

ANNUAL REPORT

September 2015



MIDDLE EAST REGIONAL TECHNICAL ASSISTANCE CENTER (METAC)



STATEMENT BY THE CHAIRPERSON OF THE METAC STEERING COMMITTEE



I was pleased to learn that this fiscal year (FY); METAC continued to deliver high quality technical assistance (TA) despite the difficult security situation and the ongoing political transformation in the region. Except for Syria and Libya, METAC remained engaged in all its member countries and implemented about 85 percent of its FY15 work program. This is an impressive result considering the situation in the region. This was achieved mainly through METAC's approach that allows for better tailoring of assistance to the particular needs of the region, and enhanced ability to respond quickly to emerging needs. I welcome the fact that for some countries with difficult security situation, METAC has been able to remain engaged through TA in third countries.

I welcome the four new members to METAC (Algeria, Morocco, Djibouti, and Tunisia) who will be joining during Phase IV (May 2016-April 2021). Including the four countries have considerable attraction for both METAC and the countries. For METAC, since the four countries do not face serious security issues, they would provide stability to METAC's activities. For the new countries, TA and training will increase significantly.

Since its establishment in 2004, METAC has built a strong track record of successes and in responding quickly to TA requests from the authorities. An external evaluation of Phase III (May 2010-April 2015), that was completed in FY14, concluded that METAC continued to be successful in delivering results and contributing to building capacity in its member countries.

It is expected that, once the security situation normalizes in the region, METAC will play a very active role in helping its member countries, currently going through major political transition, strengthen their institutional and human capacities in order to improve the management of public finances, develop strong financial systems, and produce reliable macroeconomic statistics.

Much of METAC's success would not have been possible if it was not for the generous contributions from donors and member countries. I strongly encourage donors and member countries to continue their financial support to METAC so that it can fulfill its mandate and be able to meet the TA and training needs of its member countries. I would like to assure you that we will make every effort to ensure that METAC achieves its objectives and despite the difficult fiscal situation Lebanon is facing, as in previous Phases, we will continue to support it financially.

Ali Hassan Khalil
Minister of Finance of Lebanon

FOREWORD BY THE METAC COORDINATOR



In Fiscal Year 2015, METAC continued to operate under challenging conditions affected by the unstable security and political situation in several of its member countries. Despite these difficulties, the Center was able to implement 85 percent of its work plan through the delivery of 57 missions and nine regional workshops. These results were made possible by adjustments in the work plan to take into account slow or no delivery to countries affected by conflict and readiness to respond to emerging needs of member countries. Throughout the year, METAC accommodated additional technical assistance (TA) requests from member countries that were not part of the original work program but were

deemed to be important.

Responding to the demand of its members, METAC capacity development efforts continued to focus on helping countries develop their tax policy and revenue administration, expenditure policy and public financial management (PFM), banking supervision and financial sector stability, and macroeconomic and financial statistics. Among METAC's notable achievements in FY15, listed in Box 1, are the introduction of sector-specific risk analysis to support audit case selection and management, in the revenue administration area, in Lebanon and the West Bank and Gaza (WBG), and the development of supervisory college framework, in the banking supervision area, in Jordan and Lebanon

During FY15, METAC remained engaged in all its member countries, except Syria and Libya. Regional events however altered the shares of TA beneficiaries, with Egypt and the WBG being the largest recipients of TA (21 and 17 percent, respectively, compared to 4 and 8 percent in FY14), followed by Sudan (15 percent). This year's annual report examines more closely the relationship between METAC and WBG (Box 2), where some of the key achievements were made in the implementation of a credit registry system that is being placed among the best in the region and in automating the budget process through the introduction of a financial management information system.

In FY15, TA delivery was most prominent in the areas of banking supervision and PFM, which jointly accounted for 53 percent of the total TA provided by METAC. METAC has also stepped up its efforts in regional activities. In this respect, the Center organized nine regional workshops, three of which were held jointly with the IMF's Middle East Center for Economics and Finance based in Kuwait, with participation by officials from both METAC and non-METAC Arab countries. In addition, METAC organized, and participated in, a number of outreach activities on the role that the IMF and METAC are playing in the region and their contribution to capacity development for the effective conduct of macroeconomic policies.

At the May 2014 meeting, the METAC Steering Committee (SC) endorsed an extension of Phase III by one year, through April 2016. The work plan for FY16 (Annex III) is embedded in the results-based management framework, and responds to the TA needs as identified by country authorities, METAC resident advisors, IMF TA departments, and the regional strategy note of the IMF's Middle East and Central Asia Department. The work plan includes well-defined and measurable milestones for FY16. This approach ensures that activities are planned and implemented on the basis of beneficiary countries' needs, and form an integral part of the overall IMF TA program.

The Mid-Term Evaluation of METAC's Phase III was completed in September 2014. Evaluators recognized the very difficult circumstances in which the Center is operating, as a result of the political and security situation in the region. Positive improvements in the operations, following the previous evaluation's recommendations, were highlighted. The implementation of the evaluation's recommendations is already underway and will be further strengthened during Phase IV.

In April 2015, METAC, with the assistance of IMF headquarter departments, finalized a Program Document (PD) that proposes to continue and expand the operations of the Center for another five years. The PD lays out the priorities for phase IV and sets the needed budget envelope that will enable METAC to continue its involvement in the region.

Four new countries (Algeria, Djibouti, Morocco and Tunisia) will be joining METAC starting with Phase IV. Their membership will significantly increase the TA and training activities that these countries will receive, while having access to METAC resident advisors to provide hands-on assistance and capacity development support.

The anticipated risks during FY16 are similar to the risks METAC has faced during the last three years, mainly the uncertain security situation in a number of member countries, which has impacted the Center's ability to deliver TA in the past. To mitigate this risk, for countries with serious security issues, TA missions will be held in off-site locations. In line with the SC's decision, offsite TA missions that meet certain criteria will be funded by METAC. Offsite TA can significantly strengthen engagement with country authorities and provide the basis for progress during challenging times and faster scale-up of TA delivery when the security situation improves.

METAC has the experience, expertise and regional proximity to support member countries in implementing the reform measures needed to achieve higher and more inclusive economic growth. Donor partners and member countries have continued to show steady support to the Center and its activities. In view of the challenges facing the region and the capacity development priorities identified in the PD, it will be vital that donors and member countries continue their financial support to METAC in Phase IV, to enable the Center to deliver high-quality TA and training to its current and new member countries.

Mohamad Elhage
METAC Coordinator



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SELECTED ACRONYMS AND ABBREVIATIONS

AMF	Arab Monetary Fund
BCBS	Basel Committee on Banking Supervision
BCCL	Banking Control Commission of Lebanon
BDL	Banque du Liban
<i>BPM6</i>	<i>Balance of Payments and International Investment Position Manual, sixth edition</i>
BSL	Budget System Law
CAS	Central Administration of Statistics, Lebanon
CBE	Central Bank of Egypt
CBI	Central Bank of Iraq
CBJ	Central Bank of Jordan
CBL	Central Bank of Libya
CBOS	Central Bank of Sudan
CBS	Central Bureau of Statistics, Sudan
CBY	Central Bank of Yemen
CD	Capacity Development
CDIS	Coordinated Direct Investment Survey
CEF	Middle East Center for Economics and Finance, IMF
CIASA	Credit Information and Scoring Agency, Sudan
COFOG	Classification of the Functions of Government
CPI	Consumer Price Index
CPIS	Coordinated Portfolio Investment Survey
CRS	Credit Registry System
CSO	Central Statistical Organization, Yemen
CSS	Commitment Control System
DAB	Da Afghanistan Bank
DFID	United Kingdom Department for International Development
DI	Direct Investment
DOS	Department of Statistics, Jordan
EIB	European Investment Bank
EDS	External Debt Statistics
ESCWA	United Nations Economic and Social Commission for Western Asia
ESS	External Sector Statistics
EWS	Early Warning System
FAD	Fiscal Affairs Department, IMF
FDI	Foreign Direct Investment
FRT	Fiscal Reporting and Transparency
FY	Fiscal Year
GAFI	General Authority for Investment and Free Zones, Egypt
GDP	Gross Domestic Product
GFMIS	Government Financial Management Information System

GFS	Government Finance Statistics
<i>GFSM 2001</i>	<i>Government Finance Statistics Manual 2001</i>
<i>GFSM 2014</i>	<i>Government Finance Statistics Manual 2014</i>
HQ	Headquarters
ICAAP	Internal Capital Adequacy Assessment Process
IFC	International Finance Corporation
IFSB	Islamic Financial Services Board
IIFS	Institutions offering Islamic Financial Services
IIP	International Investment Position
IMF	International Monetary Fund
IPSAS	International Public Sector Accounting Standards
IRRBB	Interest Rate Risk in the Banking Book
IS	Information Systems
ISIC	International Standard Industrial Classification
ISTD	Income Sales Tax Department, Jordan
IT	Information Technology
ITRS	International Transaction Reporting System
LCR	Liquidity Coverage Ratio
LTO	Large Taxpayers' Office
LTU	Large Taxpayers' Unit
MCD	Middle East and Central Asia Department, IMF
MCM	Monetary and Capital Markets Department, IMF
MENA	Middle East and North Africa
METAC	Middle East Regional Technical Assistance Center
MFU	Macro Fiscal Unit
MoF	Ministry of Finance
MOFNE	Ministry of Finance and National Economy, Sudan
MOU	Memorandum of Understanding
MFI	Micro-Finance Institutions
MFU	Macro Fiscal Unit
MTBF	Medium-Term Budgeting Framework
MTEF	Medium-Term Expenditure Framework
MTF	Medium-Term Framework
MTFF	Medium-Term Fiscal Framework
NA	National Accounts
PAD	Public Account Directorate
PBB	Program Based Budgeting
PCBs	Private Credit Bureaus
PCBS	Palestinian Central Bureau of Statistics
PD	Program Document
PEFA	Public Expenditure and Financial Accountability

PFM	Public Financial Management
PMA	Palestine Monetary Authority
PNDP	Palestinian National Development Plan
PPI	Producer Price Index
PSDS	Public Sector Debt Statistics
QNA	Quarterly National Accounts
RBM	Results-Based Management
RBS	Risk-Based Supervision
RDCL	Lebanese Business Association
RSN	Regional Strategy Note
RTACs	Regional Technical Assistance Centers, IMF
SC	Steering Committee
SMEs	Small and Medium Enterprises
SMP	Staff Monitored Program
<i>SNA</i>	<i>System of National Accounts</i>
SREP	Supervisory Review and Evaluation Process
STA	Statistics Department, IMF
SUTs	Supply and Used Tables
TA	Technical Assistance
TADAT	Tax Administration Diagnostic Assessment Tool
TIN	Tax Identification Number
TPC	Tax Procedure Code
TSA	Treasury Single Account
USAID	United States Agency for International Development
VAT	Value Added Tax
WBG	West Bank and Gaza
WTO	World Trade Organization
WG	Working Group

SECTION **I**:

**The IMF'S Regional Technical Assistance
Centers (RTACs) and METAC**

SECTION I: THE IMF'S REGIONAL TECHNICAL ASSISTANCE CENTERS (RTACs) AND METAC

IMF and RTACs

The IMF's regional technical assistance centers (RTACs) are effective technical assistance (TA) vehicles well suited to help member countries' efforts to advance the post-2015 development agenda. RTACs are collaborative ventures between the IMF, the recipient countries, and bilateral and multilateral donors, combining strategic technical advice from IMF headquarters (HQ) with local expertise and hands-on capacity development (CD) implementation support. Their strategic goal is to help member countries strengthen institutional and human capacity to design and implement macroeconomic and financial policies that promote growth and reduce poverty. The IMF's regional approach to capacity development allows for better tailoring of assistance to the particular needs of a region, closer coordination with other assistance providers, and an enhanced ability to respond quickly to emerging needs.



Key Areas of Assistance and Results

RTACs have a strong track record in assisting member countries to implement reforms in core areas of IMF expertise, which are macroeconomic policy, revenue administration, public financial management (PFM), debt management, monetary policy and operations, financial sector supervision, and macroeconomic and financial statistics. There are numerous concrete examples of how RTACs have contributed to the achievements of recipient countries, such as by assisting in establishing large taxpayer offices to strengthen domestic revenue mobilization; supporting reforms of customs administration; helping implement effective tax regimes for extractive industries; strengthening fiscal analysis and the quality of public spending through better PFM systems; acquiring capacity for debt sustainability analyses and designing sustainable medium-term borrowing policies, including for public investment; setting up risk-based supervisory frameworks for the financial sector; modernizing payments systems; and improving macroeconomic statistics as a basis for better economic policy decision-making.

Governance and Operational Arrangements

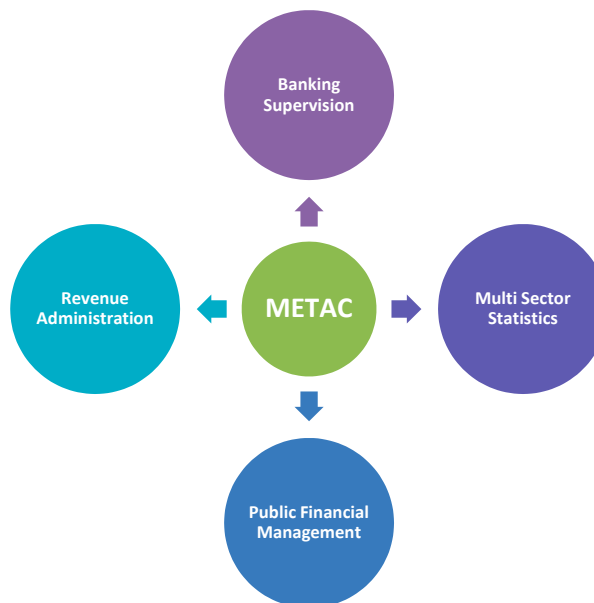
The RTACs' governance structure is designed to promote member countries' ownership, donor involvement and the Center's accountability. Strategically guided by Steering Committees (SC), consisting of representatives from recipient countries, donors, and the IMF, RTACs facilitate coordination of the design, implementation, and monitoring of CD programs in member countries

(including many fragile states). Broad capacity development needs and work plans are identified in conjunction with the SC and in close coordination with the IMF's area and TA departments. All RTAC TA is both integrated into the core lending and surveillance operations of the Fund and closely coordinated with TA from IMF HQ (including TA provided by the Fund's topical trust funds). Backstopped and supported by HQ experts and services, RTACs have become a highly successful model of delivering well targeted, effective, efficient, and responsive IMF TA and training.

The Middle East Regional Technical Assistance Center (METAC) was established in Beirut, Lebanon, in 2004 to serve ten countries/territories in the Middle East: Afghanistan, Egypt, Iraq, Jordan, Lebanon, Libya, Sudan, Syria, West Bank and Gaza, and Yemen. METAC's main objective is to help strengthen capacity for effective macroeconomic and financial management in the region, and to support the region's integration into the world economy. A particular focus is to help post-conflict countries in the region achieve macroeconomic stability and develop basic institutions for policymaking. METAC is designed to enhance coordination among development partners and to promote effective implementation of economic initiatives within the Middle East region. METAC's current program cycle is financed by contributions from the European Investment Bank, the European Union, France, Germany, the IMF, Kuwait, Oman, the United States Agency for International development, the host country Lebanon, and beneficiary countries.

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 (PFM), revenue administration, and macroeconomic statistics. Until October 2012 METAC provided TA and training in the area of improving debt management and developing money markets for efficient financing of governments' needs and for better conduct of monetary policy.



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 bank examiners through training, seminars, and workshops; strengthening the examination process through the development of new financial statements and early warning systems (EWS); and developing credit registry systems for better monitoring of credit risk.

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; strengthening internal and external control mechanisms; reforming budgeting and accounting classifications; and improving treasury systems.

Revenue Administration

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

Multi Sector 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 data 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.

METAC Governance and Management

METAC is guided by a 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 an "as needed" basis to discuss and endorse the work plan and priorities for the coming period.

METAC is managed by a coordinator, who ensures proper management of the Center and its staff. The coordinator is the key interlocutor between the IMF and the SC. In consultation with the Steering Committee, the Area Department, TA Departments, and the IMF Institute for Capacity Development, the coordinator formulates the RTAC work plan and monitors its implementation. The coordinator reports to the Middle East and Central Asia Department (MCD) of the IMF in Washington, D.C.

Resource Allocation

Capacity development is provided to beneficiary countries according to needs as identified by national authorities and the IMF, and the pace of delivery is influenced by the strength of a country's ownership of TA programs, as evidenced by progress in implementing TA recommendations. Resources are pooled and used according to countries' needs and priorities.

SECTION **II**:

METAC'S TECHNICAL ASSISTANCE ACTIVITIES IN FY15

SECTION II: METAC'S TECHNICAL ASSISTANCE ACTIVITIES IN FY15

Despite the spreading conflicts in the region, METAC was able to provide TA and capacity-building to its members in FY15, the overall implementation ratio reached 85 percent of the planned person weeks. TA delivery was the largest in the areas of banking supervision at around 27 percent followed by PFM at 26 percent. TA delivery in the areas of revenue administration and macroeconomic statistics respectively accounted for about 25 percent and 22 percent of total TA delivered.

A. Banking Supervision

Banking supervision has witnessed continued development in the FY15. New supervision standards and principles were produced by the Basel Committee on Banking Supervision (BCBS) and by the Islamic Financial Services Board (IFSB), which emphasize the level and quality of bank's capital, minimum liquidity ratios required in short and long terms, governance and risk management. Supervisory authorities in the region were keen to implement these standards and principles and requested TA from METAC and from other TA providers. The countries that benefited from METAC TA were Egypt, Jordan, Lebanon, Sudan, WBG and Yemen.

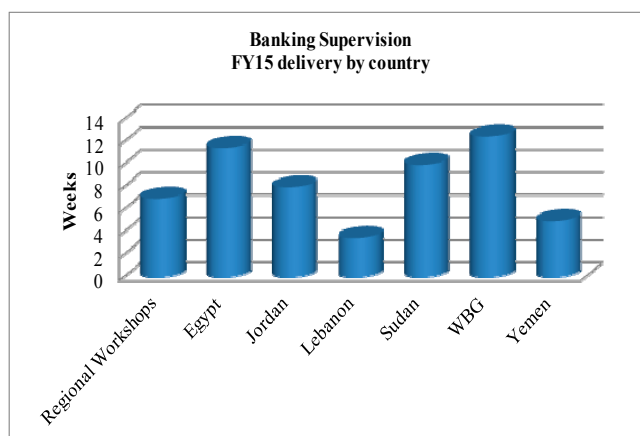
In implementing the RBM approach, METAC activities during FY15 covered four areas in banking supervision: (i) strengthening supervisory framework; (ii) improving regulatory framework; (iii) enhancing credit registry functioning; and (iv) building the capacity of supervisors through workshops and training programs.

Technical Assistance Delivery

Strengthening the Supervisory Framework

Most of the TA provided in banking supervision focused on this area which aimed at transforming the supervisory regimes in some countries from a compliance-based approach to a risk-based and forward looking risk assessment.

- In **Jordan**, the Central Bank of Jordan (CBJ) requested METAC's assistance in enhancing its cross-border and consolidated supervision where a framework for a supervisory college for the largest bank in Jordan was developed. Also, METAC has been assisting the CBJ in developing an



Early Warning System (EWS) since FY14, in order to identify any deteriorating indicators for any individual bank and for the banking sector as a whole, and accordingly, intervene at an early stage to address these deteriorations and take appropriate resolution measures.

- In **Lebanon**, METAC completed an assessment of the supervision approach implemented by the Banking Control Commission of Lebanon (BCCL) and provided its recommendations which aimed at reorganizing and restructuring the existing examination manual to upgrade it to a risk-based supervision (RBS) approach. METAC will continue its assistance to the BCCL during FY16 to upgrade the examination manual and provide capacity-building program in RBS.
- In **West Bank and Gaza** METAC's TA to the Palestine Monetary Authority (PMA) is continuing in the area of RBS. An RBS manual was developed with METAC's assistance coupled with capacity-building provided to the staff of the PMA in this domain. This project will continue throughout FY16 to develop the PMA supervisors' skills in RBS and to detect vulnerable banks at an early stage.
- For **Yemen**, METAC provided TA to groups of senior staff from the Central Bank of Yemen (CBY) who visited Beirut, Lebanon and assisted them in developing a medium-term action plan to enhance banking supervision in conventional and Islamic banks in Yemen, where a set of reporting forms and financial statements for Islamic banks were developed.

Improving the Regulatory Framework

Several METAC member countries requested assistance in improving the regulatory framework of the supervisory authorities to further align it to the BCBS recommendations in conventional banks and to the IFSB standards and principles in Islamic banks.

- In **Egypt**, during FY15, METAC assisted the CBE in upgrading its regulations on internal capital adequacy assessment process (ICAAP) and liquidity risk measurement and management and further align them to Basel III standards. This assistance will continue throughout FY16 to review and upgrade other prudential regulations in banking supervision.
- In **Yemen**, METAC assisted in developing draft regulation on risk management and stress testing.

Enhancing Credit Registry Functioning

METAC's TA in credit registry during FY15 was limited to Sudan.

- In **Sudan**, METAC continued its assistance to the Credit Information and Scoring Agency (CIASA), which is a totally-owned agency by the Central Bank of Sudan (CBOS). This

assistance aimed to follow up on the implementation of METAC's recommendations to enhance the credit registry functioning in Sudan, and to assist in the development of a credit scoring system which is an enhanced tool to assess the credit worthiness of current and potential borrowers.

Capacity Building in Banking Supervision

METAC's activities in banking supervision were in the form of regional workshops that gathered senior level supervisors from countries in the region and in the form of direct training on specific banking supervision topics.

Regional Workshops

- Basel III: Practical Aspects and Implementation**– METAC organized this regional workshop in Lebanon in August 2014, which was attended by 20 senior level participants from 10 countries in the Middle East and North Africa (MENA) region. The workshop included discussions and training on how to implement Basel III requirements and improve the ability of banks' examiners and supervisors to better evaluate banks' capital adequacy in relation to their inherent risks, as well as to assess the adequacy of their liquidity levels. The workshop covered several topics related to the regulatory capital measurement under Basel III, including stress testing for better capital planning process, the measurement of Liquidity Coverage Ratio (LCR), and Basel III assessment framework. In addition to the lectures, the workshop provided practical training techniques; including group case studies and discussions, and hands-on applied exercises. The workshop provided a good opportunity for exchanging views and sharing experience among participants.
- Risk-Based Supervision in Institutions Offering Islamic Financial Services (IIFS)** – METAC organized jointly with the CEF a regional workshop in Kuwait, in February 2015. The workshop provided guidance on the methodologies and approaches for implementing RBS in



Workshop on “Risk-Based Supervision in Institutions Offering Islamic Financial Services (IIFS)”
Kuwait, February 2015



Workshop on “Basel III: Practical Aspects and Implementation”
Lebanon, August 2014

institutions offering IIFS. RBS is an ongoing forward looking process for understanding and assessing the adequacy of banks' risk management in the course of identifying, measuring, controlling and monitoring risks in an appropriate and proper manner. The workshop attracted directors, deputy directors, and senior banks' examiners of supervision departments from 14 Arab League countries. This workshop provided the appropriate setting for exchanging views, sharing experiences on how banking entities in these countries are supervised. Case studies about the identification of inherent risks and assessing governance and oversight on IIFS were also presented and discussed. Some participants presented their countries' experiences in implementing RBS.

Direct Training

In addition to regional workshops, METAC provided training to the supervisors of the CBE; CBY; CBOS; and PMA on different banking supervision issues aimed at improving their capacities and promoting awareness on the latest development in the banking supervision area.

- **Egypt:** As part of providing TA to the CBE in implementing Pillar 2 of Basel II framework, METAC delivered training on the ICAAP and the methods and approaches to be used to assess the adequacy of banks' capital in relation to risks not addressed by Pillar 1 of Basel II, within the framework of the supervisory review and evaluation process (SREP). The training also covered the new Basel liquidity standard, which included the LCR and Net Stable Funding Ratio.
- **Sudan:** Before issuing stress test guidelines to the banking sector in Sudan, the CBOS requested METAC's assistance to train their supervisors on conducting stress tests exercises. This training was completed, and training on a single-factor sensitivity stress test, and multi-facto scenarios stress tests for credit and market risks was provided to the supervisors of the CBOS.
- **West Bank and Gaza:** In the due course of assisting the PMA in developing its risk-based inspection manual, METAC delivered several trainings to the PMA supervisors on RBS, and how to assess banks' risks in an efficient manner.
- **Yemen:** Training on stress testing was delivered in Beirut, Lebanon to a group of senior staff from the CBY, which included sensitivity stress test and multi-facto scenarios stress tests for credit and market risks. This training aimed at building up the capacity of the CBY supervisors before issuing a top down stress test regulation in the market.

B. Macroeconomic Statistics

In the area of macroeconomic statistics, METAC continued building countries' capacity for good quality economic and financial statistics to support policy and program development, and monitoring and evaluation at the national and regional levels.

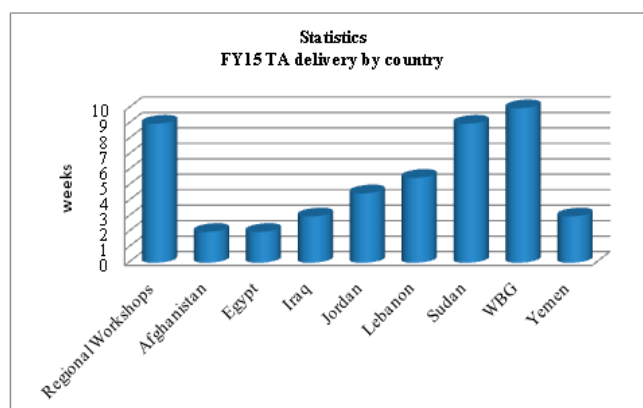
Based on the latest international standards and best practices, METAC provided TA and training to improve the coverage, accuracy, reliability and timeliness of balance of payments statistics; and on implementing the sixth edition of the *IMF's Balance of Payments and International Investment Position Manual (BPM6)*. METAC also, assisted countries to compile and disseminate the international investment position (IIP) and external debt statistics (EDS). Moreover, METAC provided TA to member countries to implement the *2008 System of National Accounts (2008 SNA)*, rebasing their annual GDP estimates, and disseminating quarterly GDP by economic activity at current and constant prices. In addition, TA was provided to improve, update, and revise the concepts and methods used to compile consumer and producer price indexes.

Technical Assistance Delivery

METAC completed 15 missions and three regional workshops during FY15. In particular, METAC's assistance covered the following activities:

National Accounts

- In **Jordan**, a METAC short-term expert visited the Department of Statistics (DOS) to assist with the implementation of the recommendations for improvement of NA made during the METAC November 2013 TA mission, in particular the rebasing of NA to 2010 base year. The mission identified the following activities that should be undertaken by the DOS: (i) updating the estimates of annual GDP at constant prices of 2010, using new price indicators, as well as according to recommendations of the mission; (ii) rebasing of the quarterly GDP to 2010 base year; and (iii) publication of new series of annual NA at constant prices of 2010.
- In **Lebanon**, METAC conducted a NA TA mission for the Central Administration for Statistics (CAS). The mission assessed the NA compilation and identified several areas that need improvement.
- In **Sudan**, a NA mission visited the Central Bureau of Statistics (CBS) to assist with implementing the recommendations made during the April 2012 multi-sector statistics



mission. The mission reviewed progress made, and worked with the authorities to implement outstanding recommendations. In addition, the mission discussed the importance of the implementation of the national economic surveys and agricultural census to develop the NA compilation and estimates.

- In **West Bank and Gaza**, METAC fielded a NA mission to assess the current methodology of NA. Compilation used by the Palestinian Central Bureau of Statistics (PCBS); and to assist the PCBS with revising the NA data based on the 2012 census of establishments and other recent survey data and to change the base year for the NA from 2004 to 2010.
- For **Yemen**, a mission for the Central Statistical Organization (CSO) was conducted in Lebanon, to continue improving the NA statistics and to assist using the results from the economic surveys to increase the accuracy, reliability, and coverage of the GDP estimates. In addition, the mission assisted in developing and improving the series of the GDP at current and constant prices.

Price Statistics

- In **Lebanon**, a METAC short-term expert visited CAS to assist the authorities in developing a producer price index (PPI). The mission provided necessary training and recommendations on how to design, develop and compile the PPI.
- In **Sudan**, a price statistics expert visited the CBS to continue assisting with the development of a PPI. The mission reviewed the current PPI compilation methods and discussed a number of recommendations for improvement, and identified short-and medium-term goals for the project to improve the PPI.
- In **West Bank and Gaza**, METAC fielded a TA mission to review and assess the current concepts and methods used by the PCBS to compile the consumer price index (CPI) and the PPI. An action plan was prepared for improving the PPI and the CPI compilation methodology.

External Sector Statistics

- For **Afghanistan**, an external sector statistics (ESS) mission was conducted for Afghanistan in Lebanon. The mission: (i) assessed progress made in implementing the agreed action plan that was developed during METAC's January 2014 mission; (ii) provided guidance to the DAB in addressing outstanding balance of payments issues, in particular regarding the collection of data on trade in goods, aids flows, and workers' remittances; and (iii) provided training in the methodology of the *BPM6*.
- In **Egypt**, a TA mission visited the General Authority for Investment and Free Zones (GAFI). The mission assessed progress on the inward Direct Investment Survey (DI), its coverage, methodology, and its adherence to the *BPM6*. The mission validated the data edited by the GAFI for the years 2011 and 2012, and assessed the scope and quality of data collected. In addition, the mission discussed Egypt's participation in the Coordinated Direct Investment Survey (CDIS).

- For **Iraq**, METAC conducted an ESS mission for Iraq in Jordan. The mission: (i) assessed progress made in implementing the action plan agreed during the IMF’s Statistics Department’s (STA) December 2013 mission; (ii) reviewed the latest balance of payments data and explored the reasons for the large errors and omissions; (iii) provided training on key compilations issues, including transactions and positions arising from oil contracts, and international services; and (iv) provided guidance to the Central Bank of Iraq (CBI) in improving the coverage and timeliness of balance of payments and IIP statistics.
- In **Jordan**, an ESS mission assisted the authorities in implementing the sixth edition of the *BPM6*. Also, the mission provided needed advice on further development of balance of payments compilation system and identified gaps and areas where changes are needed to bring the ESS compilation practices fully in line with the *BPM6* and the *BPM6 Compilation Guide*.
- In **Sudan**, METAC fielded two missions in the area of the ESS. The missions assessed progress made in implementing previous missions’ recommendations and reviewed the compilation of crude oil exports, external debt arrears, reserve assets, and the treatment of transactions related to oil-sharing agreements with foreign direct investors. The missions also provided guidance in compiling the reserve data template and reporting balance of payments and IIP statistics according to the *BPM6* format.
- In **West Bank and Gaza**, METAC conducted an ESS mission to review current compilation practices for balance of payments and IIP statistics and assist the authorities in improving the coverage and overall quality of these statistics. The mission also assessed progress made in addressing inconsistencies between external sector datasets and provided guidance on the collection of portfolio investment positions in connection with possible participation in the Coordinated Portfolio Investment Survey (CPIS).

Regional Workshops

- **Compilation of Financial Account and External Sector Position Statistics** – METAC organized a regional workshop on the Compilation of Financial Account and External Sector Position Statistics in Lebanon, in October 2014. The workshop discussed in depth the compilation of financial account and external sector position statistics and focused on the use of the balance sheets to compile the ESS, with emphasis on compilation of the quarterly IIP, CDIS, CPIS, EDS, and Reserves Template. It also addressed data consistency issues across external sector datasets, as well as with related datasets. Twenty five representatives from the MENA region participated in the workshop (of which 20 participants from



Workshop on “Compilation of Financial Account and External Sector Position Statistics”
Lebanon, October 2014

METAC countries). The workshop provided an opportunity for knowledge exchange and sharing of experiences.

- **Price Statistics Compilation Issues** – Jointly with the STA Department, METAC organized a regional workshop on the Price Statistics Compilation Issues in Lebanon, during February 2015. The workshop addressed specific compilation issues noted by the authorities and discussed international standards and best practices with regard to the compilation of price indices. Thirty one participants from the region attended the workshop (of which 27 participants from METAC countries). The workshop provided an opportunity for knowledge and sharing of experiences.



Workshop on "Price Statistics Compilation Issues"
Lebanon, February 2015

- **The Sixth Edition of the *Balance of Payments and International Investment Position Manual (BPM6)*** – METAC organized a regional workshop on the *BPM6* in Lebanon, during March 2015. The workshop discussed in depth the changes brought by the *BPM6* and the methodology for collecting and compiling balance of payments and IIP statistics based on the *BPM6* and the *BPM6 Compilation Guide*. It also focused on helping compilers of external statistics to report balance of payments and IIP statistics.



Workshop on "The Sixth Edition of the Balance of Payments and International Investment Position Manual (BPM6)"
Lebanon, March 2015

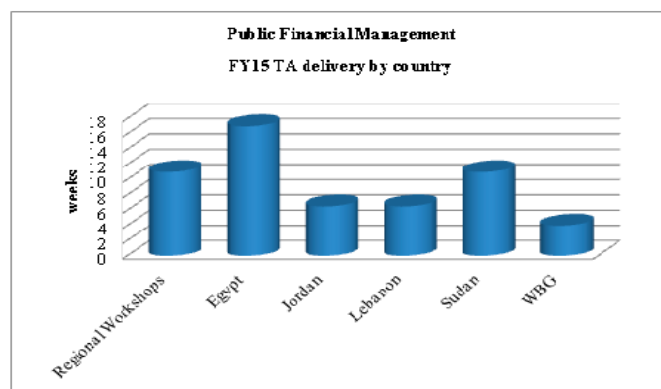
C. Public Financial Management

In the area of PFM, METAC delivered TA in five out of the 10 member countries during FY15 and made meaningful contributions towards building capacity and strengthening PFM practices.

METAC completed 10 missions and two regional workshops during FY15. PFM activities focused on: (i) cash management, financial planning and banking arrangements in Lebanon; (ii) reform plans for information technology (IT) related to PFM in Egypt; (iii) medium-term fiscal framework (MTFF), and International Public Sector Accounting Standards (IPSAS) in Sudan; and (iv) assessment of recent developments in PFM in Jordan and WBG. As part of its regional activities, METAC organized two workshops: (i) on medium-term expenditure frameworks (MTEF); and (ii) on fiscal reporting and transparency (FRT).

Technical Assistance Delivery

- In **Egypt**, METAC assisted the authorities with the implementation of the METAC January 2013 mission on cash management, and in particular the mission's recommendations related to the integration of the Government Financial Management Information System (GFMIS) and E-Payment systems. METAC organized a national workshop in Cairo in the area of GFMIS. The workshop, attended by more than 50 staff from the Ministry of Finance (MoF) was designed to discuss: (i) good practices, pre-conditions and practical examples of GFMIS implementations; (ii) the prevailing situation in Egypt; and (iii) how best to move forward within the given context leading to development of an agreed action plan which could then be considered by the senior administration of the Ministry.



- In **Lebanon**, METAC assisted the authorities with the implementation of the treasury single account (TSA) by providing detailed recommendations and action plan to implement the TSA, and METAC introduced some analytical tools, relevant in particular to the required cash buffer that the MoF should maintain if it is to be confident of always being able to meet its cash flow obligations without resorting to cash rationing or arrears. METAC also provided technical guidance on how to design a framework to assess the impact of the Syrian refugees on certain budget lines.
- In **Sudan**, METAC assisted the authorities with the implementation of the structural benchmark related to the development of a MTFF that provides a three year aggregate fiscal targets and

projections of revenue and expenditure by main economic categories. METAC organized a series of training sessions, which incorporated formal presentations and activities to assist learning and understanding of the MTF. METAC also provided training on IPSAS cash basis, and TA on the requirement and next steps for the Ministry of Finance and National Economy (MOFNE) to produce IPSAS-compliant financial statements.

- In **West Bank and Gaza**: METAC reviewed progress on advancing PFM reforms and updated the PFM reform framework of 2014-2016.

METAC long-term resident and short-term experts participated with the IMF Fiscal Affairs Department (FAD) led missions to Egypt and Jordan that focused on:

- **Egypt**: Addressing PFM issues related to the new constitutional mandate to increase spending on health, education and scientific research.
- **Jordan**: Advising on strengthening: (i) the legal framework, calendar, and procedures for budget preparation; and (ii) budget execution controls, including extending the issuance of financial orders to capital expenditure and the functionality of the GFMIS.



Workshop on “Medium-Term Expenditure Framework”
Lebanon, December 2014

Regional Workshops

METAC organized two regional workshops:

- **Medium-Term Expenditure Frameworks**
 - METAC organized a workshop in Lebanon on MTEF, in December 2014. It was attended by senior representatives of finance and planning ministries from the MENA region. In total, 27 delegates from 11 countries attended the workshop which focused on techniques, processes, and institutions required for successful implementation of a MTEF. The workshop aimed at deepening participants’ understanding of issues related to the development of MTEFs and their relationship with macro-fiscal forecasting, national development planning and wider issues of budgeting and PFM.

- **Fiscal Reporting and Transparency** – METAC organized jointly with the CEF, a regional workshop on FRT in March 2015, in Kuwait City. The workshop focused on the techniques and processes required for enhancing FRT among ministries of finance and planning and statistics agencies. It discussed the priorities for and approaches to improve the coverage, frequency, timeliness, and relevance of public fiscal reporting.



**Workshop on “Fiscal Reporting and Transparency”
Kuwait, March 2015**

These two workshops received provided an opportunity for knowledge, exchange, sharing of experience, and lessons learnt.

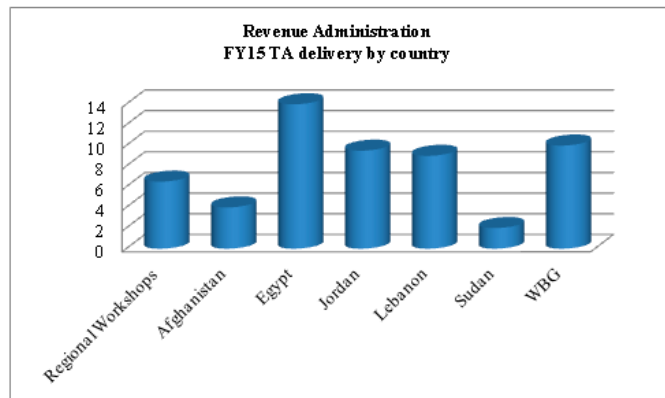
D. Revenue Administration

In revenue administration, METAC has focused on supporting the continued development and effectiveness of Tax and Customs authorities through promoting a holistic approach to compliance management, and encouraging inter-agency communication and coordination.

Technical Assistance Delivery

During FY15, METAC delivered 10 TA missions and two regional workshops. TA was delivered in all five countries where the security situation made travel possible; and through a combination of meetings in third countries and regional workshops, a further three METAC member countries were reached.

- In **Egypt**, the resident advisor assisted the value added tax (VAT) implementation team with the preparation of an integrated project plan to manage the launch of the new tax. METAC short-term experts undertook TA missions to support the Egyptian Tax Authority in developing a comprehensive compliance management plan, and a robust refund management process.
- In **Jordan and Sudan**, the resident advisor undertook review missions to identify immediate TA needs in both the Tax and Customs administrations.
- In **Jordan**, METAC short-term experts provided TA in the prevention of export-based VAT refund fraud to the Income and Sales Tax Department (ISTD); and to Jordan Customs in developing business cases for priority projects in their strategic plan.
- In **Lebanon**, a METAC short-term expert assisted the Large Taxpayers' Office (LTO) and the VAT department to develop an audit case selection process based on the identification of sector-specific risks.
- In **West Bank and Gaza**, METAC short-term experts provided TA to support the development of risk-based audit selection in the Large Taxpayers' Unit (LTU) and the VAT department; and to develop a risk-based compliance management strategy based on a broad understanding of the underlying reasons for non-compliant taxpayer behavior.



In addition, the resident advisor and METAC short-term experts joined IMF Headquarters' (HQ) missions:

- To review the current situation in Tax and Customs administrations in **Afghanistan**, and identify benchmark improvements and opportunities for immediate TA support.
- To assess the preparedness of the administration to introduce VAT in **Egypt**, and identify near-term TA support requirements.
- To review the policy framework, draft documentation and institutional arrangements for the development of the oil & gas industry in **Lebanon**.

Regional Workshops

METAC organized two regional workshops:

- **Tax-Customs Interaction** – METAC held a workshop on Tax-Customs Interaction in Lebanon, during August 2014. The workshop was designed to raise awareness of the advantages to be gained from effective inter-departmental interaction, and assess the challenges faced within the MENA region at the legal, systems and operational levels. This was the first time that METAC had brought together representatives of both tax and customs administrations in a single event.



**Workshop on “Tax-Customs Interaction”
Lebanon, August 2014**

- **Understanding Compliance Behavior –** The CEF and METAC jointly organized a regional workshop on Understanding Compliance Behavior, in Kuwait City, during February 2015. The workshop focus was on broadening participants’ appreciation of the full range of compliance management and enhancement activities that are available to tax authorities. It addressed the reasons for various categories of non-compliant taxpayer behavior, and encouraged delegates to discuss and share strategic responses that match compliance management actions to various compliance behavior profiles.



**Workshop on “Understanding Compliance Behavior”
Kuwait, February 2015**

Both workshops were supported by technology solution providers – SAP in the case of Tax-Customs Interaction, and Atos/Bull in the case of Understanding Compliance Behavior. These organizations were invited to give workshop participants an understanding of the contribution that technology based systems can make to effective and efficient revenue administration.

Both workshops provided the basis on which a number of future, country-specific TA missions have been designed.

E. METAC's Other Activities

METAC's Mid-Term Evaluation

- **The Mid-Term Evaluation of Phase III (May 2010-April 2015) of METAC was completed in September 2014.** It concluded that METAC had been successful in delivering results and contributing to building capacity in its member countries. Evaluators recognized the very difficult circumstances in which METAC was operating as a result of the political and security situation in the region. While many of the factors determining the Center's performance are beyond its control, METAC's success was to a large extent attributed to its well-organized operation and effective management. Therefore, the evaluators' recommendations focused to a substantial extent on the Fund's Capacity Development (CD) policies and procedures.
- **Evaluators noted important improvements in METAC's operations following the previous evaluation's recommendations,** including the introduction of the RBM framework, the development of a Field Manual for METAC's operations, the extension of the SC representation to all beneficiary countries, an improved IMF TA dissemination policy, and the increasing use of the METAC website as a means for sharing information.
- **Based on their findings, evaluators' main recommendations included:** (i) developing a medium-term country strategy for overall Fund's CD delivery based on systematic assessments of capacity gaps and needs; (ii) better integrating METAC (and IMF) CD programs with activities of other TA providers in the region; (iii) strengthening of TA/training coordination and synergies; (iv) developing a reinforced TA approach for engagement in fragile states; (v) strengthening the results-based orientation of METAC activities; (vi) developing an institutionalized Risk Management Framework for TA design and implementation monitoring; (vii) increasing the usability of the Center's website as a platform for knowledge and information sharing, as well as accountability and transparency of its operations; and (viii) developing a Fund-wide unified conceptual framework for the evaluation for Regional Technical Assistance Centers (RTACs).
- **The implementation of these recommendations has already been underway in METAC's Phase III and will be further strengthened in Phase IV.** These include: integration of the RBM framework into METAC's planning, delivery, progress tracking and reporting of TA projects and activities in each country; results orientation of TA delivery; continuing engagement with countries that are affected by security issues; implementation of a Risk Management Framework to pro-actively mitigate expected and unexpected risks (in particular, with regard to member countries with serious security problems); as well as using METAC's website as a platform for sharing knowledge and information.

- **In addition, some actions to address the recommendations are being implemented by the MCD and the IMF TA departments and will complement METAC’s efforts.** These include: enhancing the practice of a RSN and country pages on capacity-building; strengthening synergies between TA and training across TA-providing departments and between regional TA and training centers—including through the work of inter-departmental working groups—and standardization of practices and reporting that will contribute to developing a unified conceptual framework for the evaluation of the IMF’s RTACs.
- **In addition to the above-mentioned actions, the Program Document for Phase IV also contains new proposals that will help address several of the Mid-Term Evaluation’s recommendations.** These include: (i) development of medium-term country strategies for METAC member countries; (ii) implementing guidelines and procedures for systematic in-country donor coordination of all capacity development activities; (iii) creating an outreach program as a coordination vehicle with donors and member countries; and (iv) developing a unified conceptual framework for evaluation of RTACs.

Working Group on METAC

- **An interdepartmental Working Group (WG) of IMF departments convened in September/October 2014 to consider strategic issues related to METAC’s Phase IV (May 2016-April 2021).** The WG discussed the possible expansion of METAC membership; sector priorities for METAC; resource planning for the next cycle; general budgetary issues, including those related to security constraints; fundraising strategy; member country contributions; the relationship between METAC and the CEF; and issues raised by the Mid-Term Evaluation.

Expansion of METAC Membership

- **Five MCD countries in Africa are not served by an IMF RTAC: Algeria, Djibouti, Morocco, Somalia, and Tunisia.** At the May 2014 SC meeting, SC members expressed strong support for inviting the three North African countries (Algeria, Morocco, and Tunisia) to join METAC. Including the three countries has considerable attraction for METAC, as it will provide for greater balance of emerging market and oil countries with a range of challenging and possibly more “upstream” issues, whereas the existing membership includes several fragile states. The three countries do not currently face serious security issues, so that they would provide additional stability to METAC’s

activities. On balance, the WG believed that the language constraints to TA delivery can generally be overcome.¹

- **The WG also considered the case of Somalia, a post conflict country, which is not currently covered by an RTAC.** However, since it has different capacity-building needs than most METAC countries, the WG was of the view that it would likely be better served outside METAC, for example through the Somalia Trust Fund. The WG was of the view that Djibouti will benefit from joining METAC and that an invitation should be extended. No consideration was given to dropping any countries from the current membership.
- **After consulting with various stakeholders, including the countries themselves, the WG recommended that METAC’s membership be expanded by the following four countries: Algeria, Djibouti, Morocco, and Tunisia.** The four countries have already agreed to join METAC during Phase IV. Another question raised was whether METAC’s name would have to be changed with the inclusion of the new countries. However, the WG felt that METAC is a brand name and renaming it would not be advisable.

Joining METAC will increase significantly the TA and training countries will receive and they will have access to METAC resident advisors who can travel to member countries on short notice to provide step-by-step assistance with TA implementation.

Outreach Activities

Regional Expert Group Meeting

METAC PFM and revenue administration advisors participated and gave presentations in a regional Expert Group meeting on Measuring Economic Governance in the context of National Development Planning, organized by the United Nations Economic and Social Commission for Western Asia (ESCWA). The meeting took place in Lebanon, in June 2014.



**Regional Expert Group Meeting
Lebanon, June 2014**

¹ In Algeria, Morocco, and Tunisia, both French and Arabic are official languages therefore METAC workshops would not require French interpretation services. In Djibouti, only French is spoken.

Joint Banque du Liban (BDL) – IMF Conference on Regional Economic Outlook for the MENA Region

On June 18, METAC held jointly with the BDL a conference on the economic outlook for the countries in the MENA region. The focus of the conference was MCD's spring 2014 Regional Economic Outlook. The conference was attended by people from the private and public sectors; international institutions; donor agencies; and the media. Governor Riad Salamé gave remarks on the Lebanese economy and the monetary conditions in Lebanon. Mr. Elhage, discussed the IMF's assessment of the global economy; and the current situation, outlook, and risks for the countries of the MENA region. He stressed the IMF recommendations on the actions needed to achieve sustainable and inclusive growth. The event received good media coverage and a joint press release with the BDL was issued at the end of the conference.



**Joint Banque du Liban – IMF Conference on Regional Economic Outlook for the MENA Region
Lebanon, June 2014**

Luncheon Organized by the Lebanese Business Association (RDCL)

On November 5, 2014, Mr. Elhage delivered a speech at a luncheon organized by the RDCL. The luncheon was attended by current and former high ranking government officials and key individuals from the business and political communities. Mr. Elhage discussed the economic outlook for the oil importing countries in the MENA region, with particular focus on Lebanon. In addition, he discussed the reform measures needed in this group of countries to maintain macroeconomic stability and highlighted the IMF recommendations for the short and medium terms to achieve sustainable and inclusive growth in the MENA region.



**Luncheon Organized by the Lebanese Business Association
Lebanon, November 2014**

Presentation on MENA's Regional Economic Outlook

On November 17, 2014, Mr. Elhage gave a presentation on the Regional Economic Outlook in the MENA region to a group of managers and industry staff from the International Finance Corporation (IFC) from across the MENA region. He discussed the outlook for the global economy and examined the current situation and outlook for the regional countries, making a distinction between oil importing and oil exporting countries, and reform measures needed in both groups of countries to maintain macroeconomic stability and achieve higher and more inclusive economic growth.

2015 Small and Medium Enterprises (SME's) Business Development Conference in Egypt

Mr. Elhage participated in the 2015 SME's Business Development Conference on the "Role of Regulators in Promoting SME's financing" that was held in Cairo, Egypt during January 14-15, 2015. This two-day conference was organized by the Arab Monetary Fund (AMF), in cooperation with the World Bank, IFC, and the CBE. Mr. Elhage represented the IMF and gave a speech on the "Opportunities and Changing Landscape in SME Business in the MENA region". His remarks focused on: (i) the opportunities and challenges that SMEs face in the MENA region; (ii) an analysis of changes that might further impact the ability of SMEs to access finance; and (iii) the needed reforms that could ensure sustainable SME banking.

METAC Taking Part in a Regional Workshop in Abu Dhabi

METAC statistics advisor participated in a regional workshop on the "Compilation of Trade in Services Statistics", in Abu Dhabi, United Arab Emirates, during January 2015. The workshop was organized by the AMF and the World Trade Organization (WTO) in cooperation with ESCWA and the United Nations Statistics Division. The advisor presented the status of the Arab region in compilation of residents and non-residents trade in services statistics, data gaps, and users' needs, and discussed the gaps, issues and recommendations in compilation of such statistics.

High-Level Officials Workshop for Saudi Arabia

During February 2-3, 2015, Mr. Elhage participated in a workshop in Riyadh organized by the IMF MCD in cooperation with Saudi Arabia's Institute of Public Administration. The workshop focused on the role of the IMF in the region and the economic policies recommended by the IMF. Mr. Elhage delivered three presentations on: (i) the role of the IMF at the regional and global level; (ii) economic developments in the MENA region; and (iii) energy subsidy reform. Forty five high level government officials attended the workshop which was opened by the Governor of the Saudi Arabian Monetary Agency. The workshop was widely covered by Saudi media.

METAC Annual Steering Committee Meeting

METAC held its Annual Steering Committee Meeting on June 8, 2015 in Lebanon to assess activities since May 2014, and to discuss the work plan for fiscal year 2016 and the Program Document for the Center's new five-year funding cycle (May 2016-April 2021). The meeting was chaired by Mr. Alain Bifani, Director General of the Ministry of Finance of Lebanon.

Officials from five member countries attended the meeting, together with representatives of donors (the EU, France, Germany, and Kuwait), the World Bank and IMF staff. The meeting was also attended by representatives from Algeria, Djibouti, Morocco, and Tunisia, METAC's newest members starting with the Center's new five-year funding cycle.

In his opening remarks, Mr. Bifani stressed that despite the complex political transformation and difficult security situation in most METAC countries, METAC remained engaged in most of its member countries and that the overall program implementation in FY15 reached about 85 percent of the original work plan. Mr. Bifani informed the SC members that Lebanon will continue to support METAC financially during the next funding cycle.



During the meeting, Mr. Elhage presented the work of the Center during the previous fiscal year highlighting the notable achievements in the various areas and noted that despite a difficult security situation in some of METAC's member countries, the Center was able to deliver 217 person weeks of TA, through 57 missions and 9 regional workshops in the areas covered by METAC. METAC resident advisors presented a summary of achievements in their specific areas of responsibilities in FY15 and discussed their work plans for FY16. Mr. Mustafa Abu Salah from the Palestine Monetary Authority (PMA) shared with the SC members the experience of the West Bank and Gaza with METAC's TA and highlighted the excellent relationship the different Palestinian institutions have with METAC and its advisors.

Moreover, Mr. Elhage presented the program document for Phase IV (May 2016 – April 2021) which will need to be assessed on a yearly basis as TA needs might change, and indicated that the operating budget of the Center for Phase IV is estimated at \$33.0 million, which is to be borne by the recipient countries, donors, and the IMF. The budget will cover the cost of providing TA and regional workshops to 14 countries in the areas of public financial management, revenue administration, banking supervision, macroeconomic statistics, monetary operations, and legal frameworks. TA in the latter two additional areas will be delivered through short-term experts and a second PFM advisor will be recruited starting in FY17 in view of the increased demand for PFM.

SC members endorsed the strategy for the next funding cycle; approved METAC funding offsite missions under strict conditionality; welcomed the lessons learned from the Mid-Term external evaluation and were pleased with the progress in implementing the evaluation's recommendations; and commended the Center's close coordination with donor agencies and other TA providers in the region.

For the next SC meeting, SC members agreed to invite two representatives from each country, one from the ministry of finance and the other from the central bank, however, one will be invited as an observer.

Box 1. METAC's Notable Achievements

Banking Supervision

- ✓ **Egypt:** New regulations in line with Basel Committee on Banking Supervision.
- ✓ **West Bank and Gaza:** A risk-based supervision manual for banks.
- ✓ **Jordan and Lebanon:** Supervisory college framework.
- ✓ **Yemen:** A medium-term strategic work plan to enhance banking supervision and the development of risk management and stress testing frameworks.

Macroeconomic Statistics

- ✓ **Egypt:** Launched inward direct investment survey from financial statements of companies.
- ✓ **Iraq:** Improved coverage of balance of payments and international investment position statistics.
- ✓ **Jordan:** The Department of Statistics rebased the quarterly national accounts to 2010 base year.
- ✓ **Lebanon:** METAC identified weaknesses and inconsistencies in the GDP series in current and constant prices, and provided advice on how to enhance the accuracy, reliability and the coverage of the GDP estimates.
- ✓ **Sudan:** The quality and coverage of external sector statistics improved.
- ✓ **West Bank and Gaza:** METAC identified gaps and weaknesses in external sector statistics and provided advice to improve coverage and quality of such statistics. Disseminating and reporting quarterly international investment position data statistics.

Public Financial Management

- ✓ **Jordan:** Improvement of the commitment control system by limiting the budget appropriations to be released quarterly based on the treasury cash position.
- ✓ **Sudan:**
 - Preparation of an action plan listing all steps needed to adopt international public sector accounting standards cash basis as a first stage.
 - Implementation of the medium-term fiscal framework structural benchmark under the agreed staff monitored program with the International Monetary Fund.

Revenue Administration

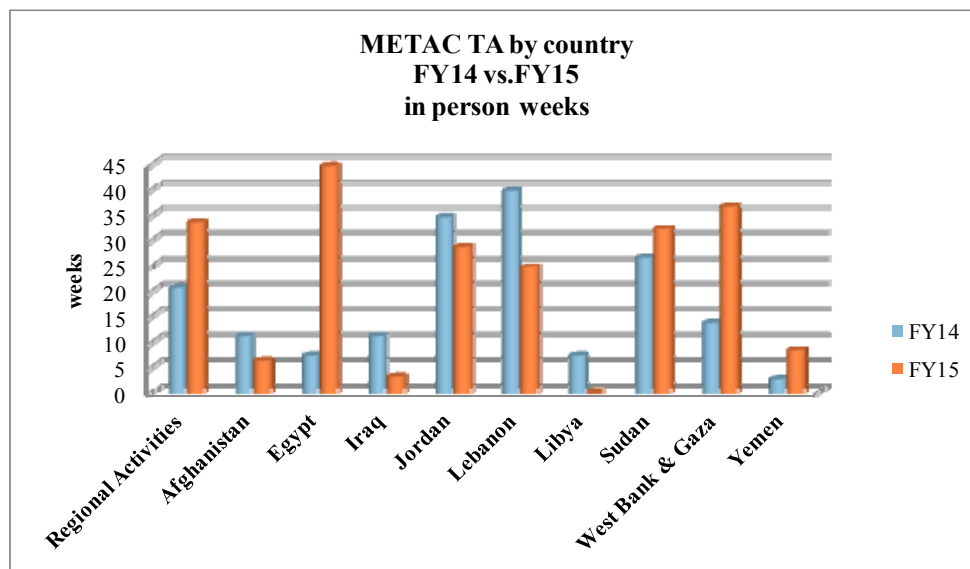
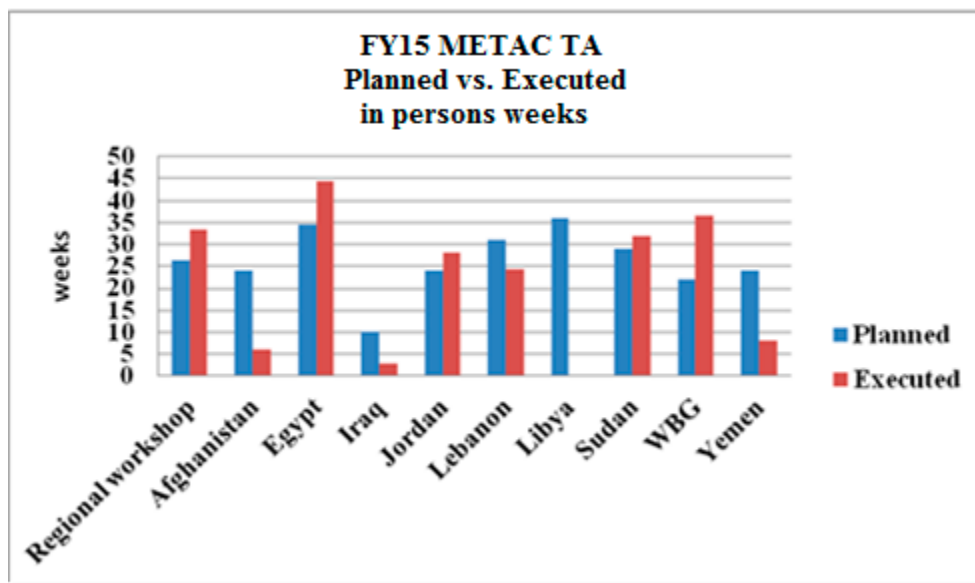
- ✓ **Egypt:** Good progress made with establishing a strong project management approach and ensuring that robust processes are in place to support the introduction of value added tax.
- ✓ **Lebanon and West Bank and Gaza:** Sector-specific risk analysis introduced to support audit case selection and management.
- ✓ **West Bank and Gaza:** Compliance profiling introduced to support risk analysis and the optimal deployment of resources across the range of compliance management activities.

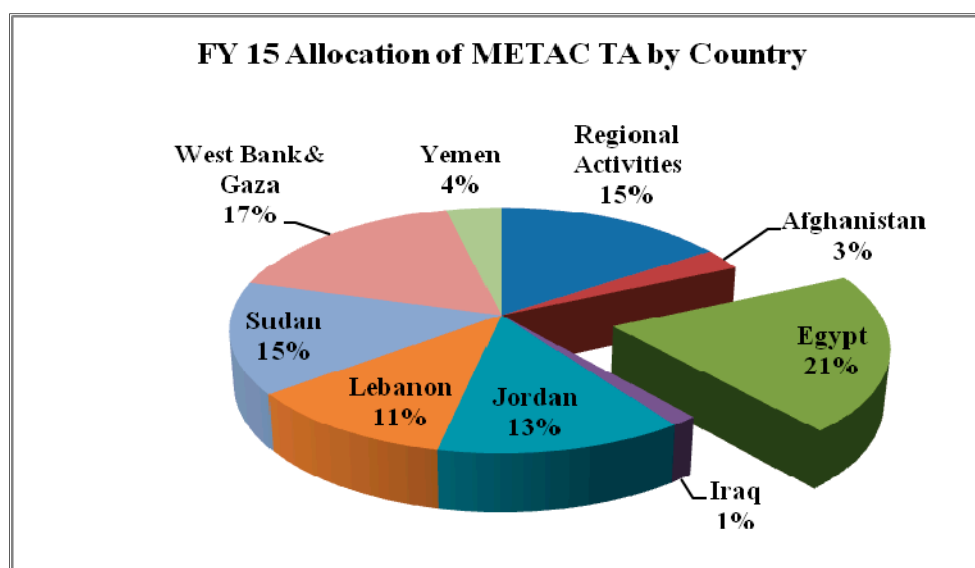
SECTION **III**:

TECHNICAL ASSISTANCE INPUTS IN FY15

SECTION III: TECHNICAL ASSISTANCE INPUTS IN FY15

During FY15, and despite the security situation in some of METAC member countries, 57 missions and nine regional workshops accounting for almost 217 person weeks of TA delivery took place in all METAC member countries except Syria and Libya. For the first time since the inception of METAC, Egypt received the largest share of TA resources (21 percent), followed by West Bank and Gaza (17 percent). For Egypt, Sudan, WBG, and Jordan TA delivery exceeded what was planned for FY15 and except for the latter, delivery also exceeded what was delivered in FY14.





**Table 1: METAC TA Delivery by Area and Beneficiary Country
FY15 (in person weeks)**

	Banking Supervision	Public Financial Management	Revenue Administration	Statistics	Total
Regional Activities	7	11	6.5	9	33.5
Afghanistan	0	0	4	2	6
Egypt	11.5	17	14	2	44.5
Iraq	0	0	0	3	3
Jordan	8	6.5	9.5	4.5	28.5
Lebanon	3.5	6.5	9	5.5	24.5
Sudan	10	11	2	9	32
West Bank & Gaza	12.5	4	10	10	36.5
Yemen	5	0	0	3	8
Total	57.5	56	55	48	216.5
Activity Distribution as % of total	26.55	25.85	25.4	22.2	100

Box 2. West Bank and Gaza and METAC: Taking Stock and Looking Forward

INTRODUCTION

Since the inception of METAC, West Bank and Gaza has been one of the main users of technical assistance. Going forward, technical assistance will focus on building upon progress made and addressing new areas of needs as they emerge.

TECHNICAL ASSISTANCE KEY RESULTS AND FUTURE AGENDA

Banking Supervision

With METAC's assistance, which started in 2008, the Palestine Monetary Authority (PMA) was able to implement a credit registry system that is being placed among the best credit registries in the region. The PMA is one of few countries worldwide that have successfully created a credit scoring system with METAC's assistance. The PMA as well as the Palestinian banks and micro finance institutions are currently using this system and closely monitoring credit risks efficiently.

METAC's assistance to the PMA continued to cover the area of banking supervision and assist in transforming the supervisory framework from compliance-based to a risk-focused approach through the development of a supervisory manual, and building the capacity of the PMA supervisors in assessing banks in a forward looking manner and focusing on risk management and internal control. METAC has been providing assistance in this area since 2013, and the risk-based inspection manual is about to be completed, which will allow the PMA to supervise banks with a limited resources and identifying vulnerable banks at early stages and in an efficient manner.

Macroeconomic Statistics

Since its inception, METAC has provided technical assistance in macroeconomic statistics to West Bank and Gaza in the areas of national accounts, price statistics, and external sector statistics. In addition, some assistance was provided for the preparation of a Statistics Master Plan, and for an assessment of existing practices against the International Monetary Fund's special data dissemination standard requirements.

The beneficiary institutions were the Palestinian Central Bureau of Statistics and the PMA.

The technical assistance provided to West Bank and Gaza has resulted in: improvement in the quality and the scope of data; compilation of the international investment position; participation in the Coordinated Direct Investment Survey; and dissemination of quarterly external debt statistics. Moreover, West Bank and Gaza subscribed to the special data dissemination standard.

Going forward, METAC will continue providing technical assistance to improve the consistency among external sector statistics datasets and in the collection of portfolio investment positions in connection with possible participation in the International Monetary Fund's Coordinated Portfolio Investment Survey and to implement the changes in line with *the Balance of Payments and International Investment Position Manual*, sixth edition. Further technical assistance is needed to

improve quarterly national accounts, especially the compilation of quarterly GDP at constant and current prices, and in the implementation of the *2008 System of National Accounts*.

Public Financial Management

Since 2007, METAC has engaged with the authorities in the area of public financial management. Although in the first year, this engagement was limited to supporting the International Monetary Fund's Fiscal Affairs Department missions; from 2008 onwards METAC has actively provided specific technical assistance missions in its own annual work plans.

Since 2011, the Fiscal Affairs Department and METAC, review on yearly basis, the implementation of the Palestinian Authority's public financial management reform agenda. The agenda is based on a framework for public financial management reforms that was agreed on in 2009 and further updated in 2010. During November 2014, METAC submitted its ninth report, since 2007 and prepared a revised public financial management strategy framework in which recent developments and emerging needs were identified.

Overall progress in public financial management reforms since 2007 has been significant. Major advances have been made in strengthening the role and responsibilities of the ministry of finance, automating the budget process through the introduction of a financial management information system; and enhancing fiscal transparency. However, since 2012 the reform process seems to have lost momentum due to the difficult political and economic situation, changes of senior officials and staff involved in public financial management, and insufficient technical support in certain areas such as accounting and reporting.

Revenue Administration

Over the course of the last three years, METAC has engaged increasingly with the Palestinian Authority in the area of revenue administration. Technical assistance has focused on strengthening the Large Taxpayers' Unit, and supporting the use of risk analysis and management as a basis for improving operational effectiveness.

The METAC revenue administration advisor has engaged actively with the United Kingdom Department for International Development-funded Palestinian Governance Facility revenue team to ensure that METAC technical assistance inputs are complementary, and this engagement will continue and be extended to include other donors in the future.

In Fiscal Year 2016, METAC plans to:

- Continue support to the Large Taxpayers' Unit, and to the use of risk analysis and management.
- Support the development of a comprehensive compliance program.
- Support the use of complex, indirect tax audit techniques.
- Support the development of a specific tax regime to address Small Businesses.

SECTION **IV**:

OVERVIEW OF THE FY16 WORK PLAN

SECTION IV: OVERVIEW OF THE FY16 WORK PLAN

METAC's assistance in FY16 will be tailored to country-specific needs. Since 2011, some countries have established new constitutions, and several have held elections. However, some METAC countries suffer from ongoing conflict, and private investment is deterred by regional, sociopolitical, and security uncertainties. These uncertainties are compounded by structural and institutional weaknesses, credit risks stemming from high nonperforming loans, high public debt, and largely unresolved structural problems. Sectoral TA priorities for METAC countries in FY16 will include PFM, revenue administration, NA and price statistics, and banking supervision.

The three main priorities in the fiscal sector are to enhance basic PFM, mobilize revenue, and strengthen revenue administration. Enhancing PFM is critical to improve the effectiveness of public spending and to facilitate budgetary support from donors (who typically avoid involving host governments in their spending projects). For PFM, cash management, budget classification, reporting, and monitoring remain a priority in several countries to free resources for infrastructure investment and poverty reduction. The latter two priorities involve strengthening of treasury functions, governance, and tax and customs administration—all areas in which METAC is heavily engaged. Similarly, enhancing revenue mobilization and administration are critical to provide governments with enough resources to invest on employment enhancing projects and public infrastructure as well as to eventually reduce aid dependency.

Financial sector development and strengthening banking supervision, to different degrees, are needed in most of METAC countries. METAC will continue to assist member countries in strengthening their financial systems and provide TA in other related banking area, such as building supervisors capacity in Islamic banking and developing/improving a credit registry system (CRS). METAC will assist countries in their move towards full implementation of Basel II, and in moving supervision from a compliance-based to a risk-based approach.

Further assistance to strengthen the quality of macroeconomic data will also be required. Building statistical capacity in the region to produce quality, sound, and timely statistics remains a top priority for many member countries. In FY16, METAC will provide TA in the following areas: (i) NA; (ii) price indices; and (iii) balance of payments statistics.

The anticipated risks during FY16 are similar to the risks METAC faced during the last two years of operations, mainly weak security situations in a number of METAC countries which impacted the Center's ability to deliver TA to those countries. To limit this impact during FY16, for countries with serious security issues, TA missions will be held in external locations. Offsite TA can significantly strengthen engagement with country authorities and provide the basis for progress during difficult times and faster jump start when the security situation improves. One obstacle that METAC has faced in FY13

and FY14 when there was a need to hold missions offsite is the willingness/ability of governments to cover the travel cost of their officials participating in these missions.² To overcome these obstacles, it is recommended that the cost of travel of officials participating in offsite missions be covered from the METAC budget during FY16.

A. Banking Supervision

The FY16 work plan on banking supervision is based on the four main outcomes of the RBM, that is: (i) enhancement of RBS; (ii) further alignment of regulatory framework with the BCBS and the IFSB principles and standards; (iii) enhancement of credit registry functioning; and (iv) capacity-building. Many planned activities for FY16 will be continuation of projects that started in FY15. The planned activities were developed in line with the IMF's Monetary and Capital Markets Department (MCM) and MCD strategies and to meet authorities' requests.

The following is a summary of the activities to be completed during FY16, classified under each of the following outcomes:

Enhancement of Risk-Based Supervision

- In **Lebanon**, upgrading and further aligning the BCCL's inspection manual to RBS approach and training the staff on its implementation.
- Completing the development of the risk-based inspection manual in **WBG** which is in its last phase of completion and develop the capacity of the PMA supervisors.
- Further enhancing of off-site supervision and developing a EWS at the CBJ in **Jordan**.
- In **Afghanistan**, improving off-site supervision at the DAB.

Enhancement of the Regulatory Framework

- Assist in enhancing the regulatory framework in **Egypt** and provide TA in developing prudential regulations in line with the BCBS principles and standards.
- Provide TA to the **CBY** in developing prudential regulations for Islamic banks in line with the IFSB principles and standards.
- Assist the **CBOS** in developing regulation on stress testing.

² METAC has experience in holding TA missions in third countries and to a large extent this type of missions has been effective. In the recent case of Afghanistan, Germany agreed to cover the cost of travel of Afghan officials on case by case basis. In FY15, for Iraq and Yemen, the travel cost of officials attending offsite TA was covered by their governments. METAC's experience indicates that it is cumbersome for officials to obtain clearance to fund offsite missions.

Credit Registry

- Assist the **CBOS** in implementing a credit scoring system and improving the current credit registry functioning.

Capacity-Building

- **Regional workshop** on cross-border and consolidated supervision.
- **Regional workshop** on credit registry.
- For **Libya**, deliver training on supervision and risk management in Islamic banks.
- In **Egypt**, provide capacity-building in the implementation of Pillar 2 of Basel II.
- In **Lebanon**, deliver training on RSB.
- For **Afghanistan**, provide capacity-building in off-site supervision.
- In **Sudan**, deliver training to the **CBOS** on stress testing.
- Provide capacity-building in RBS in **WBG**.

B. Macroeconomic Statistics

Activities in macroeconomic statistics in FY16 will continue to focus on improving the quality, coverage and scope of NA, prices and the external sector statistics.

The work program in statistics is consistent with the RBM framework, and in line with STA and MCD strategies, also responds to member countries' requests and benefits from METAC's accumulated experience in the region. In particular, METAC will assist:

- **Afghanistan, Egypt, Iraq, Jordan, Lebanon, Libya, Sudan, WBG and Yemen** in improving their NA (annual and/or quarterly, as relevant).
- **Afghanistan, Egypt, Iraq, Jordan, Lebanon, Libya, Sudan, WBG and Yemen** in improving their CPI compilation.
- **Afghanistan, Lebanon, Libya, and Yemen** in compiling a PPI.
- **Egypt, Lebanon, and Sudan** in completing the DI surveys.
- **Lebanon and Libya** in working towards publication of IIP.
- **Afghanistan, Egypt, Iraq, Lebanon, Libya, and Sudan** in improving the overall quality of the external sector statistics (balance of payments, IIP and EDS).

In addition to direct TA, METAC will continue to promote regional training and cooperation on critical topics in the statistics of external and real sectors. In this context, METAC will organize two regional

workshops that aim at strengthening information sharing, knowledge exchange and regional networking in the following topics: (i) strengthening the NA compilation; and (ii) improving the scope, coverage and timeliness of IIP statistics.

C. Public Financial Management

The FY16 activities are in line with member s' priorities in their PFM reform agendas.

Planned TA for FY16 can be classified according to the following six PFM objectives:

Strengthen Planning and Budget Practices: **Egypt** will receive support towards preparing and piloting a program-based budget approach to make it operational. METAC will assist **Jordan** in improving the budget preparation calendar, and in introducing cabinet-approved preliminary budget ceilings consistent with the medium-term fiscal consolidation path for the preparation of general budget institutions' base budget requests, while **Afghanistan** and **Iraq** will receive guidance either towards improving the Budget Classification in line with the Classification of the Functions of the Government, or preparing to make it part of the cabinet and parliament's approval process.

Improve the MTEF: This objective has been introduced in response to emerging requirements to formulate annual budgets within the context of binding medium-term ceilings. METAC will assist **Afghanistan, Lebanon, and Sudan** in tightening the links between the annual budget and its MTEF.

Improve the Quality of Fiscal Reporting: The main objective is to improve the credibility and usefulness of annual financial statements and in-year reports. METAC will work with **Sudan** to implement the Cash-Basis IPSAS Standard, and enhance the MOFNE's reporting capabilities. METAC will assist the Public Accounting Directorate of the MoF in **Lebanon** improving the existing accounting procedures.

Strengthen Budget Execution: In **Jordan**, METAC will provide follow-up on TA towards strengthening the commitment control system to prevent the accumulation of payment arrears.

Strengthen Treasury and Cash Management: METAC will support the establishment of a TSA in **Libya**, and will provide **Yemen** with practical guidance on setting up an action plan to transfer the Treasury function from the CBY to the MoF.

Enhance Financial Management Systems: METAC will support **Egypt's** efforts in implementing and upgrading the functionality of their computerized financial management systems. TA will provide guidance on managing the rollout of the system.

METAC will continue to participate in FAD diagnostic missions to **Jordan, Sudan and WBG**, and will adjust its work program on the basis of the missions' findings.

METAC plans to conduct two regional PFM workshops during FY16. These will complement planned TA activities, have specific relevance to the PFM reform programs of member countries, and will benefit from collaboration and synergies with other RTACs. The topics will aim to assist governments in: developing robust techniques for evaluating, costing and monitoring large capital projects, and increasing their accountability and transparency through adoption of international standards with a focus on the Government Finance Statistics Manual 2014 (GFSM), improved formats and regular publication of fiscal reports.

D. Revenue Administration

The FY16 work plan for revenue administration has been developed in discussion with member countries to support continued improvements in taxpayer compliance and revenue performance. At the general level it aims to support a broad-based view of compliance that provides a sound basis for strategically focused development; and at a more granular level it sets out detailed initiatives that focus on the particular requirements of individual member countries.

The risk management theme that has been at the core of a number of METAC missions in recent years will be continued; and an increasing focus will be given to developing strategic management practices based on the use of performance measures across the full range of compliance functions.

TA to customs administrations will also be an area of increasing emphasis and in FY16 METAC is planning its first regional workshop that will be dedicated to customs issues.

In total, it is planned to undertake a total of 60 weeks of TA activity, which will be delivered by the resident advisor and a selection of regional and international experts.

Specifically, the work plan for FY16 proposes to support:

- For **Afghanistan**, a customs workshop that will address the mechanism for updating the customs valuation database in response to developments and model updates, particularly in the technology sector.
- For **Egypt**, continued support for the introduction of VAT, with respect to compliance management and the control of the refund process.
- For **Jordan**, support for the ISTD to consolidate accountability for risk management activities into a single office within the HQ; and to support the use of indirect audit techniques in cases where taxpayer records are suspect or incomplete.
- For **Lebanon**, assistance to the Income Tax Directorate in the use of compliance modeling in the strategic development and deployment of resources to improve compliance and collection performance; and to support the use of indirect audit techniques in cases where taxpayer records are suspect or incomplete.

- For **Sudan**, support in the introduction of performance measures to improve overall revenue administration management, with particular reference to the reduction of tax debt stock and the prevention of future arrears accumulation. Support will also be provided to Sudan Customs in the implementation of the WTO valuation methods.
- For **West Bank and Gaza**, support for the continued development of a comprehensive compliance management program; and for the use of indirect audit techniques in cases where taxpayer records are suspect or incomplete.

METAC will also continue to promote regional dialogue and cooperation on matters of common concern to member countries. The issue of establishing a regional association of tax administrators will be explored, and two regional workshops will be held, which will focus on:

- **The use of performance measures to support strategic decision-making and management in tax administration.**
- **The advantages of inter-agency cooperation and ‘single window’ systems at international borders.**

SECTION **V:**

BUDGET AND FINANCING

SECTION V: BUDGET AND FINANCING

Project Status – Third Funding Cycle (Phase III)

The initial Program Document (PD) budget for Phase III, covering May 2010 through April 2015, was estimated at \$33 million, including the IMF in-kind contribution of \$5.0 million and \$6.5 million from Lebanon which includes \$1.5 million to cover expenses related to METAC premises. The work program for Phase III assumed that donors' resources would support five resident advisors and the historical average of short-term experts to deliver specialized TA. The budget would support salaries for experts, travel, seminars, backstopping, and project management. At the June 2010 meeting, the SC adopted the PD and the proposed budget for METAC Phase III.

However, at the October 10, 2010 pledging session in Washington D.C., donors and member countries only pledged a total of \$15 million. The total included a rollover of the EIB's contribution from Phase II, under a separate framework agreement and the generous financial contribution from Lebanon (Table 2). There were also pledges received from the European Commission, France, Kuwait, Oman, and METAC beneficiary countries: Egypt, Jordan, Libya, Syria, Sudan, and Yemen. These pledges, together with the in-kind contributions from the IMF and host country Lebanon for the Center's operating cost, brought the total to about \$21 million, or about two-thirds of Phase III requirements.

The FY15 Budget and Expenses

Spending during FY15 amounted to \$3.4 million, compared to the \$3.5 million planned budget. The outturn, higher than in previous years, reflects mainly \$0.65 million spending for local staff salaries, for the entire Phase III, and on METAC premises, including rent³.

Contribution Roster – Phase III

The total confirmed funding pledged for Phase III has reached about \$19.9⁴ million (Table 2). Germany and USAID contributed and disbursed \$2.4 million and \$1.3 million, respectively, in FY13 and FY14. Total contributions received in Phase III until April 2015 amount to \$18.2 million, 92 percent of total pledges (excluding IMF in-kind contribution). The composition of the pledges and contributions reflects a strong regional ownership and shows firm commitment to the Center, with METAC countries contributing more than half (56 percent) of total resources. Installments were received from Libya (\$0.3 million), Egypt (\$0.2 million), Lebanon (\$2.6 million) and France (\$0.4 million) in FY2015.

³ Prior to FY15, expenses related to METAC premises were covered by the IMF.

⁴ Exact amount is subject to exchange rate of pending installments in currencies other than USD.

The FY16 Budget

At the May 2014 meeting, the SC endorsed extension of Phase III by one year through April 2016. The FY16 budget is scheduled to be \$3.4 million, which includes funds for \$70,000 to cover logistics expenses of off-site missions.

Expected Carryover at the End of the Current Funding Cycle

Contributions received thus far from donor and member countries reached \$18.2 million and it is expected that, before the end of this funding cycle (April 2016), an additional \$0.75 million will be received, bringing total contributions to about \$19.0 million. As of end-April 2015, total spending during this funding cycle reached \$13.07 million (Table 1). Adding budgeted \$3.43 million for FY16, brings total expected spending to \$16.5 million. As such, the expected carryover at the end of this cycle is about \$2.5 million.

Subject to the SC members' approval, the projected carryover of \$2.5 million from the current phase, in addition to \$1.1 million from the previous funding cycle will be transferred to Phase IV.

International Monetary Fund
Middle East Regional Technical Assistance Center
Third Funding Cycle (Phase III) May 2010 April 2016¹

Table 1. Consolidated Financial Status
(US\$ millions)

ACTIVITY	FY 2011– FY 2016			FY2015		
	BUDGET	EXPENSES ²	REMAINING	BUDGET	EXPENSES ²	REMAINING
Long-term experts	6.18	5.27	0.91	1.55	0.81	0.75
Short-term experts	4.53	3.66	0.86	0.73	0.96	-0.23
Travel	0.87	0.73	0.14	0.19	0.13	0.05
Seminars	1.07	0.73	0.34	0.24	0.21	0.03
Staff TA delivery	0.03	0.03	0.00	0.00	0.00	0.00
Miscellaneous	0.32	0.14	0.18	0.09	0.06	0.03
Backstopping	0.77	0.55	0.22	0.25	0.16	0.09
Project management	0.43	0.32	0.11	0.11	0.07	0.04
Center management ³	1.01	0.65	0.36	0.00	0.65	-0.65
Total TA Delivery	15.21	12.08	3.13	3.16	3.05	0.12
Evaluation	0.13	0.13	0.00	0.13	0.13	0.00
Trust fund management (7%)	1.07	0.85	0.22	0.23	0.22	0.01
GRAND TOTAL⁴	16.41	13.07	3.35	3.53	3.40	0.13

¹At the May 2014 meeting, METAC SC endorsed extension of Phase III through April 2016

²Actual expenses as of April 30, 2015

²This is covered by Lebanon's contribution of \$1.5M

³This does not include IMF in-kind contribution of \$5M

International Monetary Fund
Middle East Regional Technical Assistance Center
Third Funding Cycle (Phase III) May 2010 April 2016

Table 2. Status of Financial Contributions¹

	Pledge (US\$ dollars)	LOU Status	Contributor Currency	Pledge (Contributor Currency)	Contributions Received (US\$)	Future Installments (US\$)
Phase III - Signed Agreements:						
(A) Under Multi-Donor SFA						
European Commission	1,813,272	12/29/2009	<i>Euros</i>	1,500,000	1,647,000	166,272
Libya	1,500,000	5/24/2010	<i>U.S. dollars</i>	1,500,000	1,200,000	300,000
Syria	500,000	8/27/2010	<i>U.S. dollars</i>	500,000	100,000	400,000
Kuwait	250,000	10/27/2010	<i>U.S. dollars</i>	250,000	250,000	-
Egypt	1,000,000	12/1/2010	<i>U.S. dollars</i>	1,000,000	800,000	200,000
Sudan	500,000	12/1/2010	<i>U.S. dollars</i>	500,000	-	500,000
Jordan	500,000	12/9/2010	<i>U.S. dollars</i>	500,000	400,000	100,000
Lebanon ²	6,500,012	01/31/2011	<i>U.S. dollars</i>	6,500,000	6,500,012	-
France	2,382,192	3/15/2011	<i>Euros</i>	1,800,000	2,382,192	-
Oman	500,000	8/9/2011	<i>U.S. dollars</i>	500,000	500,000	-
Germany	2,434,036	11/12/2012	<i>Euros</i>	1,880,000	2,434,036	-
USAID	1,300,000	9/25/2013	<i>U.S. dollars</i>	1,300,000	1,300,000	-
Jordan 2	140,845	8/5/2014	<i>Jordan dinars</i>	100,000	140,845	-
Subtotal	19,320,357				17,654,085	1,666,272
(B) UNDER FAA						
European Investment Bank	578,552	4/3/2008	<i>U.S. dollars</i>	578,552	578,552	-
Subtotal	19,898,909				18,232,637	1,666,272
Phase III - Pledges - Pending						
Syria 2	250,000	<i>sent 4/2011 sent 12/2010</i>	<i>U.S. dollars</i>	250,000	-	250,000
Yemen	500,000	<i>12/2010</i>	<i>U.S. dollars</i>	500,000	-	500,000
Subtotal	750,000					750,000
GRAND TOTAL	20,648,909				18,232,637	2,416,272

¹Contributions as of April 30, 2015

²This includes \$1.5M for hosting the Center

International Monetary Fund
 Middle East Regional Technical Assistance Center
 Third Funding Cycle (Phase III) May 2010 April 2016

Table 3. FY 2016 Budget
(US\$ millions)

FY 2016	
ACTIVITY	BUDGET
Long-term experts	0.93
Short-term experts	0.90
Travel	0.15
Seminars	0.35
Staff TA delivery	0.00
Miscellaneous (includes Offsite Missions)	0.17
Backstopping	0.24
Project management	0.12
Center Management ¹	0.35
Total TA Delivery	3.21
Evaluation	0.00
Trust fund management (7%)	0.22
GRAND TOTAL²	3.43

¹This is covered by Lebanon's contribution of \$1.5M

²This does not include IMF in-kind contribution of \$5M

ANNEX I:

**The IMF Regional Technical Assistance Centers
(RTACs)**

ANNEX I: THE IMF REGIONAL TECHNICAL ASSISTANCE CENTERS (RTACs)

Existing RTACs

The Pacific Financial Technical Assistance Center (PFTAC) was established in Suva, Fiji, in 1993, now serves 16 Pacific island countries and territories, including the Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Marshall Islands, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Timor-Leste, Tokelau, Tonga, Tuvalu, and Vanuatu. Its current program cycle is funded by the Asian Development Bank, Australia, the EU, the IMF, Korea, New Zealand, and the host country Fiji.

The Caribbean Regional Technical Assistance Center (CARTAC) was established in Bridgetown, Barbados in 2001. It serves 20 Caribbean island countries and territories, including Anguilla, Antigua and Barbuda, Bahamas, Barbados, Belize, Bermuda, British Virgin Islands, Cayman Islands, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, Trinidad and Tobago, and Turks and Caicos. Its current program cycle is funded by Australia, Canada, the Caribbean Development Bank, the EU, the IMF, the United Kingdom, the host country Barbados, and beneficiary countries.

The African Regional Technical Assistance Centers

The African Regional Technical Assistance Centers are part of the IMF's [Africa Capacity-Building Initiative](#), launched in May 2002. Responding to calls from African leaders, including under the [New Partnership for Africa's Development](#) (NEPAD), the Initiative promotes strengthening the capacity of African countries to design and implement their poverty-reducing strategies, as well as to improve the coordination of capacity-building technical assistance in the Poverty Reduction Strategy Paper (PRSP) process. The centers' activities take place in close cooperation with the [African Development Bank](#) and donor partners. This facilitates a coordinated design, implementation, and monitoring of ongoing technical assistance programs in member countries.

As part of the Initiative, five African Regional Technical Assistance Centers (AFRITACs) have been established. AFRITAC East was opened in Dar es Salaam, Tanzania, in 2002, now serves seven countries in East Africa (Eritrea, Ethiopia, Kenya, Malawi, Rwanda, Tanzania, and Uganda). AFRITAC West was opened in Bamako, Mali, in 2003 and moved to Abidjan, Côte d'Ivoire, in mid-2012 to serve ten countries in West Africa (Benin, Burkina Faso, Côte d'Ivoire, Guinea, Guinea-Bissau, Mali, Mauritania, Niger, Senegal, and Togo). AFRITAC Central was opened in Libreville, Gabon, in 2007, to serve countries in the CEMAC group, plus Burundi and the Democratic Republic of the Congo. AFRITAC South was opened in Port Louis, Mauritius, in June 2011, to serve 13 countries in Southern Africa (Angola, Botswana, Comoros, Lesotho, Madagascar, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Zambia, and Zimbabwe). AFRITAC West 2, based in Accra, Ghana, started operations in December 2013, covering the non-francophone countries from the

Economic Community of West African States (ECOWAS) that are not served by the current AFRITAC West: Cape Verde, The Gambia, Ghana, Liberia, Nigeria, and Sierra Leone.

The AFRITACs are financed by contributions from a number of donors, the IMF, as well as host and beneficiary countries. Current donors include the African Development Bank, Australia, Brazil, Canada, the European Investment Bank, the European Union, France, Germany, Italy, Kuwait, Luxembourg, the Netherlands, Switzerland, and the United Kingdom.

The Middle East Regional Technical Assistance Center (METAC) was established in Beirut, Lebanon, in 2004 to serve ten countries/territories in the Middle East, including Afghanistan, Egypt, Iraq, Jordan, Lebanon, Libya, Sudan, Syria, West Bank and Gaza, and Yemen. METAC's main objective is to help strengthen capacity for effective macroeconomic and financial management in the region, and to support the region's integration into the world economy. A particular focus is to help post-conflict countries in the region achieve macroeconomic stability and develop basic institutions for policymaking. METAC is designed to enhance coordination among development partners and to promote effective implementation of economic initiatives within the Middle East region. METAC's current program cycle is financed by contributions from the EIB, the EU, France, Germany, the IMF, Kuwait, Oman, the host country Lebanon, and beneficiary countries.

The Central America, Panama and the Dominican Republic Regional Technical Assistance Center (CAPTAC-DR) started operations in May 2009 in Guatemala. It serves Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua, and Panama. The Center's TA is focused on financial sector supervision, tax and customs administration, medium-term expenditure frameworks and public financial management, money markets, and macroeconomic statistics. Improved institutions and increased regional integration are the objectives. The Center is funded by Canada, the Central American Bank for Economic Integration, the EU, Germany, the Inter-American Development Bank, the IMF, Mexico, Spain, the host country Guatemala, and beneficiary countries.

ANNEX II:

LOG FRAMES

ANNEX II: LOG FRAMES

Strategic Objective

Improve institutional capacity for effective macroeconomic management to achieve higher and sustainable growth.

1. Achieve a more risk-oriented banking supervisory and regulatory framework that enhances financial stability in the region and aligns it further with international standards and best practices.
2. Establish an integrated budget planning and management process that effectively links policies to public resource allocation, and further develop treasury systems, including government banking arrangements, commitment controls, cash management and financial management information system.
3. Upgrade revenue administration to bring it to best international standards, focusing on enhanced organization and procedures and effective compliance tools, to improve revenue performance and increase revenue collection.
4. Bring member countries closer to compliance with international standards for the compilation of external statistics, national accounts, and price statistics.

1. Restoration of political and security stability in a number of METAC countries that would allow delivery of technical assistance in a timely manner.
2. Sufficient ownership of reform measures by the country authorities and commitment to provide resources to carry out their duties and implement reform measures
3. Mobilization of sufficient financing for METAC
4. Complementary technical assistance by Headquarters and other technical assistance providers is available.

1. Banking Supervision

Outcomes	Indicators for end-of FY16	AFG	Egypt	Iraq	Jordan	Lebanon	Libya	Sudan	Syria	WBG	Yemen
1. Enhancement of risk-based supervisory and enforcement frameworks in both onsite and offsite supervision functions.	1.1 Risk-based onsite inspection and enforcement manuals are developed and enhanced and are well integrated within the overall supervisory framework.										
	1.2 EWS Models are developed and effective risk assessment is being prepared using offsite supervisory tools and prudential reports.										
	1.3 New Onsite and Offsite manuals are adopted for supervision of Islamic banking activities.										
2. Further alignment of the regulatory framework with Basel principles and standards, in particular Basel II and III frameworks.	2.1 New regulations are issued in line with Basel core principles.										
	2.2 Issuance of new regulations and application of new supervisory tools and techniques that are in further compliance with Basel II accord and Basel III reforms.										
	2.3 New supervisory regulations and guidelines are issued for Islamic banking activities.										
3. Enhancement of the function of public credit registries and PCBs to be in line with international best practices.	3.1 The public credit registries will be fully operational with expanded financial and demographic database along with an effective software and comprehensive reporting.										
	3.2. A framework for licensing and supervising Private Credit Bureaus (PCBs) is developed and effectively applied.										
	3.3. Increased access to credit and reduction in the level of payment delinquencies and default rates.										
4. Banking supervisors in the region have a better understanding of the latest practices and standards on banking supervision and develop their supervisory skills and capabilities accordingly.	4.1 Offsite and onsite supervisors apply the developed risk-based frameworks effectively and show a thorough knowledge of the new regulations and apply them effectively throughout their work.										
	4.2 Weak and problem banks are identified early and dealt with through prompt corrective action plans that are rigorously followed up.										
Inputs	Assumptions/Risks										
Resident Advisor in Banking Supervision Short-term experts. .	<ol style="list-style-type: none"> Political stability and security conditions allow the delivery of METAC TA and the implementation of needed reforms. Supervisory authorities support the implementation of projects assisted by METAC, show continued commitment to apply the new manuals and the draft regulations, and take all necessary and timely actions to put METAC's recommendations into effect. Banking supervisors make good use of the knowledge and TA provided by METAC and apply them effectively in the course of supervising banking and financial activities. Sufficient financing for METAC is mobilized. 										
Collaboration / Participation in HQ missions.											
Outputs											
Draft laws, regulations, reports and manuals. Workshops, seminars and on-the-job training.											

2. Macroeconomic Statistics

Outcomes	Indicators for end-of FY16	AFG	Egypt	Iraq	Jordan	Lebanon	Libya	Sudan	Syria	WBG	Yemen
1. Better compliance with international standards for the compilation of external statistics (balance of payments, IIP reserves data template, and EDS).	1.1. Timely reporting of balance of payments data for IMF publications.										
	1.2. Timely reporting of IIP data for IMF publications.										
	1.3. Balance of payments and <i>International Investment Position Manual</i> , sixth edition (<i>BPM6</i>) methodology implemented.										
	1.4. Reporting of the Reserves Data Template.										
	1.5. Participation in the Quarterly External Debt Statistics (EDS) database.										
2. Increased participation in CDIS and CPIS to enhance regional data on financial interconnectedness.	2.1. Participation in the Coordinated Direct Investment Survey (CDIS).										
	2.2. Participation in the Coordinated Portfolio Investment Survey (CPIS.)										
3. Better compliance with international standards for the compilation of annual, and for some countries, quarterly NA.	3.1. Timely reporting of annual National Accounts (NA) for IMF publications.										
	3.2. Timely reporting of quarterly NA for IMF publications.										
4. Better compliance with international standards for the compilation of monthly price statistics.	4.1. Updated Consumer Price Index (CPI).										
	4.2. Developed/updated Producer Price Index (PPI).										
Inputs	Assumptions/Risks										
One resident advisor in external statistics. Short-term experts (real sector). HQ-based diagnostic missions and backstopping.	<ol style="list-style-type: none"> 1. Sufficient ownership of reforms by the country authorities, including implementation of missions' recommendations. 2. Sufficient funding by the country authorities and other donors for needed resources. 3. Sufficient funding for METAC TA activities. 4. Complementary HQ and other donors' TA is available. 5. Political/security conditions in member countries allow for TA delivery and reforms' implementation. 										
Outputs											
TA reports. Hands-on training. Country workshops. Regional workshops and seminars.											

3. Public Financial Management

Outcomes	Indicators for end of FY16	AFG	Egypt	Iraq	Jordan	Lebanon	Libya	Sudan	Syria	WBG	Yemen
1. Budget process based on spending programs linked to a MTBF and supported by appropriate budget calendar and legal framework.	1.1. A medium-term budget framework (MTBF), with a budget document including budget estimates for at least two out-years in addition to the next FY is developed.										
2. Comprehensive budget integrating capital and recurrent expenditures.	2.1. An integrated budget planning and management process that effectively links policies to budgeting is established.										
	2.2. Estimated cost of expenditure programs and integrated budgets for capital and recurrent expenditures are included in the budget document.										
3. Further improved government cash planning and management and consolidated government banking arrangements through TSA regime.	3.1. A cash planning function is developed leading to a good evaluation of the future profile of the total cash resources available to the government to meet its budget expenditure plans.										
	3.2. A TSA regime is implemented.										
4. Budget execution and reporting, and internal control and audit broadly compliant with international standards.	4.1. Expenditure controls, accounting and financial reporting, as well as internal control and audit are compliant with relevant international standards.										
Inputs	Assumptions/Risks										
METAC PFM Advisor. Short-term experts. HQ-based diagnostic missions and backstopping.	<ol style="list-style-type: none"> 1. Assumptions <ol style="list-style-type: none"> a. The country authorities remain committed to the implementation of the PFM reform agenda. b. The political conditions in member countries allow the normal delivery of TA. c. HQ's TA, backstopping and guidance available in particular on diagnostic assessments, institutional framework, and PFM reform strategies. 2. Risks <p>The authorities face major challenges in the fiscal area, mainly as a result of recent political, economic, and security developments in the region. These developments may impede the implementation of a comprehensive PFM reform agenda because the authorities would need to focus on urgent policy issues rather than on medium-term oriented fiscal structural reforms.</p> 										
Outputs											
TA reports. Draft regulations and manuals. Hands-on training. Country workshops. Regional workshops and seminars on budget preparation, accounting and internal control and audit.											

4. Revenue Administration

Outcomes	Indicators for end-of FY16	AFG	Egypt	Iraq	Jordan	Lebanon	Libya	Sudan	Syria	WBG	Yemen
1. More efficient and effective organizational structures.	1.1 Consolidated Head Office risk management function.										
2. Streamlined and automated operations.	2.1 Enhanced registration system with unique Tax Identification Number (TIN).										
	2.2 Effective computerized Integrated Tax Administration System.										
	2.3 Streamlined filing and payment procedures.										
3. Strengthened self-assessment and risk-based compliance.	3.1 Increased use of indirect audit techniques.										
	3.2 Increased compliance rates.										
	3.3 Increased collection rates.										
4. Enhanced tax systems.	4.1 Introduction of VAT.										
	4.2 Enactment of a Tax Procedure Code (TPC).										
	4.3 Simplified regime for small taxpayers.										
5. More effective customs administration.	5.1 Reduced pre-clearance inspection times.										
	5.2 Increased use of risk-based post-clearance audit.										
Inputs	Assumptions/Risks										
Resident advisor in revenue administration. Short-term experts. HQ-based diagnostic missions.	<ol style="list-style-type: none"> 1. Sufficient ownership of reforms by the country authorities. 2. Sufficient funding by METAC for TA activities. 3. Complementary HQ and other donors' TA is available. 4. Political/security conditions in member countries allow for TA delivery and reforms' implementation. 5. Sufficient funding by the country authorities and other donors for needed resources. 										
Outputs											
TA reports. Draft laws, regulations, and manuals. Hands-on training. Country workshops Regional workshops and seminars.											

A_{NNEX} **III:**

WORK PLAN FOR FY16

ANNEX III: METAC WORK PLAN FOR FY16

METAC FY16 Work Plan May 2015 - April 2016									
TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Tentative Date	LTX	STX	TOTAL
Regional Activities									
Banking Supervision	Cross-border and consolidated supervision.	Deliver regional workshop on cross-border and consolidated supervision.	Banks' supervisors in the region have a better understanding of the latest development and practices in cross-border supervision.	Workshop's agenda and delivered capacity building.	Delivered training and workshop's evaluation.	Q1	2	2	4
	Credit registry enhancement and credit scoring.	Deliver regional workshop on credit registry and credit scoring.	Banks' supervisors in the region have a better understanding of the latest development and practices in cross-border supervision.	Workshop's agenda and delivered capacity building.	Delivered training and workshop's evaluation.	Q4	2	2	4
Public Financial Management	Strengthen planning and budget practices.	Workshop on the capital budgeting process.	Improving capital budget process in member countries.	Workshop delivered.	Workshop	Q2	3	1.5	4.5

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Tentative Date	LTX	STX	TOTAL
	Adoption of international standards with a focus on the Government Finance Statistics Manual (GFSM) 2014.	Workshop of the Government Financial Manual 2014.	Increased accountability and transparency.	Workshop delivered.	Workshop	Q4	3	1.5	4.5
Revenue Administration	To encourage and facilitate better use of performance measures for management in revenue administration.	Workshop.	Increased focus on the use of a range of performance measures to support broad-based compliance management.	Workshop delivered	Workshop	Q2	3	1	4
	Customs workshop on single window systems.	Workshop.	Enhanced use of integrated systems for managing cross-border procedures.	Workshop delivered	Workshop	Q4	3	1	4
Statistics	Improve national accounts (NA) compilation.	Regional workshop on annual NA.	Improving the quality of NA. Implement the 2008 SNA.		Training / evaluation	Q3	1	1	2
	Improve external sector statistics.	Regional workshop on IIP compilation.	Improving the scope, coverage and timeliness of IIP.		Training / evaluation	Q1	2	1	3

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Tentative Date	LTX	STX	TOTAL
Regional Activities Total							19	11	30

METAC FY16 Work Plan May 2015 - April 2016									
TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Tentative Date	LTX	STX	TOTAL
Afghanistan									
Banking Supervision	Improve off-site supervision and detect vulnerable banks at an early stage.	Training on off-site supervision.	Da Afghanistan Bank (DAB) has an efficient off-site supervisory framework including a system for detecting vulnerable banks at an early stage.	Training held and periodic reports on the status of banks.	Delivered training and mission's report.	Q1	2	0.5	2.5
Public Financial Management	Strengthening linkages between MTFE, MTBF and how to move towards MTEF.	Training on MTEF.	Approved roadmap to move to a MTEF.	Budget Department at MoF has a good understanding of top-down budgeting techniques, MTFE, MTBF and MTEF.	TA	Q1	2	1	3
	Improve the budget classification system.	Workshop to demonstrate how the Classification of the Functions of Government (COFOG) can be used during budget preparation phases.	Strengthen Planning and Budget Practices.	Workshop delivered.	TA	Q3	2	1	3

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Tentative Date	LTX	STX	TOTAL
Revenue Administration	Customs valuation and tariff classification.	Workshop.	Improved procedures for updating valuation databases, and enhanced understanding of classification among Customs officials.	Workshop delivered.	Workshop	Q1	2	1.5	3.5
Statistics	Improve annual NA.	Annual NA.	Rebased NA.	NA estimates improved.	Mission report. Hands-on training.	Q4	2	-	2
	Improve price statistics	Consumer Price Index (CPI).	Rebased and expanded geographical coverage.	the coverage and scope of CPI improved	Mission report. Hands-on training	Q2	-	1	1
	Improve external sector statistics	Improve trade, current and capital transfers.	Improved external sector statistics compilation.	Improved trade, current and capital transfers.	Mission report. Hands-on training.	Q1	2	-	2
Afghanistan Total							12	5	17

METAC FY16 Work Plan May 2015 - April 2016									
TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Tentative Date	LTX	STX	TOTAL
Egypt									
Banking Supervision	Further strengthening the banking supervision framework.	Review, update and upgrade the current prudential and regulatory framework and align it to Pillar 2 of Basel II requirements. Review the draft Supervisory Review and Evaluation Process (SREP).	The CBE implements a strong regulatory and supervisory framework in line with Basel principles on banking supervision. The CBE is further working on strengthening and enhancing this framework, and improving the supervisory tools.	New prudential regulatory framework in line with Basel Committee on Banking Supervision.	Mission report and upgraded supervisory regulation.	Q1	1.5	0.5	2
		Review, update and upgrade the current prudential and regulatory framework and align them to Pillar 2 of Basel II requirements: review the draft concentration risk regulation and capacity building.	The CBE implements a strong regulatory and supervisory framework in line with Basel principles on banking supervision. The CBE is further working on strengthening and enhancing this framework, and improving the supervisory tools.	New prudential regulatory framework in line with Basel Committee on Banking Supervision.	Mission report and upgraded supervisory regulation.	Q2	1.5	0.5	2

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Tentative Date	LTX	STX	TOTAL
		Review, update and upgrade the current prudential and regulatory framework and align them to Pillar 2 of Basel II requirements: review the regulation on Interest Rate Risk in the Banking Book (IRRBB) and capacity-building.	The CBE implements a strong regulatory and supervisory framework in line with Basel principles on banking supervision. The CBE is further working on strengthening and enhancing this framework, and improving the supervisory tools.	New prudential regulatory framework in line with Basel Committee on Banking Supervision.	Mission report and upgraded supervisory regulation.	Q2	1.5	0.5	2
		Develop the skills of the Central Bank of Egypt (CBE) in banking supervision and promote forward looking assessment of banks capital: capacity-building in capital planning.	The CBE implements a strong regulatory and supervisory framework in line with Basel principles on banking supervision. The CBE is further working on strengthening and enhancing this framework, and improving the supervisory tools.	Delivered training and skilled and qualified supervisors able to assess banks risks and their capital adequacy.	Mission report and upgraded supervisory regulation.	Q3	1.5	0.5	2

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Tentative Date	LTX	STX	TOTAL
		Develop the skills of the CBE in banking supervision and promote forward looking assessment of banks capital: capacity-building in stress testing.	The CBE implements a strong regulatory and supervisory framework in line with Basel principles on banking supervision. The CBE is further working on strengthening and enhancing this framework, and improving the supervisory tools.	Skilled and qualified supervisors able to assess banks risks and their capital adequacy.	Delivered training and mission report.	Q3	1.5	0.5	2
Public Financial Management	Enhance financial management systems.	Follow up on GFMS roadmap.	Roll-out of GFMS to Accounting Units covering 80% of budget Expenditures	Achievement of 25% of the roadmap	TA	Q1	2	1	3
		Follow up on GFMS roadmap.		Achievement of 50% of the roadmap	TA	Q2	2	1	3
		Follow up on GFMS roadmap.		Achievement of 75% of the roadmap	TA	Q4	2	1	3
	Strengthen planning and budget practices.	Introducing Program Based Budgeting (PBB) to four pilot ministries.	Strengthening policy-based feature of budget.	Four pilot ministries ready for migration to PBB.	TA	Q1	3	1	4
Revenue Administration	VAT compliance.	Review and update of the compliance management plan developed during FY15.	Effective management of VAT compliance across the full range of compliance areas.	Plan updated and implemented.	TA Report	Q3	2.5	2	4.5

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Tentative Date	LTX	STX	TOTAL
	VAT refund management.	Review and enhancement of refund Management procedures following the initial receipt of refund applications.	Exposure to refund fraud is managed effectively.	Introduction/ amendment of refund management procedures in line with recommendations.	TA Report	Q3	2.5	2	4.5
Statistics	Improve annual NA.	Annual NA.	Integration of SUTs into annual estimates.	NA compilation improved.	Mission report. Hands-on training.	Q2	2	-	2
	Improve annual NA.	Supply-use tables (SUTs).	Annual SUTs are compiled in current and constant prices.	NA compilation improved.	Mission report. Hands-on training.	Q4	2	-	2
	Improve price statistics.	CPI.	A review of the implementation of recommendations on outlet selection, system quality checks, etc.	The quality and scope of price statistics improved.	Mission report. Hands-on training.	Q3	-	1	1
	Compile sound DI statistics and improve IIP compilation program.	Improve DI position and flows data.	Compile sound DI statistics and improve IIP compilation program.	DI statistics improved. IIP compilation improved.	Mission report. Hands-on training.	Q1	2	-	2
	Improve trade and services compilation	Review the current compilation practices	Improve Balance of Payments Statistics	Improved coverage of services.	Mission report. Hands-on training	Q1	1	-	1
Egypt Total							28.5	11.5	40

METAC FY16 Work Plan May 2015 - April 2016									
TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Tentative Date	LTX	STX	TOTAL
Iraq									
Public Financial Management	Improve the budget classification in line with the classification of the functions of the government and the GFSM 2001.	Authorities recently introduced new budget classification that is not fully consistent with the GFSM 2001. TA mission on budget classification.	Budget classification is improved and permits a better tracking of expenditures according to the COFOG.	Budget department has prepared a guide explaining how to use the functional classification (Jan 2015).	TA	Q3	2	1	3
Statistics	Improve annual NA.	Annual NA.	Increase source data availability and review expenditure measure of GDP.	NA compilation improved.	Mission report. Hands-on training.	Q3	2	-	2
	Improve annual NA.	Annual NA.	Increase source data availability and review expenditure measure of GDP.	NA compilation improved.	Mission report. Hands-on training.	Q4	2	-	2
	Improve price statistics	CPI	Improve coverage - with DFID	The quality and coverage of price statistics improved.	Mission report. Hands-on training	Q2	-	1	1
	Improve external sector statistics	Review coverage of government international transactions.	Improve data sources and coverage.	Improved coverage and quality of data.	Mission report. Hands-on training.	Q2	2	-	2
Iraq Total							8	2	10

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Tentative Date	LTX	STX	TOTAL
Revenue Administration	Participate in the Tax Administration Diagnostic Assessment Tool (TADAT) study.	Long-term expert to join FAD mission.	Prioritized TA requirements.	Study completed.	TADAT Report.	Q2	2	-	2
	Consolidation of the risk management functions in the Income and Sales Tax Department (ISTD).	Review the organization of the risk management function in the ISTD HQ, and make recommendations for consolidation and accountability.	Overall responsibility for the risk management function consolidated within the ISTD HQ structure.	Recommendations accepted and implemented.	TA Report.	Q3	2.5	2	4.5
	Promote the use of indirect audit techniques.	Develop the use of techniques for raising assessments of tax liability in cases of suspected fraud and incomplete taxpayer records.	Increased capacity to raise defensible assessments of taxpayer liability.	Recommendation accepted and capacity built.	TA Report.	Q4	2	1.5	3.5
Statistics	Improve quarterly national accounts (QNA).	QNA	Rebased quarterly GDP.	NA compilation improved.	Mission report. Hands-on training.	Q2	-	2	2
	Improve price statistics.	CPI	Continue improvements in quality of CPI and capacity building.	the quality and scope of price statistics improved	Mission report. Hands-on training	Q4	-	2	2
Jordan Total							13.5	12	25.5

METAC FY16 Work Plan May 2015 - April 2016									
TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Tentative Date	LTX	STX	TOTAL
Lebanon									
Banking Supervision	Further enhancing the supervisory framework and implement risk-based supervision.	Update the supervisory inspection manual and further align it with risk-based approach.	The Banking Control Commission of Lebanon (BCCL) has an efficient on-site supervisory framework based on forward looking assessment of Banks' risks.	New risk-based supervisory manual.	Risk-based supervisory manual and mission's report.	Q1	2	1	3
		Update the supervisory inspection manual and further align it with risk-based approach.	The BCCL has an efficient on-site supervisory framework based on forward looking assessment of Banks' risks.	New risk-based supervisory manual.	Risk-based supervisory manual and mission's report.	Q2	2	1	3
Public Financial Management	Strengthening capacity of the Macro fiscal Unit	Training on (a) methodology for forecasting government revenues and expenditures; and (b) analysis of policies' efficiency and repercussion on the economy	A top-down, multi-year budget preparation process is adopted	Macro-Fiscal Department has a good understanding of top-down budgeting techniques, MTFE, MTBF and MTEF	TA	Q2	3	1.5	4.5

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Tentative Date	LTX	STX	TOTAL
	Review and improve the accounting procedures used by the Public Accounting Directorate (PAD).	Strengthening capacity of the PAD.	New accounting procedures adopted and enforced by the Ministry of Finance (MoF).	Recommendations accepted and capacity built.	TA	Q4	3	1.5	4.5
Revenue Administration	Compliance modeling in income tax.	Review the development and deployment of compliance management resources based on a risk-based analysis of the reasons for non-compliance.	Comprehensive compliance management planning based on a broad based understanding and analysis of compliance risks.	Recommendations accepted and implemented.	TA Report.	Q1	2	2	4
	Promote the use of indirect audit techniques.	Develop the use of techniques for raising assessments of tax liability in cases of suspected fraud and incomplete taxpayer records.	Increased capacity to raise defensible assessments of taxpayer liability.	Recommendation accepted and capacity built.	TA Report.	Q2	1.5	1.5	3
	Document the coordinated treatment of financial issues in the oil & gas sector.	Prepare consolidated documentation regarding fiscal obligations in the oil & gas sector, including tax and production sharing agreements.	Material to promote clarity of understanding of the full range of fiscal obligations.	Documentation prepared and in use.	TA Report.	Q3	4	-	4

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Tentative Date	LTX	STX	TOTAL
Statistics	Improve annual NA.	Annual NA.	Increase source data availability (business financial statements).	NA compilation improved.	Mission report. Hands-on training.	Q2	3	-	3
	Improve annual NA.	Annual NA.	Improve estimates for latest year.	NA compilation improved.	Mission report. Hands-on training.	Q4	3	-	3
	Improve price statistics	CPI	Continue improvements in quality of CPI and capacity-building.	The quality and scope of price statistics improved.	Mission report. Hands-on training.	Q4	-	2	2
Lebanon Total							23.5	10.5	34

METAC FY16 Work Plan May 2015 - April 2016									
TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Tentative Date	LTX	STX	TOTAL
Libya									
Banking Supervision	Building the capacity of the Central Bank of Libya (CBL) staff in understanding Islamic banking services and risks.	Capacity-building in risk management and supervisory requirements in Islamic banks.	CBL supervisors are capable to supervise Islamic banks operations and efficiently asses their risks.	Delivered training and skilled and qualified supervisors able to assess Islamic banks risks.	Delivered training and mission report.	Q1	2	1	3
		Training on Shari'ah supervision.	CBL supervisors are capable to supervise Islamic banks operations and efficiently asses their risks.	Delivered training and skilled and qualified supervisors able to assess Islamic banks risks.	Delivered training and mission report.	Q3	2	1	3
Public Financial Management	Establish a treasury single account (TSA) and modernize cash management.	Assist with the development of TSA strategy and its implementation plan.	TSA established.	Idle bank balances are eliminated (April 2015).	TA	Q3	3	1	4
Statistics	Improve annual NA.	Annual NA.	Assessment of methodology and source data.	NA compilation improved	Mission report. Hands-on training.	Q1	-	1	1
	Improve price statistics.	CPI.	Continue improvements in quality of CPI and capacity-building.	the quality and scope of price statistics improved.	Mission report. Hands-on training.	Q3	-	1	1

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Tentative Date	LTX	STX	TOTAL
	Improving balance of payments and IIP compilation program.	Improving balance of payments statistics and initiating compilation of an IIP.	<ul style="list-style-type: none"> • The quality of balance of payments has improved gradually. • A direct investment (DI) survey has been conducted • Libya compiles and publishes an IIP. 	<p>The population of companies to be included in a DI survey has been identified</p> <ul style="list-style-type: none"> • First IIP statement compiled and published 	Mission report. Hands-on training.	Q2	2	-	2
Libya Total							9	5	14

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Tentative Date	LTX	STX	TOTAL
Public Financial Management	Reliable and timely financial reports.	Follow-up mission on International Public Sector Accounting Standards (IPSAS) cash accounting.	Financial reports are approved by the National Audit Chamber (Sudan).	Achievement of 50 % of the action plan (January 2015 METAC Report).	TA	Q3	2	1	3
	Development of a Medium Term Fiscal Framework (MTFF).	Developing MTFF.	An MTFF is developed and updated on a regular basis.	Improve staff capacity in macroeconomic analysis.	TA	Q4	2	1	3
Revenue Administration	Support the rationalization of the debt register, and promote better debt management.	Review tax arrears records and make recommendations for a clean-up of the debt register.	More accurate and up-to-date information available for the management and control of tax debt.	Recommendation agreed and adopted.	TA Report.	Q2	2	2	4
	Introduce performance measurement and management in the Sudan Taxation Chamber.	Review the information currently available to support the management of collection efficiency.	More accurate and up-to-date information available for the broad-based management of taxpayer compliance and collection performance.	Recommendation agreed and adopted.	TA Report.	Q4	4	-	4

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Tentative Date	LTX	STX	TOTAL
	Support the application of the World Trade Organization (WTO) valuation system in Sudan Customs and diagnostic assessment.	Review the current application of the WTO valuation system and provide development workshop; and the need for future TA.	Enhanced capability to use the WTO valuation system; and definition of future TA requirements.	Workshop conducted and future TA agreed.	Workshop and TA Report.	Q1	2	2	4
Statistics	Improve annual NA.	Annual NA.	Increase source data availability (business financial statements).	NA compilation improved.	Mission report. Hands-on training.	Q1	-	2	2
	Improve annual NA.	Annual NA.	Increase source data availability (business financial statements).	NA compilation improved	Mission report. Hands-on training.	Q4	-	2	2
	Improved price statistics	CPI.	Continue improvements in quality of CPI and capacity-- building	The quality and scope of price statistics improved.	Mission report. Hands-on training.	Q3	-	2	2
Sudan Total							17.5	15	32.5

METAC FY16 Work Plan May 2015 - April 2016									
TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Tentative Date	LTX	STX	TOTAL
West Bank and Gaza									
Banking Supervision	Implement risk-based supervision (RBS).	Develop a risk-based supervision (RBS) manual.	Palestine Monetary Authority (PMA) implements RBS and forward looking approach for assessing banks' risks.	Inspection manual	Drafted inspection manual.	Q1	1.5	1.5	3
		Develop a RBS manual.		Inspection manual	Drafted inspection manual.	Q2	1.5	1.5	3
		Assist in the implementation of the RBS manual.		On-the job training on the implementation of the RBS.	Mission report.	Q2	1.5	2	3.0
Public Financial Management	PFM reform plan.	FAD/ METAC follow-up mission to assist the authorities in reviewing the PFM reform plan.	PFM reform plan updated.	PFM reform plan updated.	TA Report.	Q2	2	1	3
Revenue Administration	Support the development of user requirements for the newly implemented revenue management system.	Conduct stakeholder workshops to define user requirements and maximize the compliance benefits of using the new revenue management system.	Enhanced compliance management capability.	User requirements adopted and reports in use.	TA Report.	Q2	2.5	2	4.5

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Tentative Date	LTX	STX	TOTAL
	Promote the use of indirect audit techniques.	Develop the use of techniques for raising assessments of tax liability in cases of suspected fraud and incomplete taxpayer records.	Increased capacity to raise defensible assessments of taxpayer liability.	Recommendation accepted and capacity built.	TA Report.	Q3	2	1.5	3.5
Statistics	Improve annual NA.	Annual NA.	Continue improvements in source data and methodology, including volume estimates.	NA compilation improved.	Mission report. Hands-on training.	Q2	-	2	2
	Improve annual NA.	Annual NA.	Continue improvements in source data and methodology, including volume estimates.	NA compilation improved	Mission report. Hands-on training	Q3	3	-	3
	Improve annual NA.	Annual NA.	Continue improvements in source data and methodology, including volume estimates.	NA compilation improved.	Mission report. Hands-on training.	Q4	-	2	2
	Improve price statistics	CPI.	Continue improvements in quality of CPI and capacity- building.	The quality and scope of price statistics improved.	Mission report. Hands-on training.	Q2	-	2	2
West Bank and Gaza Total							14	15.0	29.0

METAC FY16 Work Plan May 2015 - April 2016									
TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Tentative Date	LTX	STX	TOTAL
Yemen									
Banking Supervision	Improving the regulatory and supervisory framework.	Assist in the implementation of the medium-term action plan to enhance banking supervision.	The Central Bank of Yemen (CBY) implements a regulatory framework in line with the Islamic Financial Services Board (IFSB) and the Basel Committee on Banking Supervision (BCB) recommendations.	Draft supervisory regulations for Islamic and conventional banks.	Drafted regulations and mission's report.	Q2	2	1	3
Public Financial Management	Establish a treasury function.	Conduct a comprehensive study and devise an action plan to transfer the treasury function from the CBY to the MoF.	Treasury function established.	Action plan approved by the MoF.	Workshop	Q2	3	1	4
Statistics	Improve annual NA.	Annual NA.	Continue improvements in source data and methodology - with DFID.	NA compilation improved.	Mission report. Hands-on training.	Q3	2	-	2

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Tentative Date	LTX	STX	TOTAL
	Improve price statistics	CPI.	Continue improvements in quality of CPI and capacity-building.	The quality and scope of price statistics improved.	Mission report. Hands-on training.	Q4	-	1	1
Yemen Total							7	3	10

Total Person Weeks							152	90	242
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ANNEX IV:

UPDATED WORK PLAN FOR FY15

ANNEX IV: UPDATED WORK PLAN FOR FY15

METAC Consolidated FY15 Work Plan May 2014 - April 2015										
TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	TOTAL
Regional Activities										
Banking Supervision	Basel III Implementation in METAC countries: Requirements and Challenges.	Deliver a regional workshop.	Banking supervisors in the region have a better understanding of the latest practices and standards on banking supervision and develop their supervisory skills and capabilities accordingly.	Improved risk management assessment and better capital and liquidity evaluation.	Training /Evaluation	Completed	14-Aug	1.5	1	2.5
	Consolidated, Supervision, Supervisory College and Cross-Border Supervision. (Replaced by Islamic Banking jointly with the IMF Middle East Center for Economics and Finance, (CEF)).	Deliver a regional workshop.	Banking supervisors in the region have a better understanding of the latest practices and standards on banking supervision and develop their supervisory skills and capabilities accordingly.		Training /Evaluation	Replaced	–	–	–	–

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	TOTAL
Revenue Administration	To improve inter-departmental cooperation between Tax and Customs.	Regional workshop.	Increased exchange of information and development of joint intelligence, audit and enforcement mechanisms and activities.		Training /Evaluation	Completed	14-Aug	2	1	3
	To exchange ideas about organizational responses to compliance behavior.	Regional workshop.	More effective deployment of organizational resources.		Training /Evaluation	Completed	15-Feb	2	1.5	3.5
Statistics	Improve balance of payments and International Investment Position (IIP) statistics.	Regional seminar on financial account.	Improving the quality of balance of payments and IIP. Countries participating in Coordinated Direct Investment Survey (CDIS) and Coordinated Portfolio Investment Survey (CPIS).		Training /Evaluation	Completed	14-Oct	3	1	4
	Improve National Accounts (NA) compilation (replaced by Price Statistics).	Regional workshop on NA.	Improving the quality of NA. Implement the <i>2008 System of National Accounts (SNA)</i> .		Training /Evaluation	Completed	15-Feb	-	1	1

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	TOTAL
	Improve balance of payments and IIP statistics. Implement the <i>Balance of Payments and International Investment Position Manual</i> , sixth edition (BPM6).	Regional Seminar on BPM6.			Training /Evaluation	New / Completed	15-Mar	3	1	4
Regional Activities Total								19.5	14	33.5

**METAC Consolidated FY15 Work Plan
May 2014 - April 2015**

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	TOTAL
Afghanistan										
Banking Supervision	Enhance a banking supervisory and regulatory framework.	Training on Off-Site Supervision and Early Warning System (EWS) and dealing with vulnerable banks.	Da Afghanistan Bank (DAB) works on strengthening its banking supervision practices through the modernization of its Financial Supervision Department and enhancing the supervisory framework, as well as building the capacity of banks examiners, particularly in Islamic banks supervision.	Training held and improved practices introduced to detect EWS.	Training to be delivered and mission report.	Canceled	15-Apr	-	-	-
	Enhance a banking supervisory and regulatory framework.	Follow up on the development of medium-term action plan for strengthening banking supervision.	DAB works on strengthening its banking supervision practices through the modernization of its Financial Supervision Department and enhancing the supervisory framework, as well as building the capacity of banks examiners, particularly in Islamic banks supervision.	Implemented long-term Strategy for the Development of the Financial Supervision Department.	Documented long-term strategy.	Canceled	-	-	-	-

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	TOTAL
Statistics	Improve balance of payments and international investment position (IIP) statistics.	Improving the coverage of current and capital transfers, assist in launching the direct investment (DI) survey as part of efforts to enhance the financial account, improving the coverage of goods and services accounts, follow up on the status of previous mission recommendations, improving the scope of IIP and consistency with balance of payments and assist DAB in reporting data on <i>BPM6</i> .	<ul style="list-style-type: none"> • The quality of balance of payments has improved. • Better estimates of direct investment (DI) flows and stocks. • The quality of data collected via the International Transaction Reporting System (ITRS) has improved. • Compiling and disseminating IIP statement. 	<ul style="list-style-type: none"> • Improve the coverage of current and capital transfers. • Improve the coverage of goods account. • Implementation of a foreign direct investment (FDI) survey. 	Mission report. Hands-on training.	Completed	14-Nov	2	-	2

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	TOTAL
	Improve real sector statistics.	<ul style="list-style-type: none"> • Improving compilation of the consumer price index (CPI). • Preparing the compilation of a producer price index (PPI) and of external trade indices. 	Further improve the CPI. Develop a PPI. Develop import and export price indices.	Detailed item descriptions and sample selection geographic areas, outlets, and items reviewed. Plans prepared for developing a producer price index and price indices for external trade.	Mission report. Hands-on training.	Canceled	-	-	-	-
Afghanistan Total								4.0	2.0	6

METAC Consolidated FY15 Work Plan May 2014 - April 2015										
TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	TOTAL
Egypt										
Banking Supervision	Further strengthening the banking supervision framework.	Review, update and upgrade the current prudential and regulatory framework.	The Central Bank of Egypt (CBE) implements a strong regulatory and supervisory framework in line with Basel principles on banking supervision. The CBE is working on strengthening and enhancing this framework, and improving the tools to assess financial stability including the development of a EWS system.	New prudential regulatory framework with Basel principles on banking supervision.	Mission report.	Completed	14-Sep	1.5	1.5	3
	Further strengthening the banking supervision framework.	Review, update and upgrade the current prudential and regulatory framework.	The CBE implements a strong regulatory and supervisory framework. The CBE is working on strengthening and enhancing this framework, and improving the tools to assess financial stability including the development of a EWS system.	New prudential regulatory framework with Basel principles on banking supervision.	Mission report.	Completed	15-Feb	0.5	1	1.5

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	TOTAL
	Further strengthening the banking supervision framework.	Training the CBE examiners on the new prudential regulations.	The CBE implements a strong regulatory and supervisory framework. The CBE is working on strengthening and enhancing this framework, and improving the tools to assess financial stability including the development of a EWS system.	Examiners trained and improve practices introduced.	Training to be delivered and mission report.	Completed	15-Mar	1.5	1	2.5
	Further strengthening the banking supervision framework.	Training the CBE examiners on the new prudential regulations.	The CBE implements a strong regulatory and supervisory framework. The CBE is working on strengthening and enhancing this framework, and improving the tools to assess financial stability including the development of a EWS system.	Examiners trained and improve practices introduced.	Training to be delivered and mission report.	New/Completed	14-Dec	1.5	1	2.5

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	TOTAL
	Further strengthening the banking supervision framework.	Training the CBE examiners on the new prudential regulations.	The CBE implements a strong regulatory and supervisory framework. The CBE is working on strengthening and enhancing this framework, and improving the tools to assess financial stability including the development of a EWS system.	Examiners trained and improve practices introduced.	Training to be delivered and mission report.	New/Completed	15-Apr	1.0	1	2
Public Financial Management	Assisting the authorities in reviewing the Information Technology (IT) arrangements supporting the reform of public finance system to ensure that such IT reforms initiatives are comprehensive, well-coordinated and part of an overall strategy for reform.	Capacity building for the steering committee (SC) members responsible of the PFM Information Technology (IT) Reforms on IT and PFM issues.	Improved PFM system (measured through internationally recognized diagnostic tools, such as Public Expenditure and Financial Accountability (PEFA)).	Action plans, developed and approved by the MoF, to support the implementation of GFMIS and E-Payment systems (Feb 2015).	TA Report.	Completed	14-Aug	3	3	6

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	TOTAL
	Advancing treasury single account and cash management reforms.	Capacity building for the steering committee members responsible of the PFM IT Reforms on IT and PFM issues.	Improved PFM system (measured through internationally recognized diagnostic tools, such as PEFA).	Action plans, developed and approved by MoF, to support the implementation and integration of GFMIS and E-Payment systems (Feb 2015).	TA Report.	Canceled	-	-	-	-
	Assisting the authorities in addressing PFM issues related to the new constitutional mandate to increase public spending in health, education, and scientific research	Defining the boundaries of government spending in health, education, and scientific research and classifying it in line with international standards; and developing a program budgeting framework for the effective and efficient delivery of the constitutional mandate	Improved PFM system (measured through internationally recognized diagnostic tools, such as PEFA).	Improved budget classification (COFOG) (Feb 2015)	TA Report.	New/Completed	14-Nov	2.5	3	5.5

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	TOTAL
	Assisting the authorities in reviewing the Information Technology (IT) arrangements supporting the reform of public finance system to ensure that such IT reforms initiatives are comprehensive, well-coordinated and part of an overall strategy for reform.	Capacity building for the steering committee members responsible of the PFM IT Reforms on IT and PFM issues.	Improved PFM system (measured through internationally recognized diagnostic tools, such as PEFA).	Action plans, developed and approved by MoF, to support the implementation and integration of the Government Financial Management Information System (GFMIS) and E-Payment systems (Feb 2015).	TA Report.	New/Completed	15-Jan	3	2.5	5.5
Revenue Administration	Establish framework of priorities for support to Egypt.	METAC advisor to join headquarters' (HQ) mission to assess needs and priorities.	Focused TA interventions based on agreed priorities.	Approved METAC work plan in May 15.	TA report.	Completed	14-Nov	2	-	2
	Support successful launch of VAT.	Support integration of tax administration in preparation for introduction of VAT.	Support successful launch of VAT.	Support integration of tax administration in preparation for introduction of VAT.	TA report.	Completed	14-Nov	1	3	4

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	TOTAL
Statistics	Improve balance of payments and international investment position statistics.	Monetary, IIP, and External Debt Statistics (EDS) are consistent. The results of the DI survey are published.	<ul style="list-style-type: none"> • The DI survey has been conducted, and the results have been published. • Egypt effectively participates in the CDIS. • The quality of Current Account statistics and of flows and stocks of the private sector's external debt has improved; remittances data are collected by country of origin. • Statistics are consistent with national accounts. • The balance of payments and the IIP are compiled according to <i>BPM6</i> methodology 	Monetary, IIP, and EDS are consistent. The results of the DI survey are published.	Mission report. Hands-on training.	Completed	14-Sep	2	-	2

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	TOTAL
	Improve balance of payments and international investment position statistics.	The quality of current account has improved; remittances data are collected by country of origin. The balance of payments and the IIP are compiled according to <i>BPM6</i> methodology.	<ul style="list-style-type: none"> • The DI survey has been conducted, and the results have been published. • Egypt effectively participates in the CDIS. • The quality of Current Account statistics and of flows and stocks of the private sector's external debt has improved; remittances data are collected by country of origin. • Statistics are consistent with national accounts. • The balance of payments and the IIP are compiled according to <i>BPM6</i> methodology. 	The quality of current Account statistics has improved.	Mission report. Hands-on training.	Canceled	-	-	-	-
	Migration to <i>Government Finance Statistics Manual 2014 (GFSM 2014)</i> including Public Sector Debt Statistics (PSDS).	Collect stock data by instruments, including multitier gross debt data.	Improved integration of stock and flow data.	Report quarterly financial balance sheet and gross debt data (by April 2015).	TA report.	Canceled	-	-	-	-
Egypt Total								22	23	44.5

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	TOTAL
Revenue Administration	Build capacity to implement tax policy initiatives.	Assess implementation capacity.	Enhanced implementation capacity.	Capacity requirements defined; development initiatives implemented.	TA report.	Canceled	-	-	-	-
Statistics	Improve balance of payments and international investment position statistics.	Improving the coverage of current account (goods, services primary income and secondary income accounts). Assist in launching the DI survey as part of efforts to enhance the financial account. Follow up on the status of previous mission recommendations. Improving scope of IIP and consistency with balance of payments.	<ul style="list-style-type: none"> • The quality of current account statistics has improved. • The balance of payments and the IIP are compiled according to <i>BPM6</i> methodology. • The DI survey has been conducted, and the results have been published. 	<ul style="list-style-type: none"> • Improve the coverage of current and capital transfers. • Improve the coverage of goods account. • Implementation of an FDI survey. 	Mission report. Hands-on training.	Completed	14-Dec	3	-	3
Iraq Total								3	0	3

METAC Consolidated FY15 Work Plan May 2014 - April 2015										
TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	TOTAL
Jordan										
Banking Supervision	Enhance supervisory review process.	Improve capacity in monitoring and assessing financial risks, including the conduct of stress tests and detecting EWS of banks and the banking sector.	The Central Bank of Jordan (CBJ) has a risk-focused and effective offsite supervisory framework, including statistical based EWS framework.	Developed a historical database for all banks going back to at least five years on a quarterly basis.	TA report.	Completed	14-Aug	1.5	1.5	3
	Enhance supervisory review process.	Improve capacity in monitoring and assessing financial risks, including the conduct of stress tests and detecting EWS of banks and the banking sector.	The CBJ has a risk-focused and effective offsite supervisory framework, including statistical based EWS framework.	Developed a historical database for all banks going back to at least five years on a quarterly basis.	TA report.	Completed	14-Dec	0.5	1	1.5
	Enhance cross-border and consolidated supervision.	Assist in developing a supervisory college framework for the largest bank in Jordan.	The CBJ has a framework for cooperation with other supervisory authorities and for sharing information related to common banking units, and a better cross-border supervision.	Improved cross-border and consolidated supervision and a robust framework for supervisory colleges.	TA report.	New/Completed	14-Sep	1.5	2	3

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	TOTAL
Public Financial Management	Further strengthening of the budget preparation and execution framework.	Reviewing budget preparation, management of public investment, and the implementation of Government Financial Management and Information System (GFMIS).	Prevention of new arrears incurrence.	Revised budget calendar.	TA report.	Completed	14-Dec	3	3.5	6.5
	Further strengthening of the budget execution framework.	Follow up on the TA already provided on the commitment system and on payment arrears.	Commitment control system (CCS) is consistent with internationally accepted standards.	Expenditure arrears are monitored and controlled on a regular basis (Dec. 2014).	TA report.	Canceled	-	-	-	-
Revenue Administration	Improve collection performance through more effective audit practices.	Strengthen risk-based audit in the medical and construction sectors.	Improved compliance and collection performance in the identified sectors.	Procedures reviewed and training conducted.	TA report.	Completed	14-Nov	1	3	4
	Enhance Large Taxpayers' Office (LTO) revenue performance.	Evaluate critical areas of revenue risk and leakage.	Enhanced service levels and revenue performance.	Compliance gap assessed; compliance model developed.	TA report.	Canceled	-	-	-	-

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	TOTAL
	Increase interaction between the Tax and Customs Departments.	Evaluate current interaction and opportunities for improvement.	Increased levels of inter-departmental cooperation, especially in VAT audit/inspection.	Inter-departmental mechanisms approved and in place.	TA report.	Completed	14-Nov	1	3	4
	Assess future TA requirements and agree future missions.	Meet with the Income Sales Tax Department (ISTD) and Jordan Customs management teams to discuss and agree future support.	Relevant TA based on priorities agreed with the relevant authorities.	Priorities and TA missions agreed.	Mission report.	New/Completed	14-Sep	1.5		1.5
Statistics	Improve balance of payments, international investment position and external debt statistics (EDS).	The balance of payments and IIP compilation system have been updated to implement <i>BPM6</i> .	<ul style="list-style-type: none"> Improved coverage of the external assets of the private, non-bank sector. The compilation of remittances data has been further improved. EDS are fully consistent with international standards. The balance of payments and IIP compilation system have been updated to implement <i>BPM6</i>. 	Reporting balance of payments and IIP data according to <i>BPM6</i> . Public EDS is based on the nonresident status of the holders rather than on currency of denomination of the liabilities.	Mission report. Hands-on training.	Completed	15-Apr	2	1.5	3.5

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	TOTAL
	Compiling Supply and Used Tables (SUTs) for 2010. Improve national account compilation.	Compiling SUTs for 2010. Improve NA compilation.	<ul style="list-style-type: none"> Improving compilation of annual NA, based on assumptions consistent with the current reality of the Jordanian economy. As a cascading effect, improvements in the quality of quarterly national accounts (QNA). Regular production of SUTs. 	<ul style="list-style-type: none"> Updating the base year using 2011 survey data. The SUTs for 2010 completed. 	Mission report. Hands-on training.	Completed	14-Dec	-	1	1
Jordan Total								12.0	16	28

METAC Consolidated FY15 Work Plan May 2014 - April 2015										
TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	TOTAL
Lebanon										
Banking Supervision	Further enhancing cross border supervision.	Develop a supervisory college framework and assist in implementing Cross Border Supervision.	The Banking Control Commission of Lebanon (BCCL) has an enhanced regulatory and supervisory framework that complies with Basel core principles for effective banking, including well trained banks' examiners. Non-banking sector regulation has improved and a supervision manual to supervise non-bank financial institutions is in place. The BCCL is working on introducing supervisory colleges to oversee cross-border activities of largest banks	Developed supervisory college and MoU signed with host supervisory authorities.	Mission report. Hands-on training.	Completed	14-May	0.5	1.0	1.5

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	TOTAL
	Further enhancing cross border supervision.	Follow up on developing supervisory college framework and assist in implementing Cross Border Supervision.	<p>The BCCL has an enhanced regulatory and supervisory framework that complies with Basel core principles for effective banking, including well trained banks' examiners. Non-banking sector regulation has improved and a supervision manual to supervise non-bank financial institutions is in place.</p> <p>The BCCL is working on introducing supervisory colleges to oversee cross-border activities of largest banks.</p>	Developed supervisory college and MoU signed with host supervisory authorities.	Mission report. Hands-on training.	Canceled	-	-	-	-

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	TOTAL
	Further enhancing cross border supervision.	Follow up on developing supervisory college framework and assist in implementing Cross Border Supervision.	The BCCL has an enhanced regulatory and supervisory framework that complies with Basel core principles for effective banking, including well trained banks' examiners. Non-banking sector regulation has improved and a supervision manual to supervise non-bank financial institutions is in place. The BCCL is working on introducing supervisory colleges to oversee cross-border activities of largest banks.	Developed supervisory college and Memorandum of Understanding (MoU) signed with host supervisory authorities.	TA report.	Replaced	-	-	-	-
	Improve risk-based supervision	Upgrade and improve the BCCL inspection manual ad further align it with risk-based supervision approach.	The BCCL adopts a robust risk-based supervision practices and implements a risk-focused inspection manual in line with international best practices.	Risk-based inspection manual, and better and efficient practices to supervise banks.	TA report, and inspection manual	New/Completed	14-Dec	0.5	1.5	2

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	TOTAL
Public Financial Management	Advancing treasury single account (TSA) and cash management reforms.	Assist the authorities with the implementation of the recommendations in the METAC report of November 2013, in particular those related to the development of the TSA.	Improved PFM system (measured through internationally recognized diagnostic tools, such as Public Expenditure and Financial Accountability (PEFA)).	Action plans, developed and approved by MoF, to support the implementation of PFM reforms on TSA and Cash Management (Feb 2015).		New/Completed	14-May	3	2.5	5.5
	Strengthening capacity of the Macro fiscal Unit (MFU).	Training on: (a) methodology for forecasting government revenues and expenditures; and (b) analysis of policies' efficiency and repercussion on the economy.	A top-down, multi-year budget preparation process is adopted.	Macro-Fiscal Department has a good understanding of top-down budgeting techniques, Medium-Term Fiscal Framework (MTFF), Medium-Term Budgeting Framework (MTBF) and Medium-Term Expenditure Framework (MTEF).	Enhance the capacity of the MFU.	Canceled	-	-	-	-

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	TOTAL
	Assessing the impact of the Syrian refugees on certain budget lines.	Assistance in designing a framework to assess the impact of the Syrian refugees on certain budget lines.	All aid and expenses to the refugees are properly captured.	Costs related to Syrian refugee, in the area of primary public expenditure are identified.	Back- to-Office Report	New/Completed	14-Sep	1	-	1
Revenue Administration	Improve collection performance through more effective audit practices.	Strengthen risk-based audit in selected sectors.	Improved compliance and collection performance in the identified sectors.	Procedures reviewed and training conducted.	TA report.	Completed	14-Aug	2	3	5
	Improve Customs practices.	Review requirements and define future TA inputs.	Improved Customs service delivery and collection performance.	Future TA definition agreed and approved.	Briefing Papers.	Canceled	-	-	-	-
	Enhance LTO revenue performance.	Increase use of compliance modeling to direct resource allocation.	Enhanced service levels and revenue performance.	Compliance gap assessed; compliance model developed.	TA report.	Canceled	-	-	-	-
	Long Term Advisor to join IMF Fiscal Affairs Department (FAD) missions.	Long Term Advisor to join missions in Oil & Gas, and the assessment of the VAT Gap.				New/Completed	-	4	-	4

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	TOTAL
Statistics	Improve balance of payments, and international investment position (IIP).	Reviewing results of the DI survey of financial institutions.	<ul style="list-style-type: none"> • DI survey of financial institutions completed. • DI survey is conducted on a regular basis. • IIP statements are compiled and published on a regular basis. 	<ul style="list-style-type: none"> • DI survey of financial institutions completed. • IIP statements are compiled and published on a regular basis. 	Mission report. Hands-on training.	Canceled	-	-	-	-
	Improve balance of payments, and IIP.	Reviewing the compilation of Current Account. The balance of payments and IIP compilation system have been updated to implement <i>BPM6</i> .	<ul style="list-style-type: none"> • The current account data improved • Balance of payments and IIP statistics are compiled in accordance with <i>BPM6</i> methodology. 	The current account data improved. Reporting balance of payments and IIP data according to <i>BPM6</i> .	Mission report. Hands-on training.	Canceled	-	-	-	-
	Improve Price Statistics compilation.	Preparing producer price index (PPI) compilation	The PPI compiled and disseminated.	The PPI compiled and disseminated.	Mission report. Hands-on training.	New/Completed	15-Apr	-	2.5	2.5

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	TOTAL
	Improving compilation of national accounts.	Improving compilation of NA.	<ul style="list-style-type: none"> The surveys needed for the compilation of NA are conducted periodically. In line with international standards, sustainable compilation of annual NA at current and constant prices by production and expenditure has been developed. 	<ul style="list-style-type: none"> Sustainable unit established within Central Administration of Statistics (CAS) for compilation of NA. CAS receives data needed for the compilation of NA from the MoF and the Ministry of Municipalities and uses the data in compliance with the detailed guidelines provided by previous mission. 	Mission report. Hands-on training	Completed	15-Feb	-	3	3
Lebanon Total								11	13.5	24.5

METAC Consolidated FY15 Work Plan May 2014 - April 2015										
TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	TOTAL
Libya										
Banking Supervision	Assist the Central Bank of Libya (CBL) in transforming conventional banks to Islamic banks.	Upgrade and improve templates and call reports for key supervisory returns and align them with Islamic banks services and products including development of new set of financial statements for Islamic banks.	An improved level of banks returns and call reports from banks was completed which allows for implementing adequate supervision of banks activities and monitoring their financial performance.	Draft supervisory new templates and call reports.	Drafted templates and call reports for key supervisory returns	Canceled	-	-	-	-
	Assist the CBL in transforming conventional banks to Islamic banks.	Upgrade and improve templates and call reports for key supervisory returns and align them with Islamic banks services and products including development of new set of financial statements for Islamic banks.	An improved level of banks returns and call reports from banks was completed which allows for implementing adequate supervision of banks activities and monitoring their financial performance	Draft supervisory new templates and call reports.	Drafted templates and call reports for key supervisory returns	Canceled	-	-	-	-

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	TOTAL
	Assist the CBL in transforming conventional banks to Islamic banks.	Drafting Islamic Banking circulars.	A number of key prudential circulars for Islamic banks have been issued.	Developed prudential regulations for Islamic banks in line with Islamic Financial Services Board (IFSB) standards.	Drafted circulars.	Canceled	-	-	-	-
Public Financial Management	Establish a Treasury Single Account (TSA) and modernize Cash Management.	Assist with development of TSA strategy.	TSA established.	Idle bank balances are eliminated (April 2015).	TA report.	Canceled	-	-	-	-
	Establish a TSA and modernize Cash Management.	Assist with development of TSA strategy and its implementation plan 1/2.	TSA established.	Idle bank balances are eliminated (April 2015).	TA report.	Canceled	-	-	-	-
	Establish a TSA and modernize Cash Management.	Assist with development of TSA strategy and its implementation plan 2/2.	TSA established.	Idle bank balances are eliminated (April 2015.)	TA report.	Canceled	-	-	-	-
Revenue Administration	Increase Customs collections through diversifying revenue sources.	Evaluate current environment.	Increased and diversified Customs revenues.	Resident advisor to join HQ mission.	TA report.	Canceled	-	-	-	-

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	TOTAL
Statistics	Improving balance of payments statistics and initiating compilation of an IIP.	Improving balance of payments statistics and initiating compilation of an IIP.	<ul style="list-style-type: none"> • he quality of balance of payments has improved gradually, in particular regarding remittances. • A DI survey has been conducted. • Libya compiles and publishes an IIP. 	<ul style="list-style-type: none"> • The population of companies to be included in a DI survey has been identified. • First IIP statement compiled and published. 	Mission report. Hands-on training.	Canceled	-	-	-	-
	Improving balance of payments statistics and initiating compilation of an IIP.	Improving balance of payments statistics and initiating compilation of an IIP (follow up).	<ul style="list-style-type: none"> • The quality of balance of payments has improved gradually, in particular regarding remittances • A DI survey has been conducted • Libya compiles and publishes an IIP 	<ul style="list-style-type: none"> • The population of companies to be included in a DI survey has been identified • First IIP statement compiled and published 	Mission report. Hands-on training	Canceled	-	-	-	-
	Improving CPI compilation and restarting compilation of the PPI.	Improving CPI compilation and restarting compilation of the PPI.	<ul style="list-style-type: none"> • The CPI weights have been updated based on the results of a new household budget survey. • Expanded coverage of the PPI to include agriculture, construction, services, and other activities to align with the production accounts compiled by the NA staff. 	<ul style="list-style-type: none"> • Coverage of the CPI expanded. • Continuous time series of data for Tripoli-only index available. 	Mission report. Hands-on training.	Canceled	-	-	-	-

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	TOTAL
	Improving compilation of national accounts.	Assess the compilation of NA.	<ul style="list-style-type: none"> The surveys needed for the compilation of NA are conducted periodically. In line with international standards, sustainable compilation of annual NA at current and constant prices by production and expenditure has been developed. 	Improving NA statistics.	Mission report. Hands-on training.	Canceled	-	-	-	-
	Migration to GFSM 2014 including Public Sector Debt Statistics (PSDS).	Prepare a migration plan, institutional structure of the public sector, flow and stock data.	Improved integration of stock and flow data.	Report quarterly cash flow statement, financial balance sheet, and gross debt data (by April 2016).	TA report.	Canceled	-	-	-	-
Libya Total								0	0	0

METAC Consolidated FY15 Work Plan May 2014 - April 2015										
TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	TOTAL
Sudan										
Banking Supervision	Improve the regulatory and supervisor framework.	Assist in drafting stress testing regulation and in conducting stress test on operating banks resilience.	The Central Bank of Sudan (CBOS) has an updated regulatory framework that includes comprehensive instructions and guidelines regarding the supervision of Islamic banks services and products.	Developed regulation on stress testing and conducted stress testing on operating banks resilience.	Drafted regulation and stress test to be conducted.	Canceled	-	-	-	-
	Improve the regulatory and supervisor framework.	Upgrade the inspection manual to be in line with risk-based approach.	The CBOS has an effective supervisory framework including manuals for effective supervision over Islamic banks and a strong enforcement framework.	Risk-based on-site inspection manual in line with international best practices.	Inspection manual.	Completed	14-Dec	1.5	1.5	3
	Improve the regulatory and supervisor framework.	Upgrade the inspection manual to be in line with risk-based approach.	The CBOS has an effective supervisory framework including manuals for effective supervision over Islamic banks and a strong enforcement framework.	Risk-based on-site inspection manual in line with international best practices.	Inspection manual.	Completed	15-Feb	0.5	1.5	2

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	TOTAL
Public Financial Management	Create sensitization and awareness of International Public Sector Accounting Standards (IPSAS) and help the senior officials to appreciate the need for adopting international standards, the requirements of IPSAS and pronouncements, the lessons and experiences of countries who have adopted IPSAS, and to assess where Sudan stands in terms of meeting the requirements of IPSAS.	Training on IPSAS Cash Accounting.	Adoption of IPSAS Cash basis.	Action plans, developed and approved by the Ministry of Finance and National Economy (MoFNE), to support the implementation of IPSAS Cash Basis (April 2015).	TA report.	Completed	15-Jan	3.0	2	5

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	TOTAL
	Budget preparation: strengthen the analytical capacity of the Macroeconomic Programming Unit of the General Directorate of Planning and Research. Develop a medium-term plan consistent with the macro-framework and linked to annual budget allocations, and a comprehensive financing plan with both cash and noncash financing accounting basis and the compilation of consolidated general government statistics.	Assist to review the budget preparation process and develop a Medium-Term Framework (MTF).	MTFF is linked to Staff Monitored Program (SMP) structural benchmark.	Budget Department at the MOFNE has a good understanding of top-down budgeting techniques, MTFF, MTBF and MTEF (Nov. 2014).	TA report.	Cancelled	-	3	3	6
Revenue Administration	Improve taxpayer service and compliance management.	Support preparation of Information Systems/Information Technology (IS/IT) strategy and investment plan.	Enhancement of IT for taxpayer management.	Strategy and plan prepared; funding secured.	TA report.	Canceled	-	-	-	-

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	TOTAL
	Increase the Taxation Chamber's ability to attract and retain staff with scarce skills.	Conduct stakeholders' workshop to list and evaluate alternative staff retention options.	Lower levels of skills shortage in the Taxation Chamber.	Introduction of market-responsive staff retention practices.	TA report.	Completed	15-Jan	2	-	2
Statistics	Improve balance of payments and international investment position statistics	Implementation of a DI survey, training of dedicated staff. Reporting data according to <i>BPM6</i>	<ul style="list-style-type: none"> • The DI survey is conducted, and the results are published. • Sudan effectively participates in the CDIS. • Capital transfers are identified and recorded in the balance of payments. • Balance of payments and IIP are compiled according to <i>BPM6</i> methodology. 	<ul style="list-style-type: none"> • DI survey conducted. • DI survey results analyzed and published. • Data on current and capital transfers are collected. • Estimates of informal trade are made regularly. 	Mission report. Hands-on training	Completed	14-Aug	3	-	3
	Improve balance of payments and international investment position statistics.	DI survey, review of results.	<ul style="list-style-type: none"> • The DI survey is conducted, and the results are published. • Sudan effectively participates in the CDIS. • Capital transfers are identified and recorded in the balance of payments. • Balance of payments and IIP are compiled according to <i>BPM6</i> methodology. 	<ul style="list-style-type: none"> • DI survey conducted. • DI survey results analyzed and published. • Data on current and capital transfers are collected. • Estimates of informal trade are made regularly. 	Mission report. Hands-on training.	Completed	15-Apr	2	-	2

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	TOTAL
	Improving compilation of NA.	Improving compilation of NA.	<ul style="list-style-type: none"> • A new base year has been implemented. • Source data have improved. 	<ul style="list-style-type: none"> • Establishment census conducted. • Classification of imports reviewed. 	Mission report. Hands-on training.	Completed	14-Aug	0	3	3
	Improve Price statistics	Improve PPI compilation	Develop a detailed work plan for improving, compiling and disseminating the PPI	PPI compiled and disseminated	Mission report. Hands-on training.	New/Completed	14-Aug	0	1	1
Sudan Total								16	16	32

METAC Consolidated FY15 Work Plan May 2014 - April 2015										
TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	TOTAL
West Bank and Gaza										
Banking Supervision	Enhance the supervisory framework and align it with risk based supervision.	Review and update the supervisory inspection manual.	<p>The Palestine Monetary Authority (PMA) has a new risk-based on-site inspection manual tailored to be commensurate with the risk profile of each banking institution and takes into consideration The latest developments in banking supervision.</p> <p>The PMA has a new offsite supervision system that enhances and support the work of their offsite monitoring and analysis, which complements the activities performed at the level of onsite supervision.</p>	The new risk-based supervisory framework.	Drafted Manual	Completed	14-May	0.5	1.5	2

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	TOTAL
	Enhance the supervisory framework and align it with risk based supervision.	Assist in the implementation of the new supervisory manual.	<p>The PMA has a new risk-based on-site inspection manual tailored to be commensurate with the risk profile of each banking institution and takes into consideration the latest developments in banking supervision.</p> <p>The PMA has a new offsite supervision system that enhances and support the work of their offsite monitoring and analysis, which complements the activities performed at the level of onsite supervision.</p>	The new risk-based supervisory framework.	Hands-on training and risk-based inspection manual.	Completed	15-Jan	0.5	3	3.5

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	TOTAL
	Enhance the supervisory framework and align it with risk based supervision.	Assist in the implementation of the new supervisory manual.	<p>The Palestine Monetary Authority (PMA) has a new risk-based on-site inspection manual tailored to be commensurate with the risk profile of each banking institution and takes into consideration the latest developments in banking supervision.</p> <p>The PMA has a new offsite supervision system that enhances and support the work of their offsite monitoring and analysis, which complements the activities performed at the level of onsite supervision.</p>	The new risk-based supervisory framework.	Hands-on training and risk-based inspection manual.	New/Completed	14-Oct	0.5	3	3.5

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	TOTAL
	Enhance the supervisory framework and align it with risk based supervision.	Assist in the implementation of the new supervisory manual.	<p>The PMA has a new risk-based on-site inspection manual tailored to be commensurate with the risk profile of each banking institution and takes into consideration the latest developments in banking supervision.</p> <p>The PMA has a new offsite supervision system that enhances and support the work of their offsite monitoring and analysis, which complements the activities performed at the level of onsite supervision.</p>	The new risk-based supervisory framework.	Hands-on training and risk-based inspection manual.	New/Completed	15-Apr	0.5	3	3.5
Public Financial Management	Review the status of the PFM reform agenda, as defined in the Palestinian National Development Plan (PNDP), and current plans regarding financial mechanisms for the reconstruction of Gaza.	Review progress in implementing PFM reform agenda.	Improved PFM system (measured through internationally recognized diagnostic tools, such as Public Expenditure and Financial Accountability (PEFA)).	PFM reform strategy and action plans updated (January 2015).	TA report.	Completed	14-Nov	2	2	4

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	TOTAL
Statistics	Improve balance of payments and international investment position statistics.	Compiling CDIS and CPIS.	<ul style="list-style-type: none"> • Consistency between balance of payments flows (current and capital accounts) and IIP stocks has been ascertained. • The balance of payments and the IIP are compiled according to <i>BPM6</i> methodology. 	Reporting balance of payments and IIP data according to <i>BPM6</i> . Participate in the CDIS and CPIS.	Mission report. Hands-on training.	Completed	15-Feb	1	3	4
	Improve national account compilation.	Updating economic surveys data according to changes related to 2012 census for the years (2009-2011). Update the base year.	Improve NA compilation and statistics.	Updating economic surveys data according to changes related to 2012 census for the years (2009-2011). Update the base year.	Mission report. Hands-on training.	Completed	14-May	-	3	3
	Improve prices statistics.	Assess CPI and PPI compilation.	Improve prices statistics compilation and statistics.	Review CPI and PPI compilation.	Mission report. Hands-on training.	Completed	14-Dec	-	3	3
West Bank and Gaza Total								9	27.5	36.5

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	TOTAL
Public Financial Management	Establish a Treasury function.	Conduct a comprehensive study and devise an action plan to transfer the Treasury function from CBY to the MoF.	Treasury function established.	Action plan to transfer the Treasury function from CBY to MoF approved (January 2015).	TA report.	Canceled	-	-	-	-
Revenue Administration	Enhance revenue performance.	Assess near and medium-term development and TA requirements.	Enhanced performance capacity.	Development requirements prioritized and TA support agreed.	TA report.	Canceled	-	-	-	-
Statistics	Improving balance of payments statistics and IIP statistics.	Improving balance of payments statistics and IIP statistics.	<ul style="list-style-type: none"> Improved coverage of remittances data; better estimates of foreign direct investment (FDI) flows and stocks. Semi-annual balance of payments data are available within six months of the reference period. 	<ul style="list-style-type: none"> New International Transaction Reporting System (ITRS) forms implemented. Balance of Payments Unit structured and responsibilities defined. 	Mission report. Hands-on training.	Canceled	-	-	-	-

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	TOTAL
	Improving balance of payments statistics and IIP statistics (follow up).	Improving balance of payments statistics and IIP statistics (follow up.)	<ul style="list-style-type: none"> Improved coverage of remittances data; better estimates of FDI flows and stocks. Semi-annual balance of payments data are available within six months of the reference period. 	<ul style="list-style-type: none"> New ITRS forms implemented. Balance of Payments Unit structured and responsibilities defined. 	Mission report. Hands-on training.	Canceled	-	-	-	-
	Improving compilation of national accounts.	Improving compilation of NA.	<ul style="list-style-type: none"> Annual NA at current and constant prices are compiled on sound methodological bases and use the most recent economic surveys results. 	<ul style="list-style-type: none"> Coverage of GDP estimates improved. GDP estimates by production and expenditure reconciled. 	Mission report. Hands-on training.	Completed	14-Dec	-	3	3
	Updating the CPI and compiling a PPI.	Updating the CPI and compiling a PPI.	<ul style="list-style-type: none"> The CPI is compiled on sound basis, using appropriate item classifications and specifications. The Central Statistical Organization (CSO) compiles and publishes regularly a PPI. 	<ul style="list-style-type: none"> Establishments recruited. Weights available at the 4-digit level of International Standard Industrial Classification (ISIC) Revision. 	Mission report. Hands-on training.	Canceled	-	-	-	-
Yemen Total								1.5	6.5	8
Total Person Weeks								98	119	216

ANNEX V: LIST OF SEMINARS AND WORKSHOPS IN FY 2015

Title of Seminar/Workshop	Location	Collaborating Institution	Number of Participants
Basel III: Practical Aspects and Implementation	Lebanon	METAC	20
Risk-Based Supervision in Institutions Offering Islamic Financial Services	Kuwait	METAC & IMF, CEF	30
Compilation of Financial Account and External Sector Position Statistics	Lebanon	METAC	25
The Sixth Edition of the Balance of Payments and International Investment Position Manual (<i>BPM6</i>)	Lebanon	METAC	29
The Price Statistics Compilation Issues	Lebanon	METAC & IMF, STA	31
Medium-Term Expenditure Frameworks	Lebanon	METAC	27
Fiscal Reporting and Transparency	Kuwait	METAC & IMF, CEF	32
Tax-Customs Interaction	Lebanon	METAC	32
Understanding Compliance Behavior	Kuwait	METAC & IMF, CEF	22

ANNEX VI: METAC STEERING COMMITTEE MEMBERS

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METAC STAFF PROFILES

The Center is staffed with a Center Coordinator, four 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. Mohamad Elhage

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Prior to METAC, Mr. Elhage was an Advisor and Senior Budget Manager in the Institute for Capacity Development in the International Monetary Fund (IMF). Mr. Elhage has more than 20 years experience at the IMF. He served on the Executive Board and as a Senior Economic Advisor at the Central Bank of Libya. His Fund experience includes dealing with all aspects of training, managing technical assistance programs, and leading surveillance and program missions to countries in the Middle East and Central Asia region. He was the IMF mission chief for Afghanistan, Libya, and United Arab Emirates. Before joining the IMF in 1992, Mr. Elhage worked as an economist in the United States Department of Commerce.

Banking Supervision Advisor

Mr. Ahmad El Radi

E-mail: aelradi@imf.org



Before rejoining METAC, Mr. Ahmad El Radi worked for five years as the Group Chief Risk Officer for a leading Lebanese Bank with subsidiaries in the Middle East, North Africa and Europe. There, his duties included assisting the Board of Directors and senior management in developing the group's risk strategy and policies, following up on their implementation, and identifying, evaluating and monitoring the group's risks. Prior to that, Mr. El Radi worked for four years at METAC as the Banking Supervision Advisor, where he assisted the supervisory authorities in some countries of the Middle East region in enhancing their practices in banking supervision and providing them with advices in line with Basel Committee on Banking Supervision (BCBS) and the Islamic Financial Services Board (IFSB). Before METAC, Mr. El Radi occupied the position of the International Monetary Fund (IMF) Resident Advisor in Banking Supervision at the Central Bank of Syria (CBoS) for three years (January 2002 till December 2004), where he assisted in the development of the CBoS supervision framework including drafting supervisory regulations in line with Basel Committee recommendations and in building the staff capacity. Before joining the IMF, he worked at the Banking Control Commission – Banque du Liban – for a period of nineteen years (February 1983 till December 2001) during which he has occupied several senior functions in On-Site and Off-Site banking supervision, and was nominated as an Interim Manager at an insolvent bank.

External Statistics Advisor**Mr. Malik Bani Hani****E-mail: mbanihani@imf.org**

Before joining METAC, Mr. Bani Hani, served for ten years as a Senior Economist in the Balance of Payments (BOP) Division in the Research Department at the Central Bank of Jordan (CBJ). He compiled and analyzed Jordan's BOP, international investment position, and external debt statistics. During his work at the CBJ, he was assigned to the Prime Minister Economic Office as a Senior Economic Researcher for two years. Since 2007, Mr. Bani Hani has been a member of the IMF Statistics Department panel of technical assistance experts. In this capacity he participated in several IMF missions to Arab countries to oversee the overhaul of the countries' BOP statistics compilation system. Prior to that, he worked for over six years in the United Arab of Emirates in different positions and held part-time positions as a lecturer in various Educational Institutions, where he taught Economics, Statistics, Financial Accounting and Financial Analysis. During his career at the CBJ, Mr. Bani Hani played an active role in developing Jordan's BOP and IIP compilation practices, joining the SDDS and developing FDI statistics.





Revenue Administration Advisor**Mr. Charles Jenkins****E-mail: cjenkins@imf.org**

Mr. Jenkins has been involved in the field of public revenue administration for over twenty years, both as a private sector consultant with Deloitte and PricewaterhouseCoopers, and as an executive manager. He has assisted tax and customs authorities in numerous countries in the areas of strategic development, organizational integration and change, new systems implementation, and performance management. He has also served as the Commissioner General of the Revenue Authority in Lesotho.

Public Financial Management Advisor**Mr. Jacques Charaoui****E-mail: jcharaoui@imf.org**

Before joining METAC, Mr. Jacques Charaoui served as a project manager for a World Bank reform project at the ministry of finance of Lebanon. The project aims at improving efficiency of public financial resources through the implementation of a number of core inter-linked reforms in budget preparation and execution and in debt and aid management. He provided technical guidance on various project components, focusing mainly on Budget Classification and Chart of Account in line with Government Finance Statistics Manual 2001 (GFSM2001), and on a new modern budget system law. Earlier in his career, Mr. Charaoui worked for over 10 years in consulting in Europe where he conducted several evaluation and technical assistance missions.

METAC Operations are also supported by four Local Staff:

			
Mrs. Sawsan Saidi Office Manager	Ms. Ingrid Nehme Administrative Assistant	Mrs. Nathalie Tawil Administrative Assistant	Mr. Fadi Mehrez Driver/Messenger

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