



## MIDDLE EAST REGIONAL TECHNICAL ASSISTANCE CENTER

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### Local Currency Bond Market Development Regional Workshop

May 4 – 8, 2025

Amman, Jordan

Why is local currency government bond market (LCBM) development important? Is the country ready to implement market development policies? What is the LCBM framework jointly developed by the IMF and World Bank, published in 2021? How can this framework facilitate the identification of reforms that can be staged over time for the domestic debt market development?



These were some of the questions that a regional workshop on LCBM development organized by the International Monetary Fund's (IMF) Middle East Regional Technical Assistance Center (METAC) tried to answer. Participants included 23 public debt management (PDM) officials from Algeria, Djibouti, Egypt, Iraq, Jordan, Lebanon, Libya, Morocco, Oman, Tunisia, UAE, and Yemen. The workshop was supported by the Government of the Netherlands.

Deeper and more efficient domestic securities markets play a key role in reducing financial vulnerability to shocks while enabling governments to finance their development programs. However, LCBMs are largely underdeveloped in the METAC region except for a few countries that have made progress in their development. The need for bond market development is underscored by the relatively high debt-to-GDP ratios and exposure to foreign currency debt in the region.

The regional workshop aimed at strengthening participants' knowledge of the building blocks and sequencing of reforms for LCBM development. Its interactive format also provided a platform for participants to learn from the experiences and good practices of peer countries.

The workshop provided an overview of LCBM development concepts by focusing on the six (6) key building blocks for LCBM: Money Market, Primary Market, Secondary Market, Investor Base, Legal and Regulatory Framework, and Market Infrastructure. It also covered the LCBM framework used to assess the market development stage, discussed common challenges, and identified policy recommendations that support the development of the market.

Country officials presented the key challenges and development issues related to their LCBMs and conducted a self-assessment on the stage of their market development. METAC encourages the participants to apply the knowledge gained to design policies and strategies for developing their country's LCBMs.

