are encouraged to liaise with stakeholders in the field including regional centers and development partners. Staff also highlighted ongoing communication with SC members on strategic issues such as the development of the proposal for coordination platform on fiscal CD support (see below for details) .

Discussion

10. Several partners asked that the forthcoming RMTF closing report details the impact of projects ideally at the country level, while acknowledging that it is challenging to measure impact on a country level for a specific CD program.

11. A partner suggested that the SC meetings could benefit from more substantive examples of how interactions between GPFP-financed CD support and the IMF's policy advice under Surveillance and Lending operations have impacted IMF-supported program quality, priorities, and decisions.

12. Several partners suggested including country case studies or in-depth impact stories (including results monitoring) in future progress reporting.

13. A partner commented on the scope of the GPFP's governance structure and the need for the SC to continue engaging also on TADAT and MNRW program delivery.

14. The IMF acknowledged the need to capture and report on the impact of CD activities, including data on strategic results at the country level. The IMF indicated that country stories could be discussed in more detail at the annual SC meetings, and the GPFP website could be useful for showcasing success stories and effective collaboration among stakeholders.

GPFP Way Forward

Fundraising

15. The GPFP has secured \$80 million, including \$33 million during the reporting period. The IMF is pleased to welcome the EC, Denmark, Norway, and Saudi Arabia to the GPFP who firmed up their contributions to the GPFP during the Annual Meetings and became full members of the SC. It is also thanks Japan, Germany, and the U.K. – current members – for their additional funding on top of their original contributions. Despite recent progress in fundraising, the GPFP still has a long way to go to secure the necessary funding for the full implementation of its program. The IMF is currently consulting with a broad group of partners to mobilize additional resources.

Medium-term work program

16. IMF staff presented the medium-term work program and corresponding \$88.2 million budget through the end of FY27, which were subsequently endorsed by the SC. These are broadly consistent with the resource outlook and allow flexibility to accommodate the countries' changing circumstances and urgent needs. Current liquidity projections show a stable outlook for FY26, with a small gap anticipated in FY27.

17. IMF staff discussed the work program's characteristics: prioritizes low-income countries and fragile states but also includes emerging market and middle-income countries; covers countries in all regions, with a larger proportion of countries in Africa; addresses cross-cutting themes, which are primarily digitalization of public finance operations (GovTech) and climate; is multi-module thus progressing towards the programmatic approach; however, shows an imbalance between revenue and spending projects reflecting the legacy thematic funds' transition to the GPFP.

18. The IMF expects workplan reprioritization by June, to reallocate resources where there is traction and accommodate new CD demands including from JDRMI and RSF countries. Staff also expects to propose FY28 budgets in June and encouraged SC partners to provide feedback through project managers or the GPFP secretariat, which will inform the internal planning and prioritization process.

Discussion

19. A partner highlighted the GPFP work program's imbalance between revenue and spending and between the different sub-regions in Africa and asked about the IMF's views on potential rebalancing of support and resources (the need for rebalancing was echoed by another partner),

as well as coordination of work program implementation across GPFP countries. This partner offered to engage with prospective partners on supporting the GPFP's fundraising efforts.

20. A partner highlighted their interest in promoting East Asian countries and international taxation, and the importance of visibility of resource allocations across countries and regions.

21. A partner welcomed the GPFP's focus on low-income and fragile states particularly in Africa and commended the integration of green and climate aspects in many CD programs but noted that gender considerations could be better mainstreamed in CD activities. This partner also sought clarification on fundraising expectations and stressed the need for secure TADAT financing.

22. A partner emphasized the linkages between GPFP CD activities and IMF lending at the project level and aggregate level. This partner also requested clarification on the inclusion of Seychelles in the GPFP's work program due to its high-income status.

23. The IMF addressed partners' concerns about the imbalance between revenue and expenditure projects by noting that we are still in transition to balance the funding across the revenue and spending components –with the latter still small. However, the focus on IMF CD in spending is supported by bilateral funding on the PFM side. Staff stressed that efforts are being made with some partners to bring spending bilateral funding into the GPFP. In the meantime, staff will find a way to reflect in future reporting the complete picture of GPFP activities in relation to the IMF's overall support to countries.

24. The IMF clarified that GPFP's actions in Africa are influenced by Area Department prioritization, which incorporates various circumstances. Staff underscored the importance of integrating CD with the IMF's surveillance and lending mandates.

25. Staff reiterated that mission teams are encouraged to reach out to partners in the field to discuss ongoing activities and foster understanding between stakeholders and urged partners to proactively use the activity reports to contact the IMF to exchange information.

26. The IMF reassured partners that the GPFP will continue to prioritize low-income and fragile states and the TADAT will be funded at projected levels. Staff noted partners' concerns on the inclusion of Seychelles and explained that this CD support is driven by a Fund program engagement as described in the project proposal.

27. The IMF is optimistic about securing additional funding by engaging both existing and new partners, while working closely with bilateral partners to explore approaches to shifting funding

from bilateral programs to the GPFP thus providing a comprehensive approach to revenue and spending.

28. A partner asked about new partners that could join the GPFP SC. The IMF responded that funding consultations are at different stages, and due to the confidential nature of such discussions, new partners cannot be announced yet. The GPFP Secretariat will keep the SC members informed about progress with this matter.

Coordination Platform on Fiscal CD Support

29. In response to a commitment during the June 2024 SC meeting, and with the involvement of some partners in early consultation, the IMF has developed a platform to improve access to information supporting better coordination of CD activities among partners. Staff sought partners' feedback on the platform and whether it aligns and meets expectations discussed at the June 2024 SC meeting. The platform will provide country-level data on all fiscal CD activities related to both revenue and spending, including cross-cutting issues such as GovTech, climate, and inclusion/gender. The platform will allow partners to share their areas of activity classified in line with the GPFP results framework. It will not replace existing GPFP communication mechanisms but serve as an additional tool for collaboration. Initially, the platform will focus on GPFP countries to ensure effective implementation before expanding its reach. The platform would be updated twice a year.

30. Partners appreciated that this platform is designed to integrate revenue and spending and thus provide a more comprehensive view of country CD. They recognized that coordination among various stakeholders is challenging. Some partners could not commit to participating because of the burden of data provision. Others requested an illustration of how the platform works through specific country examples. Overall, partners suggested a phased approach and indicated they are willing to support the platform development if initial costs are manageable but need more information if larger sums are to be committed. They also stressed the importance of learning from previous experience for instance in the development of the PCT platform.

31. The IMF and the SC agreed on a phased development of the platform. In the next few months, the IMF will develop a few country examples to illustrate how they would appear in the platform, reach out to select partners to provide inputs on their respective activities and gauge the implications of data collection.

Next Steering Committee Meeting

32. The IMF proposed holding the next Steering Committee meeting on June 23, 2025, in person and consulted the EC about hosting the meeting in Brussels. The IMF and SC partners did not reach an agreement and will discuss this matter further.

Closing

33. In closing the meeting, Juan Pedro Schmid, SC chair, expressed appreciation for all the work on the GPFP; looked forward to learning more about the JDRMI initiative; and encouraged partners to contribute more to the GPFP as this supports the global good. He acknowledged the phased development of the coordination platform, and further planning of the next SC meeting and the Partnership week. The IMF thanked the SC for productive discussions on and support for the GPFP. The meeting adjourned at 10:45 a.m.