

ANNUAL REPORT

September 2009



MIDDLE EAST REGIONAL TECHNICAL ASSISTANCE CENTER (METAC)

Statement by the Chairperson of the METAC Steering Committee



It was a pleasure for me to chair the Steering Committee of the IMF Middle East Regional Technical Assistance Center (METAC) for the first time this year. The meeting, which was held in Beirut on May 6, 2009, provided a good opportunity for member countries and donors to gauge the important results and progress achieved in Fiscal Year (FY) 2009, widely recognized by beneficiary member governments, to review the priorities and work plan for FY 2010, and to look forward to the next medium-term phase. The present Annual Report for FY 2009 reviews and addresses these subjects in some detail.

As Chairperson, I seized the opportunity to highlight the important role of the Steering Committee in promoting and guiding the work of METAC, and to review ways and means to enhance the role of the Committee with a view to make it more dynamic and effective, including through increased networking and monitoring. I emphasized the important role of METAC in the cross-border fertilization of knowledge and stressed the need for increasing knowledge-sharing and learning as an integral part of METAC's work.

Being located in Beirut, close to the countries it serves, METAC provides several important benefits, including decentralized delivery of technical assistance, which allows for greater flexibility in responding to changing or emerging needs, close coordination with regional technical assistance providers, enhanced country ownership and accountability, and more focused and subject-specific training for local officials.

The location of this important center reaffirms the traditional role of Beirut as a regional center of excellence and reflects recognition of Lebanon's wealth in qualified human resources. It is an ambition of Lebanon to become again the gateway for knowledge and a platform for dialogue and cooperation among countries in the region.

Looking forward to the next phase, METAC can build on its considerable strengths, namely the provision of needs-based assistance in areas of IMF expertise in line with national and regional priorities.

We owe a debt of gratitude to many individuals and institutions for their contribution to METAC's work. My appreciation goes to the regional and international donors that have generously supported METAC in recent years. I thank them for their confidence and for their support for reform in our countries. I also would like to thank the member governments of METAC and encourage them to increasingly commit to METAC in its next phase. In this connection, allow me to note the important financial contribution of the Lebanese Government to METAC, and that Lebanon will continue to support METAC financially and otherwise as it has in the past even under the most dire circumstances.

In closing, I extend warm thanks to the management and staff of METAC for their dedication and the considerable results achieved in the year under review.

Dr. Mohamad Chatah
Minister of Finance of Lebanon

Foreword by the METAC Coordinator



This second annual report covers METAC's activities in Fiscal Year (FY) 2009 (May 2008-April 2009), highlights some key achievements, and outlines the work plan for FY 2010. As shown in the report, METAC continues to deliver high quality technical assistance (TA) and training to member countries. And while it is not always easy to measure outcomes, important progress has been realized in different areas and across METAC's membership.

The FY 2010 workplan was guided by (i) TA requests by member countries; (ii) the regional strategy note (RSN) prepared by the Middle East and Central Asia Department (MCD); (iii) progress made by member countries in pushing their reform agenda forward; (iv) the presence of other TA providers; and (v) the fungibility (or lack) of resources i.e. some donors earmark their resources for specific sectors and countries. The work plan provides guidance to METAC's activities during the year but it will be applied with sufficient flexibility so as to respond quickly to any emerging or changing country needs.

I outline below some key priorities for next year and beyond, which are based in part on the ideas and suggestions raised in the last Steering Committee meeting held in Beirut on May 6, 2009. These include:

1. *Enhancing knowledge and experience sharing among countries in the region.* METAC will make more efforts to disseminate lessons and good practices among member countries and other countries in the region through different means and forms, including by:

- Maximizing the benefits of regional workshops by encouraging participants to (i) make presentations on their country's experience; (ii) prepare a report after each workshop mapping the gaps between their practices and best practices and a plan to move forward; and (iii) present to their colleagues what they have learned upon return to their countries;
- Organizing regional meetings in different fields, i.e. heads of banking supervision departments, revenue administration, or statistical agencies to discuss common problems, experience and needs;
- Promoting the establishment of pan-METAC countries' regional associations (i.e. revenue administration) to enhance knowledge sharing; and
- Organizing study tours in countries with successful reforms.

2. *Focusing more on results and achievements and improving the exchange of feedback between METAC and member countries on TA provided.* This would be achieved through the identification of a clear set of expected outcomes (objectives) which will allow better measurement of results. METAC will *also* communicate with country officials regularly to get feedback to assess the success and relevance of TA provided. More formally, a short questionnaire will be used, at the completion of major projects, to gauge whether the TA has been effective and responsive to countries' needs, and to identify obstacles to the implementation of the TA.

3. ***Engaging countries which are less active with METAC*** by identifying specific topics for involvement in close collaboration with TA departments in the IMF. Headquarters-based assessment missions could systematically identify areas for METAC's involvement in these countries.

4. ***Strengthening regional expertise including by identifying local Arabic-speaking experts who can be trained to become short-term experts and possibly resident advisors:***

- Resident advisors will make more efforts to identify Arabic-speaking experts through their contacts with different stakeholders in METAC member countries, and in the region, in full collaboration with HQ; and
- Resident advisors and the Center coordinator will regularly communicate with the Steering Committee members to identify Arabic-speaking short-term experts.

5. ***Enhancing METAC's contacts and visibility with key donors and TA providers in the region:***

- Send METAC reports to main donors in a systematic way within the guidelines of the new policy on disclosure and invite them to witness the "success" or completion of a project;
- Highlight the contributions of donors and recipient countries and foster coordination with other TA providers, including by providing contact information on specific issues and countries through an updated website;
- Prepare a PowerPoint presentation on METAC that provides a brief overview of METAC's activities and salient achievements. The coordinator and advisors will deliver this presentation to government officials and key donors when they visit member countries;
- Issue press releases and hold press conferences on different occasions, such as the launching of the Annual Report (as we did last year) or after the Steering Committee meeting (this also was done this year); and
- Alternate the venue of the Steering Committee meetings among member countries and invite donors in these countries to attend.

Saade Chami
METAC Coordinator

SELECTED ACRONYMS

AFRITACs	Africa Regional Technical Assistance Centers
AITRS	Arab Institute for Training and Research in Statistics
BCC	Lebanon Banking Control Commission
BDL	Banque du Liban
BOP	Balance of Payments
BOS	Central Bank of Sudan
CARTAC	Caribbean Regional Technical Assistance Center
CAS	Lebanon Central Administration of Statistics
CBE	Central Bank of Egypt
CBI	Central Bank of Iraq
CBJ	Central Bank of Jordan
CBL	Central Bank of Libya
CBS	Central Bank of Syria
CDIS	Coordinated Direct Investment Survey
CEMLA	Center of Monetary Studies of Latin America and the Caribbean
CIDA	Canada International Development Agency
CMU	Cash-Management Unit
COA	Chart of Accounts
COSIT	Iraq Central Organization for Statistics and Information Technology
CPI	Consumer Price Index
CSO	Afghanistan Central Statistics Organization
DAB	Da Afghanistan Bank
DFID	Department for International Development (The United Kingdom)
EC	European Commission
EGM	Expert Group Meeting
EIB	European Investment Bank
EU	European Union
EWS	Early Warning System
EXD	External Debt Statistics
FAD	IMF's Fiscal Affairs Department
FDI	Foreign Direct Investment
FSSP	Financial Sector Strengthening Project
FX	Foreign Exchange
FY	Financial Year
GDDS	General Data Dissemination System
GFMIS	Government Financial Management Integrated System
GFS	Government Financial Statistics
GFSM	Government Financial Statistics Manual
EGM	Expert Group Meeting
HBS	Household Budget Survey
HQ	Headquarters
IAS	International Accounting Standards

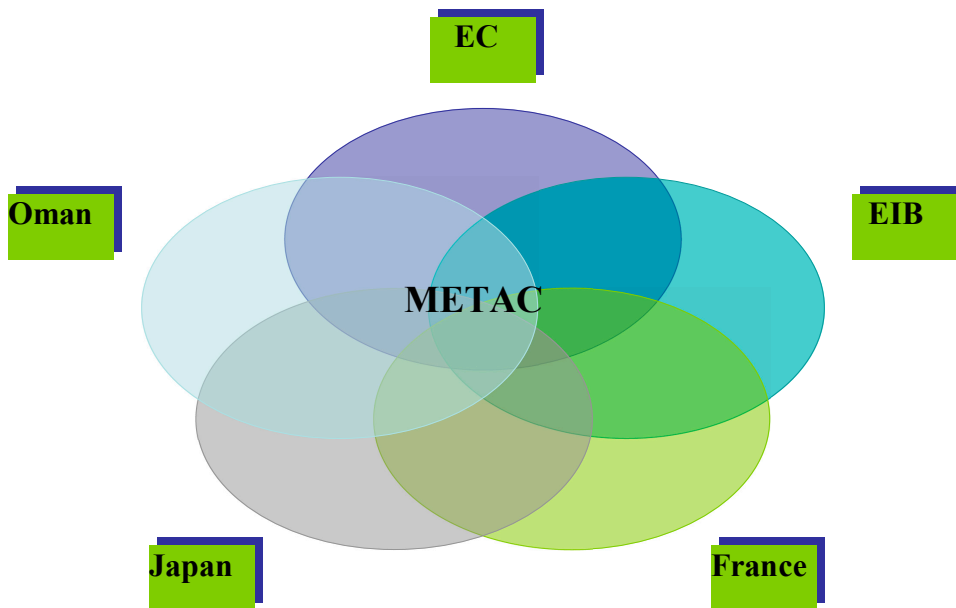
IBAN	International Bank Account Numbering
IDB	Islamic Development Bank
IFRS	International Financial Reporting Standards
IIP	International Investment Position
IMF	International Monetary Fund
ITRS	International Transactions Reporting System
LTO	Large Taxpayers Office
MCD	IMF's Middle East and Central Asia Department
METAC	Middle East Regional Technical Assistance Center
MOF	Ministry of Finance
MTO	Medium Taxpayers Office
NA	National Accounts Statistics
OIC	Organization of Islamic Conference
PFM	Public Financial Management
PFTAC	Pacific Financial Technical Assistance Center
PMA	Palestine Monetary Authority
PPI	Producer Price Index
ROSC	Report on the Observance of Standards and Codes
RSN	Regional Strategy Note
RT	Round Table
RTAC	Regional Technical Assistance Center
SC	Steering Committee
SDDS	Special Data Dissemination Standard
SMP	Statistical Master Plan
SNA	System for National Accounts
STA	IMF's Statistics Department
STE	Short Term Expert
STO	Small Taxpayers Office
SUT	Supply and Use Table
TA	Technical Assistance
TSA	Treasury Single Account
UAC	Union of Arab Chambers
UN	United Nations
UNDP	United Nations Development Program
USAID	United States Agency for International Development
VAT	Value-Added Tax
WBG	West Bank and Gaza

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METAC COUNTRIES / CONTRIBUTORS



METAC DONORS



SECTION I: THE IMF'S RTAC INITIATIVE AND METAC

Regional technical assistance centers (RTACs)

Regional technical assistance centers (RTACs) have become an increasingly important modality for technical assistance (TA) delivery by the International Monetary Fund (IMF). Since 1993, the IMF has used RTACs to provide TA to groups of countries that are likely to derive added benefits from a field-based, regional approach for strengthening institutions and developing the skills needed for effective economic and financial management. Seven regional TA centers in the Pacific, the Caribbean, Africa, the Middle East and Central America help countries strengthen human and institutional capacity to design and implement policies that promote growth and reduce poverty. The Pacific Financial Technical Assistance Center (PFTAC) was established in 1993 to serve Pacific Island countries. The Caribbean Regional Technical Assistance Center (CARTAC) followed in 2001 to serve countries in the Caribbean. In 2002 and 2003, respectively, two Africa Regional Technical Assistance Centers (AFRITACs) were established to serve countries in East and West Africa, and in 2004 the Middle East Regional Technical Assistance Center (METAC) was opened for ten countries and territories in the Middle East region. Central AFRITAC was launched in Gabon in 2007. In May 2009, the IMF opened a new center in Central America, and it is planning to open three additional regional centers—in Central Asia, and two further centers in Africa.

Overview of METAC

The idea of setting up a Middle East Regional Technical Assistance Center (METAC) was launched in October 2003 at the International Donors' Conference for the Reconstruction of Iraq in Madrid, Spain. By providing targeted capacity building, the Center assists post-conflict countries in restoring macroeconomic stability and in developing basic institutions for policy-making. METAC's location within the region and its close collaboration with regional organizations and other TA providers facilitates improved coordination among donors and existing economic initiatives within the Middle East region.



METAC was officially inaugurated on October 25, 2004 in Beirut, Lebanon. METAC serves Afghanistan, Egypt, Iraq, Jordan, Lebanon, Libya, Sudan, Syria, West Bank and Gaza (WBG), and Yemen. METAC is a collaborative effort between the International Monetary Fund (IMF), the recipient countries, and bilateral and multilateral donors; and its main

mandate is to provide capacity-building assistance, facilitate the reform process in member countries, and support the region's integration in the world economy through a team of resident advisors—supplemented by short-term experts—with expertise in core areas of the IMF's work.

Located close to the countries/territories it serves, METAC offers several advantages that are typical of the IMF RTACs including: (i) decentralized and better tailored delivery of TA to the particular needs of the region; (ii) enhanced country ownership and accountability; (iii) faster and more efficient response to TA requests; (iv) more effective follow up in implementing TA country's strategies as designed by IMF headquarters; (v) closer coordination with other TA providers in the region; and (vi) more focused subject-specific and hands-on training for local officials. METAC's activities are complementary to other forms of IMF TA, and are closely integrated into the IMF's TA program. The IMF ensures accountability and quality control of METAC's TA and training activities.

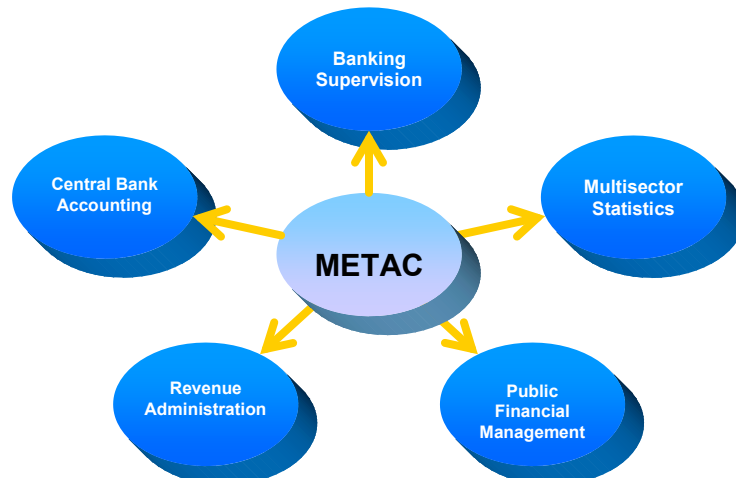
Funding

METAC is funded through grant contributions from:

- Lebanon, which in addition to its large financial contribution, finances METAC's office facilities and local staff;
- participating countries: Egypt, Jordan, Lebanon, Libya, Sudan, Syria and Yemen; and
- the IMF, the European Commission (EC), the European Investment Bank (EIB), France, Japan, and Oman.

Current Activities

METAC's current activities focus on the delivery of TA and training (regional and in-country) in the areas of banking supervision, public financial management, revenue administration, macroeconomic statistics, and central bank accounting and internal audit. These activities reflect the priorities set by member countries and could change according to their evolving needs.



Banking Supervision

METAC assists member countries in creating a sound banking supervision environment to maintain public trust and confidence in the banking sector. This includes enhancing banking supervision procedures in accordance with international best practices; building the capacity of banks' examiners through training, seminars and workshops; strengthening the examination process through the development of new financial statements and early warning systems; and developing credit registry systems for better monitoring of credit facilities.



Public Financial Management

METAC assists member countries in building capacity for reforms in budget preparation and execution to improve expenditure control and revenue monitoring. This includes improving organization and providing capacity building at ministries of finance; improving financial accounting and reporting, and strengthening internal and external control mechanisms; reforming budgeting and accounting classification; and improving treasury systems.

Revenue Administration

METAC provides technical advice in planning and implementing revenue administration reforms by enhancing revenue administration organization and procedures; implementing effective compliance control tools for tax collection; and developing legislative frameworks for tax administration.

Multisector Statistics



The main purpose of TA in the area of statistics is to improve the overall quality of macroeconomic statistics and to promote the use of internationally-accepted concepts and statistical methodologies. This encompasses the development of compilation and dissemination procedures, the identification of emerging data sources, the preparation and verification of data, and the documentation of data sources and compilation methods.

Central Bank Accounting

METAC assists central banks and monetary authorities in modernizing central bank accounting systems, procedures, policies, and controls. It provides technical support for the transition to integrated financial management information systems. METAC also provides technical advice on improving the financial and management reports in compliance with International Financial Reporting Standards, and on developing the internal audit function.



Training on IFRS and accounting entries for Iraqi officials

METAC Governance and Management

METAC is guided by a Steering Committee (SC) comprising representatives of METAC beneficiary countries, multilateral and bilateral donor agencies, and the IMF. The SC provides strategic guidance and contributes to setting METAC's priorities. The chairman of the SC is the Minister of Finance of Lebanon. The SC meets once a year or on a need basis to discuss and endorse the work plan and priorities for the coming period.

METAC is managed by a coordinator, who ensures the proper management of the Center and its staff. The coordinator is the key interlocutor between the IMF and the SC. He has an important role in producing the work plan by drawing on the inputs of METAC beneficiary countries, resident advisors and IMF headquarters; and in following up with country authorities on the implementation of METAC's TA program. The coordinator reports to the Director of the Middle East and Central Asia Department (MCD) of the IMF in Washington, D.C.

Resource Allocation

TA is allocated to beneficiary countries according to needs as identified by national authorities and the IMF, and the pace of delivery is influenced by how strong is country ownership of TA programs evidenced by progress in implementing previous METAC mission recommendations. METAC does not provide TA to its members in an equal amount, nor does it seek to provide TA commensurate with member countries' financial contributions. Resources are pooled together and used according to countries' needs and priorities.

SECTION II: METAC'S ACTIVITIES FOR FY 2009

The work plan for Fiscal Year (FY) 2009 was implemented largely as planned (at about 75 percent) but with sufficient flexibility to respond to member countries' needs. The implementation ratio was affected by several factors, including: (i) turnover of long-term advisors and the inability to fill vacancies quickly; (ii) requests by some countries to postpone or cancel some missions for technical and other reasons; and (iii) lack of progress in the implementation of key TA recommendations which would normally delay any follow up missions.

In terms of technical assistance (TA) areas, banking supervision was dominant representing more than one quarter of the work (26 percent of total), followed by macroeconomic statistics (21.5 percent), central bank accounting (20 percent), public financial management (18.4 percent) and revenue administration (14.5 percent).



In terms of country's shares, Syria continued to absorb the largest share of TA (21 percent) while Egypt had the least (3 percent) share. Jordan became more active with its share increasing from 5 percent last fiscal year to 8 percent in FY 2009.

Achievements were made in several areas and across membership as shown in Box 1.

A. Banking Supervision

METAC assists member countries in creating a sound banking supervision environment by building the capacity of banks' examiners and strengthening the legal framework. This is achieved by developing new sets of regulations in line with Core Principles for effective Banking Supervision and setting the essential pillars for strong risk management; improving the skills of examiners by developing their "off-site supervision ability" to better analyze the newly developed financial statements and call reports; and providing supervisors with new on-site examination techniques through the development of inspection manuals. METAC also provides TA in other related issues such as developing credit registry systems.

METAC's major achievements in FY 2009 were mainly in the development of prudential regulations and in enhancing risk-focused banking supervision. METAC focused on

developing conservative prudential regulations regarding banks' investment in financial instruments despite the fact that most member countries' banks are not exposed to complex financial products and thus were saved to a large extent from the impact of the financial crisis. In addition, METAC assisted member countries in the upgrading of inspection manuals and call reports on the basis of risk-focused supervision.

However, in implementing the work program for banking supervision in FY 2009, some difficulties were encountered in completing all the tasks envisaged at the time the program was prepared. This is due to many factors, including: the time it took to hire a replacement for the previous resident expert whose contract expired in early 2009; the difficulty in obtaining entry visas to some countries on time; and the request by some authorities to postpone or cancel some activities.



METAC banking supervision advisor outlines his work plan at the steering committee meeting; Syria's SC member looks on

Technical Assistance Delivery

During FY 2009 METAC delivered TA to all countries, except Egypt, in the following areas:

Legal Framework

METAC developed a number of prudential banking supervision regulations, which were approved and released by the following countries' authorities.

- In Iraq, several prudential regulations have been drafted, including licensing requirement processes; minimum capital requirements; loan classification and provisioning; internal control; risk management; market risk and operational risk management; and foreign exchange operations and other related issues.
- In Syria, METAC prepared a circular defining the information to be reported to the Central Bank of Syria (CBS) regarding the board of directors' members and senior management. In addition, another circular was prepared defining the requirements for consolidation and accounting procedures for recording investment in affiliated companies in line with the International Accounting Standards (IAS).
- In Libya, METAC assisted in the preparation of several prudential regulations regarding credit and assets concentration, credit risk management, and foreign exchange (FX) positions, among others.

B. Public Financial Management

In FY 2009, METAC carried out activities in the area of Public Financial Management (PFM) to support reform strategies adopted by member countries. The main areas covered by METAC are: (i) treasury banking arrangements and cash management in Afghanistan, Egypt, Jordan, Lebanon, Sudan and WBG; (ii) budget integration of capital and current budgets in Jordan, Lebanon and Syria; (iii) budget preparation in Lebanon; and (iv) Government Financial Management Integrated System (GFMIS) in WBG.

In this context, achievements were realized in improving: (i) cash management tools in Lebanon and WBG owing to intense hands-on training by METAC's experts and to a study tour on cash management in Turkey; (ii) the treasury single account (TSA) in Jordan through the design of a set of procedures aimed at enlarging the TSA, although this has not been implemented yet; and (iii) budget integration in Syria as the strategy developed with the support of METAC is now being gradually implemented, and the 2010 budget's preparation goes in this direction. Budget integration was also the focus of a workshop that was held in Beirut for participants from Jordan, Lebanon and Syria.

In implementing the work program in PFM, some of METAC's activities were cancelled or postponed due to staff turn-over, and to delays in the implementation of reform programs in some countries. In addition, delays in defining and implementing new programs of TA by some donors (Iraq, Libya and Yemen) and the loss of momentum for PFM reform in others (Egypt) had a negative impact on METAC's work. A summary of METAC's activities in the area of PFM is provided below.

Technical Assistance Delivery

In the area of treasury banking arrangements and cash management

- METAC developed in recent years an expertise in the establishment of (i) a TSA to rationalize and consolidate public funds between the central bank and the ministry of finance; and (ii) a cash-management unit (CMU) in order to



Regional workshop on Capital Budgeting

efficiently oversee cash projections, balances and liquidity in the central bank, the ministry of finance, and line-agencies.

- METAC provided such assistance during FY 2009 in Afghanistan, Egypt, Jordan, Lebanon, Sudan and WBG to sustain reform impetus in this area and move forward in a sequenced manner according to the special circumstances of each country.
- In Afghanistan, Lebanon and WBG, METAC focused its assistance mostly on the set up of a CMU to develop cash projections that would permit a broader budget execution monitoring, rather than on the TSA system, which is relatively more developed in these countries.
- Conversely, METAC focused its assistance to Jordan and Egypt more on TSA development due to a more complex situation of banking arrangements. METAC provided TA to Jordan on how to transfer to the TSA some public funds and balances still held in commercial banks. METAC's assistance to Egypt was aimed at developing adequate accounting tools and reviving the utilization of the current TSA system.
- In Sudan, METAC provided assistance to address some challenging issues in implementing the TSA and integrating cash projections within a framework of budget execution's control. METAC also participated in an IMF headquarters-based mission that set out a three-year strategic action plan for TA in cash management, budget execution, and institutional reform of the ministry of finance and national economy.
- METAC organized a study tour in Turkey in collaboration with the Turkish treasury under secretariat and the central bank in Ankara for officials from Lebanon and WBG to benefit from the advanced Turkish system of cash management. At the end of this tour, each country issued a report mapping their gaps with the Turkish system and identifying further steps of reforms. Based on this good experience, this study tour could be repeated in FY 2010 for other countries (possibly Afghanistan, Sudan, and Yemen).

"I would like to note the very good results obtained when addressing specific, well defined issues, such as the tax compliance strategy mission...The practical recommendations provided in both the areas of cash management and budget preparation reform were very useful and are being considered by the Ministry's team as basis for reform implementation..."

Dr. Mohamad Chatah
Minister of Finance of Lebanon

In the area of budget integration of capital and current expenditures

- METAC followed up on its FY 2008 activities in support of budget integration of current and capital budgets in Lebanon and Syria.
- In Lebanon, METAC assisted the ministry of finance in dealing with the large fragmentation of the budget. Despite the difficulties in addressing this issue, progress was

achieved paving the ground for further move towards better integrated budget decision process.

- In Syria, METAC provided advice and hands-on training to the ministry of finance on how to prepare the capital budget and monitor its execution under an integrated framework. A working group was established to monitor results and progress in this area. In this context, emphasis was put on integrating decisions on capital and current budgets under (i) a multi-year budgeting framework with a “top-down” approach for setting annual budget ceilings; and (ii) a program-based budgeting and performance framework to be tested in two main “pilot” ministries.
- METAC held a two-day workshop on budget integration for Jordan, Lebanon and Syria. The workshop benefited from a presentation of the integration’s success story in Tunisia after decades of fragmentation. A review of each country’s experience was conducted, and a sequenced action plan, based on international best practices, emerged as the main outcome of the workshop.

In the area of budget preparation

METAC’s assistance to Lebanon included hands-on training on implementing budget preparation reforms. METAC’s assistance consisted of (i) reviewing the progress to date in budget integration and in multi-year budgeting; and (ii) assessing the way forward in the program-based budgeting approach. In addition, METAC held a two-day workshop in Beirut in collaboration with the ministry of finance for Lebanese officials on this issue. The workshop assembled representatives of all ministries and institutions, as well as multilateral donors (European Commission (EC), United Nations Development Program (UNDP), and World Bank) who are actively involved in budget reform.

Government Financial Management Integrated System (GFMIS)

METAC assisted WBG in developing an integrated computerized financial system. METAC’s assistance focused mainly on the set of financial transactions and rules and regulations (*conceptual design*) as part of the newly established computerized system. This assistance has led to substantial improvements in the quality of the procedures and the reliability of fiscal information.

C. Revenue Administration

Technical assistance in tax administration in FY 2009 followed closely the work plan, although the plan could not be implemented strictly because of country specific issues that implied delays or cancellation of some missions. Activities continued to be formulated and implemented in coordination with IMF headquarters either through METAC’s participation

in the IMF's Fiscal Affairs Department (FAD) revenue administration missions or through an overlap of METAC resident advisor's visits with those by short-term experts funded by FAD. In general, TA benefits experienced by each country during FY 2009 depended on the scope and pace of their ongoing reform programs.

Technical Assistance Delivery

Technical assistance in FY 2009 focused on a few themes: strengthening tax administration headquarters organizational arrangements and operations; fine tuning taxpayer segmentation concepts; and strengthening the implementation of risk management and self-assessment principles. As in FY 2008, METAC hosted a regional workshop on measuring tax administration operational performance.

Strengthening the headquarters' operations

Following IMF advice, almost all METAC countries have taken some steps to build a modern, unified, and function-based headquarters. This topic has been a key area of METAC's support and assistance given its strategic importance in transforming tax administrations into modern and effective revenue collection agencies. During FY 2009,

strengthening the headquarters' operations was provided by short-term expert visits complemented by FAD experts and monitored through frequent follow-up visits by METAC's resident advisor. Some progress was achieved in FY 2009, including:

- Syria--tax commission board members and senior officials were appointed; a restructured organization was approved and staff assigned; office space was allocated; and a major recruitment campaign was launched.
- Jordan, Sudan and Yemen have redesigned their headquarters structure in line with IMF recommendations and best practices.
- Egypt is in the final design stage of its new headquarters which merges the operations of the income and sales tax departments.

The Head of the Egyptian Tax Authority thanking METAC for organizing the workshop on modern tax administration and indicating that, overall, the workshop was excellent.

"يتقدّم الوفد المصري بالشكر الجزيل لإدارة شؤون المالية العامة بالمركز الإقليمي للمساعدة الفنية للشرق الأوسط وذلك للجهد المقدم من إدارة المركز للترتيب الإداري والفني إلى الوفد المصري من خلال ورشة العمل حول دور ومسؤوليات المقر العام للإدارة الضريبية الحديثة... وقد جاءت الورشة في مجملها على مستوى ممتاز وكانت الردود مرضية على كل الأسئلة والاستفسارات المقدمة من المشاركين في الورشة..."

أشرف العربي
رئيس مصلحة الضرائب
القاهرة - مصر

Fine tuning taxpayer segmentation

METAC worked with member country tax authorities to improve their revenue collection capabilities based on reform and modernization strategies developed by FAD.

The focus was on improving taxpayer segmentation and compliance, allowing tax administrations to target their service and compliance programs to each class of taxpayers and thereby improve the overall effectiveness of the tax system.

This concept has been implemented in most METAC countries, initially through the establishment of special offices for large taxpayers and often also medium-size taxpayers. However, more recent measures to extend the segmentation concept have been initiated including establishing offices for small taxpayers in a few countries. This has entailed: (1) reviewing the selection criteria for large and medium taxpayers; (2) reducing the compliance burden through simplified and more efficient procedures; and (3) revamping policies for small business taxation. During FY 2009, METAC supported such reforms through short-term expert assignments to help further develop the segmentation concept. Recent developments include:

- Continuous support to strengthen the large taxpayers offices in most METAC countries.
- Syria and Yemen started the preparations for establishing medium-size taxpayers offices (in addition to Egypt, Jordan and Sudan).
- After Jordan and Sudan, Egypt continued the reorganization of small taxpayers offices that will complete the integration of the former separate administrations for income and sales taxes.



Strengthening risk management and self-assessment

Since its establishment, METAC has embarked on major initiatives to implement the self-assessment concept based on effective risk-based audit programs that require accurate data, credible risk-based selection criteria, appropriate audit techniques, effective case management, a rigorous penalty regime, and a fair appeals system. A well-targeted audit program ensures that scarce tax department resources are not wasted on low revenue-yielding activities. In METAC countries, the implementation of self-assessment (shifting from traditional administrative assessment) has required many changes at different levels (e.g.

legislation and procedures) in addition to considerable training efforts inside and outside the tax administration.

During FY 2009, METAC jointly with FAD continued to provide the necessary TA to introduce and strengthen the implementation of this concept in Jordan, Lebanon, Sudan, Syria and Yemen with a focus on establishing risk-based management and audit monitoring units. The initial results have been broadly successful and encouraging, particularly with respect to large-and medium-size taxpayers. The taxes collected under self-assessment have considerably increased despite skepticism and concerns of negative consequences by some senior tax officials.

Jordanian participant in the tax administration workshop expressing his appreciating for the way the discussion was conducted and for the benefits derived from the experiences of other countries.

ورشة عمل حول الادارة الضريبية الحديثة : "إن طريقة
إدارة الحوار وطرح الآراء والحالات والمناقشات بين
أعضاء الوفود المشاركة كانت هادفة ورائعة، وحققت
استفادة للجميع من خلال الاطلاع على تجارب الآخرين..."
بشار صابر
رئيس قسم المكلفين المتوسطين للنشاط التجاري
عمان - الأردن

Workshops and Training

During FY 2009, METAC organized a regional workshop on tax operations performance measurement. Nine METAC countries in addition to Kuwait and Saudi Arabia participated, mostly at the level of tax administration heads. A very experienced senior FAD expert



provided a presentation on the theory and current practices in performance management, emphasizing public sector issues. Egypt, Jordan and Lebanon presented their experience in performance reporting, and useful exchange of views and experience took place with a high level of participation.

Following the strategy adopted by METAC last year to enhance in-country training, the terms of references for all short-term experts' assignments included a task to organize a workshop and/or training sessions related to their assignment during their visit.

“We would like to emphasize the importance of having continuous close coordination with the other donors providing technical assistance to the Ministry in all fields related to METAC’s interventions, which will help us optimize the benefits of the technical assistance...”

Dr. Mohamad Chatah
Minister of Finance of Lebanon

Relations with other TA providers and donors

METAC has built close relationships with development partners providing TA in the area of revenue administration. The METAC resident advisor has maintained regular contacts with TA providers in beneficiary countries (EC, United States Agency for International Development (USAID), UK Department for International Development (DFID) and Canada International Development Agency (CIDA)) and has kept them informed of findings and recommendations whenever feasible. In addition, METAC contributed to the identification of TA needs and the design

of the TA projects by donors.

D. Macroeconomic Statistics

Macroeconomic statistics provide a framework for planning, conducting, and monitoring the implementation of economic policies and are useful instruments in the decision making process of the public and private sectors. METAC’s work is focused on providing training to statistics compilers, improving data collection, compilation and dissemination practices, and on the use and documentation of internationally-accepted standards and methodologies.

“The Central Administration of Statistics (CAS) considers METAC as an active partner in the improvement of economic statistics of Lebanon. METAC showed from the beginning of its activity a high professionalism of its staff and rapidity in taking decisions and especially the capacity of tailoring technical assistances based on the real needs of the country...”

For the consumer price index (CPI), the technical assistance provided by METAC was very beneficial to the Lebanese economy as a whole. ... Moreover, the high professionalism and the speed [with which] METAC responded to the needs of CAS was the key success of the project. Today, the new CPI is gaining more and more of reliability from the general public and from the economic actors... As for the public sector, the Presidency of Council of Ministers relies now on CAS CPI and introduces it as the official indicator of inflation for Lebanon.

CAS benefited from METAC workshops on producer price index (PPI) and national accounts and considered it as capacity building and a precious time to exchange experience with other countries...”

Dr. M. Tutelian
General Director
Central Administration for Statistics - Lebanon

Technical Assistance Delivery

During FY 2009, METAC provided TA in the areas of consumer and producer price statistics (CPI and PPI), national accounts (NA), balance of payments (BOP) and international investment position (IIP) statistics (including foreign direct investment (FDI)), international reserves, and external debt statistics (EXD). METAC, where needed, also assisted the statistics-producing agencies, as all are members to the IMF's General Data Dissemination System (GDDS) or the Special Dissemination Standard (SDDS), in updating statistical information (metadata).

The main highlights of METAC's statistical activities are as follows:



METAC statistics advisor providing training at the PCBS in West Bank and Gaza

Price Statistics

- In Afghanistan, METAC provided assistance and advice on how to expand the geographic coverage of the National CPI from six cities to ten cities and update the CPI market basket weights.
- In Libya, METAC assisted authorities in producing an All Libya index to replace the urban-only index based on Tripoli. Regarding the PPI, METAC assisted with developing the initial weighting scheme of the index and with selecting a sample of establishments for price collection. Both CPI and PPI are scheduled for release in February 2010.
- In Sudan, METAC's assistance focused on the execution of a Household Budget Survey (HBS) to provide new weights for developing a new CPI.

- In Yemen, METAC assisted the authorities in making profound changes in the calculation of the CPI index.

National Accounts

- In Jordan, METAC reviewed the economic surveys and the methodological and technical procedures in the balancing of the Supply and Use Table (SUT).
- In Lebanon, METAC reviewed the results for services and manufacturing activities for the years 2004 and 2005 that were processed and presented during the mission and advised the Central Administration of Statistics (CAS) to continue implementing the economic surveys to increase the coverage and assure the representation of the sample.
- In Sudan, METAC assisted the Central Bureau of Statistics on how to make better use of the 2007 HBS and the 2001 manufacturing survey and assisted in building the compilation software system for NA.

External Sector Statistics

METAC assisted in:

- Improving basic balance of payments data collection programs in Afghanistan, Libya, Syria, WBG and Yemen.
- Introducing and improving a survey program for FDI statistics in Egypt, Sudan, Syria, and WBG.
- Compiling and improving IIP statistics in Sudan, Syria, WBG, and Yemen.
- Improving international reserves in Afghanistan, Syria and Yemen.
- Providing technical advice on EXD for Iraq and Syria



METAC coordinator making a presentation on the Economic Impact of the Global Financial Crisis in the Gulf Region and Policy Response (Abu Dhabi, January 2009)

Workshops and in-country training

METAC organized in collaboration with the Banque du Liban (BDL) a regional seminar on remittances. All METAC members, except Sudan, were represented, in addition to

representatives from Kuwait, Qatar, and Saudi Arabia. The main facilitator was a representative of the Banco de la Republica de Colombia. The seminar covered: (1) methodological aspects in external sector statistics; (2) the institutional and regulatory context of remittances; and (3) the remittances market structure and modalities. The representatives of Kuwait, Lebanon, Syria, and Yemen presented their country's experiences, stimulating a good debate and encouraging knowledge sharing. The seminar also addressed the impact of the global financial and economic crisis on remittances and thus on the macroeconomic situation in the countries where remittances are very important. The workshop discussed the way forward towards improving remittance statistics in the Middle East. Overall the seminar was well received.¹

Qatari participants in a METAC workshop thanking METC for the invitation (Qatar is a non-METAC country) and hoping that Qatar will be invited to all future seminars and workshops.

"يسرنا أن نتقدم بالشكر الجزيل الى المركز الاقليمي للمساعدة الفنية للشرق الأوسط METAC على الدعوة الكريمة لحضور ورشة العمل الخاصة بدور ومسؤوليات المقرر العام للإدارة الضريبية الحديثة... ونطمح بأن نشارك بجميع ورش العمل والدورات والمؤتمرات وغيرها والتي يتم اعدادها من قبل المركز وذلك لما فيها من أهمية وارشاد في جميع القطاعات والمجالات..."

صالح يوسف الملا

أحمد يوسف العماري

الدوحة - قطر

In-country and hands-on training increased significantly during FY 2009. In country training was provided to: Afghanistan on capturing data for external sector statistics; Iraq on EXD concepts, definitions, and core principles and on CPIs; Sudan on the components of the BOP; Syria on FDI and on core principles of EXD; WBG on compiling BOP and IIP; and Yemen on collecting and compiling information for the BOP and on reporting information on services and remittances.

Collaboration with other donors

METAC collaborated with other regional agencies, including the Arab Institute for Training and Research in Statistics (AITRS) in the seminar on "The Implementation of the System of National Accounts 1993 (SNA1993)" which was held in Cairo, Egypt. Furthermore, METAC participated in the United Nations (UN) Conference on Trade and Development and in the Islamic Development Bank (IDB) in Geneva, Switzerland in the Expert Group Meeting (EGM) on Intra-Investment Statistics for the Organization of Islamic Conference (OIC).

¹ One of the participants wrote: "...The remittances seminar at this important time was a very constructive and golden opportunity for all participants to exchange their views, knowledge and skills on various aspects of remittances. This important course taught me to work more in a team... I gained knowledge of the new methodological aspects, institutional and regulatory context and learned from the case studies of some countries on remittances. Therefore, I hereby would like to thank the METAC and the Central Bank of Lebanon for organizing this course".

E. Central Bank Accounting and Internal Audit

METAC has been encouraging central banks in the region to adopt the International Financial Reporting Standards (IFRS). Only the central banks of Afghanistan, Jordan, WBG, and Yemen issue annual financial reports based on the IFRS. Regarding the other central banks, the application of the IFRS is still an on-going process.



Technical Assistance Delivery

Central Bank Accounting

- METAC reviewed the accounting system of the Central Bank of Afghanistan (DAB), identifying outstanding accounting and internal audit tasks so that they could be addressed in the context of the World Bank's Financial Sector Strengthening Project (FSSP). A short-term consultant undertook a review of the Central Bank of Jordan's (CBJ) budgeting framework and advised on areas for development.
- For Lebanon, METAC provided a short-term consultant who developed a concept paper, which outlined and proposed an International Bank Account Number (IBAN) format and developed a comprehensive implementation plan with a specific time frame.
- In Libya, METAC assisted in the redesign of the Chart of Accounts (COA). The first phase of the core banking software has been installed, and a draft accounting policies has been prepared for review by the Central Bank of Libya (CBL).

- For Sudan, an evaluation of the existing accounting and internal audit functions in the Central Bank of Sudan (BOS) and the Bank of Southern Sudan were undertaken. For the BOS, METAC assisted with the review of the draft IFRS based accounting policies, accounting manual and the COAs which have all been finalized and approved by Management. The existing accounting functions are performing reasonably well and basic infrastructure has been established.
- METAC has an ongoing accounting reform project with Syria, and monthly visits were undertaken to provide the needed support. The self accounting of the branches has been implemented, and an action plan outlining the reforms is constantly reviewed and updated. Draft IFRS based accounting policies have been prepared.
- In WBG, METAC conducted an evaluation visit and a work plan was finalized. Draft IFRS based accounting policies and COAs are being reviewed by Management. The Palestinian Monetary Authority (PMA), with the European Union's (EU) support, is in the process of procuring a Financial Management Integrated Core Banking software solution.
- METAC assisted the Central Bank of Iraq (CBI) in the development of a new COA, and accounting entries based on this chart and IFRS were finalized. All these, including the Accounting Manual were approved by the Management. METAC also provided training to the CBI in Beirut on the development of accounting entries.

Internal Audit

METAC provided TA to develop the internal audit functions in Iraq and Syria and further develop the existing risk-based audit program in Libya. The internal audit methodology followed by the central banks in the region is mainly compliance audits, and with assistance from METAC, a shift is being made towards 'risk based' audit methodology. To date, only the CBI and the PMA have developed and implemented risk based audit programs. Audit committees have been established in the DAB and the PMA.



Central bank accounting short-tem expert conducting training on accounting entries

The evaluation of the existing internal audit function of the CBI was undertaken in Amman, Jordan by a METAC short-term expert. Based on this evaluation, METAC assisted in the development of the organizational structure of the Internal Audit Department, its managerial structure, and its functions and responsibilities.

In WBG, significant progress has been made in the development of the internal audit function. The establishment of the Office of Internal Audit, the appointment of a qualified

“The Central Bank of Yemen (CBY) is satisfied with the work provided by METAC experts in different areas of CBY functions. The majority of our staff members who attended METAC training courses / workshops were highly satisfied with the topics discussed, the qualifications of experts,[and] the balance between theoretical and practical aspects... Moreover, METAC missions have helped supporting our staff to build their capacities, keeping them up to date...”

Mr. Abdul-Rahman Al-Samawi
Governor Central Bank of Yemen

director of internal audit, the development of an audit charter and the implementation of a risk-based audit methodology, have all been achieved. The establishment of the Audit Committee by the Board of Directors and the requirement for the director of internal audit to report to the Audit Committee from

January 2009 are also steps in the right direction.

Workshops and seminars

In FY 2009, METAC organized a regional seminar to discuss issues related to the application of IFRS. The main topic of the workshop was the preparation and approval of accounting policies based on IFRS. Twenty participants from ten different countries, including eight heads of accounting, attended the workshop. The workshop generated a great interest and raised awareness among participants of the need to implement IFRS.

METAC, in collaboration with the Central Bank of Jordan, conducted a two-day workshop providing technical training on the framework, systems and processes needed to address the issues of developing costing systems, cost centers and central bank budgeting. This workshop included participants from Egypt, Jordan, Libya, Sudan, and Yemen.

F. Outreach Activities

METAC and the Union of Arab Chambers (UAC) in collaboration with the Banque du Liban (BDL) organized a high level forum on **the global financial crisis and its impact on the Arab region** in Beirut on December 2-3, 2008. The Forum looked into the various dimensions of the crisis and its economic and financial impact on the region, and examined the need for a coordinated regional response. A very high level of public officials attended the opening session, including from Lebanon the Prime Minister, the Minister of Finance, the Governor of the Central Bank, and the President of the UAC, in addition to high officials and

private sector representatives from the region. The speakers were of a high quality and the discussions that followed were lively covering a broad range of issues and ideas.

In addition, METAC and the Ministry of Finance of Lebanon organized a round table discussion on the distributional impact of tax reforms in Lebanon on March 26, 2009 in Beirut. The round table was based on a report prepared by Mr. Abdel Rahman, an IMF consultant. The event was attended by the prime minister, the minister of finance, and was moderated by the former minister of finance, Mr. Azour. Representatives of various business and social associations attended as well. The prime minister and the minister of finance spoke of the importance of the topic and of the need for further reform in the tax system including the introduction of the Global Income Tax. The discussion was focused useful with several suggestions and ideas that could form the basis for TA in the future.



Lebanon Prime Minister, His Excellency, Fuad Siniora along with the Minister of Finance, Mr. Mohamad Chatah and METAC coordinator, Mr. Saade Chami at the Global Financial Crisis Forum held in Beirut in December 2008

As part of METAC outreach activities, METAC coordinator was invited to make presentations in two high-level regional seminars in FY2009: one in Kuwait on “Arab Economic Integration: A private Sector Perspective” in November 2008, and the other was on the “Global Financial Crisis and its Impact on the Gulf Region”, which was held in Abu Dhabi in January 2009.



Minister of Finance of Kuwait chairing a session in the forum on “Arab Economic Integration” with the participation of METAC coordinator, November 2008, Kuwait

SECTION III: TECHNICAL ASSISTANCE INPUTS IN FY 2009

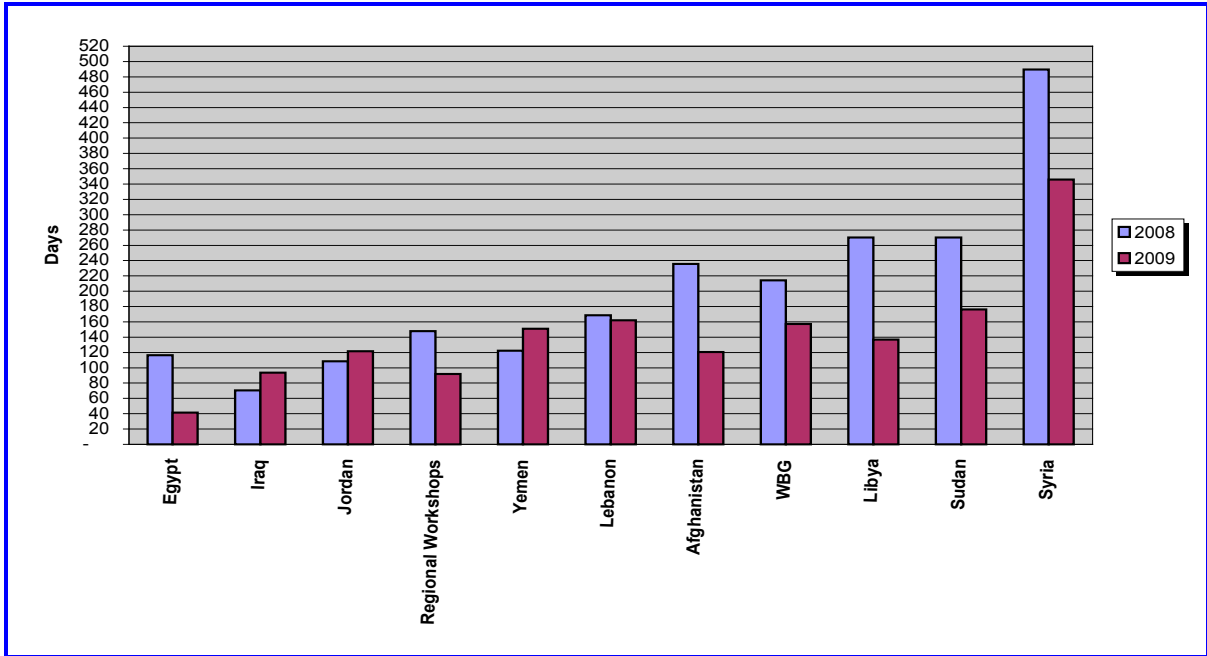
During FY 2009, 136 TA and training missions were conducted, reflecting a 77 percent implementation ratio of the total activities included in the original work plan. This ratio reflects the total number of missions including those that were added during the year, either to replace missions that were cancelled or new missions requested by the authorities. The good rate of implementation during a fiscal year that witnessed a high turn over in the staff points to the tremendous efforts undertaken by the new resident advisors to catch up on the delay experienced due to their late arrival.

The implementation of the FY 2009 work program was affected by a number of factors. These included delays by some country authorities in completing tasks required for follow-up TA, cancellation of some missions due to shift in country's priorities, technical problems including receiving entry visas on time and in some cases limited institutional capacity for TA absorption. On METAC's side, the main reason was the time it took to replace departing resident advisors; the banking supervision and statistics expert slots were vacant for about two months, and the PFM position for more than three months.

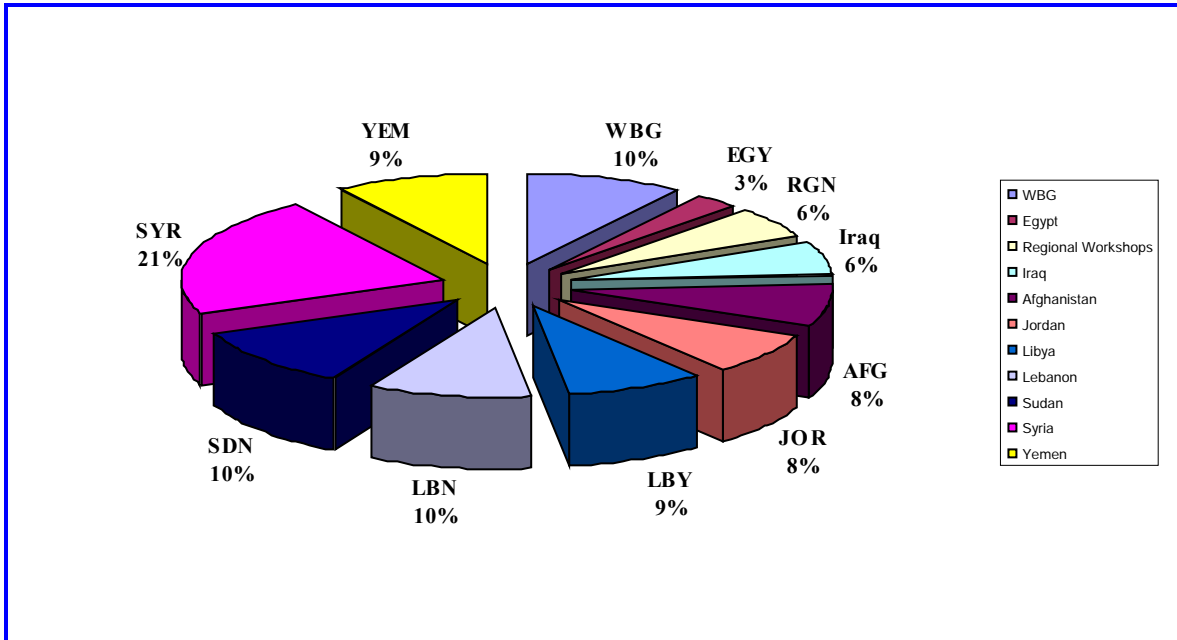


Syria continued to be the largest beneficiary of TA, accounting for 21 percent, almost the same share of FY 2008. Afghanistan, Lebanon, Libya, Sudan, WBG, and Yemen received an almost equal share of 8-10 percent, while Iraq received 6 percent and Egypt 3 percent. The relative share of METAC TA delivery to these countries reflects these countries' needs, and also the existence of other TA providers, including the IMF. Graph 1 shows the distribution of TA by beneficiary country for FY 2008 and 2009 in person days; Graph 2 shows the country allocation of TA (by both resident and short-term experts) during 2009.

**Graph 1: METAC Technical Assistance Delivery by Beneficiary Country
FY 2008 and 2009 (in person days)**



**Graph 2: Allocation of Technical Assistance Delivery by Beneficiary Country
FY2009 (in percent)**



**Table 1: METAC Technical Assistance Delivery by Area and Beneficiary Country
FY 2009 (in person weeks)**

	<i>Banking Supervision</i>	<i>Public Financial Management</i>	<i>Revenue Administration</i>	<i>Central Bank Accounting</i>	<i>Macroeconomic Statistics</i>
Afghanistan	4	6.8	1.2	3.2	8.93
Egypt	0	5.4	0	0	2.93
Iraq	4.6	0	0	12.6	1.53
Jordan	3.5	9.4	5.2	2.78	3.45
Lebanon	6.9	9.8	3	7.3	3.8
Libya	6	0	5.2	4.63	11.53
Sudan	9.1	2.7	5.2	4.18	14.05
Syria	7.3	5.35	27	22.1	7.43
West Bank & Gaza	6.2	12.43	0	9.15	3.68
Yemen	3.8	0.2	10.7	6.7	8.8
Regional Activities	1.6	3.4	2.9	2	5.68
	53	55.48	60.4	74.63	71.78
Activity Distribution as % of total	16.8	17.6	19.1	23.7	22.8

METAC hosted twelve (12) regional (METAC and non-METAC countries) and country-specific seminars/workshops covering the areas of banking supervision, public financial management, revenue administration, central bank accounting and internal audit, and macroeconomic statistics. A total of 242 officials from central and commercial banks, revenue authorities, ministries of finance and national statistical offices benefited from these training opportunities. A number of these seminars/workshops were hosted in collaboration with the central banks and ministries of finance. The high level seminar on the financial crisis and its impact on the region was organized with the Union of Arab Chambers of Commerce.

BOX 1: METAC'S NOTABLE ACHIEVEMENTS

Banking Supervision

- ✓ Central banks in Syria and Libya have established a banking supervision framework in line with international best practices.
- ✓ Credit registry in West Bank and Gaza was implemented.
- ✓ A new banking inspection manual for the Central Bank of Jordan and the Central Bank of Libya was developed.

Public Financial Management

- ✓ A new budget classification based on the *Government Finance Statistics Manual 2001 (GFSM 2001)* was implemented in Sudan.
- ✓ A cash management unit was established at the ministries of finance of Lebanon and the West Bank and Gaza.
- ✓ A Treasury Single Account was established at the Bank of Sudan and the Central Bank of Jordan, but more work needs to be done.

Revenue Administration

- ✓ Tax administrations were reorganized to improve effectiveness, particularly with respect to strengthened HQ functions – Egypt, Jordan, Sudan, and Yemen, with work in progress in Syria.
- ✓ Development and expansion of taxpayers segmentation concepts, initially through establishment of a large taxpayers office and subsequent steps to strengthen medium and small taxpayers administration – Egypt, Jordan, Syria, Sudan, and Yemen.
- ✓ Strengthening the concepts of self-assessment and risk management, including supporting practical measures such as audit case selection techniques – Jordan, Lebanon, Sudan, Syria, and Yemen.
- ✓ Strengthened legislation frameworks, particularly streamlined and harmonized tax procedure codes, and improved or new VAT and small business regimes – Egypt, Jordan, Lebanon, and Syria.

METAC'S NOTABLE ACHIEVEMENTS (CONT'D)

Statistics

- ✓ Lebanon launched a new All-Lebanon monthly consumer price index.
- ✓ Jordan began compiling and disseminating external debt statistics in line with the international statistical methodology.
- ✓ Survey-based programs for compiling foreign direct investment statistics were developed in Egypt, Lebanon, and West Bank and Gaza.
- ✓ Work was completed for an improved consumer price index for Sudan.
- ✓ Syria joined the IMF's General Data Dissemination System (GDDS).

Central Bank Accounting

- ✓ Development of the internal audit functions of the Central bank of Iraq and the Central Bank of Syria.
- ✓ Audit committees have been established in Afghanistan and West Bank and Gaza.
- ✓ Risk based internal audit was established in the Palestine Monetary Authority.

SECTION IV: OVERVIEW OF FY 2010 WORK PLAN

METAC's work plan for FY 2010 was developed according to needs identified by national authorities through previous mission assessments or in response to requests by METAC, onsite visits by the METAC Coordinator and/or resident advisors, and close collaboration with METAC Steering Committee members. The work plan is also guided by the IMF's technical assistance (TA) priorities articulated in Middle East and Central Asia Department's (MCD) Regional Strategy Note (RSN).

METAC's proposed FY 2010 work plan is premised on continued support for the financial sector and fiscal reforms being undertaken in METAC countries, and on the further development of central bank accounting and national statistical systems. Consistent with the strong advantages of METAC's field presence, the work plan is not a blue print that will be followed strictly but rather it provides scope for flexibility and adaptability in implementation. The work plan is designed to remain within the available financing, and some country allocations are influenced by the requirements of some donors to earmark their contributions to certain sectors and specific countries.²

The work plan includes the delivery of direct TA and training that will require 341 person weeks (PW) of resources, with 150 PW of short-term experts (STEs), representing 44 percent of total TA. The use of short-term experts in the area of central banking is concentrated mainly on two countries, Lebanon and Syria, during the first five months of the fiscal year due to the need to finish ongoing projects before the departure of the resident advisor. These projects and other projects in the area of banking supervision are financed by the European Investment Bank (EIB).

In light of the global financial crisis that hit most countries, including emerging market economies and low-income countries, TA in **banking supervision** has become even more critical for the soundness of the banking system in member countries. One of the most important reasons for the financial crisis was the lack of strict implementation of fundamental banking supervision measures and prudential regulations as well as the non-compliance with international standards including the recommendations of Basel committee on Banking Supervision. METAC's strategy for FY 2010 is to assist country members in implementing those recommendations and best practices.

In this context, getting "back to basics", by supporting newly recruited supervisors to better understand credit analysis and asset liability management, and setting a strong foundation for supervision by providing greater focus on banking supervision practices, will distinguish FY 2010 from previous years. Furthermore, assisting supervisors in using the banking

² EIB allocations to METAC are used for capacity-building activities in the financial sectors of Egypt, Jordan, Lebanon, Syria, and West Bank & Gaza.

supervision practices and tools (legal regulations and financial statements and call reports) developed with the help of METAC's experts will allow them to meet their objectives.

In the area of **public financial management** (PFM), the work plan for FY 2010 is a continuation of the same activities undertaken in FY 2009, focusing on cash management and treasury single account (TSA), budget integration reform, and budget preparation reform, using, to the extent possible the same short-term experts who have become familiar with member countries. In view of the success of the study tour in Turkey, a repeat of this tour for other beneficiary countries is being planned. A regional training is also planned on capital projects budgeting and appraising.

The focus in Syria will be on budget integration while TA on budget preparation will be in countries where prior assessments of the PFM systems by the IMF's Fiscal Affairs Department (FAD) have been done, namely in Iraq, Jordan, Sudan, and West Bank and Gaza (WBG). In other countries, METAC will ensure that a proper coordination with donors is assured, notably in Lebanon, where the World Bank is launching a major project on PFM and METAC could focus on issues such as budget classification and chart of accounts (COA), which are not the focus of the Bank's project.

In the field of **revenue administration**, METAC would continue during FY 2010 to focus on the same areas and themes covered in FY 2009, and which reflect member countries' needs. In most METAC countries, these reform areas still require TA and support to reach a level of modern tax administration operations. METAC has a comparative advantage in this area given its understanding of country context and needs, and its ability to identify and mobilize the needed expertise in a timely manner. METAC's work plan for FY 2010 reflects progress to date in implementing the modernization strategies laid by the IMF, the availability of TA from other donors operating in METAC countries and is consistent with the FAD planned activities for FY 2010.



Based on identified areas during FY 2009, and in line with the IMF's Statistics Department (STA) strategies for member countries, activities in **macroeconomic statistics** in FY 2010 will focus primarily on improving the quality of balance of payments (BOP), national accounts (NA) and price statistics. In all METAC countries, except Iraq and Afghanistan, which are assisted directly by the IMF's STA, TA in external sector statistics will focus on the development of Foreign Direct Investment (FDI) statistics; remittances; strengthening BOP data collection programs and compilation methods; and improving or introducing International Investment Position (IIP) statistics. METAC will organize a regional workshop on remittances as a follow up on the one organized in FY 2009. METAC will provide some assistance to the workshop on FDI that will be organized by the Arab Institute for Training

and Research in Statistics (AITRS) on data quality. METAC will also provide advice on the Statistical Master Plan (SMP) for WBG.

In the area of **central bank accounting**, TA activities will continue its focus on the development of accounting policies in compliance with International Financial Reporting Standards (IFRS). There will be a continuous monitoring of progress made by central banks to achieve the goals outlined in their approved work plans. The bulk of the work will be in the form of short-term TA to develop the International Bank Account Numbering (IBAN) System for Lebanon and Syria, mostly before early October (when the term of the current advisor ends), since it is likely that METAC will hire a resident expert in an area that will be determined in consultation with member countries.

With regards to **internal audit**, METAC will organize a seminar on risk-based audit in Lebanon for all Internal Audit Managers. In addition, short-term TA will be provided to develop further the internal audit functions in Libya and Syria.

SECTION V : BUDGET AND FINANCING

Originally, the funding cycle of METAC II was planned to cover a period of three and a half years starting in November 2007 and ending in April 2011. The extension of the funding cycle from the original three year period to three and a half years was aimed at bringing the METAC cycle in line with the IMF fiscal year. Due to a shortfall in donor funding, the Steering Committee in April 2008 endorsed a shortening of the funding cycle to 3 years. This was predicated on the assumption that some EC funds that were made available during Phase I could be fully utilized in Phase II. The EC informed us recently that some of these funds cannot be utilized. Accordingly, a decision has been made in the last SC meeting to end Phase II in April 2010 and start off Phase III in May 2010. Using the remaining funds in the multi-donor sub account over the next year will enable METAC to scale up its operations to meet the high TA demand of the region.

Financial support and in-kind resources for METAC II have been committed by the Lebanese government, bilateral and multilateral donors, participating countries, and the IMF. As in the first phase of METAC, a number of participating countries have agreed to be part of the METAC's group of donors and have committed to support METAC with sizeable financial contributions. As of April 2009, the following donors have provided or committed resources to finance the activities of METAC II: the EC, the EIB, Egypt, France, Japan, Jordan, Lebanon, Libya, Oman, Sudan, Syria and Yemen.

METAC's total operational costs in its second phase was originally estimated at US\$ 21.5 million, of which about US\$ 12.5 million were to be financed by donor's contributions, approximately US\$ 5.5 million represent the IMF contribution, including the METAC coordinator position, backstopping and administrative support from the IMF headquarters, and an estimated in-kind contribution of the host country of US \$3.5 million.

The financial support of member countries confirms the high quality of METAC services and the relevance of METAC's TA, as well as the high level of commitment and ownership of these beneficiary countries. Sudan recently decided to contribute to METAC for the first time and Syria agreed to double its contribution to US\$ 400,000. However, despite the achievements of the first phase and the broad regional support, METAC II did not achieve its target of raising US\$ 12.5 million in donor financing. As of April 2009, total donors' commitment to METAC II amounted to approximately US\$ 8.2 million (inclusive of the rollover funds from the first phase).

To start Phase III of METAC in May 2010, the IMF has initiated an independent external evaluation of METAC's activities and will shortly start a fundraising, aiming at a pledging session in December 2009.

The previous evaluation of METAC has proven that there is a high level of satisfaction with METAC's progress and achievements so far, with the objectives underlying the financial contributions regarded as largely achieved and with the level of information and reporting to financial contributors regarded as generally excellent. We will thus aim at obtaining

financing for scaled-up operations of METAC in Phase III to meet a larger share of the TA demand of the region.

While TA helps directly the recipient country, it has an element of an international (or in this context regional) public good in the sense that improvements in the performance of recipient country may benefit its neighbors and the region as a whole. We are hopeful that countries in the region and regional institutions will help METAC achieve its objectives.

ANNEX 1: METAC PLANNED ACTIVITIES, FY 2010

	BANKING SUPERVISION	PUBLIC FINANCIAL MANAGEMENT
Afghanistan	Capacity building on Basel principles and Risk management.	Technical Assistance on cash management and expenditure control.
Egypt		Support the establishment of the TSA and associated reforms in budget execution.
Iraq	Development of prudential regulations and capacity building on newly developed financial statements and call reports including developing the CBI examiners' knowledge on IAS and IFRS.	Continue assistance in PFM reform, notably in accounting.
Jordan	Capacity building on the implementation of Basel II requirements and on-site supervision manual.	Continue assistance in PFM reform following up on the July 2009 IMF [FAD] and WB mission.
Lebanon	Capacity building on assessment of bank's strategy and business plan, stress testing techniques, basic credit analysis and asset liability management and consolidated supervision.	Further development of the cash management unit; extending the TSA coverage; and budget classification.
Libya	Training on the new inspection manual and development of prudential regulations in line with Basel Core Principles.	To be determined.
Sudan	Training on risk focused supervision and upgrading of credit registry system.	Further support the TSA reform and contribute to the development of cash planning and cash management capability in the Ministry of Finance and National Economy. Technical Assistance in budget preparation area and institutional reform of MOFNE.
Syria	Capacity building on early warning system, bank's licensing and business plan assessment with a continuous assistance in the implementation of Basel II requirements.	Budget integration reform in preparation for first changes in the compilation of the 2011 budget.
WBG	Drafting a road map towards the implementation of Basel II requirements and developing new inspection manual and new call reports in line with risk focused supervision; and finalizing the development of credit registry.	Support the recommendations of the 2009 IMF [FAD] mission, with an initial focus on reforming cash management, and budget reform.
Yemen	Capacity building on risk focused supervision; training on new inspection manual; and upgrading the supervisory reporting system (call reports).	To be determined.
Regional activities	Workshop on the future of Banking Supervision beyond the financial crisis.	Study tour on cash management in Turkey. Workshop on capital expenditure.

	REVENUE ADMINISTRATION	MACROECONOMIC STATISTICS
Afghanistan	Assessment of progress in implementing the tax administration modernization program.	Follow up on implementation of previous mission recommendations.
Egypt	Assessment of progress in implementing the reforms: HQ's restructuring, deployment of MTOs and establishment of STOs.	Assist in planning for full-scale FDI Survey and work with the CBE on ROSC outstanding issues.
Iraq	Diagnosis of current situation of the tax administration and assessment present and future modernization plans.	
Jordan	Strengthen the headquarters' functions and operations.	Assist in improving remittances collection and compilation practices and assess external debt statistics.
Lebanon	Support to the integration of Revenue and VAT Directorates and strengthening the headquarters' functions.	Improving BOP components and compiling IIP statistics.
Libya	Support to the implementation of the reforms: HQ's structure. Establishment of LTOs and MTOs.	Improving CPI and training in PPI methodology. Improving BOP components and compiling IIP statistics.
Sudan	Support to the implementation of the tax administration modernization program: Headquarters' function and Information Technology.	Developing data sources (including economic surveys) for national accounts. Improving BOP components and compiling IIP statistics and provide training.
Syria	Support to the implementation of the modernization program: Headquarters, large and medium-size taxpayers offices and preparations for the introduction of the VAT.	Review of ITRS and Surveys and training on External Debt Methodology.
WBG	Assessment of progress in implementing the tax administration modernization program.	Improving BOP components and compiling IIP statistics and provide training.
Yemen	Support to strengthen the headquarters' operations, the establishment of the medium-size taxpayers offices and improvements of the GST operations.	Improving scope, periodically and timeliness of national accounts sources data. Updating CPI Weights. Improving BOP statistics, in particular foreign direct investment and remittances.
Regional activities	Capacity-building: Workshop on headquarters' functions, its role and responsibilities in a modern tax administration environment.	Regional Workshop on Foreign Direct Investment.

ANNEX 2: LIST OF METAC SEMINARS / WORKSHOPS, FY 2009

Title of Course/Seminar	Location	Collaborating Institution	# Participants	Target Countries	
				METAC	Other
<i>Central Bank of Iraq prudential regulations workshop</i>	Lebanon		5	1	0
<i>Financial Programming Policies Course for Palestinian Officials IMF Institute</i>	West Bank	IMF Institute	19	1	0
<i>Iraq Seminar on Petroleum Product Pricing and Sector financial flows</i>	Lebanon	FAD	19	1	0
<i>Workshop on the Application of International Financial Reporting Standards for Central Banks' Balance Sheets</i>	Lebanon		19	10	0
<i>Workshop on Credit Registries: International and METAC Country Experiences</i>	Lebanon		16	7	1
<i>Workshop on Performance Measurements of tax operations in METAC Countries</i>	Lebanon		27	10	2
<i>Workshop on Budget Integration</i>	Lebanon		14	3	0
<i>Financial Markets & New Financial Instruments: Understanding the Sub prime Crisis</i>	Lebanon	IMF Institute	33	5	3
<i>IMF-Sponsored Banking Supervision Workshop for Iraq</i>	Lebanon		9	1	0

<i>Remittances seminar</i>	Lebanon	Banque du Liban	13	9	3
<i>Financial Programming and Policies Course IMF Institute</i>	Jordan	IMF Institute	33	5	0
<i>Financial Programming and Policies Course for Afghani Officials IMF Institute</i>	Lebanon	IMF Institute	35	1	0

ANNEX 3: LIST OF METAC MISSIONS, FY 2009

Afghanistan		
Sector	Mission Activities	Mission Dates
Balance of Payments Statistics	Develop preliminary BOP estimates for 2007/08 using STA's BPM5-based data reporting template, as a basis for identifying data gaps and informing the expected outputs of the TA program.	2008/08
Real Sector Statistics	Assist the CSO in updating the weights and the basket items of the CPI. Train the staff in rice collection methods.	2008/09
Banking Supervision	Workshop: Off-Site Supervision.	2008/08
Banking Supervision	Seminar: Risk management and Basel principles.	2008/12
Public Financial Management	Improve Budget preparation and integration.	2008/05
Public Financial Management	Integrate cash management and budget execution.	2009/03
Revenue Administration	Follow-up on progress in the implementation of the tax administration reform strategy.	2009/01
Central Bank Accounting	Outline present status of reforms and finalize list of outstanding issues.	2009/01

Egypt		
Sector	Mission Activities	Mission Dates
Balance of Payments Statistics	Review the results of the pilot survey and assist authorities in revising the online survey.	2008/08
Balance of Payments Statistics	Agree on a date of the launch of the FDI survey. Discuss Egypt's possible participation in the Coordinated Direct Investment Survey (CDIS).	2009/03
Public Financial Management	Improve cash management and related accounting reforms.	2009/03

Iraq		
Sector	Mission Activities	Mission Dates
Real Sector Statistics	Provide assistance on the new CPI during a workshop for the Iraq Central Organization for Statistics and Information Technology (COSIT), February 3-5, 2009.	2009/02
Balance of Payments Statistics	Presentations on the conceptual framework of external debt statistics, and the external debt position.	2008/10
Banking Supervision	Provide assistance with upgrading the prudential regulations.	2008/06
Banking Supervision	Assist with upgrading further prudential regulations.	2008/12
Banking Supervision	Upgrade financial statements and call reports.	2009/01
Central Bank Accounting	Evaluate the present status of the internal audit function.	2008/06
Central Bank Accounting	Assess the current status of the accounting function with documents and external audit report.	2008/07
Central Bank Accounting	Workshop: Further development of the Accounting Manual.	2008/08 2008/09
Central Bank Accounting	Further review of existing audit programs.	2008/08
Central Bank Accounting	Development of short risk based audit programs.	2008/09

Jordan

Sector	Mission Activities	Mission Dates
Real Sector Statistics	Assess the data sources available for compilation of SUT. Recommend proper changes in the surveys related to the needs for SUT.	2009/02
Banking Supervision	Upgrade Inspection Manual.	2008/12
Public Financial Management	Develop TSA and improve fiscal reporting.	2008/06
		2009/02
Revenue Administration	Support for the establishment headquarters organizational structure.	2009/01
Revenue Administration	Follow-up on progress in the implementation of the tax administration reform strategy.	2008/10
Central Bank Accounting	Workshop: Functional budgets, and review of current budgetary system.	2008/08
Other	Financial Programming and Policies Course.	2009/03

Lebanon

Sector	Mission Activities	Mission Dates
Real Sector Statistics	Improve GDP data sources.	2008/10
Banking Supervision	Training: Impairment of credit portfolio.	2008/06
Public Financial Management	Improve cash management.	2009/03
Public Financial Management	Improve budget preparation.	2009/03
Revenue Administration	Hands on technical assistance to improve the high level reporting system in the VAT directorate and the LTO; and follow-up on the implementation of the self-assessment concepts.	2008/10
Central Bank Accounting	Review present payment system and prepare concept paper on implementation of IBAN.	2008/09
Central Bank Accounting	Workshop to all central and commercial banks staff on IBAN numbering system.	2008/10
Central Bank Accounting	Review status and identify items to resolve and include in the action plan.	2009/04
Other	Assess payment system and improve it.	2008/08

Libya		
Sector	Mission Activities	Mission Dates
Balance of Payments Statistics	Assess the quality of the BOP data collected for 2007 and assess improvement in 2006 data.	2008/07
Balance of Payments Statistics	Assess the quality of the BOP data collected for 2007 and the preliminary data for 2008.	2009/04
Real Sector Statistics	Review and discuss index compilation methods for the CPI and the PPI.	2009/02
Banking Supervision	Follow-up mission to review a draft resolution on credit and assets concentration.	2008/05
Banking Supervision	Follow-up mission to update the resolution on credit and assets concentration and add new limits.	2008/07
Revenue Administration	Follow up on progress in the implementation of the tax administration reform strategy.	2008/11
Revenue Administration	Improvement of the LTO operations (including the automated business processes) and preparations to establish medium size taxpayers offices.	2008/12
Central Bank Accounting	Revise chart of accounts and advisory support on implementation.	2008/10
Central Bank Accounting	Outstanding accounting issues and introduce the draft IFRS based accounting policy.	2008/11
Central Bank Accounting	Workshop: Implementation of risk based audits.	2009/04
Central Bank Accounting	Workshop and on the job training: Risk based audits.	2009/05

Sudan		
Sector	Mission Activities	Mission Dates
Balance of Payments Statistics	A workplan to conduct an FDI survey was provided.	2008/12
Balance of Payments Statistics	Training in FDI compilation methods and surveys was provided.	2008/13
Real Sector Statistics	Compile and assess the new CPI estimates—at urban/rural and total level for each state, and for all-Sudan—for January–December 2007 and 2008.	2008/08
Real Sector Statistics	Assess the accuracy of the source data available for compiling NA, incorporate administrative data in the compilation process, and compile production accounts estimates for several activities.	2008/12
Banking Supervision	Upgrade the BOS credit registry system.	2008/06
		2008/11
Public Financial Management	Improve cash management and implementing a TSA.	2009/04
Public Financial Management	TA needs assessment on cash management and TSA.	2009/02
Revenue Administration	Support for the preparations to introduce the self-assessment concept.	2008/10
Revenue Administration	Follow-up on progress in the implementation of the tax administration reform strategy: focus on the headquarters new organizational structure and preparation of the information technology modernization strategy.	2008/11
Revenue Administration	Contribution to an FAD mission to take stock of progress in implementing the previously suggested reform elements and to provide recommendations to improve the current operations and to implement the remaining reform components.	2009/01

Central Bank Accounting	Review action plan and progress.	2008/07
Central Bank Accounting	Final review of accounting policies, IFRS application and status of action plan.	2009/01

Syria

Sector	Mission Activities	Mission Dates
Balance of Payments Statistics	Review the data provided by commercial banks in the current ITRS, and provide advice for improved implementation.	2008/07
		2008/10
Balance of Payments Statistics	Address current gaps in coverage for IIP and external debt.	2008/12
Balance of Payments Statistics	Assess discrepancies between the change in stocks data for the IIP and the BOP data. Reconcile differences in stock data on external debt.	2009/02
Banking Supervision	Draft a resolution on Board of directors and senior management responsibilities and train the CBS staff on how to rate a bank's performance in line with CAMELS composite.	2008/06
Banking Supervision	Draft a resolution defining the requirements for consolidating financial statements.	2008/10
Banking Supervision	Conference: Transparency and Disclosure challenges in the banking sector.	2008/12
Public Financial Management	Improve budget integration.	2009/03
		2008/10
		2009/02
Revenue Administration	Follow-up on progress in the implementation of the reform elements and direct hands-on technical assistance on different reform issues.	2008/05
		2008/06
		2008/07
Revenue Administration	Contribution to an FAD tax policy mission to provide assistance based on knowledge of the local context and developments.	2009/02

Revenue Administration	Hands-on technical assistance in the preparations for the establishment of medium size taxpayers offices.	2008/07
Revenue Administration	Hands-on technical assistance to support improvements in the design and implementation of the automated business processes in the large taxpayers office in preparation for the establishment of medium size taxpayers offices.	2008/08
Revenue Administration	Contribution to an FAD mission to review revenue administration reform strategy and preparations for the VAT.	2008/07
Revenue Administration	Follow-up on progress in the implementation of the reform elements and direct hands-on technical assistance on different reform issues.	2008/07
Revenue Administration	Hands-on technical assistance in the preparations for the establishment of medium size taxpayers offices.	2008/08
Revenue Administration	Hands-on technical assistance to support improvements in the design and implementation of the automated business processes in the large taxpayers office in preparation for the establishment of medium size taxpayers offices.	2008/09
Revenue Administration	Technical assistance in the preparation for the introduction of the self-assessment concept.	2008/11
Revenue Administration	Introduce the FAD short term expert assigned to provide assistance in the preparation for the introduction of the VAT.	2008/12
Revenue Administration	Participate in the discussions of the FAD expert with the senior officials regarding the VAT preparations.	2009/03
Central Bank Accounting	Review agreed workplan and conduct staff training workshops.	2009/04
		2008/11
		2009/02
Central Bank Accounting	Define workplan to achieve all outstanding issues.	2008/06
Central Bank Accounting	Conduct workshop.	2009/04
Central Bank Accounting	Review progress and provide advisory support.	2008/06
Central Bank Accounting	Review agreed workplan and conduct staff training	2008/07

	workshops.	2008/08
		2008/08
Central Bank Accounting	Review progress and provide advisory support.	2008/07
		2008/09
Central Bank Accounting	Review progress and provide advisory support. Discuss draft IFRS accounting policy.	2008/11
		2009/01
		2009/03
		2009/04
Balance Of Payments	Presentations on the conceptual framework of external debt statistics, core principles for measuring external debt, the external debt position, and the DQAF for external debt statistics.	2009/03

West Bank & Gaza

Sector	Mission Activities	Mission Dates
Banking Supervision	Follow up on the implementation of the credit registry.	2008/08
		2009/04
Banking Supervision	Conference: Basel II requirements.	2008/11
Balance of Payments Statistics	Strengthen the compilation of BOP and provide advice on IIP.	2009/04
Public Financial Management	Improve cash management.	2008/05
		2009/04
Public Financial Management	Improve budget execution.	2008/11
Central Bank Accounting	Workshop: Budgeting and development of a budgetary system for PMA.	2008/08
Central Bank Accounting	Issues related to the implementation of IFRS.	2008/10

Central Bank Accounting	Assess progress and finalize chart of accounts based on IFRS.	2008/12
Central Bank Accounting	Introduce a draft Delegation of Authority Manual.	2008/12
Central Bank Accounting	Review current status of action plan and second review of Delegation of Authority Manual.	2009/04
Other	Financial Programming Policies Course for Palestinian Officials.	2008/08

Yemen

Sector	Mission Activities	Mission Dates
Balance of Payments Statistics	Update, and agree with the authorities, the expected outputs of METAC's TA program, including time frames and task assignments, using the project framework summary (PFS).	2009/01
Real Sector Statistics	Provide assistance in getting the PPI development on track; assess the actions taken regarding the CPI weight revision and sample adjustment.	2008/10
Banking Supervision	Workshop: Off-site supervision.	2008/11
Revenue Administration	Follow-up on progress in the implementation of the tax administration reform strategy: focus on the headquarters new organizational structure and preparation of the information technology modernization strategy.	2008/08
Revenue Administration	Strengthen the implementation of the self-assessment concept with focus on risk analysis and audit case selection criteria.	2009/03

Revenue Administration	Follow up on progress in the implementation of the tax administration reform strategy: focus on the headquarters new organizational structure and preparation to implement the full VAT starting January 2009.	2009/03
Central Bank Accounting	Review current status and develop action plan on outstanding issues.	2008/05
Central Bank Accounting	Review progress, compliance with IFRS and develop draft accounting policies based on IFRS.	2008/08
Central Bank Accounting	Review further the IFRS draft accounting policies and assist with other outstanding issues.	2009/02

ANNEX 4: METAC STEERING COMMITTEE MEMBERS

METAC Country Representatives

Afghanistan

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METAC STAFF PROFILES

The Center is staffed with a Center coordinator, five resident advisors, and four support staff. The Center coordinator has responsibility for leadership and management of the Center's activities and staff. The resident advisors deliver training and advice in their respective areas of competence, and coordinate with other technical assistance providers. The Center also makes significant use of short-term experts.



Center Coordinator:

Mr. Saade Chami

E-mail: schami@imf.org

Prior to METAC, Mr. Chami was Division Chief in the Middle East and Central Asia Department (MCD) where he led missions to several countries in the region including Jordan and Yemen. While on leave without pay from the IMF, Mr. Chami spent a few months in Lebanon during 2005-2006 to help the Lebanese government in the preparation of the main document for the Paris III donors meeting. Mr. Chami also worked on several countries in the Middle East, Europe, Africa and Asia. Before joining the IMF, Mr. Chami was Director of the Graduate School of Business and Management at the American University of Beirut where he taught economics and finance for six years and served as an advisor to the Central Bank of Lebanon and a board member of the Deposit Insurance Corporation.



Banking Supervision Advisor:

Mr. Mohamad Ali Hassan

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Before joining METAC in March 2009, Mr. Ali Hassan was Senior Manager at the Banking Control Commission (BCC)-Banque du Liban. He has 19 years of experience in banking supervision. For the last 7 years at the BCC, he was the Head of Financial Institutions and Market Risk Department. From 1990 to 2001, Mr. Ali Hassan worked as on-site examiner for banks and financial institutions. Prior to joining the BCC in 1990, Mr. Ali Hassan worked in the banking sector for four years. He has held a part-time instructor position at the American University of Beirut where he taught accounting for 9 years.



Public Financial Management Advisor:

Mr. Pierre Messali

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Before joining METAC in September 2008, Mr. Messali was for seven years a Senior Public Financial Management advisor at the World Bank (Headquarters) working on African and Middle Eastern countries. Prior to the World Bank, Mr. Messali was at the Ministry of Finance in France where he held several positions in different areas: public financial management at the Budget Directorate and the Parliament (Budget Committee), tax policy in a State-Owned Enterprise, and human resources at the French Ministry for the development of the Euro currency.



Revenue Administration Advisor:

Mr. Chaouki Hamad

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From 1996 to 2005, Mr. Hamad was head of the Canadian technical assistance program to the Ministry of Finance in Lebanon, in charge of the tax administration and tax system reforms. Since 2003, he was a member of the IMF Fiscal Affairs Department panel of experts. He ran a tax and accounting practice in Canada in the 1990s. Prior to that, he worked as management consultant in modeling financial information systems in the Middle-East and North Africa.



Central Bank Accounting Advisor:

Mr. Silan Nadarajah

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A fellow of the Institute of Chartered Accountants in England and Australia since 1980, Mr. Nadarajah worked in the accounting and internal audit development in the central banks of Papua New Guinea, Mongolia, Montenegro, Kosovo, Timor Leste, and Syria. He has had accounting, tax and audit experience in Malaysia and the United Kingdom since 1963, and he worked for the IMF as a technical expert in Mongolia, Kosovo, Timor Leste, and Syria between 1995 and 2006.



Multisector Statistics Advisor:
Mr. Gillmore Hoefdraad
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Mr. Hoefdraad is a senior economist at the IMF Statistics Department. He has ten years of experience in macroeconomic statistics. Prior to joining the IMF in 1999, Mr. Hoefdraad was the coordinator of the Caribbean Program at the Center of Monetary Studies of Latin America and the Caribbean (CEMLA) in Mexico. At the IMF, he has worked in the areas of balance of payments and external debt statistics, and the IMF's data dissemination standards, providing technical assistance and training to a number of South American, European, Central Asian, African and Middle Eastern countries.

METAC's operations are also supported by four local staff:



Mrs. Rowaida Khalife
Office Manager



Mrs. Mona Demian
Administrative Assistant



Mrs. Rita Faddoul
Administrative Assistant



Mr. Fadi Mehrez
Driver / Messenger

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