

**MIDDLE EAST
REGIONAL TECHNICAL
ASSISTANCE CENTER**



ANNUAL REPORT 2023



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**ANNUAL
REPORT
2023**



ACRONYMS AND ABBREVIATIONS

AML/CFT	Anti-Money Laundering and Combating the Financing of Terrorism	ISORA	International Survey on Revenue Administration
ASYCUDA	Automated System for Customs Data	MCM	Monetary and Capital Markets Department (IMF)
CBO	Central Bank Operations	MENA	Middle East and North Africa
CD	Capacity Development	METAC	Middle East Regional Technical Assistance Center (IMF)
CEF	Middle East Center for Economics and Finance (IMF)	MoF	Ministry of Finance
CPI	Consumer Price Index	MTFF	Medium-Term Fiscal Framework
CRM	Compliance Risk Management	MTRS	Medium-Term Revenue Strategy
D4D	Data for Decisions (IMF CD Trust Fund)	PEFA	Public Expenditure and Financial Accountability
DG NEAR	Directorate General for Neighbourhood and Enlargement Negotiations (EU)	PFM	Public Financial Management
EU	European Union	PCA	Post Clearance Audit
FAD	Fiscal Affairs Department (IMF)	PPI	Producer Price Index
FCS	Fragile and Conflict-Affected States	PPP	Public-Private Partnership
FSR	Financial Supervision and Regulation	PSDS	Public Sector Debt Statistics
FRS	Fiscal Risk Statement	RBS	Risk-Based Supervision
FTE	Full-Time Equivalent	RCDC	Regional Capacity Development Center
FY	Fiscal Year	RPPI	Residential Property Price Index
GDP	Gross Domestic Product	RSS	Real Sector Statistics
GIZ	Gesellschaft für Internationale Zusammenarbeit (Germany)	SECO	State Secretariat for Economic Affairs (Switzerland)
HQ	Headquarters (IMF)	SOE	State-Owned Enterprise
ICAAP	Internal Capital Adequacy Assessment Process	SRP	Supervisory Review Process
ICF	Internal Control Framework	STA	Statistics Department (IMF)
IFMIS	Integrated Financial Management Information Systems	SUT	Supply and Use Table
IFRS	International Financial Reporting Standards	TA	Technical Assistance
IFSB	Islamic Financial Services Board	TADAT	Tax Administration Diagnostic Assessment Tool
		TSA	Treasury Single Account
		UNESCWA	United Nations Economic and Social Commission for Western Asia

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STATEMENT BY THE CHAIRPERSON OF METAC'S STEERING COMMITTEE



H.E. Youssef El Khalil
Minister, Ministry of Finance of Lebanon

The MENA region is confronted with challenging times in a world that is facing multiple crises. Technical assistance needs are therefore high and increasing. In this context, it is reassuring to see that METAC is committed to scale up its activities, in tandem with a substantial increase in IMF support to the region.

METAC has recently embarked on its fifth program phase, with ambitious plans to expand its capacity development efforts in the coming years. These efforts include venturing into new areas of activity such as tax policy, government finance statistics, and macroeconomic frameworks, while also bolstering its team of experts.

We congratulate the METAC team on the inauguration of their new and expanded office, which will accommodate a substantially increased size of staff and capacity development operations. We take great pride in having hosted METAC for almost two decades and appreciate the IMF's decision to remain in Lebanon during this particularly challenging time. We understand that this decision reflects the IMF's strong commitment to Lebanon as well as trust in this country.

METAC has been a success story since 2004, actively supporting the development of human and institutional capacity in macroeconomic management for its

member countries. The foundation of this success lies in the tripartite collaboration between the IMF, member countries, and the development partners. This collaboration benefits all parties involved. For members, it provides flexible capacity development opportunities and grants access to a wide array of analytical tools and knowledge available at the IMF. For development partners, it fosters synergies and avenues for collaboration with the international community. Lastly, it enables the IMF to bring capacity development closer to countries and develop a deeper and more sustained engagement on policy and implementation matters.

METAC's regional conference in June 2023 on the occasion of its office reopening provided an opportunity to celebrate METAC's collaborative capacity development efforts, facilitate peer-to-peer exchanges, and strengthen coordination among developing partners and member countries. It included a fruitful exchange of perspectives and experiences with the Center's work and member states' priorities for its future support.

The subsequent steering committee meeting marked the first meeting in the new program phase. It highlighted METAC's activities and accomplishments over the past year, as well as its plans for the upcoming year. The Steering Committee unanimously endorsed METAC's ambitions workplan for fiscal year 2024 and welcomed the Center's initiatives to innovate and expand its activities both in scale and scope.

In closing, I would like to express our gratitude to METAC's development partners - Germany, the Netherlands, Switzerland, France, and the European Union - for their longstanding and unwavering support of the Center's work. Their engagement with METAC is a crucial and highly valued contribution towards fostering stronger macroeconomic institutions in the Middle East and North Africa region.

EXECUTIVE SUMMARY

METAC's new program phase envisages a large expansion of capacity development (CD) activities in both scale and scope. The Center started its new program Phase V in January 2023, after three extensions of Phase IV (2016-2022). METAC adds at least three new workstreams to its portfolio: government finance statistics, tax policy, and macroeconomic frameworks. The latter two workstreams will be expanded compared to the original Phase V program document plans. Likewise, METAC's tax administration and financial supervision and regulation workstreams will be bolstered by the addition of new regional advisors with special focus on fragile and conflict-affected states (FCS).

The IMF is substantially increasing its own financial contribution to METAC CD. In line with the IMF's FCS strategy, METAC will further increase its focus on working with its fragile member countries and tailor its work program to their specific CD needs. To this end, the IMF is financing three additional regional advisor positions: one each in the areas of financial supervision and regulation, tax administration, and tax policy. Several new regional advisors have been recruited and will join the center before the end of the year, bringing the total number of advisors to 12. In addition, METAC will be the first regional capacity development center (RCDC) for which the IMF will cover the full administrative

budget, including local administrative staff, from fiscal year (FY) 2025.

METAC delivered 111 CD activities in FY23. Despite continued challenges related to the return to in-person missions following the pandemic-related disruptions and political instability in some member countries, METAC significantly increased its CD delivery compared to the previous year (87 CD activities in FY22). While actual outcomes were close to original plans in revenue administration, real sector statistics, and financial supervision and regulation, delivery in central bank operations (CBO) and (to a lesser extent) public financial management (PFM) remained lower due to temporary vacancies in the respective expert positions and the need to revamp the work program in the CBO workstream following the arrival of the new advisor.

Progress was achieved on 87 percent of workplan milestones. About 73 percent of the milestones were fully or largely achieved, a marked improvement compared to FY22.

METAC delivered eleven regional training and peer-to-peer activities and published two *Regional Notes*.

Almost four hundred government officials attended METAC's regional training events during the year. This included five regional training courses delivered jointly with the IMF

Middle East Center for Economics and Finance (CEF) in Kuwait, five regional workshops, and one peer study tour. The Regional Notes are on the role of budgeting for efficient social expenditures (prepared in collaboration with the United Nations Economic and Social Commission for Western Asia (UNESCWA)) and on lessons from PFM capacity development in METAC's FCS member states, respectively. The main purpose of these notes is to foster peer learning—the notes are available at METAC website www.imfmetac.org under the *Publications* tab.

In December 2022, the METAC team moved into newly constructed office premises. METAC's previous office was destroyed in the August 2020 Beirut harbor explosion. A new office location was identified in October 2021, and construction commenced in August 2022.

On June 7-8, 2023, METAC held a regional conference to celebrate the reopening of the office and the start of the new program phase, back-to-back with the 2023 SC meeting.

Staff turnover was high in FY23, and METAC continued to expand its team.

In the regional advisor team, CBO advisor Michel Stubbe left the Center in mid-July 2022 and was replaced by Stefaan Ide in October. PFM advisor Benoit Wiest left METAC in September 2022 and was succeeded by Yasser Sobhi at the end of November. In March 2023, Fadia Sakr, METAC's tax administration advisor since September 2020, moved to IMF HQ. In the administrative team, Joey Ghaoui joined in June 2022 as METAC's third administrative assistant (a newly created local staff position). Ingrid Nehme left METAC to join the IMF's new resident representative office in Lebanon as office manager in July and was succeeded by Zeinab Hammoud in October. Rana Hariz joined in November as METAC's new office manager, succeeding Anita Semaani.

Total expenses in FY23 amounted to US\$5 million. Expenses fell short of the



The intervention of the IMF and METAC in Lebanon during this critical year has been a beacon of hope and support for the nation. Their collaborative efforts have brought about numerous positive outcomes including lessening economic vulnerability, supporting vital reform initiatives, expanding aid and assistance modalities, and strengthening international collaboration.

**Georges Maarrawi,
Director General,
Ministry of Finance, Lebanon**

FY23 budget due to savings in travel costs, the postponed introduction of the GFS workstream, two temporary resident advisor vacancies, and related lower short-term expert expenses.

Four new contribution agreements for Phase V were signed in FY23. Morocco (USD 1 million) and France (EUR 2 million) signed agreements in July 2022, the European Union committed EUR 3 million in November 2022, and Germany provided EUR 5 million in December 2022. Together with earlier agreements, total development partner and member country commitments are currently around USD 22 million. We are grateful for the enduring partnerships with Germany, Switzerland, the

Netherlands, the European Union, and France, as well as Algeria's and Morocco's timely member contributions well ahead of the start of the new program phase. Fundraising efforts are ongoing to close the remaining funding gap and to realize the ambitious expansion of METAC's CD services envisaged in the coming years.

METAC will significantly expand its CD delivery in FY24. The workplan for FY24 currently comprises 125 CD activities,¹ equivalent to 10.8 full-time equivalents (FTEs). Compared to previous years' reports, this excludes tentative activity plans and placeholders, for which official requests from member country authorities have not yet been received. The figure does also not yet include activities in the new workstreams. More activities will be added also to the revenue administration workstream now that the IMF-financed tax administration advisor has joined METAC. Finally, METAC will offer regional events covering cross-cutting topics of high relevance, such as on climate change and gender economics, in close coordination with IMF headquarters and in collaboration with development partners.

METAC continues to operate in a challenging operational environment which is frequently causing disruptions to CD delivery and changing CD needs and priorities. This requires flexibility in the implementation of the Center's work program and agility in the reallocation of resources. METAC strives to adapt its CD delivery to the challenges especially in its fragile and conflict-affected member countries by providing well-tailored, robust, and longer-term support adapted to low absorptive capacity, while reacting flexibly to emerging short-term CD needs and changing country constraints.

¹ Several activities for Sudan had to be canceled or postponed to FY25 due to the current conflict.

SECTION I

OVERVIEW

OVERVIEW

In 2022, most Middle East and North Africa (MENA) economies proved more resilient than expected, and growth surprised on the upside.

Stronger economic growth was mainly attributable to robust domestic demand—despite the negative impact of high inflation on households' purchasing power and firms' production costs. Growth was further supported by a rebound in oil production for oil exporters, while emerging markets benefited from a recovery of tourism, as well as robust remittance inflows and credit growth.

Inflation remained elevated in MENA emerging markets. While inflation appears to have peaked in some countries, it continues to rise in others. This partly reflects the impact of past exchange rate depreciations and high food prices, but also broadening price pressures. Most central banks raised policy rates substantially over the past two years, although by varying degrees, and monetary policy remains loose in several countries and may need to be tightened further to stabilize inflation.

Fiscal positions in the region were mixed but broadly tight. Primary fiscal deficits in emerging market oil importing countries improved on average in 2022, reflecting higher tax revenues partly offset by the policy response to mitigate the impact of rising commodity prices, while interest expenses remained broadly stable. Debt-to-GDP ratios for MENA

emerging markets stabilized on average, with the factors contributing to higher debt–interest payments, primary deficits, and exchange rate depreciation—broadly offset by the contribution of inflation and growth in reducing debt ratios. In most low-income countries, primary fiscal positions deteriorated on account of higher commodity prices.

In 2023, growth prospects have been weakening across the region, while inflation pressures remain persistent.

Tighter monetary and fiscal policies are dampening domestic demand. Lower oil production weighs on growth in oil-exporting countries. Headline inflation is set to remain at high levels in 2023, in some cases reflecting exchange rate depreciation. Medium-term disinflation will be driven by lower commodity prices, easing supply chain disruptions, and slowing activity due to tighter fiscal and monetary policy stances. Fiscal and external vulnerabilities will persist in emerging market economies, with fiscal efforts expected to be partly offset by higher interest expenses. In some oil exporting countries, lower oil prices may strain fiscal balances. External financing needs are set to increase across the board on the back of weaker current accounts and external debt redemptions.

The balance of risks remains tilted to the downside. Downside risks include slower growth in advanced economies due to global financial stress, prolonged tighter global



SECO supports METAC activities which aim to strengthen macroeconomic and financial sector stability as a key enabler of growth and prosperity in the MENA region. METAC delivers capacity building in eight key areas which are vital to further this objective: Banking Regulation and Supervision, Central Bank Operations, Public Financial Management, Revenue and Customs Administration, Macroeconomic Framework, Tax Policy, Government Finance Statistics and Real Sector Statistics.

Macroeconomic Support Division, State Secretariat for Economic Affairs (SECO), Switzerland

financial conditions and debt distress risks, more entrenched inflation expectations, food security and increased social tensions, intensification of regional conflicts, deepening geo-economic fragmentation, and climate change-related risks from adverse weather events such as severe heat waves, droughts, and floods. Delays in the implementation of reforms, especially in emerging market and middle-income countries, could weaken medium-term growth prospects, exacerbate ongoing scarring from the pandemic, and worsen vulnerabilities.

The IMF will support the MENA region through program financing and a substantial expansion of CD delivery.

The region has a high proportion of fragile and program countries with high CD needs. CD demand remains high in core areas such as public financial management (PFM), revenue administration, financial stability, and macroeconomic statistics, while demand has been increasing in the areas of central bank operations (CBO), debt management, macroeconomic frameworks, and anti-money Laundering and combating the financing of terrorism (AML/CFT). The IMF's FY24 CD budget for the region has increased by 20 percent.

In January 2023, METAC transitioned to its new program Phase V. The new program will see a significant expansion of METAC's activities, both in scale and in scope. METAC is adding three new workstreams to its portfolio: tax policy, macroeconomic frameworks, and government finance statistics (GFS). In line with the IMF's FCS strategy, METAC will further increase its focus on supporting its fragile member countries and tailor its work program to their specific CD needs.

The IMF is significantly stepping up its financial support for METAC CD. Going forward, the IMF will cover METAC's administrative budget, including the

local administrative team salaries. In addition, with the implementation of its FCS strategy, the IMF is financing from its own budget three FCS-focused regional advisor positions at METAC, one each in financial supervision and regulation, tax administration, and tax policy. The first new regional advisors joined METAC in July and September 2023, and more will follow in the remainder of this year. This will allow METAC to expand its services substantially without having to increase the steering committee-endorsed budget envelope for Phase V.

METAC's priorities in FY24 are as follows:

- In **public financial management**, METAC continues to give special attention to FCS. Strengthening PFM systems focuses on comprehensive, credible, and policy-based budget preparation (revenue and expenditure forecasting, medium-term budget frameworks, program-based budgeting, and fiscal rules), improved budget execution (expenditure control, and cash management), and asset-liability management (treasury single accounts (TSA), cash forecasting). CD delivery includes substantial hands-on training. Furthermore, METAC continues to contribute to strengthening PFM laws and effective institutions; coverage, quality, and timeliness of fiscal reporting; and the identification, monitoring, and management of fiscal risks from public-private partnerships (PPPs) and state-owned enterprises (SOEs).
- In the **revenue administration** area, METAC added a second tax administration advisor position with focus on FCS in September 2023. The main objective is to strengthen sustainable revenue mobilization. METAC CD aims to strengthen revenue administration management and governance

arrangements (including compliance risk management (CRM)), developing core tax administration core functions (such as debt collection and prevention, audit techniques, and taxpayer information), and improving customs administration functions, enforcement strategies, valuation techniques, and post-clearance audit (PCA) processes.

- The **financial supervision and regulation (FSR)** workstream will also be bolstered by the addition of an FCS-focused regional advisor (expected to join METAC towards the end of 2023). The main objectives will remain to enhance member countries' prudential regulatory frameworks (international financial reporting standards, corporate governance, market risk, and capital and risk management regulation for Islamic banks), strengthening their supervisory practices (risk-based supervision (RBS), supervisory review processes (SRPs), and building the capacity of supervisors through training.
- The **central bank operations (CBO)** workstream, introduced in 2022, is substantially ramping up CD services in FY24. The main objective is to enhance monetary policy transmission through strengthened policy instruments (including liquidity forecasting for open market operations, reserve requirements, and standing facilities), control of operational targets (e.g., short-term interest rates, monetary aggregates, inflation, and exchange rates), and operational frameworks for money and foreign exchange markets.
- Capacity Development in **real sector statistics (RSS)** primarily focuses on improving the quality and coverage of national account statistics through improving compilation systems and producing new data sets, including

supply and use tables (SUT) and institutional sector accounts. In the area of price statistics, METAC will assist member countries in strengthening or developing their producer, consumer, and residential property price indices, and improving data collection using alternative methods.

- As laid out in the Phase V program document, a new workstream is being established to develop **government finance statistics (GFS)** with the objective to address gaps in the fiscal accounts that hinder fiscal management and IMF surveillance, particularly in fragile states. Support will include expanding institutional and data coverage and improving the compilation methods and techniques, and timeliness in data reporting and dissemination.
- Another new workstream is established in **tax policy**. This

workstream will be expanded compared to original plans (Phase V program document), with an IMF-financed regional advisor added to the program before the end of 2023. The objective is to deepen CD engagement in tax policy in FCS, thereby complementing METAC CD in tax administration and exploiting synergies. Beyond designing and assisting in implementing tax reforms, CD in tax analytics—especially estimating tax expenditures—remains absolute priority to guide policy making, enhance transparency, and build fiscal institutions. The new regional advisor will be mandated with supporting IMF HQ tax policy work, especially with continuous follow-ups to maintain traction of FCS authorities in a highly volatile political environment and facilitate country-specific tailored tax policy design in the face

of weak tax capacity and other stringent constraints.

- The third new workstream introduced in Phase V is **macroeconomic frameworks**, helping central banks and ministries of finance to improve their macroeconomic analysis and forecasting capacity, in particular developing tools for modeling economic policies to support evidence-based policymaking. This workstream will be complementary to PFM support, as well as stress testing in the financial sector. Compared to original plans presented in the Phase V program document, the macroeconomic frameworks CD delivery will benefit from the addition of a regional advisor position, which will be financed within the existing budget envelope through savings from the shortened program phase duration due to the eight-month extension of Phase IV in 2022.

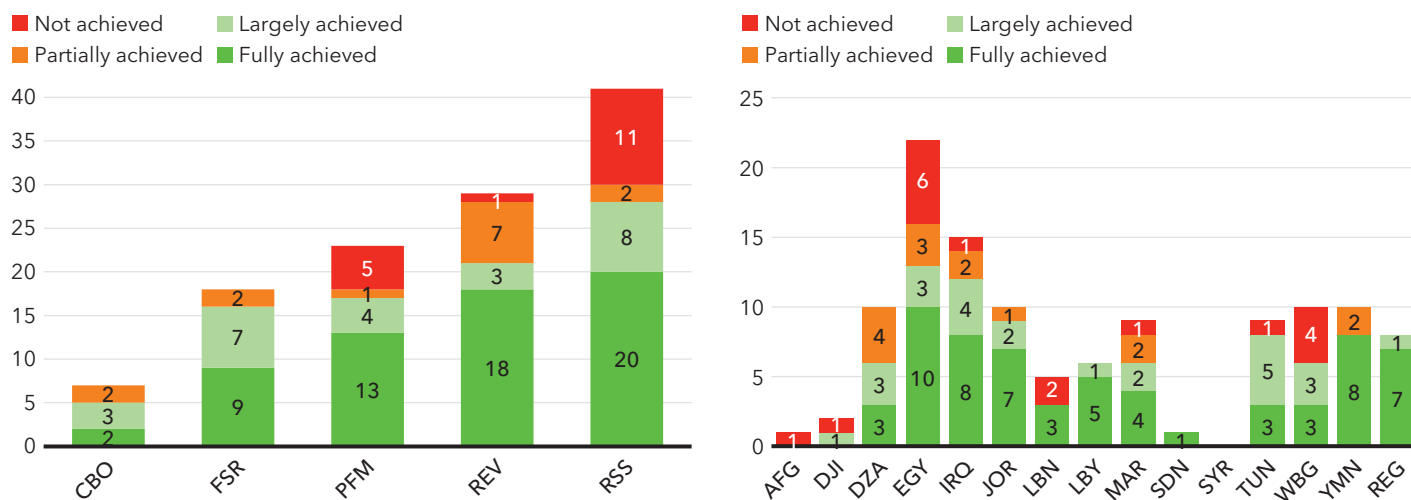
RESULTS AND ACTIVITIES IN FY23

PROGRESS ACHIEVED IN FY23

In FY23, progress was achieved on **87 percent of milestones** (Figure 1, left panel). About 73 percent of the milestones were fully or largely achieved, despite continued constraints in CD delivery due to the Covid-19 pandemic (with a slower-than-expected return to in-person CD delivery) and temporary vacancies in the CBO and PFM workstreams. CD activities remained suspended in Afghanistan, Syria, and, for the

most part of the year, Sudan. Overall, 55 percent of the original FY23 workplan activities were delivered, while 45 percent of actual activities were added during the year to accommodate new CD requests. Several originally planned activities were canceled (16 activities) or postponed (34 activities), mainly reflecting the temporary resident advisor vacancies, as well as authorities' requests due to shifting priorities, lack of staff capacity, and political constraints.

FIGURE 1. STATUS OF FY23 MILESTONES



Note: CBO: Central bank operations; FSR: Financial supervision and regulation; PFM: Public financial management; REV: Revenue administration; RSS: Statistics; REG: Regional activities and outreach events.



Member countries greatly benefit from METAC's outstanding capacity development services, which concurrently support our work of fostering more stable and prosperous economies in our Southern Neighbourhood partner countries.

Leonhard Jering,
Country Economist for Lebanon
and Libya, European Commission

KEY HIGHLIGHTS AT THE COUNTRY LEVEL

CENTRAL BANK OPERATIONS

The central bank operations CD workplan was adjusted and updated with the arrival of a new advisor in October 2022. This resulted in an uptake of the number of technical assistance (TA) activities as several member countries expressed interest to receive capacity development in specific areas. To operationalize the acceptance of credit claims as collateral for liquidity-providing central bank operations, a multi-year project to develop a credit rating system for non-financial corporations was initiated with the Central Bank of **Algeria**. A new product was added to the TA toolkit to develop an inflation expectations survey of professional forecasters (**Tunisia**). METAC provided hands-on training on the use and

implementation of the recently developed liquidity forecasting framework (**Tunisia**). METAC provided guidance to support the implementation of central bank liquidity instruments, which would allow for a better control over the domestic monetary conditions in support of the exchange rate peg (**Iraq**). A three-day regional workshop exposed central bank officials to current developments and challenges with respect to digital money and monetary policy implementation.

FINANCIAL SUPERVISION AND REGULATION

Member countries continued to enhance their risk-based supervisory practices and to implement Basel II and III standards for banks. Developing rating systems for banks and establishing an SRP were the key focus in **Morocco**, **Jordan**, and **Algeria**. **Morocco** finalized the SRP project in FY23. **Jordan** newly launched the project and **Algeria** is in the process of enhancing its rating system for banks. The Palestine Monetary Authority (PMA) in **West Bank and Gaza** developed a new template for inspection reports, following up on the recommendation made by the 2018 Financial Sector Stability Review (FSSR), and improved the risk-based communication of key messages to banks. **Egypt** enhanced its liquidity regulatory framework in line with Basel requirements. **Iraq** finalized the draft capital adequacy framework for Islamic banks in line with Basel and IFSB guidelines and developed its regulatory reporting for commercial banks to reinforce the coherence of its database for a sound risk-based framework. **Egypt** strengthened the capacity of its supervisors through a tailored workshop on consolidated supervision. **Lebanon** also built the capacity of its supervisors in the areas of corporate governance, IFRS 9 Expected Credit Loss, and cyber risks. For **Yemen**, METAC reviewed the amended regulation on Money

Exchange Dealers and contributed to two workshops of capacity building of the supervisors.

At the regional level, METAC delivered a training course on Risk-Based Banking Supervision (RBS) for the New Normal, jointly with the **CEF** in Kuwait. It also organized two webinars on Climate Risk Analysis and Crypto Assets Risks, respectively, and contributed to a session on RBS at the 39th Annual Meeting of the Arab Committee on Banking Supervision.

PUBLIC FINANCIAL MANAGEMENT

The public financial management CD focused on budget planning, including fiscal rules, macro-fiscal reporting, MTFFs, medium-term budgeting, and program-based budgeting (**Algeria**, **Morocco**); expenditure control to set up commitment controls (**Yemen**); cash management, including the implementation of a TSA and building of an annual cash forecast (**Djibouti**; **Yemen**; CEF course); internal control, upgrading related frameworks (**Morocco**); fiscal risk management, including those from PPP while elaborating a Draft Fiscal Risk Statement (**Egypt**; **Jordan**; CEF course); digitalization, elaborating a strategy for IFMIS design and implementation (**Yemen**), and identifying main areas of core PFM reforms (**Libya**). Several activities had to be moved to the next fiscal year due to changing demand from ministries of finance. A few activities were cancelled, while several new activities were added.

REVENUE ADMINISTRATION

Progress in revenue administration was particularly noticeable in the areas of reform strategy and strategic management framework, CRM, and audit. **Algeria** established a dedicated collection directorate to manage collection of tax arrears. Following METAC support to the tax administration of **Libya** in developing a

roadmap to move to a digitalized tax administration, the minister of finance provided the administration with the budget needed to move forward with the automation project. A practical tax audit manual was developed for the tax administration of **Yemen**.

In the customs workstream, METAC supported **Egypt** and **Tunisia** in developing a new Post Clearance Audit (PCA) strategy. The **Libyan** customs administration launched for the first time since 2011 the new Automated System for Customs Data (ASYCUDA World) at the Port of Tripoli. The support of METAC and the IMF's Fiscal Affairs Department (FAD) was behind this significant achievement. The **Jordanian** customs explored new risk management approach and targeting for customs control using new emerging technologies related to data analysis.

REAL SECTOR STATISTICS

Key FY23 achievements in the RSS area include progress in compilation of annual GDP (**Egypt, Jordan, West Bank and Gaza**), quarterly GDP (**Tunisia**), SUTs (**Egypt, Iraq, Jordan**) and institutional sector accounts (**Egypt, Tunisia**). Training was also provided to **Yemen** on the compilation of annual GDP. In the area of price statistics, support was provided to improve compilation of the consumer price index (CPI) (**Iraq, Lebanon, Tunisia**), the producer price index (PPI) (**Jordan, Libya**), and the residential property price index (RPPI) (**Iraq**). Regional training was also provided on compiling the CPI.

ANTI-MONEY LAUNDERING AND COMBATING THE FINANCING OF TERRORISM (AML/CFT)

In FY23, the Regional AML/CFT Advisor for the MENA and Caucasus and Central Asia (CCA) regions supported several AML/CFT CD projects and outreach activities in the METAC region on behalf of the Financial Integrity Division of the IMF's Legal Department:

- **MENA Project:** The regional project assists seven MENA countries² in preparing for their AML/CFT mutual evaluations. The project has been conducted via virtual missions and desk-based reviews to assist **West Bank and Gaza, Algeria, Sudan**, and other beneficiary countries, with in-person support commencing in FY24. CD modules include legal drafting and effectiveness diagnostic relevant to the implementation of selected components of AML/CFT frameworks. The project is also preparing for regional workshops on horizontal AML/CFT weaknesses identified in the MENA region. Those will be rolled out during FY24.
- **Yemen:** Based on the results of a March 2022 scoping mission, the Advisor worked with the project team on identifying shortcomings in the legal framework. A gap analysis of the legal framework was completed. The Advisor will contribute to the development of drafting amendments to align the legal framework with the international AML/CFT Standards.
- **Jordan:** A November 2022 onsite mission focused on (a) assessing the ML/TF risks of Virtual Assets; (b) establishing a cooperation mechanism for non-profit organizations and providing advice on an effective supervisory framework in their regard; and c) increasing effectiveness of AML/CFT supervision and ML investigations. The Advisor contributed to the provision of advice on to the authorities on how to strengthen the AML/CFT framework.
- **Egypt:** A March 2023 onsite mission brainstormed key ML/TF risks with the authorities and identified the scope and planned activities of

the CD project. A road map for the delivery of project activities is being developed.

- **Assessor Training (CEF, Kuwait, Sep. 2022)** in collaboration with the FATF and the MENAFATF. Participants from 17 MENA countries attended the course, either physically or remotely. 14 participants were identified as possible candidates to future AML/CFT assessments or related follow-up process.
- **Research project on the confiscation of criminal proceeds:** The Advisor is contributing, as part of a project team, to the drafting of a guidance on domestic frameworks for asset recovery.
- **Thematic Working Groups and policy work:** The Advisor contributed to the activities of thematic working groups on "Risk Based Supervision", "Financial Intelligence and the Law Enforcement and Asset Recovery" and "Risk and Context". Among other priorities, these working groups are actively contributing to the review of the IMF's AML/CFT strategy. The advisor also contributed to reviews of Mutual Evaluation Reports of which the IMF is acting as an external reviewer.

CAPACITY DEVELOPMENT ACTIVITIES IN FY23

METAC delivered 111 CD activities in FY23 (Table 1). Despite continued challenges related to the return to in-person missions and political instability in some member countries, METAC significantly increased its CD delivery compared to the previous year (87 CD activities in FY22). While actual outcomes were close to original plans in Revenue Administration, RSS, and FSR, delivery in CBO and (to a lesser extent) PFM remained lower due to temporarily vacant expert positions, and the postponement of activities (Figure 2, left panel) and the need to revamp the work program in the CBO

² **Algeria, Sudan, Iraq, Djibouti, Oman, West Bank and Gaza, and Somalia.**

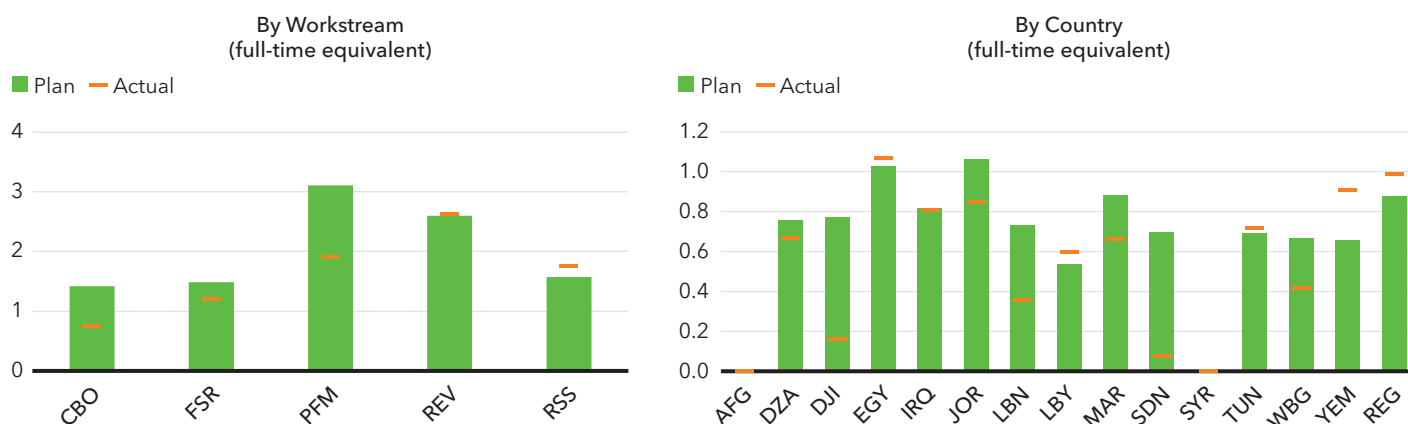
TABLE 1. CAPACITY DEVELOPMENT ACTIVITIES AND RESOURCES IN FY23

	Number of Activities				Full-Time Equivalent*		
	Plan	of which** placeholder	Actual	Execution Rate (%)	Plan	Actual	Execution Rate (%)
By Activity Type	126	15	111	88.1	10.2	8.3	81.9
Duty station	15		28	186.7	1.3	1.8	137.6
Field-based	96	14	59	61.5	7.9	5.4	68.4
Interactive learning and workshops	13	1	10	76.9	0.9	0.8	92.9
Peer-to-peer engagement	0		1	n.a.	0	0	n.a.
Outreach activities***	2		11	550	0.1	0	25
Webinars	n.a.		2	n.a.	n.a.	0.3	n.a.
By Resource Type					10.2	8.3	81.7
Long-term Experts					4.9	4.1	82.2
Short-term Experts					5	3.9	76.7
IMF HQ Staff and Other					0.2	0.4	204.8

*Compared to FY22, Full-Time Equivalent is recalculated based on 225 days instead of 261 to align with CDMAP.

** Placeholders are for potential activities that did not have a confirmed CD request from member country authorities. They are excluded from this year's workplan (Appendix V). CD planning activities are also excluded (10 in FY22).

***METAC advisors' contribution to analytical work and events within the scope of METAC workstreams.

FIGURE 2. CAPACITY DEVELOPMENT IN FY23 BY WORKSTREAM AND COUNTRY


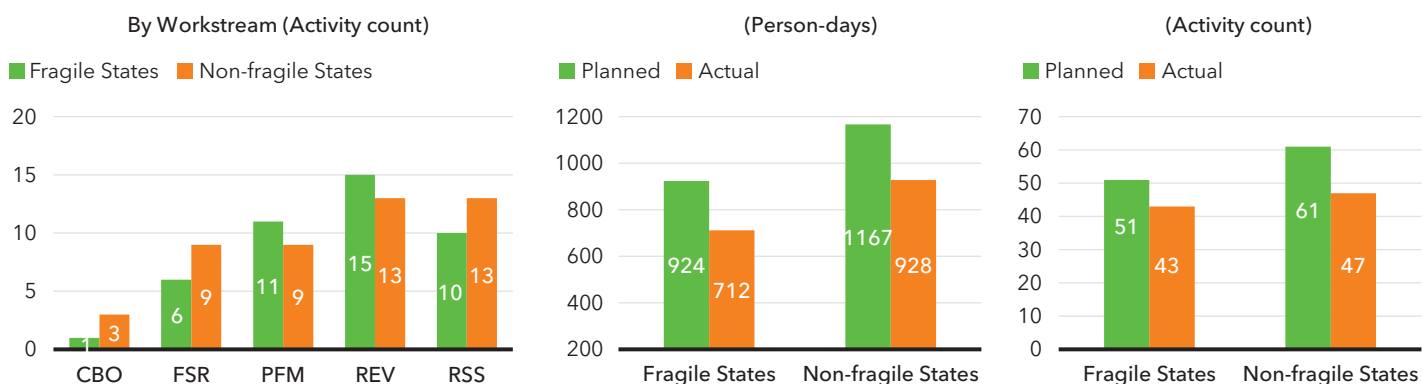
workstream following the arrival of the new advisor (the original workplan was tentative and included a considerable number of placeholders without firm requests from member country authorities).

No CD delivery was planned for **Afghanistan** and **Syria**, where METAC engagement remained suspended, and CD engagement with **Sudan** recommenced only later than initially expected (Figure 2, right panel), only

to be suspended again at the end of FY23. Delivery to **Djibouti** was impacted by the later-than-planned resumption of in-person CD delivery, the preferred modality of the Djibouti authorities. Several planned activities in **Lebanon** had to be canceled or postponed due to the countries' deep economic and political crisis and the authorities' limited capacity to absorb CD advice in the current situation. For example, a PFM project has temporarily stalled because the Ministry of Finance

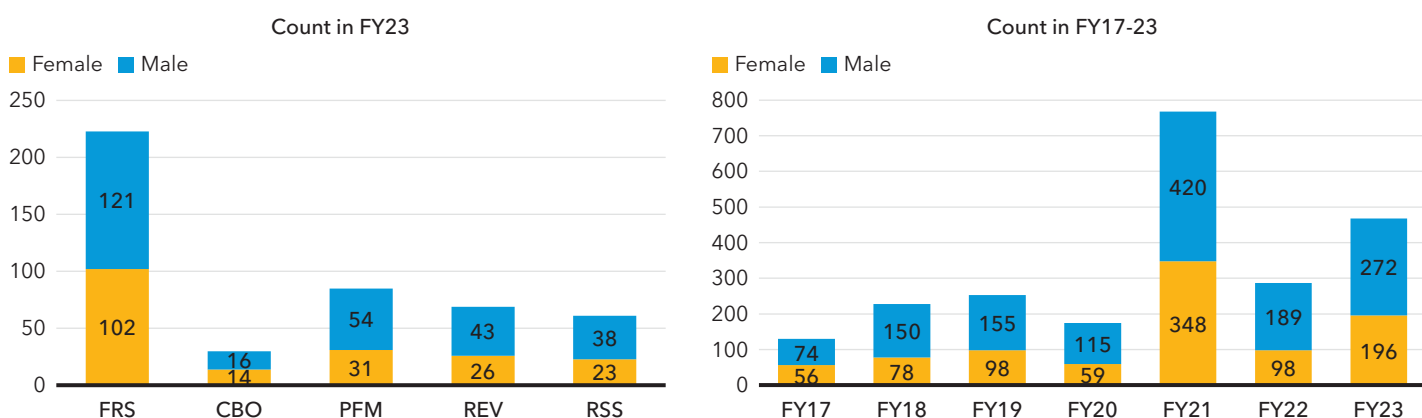
(MoF) lacks the staff and information necessary to conduct the mission. That said, CD delivery to some member countries turned out higher than originally envisaged, especially **Libya** and **Yemen**, both fragile states with a high-risk environment. CD delivery to fragile member states was strong in FY23, in line with the increased IMF focus on FCS (Figure 3). Some resources were also shifted to accommodate **regional activities** (Figure 4), notably a first regional workshop on tax expenditures

FIGURE 3. CAPACITY DEVELOPMENT ACTIVITIES IN FRAGILE AND NON-FRAGILE STATES



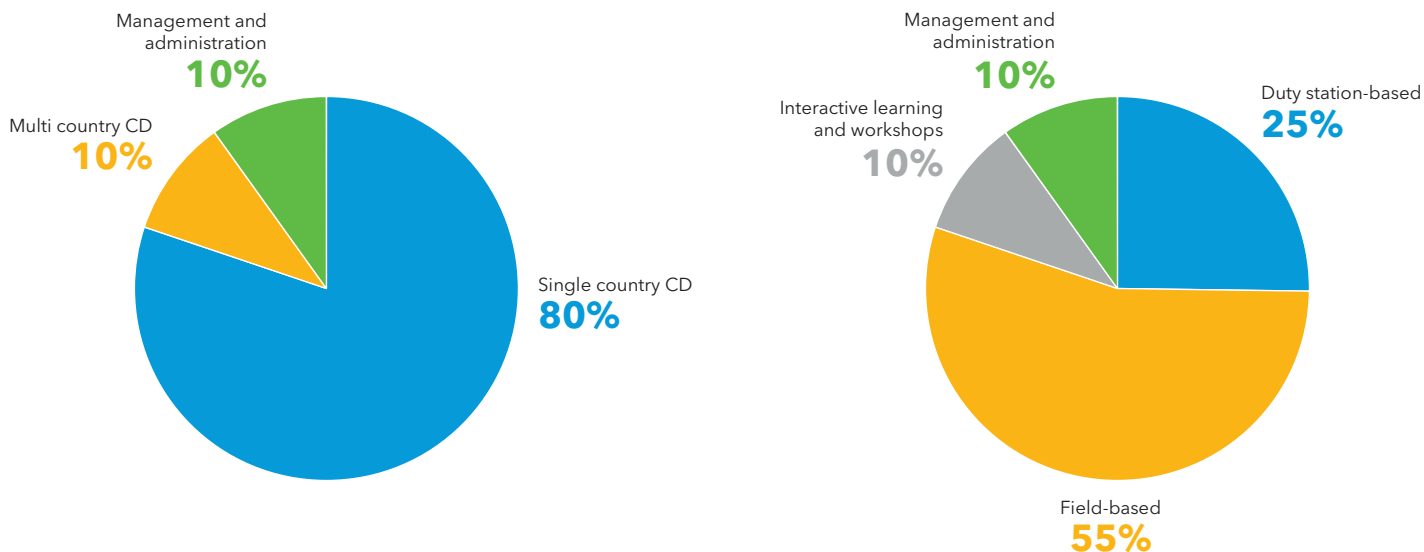
Note: Fragile states: Afghanistan, Iraq, Lebanon, Libya, Sudan, Syria, West Bank and Gaza, and Yemen. Djibouti was removed from the FCS list in FY23.

FIGURE 4. TRAINEE COUNT IN REGIONAL ACTIVITIES BY GENDER AND WORKSTREAM



Note: Includes webinars and joint courses with the IMF Middle East Center for Economics and Finance, Kuwait.

FIGURE 5. FY23 CAPACITY DEVELOPMENT MODALITY



in the new tax policy workstream. METAC advisors continue to collaborate closely with IMF HQ, development partners (e.g., EU, UNESCWA, UNDP, USAID, World Bank), and member country partner institutions.

Almost four hundred government officials participated in METAC's training activities in FY23. This included five regional training courses delivered jointly with the CEF in Kuwait, five regional workshops, and a peer study tour for a delegation from the Egyptian Revenue Administrations to the Belgian General Administration of Taxes.

METAC published two Regional Notes on PFM-related topics in FY23. One discusses the role of budgeting for efficient social expenditures, using the example of Jordan. The note

was prepared in collaboration with UNESCWA and published on METAC's website in December 2022. The second note, released in early February 2023, reviews lessons from PFM capacity development in METAC's fragile and conflict-affected member states.

METAC continued its outreach efforts (see section III). This included a virtual event to update METAC stakeholders on the center's activities in the central bank operations and financial regulation and supervision workstreams. METAC, FAD, and MCD co-organized a high-level outreach event on revenue mobilization for three METAC member countries' tax and customs administrations (Iraq, Libya, and Yemen), in Amman, Jordan, to discuss challenges and policies to mobilize revenues for resilient and inclusive growth.

METAC also offered two webinars together with the IMF's Monetary and Capital Market Department, one on Approaches to Climate Risk Analysis for Financial Stability and another one on Crypto Asset Risks and Challenges. Together with several partner organizations, METAC contributed to the Yemen Technical Assistance and Capacity Development Working Group to coordinate and prioritize Yemen's vast CD needs. METAC advisors attended and contributed to several regional events and conferences of development partners, including the Arab Monetary Fund, ArabStat, OECD, UNECA, and UNESCWA. The METAC-hosted IMF AML/CFT advisor contributed to the MENA FATF plenary and working group meetings.

WORKPLAN FOR FY24

**WORKPLAN AND
RESOURCE ALLOCATIONS**

The workplan for FY24 currently foresees 125 CD activities, equivalent to 10.8 full-time equivalents (FTEs) (Table 2). Compared to previous years' reports, this excludes tentative activity plans and placeholders, for which official requests from member country authorities have not yet been received. The figure does also not yet include outreach activities and activities in the newly introduced workstreams (GFS, macroeconomic frameworks,

tax policy), activities for which will be added once the respective advisor positions will be filled. More activities are also being added to the revenue administration workstream now that the IMF-financed third revenue administration advisor joined METAC in September 2023. Finally, METAC will offer some regional events covering cross-cutting topics of high relevance, such as on climate change and gender economics in close coordination with IMF headquarters and in collaboration with development partners.

TABLE 2. INDICATIVE CAPACITY DEVELOPMENT ACTIVITIES AND RESOURCES PLANNED FOR FY24

	Plan	of which placeholder	CBO	FSR	PFM	REV	RSS
Activity Type	125	12	11	18	25	39	20
Duty station	4	0	0	0	0	3	1
Field-based	109	12	10	16	22	33	16
Interactive learning and workshops	11	0	1	2	2	3	3
Outreach activities*	1	0	0	0	1	0	0
Placeholders			3	0	5	0	4
Resource Type (FTE)			1.5	1.6	3.1	3.1	1.5
Long-term Experts			0.6	0.9	1.8	1.1	0.8
Short-term Experts			0.9	0.7	1.3	2	0.6
MF HQ Staff and Other			0	0	0	0	0.1

*Outreach activities will be added over the course of the fiscal year.

**Last updated July 2023. Several activities planned for Sudan had to be canceled or postponed to FY25 due to the current conflict.

TABLE 3. INDICATIVE ALLOCATION OF RESOURCES IN FY24 BY COUNTRY AND WORKSTREAM (FTE)

	CBO	FSR	PFM	REV	RSS	Total	Country Share (%)
Regional Activities	0.1	0.2	0.3	0.2	0.2	1	9.2
Afghanistan	0	0	0	0	0	0	0
Algeria	0.2	0.2	0.2	0.2	0	0.9	8.4
Djibouti	0.1	0	0.2	0.3	0	0.6	5.9
Egypt	0.1	0.2	0.2	0.3	0.3	1.2	11.4
Iraq	0.1	0.2	0.2	0.4	0.1	1	9.7
Jordan	0.1	0.2	0.2	0.2	0.2	0.9	8.4
Lebanon	0.3	0	0.3	0.4	0.1	1	10.1
Libya	0	0	0.2	0.2	0.1	0.5	5
Morocco	0.1	0.2	0.2	0.2	0	0.7	6.5
Sudan	0	0	0.2	0	0	0.2	2
Syria	0	0	0	0	0.1	0.1	1.3
Tunisia	0.1	0	0.2	0.4	0.1	0.9	8.4
West Bank and Gaza	0	0.2	0.3	0.1	0.2	0.8	7.3
Yemen	0.1	0.1	0.3	0.1	0	0.7	6.5
Total (FTEs)	1.5	1.4	3.1	2.9	1.5	10.4	100
CD Sector Share (%)	14.3	13.7	29.5	28.1	14.3	100	

Note: Does not yet include new workstreams, new FCS advisors, cross-cutting regional events, webinars etc.

Full-Time Equivalent is equal to 225 days.

*Last updated July 2023. Several activities planned for Sudan had to be canceled or postponed to FY25 due to the current conflict.

TABLE 4. CAPACITY DEVELOPMENT DURING FY22-24

Capacity Development by FTE	FY22	FY23	FY24
By Resource Type	6.1	8.3	10.4
Long-term Experts	3.6	4.1	4.9
Short-term Experts	2.3	3.9	5.4
IMF HQ Staff and Others	0.2	0.4	0.1
By Workstream			
Central Bank Operations	0.2	0.8	1.5
Financial Supervision and regulation	0.7	1.2	1.6
Public Financial Management	2.2	1.9	3.1
Revenue Administration	1.5	2.6	3.1
Real Sector Statistics	1.4	1.8	1.5
Other	0	0.1	n.a.

Note: FY22 and FY23 Full-Time Equivalent is recalculated based on 225 days instead of 261 to align with CDMAP.

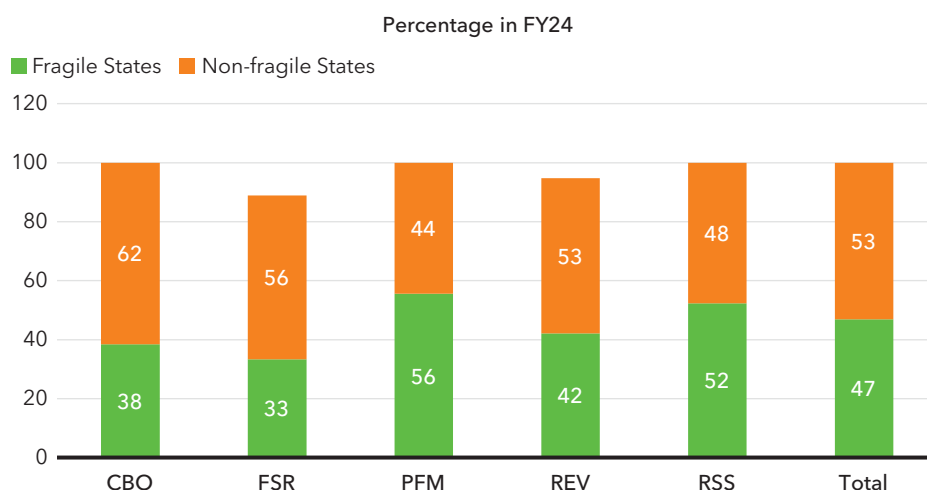
METAC develops its workplan through consultations with country authorities, steering committee members, and IMF CD and area departments. The country distribution of FTEs in FY24 (Table 3) reflects country demands for TA. Given the lead role that the IMF Middle East and Central Asia Department (MCD) plays in prioritizing CD, discussions are also held with MCD country teams and CD management to ensure that METAC resources are appropriately allocated within and across countries, considering other IMF CD resources benefiting the region. Workplan management will remain flexible in FY24, and the workplan will be continuously reviewed and adjusted as needed to ensure consistency with country priorities and absorption capacities.

The share of FCS is currently envisaged to reach 47 percent of total country-specific FTE resources (excluding regional activities) (Figure 6). However, this share is expected to increase as currently tentative mission plans firm up and the new FCS-focused regional advisors will join METAC. The table excludes placeholders, METAC's new workstreams, and planned IMF-financed FCS advisors. Compared to previous years, Djibouti has been removed from the FCS list. CD engagement with three FCS (Afghanistan, Sudan, and Syria) remains suspended for the time being, except for RSS CD in the case of Syria.

RISK MANAGEMENT AND MITIGATION

METAC operates in a difficult and volatile environment for CD delivery, which complicates planning and requires flexibility in adjusting plans and agility in shifting available resources. The region has a high proportion of FCS with large CD needs and weak institutional foundations, magnifying challenges to CD implementation and sustainability.

FIGURE 6. FY24 ACTIVITIES PLANNED FOR FRAGILE AND NON-FRAGILE STATES



*Does not yet include new workstreams and new FCS advisors.

Political instability, fragility, and external shocks often risk disrupting CD delivery and hinder reform implementation in member countries—in some cases for prolonged periods (e.g., Afghanistan and Syria). Often, weak administrative capacity and high staff turnover test limited human and institutional resources in member countries, especially in FCS, potentially blunting the effectiveness of assistance. Sometimes, administrations with low institutional capacity have difficulties identifying, articulating, and prioritizing CD demand. In some cases, technological limitations (IT infrastructure, internet connectivity, lack of electricity) complicate CD delivery (e.g., Yemen) and limit options for virtual CD delivery (e.g., Djibouti), while travel restrictions to high-risk locations require CD delivery in offsite locations (e.g., Iraq, Libya, Yemen). In October 2023, the Israel-Gaza conflict resulted in the evacuation or relocation of METAC staff and has precluded in-person or offsite CD delivery to Lebanon and West Bank and Gaza, and has also affected the conduct of individual regional workshops organized in Amman, Jordan.

METAC strives to adapt to such challenges, and its CD support has helped member countries to achieve

important progress in various areas.

METAC aims to deliver well-tailored, robust, and longer-term support adapted to low absorptive capacity. It focuses on long-term, stepwise, and programmatic support where possible (e.g., Yemen), while offering flexible and quick ad hoc support where necessary (e.g., Lebanon). Its CD includes hands-on training and peer exchanges, and a mix of in-person and extended remote engagement for more sustained and regular interaction with country authorities. METAC advisors emphasize close coordination and collaboration with development partners, seeking complementarities and avoiding duplication, overlap, or inconsistent advice. Coordination with other CD providers and country authorities should also avoid overextending CD users' absorptive capacity and support member country authorities' CD prioritization.

METAC manages the risks to its workplan through a combination of active information sharing, collaboration, and flexible delivery. It holds regular consultations with country authorities, IMF country teams, IMF CD departments, development partners, and other CD providers. For the flexible execution of its workplan,

METAC relies on a combination of (1) postponing CD activities where country absorption capacity is low, and (2) redirecting resources where their use is most beneficial and country commitment is highest, or where country priorities have shifted.

METAC reacts flexibly to changing circumstances. The Center (i) adjusts its workplan to respond to external shocks and emerging priorities; (ii) utilizes available technologies to ensure that countries can engage remotely; and (iii) flexibly adjusts the timing and format of its CD engagement to adapt to constraints, including by spreading CD activities over time to allow country officials to better manage their daily time constraints; (iv) using several video conferencing platforms in its virtual CD delivery; and (v) Q&A sessions following regional webinars on technical issues to complement peer-to-peer learning. The availability of alternative delivery modalities (in-person, virtual, hybrid) creates opportunities for improving the continuity, effectiveness, and efficiency of CD, without compromising quality and results.

METAC is proactively managing risks that could obstruct the planned scaling-up of CD delivery in FY24.

The expansion will be supported by the coming on-stream of the new GFS, macroeconomic frameworks, and tax policy workstreams; increased staffing (four new advisors—for financial regulation and supervision, GFS, macroeconomic frameworks, tax administration, tax policy), and the full resumption of in-person CD delivery. Political instability and conflict (such as most recently in **Sudan** and **West Bank**

and **Gaza**) and economic crises (such as in **Lebanon**) remain downside risks, requiring flexible planning and resource management as discussed above. This will include a more flexible practice of moving TA mission for high-risk location member countries to offsite locations, under observance of the SC-endorsed conditions (also see Section V.G. below as well as the move to hybrid and virtual CD delivery modalities whenever feasible). Vacancy risks due to planned staff turnover will be minimized through early succession planning (e.g., RSS workstream, October 2023).

METAC continues to develop its results-based management practices. This includes an increased emphasis on the planning, monitoring, and reporting of CD results (i.e., whether and how reform objectives are met) as opposed to CD activities. The IMF's Capacity Development Management and Administration Program (CDMAP) plays an important role in this regard. METAC discusses regularly with country authorities the impact of various risks on attaining their reform objectives and reflects the results of these discussions in project planning. The IMF's CD information dissemination policy, revised in 2022, makes it easier for METAC to share country-specific results-based management data with the steering committee, development partners, and member country institutions with legitimate interest. METAC will also continue to offer periodic CD update events to inform the Steering Committee about METAC's CD work and related outcomes and demonstrate to

stakeholders the potential benefits of the CD services that the Center offers to its member countries.

METAC member countries need to contribute to risk management and mitigation through:

- Strong leadership and active participation in the formulation, execution, and evaluation of CD activities, and close coordination of CD activities provided by METAC and other development partners, including by informing all relevant parties about planned projects.
- Supporting the participation of officials in METAC workshops, ensuring a rigorous and fair selection process, and appropriately relieving participating officials from their day-to-day duties to allow them to fully focus on capacity building for the duration of the events.
- Planning for their voluntary financial contributions to METAC Phase V as part of their annual budgets and disbursing them in a timely manner to secure sufficient funding and allow reliable resource planning for METAC to develop and execute its workplans.
- Investing in technologies that facilitate interaction with the outside world and managing their CD activities with METAC and other providers remotely.

Development partners also play an important role in identifying and mitigating the risks to METAC's workplan execution and results. This includes regular meetings to share information with IMF HQ and METAC on their CD activities; and inviting METAC to participate in certain CD planning activities so they can be integrated more effectively with METAC's country projects.

SECTION II

RESULTS AND ACTIVITIES BY CAPACITY DEVELOPMENT WORKSTREAM

CENTRAL BANK
OPERATIONS

ACHIEVEMENTS IN FY23

KEY ACHIEVEMENTS BY COUNTRY

In **Tunisia**, METAC provided a TA mission to support the development for an inflation expectations survey. This is part of the strategic priorities of the BCT. As requested by the BCT, the mission focused on a survey held among a selected group of market participants and economic experts. The survey focuses on the inflation expectations of the respondents in the near and medium term. The survey will be carried out every quarter in the context of the BCT's macroeconomic projections and monetary policy decisions. The first edition of the survey is expected to be launched shortly, before the next BCT macroeconomic projections that should be published around mid-March.

The Bank of **Algeria** (BA) has embarked on an ambitious project to develop an in-house credit rating system for non-financial corporations. With the support of IMF METAC, the BA will develop an in-house credit rating system for non-financial corporations. This project is motivated by the objective to operationalize the acceptance of bank credit claims as collateral, both for monetary policy and for Emergency

Liquidity Assistance (ELA). The mission recommends the BA to set-up a framework that is sufficiently robust so it can ultimately be broadened and used for prudential oversight purposes.

The CBO workstream is increasingly building advanced technical tools into its TA to facilitate the decision-making for monetary policy implementation. METAC provided a TA mission on short-term liquidity forecasting to the Central Bank of **Tunisia** (BCT). The mission provided hands-on training on the use and implementation of the recently developed liquidity forecasting framework with the available data. It was agreed with the BCT to plan a follow-up mission once a daily central bank balance sheet is available.

During an off-site mission with the Central Bank of **Iraq** (CBI), METAC delivered TA to support the implementation of central bank liquidity instruments which would allow for a better control over the domestic monetary conditions in support of the exchange rate peg. The mission raised awareness on the necessity to complete the monetary policy framework under an exchange rate peg by introducing an active domestic liquidity management. The mission provided a set of focused recommendations

to address the short-term, urgent challenges to the sustainability of the exchange rate peg. Follow-up TA should be provided to build a full instrument set supported by liquidity monitoring and forecasting.

EXECUTION OF THE
FY23 WORKPLAN

The FY23 workplan underwent significant changes following the unexpected vacancy of the advisor position in this workstream, as well as due to the transition from virtual to in-person delivery. Some of the initially planned activities were cancelled, while others were postponed to FY24. The return of the in-person delivery also coincided with increasing policy challenges for central banks in the region, which triggered new TA demands.

PRIORITIES AND ACTIVITIES
FOR FY24

Operationalizing the acceptance of credit claims as collateral for liquidity-providing central bank operations is a long outstanding objective for the Central Bank of **Algeria**. A necessary step to accept credit claims is to develop a credit rating system for non-financial corporations. While activities in FY23 concentrated on defining the broad



CBI staff from the FX reserves management and Financial Investment directorate during TA mission delivered by Mr. Stefaan Ide, METAC CBO advisor.



Regional Workshop on Central Bank Operations and Digital Money, Amman, Jordan.

objectives, organizational needs, and data availability, TA in FY24 is following up on the organizational aspects and provide hands-on training on the methodology given the available data.

With the support of IMF TA, the Central Bank of **Algeria** has embarked for several years on the modernization of its monetary implementation framework. The BA introduced collateralized open market operations and upgraded its liquidity monitoring and forecasting framework. A continued modernization will allow a proper functioning of the monetary transmission mechanism and foster financial stability. In FY24 TA focuses on further upgrading the liquidity forecasting framework in line with recently developed quantitative

tools by the IMF and support to introduce Central Bank bills as the main liquidity-absorbing instrument.

METAC will continue to work with the Central Bank of **Tunisia** to improve its liquidity forecasting framework. The mission in FY23 was a first important step towards improving the liquidity forecasting framework of the BCT. The mission provided the opportunity for an in-depth discussion of liquidity monitoring and the current liquidity forecasting practices at the BCT. Once the BCT has daily balance sheet data available, TA on short-term liquidity forecasting of all autonomous factors applying the tools introduced in FY23 will be provided, as well as TA on medium to longer-term liquidity

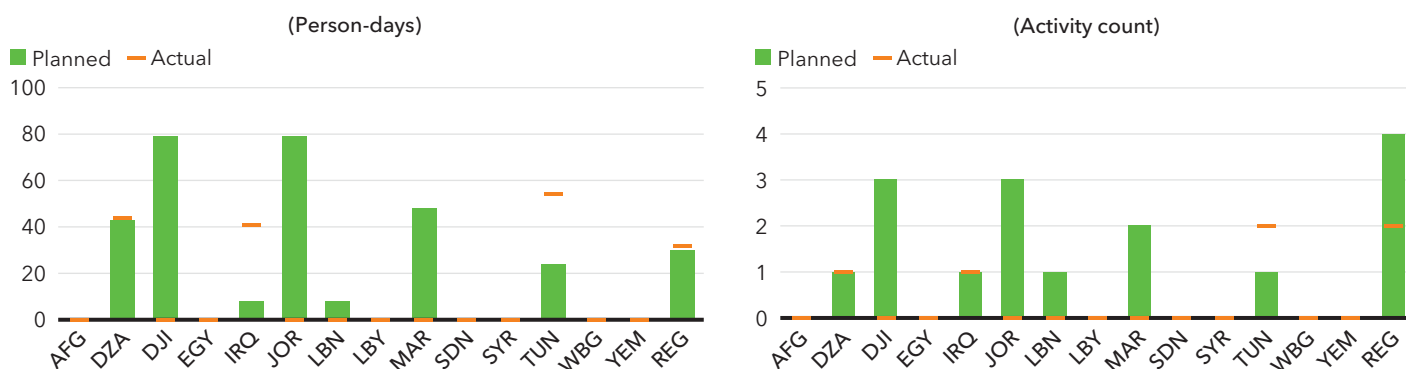


To date, METAC has been a major key partner for Algerian institutions, in the implementation or improvement of banking regulation, models and framework in different areas such as Central Bank operations, monetary policy operations, macroeconomic modeling, public financial management or financial supervision. Even during the pandemic, METAC adapted to the events and continued to provide technical assistance, doing so remotely.

As from late 2022, METAC is also supporting the Central Bank of Algeria, in the development of an internal credit rating for non-financial corporations.

Central Bank of Algeria

FIGURE 7. CENTRAL BANK OPERATIONS: EXECUTION OF THE FY23 WORKPLAN



forecasting as recommended by the IMF's Monetary and Capital Markets Department (MCM) in its December 2020 TA mission on "*Monetary Policy Frameworks and Operations*". In addition, once high-frequency data (preferably daily) per banknote denomination are available, the new tools can equally be applied to perform forecasts.

Targeted and ongoing capacity building actions by METAC support the modernization efforts of the Central Bank of **Djibouti**, drawing on the findings of past MCM missions. FY24 activities will focus on (i) improving liquidity management with the objective of absorbing short-term liquidity shocks, including introducing a reserve requirement, issuing a stock of liquidity-absorbing instruments, and forecasting domestic liquidity factors; (ii) reinforcing the profitability of the

CBD because profitability is crucial for the sustainability of the CBA by managing FX reserves more actively.

To achieve efficient and robust domestic liquidity management to support the exchange rate peg, METAC continues to deliver capacity building to the Central Bank of **Iraq** to adapt its operational framework over the medium term. Beyond the horizon of tackling the urgent challenges addressed in FY23, the CBI should (i) review its current parameters of the reserve requirement as a liquidity instrument; (ii) set up a process for collecting, verifying and storing data relating to central bank liquidity and autonomous factors (iii) develop a liquidity forecasting framework to enable the CBI to calibrate the amounts of its 7-day operation; (iv) expand its instrument set with liquidity-providing instruments against collateral; (v) create an interbank market platform

in domestic and foreign currency. METAC stands ready to provide further TA to accompany the implementation of this operational framework.

At the request of the Central Bank of **Lebanon**, METAC organized a scoping mission to provide guidance on the framework for an electronic foreign currency platform, the role for central bank FX interventions, and measures to support exchange rate unification.

A **regional** course, jointly organized with CEF and MCM, will focus on monetary policy operations tools for liquidity forecasting and FX intervention. The course will guide central bank officials in using advanced models for domestic liquidity forecasting in their day-to-day work and implementing an FX risk model that can be used for Intervening on the FX markets via a risk-optimal approach.

FINANCIAL SUPERVISION AND REGULATION

ACHIEVEMENTS IN FY23

Delivery of CD remains challenging in the METAC region, where FCS account for more than half of the membership. Numerous activities were conducted virtually or offside due to security constraints (e.g., Iraq and Yemen). A fully prepared in-person mission to West Bank and Gaza (WBG) was cancelled at the last moment due to the deteriorated security situation. Lebanon's workshop was conducted amid roadblocks and turbulent political conditions. Less CD requests were received from countries in difficult economic conditions with other eminent priorities (e.g., Tunisia). In Sudan, CD activities had just resumed in the third quarter of FY23 but were suspended again due to the recent armed conflict.

Despite all the challenges, member countries made progress towards achieving their planned milestones. Sixteen out of eighteen milestones were fully and largely achieved, while two milestones were partially achieved. Some of the partially achieved milestones required more time to implement due to delays in the implementation of recommendations or lack of institutional and human resources capacity.

KEY ACHIEVEMENTS BY COUNTRY

- **Algeria** benefited from three CD activities during FY23. The first activity was to develop the regulation on the accounting and valuation of financial instruments. The objective was to align the new regulation with international reporting standards (IFRS 9), while respecting the Algerian legal accounting framework. The second activity advanced the medium-term project to develop an SRP through enhancing the risk rating system for banks. The mission helped to identify information gaps and data needed for a more robust rating. It proposed enhancements to the rating methodology for a better understanding of banks' risk profiles. The third activity was a desk review on the proposed reorganization of the supervision.
- **Egypt** benefited from capacity building on consolidated supervision, which helped building supervisors understanding of consolidated supervision practices and their implementation challenges. Another activity aimed at enhancing the regulatory liquidity framework through the development of Internal Liquidity Adequacy Assessment Process (ILAAP) guidelines, and the enrichment of qualitative and quantitative liquidity requirements. METAC CD advice contributed to the enhancement of the liquidity risk framework for banks, mitigating a key risk during the current challenging economic conditions.
- **Iraq:** With METAC's assistance, the Central Bank of Iraq (CBI) finalized the draft capital adequacy framework for Islamic banks and the related regulatory templates in line with Basel and IFSB guidelines. CBI also enhanced the reporting templates of banks' financial statements and other regulatory reporting to ensure coherence of databases among various reports, which is a core element for enhancing RBS.
- **Jordan** launched a medium-term project to enhance its RBS. The project started with a METAC workshop providing supervisors of the Central Bank of Jordan (CBJ) with a clear and comprehensive understanding of best practices for developing an RBS framework and presenting the European SRP methodology. The workshop was followed by a mission that devised a multi-step plan for developing an SRP risk rating system and defined the main milestones



CBE staff during the workshop on Consolidated Supervision delivered by Ms. Nehmat Hantas, METAC FSR advisor.



CBI offsite mission on “Developing Capital Framework Regulation for Islamic Banks.”

towards full implementation of SRP. The project will be gradually implemented with the assistance of METAC. It will help address the recent FSAP recommendations on banking supervision.

- **Lebanon** benefited from a workshop on best practices on corporate governance, Expected Credit Loss Assessment ECL under International Financial Reporting Standards 9 (IFRS9), and Cyber Risk. Senior supervisors from onsite functions attended the workshop. In addition to the core experts delivering the workshop, two guest speakers

(former Secretary General of the Basel Committee and a director at Deutsche Bundesbank) presented on supervisory issues related to governance and liquidity risk. The workshop was successfully conducted amid challenging conditions—a steep devaluation of the Lebanese pound in the very first hours of the workshop (by almost 10 percent), which resulted in demonstrations and roadblocks.

- **Morocco:** Bank Al Maghrib (BAM) successfully completed the development of the SRP methodology (inspired by the

European methodology). This medium-term project started in June 2021 and was fully completed in the third quarter of 2022. The full SRP process was documented in a manual developed by the BAM, and a pilot test was conducted. BAM completed the project in record time and is the first METAC member country implementing SRP. The project was presented as a success story during a METAC outreach event in January 2023 and is featured in the 2023 CD Annual Report of the IMF's Monetary and Capital Markets Department.

- **West Bank and Gaza:** METAC supported the PMA in developing a new template for inspection reports, addressing an important 2018 Financial Sector Stability Review (FSSR) recommendation. The template focuses on business risk and Pillar 2 assessment, in addition to improved communication of key messages to banks, which should provide a clear understanding of the banks, their risks, and the adequacy of their capital.
- **Yemen:** METAC reviewed the amended regulation issued by the Central Bank of Yemen (CBY) on Money Exchange Dealers and provided comments and recommendations. METAC also contributed to two EU-OECD workshops on “*Restoring Trust and Capacities in the Yemeni Banking Sector*” and “*Strengthening Financial Intermediation capacities of Yemeni Money Exchangers*.” METAC shared lessons learned from countries that have faced similar crisis challenges and elaborated on regulatory and supervisory reforms to restore trust in the banking sector.

Jointly with the CEF, METAC delivered a training course on Risk-Based Banking Supervision for the New Normal. The purpose of the workshop



METAC successfully completed with Bank Al Maghrib the development of the SRP Methodology, delivered by Ms. Nehmat Hantas, METAC FSR advisor.

BOX 1. DEVELOPING SUPERVISORY REVIEW PROCESS (SRP) IN MOROCCO

METAC successfully completed with Bank Al Maghrib (BAM) the development of the SRP Methodology. The project put in place a full process for the risk assessment, risk rating of banks, enhanced pillar two implementation, and introduced additional capital buffers related to the risk rating of banks (Pillar Two Requirement P2R Buffer). The multi-step project was achieved in record time, through a series of consecutive virtual and in-person missions. Persistent efforts from the BAM team and METAC in addition to strong commitment from the supervisory authorities' management helped realize the project in an effective manner.

The project started in June 2021 with a presentation of the European SSM methodology as an example for BAM to develop its own SRP methodology. In July 2022, a METAC mission reviewed the draft SRP methodology developed by BAM's project team and proposed a three-phase rating assessment process inspired by the ECB methodology. Based on these propositions and the continuous discussions between METAC and the BAM's project team, a comprehensive SRP manual was developed, and a pilot test was conducted. In November 2022, the METAC mission reviewed the SRP manual and the pilot test. It also provided training to BAM's supervisors on SRP

methodology and some selected risk areas (credit, liquidity, and business model), and it proposed some further recommendations to enhance implementation.

BAM was the first METAC member country implementing SRP. BAM shared its experience in developing SRP during a METAC outreach event for development partners and METAC member countries.

Also see: [MCM Capacity Development Annual Report 2023](#) (IMF.org).

was to enlighten supervisors on the concepts, elements, and benefits of risk-based supervision, highlight the new risk drivers that are added to their supervisory dashboard amid the challenging macroeconomic conditions

resulting from Covid-19 and the Ukraine war. The virtually delivered course was attended by more than 50 participants from 10 Arab countries, of which one third of the participants were from FCS.

METAC organized regional webinars and outreach events. A webinar jointly organized with the IMF's MCM addressed approaches to Climate Risk Analysis. Another webinar discussed Crypto Assets Risks and the related

prudential and regulatory responses. METAC also organized an outreach event to update its development partners and member countries on banking supervision and central banking operations activities that were conducted during the FY23 and plans forward. Finally, METAC's regional advisor participated in the 39th annual meeting of the Arab Committee on Banking Supervision and contributed to a session on risk-based supervision.

EXECUTION OF THE FY23 WORKPLAN

METAC delivered 15 CD activities to eight countries in FY23 and four regional activities (Figure 8). After the appointment of the new advisor, the CD delivery in banking supervision and regulation actively resumed with 19 activities performed during FY23 compared to nine activities in the preceding year. **West Bank and Gaza** missions fell short of original plans due to the suspension of in-person missions for security reasons. One of the planned missions for **Egypt** was postponed due to changes in priorities given the economic developments in the country. Original workplan entries for **Tunisia, Libya, Djibouti, and Sudan** were placeholders without firm request from the authorities, and CD activities with **Sudan** resumed only in the third quarter of FY23. METAC conducted regional webinars on current topics (Climate related Financial Risks and Crypto Asset Risks), raising awareness of the importance of these topics and their related risks, and highlighting the need for policy responses.

PRIORITIES AND ACTIVITIES FOR FY24

The FY24 workplan includes eight country projects with a total of 16 CD activities and two regional workshops. Up to forty percent of the planned activities will be in support of FCS, but not all FCS member countries have expressed concrete CD requests at this point.



« Je tiens à remercier METAC pour l'assistance apportée à Bank Al-Maghrib dans la mise en place du nouveau processus de surveillance prudentielle des banques SRP en passant par l'accompagnement à l'évaluation de leurs dispositifs d'adéquation des fonds propres économiques (ICAAP).

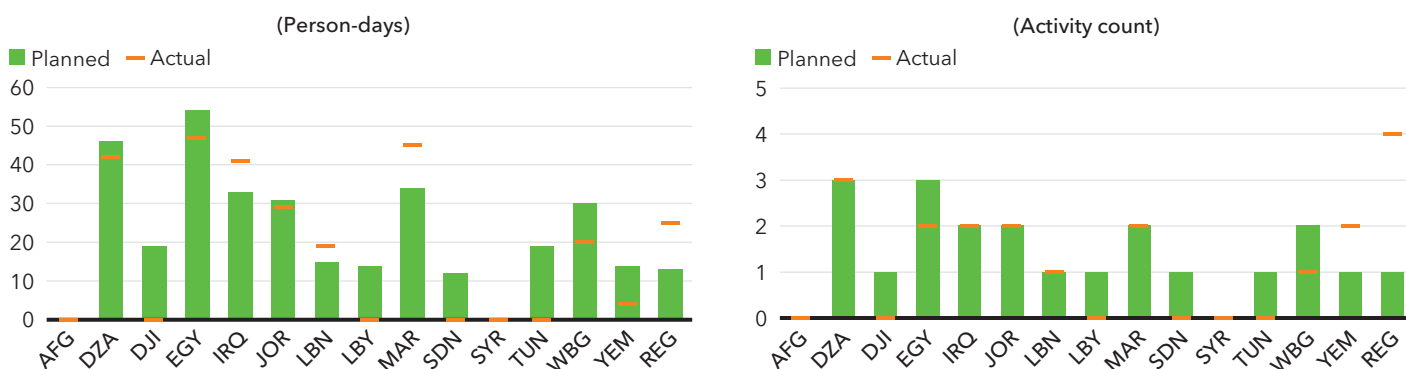
Ce soutien technique nous a été précieux pour avancer plus rapidement dans la réalisation de ces projets. Je voudrais tout particulièrement féliciter la qualité du travail en équipe entre les experts et les superviseurs de Bank Al-Maghrib et le fort niveau d'engagement de part et d'autre pour parvenir à des solutions adéquates qui répondent au contexte marocain et aux besoins de la banque centrale. »

"I would like to thank METAC for its assistance to Bank Al-Maghrib (BAM) to put in place the new SRP methodology while also accompanying the supervisors in the evaluation of the regulation on the Internal Capital Adequacy Assessment Process (ICAAP).

This technical assistance was very precious to BAM, and it helped advance the implementation of the project in an effective manner. I would like to particularly congratulate the team for the quality of work, the exchange between METAC experts and the supervisors of Bank Al-Maghrib and the great level of engagement of both parties to bring the adequate solutions that answered the Moroccan context and the needs of the Central Bank."

Mrs. Hiba Zahoui, Directrice de la Supervision Bancaire, Bank Al-Maghrib

FIGURE 8. FINANCIAL SUPERVISION AND REGULATION: EXECUTION OF THE FY23 WORKPLAN



The TA projects for FY24 aim at strengthening member countries' supervisory framework, enhancing prudential regulations, and building the capacity of supervisors. The projects can be detailed as follows:

STRENGTHENING SUPERVISORY FRAMEWORKS

Supervisory Review Process. METAC continues its medium-term projects to develop SRP in **Jordan** and **Algeria**, enhancing their risk rating methodology, the identification of banks' vulnerabilities and the implementation of Pillar Two. **West Bank and Gaza** will also benefit from METAC's assistance to develop risk matrices and to put in place an SRP process.

Corporate Governance. METAC supports **Egypt** in enhancing its corporate governance practices through developing a clear guidance on the selection criteria of board members and senior management and the assessment of board composition and board committees.

Developing and Reviewing Business Plans for Banks. METAC stands ready to support **Lebanon** in developing a business plan guideline and train the supervisors on the assessment methodology of these business plans.

Regulatory Reporting. To complement the mission performed in FY23 on the enhancement of regulatory reporting for commercial banks, a mission will be conducted for **Iraq** in FY24 to enhance the regulatory reporting of Islamic banks.

ENHANCING PRUDENTIAL REGULATORY FRAMEWORKS

Enhancing regulation on market risk in line with Basel standards. Pursuing its efforts to complete its implementation of Basel standards, **Morocco** sought METAC's assistance to enhance its market risk framework in line with new Basel standards.

Regulating the outsourcing activities. METAC assists **Algeria** in regulating the outsourcing activities of banks and financial institutions, helping to mitigate risks related to these activities.

International Financial Reporting Standards. METAC assists **West Bank and Gaza** in reviewing the implementation challenges of IFRS 9 and proposing enhancement to current regulatory framework of provisioning, loan restructuring and loan classification.

Consolidated Supervision. METAC will assist **Egypt** in developing regulation to enhance cross border and consolidated supervision.

BUILDING THE CAPACITY OF SUPERVISORS

Capacity building of supervisors remains an essential pillar of METAC's activity. METAC will deliver two **regional workshops**, one workshop jointly organized with the CEF on IFRS 9 from a supervisory perspective, and another workshop on the assessment methodologies of ICAAP (Internal Capital Adequacy Assessment Process) and ILAAP (Internal Liquidity Adequacy Assessment Process). In addition, **Egypt** benefits from a tailored workshops. One is directed to the onsite supervisors to enhance their inspection methodologies of the banks' internal audit process, ICAAP, stress testing and IFRS 9 Expected Credit Loss models. **Iraq** benefits from training on dealing with systemically important banks. Continuous brainstorming, discussions, and exchange of thoughts with supervisors during TA activities will also contribute to capacity building. METAC, in collaboration with MCM, also assists **Yemen** in formulating a medium-to-long-term workplan that identifies the TA needs, prioritize them on a sequential manner to gradually ensure implementation of sound supervision and regulation.

In addition to the CD activities mentioned above, METAC plans to organize webinars on climate-related

financial risks and gender equality, in collaboration with IMF HQ and development partners.

To this date, METAC has not received specific TA requests on banking regulation and supervision from **Tunisia, Djibouti, and Libya. Djibouti**

also benefits from a country-based IMF advisor on banking regulation and supervision, with whom METAC will coordinate CD engagements as necessary. METAC remains flexible to accommodate additional activities should the member countries express TA needs.

The number of activities mentioned above is set to increase after the recruitment of a new resident advisor for financial supervision and regulation, expected to join during FY24. and METAC has budgeted respective resources.



PUBLIC FINANCIAL MANAGEMENT



The quality of technical support we received from METAC was exceptional, actionable, and catered to our demand-driven needs.

**His Excellency
Dr. Mohamad Al-Ississ,
Minister of Finance, Jordan**

ACHIEVEMENTS IN FY23

Member countries fully or largely achieved 17 out of 23 milestones in FY23. Milestones that have not been achieved or partially achieved are either result of a slower than expected pace of reform implementation due to capacity constraints; political changes in individual countries; and/or postponement of missions and resulting delays in the implementation of recommendations.

KEY ACHIEVEMENTS BY COUNTRY

- **Algeria** continued to make significant progress on program-based budgeting implementation for which TA was provided. The authorities are building different scenarios on how to proceed in budget classification to secure budget execution in FY 2023. This will ensure full continuity of budget expenditure in 2023 and its use as a testing year to smoothen the future implementation of budget in a program mode.
- **Djibouti:** This year saw a re-engagement with the Djibouti authorities for the first time since a last PFM CD mission three years ago. The long hiatus was due to the authorities' strong preference for in-person rather than virtual missions and pressing other priorities for Djibouti following the Covid-19 pandemic. TA was provided to the Ministry of Budget in cash management reforms and the operationalization of the TSA. The mission focused on helping the authorities update and implement the action plan for cash management reforms, including cash forecasting, and identifying practical steps to roll out the TSA.
- **Egypt:** After investing heavily in infrastructure during the past few years, the government has ambitious plans for increased private sector participation through PPPs. Continued TA was provided to strengthen fiscal risk analysis and risk management, given the expansion of plans to expand PPP projects over the medium and long term.
- **Jordan:** The Macro-Fiscal Unit (MFU) established in January 2022 has spearheaded an effort to elaborate a first draft Fiscal Risk Statement (FRS) - a new output of the MFU which enhances fiscal transparency. This involved assistance for the drafting of key sections related to macroeconomic risks and those stemming from PPPs, where Jordan is significantly involved and has plans for further increasing the number of

projects in the coming years. The MFU will broaden the scope of the Draft FRS for a planned submission with the budget documentation in October 2023.

- **Libya:** Continued support for enhancing the MTFF and using the framework for fiscal risks analysis. In addition, a joint FAD/METAC mission discussed developments and identified needed reforms in core PFM related issues, in budget planning and execution.
- **Morocco:** Continued support was provided to support the authorities in upgrading the internal control framework (ICF) jointly with the central inspectorate. The support focused on updating the project roadmap and discussed the expected functionalities of the future information system that will support the ICF. In addition, a joint FAD/METAC mission supported the MoF in developing fiscal rules and enhancing the MTFF.
- **West Bank and Gaza:** The Macro-Fiscal Unit (MFU) of the MoF was supported to strengthen quarterly

macro-fiscal reporting, with the goal to provide timely information to address budget implementation challenges and fiscal risks.

- **Yemen:** Continued assistance was provided to build PFM capacities in the MoF, with several synergies across the different thematic engagements (further detailed in Box 2): (i) cash management; (ii) expenditure control; and (iii) digitalization.
- **At the regional level, countries continue to benefit from peer-to-peer learning and applying the lessons to their own situations.** Two joint courses with the CEF on fiscal transparency (June 2022) and (ii) cash management (December 2022) provided opportunities for ministries of finance to strengthen peer engagement and enhance their understanding of key PFM issues. METAC published regional notes on (i) budgeting and efficiency of social expenditures (including Jordan country case), in collaboration with UNESCWA (December 2022), and (ii) lessons learned of PFM

assistance in FCS (February 2023). Work on a Regional Note on budget transparency started in January 2023 and is expected to be finalized in FY24.

EXECUTION OF THE FY23 WORKPLAN

METAC completed 27 out of 33 activities in FY23, equivalent to (429) person-days (1.9 FTEs) (Figure 9).

Three activities were cancelled and 16 were postponed to FY24; 15 activities were added, covering primarily new priorities addressing emerging needs. Examples of postponement of missions to FY24 include **Iraq** where authorities initially cancelled a fully confirmed workshop in FY23 during the electoral transition and requested it again; a mission on macro-fiscal planning in **WBG** was reprogrammed several times due to heightened security concerns for in-person travel; a confirmed workshop on PPP in **Jordan** where authorities highlighted operational constraints to organize it in a timely manner; missions in **Lebanon** on cash management and fiscal risks, due to lack of availability of MoF staff;

BOX 2. PUBLIC FINANCIAL MANAGEMENT SUPPORT IN YEMEN IN FY23

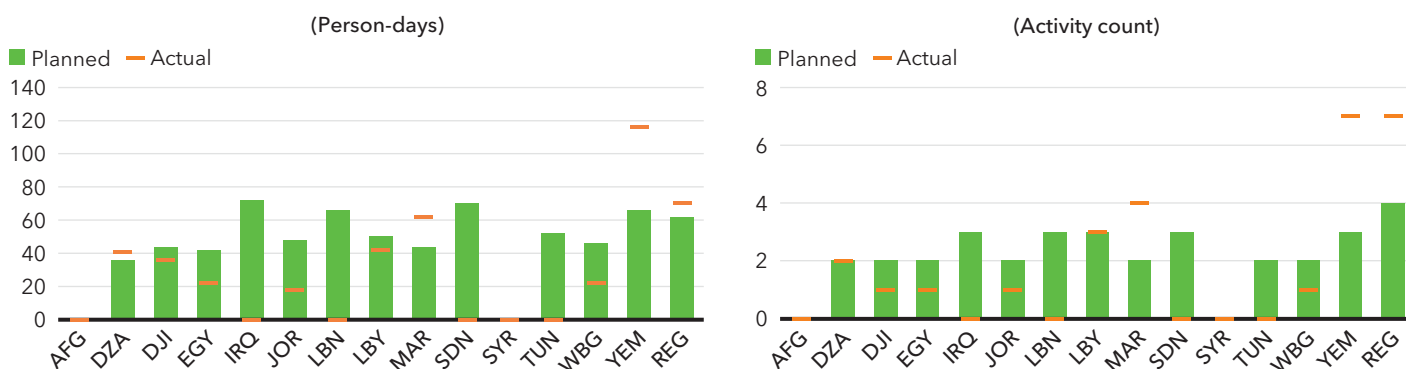
For the 2023 budget year, the Ministry of Finance prepared an annual cashflow forecast with only minimal external support. This represents significant progress in building PFM capacities, which METAC has supported since FY22. A mission assisted the cashflow forecasting team in the final steps of finalizing the forecast. This will require, in the future, regular updates and a timely supply of cash flow information when approving commitment requests from line ministries.

As part of the programmatic approach on expenditure control, which started in January 2022, the Ministry of Finance was supported in setting up regulations for commitment approvals and testing with three pilot entities. This included a streamlined approach to commitment approvals for different expenditure categories and a manual that provides a regulatory framework. METAC also contributed to a FAD-led Hackathon event in Amman, where a prototype of a communication tool for the exchange of financial information between the Ministry of Finance

and line ministries was developed. Work will continue in FY24 for application of processes in pilot entities; potentially a broader rollout to other line ministries; finalization of communication tools, inter alia by bringing the Hackathon IT prototype to scale.

The Ministry of Finance has elaborated a Strategy for IFMIS design and implementation, based on joint FAD/METAC support. Digitalization is a major enabler for PFM reform. Implementation of the strategy will require sustained collaboration of development partners.

FIGURE 9. PUBLIC FINANCIAL MANAGEMENT: EXECUTION OF THE FY23 WORKPLAN



changed authorities' priorities required changes to initially confirmed missions for **Egypt** (PEFA self-assessment); **Tunisia** (SOEs fiscal risks management; reconciliation between budget and financing), and **Morocco** (cash management). METAC emphasized with several countries the importance of medium-term CD planning.

Some cancelled projects will not be rolled over to FY24. This includes **Egypt** (PEFA self-assessment); **Jordan** (fiscal risks from SOEs), and **Lebanon** (fiscal risks from SOEs).

PRIORITIES AND ACTIVITIES FOR FY24

METAC will continue to support the development of sustainable PFM capacities in countries exposed to political instability, especially in fragile or conflict-affected countries as well as countries exposed to civil unrest which is undermining governance capacity. METAC will provide continued support to ministries of finance for the management of economic effects related to external or domestic shocks. This will require further efforts regarding efficient resource management and mitigation of fiscal risks.

The approach for CD delivery will emphasize in-person assistance, while blending it with remote delivery to keep close interaction with authorities.

This may include hybrid modalities where possible. Collaboration with other Development Partners will continue to be an important element to harvest synergies and strengthen effectiveness.

The FY24 workplan includes 30 activities (out of which five are place-holders) and an estimated resource need of 3.1 FTE. The main activities by strategic objectives are:

- **Comprehensive, credible, and policy-based budget preparation.** METAC will further support the development of MTFFs and their integration with the budget process. In **Algeria**, METAC will further advise authorities on the implementation of program and medium-term budgeting. **Djibouti** will benefit from support in MTFFs, including revenue forecasting. Joint FAD/METAC support will be provided for **Egypt** for introducing and presenting climate-related programs and projects in the Budget; this will also include continued advice on improvements for reform areas identified in C-PIMA (Climate Public Investment Management Assessment) (see Box 3). **Lebanon** will benefit from support on enhancing its MTFF. In **Libya**, METAC will continue its partnership with the Accounting and Financial Training Institute to provide capacity

building to the MoF on building a credible MTFF, improving budget preparation and other PFM priorities when needed. In **Morocco**, the Center will further assist authorities to improve fiscal rules. Continues support on macro fiscal planning will be provided for **Sudan** aimed at strengthening macro fiscal forecasts. In **West Bank and Gaza**, assistance will provide further support to strengthen macro fiscal planning by enhancing fiscal strategy elements.

- **Improved budget execution and control.** In **Jordan**, support will be provided to identify some of the causes of arrears, particularly in the expenditure control area. In **Morocco**, METAC will continue to assist the authorities to advance reforms in the ICF. In **West Bank and Gaza**, assistance will be provided on subnational fiscal management to enforce fiscal discipline at local levels, while strengthening oversight at the MoF. Continuing the programmatic support initiated in FY22 and advanced in FY23, METAC will further assist **Yemen** in strengthening expenditure control by introducing a new commitment control step that considers cash availability; for FY24, the objective is to provide support for a roll-out of the new processes across line ministries.

BOX 3. CLIMATE BUDGETING SUPPORT IN EGYPT IN FY24

Egypt's National Climate Change Strategy 2050 sets out a pathway for transitioning to a low-carbon and climate-resilient economy and respective public infrastructure; quantitative targets aim at reducing greenhouse gas emissions of three major sectors (energy, transport, and oil) by 23.5 percent by 2030. This was confirmed in the 27th Conference of parties under the UN Climate Change

Convention in November 2022, which Egypt hosted. As identified in the FY23 Fiscal Affairs Department mission on C-PIMA, Egypt has implemented important improvements in climate-aware planning and coordination across the public sector, and some initial steps to reflect climate change issues in appraisal and selection of investment projects. However significant work remains in these

areas: so far, there has been limited progress in ensuring that budgeting, portfolio management, and fiscal risk management are climate sensitive. The Ministries of Finance as well as Economy and Planning requested support in the implementation of IMF recommendations, which will be provided through joint METAC and FAD assistance.

- **Improved asset and liability management.** METAC will provide follow-up support for **Algeria** on cash management reforms. **Djibouti** will benefit from further support to consolidate liquidity within the TSA and improve cash flows forecasts. In **Iraq**, METAC will provide support in the implementation of a roadmap for setting up a TSA and also continue with assistance for developing cash forecasting capacities. In **Sudan**, support will focus on extending the time horizon of the cash forecast from one to three months. In **Tunisia**, METAC will support the implementation of the recently signed convention between the Central Bank of Tunisia and the MoF to improve TSA management. In **Yemen**, METAC will assist the authorities' ability to regularly update their cash forecast and develop more efficient payment processes, previous to their automation in a future IFMIS.
- **Improved PFM laws and effective institutions.** METAC will support PFM strategies to implement sound and comprehensive reforms. In **Egypt**, capacity building will be provided on the implementation of the new PFM law and executive regulations.
- **Improved coverage and quality of fiscal reporting.** In **Lebanon**, METAC will assist the authorities to improve the quality, timeliness, and publication of monthly budget execution reports. In **Morocco**, support will focus on implementing an ICF to improve the preparation of audited financial statements for the central government.
- **Strengthened identification, monitoring, and management of fiscal risks.** METAC will focus its support on two critical areas: (i) assessing fiscal risks arising from PPPs (**Jordan**), and (ii) managing fiscal risks related to SOEs (**Lebanon, Tunisia**).
- Two **regional courses** delivered at the CEF will develop technical capacities and foster peer-to-peer exchanges in core PFM areas: (i) a course on "macro-fiscal planning" will enhance capacities in budget planning aimed at enhancing consistency in fiscal and economic policies; (ii) a course on "budget execution and expenditure control" will strengthen practical skills for commitment control and effective monitoring of budget execution.
- One output (potentially a METAC **Regional Note**) will summarize lessons from recent capacity building activities.

REVENUE ADMINISTRATION

ACHIEVEMENTS IN FY23

In the tax administration workstream, 18 out of 23 milestones in FY23 were fully or largely achieved, and five were partially achieved. The partially achieved milestones (**Algeria, Iraq, Morocco, and Yemen**) require a longer period for implementation and are expected to be fully achieved in FY24.

In the customs workstream, three out of eight milestones were fully or largely achieved in FY23. The additional five milestones were partially or not achieved in **Egypt, Jordan, Lebanon, and West Bank and Gaza**. Additional resources and longer implementation periods are needed to fully achieve these milestones. We expect progress toward this goal in FY24.

KEY ACHIEVEMENTS BY COUNTRY

The **Algerian** General Directorate of Taxes achieved significant improvement in the management of tax arrears through the creation of a dedicated collection directorate within the central services.

METAC assisted **Egypt** in the development of an action plan to implement a performance management framework to ensure that the organizational reform areas and revenue mobilization

initiatives included in the Medium-Term Revenue Strategy (MTRS) are properly managed. This activity was complemented by a peer-to-peer engagement activity with the support of the Belgian General Administration of Taxes to increase the knowledge of the officials of the Egyptian Revenue Administrations in the areas of performance management, digitalization, and international taxation. A joint METAC/FAD mission evaluated and updated the MTRS and developed a structured MTRS implementation plan.

On the customs side, METAC provided support to the **Egyptian Customs Authority (ECA)** in designing and implementing the PCA function. This new approach, based on the use of a risk-based audit, will reduce the number of controls at the border, speed the clearance of imported goods, and contribute to revenue mobilization by targeting duty relief programs, exemptions, and customs valuation issues that were previously very difficult to control at the border.

Iraq's General Commission of Taxes, with METAC support, developed an action plan for improving the organizational design of the headquarter and the regional offices.

Jordan developed, with METAC assistance, a tax audit program for transfer pricing for the large taxpayer's department to improve audit and other verification programs and to ensure accuracy of reporting.

The **Jordanian Customs Department (JCD)** developed its data analysis capacity by implementing new technologies. Fifteen (15) customs officials were trained in the use of data analysis programming language for customs data.

METAC helped the **Lebanon** MoF in establishing a reform governance framework needed for the implementation of an intensive reform program funded by the Revenue Mobilization Trust Fund (RMTF).

METAC supported the **Lebanese customs** administration in implementing the previously proposed workplan of immediate and short-term measures for improving domestic revenue mobilization (DRM).

The **Libyan customs** administration acquired knowledge of the importance and good practices of taxpayer register integrity. With METAC assistance, the **Libyan tax** administration set up a roadmap and priority actions to move to digitalization of administration of taxes.



The Moroccan Tax Administration would like to express its full satisfaction and gratitude towards the tremendous work done by METAC and its mobilization to enhance capacity building among its members. In fact, cooperation with the METAC is something which has already been initiated since the adhesion of Morocco in 2016. The feedback of our colleagues who did get the opportunity to benefit from the previous capacity building events are very positive at both the personal and professional levels.

All our colleagues reported their satisfaction from the quality of the experts who were animating the events, the quality of the exchanges among the participants and of course the professionalism, skills and kindness of the METAC team in charge of the planning of the technical assistance.

Once again, We would like to seize this opportunity to reiterate our gratitude for all the efforts you made to make our cooperation a success.

The Moroccan Tax Administration is looking forward to enhancing and building a constructive and sustainable cooperation with the METAC.

Tax Administration, Morocco

Libya's customs authority progressed with the shift from the current paper-based imports clearance system to a new electronic workflow (ASYCUDA World customs IT management system). A pilot was established to enhance and test the import declaration module at the Port of Tripoli customs office with a plan to implement other modules, consolidate the prototype, and launch the roll out phase after the pilot test completion.

With METAC assistance, **Morocco** developed a draft tax compliance improvement plan for the large taxpayer segment within the General Directorate of Taxes and an Information technology governance framework.

With METAC support, the **Moroccan customs** administration improved its approach to fight fraud, smuggling, tax evasion, and illicit financial flows by strengthening the legal framework applicable to these important issues.

METAC assisted the **Sudan** Taxation Chamber to develop an action plan for improving organizational design of the headquarters and the regional offices. A draft business continuity plan for the Information Technology risks was developed for the **Tunisia** Tax Administration through a METAC's assistance.

METAC also provided the **Tunisian customs** administration with advice and training in setting up a risk-based PCA in customs. This will speed the clearance of the legitimate imported goods, facilitate trade, and contribute to revenue mobilization by targeting special duty relief programs, and customs valuation issues.

METAC provided advice to the tax administration of **West Bank and Gaza** on improving large taxpayer compliance.

BOX 4. DIGITALIZATION IN LIBYA IN FY23

METAC supported the Libyan Tax Authority in developing a roadmap to move to a digitalized tax administration, including key steps to implementing an Integrated Tax Administration Solution. The Libyan authorities acknowledged this METAC support, after which the minister of finance provided the administration with the needed budget to move forward with the automation project.

METAC also assisted the customs administrations in upgrading customs functionalities of their ASYCUDA

system. In 2011, Libya had developed a prototype of the ASYCUDA World software system with UNCTAD support, but the system was only partially deployed and thus not used by LCA because of the political and military instability in the country. On LCA request, METAC delivered the first action of a planned two-phase hybrid capacity development assignment to the Libyan Customs Administration (LCA) consisting of an assessment of the state of the prototype development and

technical support on developing a new more sophisticated prototype, which was deployed for pilot testing in the Port of Tripoli in November 2022. At present, LCA can automatically process 100 percent of import customs declarations with ASYCUDA. Further support is being provided by FAD to complete the system with the rest of customs procedures (export, transit, and suspensive regimes), selectivity and making it fully sustainable and ready for roll-out in the rest of customs clearance offices in Libya.



Sudan, particularly I, had the lion share from METAC workshops and long patience of METAC experts until shortly before the eruption of the war. We are greatly appreciative for all the staff.

Awad Babeker Eisa, Directory of Tax Treaties and Foreign Relations, Sudan Taxation Chamber

Yemen developed a tax audit program and a general tax audit manual to be used as a reference by current and new tax auditors, as well as a draft Taxpayer Services Strategy.

METAC delivered a virtual Tax Administration Diagnostic Assessment Tool (TADAT) **regional training course** jointly with the TADAT secretariat to enhance METAC member tax administrations' knowledge of the TADAT methodology and raise awareness of internationally recognized good practices. The course was delivered through interactive sessions covering the nine performance outcome areas and exercises developed around country case scenarios.

METAC conducted a first **regional workshop** on the "International Survey on Revenue Administration (ISORA)" in Amman – Jordan. The workshop, attended by 31 participants from 12 METAC member countries and three Gulf Cooperation Council countries, raised the importance of ISORA and how to complete an ISORA survey. It also provided information on data that can be used in measuring revenue administration performance.

METAC organized jointly with FAD and MCD a **high-level outreach event** on revenue mobilization for three METAC member countries' tax and

customs administrations (**Iraq, Libya, and Yemen**) to foster engagement in CD activities with countries facing security-related IMF staff travel restrictions. The workshop presented how FAD/METAC CD can assist revenue administrations and discussed the three countries' reform priorities and CD needs.

METAC facilitated a **remote workshop** on customs valuation to initiate peer-to-peer learning among customs administrations in METAC member countries. The objective was to support member countries' ongoing efforts towards the effective implementation of the WTO Customs Valuation Agreement (CVA). Experiences and challenges with the implementation of the CVA agreement were shared by five customs administrations. Three presentations were made in relation with the use of new technologies, (mirror data analysis, artificial intelligence, machine learning). Participants also reviewed the IMF's new customs book. The workshop was organized in cooperation with the IMF's CEF in Kuwait.



Regional workshop on the “International Survey on Revenue Administration” in Amman, Jordan.



The Ministry of Finance extends its warmest greetings to you, and we highly appreciate your continuous efforts and collaboration with us. We would be very grateful for enhancing our joint work to develop and enhance capabilities.

Nadia Khmos, Acting Director of Data and Information Department, Directorate General of Income Tax, Ministry of Finance, West Bank and Gaza

EXECUTION OF THE FY23 WORKPLAN

In tax administration, METAC delivered a total of 21 activities, including 18 activities in 11 country projects, one webinar, one workshop, and one outreach event. Of the 19 originally planned activities, 13 were delivered, and six cancelled (two for **Egypt**, one each for **Lebanon**, **Morocco**, **Sudan**, and **Yemen**).

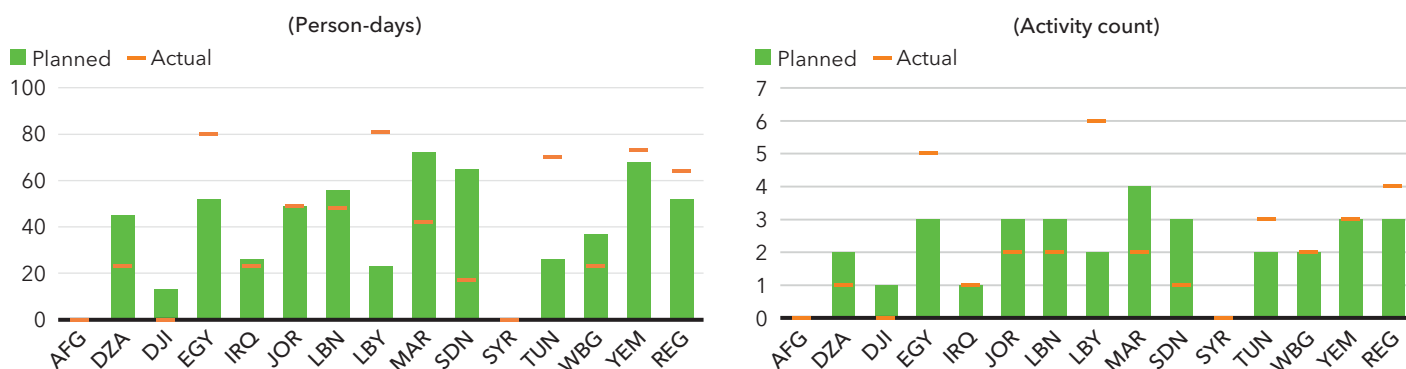
In the customs administration workstream, METAC delivered a total of 12 activities, including 10 activities in six country projects, one remote workshop, and one outreach event. Ten activities were cancelled or postponed (**Djibouti**, **Morocco**, **Sudan**, **Algeria**, and **Lebanon**).

METAC added eight new tax administration activities to the FY23 workplan. These included two activities for **Egypt** on Performance Management and Measurement and a peer-to-peer

engagement to Belgium, two activities for **Libya** on information technology, one activity for **Morocco** assisting the tax administration in finalizing a strategic plan, one activity for **Yemen** on developing a tax audit manual, one activity for **Tunisia** on identification and mitigation of IT risks for Automatic Exchange of Information (AEOI) purposes and one high-level outreach event for **Iraq**, **Libya**, and **Yemen**. Overall, nine of the 21 activities were dedicated to FCS member countries.

Seven new activities in customs administration workstream were added to the FY23 workplan. For **Libya**, METAC assisted the customs administration implementing their new ASYCUDA. In **Egypt**, CD related to the implementation process of both the MTRS and the PCA function. METAC delivered one high-level outreach event for selected METAC fragile countries (**Iraq**, **Libya**, and **Yemen**). One half of the CD activities (6 of 12) were devoted to FCS member countries.

FIGURE 10. REVENUE ADMINISTRATION: EXECUTION OF THE FY23 WORKPLAN



PRIORITIES AND ACTIVITIES FOR FY24

The proposed FY24 workplan is consolidated for tax and customs administrations. It covers 39 activities, including three regional workshops, with resources estimated at 2.9 FTEs. Sixteen of the 36 planned activities are dedicated to FCS. The workplan aims to achieve three objectives that are consistent with improving revenue collection and responding to countries' needs to recover revenue administration operations after Covid-19. The activities focus on strengthening capacities in revenue administration management and governance arrangements, core tax administration functions, and customs administration functions.

MANAGEMENT AND GOVERNANCE ARRANGEMENTS

Further support will be provided to the tax administrations of **Algeria, Iraq, Jordan, Tunisia** and **WBG** for the implementation of the risk management approach.

METAC will support the tax administrations of **Iraq, Jordan**, and **Libya** on the modernization of the organizational

structure of the headquarter and regional offices and on establishing the appropriate institutional settings .

Further support will be provided to **Egypt** on the implementation of the performance management and measurement framework, to **Lebanon** to develop and adopt strategic and operational plans and introduce performance management approach and to **Morocco** to improve the existing reform governance framework and compliance in digital economy sector.

METAC will organize two **regional workshops**. One will be delivered jointly with CEF on the organizational design of the tax administrations, and the other will be on identifying tax compliance risks in the extractive industries sector.

TAX ADMINISTRATION CORE FUNCTIONS

Assistance will be provided to **Djibouti** to establish large taxpayers office.

METAC will deliver training to the tax administration of **Yemen** on the tax audit manual developed by METAC in FY23.

CUSTOMS ADMINISTRATION CORE FUNCTIONS

METAC will continue to support the customs authorities of **Tunisia** on developing their PCA function, including a review of the organizational and legal frameworks and CD on exemptions control. METAC will support the customs administrations of **Djibouti** to align customs procedures and controls (valuation, tariff, and origin) with international standards, and with developing a dispute resolution mechanism.

For **Egypt**, support will be provided in area of PCA, valuation control (transfer pricing), and on performance management. For **Lebanon and Iraq**, METAC will support customs law review and alignment of procedures and controls with international standards.

For **Libya**, support will focus on PCA and on strengthening risk management, intelligence, and investigation functions.

For **Yemen**, CD will be provided on PCA function.

METAC will organize one **regional event** on customs performance management and communication with stakeholders.

REAL SECTOR STATISTICS



METAC has become over the years a major partner of the National Institute of Statistics, undertaking key TA activities, especially on national accounts and price statistics. With METAC, we know that we can rely on the best expertise in these areas.

**Institut national de la Statistique,
Tunisie**

ACHIEVEMENTS IN FY23

METAC continued to build member countries' capacity in developing and improving macroeconomic statistics in line with the priorities for Phase V.

To this end, METAC provided technical assistance and training aimed at enhancing countries' statistical capacity to produce and disseminate national accounts statistics and price statistics, with improved quality, coverage, and timeliness.

Member countries made progress in developing RSS. 28 of 41 milestones were fully or largely achieved, and two were partially achieved. These included outcomes such as developing staff capacity, compiling new data sets, increasing the use of appropriate statistical techniques, improving source data, and ensuring that the methodological basis for statistics follows internationally accepted standards and good practices.

KEY ACHIEVEMENTS BY COUNTRY

Egypt, Iraq, and Jordan improved the compilation process used to produce SUTs, through the development of customized tools to store, edit, and analyze the estimates.

Egypt rebased its GDP estimates using internationally accepted methods and made progress towards the compilation of financial and balance sheet accounts.

Iraq implemented improvements to the CPI in areas identified as shortcomings during a 2022 mission, started work on improving the RPPI by integrating prices from online real estate listings, and finalized the update to the PPI with weights from the 2018 industrial survey.

Jordan underwent an assessment of the state of play of national accounts statistics in the country and improved its capacity to analyze and edit source data for annual GDP.

Lebanon assessed data collection methods to ensure CPI continuity and developed a work plan to compile a PPI.

Libya received training in price index methodology and practices for the future development of a PPI.

Tunisia initiated the development of quarterly GDP estimates by the expenditure approach and assessed the feasibility of developing balance sheet accounts of non-financial assets. Tunisia also assessed the possibility to use the household budget survey that

was conducted during the COVID-19 pandemic to update the weights of the CPI.

West Bank and Gaza utilized administrative data sources to compile GDP estimates for financial corporations.

METAC dealt with fragility partly by working closely with development partners and IMF country teams. METAC is coordinating TA with the World Bank in Iraq, where METAC assists the Central Statistical Organization on supply and use tables and annual national accounts, whereas the World Bank focuses on quarterly national accounts. Coordination is also taking place in Libya and Yemen, the latter benefitting from METAC training for the Aden-based CSO while the World Bank is working with the Sana'a-based statistical office. METAC is keeping the IMF country teams engaged and aware of the statistical environment in countries such as Libya and Yemen. This has aligned TA activity with surveillance needs and led to a more effective allocation of resources by country.

METAC has directed resources to FCS countries when presented with the opportunity. The CSO of Iraq, for example, benefitted from five TA activities during FY23 as opposed to three planned activities. Two missions on improving the CPI were added at relatively short notice due both to the importance of the subject to the IMF country team as well as to the readiness and capacity of the CSO to receive and implement the recommendations. In Lebanon, staff turnover and the deterioration of the economic situation almost derailed a planned TA activity, but METAC provided CAS employees with a per diem to cover the high cost of personal transportation to allow them to participate in the mission in person.

The lifting of travel restrictions related to the Covid-19 pandemic resulted in all but four activities being conducted in-person. Two missions to Egypt were conducted virtually: one in May 2022 to assist Egypt with its rebasing efforts; and the other in April 2023 to develop financial and balance sheet accounts.

A mission to the Palestinian Central Bureau of Statistics also had to be conducted online because of delays in getting a visa for the advisor on time. In addition, a mission to Iraq on price statistics was conducted remotely due to the preference of the authorities.

Changes in priorities affected the FY23 work program. Two activities to the **West Bank and Gaza** on chain-linking and benchmarking were postponed and replaced by ones on use of administrative data. Two activities to **Egypt** on volume measures of GDP and financial and balance sheet accounts were postponed to FY2024 to focus on the GDP rebasing exercise and slowness in data acquisition. Three activities (to **Djibouti, Libya, and Sudan**) were canceled due to being deemed inopportune or due to lack of engagement from the authorities. A joint training workshop on national accounts at the CEF was canceled due to other priorities.

METAC reacted swiftly to the changed circumstances and replaced the postponed activities with new activities.

BOX 5. USE OF ADMINISTRATIVE DATA AT THE PALESTINIAN CENTRAL BUREAU OF STATISTICS

Like many national statistics offices, the PCBS is under pressure to compile high-quality statistics under tight budget situations. The PCBS has therefore put in place a new policy to i) reduce the use of costly field surveys to collect economic data, and ii) increase the utilization of administrative data to compile GDP statistics. Administrative data are data collected by government or other organizations, usually for non-statistical purposes. While field surveys are designed by statisticians to collect the data needed for their specific purpose, administrative data may have adequate if not full coverage of the target variables and may be acquired at minimal cost.

In response to a request from the PCBS, METAC provided two TA missions during FY23 to utilize administrative data to estimate the output of financial corporations. The first mission reviewed available administrative data sources from the Palestinian Monetary Authority, the Association of Banks in Palestine, the Palestinian Capital Market Authority, and the financial statements of deposit-taking institutions and insurers. The second mission focused on finalizing a compilation system to produce GDP estimates from administrative data, covering 95 percent of the output of all financial corporations.

The METAC CD resulted in an increased accuracy of the estimates, and the setup of a sustainable compilation system that significantly reduces dependence on costly survey data. In comparison with the survey, the administrative data sources produce a tangibly higher estimate of value added for financial corporations, and lead to an increase more than one percent in the level of GDP. With the cooperation of other government departments like the Ministry of Finance, this work sets the stage for an expansion of the use of administrative data to cover non-financial corporations.

This included two missions to **Iraq** on improving the CPI, a subject deemed a priority by the IMF country team. Two activities to **Jordan** were added upon the authorities' request to assess the state of play of the country's national accounts and to help utilizing source data to compile 2019 annual GDP estimates. An additional activity on SUTs was added for **Egypt** to help the authorities advance with modernizing their annual compilation system. Also benefitting for the first time from METAC assistance was **Yemen's** newly created Aden-based Central Statistical Organization, once a regional field collections office of the CSO head office in Sana'a, and now reporting to the Minister of Planning and International Cooperation of the internationally recognized government of **Yemen**. In addition to these training and TA activities, three outreach activities were added to the work program (participation in the UNECA webinar on the System of National Accounts update program; the Arab Monetary Fund Arabstat Steering Committee annual meeting; and the UNESCWA Statistical Committee meeting).

EXECUTION OF THE FY23 WORKPLAN

METAC delivered 24 activities, compared with 24 originally planned activities. Six activities were cancelled

or postponed but were replaced with six new ones (not including the RSS advisor's participation in three outreach activities). The baseline workplan included 18 activities on national accounts and six on price statistics. In the final executed workplan, there were also 18 activities on national accounts and six on price statistics.

Of the 24 missions conducted in FY23, 10 were to fragile and conflict-affected states. These included five missions to **Iraq** (offsite), two to **West Bank and Gaza**, and one to each of **Lebanon**, **Libya** (offsite), and **Yemen** (offsite). The offsite missions were mostly one week in duration, but one of the missions to **Iraq** was designed to be two weeks in duration with the participation of fewer participants. This was found to be more productive, and future TA missions that are conducted offsite will be designed accordingly.

PRIORITIES AND ACTIVITIES FOR FY24

The FY24 workplan has 24 activities (out of which 4 are placeholders), equivalent to 1.5 FTEs. CD delivery will focus on improving the quality and coverage of national account statistics (83 percent of the allocated resources), and price statistics (17 percent) in line with relevant internationally

accepted statistical standards. The plan assumes that all activities will be conducted in-person with none conducted virtually.

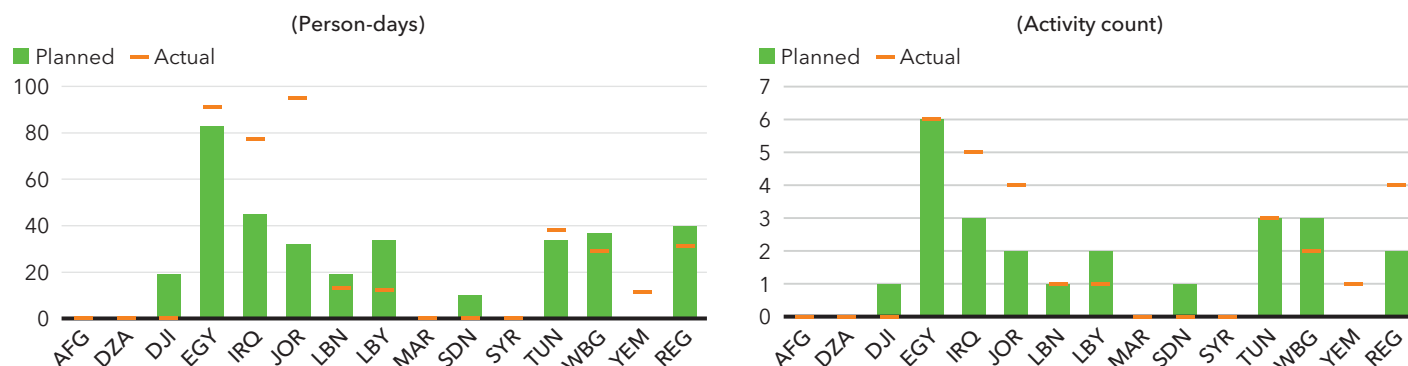
NATIONAL ACCOUNTS STATISTICS

Egypt: METAC will continue supporting two projects underway in Egypt: one with the Ministry of Planning and Economic Development (MPED) to support the compilation of financial and balance sheets accounts; and another with the Central Agency for Public Mobilization and Statistics to improve the system to compile SUTs. Assistance will also be provided to the MPED to improve the measurement of GDP in volume terms. METAC will organize a study visit to the High Planning Commission of Morocco for Egyptian national account compilers from both agencies.

Iraq: METAC will continue to support the Iraqi Central Statistics Organization to develop 2018 SUTs and improve the quality and accuracy of measures of gross capital formation.

Jordan: METAC will assist the Department of Statistics to measure the production of financial corporations from administrative data sources, and to improve measures of the non-observed economy.

FIGURE 11. REAL SECTOR STATISTICS: EXECUTION OF THE FY23 WORKPLAN



Libya: Assistance will focus on training on SUTs compilation.

Syria: FY24 will see METAC's first RSS mission to Syria. CD will focus on the compilation of quarterly national accounts and SUTs.

Tunisia: METAC will provide assistance to continue the development of quarterly estimates of GDP by expenditure and non-financial balance sheet accounts. An activity to compile Rest of World accounts is also planned.

West Bank and Gaza: Assistance to the Palestinian Central Bureau of Statistics will focus on quarterly benchmarking and chain-linking the national accounts.

Yemen: METAC will provide further training on national accounts compilation to increase the capacity of the Aden-based Central Statistical Organization.

Regional: Three regional workshops will aim at enhancing member countries' capacity to measure financial production in the national accounts; measuring gross capital formation; and compiling SUTs.

PRICE STATISTICS

Iraq: METAC will continue its assistance to the Iraqi Central Statistics Organization to develop a residential property price index based on online real estate listings.

Jordan: METAC will continue its assistance with a follow-up activity to the Department of Statistics to increase granularity and coverage of the PPI.

Lebanon: METAC will continue the project with the Central Administration of Statistics on developing PPIs and providing TA on the CPI.

Libya: METAC will follow up with TA to the Bureau of Statistics and Census of Libya to update the CPI with new weights.

GOVERNMENT FINANCE STATISTICS

PRIORITIES AND ACTIVITIES FOR FY24

A resident advisor for STA's GFS CD workstream has been hired and is expected to join METAC in November 2023. This new workstream will address gaps in GFS and public sector debt statistics (PSDS) that hinder fiscal management and IMF surveillance in the region, with a specific focus on supporting fragile and conflict-affected states. Depending on country cases, support will focus on expanding institutional and data coverage, improving the compilation methods and techniques in line

with the GFS Manual 2014 (GFSM 2014) and the Public Sector Debt Statistics Guide 2011 (PSDSG 2011), and enhancing the timeliness of data reporting and dissemination. The new GFS workstream will be embedded in METAC's FY24 workplan which will include two GFS and PSDS technical assistance missions and a regional workshop. The new resident advisor will support ongoing STA GFS CD to the region funded by the Data for Decisions (D4D) Trust Fund and IMF's own resources including initiating new required CD projects for the GFS workstream.

MACROECONOMIC FRAMEWORKS

PRIORITIES AND ACTIVITIES FOR FY24

A resident advisor for ICD's macroeconomic frameworks TA workstream will be hired in FY24. This workstream helps member countries to develop capacity to carry out macroeconomic forecasts and scenario analysis. It draws on ICD's training tradition, the FPAS (forecasting and policy analysis system) TA practice for central banks, and the IMF's own use of Financial Programming. Country-specific TA projects use (and develop) a range of models and tools for structured forecasting and policy analysis, as well as practical experience in the development and use of these tools in

a range of institutional settings. The new resident advisor will join ongoing CD projects where a regional field presence would be an advantage, for example, Iraq's macroeconomic frameworks project aimed at strengthening the capacities of the Central Bank of Iraq in macroeconomic analysis and forecasting via the development of a Macroeconomic Projections Tool. The new resident advisor will also help with initiating new TA projects for the macroeconomic frameworks workstream, especially for fragile and conflict-affected member states. He/she would also play a key role in any regional peer-to-peer events on macroeconomic frameworks topics.

TAX POLICY

**PRIORITIES AND ACTIVITIES
FOR FY24**

Strengthening tax policy design, mobilizing revenues, and building fiscal institutions in FCS in the MENA region is critical to support inclusion, boost social and infrastructure spending, help reach the Sustainable Development Goals, and address climate-related challenges. With a tax-to-GDP ratio averaging less than 6 percent, revenue mobilization and

diversification of revenue sources are necessary for development. A regional advisor, to be stationed at METAC, will be hired during FY24 to deepen CD engagement in tax policy in FCS, thereby complementing METAC CD in tax administration and exploiting synergies. Beyond designing and assisting in implementing tax reforms, CD in tax analytics—especially estimating tax expenditures—remains absolute priority to guide policy

making, enhance transparency, and build fiscal institutions. The new regional advisor will be mandated with supporting IMF HQ tax policy work, especially with continuous follow-ups to maintain traction of FCS authorities in a highly volatile political environment and facilitate country-specific tailored tax policy design in the face of weak tax capacity and other stringent constraints.



Regional Workshop on Tax Expenditures, Amman, Jordan

ANTI-MONEY LAUNDERING AND COMBATING THE FINANCING OF TERRORISM

PRIORITIES AND ACTIVITIES FOR FY24

The **MENA Project** will continue to **assist West Bank and Gaza** and initiate assistance with four other MENA countries to prepare them for their AML/CFT mutual evaluations. The project will also organize regional workshops on horizontal AML/CFT weaknesses identified in the MENA region. In **Yemen**,

the AML/CFT advisor will contribute to the development of drafting legislative amendments to align the legal framework with international AML/CFT Standards. In **Jordan**, the advisor will continue to provide advice to the authorities on how to strengthen the AML/CFT framework, while in Egypt, the development of a road map on key ML/TF risks will continue.

SECTION III

OUTREACH
AND COLLABORATION

OUTREACH AND COLLABORATION

GENERAL OUTREACH ACTIVITIES

Throughout the year, Mr. Floerkemeier, METAC Director, conducted regular virtual and in-person outreach and coordination meetings with METAC development partners, including France, Germany, the Netherlands, Switzerland, and the European Union. He met with member country authorities (virtually, on country visits, as well as during the IMF's Annual and Spring Meetings) to discuss CD needs and challenges, and with the host country authorities to discuss the reopening of METAC's physical office premises and launching of the new program phase. He met with Lebanon-based representatives of international organizations to raise awareness of METAC's work; and with various international institutions and civil society organizations to discuss potential collaboration. As an outcome of the latter, in FY24 METAC will further expand its cooperation with the International Budget Partnership (IBP) and the European Union on fiscal transparency; offered a joint regional workshop with the Arab Institute for Training and Research in Statistics in June 2023; and collaborates with partners in offering events on cross-cutting issues, including climate change and gender economics.

PARTICIPATION IN UNECA WEBINAR ON SYSTEM NATIONAL ACCOUNTS (JUNE 6-9, 2022)

METAC's RSS advisor attended the United Nations Economic Commission for Africa (UNECA) Third Regional Thematic Webinar on the System of National Accounts Update Program. The webinar briefed participants on progress made in developing new Guidance Notes and informed them on how to participate in testing and early implementation of the new standards.

IMF-EUROPEAN UNION MEETINGS (BRUSSELS, JUNE 21-22, 2022)

Mr. Floerkemeier and the IMF's ICD Global Partnerships team met with the European Union's directorates general ECFIN, INTPA, and NEAR on EU-IMF CD cooperation. Discussions with DG NEAR covered the EU's Pillars assessment, new EU grants and procurement rules and processes, and the finalization of the EU contribution agreement for METAC's Phase V, which was eventually signed in November 2022. Collaboration between DG NEAR, the IBP, and METAC to advance fiscal transparency in the MENA region was also discussed.

WEBINAR ON APPROACHES TO CLIMATE RISK ANALYSIS (OCTOBER 3, 2022)

Climate-related financial risks have moved to the forefront of the agenda for financial institutions, central banks, and other financial sector regulators. The topic is of particular relevance to the financial supervisors and regulators of the Middle East region being a hotspot for climate change. The IMF's MCM and METAC jointly organized a webinar on "Approaches to Climate Risk Analysis". The webinar presented approaches to identify, monitor, and respond to climate-related financial stability risks. It introduced the key terms and concepts used in climate risk analysis. It also explained the approaches to standard risk analysis used in the Financial Stability Assessment Process (FSAP) and how these approaches could be modified to incorporate climate risk, both for physical and transition risk. Data needs and challenges in climate risk analysis were also discussed. About 90 participants from various countries in the region attended and actively participated in the webinar. Delegates from the European Union and Swiss SECO participated as discussants and shared their insightful views which enriched



I am extremely satisfied with METAC's action on the countries it covers and supports on strategic issues for their development. METAC provides expertise and skills in key areas. We share common goals and objectives, and I am delighted with the collaboration and coordination between METAC and France's action, which are essential factors for the success of our joint action.

François Sporrer, Direction Générale Du Trésor, France

the discussions. Prior to the webinar, a survey on the analysis of climate-related risks was distributed to the participating member countries, and the results were discussed during the event.

YEMEN TECHNICAL ASSISTANCE AND CAPACITY DEVELOPMENT GROUP (TA/CDG) WORKSHOP (NOVEMBER 1-2, 2022)

Mr. Floerkemeier and Mr. Frank (PFM advisor) attended the Yemen Technical Assistance and Capacity Development Group (TA/CDG) meeting in Riyadh. The TA/CDG's coordinates targeted CD

by development partners in response to the needs of Yemeni public institutions (including the Central Bank and MoF). The objective is to leverage complementarities and realize synergies while considering absorptive capacity constraints and minimizing duplication of CD efforts. The Yemeni authorities presented their reform plans, followed by discussion of CD priorities and potential support from development partners. Careful prioritization and sequencing of CD programs will help achieve tangible outcomes in a setting of limited institutional capacity. METAC organized a session on PFM approaches in fragile and conflict-affected states as part of the event, which was hosted by the Saudi Development and Reconstruction Program for Yemen (SDRPY).

9TH MEETING OF THE TECHNICAL COMMITTEE OF THE ARAB STATISTICS INITIATIVE "ARABSTAT" (NOVEMBER 9-10, 2022)

At the invitation of the Arab Monetary Fund (AMF), METAC attended the ninth (virtual) meeting of the Steering Committee of the Arab Statistics Initiative (ArabStat) during November 9-10, 2022. Participants from the IMF's Statistics Department presented on New Technologies in RSS and discussed the regional data availability and policy uses of sectoral financial accounts. The meeting also discussed remittances, statistical challenges during pandemics, public debt statistics, and financial soundness indicators.

UNESCWA STATISTICAL COMMITTEE (NOVEMBER 16-17, 2022)

At the invitation of the UNESCWA, Mr. Issam Alsammak, RSS advisor attended the fifteenth session of the ESCWA Statistical Committee meeting during November 16-17, 2022. The meeting was attended by the directors of several national statistics offices in

the region and was an opportunity to establish contact with countries with whom METAC has had little traction in the RSS area. This resulted in the planning of TA activities to both Syria (in FY24) and Yemen (in FY23).

39TH ANNUAL MEETING OF THE ARAB COMMITTEE ON BANKING SUPERVISION, ARAB MONETARY FUND (DECEMBER 5, 2022)

Ms. Nehmat Hantas, METAC's banking supervision advisor, delivered a session on Risk-based Supervision at the 39th annual meeting of the Arab Committee on Banking Supervision, discussing the benefits of RBS and highlighting key aspects important to respond to emerging risks such as foresightedness and flexibility. The session also addressed the key risk drivers that are on the supervisory dashboard. These includes new risks related to climate change and crypto/Fintech, in addition to existent risks (credit, market, operational, interest rate risk in the banking book) and how these risks are impacting the financial sector amid the macroeconomic pressures arising from soaring inflation, increasing interest rates, rising debts, currency pressures and recession concerns. Active projects conducted by METAC on enhancing RBS in member countries were also described during the meeting. The session concluded with some remarks highlighting that RBS is more relevant than ever given the challenging circumstances and encouraging supervisors to complete Basel III reforms, activate their forward-looking tools, build up capital and liquidity buffers, enhance corporate governance, put more efforts on climate risk analysis, understand the new trending crypto and fintech risks, and continue the capacity building of supervisors including the new specialized areas.

CAPACITY DEVELOPMENT UPDATE - BANKING REGULATION AND SUPERVISION AND CENTRAL BANKING OPERATIONS (JANUARY 23, 2023)

METAC organized a virtual outreach event on banking regulation and supervision, and central banking operations. The purpose of the event was to update development partners and member countries on METAC projects in these two workstreams and to gather stakeholders' feedback. METAC advisors presented their lines of work, the activities performed during the fiscal year and the most active topics that are currently in high demand by member countries. They also highlighted METAC's competitive advantages in delivering capacity development in the financial stability and central banking areas and shared some key takeaways and success factors for these activities. A representative from Bank Al Maghrib presented the newly developed SRP (Supervisory Review and Evaluation

Process) methodology, as a country case to illustrate what METAC can do to support its member countries. The presentations were followed by a Q&A session, during which some authorities inquired about the Bank Al-Maghrib's new SRP methodology to learn from the latter's experience on this topic.

IMF-GERMANY CAPACITY DEVELOPMENT ROUNDTABLE (BERLIN, FEBRUARY 6-7, 2023)

Mr. Floerkemeier joined the IMF's Global Partnerships team for meetings with the German Ministry of Finance (BMF), Ministry of Economic Cooperation and Development (BMZ), and Gesellschaft für Internationale Zusammenarbeit (GIZ) along with a well-attended half-day roundtable discussion on debt management, PFM in Africa and the Middle East, and the macro-criticality of gender. The roundtable discussion was also attended by other government agencies and civil society organizations.

WEBINAR ON CRYPTO ASSET RISKS AND CHALLENGES (FEBRUARY 9, 2023)

While global standards for crypto assets exist in areas of combating money laundering and terrorist financing, there are gaps in relation to prudential and conduct regulation, which leaves users and markets with little recourse when things go wrong. The IMF's MCM and METAC jointly organized a webinar on "Crypto Asset Risks and Challenges". The webinar aimed at providing participants from central banks and supervisory authorities with an opportunity to understand trends in crypto markets and explore key prudential and conduct regulatory responses. The speakers introduced definitions, a taxonomy that groups together crypto assets based on structural features, use cases and risks, as well as the key entities that carry out core functions. They presented the key challenges to crypto asset regulation and the approaches that regulatory authorities had taken to respond to



High-Level Outreach Event on Revenue Mobilization, Amman, Jordan.

these challenges, including the nascent development of global standards covering prudential and conduct regulation. A discussant from the European Commission on Digital Finance provided an insightful intervention on the topic. More than one hundred participants attended the webinar, demonstrating a strong interest in the topic in the MENA region.

HIGH-LEVEL OUTREACH EVENT ON REVENUE MOBILIZATION (FEBRUARY 9-10, 2023)

IMF METAC, FAD, and MCD co-organized a high-level outreach event on revenue mobilization for three METAC member countries' tax and customs administrations (Iraq, Libya, and Yemen), in Amman, Jordan. Tailored presentations on tax and customs administration challenges and policies to mobilize revenues for resilient and inclusive growth were delivered. In bilateral meetings with the three country delegations, tax and customs officials discussed the challenges their administrations are facing and presented their reform agendas and capacity development (CD) needs. The IMF team emphasized the importance of coordination with development partners to better prioritize and sequence CD activities to ensure complementarity, avoid duplication, and pay heed to absorptive capacity constraints.

ARAB INSTITUTE FOR TRAINING AND RESEARCH IN STATISTICS (FEBRUARY 15, 2023)

Mr. Floerkemeier met with Mr. Hedi Saidi, Director of the Arab Institute for Training and Research in Statistics (AITRS) to discuss a new METAC-AITRS training partnership. A first concrete outcome of this collaboration was a joint regional workshop on SUTs in June 2023 in Amman, Jordan.

CEF STEERING COMMITTEE MEETING (KUWAIT, MARCH 1, 2023)

Mr. Floerkemeier attended CEF's 2023 SC meeting to discuss METAC-CEF collaboration, including joint courses, webinars, and regional seminars. In FY24, METAC will increase the number of regional courses delivered jointly with CEF from five to seven. METAC and CEF also plan to join forces on developing a webinar series on the economics of climate change and envisage peer-to-peer events and other joint activities to generate operational efficiencies and synergies between TA and training. METAC's regional workshops are open for participation by all CEF member countries (on a self-financed basis for non-METAC country representatives).

SWISS STATE SECRETARIAT FOR ECONOMIC AFFAIRS (SECO) (BERN, APRIL 6, 2023)

Mr. Floerkemeier visited the Swiss State Secretariat for Economic Affairs to update METAC's longstanding development partner on the Center's activities and latest developments. The discussion covered (1) the launch of METAC's Program Phase V, including the center's expansion, fragile states focus, new workstreams, and integration of cross-cutting topics such as climate, gender, and digitalization in the Center's CD work; (2) plans for METAC's reopening event and SC meeting; and (3) country-related issues.

MIDDLE EAST CENTER FOR ECONOMICS AND FINANCE COURSE ON "BUILDING INSTITUTIONS TO FIGHT CORRUPTION" (MARCH 5-9, 2023)

In March 2023, Mr. Jonas Frank, METAC PFM advisor, delivered a lecture on "governance issues in asset and liability management" jointly

with Mr. Jacques Charaoui (IMF Fiscal Affairs Department) and Ms. Merle Wilkinson (IMF short-term expert) to a course on "Building Institutions to Fight Corruption" for Arab countries, organized by the IMF's CEF in collaboration with the IMF's Fiscal Affairs, Legal and Finance Departments. The course was attended by a wide range of government institutions, including finance ministries, central banks, prime minister's offices, revenue authorities, and anti-corruption agencies. The objective of the course was to set out a road map for identifying and addressing vulnerabilities to corruption in the PFM cycle.

34TH & 35TH MENA FATF PLENARIES AND WORKING GROUPS (MAY & OCTOBER 2022)

Mr. Peter Sharoni, IMF legal department Regional AML/CFT Advisor participated in outreach activities in the region, notably the MENAFATF's 34th and 35th plenaries and working groups' meetings. During the 35th plenary, the Advisor participated in a discussion panel on the implementation of the risk-based approach in new technologies with a special focus on virtual assets and virtual assets service providers (VA/VASPs). He also coordinated with both the FATF and the MENAFATF Secretariats for the reviews of the scoping notes and second draft reports of the mutual evaluations of Algeria and Lebanon. Such activities represent an opportunity to discuss CD needs of member countries, follow up with recipient countries, and coordinating with other CD providers and donors.

SECTION IV

FINANCING
AND BUDGET

A

FUNDRAISING AND STATUS OF CONTRIBUTIONS AT THE END OF FY23

With the completion of Phase IV, total contributions reached US\$24.3 million, of which 81 percent was received from development partners (Table 5). With the savings from disruptions in delivery and no travel during the pandemic, as well as utilizing interest income earned during the program phase, the phase ended with an estimated execution of \$US24.6 million. A separate final financial report of the entire Phase IV will be provided by the end of 2023.

METAC has made progress in securing funding for Phase V. Signed agreements and transfers reached US\$21.8 million, out of which US\$19 million has been committed by development partners (**EU** US\$3 million, **France** US\$2 million, **Germany** US\$ 5.3 million, **Netherlands** US\$3.4 million, and **SECO** US\$5.4 million) and US\$1 million each from two member countries, Algeria, and Morocco. USAID and Oman agreed to transfer their portion of the residual balance from previous

phases to the new phase totaling US\$0.36 million. (US\$0.2 from Oman and US\$0.16 from USAID). In addition, \$US 0.4 million was transferred from the COVID-19 Initiative (Table 6).

The IMF is also increasing its share in METAC's budget to around US\$7 million—not including in-kind contributions in the form of three IMF-financed FCS advisors. The IMF continues working closely with development partners and METAC member countries to secure a full funding of the program budget that will be necessary to execute the ambitious Phase V work program.

While the Program Document budget stood at US\$49.7 million, the working budget is adjusted on annual basis, determined by the emerging needs of the member countries and related adjustments to existing workstreams and the potential introduction of new workstreams.

EXPENSES IN FY23 AND BUDGET FOR FY24

Total expenses in FY23 amounted to US\$5 million (Table 7). Expenses fell short of the FY23 budget due to savings in travel costs, the postponed introduction of the GFS workstream, two temporary resident advisor vacancies, and related lower short-term expert expenses.

The proposed FY24 working budget envelope is just under US\$10 million (Table 8). The large increase compared

to FY23 results from (i) the addition of three new workstreams (GFS, tax policy, macroeconomic frameworks), (ii) addition of five regional advisors, with no vacancy periods envisaged, (iii) a concomitant increase in short-term expert assignments, (iv) full resumption of in-person CD delivery, (v) a higher number of regional workshops and training courses, (vi) an expanded local support team, and (vii) higher IMF-covered administrative expenses.

TABLE 5. PHASE IV STATUS OF FINANCIAL CONTRIBUTIONS AT END OF APRIL 2023

Agreement/Amendment Information					Contribution Received	
Partners/Members	Signed Date ^{1/}	Currency	Amount	U.S.Dollars	Agreement Currency	U.S.Dollars
Partners				19,660,657		19,695,816
European Commission	3/10/2021	EUR	2,000,000	2,294,104	2,000,000	2,250,400
France	9/20/2016	EUR	2,000,000	2,230,898	2,000,000	2,248,200
Germany	6/20/2016	EUR	2,500,000	2,819,125	2,500,000	2,754,750
Germany	4/26/2017	EUR	2,500,000	2,734,033	2,500,000	2,793,000
Netherlands	10/7/2016	EUR	1,500,000	1,672,614	1,500,000	1,699,260
Netherlands	3/23/2021	EUR	3,000,000	3,322,259	3,000,000	3,488,100
Switzerland	10/8/2016	CHF	4,500,000	4,587,624	4,500,000	4,462,106
Members				1,650,000		1,550,000
Egypt, Arab Republic Of	2/14/2018	USD	1,250,000	1,250,000	1,250,000	1,250,000
Morocco	12/19/2018	USD	300,000	300,000	300,000	300,000
Sudan	4/27/2018	USD	100,000	100,000	-	-
Partners and Members Total				21,310,657		21,245,816
Internal Transfers ^{2/}						
Egypt, Arab Republic Of				104,244	-	104,244
European Investment Bank				213,856	-	213,856
France				324,686	-	324,686
Jordan				78,937	-	78,937
Kuwait				15,147	-	15,147
Lebanon				783,552	-	783,552
Libya				184,658	-	184,658
Oman				15,149	-	15,149
Sudan				2,805	-	2,805
Syrian Arab Republic				18,177	-	18,177
Yemen, Republic Of				15,146	-	15,146
Internal Transfers Total				1,756,357		1,756,357
Host Country & IMF						
Host Country						
Cash		USD	6,500,000	6,500,000		1,300,165
In-Kind				-		
IMF				5,743,812		
Host Country and IMF Total				12,243,812		
Grand Total (excluding IMF)				29,567,014	-	24,302,338

Source: Partners Connect

^{1/} May also refer to agreements that are under negotiation and approval date for Capacity Development Partnership agreements (e.g., flexible/umbrella agreements).^{2/} Refers to transfers from one program phase to another (e.g., phase rollovers).

TABLE 6. PHASE V STATUS OF FINANCIAL CONTRIBUTIONS AT END OF APRIL 2023

Agreement/Amendment Information					Contribution Received	
Partners/Members	Signed Date ^{1/}	Currency	Amount	U.S.Dollars	Agreement Currency	U.S.Dollars
Partners				19,086,320		16,304,821
European Commission	12/12/2022	USD	2,985,300	2,985,300	2,985,300	2,985,300
France	7/12/2022	EUR	2,000,000	2,008,637	400,000	400,004
Germany	12/22/2022	EUR	5,000,000	5,305,040	5,000,000	5,342,720
Netherlands	12/7/2021	EUR	3,000,000	3,384,858	2,000,000	2,192,030
Switzerland	11/23/2021	CHF	5,000,000	5,402,485	5,000,000	5,384,767
Members				2,000,000		1,000,000
Algeria	8/17/2021			1,000,000	1,000,000	1,000,000
Morocco	7/1/2022			1,000,000		
Partners and Members Total				21,086,320		17,304,821
Internal Transfers ^{2/}						
COVID19 Initiative				400,854		400,854
Oman				223,280		223,280
United States				157,546		157,546
Internal Transfers Total				781,680		781,680
Host Country & IMF						
Host Country						
In-Kind				-		
IMF				6,800,000		
Host Country and IMF Total				6,800,000		
Grand Total (excluding IMF)				21,868,000		18,086,501

Source: Partners Connect

1/ May also refer to agreements that are under negotiation and approval date for Capacity Development Partnership agreements (e.g., flexible/umbrella agreements).

2/ Refers to transfers from one program phase to another (e.g., phase rollovers).

TABLE 7. FINANCIAL OPERATIONS IN FY23 (US\$)

Workstream	FY2023		
	Working Budget	Expenses as of April 2023	Execution %
Public Financial Management	1,800,000	1,178,260	65%
Revenue Administration	1,500,000	946,029	63%
Monetary Policy Operations	700,000	504,615	72%
Banking Supervision and Regulation	900,000	571,976	64%
Real Sector Statistics	900,000	694,006	77%
Government Finance Statistics	200,000	-	0%
Administration ^{1/}	435,000	434,889	100%
Governance and Evaluation	25,000	-	0%
Strategic Budget Reserve	15,000	-	0%
Sub-total	6,475,000	4,329,775	67%
Trust Fund Management Fee (7 % of sub-total)	453,250	303,084	67%
Total	6,928,250	4,632,859	67%
IMF Expenditures	800,000	414,657	52%
Grand Total	7,728,250	5,047,516	65%

Source: Partners Connect, CDMAP.

1/ During the Fiscal Year, the Strategic Budget reserve was allocated to the Administration workstream (85k).

TABLE 8. PROPOSED WORKING BUDGET FOR FY24 (US\$)

Workstream	FY2024
	Approved Working Budget
Public Financial Management ^{1/}	1,800,000
Revenue Administration	1,795,000
Tax Policy	350,000
Monetary Policy Operations	900,000
Banking Supervision and Regulation	900,000
Real Sector Statistics	900,000
Government Finance Statistics	400,000
Macroeconomic Modeling	350,000
Seminars and Workshops	200,000
Administration	335,321
Governance and Evaluation	30,000
Strategic Budget Reserve	200,000
Sub-total	8,160,321
Trust Fund Management Fee (7 % of sub-total)	571,222
Total	8,731,543
IMF Expenditures	1,230,000
Grand Total^{2/}	9,961,543

Source: Partners Connect, CDMAP

1/ As approved by the METAC Steering Committee. Current. The current execution estimate for the PFM workstream is around \$1.4 million based on activities in CDMAP and the challenging security situation in parts of the METAC region.

2/ FY24 expenses from May to September 2023 amounted to around \$2.5 million.

SECTION V

OTHER ISSUES

PHYSICAL REOPENING

METAC operated virtually since the onset of the pandemic and the destruction of its office in the catastrophic Beirut harbor explosion of August 2020. A new office location was identified in October 2021. Construction commenced in August 2022. The build-out of the new permanent office

premises was finalized in December 2022, and METAC moved into the new space before the end of the year. The new premises will accommodate METAC's gradual expansion of operation in 2023, with offices for additional regional advisors and local support staff.



MCD Deputy Director Zeine Zeidane and Lebanon Minister of Finance Youssef Khalil at the ribbon-cutting ceremony for METAC's new offices in Beirut on June 7, 2023

REGIONAL CONFERENCE AND REOPENING EVENT

METAC organized a regional conference on June 7-8 on the occasion of the reopening of its office in Beirut and the start of the center's fifth Program Phase. With the start of the new program phase, the fifth one since the Center opened in 2004, METAC plans to double the volume of capacity development delivery to its member countries across the MENA region.

METAC's annual steering committee meeting was held on June 8, following the regional conference. Both events

took place at Le Royal Hotel, Dbayeh. The events were offered in hybrid format, allowing attendance in person or virtually via Zoom. Arabic and French interpretation were provided.

The event was attended by officials from METAC member countries, representatives from the donor community, the IMF, regional and international agencies, academia, civil society, and the media. The regional conference represented an opportunity to celebrate the collaborative CD efforts,



Members of METAC team during the Regional Conference on July 7, 2023: from right, Nathalie Tawil, Joey Ghaoui, Zeinab Hammoud, Stefaan Ide, Rana Hariz, Fadi Mehrez, Nehmat Hantas, Holger Floerkemeier

facilitate peer-to-peer exchanges, and strengthen coordination among development partners and member countries. Four panel sessions discussed capacity development needs and challenges, capacity development partnerships, the role of fiscal transparency in economic governance, and the importance of gender equality for economic policy.

METAC presented its main areas of work, while high-level member country representatives showcased examples of successful economic reform implementation with METAC's technical assistance, including in

banking supervision (Egypt, Morocco), public financial management (Djibouti, Morocco, Yemen), and revenue mobilization (Egypt, Libya, Morocco, Tunisia). The event also discussed economic reform priorities in METAC countries, with interventions by Deputy Prime Minister of Lebanon **Saade Chami**, Banque du Liban Deputy Governor **Salim Chahine**, Vice Minister of Finance of Egypt **Ahmed Kouchouk**, and Minister of Budget of Djibouti, **Isman Ibrahim Robleh**.

In his opening remarks, Minister of Finance **Youssef El Khalil** expressed Lebanon's great pride in having hosted

METAC for almost two decades and appreciated the IMF's decision to remain in Lebanon during this particularly challenging time. Deputy Director of the IMF Middle East and Central Asia Department **Zeine Zeidane** highlighted the IMF's ambitious plans to expand METAC's capacity development services to its member countries and stressed the IMF's strong commitment to Lebanon. Along with the Minister and the IMF, METAC Director **Holger Floerkemeier** thanked development partners for their longstanding support and collaboration, and member countries for their strong ownership of the Center.



WORK PROGRAM ON CROSS-CUTTING ISSUES: CLIMATE AND GENDER

The Phase V Program Document envisaged giving climate and gender-related issues greater prominence in METAC's work. METAC plans to introduce in FY24 a work program to mainstream macro-critical aspects of climate- and gender-related issues, in close coordination with IMF HQ and collaboration with development partners. The objective will be to (i) raise awareness for the macro-criticality and economic policy implications of climate change and gender, and (ii) introduce related CD products that the IMF and development partners are developing. The program will be based on the IMF's respective strategies on Climate and

Gender. It will be managed by the director with support of the new local economist and administrative team. The program will draw on cross-cutting contributions from all METAC workstreams, IMF Headquarters (HQ), development partners, civil society organizations, and member country authorities. The program will be delivered mainly through regional workshops and webinar series. A first regional workshop on Gender and Inclusion will take place November 7-9 in Amman, Jordan. Related country-based CD projects and METAC Regional Notes could follow during METAC's Phase V, in response to

member countries' respective CD demands. While the Phase V Program Document stipulated that there would be no explicit resources (financial or human) for such cross-cutting activities, the Steering Committee endorsed dedicating the necessary resources within the existing budget envelopes, drawing from METAC's seminar and workshop budget and the strategic budget reserve. This will greatly facilitate the development of a structured program for cross-cutting CD and outreach activities related to climate and gender.

STAFFING CHANGES

In June, **Joey Ghaoui** joined METAC as METAC's third administrative assistant (a newly created local staff position).

Michel Stubbe, regional advisor for METAC's new Central Bank Operations workstream since July 2021, unexpectedly did not renew his contract for personal reasons and left the Center in mid-July. Also in July, **Ingrid Nehme**, administrative assistant since June 2015, left METAC to join the IMF's new resident representative (RR) office in Lebanon as office manager.

In September, **Benoit Wiest**, regional PFM advisor since 2019, left METAC to move to the IMF's regional office in Brussels, Belgium, where he is now coordinating the IMF's CD cooperation with the EU and other European development partners. In this function, he will continue to work closely with METAC in fundraising and development partner coordination. In October, **Stefaan Ide** joined METAC as Central Bank Operations advisor, coming from the IMF's South Asia Training and Technical Assistance Center (SARTTAC). Previously, he worked as IMF resident advisor in Algeria. Also in October, **Zeinab Hammoud**

joined as administrative assistant, and **Rana Hariz** joined at the beginning of November as METAC's new office manager, succeeding **Anita Semaani**, METAC's office manager since June 2016, who left the Center for personal/family reasons at the end of November. Also in November, **Yasser Sobhi** joined the Center as PFM advisor, succeeding Benoit Wiest. Mr. Sobhi's specialty is macro-fiscal policy. He was previously IMF PFM resident advisor in Saudi Arabia, and before that Deputy Minister of Finance in Egypt.

In March 2023, **Fadia Sakr**, METAC's tax administration advisor since September 2020, moved to IMF HQ to join the Fiscal Affairs Department. She continued to support METAC until her successor, Mr. **Rosen Bachvarov**, a Bulgarian national with extensive experience in tax administration reform, joined the center in July. Also in March 2023, METAC proceeded with the recruitment of a local economist: Ms. **Anastasia Janzer-Araji** joined the Center in August 2023, coming from the Beirut office of the World Bank, where she has worked as an economist consultant since 2018.

In September 2023, Ms. **Sabine Corm** joined METAC as second (IMF-financed) tax administration advisor, with a CD focus on fragile states. Ms. Corm is a Lebanese national and has extensive experience both from the Lebanese MoF and as an IMF short-term expert. Also in September, Mr. **Andrew Allan** joined METAC as new customs administration advisor. In October, Ms. **Elirjeta Pepaj**, an Albanian national will succeed Mr. **Issam Alsammak** as real sector advisor, and in November Mr. **Amir Hadziomeragic** from Bosnia-Herzegovina will join METAC as new government finance statistics advisor. A macroeconomic frameworks advisor, as well as two FCS-focused experts on tax policy and on banking regulation and supervision, respectively, will be recruited before the end of 2023.

In METAC's new program Phase V, the IMF is substantially increasing its own contribution to the center by (1) covering the full cost of local administrative staff, and (2) funding three new regional advisor positions with FCS focus: one each in banking regulation and supervision, tax administration, and tax policy.

RESUMPTION OF TRAVEL

After two years of pandemic-related disruption, METAC resumed in-person CD delivery in FY23. In April 2022, the IMF introduced a new mission travel framework with the objective to provide effective support to member countries while safeguarding the health and safety of IMF staff. Nevertheless,

the full transition back to in-person CD delivery took longer than originally envisaged, and a larger number of FY23 CD activities were delivered remotely (28 actual vs. 15 planned). Most CD missions in FY24 will be delivered in person.

HYBRID CD DELIVERY

METAC continues to build on the technological advances and professional experiences made during the pandemic and continues to make use of the possibilities that technology offers for hybrid CD delivery. METAC has adopted a hybrid CD delivery approach that combines the best aspects of in-person and virtual work. As in the transition to virtual CD delivery, this has brought about some challenges and requires a learning process and investments in technology. At the same time, it benefits the membership by enabling METAC experts to be most productive, allow greater and more flexible participation in meetings, and foster continuous collaboration before, after, and in between in-person missions.

Hybrid delivery of more than a dozen activities in FY23 included remote participation of METAC regional advisors or short-term experts in selected or all meetings of in-person missions, the combination of remote and in-person parts of CD missions over a period of time, the delivery of two joint METAC-CEF courses in hybrid format, with in-person and virtual attendance of course participants, and regional workshops led by regional advisors in person with guest speakers delivering presentations virtually. Whenever feasible, METAC also augments offsite CD delivery with virtual elements to address some of the challenges posed by the logistical difficulties associated with offsite missions.

OFFSITE MISSIONS

To ensure continuity of CD delivery to METAC member countries with weak security due to political instability and/or armed conflict, METAC has been holding TA missions in offsite locations since 2014. Such missions have been conducted mostly in Amman, Jordan, but sometimes also in Lebanon, Tunisia, Dubai, or Azerbaijan. Prior to FY16, member countries were required to bear the travel cost of officials attending offsite missions. This requirement proved to be cumbersome for some countries. Officials had difficulties obtaining clearance to fund offsite missions, and in certain cases governments were unable to secure funds. To overcome these constraints, METAC's SC approved at its June 2015 meeting (under conditions) that METAC bears the travel cost of up to six officials participating in offsite missions. During Phase IV, METAC provided offsite missions for **Afghanistan, Iraq, Libya, and Yemen**. In Phase V, given the partial resumption of engagement with Syria (in real sector statistics) and the

recent worsening of security conditions in **Sudan** and **West Bank and Gaza**, it is anticipated that TA missions to these countries will be held offsite as well until security improves. This means that CD to half of METAC's membership would be delivered offsite. This will require some flexibility in the choice of offsite mission locations and increase METAC's administrative burden (organizing visa, hotel and travel bookings, airport transfer, in-city transportation) and security-related mission costs (country official travel and subsistence costs). In addition, experience with offsite missions during Phase IV has shown that in some cases more flexibility regarding the choice of offsite mission location, length of offsite mission, and/or number of participating officials would be necessary to reap the full benefits of the CD delivery. At its June 2023 meeting, METAC's Steering Committee endorsed increased flexibility in the conduct of offsite missions to ensure continuity of CD delivery to high-risk-location member countries.



TRANSLATION OF SELECTED TA REPORTS

In June 2022, METAC's Steering Committee endorsed the creation of a dedicated budget of \$40,000 per annum for the translation of TA reports, drawing from the strategic budget reserve. This covers the translation of a limited number of TA reports under well-defined circumstances, specifically

in the case of TA users in FCS member countries that have limited institutional capacity and financial resources. In FY23, METAC provided 5 translated TA reports (two statistics, three PFM) to member country institutions, mainly from Iraq, Egypt, and Yemen, at a total cost of about \$4,585.

APPENDIX I

SUMMARY DESCRIPTION OF FY23 ACTIVITIES

This annex describes briefly regional (subsection A), and country-level activities (subsection B) undertaken in FY23. It is a valuable narrative to the results-based management analysis provided earlier in the report.

A

REGIONAL WORKSHOPS

CENTRAL BANK OPERATIONS

RESERVE REQUIREMENTS
(JUNE 21-22, 2022)

METAC organized a virtual regional workshop on Reserve Requirements on June 21-22, 2022, as part of its new Central Bank Operations Technical Assistance workstream. Reserve requirements are a monetary policy operation (MPO) used to influence the demand for central bank reserves. The virtual regional workshop examined how this MPO helps central banks to meet their mandate of price and financial stability, and how its effectiveness depends on the alignment of its design and calibration with the purpose for which it is targeted. For example, if reserve requirements are used for monetary policy implementation (the most common objective), central banks should allow commercial banks to average the reserve requirements over a sufficiently long maintenance period to help stabilize short-term interest rates. As different objectives may conflict, central banks should seek alternative instruments to delimit the purposes of reserve requirements and improve their efficiency. Targeted senior officials with responsibility for

reserve requirements and other central bank liquidity management and operations tasks. Eleven senior officials from six METAC member countries attended the event.

CENTRAL BANK OPERATIONS
AND DIGITAL MONEY
(FEBRUARY 12-15, 2023)

METAC and the IMF's MCM offered a three-day workshop on Central Bank Operations and Digital Money in Amman, Jordan. 21 representatives from ten METAC central banks and one GCC central bank participated in the event. The workshop contributed to a better understanding of recent innovations in digital money, including Central Bank Digital Currency (CBDC), and the implications of such developments for the central bank balance sheet, central bank operations, public and private money creation, seignorage, and the interest rate channel. Highly interactive discussions took place around 11 country presentations covering current developments and challenges with respect to digital money and monetary policy implementation in their respective central banks and countries.

FINANCIAL SUPERVISION
AND REGULATIONREGIONAL COURSE ON RISK-BASED
BANKING SUPERVISION AT THE IMF
CENTER FOR ECONOMICS AND
FINANCE (JUNE 27-30, 2022)

METAC and the CEF in Kuwait jointly organized a regional course on "Risk-Based Banking Supervision for the New Normal." The purpose of the workshop was to enlighten supervisors on the concepts, elements, and benefits of risk-based supervision, highlight the new risk drivers that are added to their supervisory dashboard amid the challenging macroeconomic conditions resulting from Covid-19 and the Ukraine war. The virtually delivered course was attended by more than 50 participants from 10 Arab countries, of which one third of the participants were from FCS. Participants actively engaged in round-table discussions and case studies. Two guest lecturers, a senior financial expert from the IMF and the deputy chair of the Financial Stability Institute (FSI), discussed current banking supervision topics, including supervisory policy responses to Covid-19 and the challenges of exit strategies, as well as key topics on the agenda of the Basel committee, including current financial risks, crypto assets, and climate change.

PUBLIC FINANCIAL MANAGEMENT

REGIONAL COURSE ON FISCAL TRANSPARENCY AT THE IMF CENTER FOR ECONOMICS AND FINANCE (JUNE 6-9, 2022)

The course was delivered virtually at the CEF jointly with the International Budget Partnership (IBP), as a follow-up of the series of workshops on fiscal transparency in June-July 2020. The course garnered a large participation of 30+ attendees from Egypt, Iraq, Jordan, Lebanon, Libya, Morocco, Saudi Arabia, Somalia, Tunisia, and West Bank and Gaza. The course included (i) a presentation of the Open Budget Survey 2021 results for the MENA region, along with perspective from the civil society (Jordan case), and a country case study of fiscal transparency reforms via the Global Initiative for Fiscal Transparency network, as well as (ii) presentations on the key indicators of the four pillars of the Fiscal Transparency Code with examples from comparable countries. All sessions included a practical workshop with three virtual breakout rooms (by language), where countries would (i) individually rate themselves on selected indicators of the OBI and the FTC and identify challenges and quick wins, (ii) discuss results within the group, and (iii) report in the plenary session.

REGIONAL COURSE ON CASH MANAGEMENT AT THE IMF CENTER FOR ECONOMICS AND FINANCE (DECEMBER 12-15, 2022)

The four-day hybrid course conducted at the CEF in Kuwait brought together 31 participants from 12 countries (9 METAC, 2 GCC, and Mauritania) to enhance their understanding of cash management. Lectures and workshop sessions focused on TSA, cash forecasting, and the coordination between cash and debt management. In the context of economic and

fiscal uncertainties, countries should aim to consolidate cash resources by establishing TSAs and widening their coverage; strengthen cash forecasting to help allocating resources to key spending priorities; and strengthen cash balance management and institutional coordination.

REVENUE ADMINISTRATION

TAX ADMINISTRATION DIAGNOSTIC ASSESSMENT TOOL (JUNE 27-30, 2022)

A virtual Tax Administration Diagnostic Assessment Tool (TADAT) training course was provided jointly with the TADAT Secretariat team to enhance METAC member tax administrations' knowledge of the TADAT methodology and raise awareness of internationally recognized good practices and the process to request TADAT assessments. The daily virtual training sessions were attended by 18 participants from 9 METAC countries. The course was delivered through interactive sessions covering the nine performance outcome areas and exercises developed around real country case scenarios. The discussions and reflections from participants moderated by the three trainers helped officials prepare for a future TADAT assessment.

METAC REGIONAL ISORA WORKSHOP (OCTOBER 31-NOVEMBER 4, 2022)

METAC delivered a regional workshop on the "International Survey on Revenue Administration (ISORA)" in Amman, Jordan. The workshop, which was attended by 31 participants from 12 METAC countries and three Gulf Cooperation Council countries, raised the importance of ISORA and explained how to complete an ISORA survey. The training sessions were delivered by experts from the IMF's Fiscal Affairs Department's Revenue

Administration Fiscal Information Tool (RA-FIT) team. All participants made short presentations about their tax administrations, including information on data collected that can be used in measuring revenue performance.

CHALLENGES TO IMPLEMENT WTO VALUATION AGREEMENT IN METAC REGION, AND THE IMF CUSTOMS BOOK (OCTOBER 12-13, 2022)

METAC organized this event to initiate peer-to-peer learning among customs administrations in METAC member countries to support the effective implementation of the WTO Customs Valuation Agreement (CVA). The workshop focused on a review of the rules governing the use of the transaction value for the assessment of the imported goods. Officials from five customs administrations presented their experience and the challenges with the implementation of the CVA agreement. Three presentations discussed the use of new technologies, including mirror data analysis, artificial intelligence in customs, and an introduction to machine learning for customs administration. The IMF also presented its new book on Customs Matters: Strengthening Customs Administration in a Changing World. This workshop was organized in cooperation with the CEF.

TAX POLICY

REGIONAL WORKSHOP ON TAX EXPENDITURES (DECEMBER 12-14, 2022)

FAD/METAC jointly hosted a three-day regional workshop on tax expenditures in Amman, Jordan, during December 12-14, 2022. The workshop aimed to build capacity in estimating and publishing tax expenditures to enhance transparency and inform policymaking. 25 participants from nine countries across the METAC and GCC regions

attended the workshop. Discussions took place around nine country presentations covering income taxes and the VAT, among other taxes. Topics included: 'benchmark tax system', data requirement, estimation techniques, template microsimulation models, and current practices in the area of tax expenditures in the region.

REAL SECTOR STATISTICS

REGIONAL WORKSHOP ON CONSUMER PRICE INDEX (NOVEMBER 27-DECEMBER 1, 2022)

In cooperation with the CEF, METAC conducted a one-week course on CPI compilation issues. The course

included an overview of index calculation methods, developing weights, selecting samples, price collection, and data dissemination. The course was attended by 23 participants from Djibouti, Egypt, Jordan, Kuwait, Lebanon, Libya, Mauritania, Morocco, Tunisia, and the United Arab Emirates.

CAPACITY DEVELOPMENT
AND TRAINING ACTIVITIES

CENTRAL BANK OPERATIONS

ALGERIA

December 12-22, 2022: With the support of IMF METAC, the Bank of Algeria (BA) will develop an in-house credit rating system for non-financial corporations. This project is motivated by the objective to operationalize the acceptance of bank credit claims as collateral, both for monetary policy and for Emergency Liquidity Assistance (ELA). To achieve this goal, the BA will need to assure it has the appropriate databases, sufficient resources, advanced methodological knowledge, and the mandate to review its organizational structure. This was the first METAC TA mission on this topic, and the mission team made recommendations in each of the above areas. The recommendations include a step-by-step approach to gradually move from producing a rating for a small sample of non-financial corporations towards a larger coverage. A second TA mission is planned to provide further guidance in the start-up phase. Further TA support will be dependent on the pace of implementation progress by the BA.

IRAQ

March 5-9, 2023: At the request of the Central Bank of Iraq (CBI), METAC delivered TA to support the implementation of central bank liquidity instruments, which would allow for a better control over the domestic monetary conditions in support of the exchange rate peg. The mission was held off-site in Amman, Jordan, with CBI staff from the Investment (FX reserves management) directorate and the Financial Investment directorate. The mission raised awareness on the necessity to complete the monetary policy framework under an exchange rate peg by introducing an active domestic liquidity management. The mission provided a set of focused recommendations to address the short-term challenges to the sustainability of the exchange rate peg. Follow-up TA is envisaged to build a full instrument set supported by liquidity monitoring and forecasting.

TUNISIA

November 14-23, 2022: METAC provided a TA mission on short-term liquidity forecasting. The mission team recommended that the current daily

liquidity monitoring should be complemented with a complete daily central bank balance sheet. This will provide a more robust alternative for the current ad-hoc corrections, for example to account for transactions of the Office National de la Poste (ONP), and hence enable a correct understanding and interpretation of all autonomous factors affecting the central bank balance sheet. The mission also provided hands-on training on the use and implementation of the recently developed liquidity forecasting framework, using available data. The METAC team agreed with the BCT to plan a follow-up mission once a daily central bank balance sheet is available. The mission also followed up on several outstanding recommendations of the IMF's MCM December 2020 mission on "Monetary Policy Framework and Operations".

January 16-20, 2023: At the request of the Banque Centrale de Tunisie (BCT), METAC provided TA to support the development of an inflation expectations survey. This is part of the strategic priorities of the BCT. As requested by the BCT, the mission focused on a survey held among a selected group of market participants and economic

experts. The survey will focus on near- and medium-term inflation expectations. The survey will be carried out quarterly in the context of the BCT's macroeconomic projections and monetary policy decisions. The first edition of the survey is expected to be launched shortly, before the next BCT macroeconomic projections that should be published around mid-March.

FINANCIAL SUPERVISION AND REGULATION

ALGERIA

July 10-14, 2022: METAC conducted an in-person mission to support the Central Bank of Algeria in developing its regulation on the accounting and valuation of financial instruments. The mission and the Central Bank of Algeria team completed the draft regulation, modified the chart of accounts in line with the amended regulation, and introduced additional regulatory reports on financial instruments. The mission aimed to converge the initially proposed regulation with IFRS 9, while respecting the Algerian legal accounting framework. It introduced IFRS 9 concepts to the draft regulation, including the business model basis for classification of financial instruments, the derecognition criteria, and the accounting and valuation methodology for the various categories of financial instruments. The mission also identified the remaining gaps to converge with the international standard.

November 6-10, 2022: METAC continued to assist the General Inspection Department (GID) at the Central Bank of Algeria in enhancing its SRP and developing a risk rating system for banks. Around 15 supervisors from the offsite and onsite functions were involved in the mission. The GID presented the preliminary anonymized rating test results for the various banks, the challenges faced in performing these tests, the data needed for a more robust rating,

and remaining information gaps. The mission team helped the supervisors in closing these gaps through (i) selecting the key questionnaires used for the qualitative assessment of the major risks, (ii) enhancing the internal control reporting, and (iii) proposing a new submission from banks of their business plan, which will be used in the assessment of the business model. It is expected that BA will finalize the reporting of the internal control and the business plan and issue them to the banks. The next mission will assist the authorities to put in place a clear process relating the results risk ratings to a set of supervisory and corrective measures and will perform an overall final review of the rating methodology.

January 24-26, 2023: Upon the request of the Central Bank of Algeria, METAC conducted a desk review of the proposed organization of the supervision function. The mission reviewed the related laws, documents, organization charts, and the proposed role and responsibilities of the concerned departments. It concluded that the proposed organization partially addressed the Financial Sector Stability Review (FSSR) report recommendations and advised to revise the proposed organization in a manner to fully answer the report's recommendations through joining the supervision activities in one unit to ensure efficiency, avoid duplication and optimize resources.

EGYPT

October 23-26, 2022: METAC provided capacity building for the banking supervisors of the Central Bank of Egypt (CBE) on consolidated supervision. The four-day in-person workshop's 14 sessions covered topics ranging from the objectives of consolidated supervision to capital, liquidity, and other regulatory issues, accounting and auditing, offsite and onsite supervision, cross border supervision, financial conglomerates, recovery and

resolution. Around 12 staff from regulatory, supervisory and macroprudential functions participated throughout the workshop, with others attending selected sessions. The sessions were highly interactive with extensive discussions of every topic. The presentations and the discussions helped the supervisors to build a sound understanding of consolidated supervision practices and their implementation.

March 1-9, 2023: METAC conducted a TA mission to the Central Bank of Egypt (CBE) to enhance the regulatory and supervisory frameworks for the assessment of the banks' liquidity risk. The mission proposed several regulatory improvements to the qualitative risk management guideline and to the quantitative liquidity requirements on Liquidity Coverage ratio (LCR) and Net Stable Funding Ratio (NSFR) regulations. It also developed, in collaboration with the CBE's Basel department, a new regulation on ILAAP (Internal Liquidity Adequacy Assessment Process) and enhanced the reporting templates to implement supervisory liquidity monitoring tools. In addition, the mission organized a four-day capacity building workshop to supervisors from onsite and offsite departments on banks' liquidity risk assessment methodology, monitoring tools, stress testing, intraday liquidity risk management, and Pillar III disclosure requirements.

IRAQ

July 29-August 2, 2022: METAC continued to assist the Central Bank of Iraq (CBI) in strengthening its regulatory framework. The mission was conducted offsite in Jordan. METAC assisted the CBI in revising and finalizing the draft capital adequacy framework for Islamic banks and the related regulatory templates in line with Basel and IFSB guidelines. It also provided a comprehensive capacity-building training to a group of CBI supervisors on the various components

of the regulation (eligible regulatory capital; credit, operational and market risk; risk-weighting calculation and methodology) to ensure sound understanding and effective implementation of the revised regulation and templates.

April 26-30, 2023: METAC conducted an offsite mission in Jordan to assist the supervisors of the Central Bank of Iraq (CBI) in (i) revising the Financial Position & Profit or Loss Statements of commercial banks (including the State-Owned Banks) reported to the CBI; (ii) amending the above statements to ensure their compatibility with the International Financial Reporting Standards IFRS (including IFRS 9); (iii) developing reporting guidelines related to the material items of the above statements; and (iv) reviewing the key selected prudential reports (asset quality, loan classification, loan provisioning, related parties, concentration risk, maturity ladder, currency mismatch) to ensure their coherence with the revised statements. The mission aimed at the development of a well-structured reporting, which helps in building a coherent database. Such a database is an essential element for enhancing risk-based supervision and understanding banks' risk profiles.

JORDAN

July 24-26, 2022: The mission built the capacity of the Central Bank of Jordan (CBJ) on Risk-Based Supervision through a three-day virtual workshop to a large group of bank supervisors. The mission provided CBJ supervisors with a clear and comprehensive understanding of the best practices for developing a risk-based supervision framework and presented in detail the European SREP (Supervisory Review and Evaluation Process), its objectives, overall architecture, and risk-by-risk analysis, as an illustration for a sound risk-based methodology. The workshop concluded with a discussion session on

the takeaways and the key identified areas to enhance CBJ's supervisory framework. Following the mission, the CBJ requested METAC assistance to design a progressive multi-step project towards implementing a proportionate and robust SREP framework for analyzing and scoring banks.

November 1-3, 2022: The mission's purpose was to devise a multistep plan for the Central Bank of Jordan (CBJ) for the full implementation of the SRP framework. The mission thoroughly discussed with the CBJ's supervisors the SRP methodology and its processes. It highlighted the importance to use SRP results to determine additional capital and liquidity requirements, as well as to devise the Supervisor Examination Program (SEP) to allocate the supervisory work on a risk basis. The mission also formed an understanding of the CBJ's existing approaches and tools, its current assessment methodology, the adequacy of its regulatory and supervisory frameworks for the implementation of SRP, and the availability of the data needed for the assessment. The mission concluded by devising a roadmap for the development of an SRP risk rating system and defined the main milestones towards full implementation of SRP.

LEBANON

February 15-17, 2023: METAC conducted a hybrid capacity building mission to the supervisors of the Banking Control Commission of Lebanon BCCL on best practices in corporate governance, Expected Credit Loss Assessment ECL under International Financial Reporting Standards 9 (IFRS9), and Cyber Risk. Around 40 participants from onsite, offsite, large exposure, and IT audit departments attended the workshop. The event addressed the recent international standards and practices of corporate governance, and presented the European ECL

assessment methodology, the solutions adapted to the Covid-19 crisis, and the lessons drawn from the banks' inspection missions. The workshop also addressed operational risk with a focus on cyber risk definitions, threats, aspects, transmission channels, implication on financial stability, and the regulatory and supervisory approaches to manage this risk. In addition to the three core experts, the workshop invited two guest speakers (former Secretary General of the Basel Committee and a Director at German Bundesbank) who shared with the participants their views on corporate governance, liquidity risk, and the current key risk drivers on the supervisory dashboard.

MOROCCO

June 20-24, 2022: METAC conducted an in-person mission at Banque Al Maghrib (BAM) to assist the Banking Supervision Department (BSD) in the development of its Supervisory Review and Evaluation Process (SREP) methodology. The mission reviewed the methodology prepared by BSD, notably the rating approach of the various types of risks (credit, liquidity, market, IRBB and operational risks), other core elements of SREP (business model assessment, internal governance, and risk management), and proposed amendments. BSD will perform pilots in several banks to test the newly developed methodology. Another mission is planned in FY23 to follow up on the results of these pilots and to assist BSD in drafting the supporting guidelines.

November 9-17, 2022: The mission successfully completed with Banque Al Maghrib (BAM) the development of the Supervisory Review and Evaluation Process Methodology SRP. The mission was the last part of a series of missions to assist BAM in developing its SRP methodology. The project started in June 2021 with

a presentation of the European Single Supervisory Mechanism methodology as an example for BAM to develop its own SRP methodology. In July 2022, a METAC mission reviewed the draft SRP methodology developed by BAM's project team and proposed a three-phase rating assessment process inspired by the ECB methodology. Based on these propositions and the continuous discussions between METAC and the BAM's project team, a comprehensive SRP manual was developed by the BAM, and a pilot test was conducted. In November 2022, the METAC mission reviewed the SRP manual and the pilot test. It also provided training to BAM's supervisors on SRP methodology and some selected areas of risks (credit, liquidity and business model), and it proposed some further recommendations to enhance implementation. BAM is the first METAC member country implementing SRP. BAM shared its experience in developing SRP at a January 2023 METAC outreach event for development partners and member countries.

WEST BANK AND GAZA

June 26-July 7, 2022: In response to a request from the Palestine Monetary Authority (PMA), METAC provided support for the further development of RBS. The mission focused on PMA's onsite supervisory work and supported it in addressing recommendations made by the 2018 Financial Sector Stability Review (FSSR), particularly to enhance inspection reports to provide a clear understanding of the bank, its risks, and the adequacy of capital. Together with PMA supervisors, the mission developed a new template for inspection reports, as well as an illustrative completed report, which includes a full summary and focuses on business risk and Pillar 2 assessment, in addition to improved communication of key messages to banks.

YEMEN

September 20, 2022: METAC reviewed the amended regulation issued by the Central Bank of Yemen (CBY) on Money Exchange Dealers. The amendments introduce a new category for money exchange dealers "Money transfer agents - remote areas" and increase the minimum capital requirements for all categories of money exchange dealers. The comments and recommendations prepared by METAC were presented and discussed with the authorities during the meetings of the IMF country team with the authorities in October.

October 27, 2022: METAC contributed to the EU-OECD workshop on Restoring Trust and Capacities in the Yemeni Banking Sector. METAC's banking supervision expert shared with the participants from the CBY lessons learned from countries that faced similar crisis challenges (such as the Lebanese crisis) and elaborated on regulatory and supervisory reforms to restore trust in the banking sector. These include proper identification of losses for adequate recapitalization and restructuring of banks, relevant resolution options, approaches for the restoration of correspondent banking activities, building liquidity restoration plans, enhancing corporate governance, and reinforcing the supervisory resources.

December 8, 2022: METAC contributed virtually to the EU-OECD workshop on Strengthening Financial Intermediation capacities of Yemeni Money Exchangers. METAC's banking supervision advisor shared with the participants from the Central Bank of Yemen (CBY) the preconditions to build trust in money exchange dealers. The intervention highlighted key factors to ensure resilience, including building a clear strategy for money exchange dealers, balancing between competition, market needs and supervisory capacity, providing clear definition of

permissible and non-permissible activities for money exchange, requiring clear segregation of funds between customers and money exchange funds, enhancing governance, compliance and consumer protection standards, and last but not least reinforcing the capacity of the supervisors to ensure adequate supervision.

PUBLIC FINANCIAL MANAGEMENT

ALGERIA

July 18-29, 2022: This was a follow-up mission to take stock of progress made in the implementation of program-based budgeting and advise authorities accordingly. The mission mainly consisted of plenary sessions of questions and answers with participants from key sectors of the budgeting department with the aim to share experience and review the documentation that should be attached to the Initial Finance Law. A seminar gathering 50+ participants was also organized to present key upcoming changes to the budget preparation process. The mission also took stock of progress made on critical recommendations and actions of the project roadmap to ensure a smooth implementation of program-based budgeting in 2023 and advised authorities on priorities over the next few months.

DJIBOUTI

January 23-February 3, 2023: The mission provided support to strengthen cash management and operationalizing the TSA. It was the first reengagement with Djibouti's Ministry of Budget since March 2020. Djibouti would highly benefit from a TSA mechanism and better cash forecasting to improve cost efficiency of cash management. The discussions focused on the difficulties the authorities encountered with the implementation of previous mission recommendations.

The mission also proposed a process for preparing, monitoring and updating the annual and monthly provisional cash projections based on the draft initial budget law. The team met with the different stakeholders responsible for the improvement of cash management, including relevant departments in the Ministry of Budget, MoF, and the Central Bank of Djibouti. It proposed a sequence of actions to support the implementation of cash management reforms and the TSA.

EGYPT

March 12-17, 2023: METAC worked closely with MoF staff on using the IMF-developed PFRAM tool for analyzing projects and portfolio-level costs and fiscal risks, and to eventually incorporate the analysis into the budget planning process. The importance of having accurate, up-to-date project information was demonstrated. The mission also conducted a workshop to raise awareness about fiscal costs and risks from PPP projects. The mission advised the authorities on practices in budgeting for PPP projects, coverage in the fiscal risks report, and in medium-term planning.

JORDAN

September 20-November 7, 2022: METAC supported the Macro-Fiscal Unit and the Fiscal and Contingent Liability Unit of the MoF to elaborate a first Fiscal Risks Statement (FRS) for Jordan, one of the key recommendations of the 2021 Fiscal Transparency Evaluation. This will provide greater transparency about key risks affecting public finances, including macroeconomic risks and those related to PPPs. The latter are particularly relevant, as the country has one of the highest PPP/GDP stocks in the world. The initial FRS should be expanded over time to provide further detail and cover additional risk areas.

September 26, 2022: Based on a partnership with the UNESCWA, a discussion forum on the role of budgeting for efficient social expenditures was conducted with stakeholders from Jordan. Highlighting the results of UNESCWA's social expenditure monitor (SEM) and efficiency analysis, the event concluded that Jordan could achieve more in terms of educational attainments or public health indicators with given resources. Building on advances to strengthen budget procedures (medium-term budgeting, gender-responsive budgeting), key drivers for efficiency are more robust costing; a strengthened result approach; more rigorous ex-post evaluations; and budgetary transparency that traces the flow of funds to service delivery units.

September 20-November 9, 2022: As a follow-up to the Jordan Fiscal Transparency Evaluation from October 2021, a mission supported the new Macro-Fiscal Unit (MFU) and the Fiscal Commitment Unit (FCU) of the MoF to strengthen disclosure of fiscal risks and contingent liabilities by preparing a first draft Fiscal Risk Statement (FRS). While overall highlighting the need for a well-focused approach on key risks, the mission provided feedback and hands-on advice on several drafts of the macroeconomic and PPP sections. The FRS should be expanded in annual cycles: a second FRS (2024 budget documentation) could expand on legal risks, natural disaster risks, and long-term sustainability risks (pensions), while a third FRS (2025) and later editions could expand on risks for which the framework for analysis remains to be established, among others related to long-term sustainability analyses on climate change and exhaustion of natural resources.

LIBYA

May 30-June 3, 2022: Jointly with the Accounting and Finance Training Institute of Libya, the mission trained authorities on (i) how to update the

macro fiscal framework with the latest fiscal data available and (ii) the management of fiscal risks. The training spanned over five days and was attended by eight officials coming from the budgeting department and the macro fiscal unit of the MoF and the Central Bank of Libya. The training included practical exercise on fiscal risks to identify the main sources of fiscal risks for Libya, their likelihood, impact, and quantification, as well as mitigation measures. Furthermore, the mission worked extensively on updating the macro framework, focusing on the wage bill and estimating the fiscal impact of a series of envisaged fiscal reforms, with the objective to create both a baseline and a reform scenario.

November 21-23, 2022: METAC organized a virtual workshop on strengthening the MTFF at the Libyan MoF. The workshop was a continuation of METAC's support to establish a MTFF that would support fiscal and economic analysis and the budget preparation process in the future. Training was provided on updating the fiscal framework with the latest available fiscal data, using the framework in fiscal risk analysis and producing different scenarios, and in reporting on quarterly budget actual performance. Further training activities will continue to enhance the macroeconomic unit's capacity to managing the fiscal framework.

December 13-17, 2022: A joint FAD/METAC in-person mission provided CD support to the MoF to support the authorities in conducting a review of their PFM framework, identifying reform priorities and further CD needs. The mission was conducted in Amman, working with representatives from the MoF and its affiliates. The mission discussed the need to overhaul the entire PFM framework over the medium-term. This will include major revisions or upgrades in processes, systems, and legislation. The reform

process should be designed consistently and coherently across PFM areas and in a feasible manner. Notably, the potential reforms in budget execution processes, cash management, GFMIS, and Charts of Accounts are all interlinked. Budget planning and the budget preparation process need to be improved as well.

MOROCCO

June 20-July 8, 2022: The mission, together with the central inspectorate, drafted a roadmap to strengthen capacities of the internal audit function within line ministries to perform regular audits of the upcoming ICF (CRCI – cadre de référence de contrôle interne). To this end, the mission met with several inspectorate departments in line ministries and the Supreme Audit Institution to gather feedback on the CRCI, questions on the internal audit function as well as training and organization needs. The mission also facilitated a webinar that garnered a participation of 30+ stakeholders to present (i) the results of the various interviews and practical recommendations to strengthen capacities of IGMs and (ii) case studies on how comparable countries organized themselves to perform regular audits of their own ICF.

July 5-7, 2022: A joint FAD/METAC workshop provided opportunity to discuss with the MoF: (i) progress in and challenges of adopting multiannual budgeting since the implementation of the organic budget law; (ii) fiscal rule principles and lessons learnt from international experience; and (iii) medium-term budget and expenditure frameworks. A follow-up joint FAD/METAC mission is planned in October.

November 21-30, 2022: METAC continued to support the Moroccan MoF in enhancing the development of its ICF. This included reviewing the implementation of the reform project roadmap and building capacity on

the information system that will be implemented. The CD built on three previous METAC missions. It identified strengths and reform needs in the internal control system, reviewed the project roadmap, and took stock of progress in implementing previous recommendations. The mission also presented the tools and functionalities of the application used in France and discussed the expected functionalities of the future information system in Morocco to support the internal control reforms.

January 30-February 10, 2023: A joint FAD/METAC mission provided support to the Moroccan authorities on strengthening their fiscal framework with the introduction of a medium-term debt anchor and an operational rule which will enhance the credibility and consistency of the authorities' fiscal policy and facilitate debt-reduction. The mission also provided recommendations on how to incorporate the proposed fiscal anchor into the legal and fiscal frameworks.

WEST BANK AND GAZA

June 1 - 14, 2022: The remote mission supported the Macro-Fiscal Unit of the MoF to strengthen quarterly macro-fiscal reporting. This entailed an analysis of statistical information; the elaboration process; and uses of reports for fiscal policy decisions. A more focused budget reporting approach can provide timely information to address budget implementation challenges and fiscal risks.

YEMEN

May 26-July 30, 2022: As part of programmatic support on expenditure control, METAC assisted the MoF in further defining the suggested workflows and producing a first version of the "Commitment Control Manual". The activity also provided training to the three pilot entities (Customs Agency; Ministry of Public Works; University of

Aden/Ministry of Higher Education) to get acquainted with the new procedures which will be implemented in the coming months, including testing planned in early August 2022.

August 6-8, 2022: A joint METAC/USAID-Pragma workshop was conducted in Amman/Jordan during August 6-8 as part of the programmatic support on expenditure control in Yemen. The event allowed 13 participants from MoF and three pilot entities (Customs Agency; Ministry of Public Works; University of Aden/Ministry of Higher Education) to design an action plan to implement the new control framework in these entities as of January 2023. The sessions allowed staff to test the initial processes and gain a deeper understanding of responsibilities in MoF and MDAs; adopt further adjustments to workflows and templates; and agree on types of commitments and different approvals. The support will be continued in Phase 4 aimed at finalizing the manual and adopting an automated procedure.

August 23-September 12, 2022: A joint IMF HQ-METAC remote mission supported the MoF in developing a strategy for the implementation of an integrated financial management information system (IFMIS) that is tailored to the Yemen context. A low-cost, agile and scalable IFMIS is an enabler to rebuild core PFM functions at the MoF, overcoming manual processes while enhancing oversight and communication with Ministries, Departments and Agencies (MDAs). Mission observers included representatives from the USAID-Pragma Economic Recovery and Livelihoods Program (ERLP) as well as the Saudi Development and Reconstruction Program for Yemen (SDRPY).

November 11-December 30, 2022: As part of programmatic support on expenditure control, METAC support the MoF in finalizing a Draft Manual for Commitment Control, which will be used by three pilot entities

(Customs Agency; Ministry of Public Works; University of Aden/Ministry of Higher Education). Building on the first version of the Manual prepared during a previous phase, the updated version is further tailored to the pre-cash phase of budget execution while ensuring a link with budget planning. The templates for commitment requests were finalized, allowing proper tracking of commitments in the pilot entities and at the MoF for aggregate expenditure control. The MoF is planning to further practice the commitment control process with the pilot entities in the coming months, while METAC will support the semi-automation of templates during February-April 2023.

March 1-14, 2023: METAC supported the “cash flow forecasting team” of the MoF to advance further in the preparation of the 2023 annual cash flow forecast. It carried out a high-level review of the methodology, assumptions, and data of each of the main cashflow items (revenue, expenditures, financing, TSA balances). A cashflow forecast is key for fiscal policy decisions as well as budget execution and commitment controls. The sessions were conducted jointly by METAC and USAID/PRAGMA.

March 1-April 30, 2023: As part of programmatic support on expenditure control, METAC assisted the MoF in the preparation of an Excel tool to facilitate two-way communication with line ministries. This involved further adjusting commitment control templates, following the advances of MoF’s expenditure control team. The Excel tool will be finalized by MoF in the coming months. METAC also contributed to a FAD-led Hackathon event in Amman (March 13-14), where a prototype of a communication tool for the exchange of financial information between the Ministry of Finance and line ministries was developed. Work will continue in FY24 to bring the Hackathon IT prototype to scale, for which other development partner support is required.

REVENUE ADMINISTRATION

ALGERIA

January 8-16, 2023: METAC assisted the Algerian General Directorate of Taxes (GDT) in strengthening the management of tax arrears. The creation of a dedicated collection directorate within the central services is a significant improvement of the tax arrears management function. The mission provided advice to the new directorate on how to move forward towards becoming more digital, more taxpayer-oriented and more efficient in its enforcement tasks.

EGYPT

September 3-18, 2022: METAC resident advisors participated in a joint IMF HQ-METAC mission to advance Egypt’s Medium Term Revenue Strategy (MTRS). The 2020 MTRS was evaluated and updated by the mission. A structured MTRS implementation plan was also developed. The mission recommended urgent establishment of a performance management system together with the establishment of a Project Management Office at the level of the MoF, as these will be critical for timely, efficient, and effective MTRS implementation.

December 4-8, 2022: METAC assisted the MoF and the revenue authorities in the development and implementation of a performance management framework. It shared best practices in the field of performance management, assessed the current state and maturity level of performance management, and advised how to further develop SMART objectives and monitoring and evaluation of the formulated objectives. Assistance also included the development of an action plan with timeline for implementation.

December 19-21, 2022: METAC organized a peer-to-peer engagement activity for the officials of the Egyptian Revenue Administrations to

the Belgian General Administration of Taxes (GAT). The latter was identified as a highly suitable organization which applies internationally recognized good practice in performance management and measurement. During the study tour, GAT focused its sharing of experience on general organizational management from strategy to implementation, and in particular on the area of performance management. Additional areas covered upon the Egyptian MoF’s request ahead of the study tour included data management, cash register, e-invoicing, e-reporting, international taxation, human resource management and Value Added Tax (VAT) gap analysis. The peer-to-peer engagement included presentations by senior officials from the relevant departments of GAT and in-depth bilateral discussions between the Egypt delegation and GAT staff.

March 12-17, 2023: METAC arranged an expert visit to the Egyptian Customs Authority (ECA). The purpose of this CD was to assist the (ECA) in reviewing the post-clearance audit (PCA) strategy, drawing up related action plans, and monitoring implementation. Shifting the customs control from the border to the post clearance audit will improve the customs compliance strategies, facilitate legitimate trade, and significantly increase revenue collection. The mission helped also ECA in developing PCA verification tools as templates and audit programs for the most important ones (customs valuation, tariff classification, drawback, duty relief programs and warehouses).

JORDAN

February 12-21, 2023: Following a workshop organized by METAC in connection with the implementation of the Customs Valuation Agreement, the Jordanian Customs Department (JCD) expressed the wish to develop the use of new technologies for the

analysis of data collected by Customs, in particular those related to customs valuation. The mission's objectives were to describe the new technologies and their use in the customs context, train some officers in the concepts of big data analysis and to provide training in programming related to artificial intelligence. the mission was also able to accompany the newly trained officials in their first data analysis cases with very encouraging results.

February 6-16, 2023: METAC arranged an expert visit to Jordan to assist the Income and Sales Tax Department (ISTD) in developing a tax audit program for transfer pricing (TP) for the large taxpayer department. The mission helped the ISTD staff to understand how to build an appropriate TP risk assessment process and from this how to correctly identify the most challenging issues. The expert provided training and coaching in how to audit specific categories of identified transfer pricing risk so that audit work could begin and be conducted effectively.

IRAQ

August 21-29, 2022: METAC provided assistance to Iraq's General Commission of Taxes (GCT) on good practice in organizational design to modernize the organizational structure of GCT headquarter and regional offices. The current organizational structure has deficiencies that constrain GCT in its core business activities and reform implementation. Major structural reform is contingent upon improved automated and networked systems, the ability to have greater flexibility and autonomy in administrative operations and improved policy support. Advice on good practices in organizational design was provided, and an option for structural improvement was developed, including an action plan for implementation.

LEBANON

November 21-28, 2022: METAC assisted the MoF of Lebanon in developing a reform governance framework supported by a detailed action plan for implementation. The new governance framework was developed based on a review of the existing tax reform governance framework and a series of presentations and discussions with officials based on good international practice (as documented in the VITARA Reform Management module).

January 16-27, 2023: METAC provided a follow-up TA to the Lebanese customs Authority (LCA), based on the May 2022 report on "Short-and-Medium-Term Actions for Stabilizing Revenue Administration." The mission assessed the current situation and the progress made to date. The mission's focus was on helping the LCA drafting their new organizational structure and reactivating their legal committee in charge of drafting the new customs code. Finally, the mission supported the LCA in developing a detailed roadmap for the remaining immediate and short-term priorities to be implemented.

April 12-20, 2023: METAC provided advice to the MoF of Lebanon on the methodology to develop strategic and operational plans. The mission reviewed the existing strategic and operational plans, presented international good practices on how to develop a sound reform plan, and suggested inputs for the reform program components.

LIBYA

May 30-June 7, 2022: METAC provided a remote capacity development activity to assist the Libya Customs Administration Authority in the full deployment of the ASYCUDA World IT customs management system. The mission established a primary diagnosis of the IT system in place and proposed a detailed roadmap that will

allow, in a second phase, to unlock the various functionalities of the IT system (customs declaration processing, selectivity, control of the customs value, manifest modules, transit). The second phase started in August with an offsite mission in Amman, Jordan.

June 14-16, 2022: METAC delivered a three-day interactive training to expand the knowledge of the senior tax officials of the Libyan Tax Administration (LTA) on the integrity of taxpayer registers. LTA officials were initially engaged in a fact-finding discussion to better understand their tax system, their organizational structure and the process and procedures for taxpayers' registration. The training was designed to introduce them to the good practices for taxpayer registers.

August 4-12, 2022: METAC supported the Libyan customs administration (LCA) with the ASYCUDA World (AW) IT management system. Following a diagnostic of the IT system and development of an implementation road map in May/June, this second intervention helped to update the AW prototype. The mission also advised on the implementation of the investigation function and provided guidance to strengthen the Customs and Excise Administration's capacity in transfer pricing policy and customs valuation audit. It further assisted the Customs and Excise Administration in developing communication tools to sensitize the private sector to the fight against fraud, smuggling, tax evasion, and illicit financial flows.

August 13-15, 2022: METAC organized a two-day study tour for an LCA delegation to the Al Aqaba Port in Jordan. The Jordan customs administration delivered a presentation on the management and control of exemptions and duty relief programs. LCA officials learned about the processes and methodologies used to clear imported goods through the AW customs IT management system. In particular, the mission addressed the

issues of the control framework related to free zone customs operations and the clearance of imported goods.

November 20-29, 2022: METAC delivered a remote mission to support the Libyan Tax Administration (LTA) in its digitalization efforts. The mission evaluated LTA's current state of digitalization, raised senior management awareness of information technology (IT) functional requirements for an integrated tax administration solution (ITAS) and explained the technology architecture and application of advanced data analytics in improving compliance program results. The authorities' preparedness to modernize the tax administration through digitalization was also discussed regarding the maturity of the taxpayer compliance culture, taxpayer IT literacy, tax administration maturity, and LTA's IT capabilities and experiences.

January 22-31, 2023: METAC supported the Libyan tax administration in developing a roadmap for a digitization program. This CD project included several components such as the governance, tender, change management, data network, data analysis and implementation of the digitization program.

MOROCCO

April 3-14, 2023: METAC arranged an expert visit to Morocco to assist the General Directorate of Taxes (GDT) in the development of a governance framework for the Information Technology (IT) function, in particular the organizational structure, interface, and relationship with project management.

SUDAN

February 12-23, 2023: METAC delivered a remote assignment to advise the Sudan Taxation Chamber (STC) on the modernization of the organizational structure of STC headquarter

and regional offices. Advice on good practice in organizational design was provided and an option for structural improvement was developed, including an action plan for implementation.

TUNISIA

February 20-March 03, 2023: METAC assist the Tunisian Customs Authority in establishing a functional post control unit that meets international standards and best practices. The controls operated at the borders, although necessary, remain incomplete and must be reinforced by a PCA strategy. The mission helped to set up this objective and trained a dozen new inspectors in the various verification techniques. The mission also helped in developing new supporting tools (templates, audit programs) necessary for an efficient, professional, and uniform PCA approach.

January 16-27, 2023: METAC participated in an HQ-led mission to assess progress in strategically important customs modernization projects, and to provide advice to the Tunisia Customs Administration (TCA) on the implementation of related reforms, and other relevant areas of the strategic management plan. The mission reviewed progress made in the implementation of the TCA modernization plan and discussed with TCA management a potential medium-term capacity development program. The mission also advised on a switch from transaction-based audits to PCA system risk management-based verification.

March 21-31, 2023: METAC arranged an expert visit to Tunisia to provide advice to the Tunisia Tax Administration on the identification and mitigation of the Information Technology (IT) risks for the Automatic Exchange of Information (AEOI) purposes. The mission identified the IT risks and proposed the mitigation measures to mitigate those risks. A draft business continuity to manage the IT risks was developed.

WEST BANK AND GAZA

May 10-26, 2022: This joint METAC/IMF mission was initiated in response to a request by the Minister of Finance and Planning (MOFP) in the Palestinian Authority (PA) for a diagnostic review of revenue administration (tax and customs). The mission assessed the reform proposals in the PA's 2022-2025 revenue strategy and provided capacity development in priority reform areas, including administrative measures to lift domestic tax and customs compliance. Proposals for a tighter integration of tax and customs organizations at the PA and measures to enhance digitization and access to information from financial institutions were examined and recommendations developed. The mission reviewed the draft of the new customs code. Its provisions were discussed, and the mission made concrete proposals to amend some of them (particularly those related to dispute process).

November 27-December 9, 2022: METAC provided advice to the tax administration of the Palestinian Authority, on improving tax compliance in the large taxpayer department (LTD). During the assignment, a critical review of current LTD processes was undertaken, and presentations were delivered to the LTD leadership on good practices used by large taxpayer segments internationally. Several recommendations were made including an action plan covering the increased use of compliance risk management (CRM) approaches; setting up a Risk Management Unit; and piloting a sector or industry using modern CRM principles.

YEMEN

August 7-18, 2022: METAC assisted the Yemen General Taxation Department in developing its tax audit program. Specifically, the mission (i) reviewed the current audit strategy, (ii) advised how to proceed with centralizing audit

case selection and planning the audit program, and (iii) advised on planning, conducting, and finalizing individual audits. Advice on governance and audit quality review was also provided.

September 12-16, 2022: METAC provided advice to the Yemen General Taxation Department (GTD) on improving taxpayer services. The assignment reviewed the way in which taxpayer services are currently carried out by GTD and evaluated the current performance of the taxpayer services function; assessed the organizational structure for taxpayer services and how it manages taxpayer services in a uniform manner within the entire organization at a national level and advised on potential solutions for developing an international standard taxpayer services function; and with GTD, developed a draft Taxpayer Services Strategy.

January 9-February 9, 2023: METAC assisted the Yemeni General Taxation Department in developing a general tax audit manual to be used as a reference by their current and new tax auditors. This hands-on tax audit manual will be fundamental to address weaknesses in tax audit practices, and provides the auditors with practical know-how to build their audit capacity.

REAL SECTOR STATISTICS

EGYPT

May 15-19, 2022: METAC assisted the Ministry of Planning and Economic Development to assess and provide recommendations on the benchmark revisions to the official GDP estimates. The mission provided recommendations on the source data, methodology, and communication of the revision.

July 17-21, 2022: As part of a project to assist the Central Agency for Public Mobilization and Statistics of Egypt in implementing an improved SUTs compilation process, METAC

conducted a remote mission to assist with developing initial estimates to compile 2019/20 SUTs.

July 24-28, 2022: METAC assisted MPED with revising the expenditure components of GDP, in line with the revisions introduced by MPED to production-based GDP. A method was developed to revise expenditure-based GDP, especially household final consumption expenditure and gross capital formation, as direct sources for these components do not fully cover the economy.

February 5-16, 2023: METAC conducted an onsite mission as part of a project to assist the Central Agency for Public Mobilization and Statistics of Egypt (CAPMAS) in the implementation of an improved SUTs compilation process to produce 2019/20 SUTs. In addition to assistance in generating the initial estimates for a few industries, the mission helped CAPMAS to finalize the correspondence files for the industry survey. The mission also developed a system of interlinked files to produce balanced SUTs at purchasers' prices, SUTs at basic prices, and an Input-Output table.

March 26-April 6, 2023: This mission followed up on the February mission, assisting CAPMAS to improve SUT compilation. The system to generate estimates for the general government was upgraded; initial SUT estimates for private sector manufacturing were generated; and initial SUT estimates for Economic Authorities were improved.

April 2-13, 2023: METAC is assisting the Egyptian Ministry of Planning and Economic Development to compile sectoral financial and balance sheet accounts. The fourth mission within this project was conducted in April 2023. Assistance was provided with detailing the vertical and horizontal balancing process and coding the financial instruments. There are still important data shortcomings that were identified

and that need to be addressed to ensure adequate quality balance sheet account estimates.

IRAQ

June 12-23, 2022: The mission assisted the Central Statistics Organization of Iraq in compiling SUTs for reference year 2018. SUTs provide a benchmark for rebasing the national accounts, thereby improving the GDP compilation process, and leading to more accurate measures of GDP. The mission assisted with the generation of initial estimates for several industries in preparation for the integration of the estimates into a central file.

METAC also assisted the Central Statistics Organization of Iraq to develop a residential property price index. Training was provided on all steps of the compilation process, including coding the regression model in R. Support was also provided on data analysis, interpretation of results, and dissemination. The mission also provided additional guidance on aggregation and publication of the PPI.

October 23-27, 2022: METAC conducted a virtual mission to assess the CPI currently produced by the Iraqi Central Statistics Organization (CSO) to identify opportunities to improve the accuracy of the data, and to help with implementing these improvements. Topics addressed included imputing missing prices, updating expenditure weights, and implementing expenditure weights for higher-level index aggregation.

February 26-March 9, 2023: Following up on the June 2022 mission, METAC assisted the Central Statistics Organization (CSO) of Iraq to progress significantly in the production of 2018 SUTs. The February 2023 mission helped generate all initial estimates and integrate them into a manual balancing tool, in addition to setting up the IMF's SUT Automated

Balancing Tool. The compilation process of SUTs is now in the third phase—the balancing of the supply and use of products.

March 12-16, 2023: In March 2023, METAC assisted the Iraqi Central Statistics Organization (CSO) with implementing improvements to the CPI in areas identified as shortcomings during the October 2022 mission. This included working with the authorities to create an experimental compilation system based on chained short-term relatives and geometric means in Excel. This new compilation system is planned to be introduced by July 2023.

JORDAN

September 18-29, 2022: A TA mission assisted the Department of Statistics in compiling constrained 2017 and 2018 SUTs and Input-Output tables (IOTs). The IMF's automated SUT balancing tool was used to generate balanced SUTs that are aligned with the annual GDP estimates and a sustainable compilation system was developed to produce annual IOTs using a top-down approach.

November 28-December 7, 2022: METAC participated in a mission to assess the state of play of national accounts compilation at the Department of Statistics (DOS) of Jordan. The Data Quality Assessment Framework (DQAF), which comprehensively covers the various quality aspects of data collection, processing, and dissemination was used to assess data quality prerequisites and the five dimensions of data quality: assurances of integrity, methodological soundness, accuracy and reliability, serviceability, and accessibility. The mission also reviewed the scope, objectives, and timeline of the four-year national accounts improvement project to advance national accounts statistics in Jordan.

January 15-26, 2023: In the second METAC mission to assist the Jordanian Department of Statistics (DOS) with the

update of the PPI, the current methodology was thoroughly reviewed and areas for improvement were identified. In addition, the mission outlined the steps required to complete an interim update of the PPI using 2018 data from the Annual Economic Surveys and proposed a roadmap for a full update using 2022 data once available.

February 12-23, 2023: A METAC mission coached and assisted staff at the Jordanian Department of Statistics (DOS) in validating and imputing data to compile the 2019 Annual National Accounts (ANA) and to improve procedures for future ANA compilation. The mission also reviewed DOS's methods for compiling the Industrial Production Index (IPI). The key outcomes were a set of Excel tools for data validation and recommendations for future improvements.

LEBANON

April 3-7, 2023: The Central Administration for Statistics (CAS) faces serious struggles collecting CPI price data, with prices changing frequently during the day for many items, but resource constraints preventing CAS from collecting prices for these items more frequently throughout the month. METAC is therefore continuing to aid CAS to ensure CPI continuity and to develop a producer price index (PPI). The April 2023 mission helped identify alternative data sources for the collection of prices and addressed compilation issues, such as frequent price changes and missing prices for medications, fuel, clothing, and other items to ensure continued publication of detailed CPI data.

LIBYA

February 12-16, 2023: METAC conducted an offsite mission in Amman, Jordan, to assist the Bureau of Statistics and Census for Libya (BSCL) with the compilation of Producer Price Indices (PPI). This was METAC's first

mission to Libya on this topic. The team provided training in price index methodology and practices, offered an approach for sampling and enumeration of the PPI, and developed an action plan to resume the compilation of PPIs.

TUNISIA

July 18-22, 2022: METAC organized a mission to assist Statistiques Tunisie with the development of quarterly estimates of GDP by the expenditure approach. Producing quarterly GDP estimates by expenditure provides a second quarterly GDP measure, thereby increasing the quality of this key economic measure. The mission provided training, reviewed potential economic indicators, and provided advice regarding the benchmarking process between quarterly and annual GDP estimates.

September 26-30, 2022: A TA mission to Statistiques Tunisie assessed the feasibility of developing balance sheet accounts of non-financial assets and found that sufficient data exists to start compiling such accounts annually. Compilation of this new data set would lead to the completion of the full sequence of national accounts for Tunisia.

January 16-20, 2023: Statistiques Tunisie conducted a National Survey on Household Budget, Consumption and Standard of Living (HBS) from mid-March 2021 to mid-March 2022 despite the difficult circumstances caused by the COVID-19 pandemic. There was concern of how representative the results were of typical expenditure patterns, as basket weights have a significant impact when updating the CPI. A METAC mission was conducted to assist in analyzing the survey, finding that the pandemic had a significant impact on survey results, and validating the agency's plans to conduct a "mini-HBS" during 2023.

WEST BANK AND GAZA

July 31-August 4, 2022: A METAC mission assisted the Palestinian Central Bureau of Statistics (PCBS) in assessing the use of administrative records to compile national accounts for financial corporations. Using administrative data to replace or complement field surveys would result in higher-quality data with less response burden and cost, thereby increasing the accuracy of national accounts compilation and increasing efficiency in producing them. The mission reviewed the available source data and compared their results with the results from using field surveys

and developed a method to calculate output and value added for banking and insurance.

October 2-13, 2022: The mission followed up on the work done in July and assisted the Palestinian Central Bureau of Statistics to estimate value added for financial corporations using administrative data. As a result, a sustainable compilation system was developed, covering industries that produce over 95 percent of the value added of the sector, including deposit-taking institutions and insurance companies.

YEMEN

March 19-23, 2023: METAC provided training to participants from the Aden-based Central Statistics Organization on national accounts concepts and the compilation of GDP estimates, with a focus on practical application using available data. The mission also assessed the source data available to the Central Statistics Organization and proposed a high-level roadmap to develop GDP statistics.

APPENDIX II

TECHNICAL
ASSISTANCE REPORTS
ISSUED IN FY23

TECHNICAL ASSISTANCE REPORTS ISSUED IN FY23

METAC steering committee members can access METAC issued TA reports using Partners Connect (as long as a confidentiality agreement has been signed), Partners Connect is a secure web “one stop shop” that lets SC members access timely financial and narrative information including TA reports. The platform can be accessed using the following link <https://www.imfconnect.org/content/imf/en/partners-connect/externalhomepage.html>

Title of the TA report	Country	Transmission Date
Public Financial Management		
Sécuriser les modalités d'exécution budgétaire en mode programme	Algeria	16-Mar-23
Strengthening Expenditure Control - Guidance Note	Iraq	19-May-22
Building an Annual Cash Forecast	Iraq	22-Jun-22
Program and Performance Budgeting	Iraq	22-Jun-22
Developing a Fiscal Risk Statement	Jordan	16-Mar-23
Appui à la mise en œuvre du cadre de référence de contrôle interne des administrations publiques	Morocco	27-Apr-23
Macro Fiscal Planning and Quarterly Reporting	West Bank and Gaza	15-Sep-22
Cash Forecasting and Risks	Yemen	31-Jan-23
Enhancing the 2023 Cash Forecast	Yemen	28-Mar-23
Revenue Administration		
Assessment of the New Integrated Tax Core System and the New E-invoicing and E-receipt System	Egypt	19-Jul-22
Follow-up on the Development of a Risk Management Function	Egypt	19-Jul-22
Designing and Implementing a Performance Management Framework	Egypt	28-Feb-23
Short Term Actions for Revenue Improvement	Lebanon	19-May-22
Diagnostic of the Tax Information Technology System	Lebanon	30-Nov-22
Establishing a Reform Governance Framework	Lebanon	23-Feb-23
Reform and Organizational Restructuring in the Lebanese Customs Administration	Lebanon	5-Apr-23
Review the Installation/Implementation Status of Modules/Functionalities of ASYCUDA World at Libyan Customs Administration	Libya	25-Jul-22
Revision and Update of the ASYCUDA World Prototype for Libyan Customs Administration	Libya	15-Nov-22
Digitization Preparedness and Planning	Libya	27-Mar-23
Lutte contre la fraude fiscale et les flux financiers illicites	Morocco	12-Sep-22
Developing the Tax Audit Program	Yemen	30-Sep-22
Improving Taxpayer Services	Yemen	15-Nov-22
Financial Supervision and Regulation		
Enhancing the Rating Risk Framework	Algeria	7-Mar-23
Early Intervention Framework	Egypt	13-Jul-22

Title of the TA report	Country	Transmission Date
Real Sector Statistics		
GDP revisions	Egypt	13-Sep-22
Supply and Use Tables	Egypt	19-Oct-22
Supply and Use Tables	Iraq	4-May-22
Producer Price Index	Iraq	17-Jun-22
Residential Property Price Index and Producer Price Index	Iraq	3-Aug-22
Supply and Use Tables	Iraq	15-Nov-22
Consumer Price Index	Iraq	15-Dec-22
National Accounts	Jordan	31-May-22
Updating the Producer Price Index	Jordan	29-Jun-22
Supply and Use Tables	Jordan	15-Nov-22
Producer Price Index	Libya	20-Mar-23
Comptes nationaux trimestriels selon l'optique des dépenses	Tunisia	14-Sep-22
Non-Financial Balance Sheets	Tunisia	14-Nov-22
Updating the Consumer Price Index Weights	Tunisia	10-Mar-23
Current and Capital Accounts by Institutional Sector	West Bank and Gaza	10-May-22
Annual National Accounts Source Data	West Bank and Gaza	5-Oct-22
Administrative Data for GDP compilation	West Bank and Gaza	1-Dec-22

Note: Reports prepared as drafts but not transmitted to authorities in FY23 are not included in [this table](#).

APPENDIX III

HQ-LED ACTIVITIES
IN FY23

HQ-LED ACTIVITIES IN FY23

Country	Activity Name	Start Date	End Date
Fiscal Affairs Department			
Algeria	Improving Tax Compliance from Mining Sector	8-Nov-22	21-Nov-22
Algeria	Cash Management	18-Oct-22	27-Oct-22
Algeria	VAT expenditures and in the digital sector	6-Nov-22	17-Nov-22
Djibouti	Tax Administration-Medium-Term Reform Strategy Design	14-Feb-23	27-Feb-23
Djibouti	Tax Policy Scoping mission	12-Mar-23	16-Mar-23
Egypt	PIMA Finalization	27-Sep-22	10-Oct-22
Egypt	MTRS Inception Phase Support FY23	23-May 22	22-Sep-22
Egypt	Developing an HR strategy	12-Feb-23	23-Feb-23
Egypt	MTRS Inception Phase	31-Jul-22	4-Aug-22
Egypt	MTRS Inception Phase In-Country support - Tax Policy	15-Jun-22	29-Jun-22
Egypt	MTRS Inception Phase In-Country support - Mission 2	24-Jul-22	8-Aug-22
Egypt	HQ-METAC: MTRS Inception Phase	3-Sep-22	18-Sep-22
Iraq	Participation in Word Bank TADAT assessment	26-Aug-22	30-Sep-22
Jordan	Inception Mission	30-Jun-22	8-Jul-22
Jordan	Fiscal Economist Training	21-Aug-22	25-Aug-22
Jordan	Expenditure Assessment	19-Feb-23	23-Feb-23
Jordan	Taxpayer compliance – Professionals	19-Feb-23	5-Mar-23
Jordan	Improving voluntary compliance	18-Sep-22	2-Oct-22
Jordan	Improving taxpayer compliance – Special Economic Zones (including AKABA)	19-Jun-22	3-Jul-22
Jordan	Follow-up improving taxpayer compliance SEZ	17-Aug-22	31-Aug-22
Lebanon	Diagnostic tax policy mission	12-Sep-22	23-Sep-22
Lebanon	Adjusting income tax brackets for inflation	1-Mar-23	30-Apr-23
Lebanon	Program document for RMTF project	20-Oct-22	29-Oct-22
Lebanon	HQ-METAC: Follow-up on the developing a workplan for immediate and short-term measures	16-Jan-23	27-Jan-23
Lebanon	Expenditure Diagnostics	22-Feb-23	3-Mar-23
Libya	HQ-METAC: A Partial and Preliminary Review of the Public Financial Management Framework	13-Dec-22	17-Dec-22
Libya	HQ-METAC: Support to ASYCUDA World customs IT management System	29-May-22	2-Jun-22
Libya	HQ-METAC: Support to ASYCUDA World customs IT management system-Phase II	4-Aug-22	8-Aug-22
Libya	METAC CUSTOMS - Support ASYCUDA World - Study Tour (AL-AQABA PORT)	14-Aug-22	15-Aug-22
Libya	ASYCUDA Peripatetic advisor	10-Nov-22	3-Feb-23
Libya	ASYCUDA Peripatetic advisor II	6-Feb-23	28-Apr-23
Morocco	MTFF and Fiscal Rules Workshop	7-Jul-22	7-Jul-22
Morocco	HQ-METAC: MTFF and Fiscal Rules	30-Jan-23	10-Feb-23

Country	Activity Name	Start Date	End Date
Sudan	Initial scoping mission	19-Mar-23	22-Mar-23
Sudan	Scoping workshop on options for a medium-term reform plan for the STC	19-Mar-23	22-Mar-23
Sudan	HQ Post Scoping: Preparation of Report and Reform Plan	27-Mar-23	31-Mar-23
Tunisia	Scoping and Review of 2023 measures	3-Aug-22	12-Aug-22
Tunisia	Excises taxes, small taxes and follow up on TE rationalization	27-Feb-23	9-Mar-23
Tunisia	Distributional analysis of food subsidies	1-Mar-23	7-Apr-23
Tunisia	Support implementation of customs reform and modernization	16-Jan-23	27-Jan-23
West Bank and Gaza	Tax and Customs diagnostic	10-May 22	7-Jun-22
Yemen	IMF Hackathon	13-Mar-23	14-Mar-23
Yemen	HQ-METAC: IFMIS Strategy support	23-Aug-22	12-Sep-22
Yemen	Audit for industry sectors within the large taxpayer's department - training	20-Sep-22	29-Sep-22
Institute for Capacity Development			
Iraq	Iraq Macroframework Training	28-Aug-22	2-Sep-22
Iraq	Iraq Macroframework TA Mission	27-Nov-22	1-Dec-22
Iraq	Iraq Macroframework TA Mission	2-Apr-23	6-Apr-23
Jordan	Jordan - DSGE TA Mission 1 - Hybrid	5-Feb-23	23-Feb-23
Jordan	FPAS TA mission	28-Aug-22	8-Sep-22
Tunisia	FY23 Tunisia - Scoping Mission	14-Nov-22	18-Nov-22
Tunisia	FY23 Tunisia- Macroframework TA mission 1	6-Mar-23	10-Mar-23
Tunisia	FY23- Tunisia Macroframework TA Mission 2	24-Apr-23	28-Apr-23
Tunisia	Macroeconomic Frameworks TA	14-Nov-22	18-Nov-22
Tunisia	Macroeconomic Frameworks TA	24-Apr-23	28-Apr-23
Legal Department			
Algeria	Virtual Mission	30-Jun-22	30-Jun-22
Algeria	Virtual Mission	13-Feb-23	15-Feb-23
Djibouti	Regulations Desk Based Review	20-Feb-23	31-Mar-23
Egypt	Desk Reviews	5-Jul-22	29-Jul-22
Egypt	Tax Reform	21-Jun-22	27-Jun-22
Egypt	Tax Reform	3-May-22	6-May-22
Iraq	Desk Based Review	20-Feb-23	31-Mar-23
Jordan	Desk Based Review	23-May-22	31-Oct-22
Jordan	HQ Based Mission	22-Nov-22	2-Dec-22
Lebanon	GDA Lebanon Preparation of the Diagnostic report and recommendations	10-Mar-23	30-Apr-23
Lebanon	LEG - Preliminary meetings with the authorities	26-Jul-22	29-Jul-22
Lebanon	Desk Based Review	6-Jun-22	31-Aug-22
Lebanon	FAD - Preliminary meetings with the authorities	26-Jul-22	29-Jul-22
Lebanon	LEG Lebanon GDA Main Mission (Field)	27-Feb-23	3-Mar-23
Lebanon	LEG Virtual Scoping Mission	3-Oct-22	14-Oct-22
Lebanon	FAD Virtual Scoping Mission	3-Oct-22	14-Oct-22
Lebanon	LEG GDA Lebanon	10-Mar-23	30-Apr-23
Lebanon	GDA Lebanon Main Mission (Virtual) LEG	21-Nov-22	24-Nov-22

Country	Activity Name	Start Date	End Date
Lebanon	Lebanon GDA: FAD funded Field Mission	5-Dec-22	9-Dec-22
Lebanon	GDA Lebanon - Preparatory Desk Work - Translation of research materials LEG	27-Feb-23	28-Apr-23
Lebanon	MCM Lebanon GDA Main Mission (Field)	27-Feb-23	3-Mar-23
Lebanon	FAD - Lebanon GDA Mission (Field) PFM	13-Mar-23	25-Mar-23
Sudan	Virtual Mission	5-Dec-22	7-Dec-22
Sudan	Desk-Based Work	1-Jan-23	30-Apr-23
West Bank and Gaza	Bank Resolution Law Reform - Follow-Up (Work at Home Assignment)	26-Oct-22	30-Nov-22
West Bank and Gaza	Desk-based reviews	28-Nov-22	29-Nov-22
West Bank and Gaza	HQ virtual mission	8-May-22	29-Jun-22
Yemen	Desk Based Work	20-Mar-23	23-Mar-23
Yemen	HQ mission	21-Oct-22	28-Oct-22
Monetary and Capital Market Department			
Algeria	Emergency Liquidity Assistance Framework	17-Jul-22	28-Jul-22
Algeria	Analysis of the Parallel Foreign Exchange Market	11-Jul-22	21-Jul-22
Algeria	Develop Market Infrastructure and Capacity for Cost-Effective Financing	27-Nov-22	8-Dec-22
Djibouti	Banking Supervision and Regulation	10-Sep-22	30-Apr-23
Djibouti	Introduction of Banking Supervision	19-Sep-22	21-Sep-22
Egypt	Virtual Seminar on Institutional Arrangements for Bank Resolution	13-Dec-22	15-Dec-22
Egypt	Pre-Mission Discussions with Authorities	1-Feb-23	30-Apr-23
Egypt	Feasibility of CBDC	1-Jun-22	31-Dec-22
Jordan	Liquidity Forecasting HQ FB	26-Jun-22	7-Jul-22
Jordan	Virtual w-CDBC Exploration	1-May-22	22-Aug-22
Jordan	Accrued Budget	2-May-22	31-May-22
Jordan	CBDC Field Mission	28-Aug-22	4-Sep-22
Jordan	Jordan Dec FY23 CBDC Post-mission Discussions	12-Dec-22	31-Jan-23
Lebanon	Phase I: FX Law Drafting	23-May-22	22-Jun-22
Lebanon	Phase II: Data Collection and Monitoring	12-Sep-22	23-Sep-22
Morocco	Developing Trading Platform	7-Sep-22	20-Sep-22
Morocco	Central Bank Digital Currency Follow-Up	2-Jan-23	30-Apr-23
Sudan	Central Bank Organization Desk Review - Hybrid-Virtual	13-Feb-23	23-Mar-23
Tunisia	Develop Liberalization Roadmap	1-May-22	30-Nov-22
Yemen	CBO Mission	1-Jul-22	31-Dec-22
Statistics Department			
Algeria	Desk Work-eGDDS	1-May-22	30-Apr-23
Djibouti	FY22-Carryover-Djibouti	9-Jan-23	20-Jan-23
Iraq	CPI	12-Mar-23	16-Mar-23
Jordan	RPPI	1-Aug-22	5-Aug-22
Jordan	BOP/IIP- Source data - Trade Statistics	6-Nov-22	17-Nov-22
Jordan	MFS-Other financial corporations	9-Mar-23	16-Mar-23
Jordan	GDP - Diagnostic (HQ)	28-Nov-22	7-Dec-22
Lebanon	GFS - Above and below the line reconciliation	24-Oct-22	4-Nov-22

Country	Activity Name	Start Date	End Date
Lebanon	CPI - Security	3-Apr-23	7-Apr-23
Libya	MFS	25-Jul-22	4-Aug-22
Sudan	BOP	23-Jan-23	3-Feb-23
Sudan	GFS - D4D - Source data and statistical discrepancies	12-Mar-23	23-Mar-23
Tunisia	ESS - BPM6 implementation	17-Oct-22	28-Oct-22
Tunisia	RPPI - Improvement of the RPPI	13-Mar-23	17-Mar-23
Tunisia	SOEs Fiscal Statistics	23-Jan-23	3-Feb-23
West Bank and Gaza	BOP	26-Jun-22	7-Jul-22
Yemen	Data Assessment	23-Oct-22	28-Oct-22

APPENDIX IV

STRATEGIC
LOGFRAMES
FOR FY24

STRATEGIC LOGFRAMES FOR FY24

Financial Regulation and Supervision															
Strategic Objective	Outcome	AFG	DZA	DJI	EGY	IRQ	JOR	LBN	LBY	MAR	SDN	SYR	TUN	WBG	YMN
Develop/strengthen banks' regulation and supervision frameworks	Legal/regulatory frameworks underpinning the implementation of RBS in addition to Institutional structure and operational procedures for RBS enhanced/developed		●		●	●	●	●						●	●
	Legal and regulations empower and equip supervisors with adequate range of corrective measures.		●												
	Clear supervisory process to review licensing applications in line with required criteria implemented.				●										
	Supervisors' capacity and competence to implement and monitor banks' compliance with Basel II/III and prudential regulations strengthened.									●					
Develop/strengthen regulatory framework and supervisory tools to address specific risks in Islamic banking	Prudential framework for IIBS developed/strengthened														
	Quality and timeliness of regulatory data enhanced.					●									
Improve accounting and prudential provisioning regulatory guidelines	Sufficient infrastructure/systems are in place to improve banks' credit risks monitoring and strength banking supervision processes.													●	
Enhance capacity on latest developments in international standards and best practice in financial supervision and regulation	Participants exchange/acquire knowledge and skills on financial supervision and regulation		●	●	●	●	●	●	●	●	●		●	●	●
Assumptions and Risks															
<p>a. Authorities at the highest level are committed and determined to implement their strategic plans, roadmaps and IMF/METAC recommendations.</p> <p>b. Political stability and security conditions allow the delivery of METAC CD activities.</p> <p>c. Supervisory authorities support the implementation of METAC's recommendations and show continued commitment to apply and enforce methodologies.</p> <p>d. Low turnover of management and staff.</p> <p>e. Adequate financing for METAC CD activities are mobilized.</p>															

Central Bank Operations															
Strategic Objective	Outcome	AFG	DZA	DJI	EGY	IRQ	JOR	LBN	LBY	MAR	SDN	SYR	TUN	WBG	YMN
1. Implement monetary policy	Flexible/appropriate monetary instruments and operational strategy to deal with changing liquidity conditions is operational		●	●		●							●		
	Collateral framework consistent with the broader policy objectives is designed and operational		●	●											
	A robust short-term liquidity forecasting framework is designed and operational		●	●		●	●						●		
	Framework to support the money and securities markets in the wake of financial disruptions is designed and operational		●	●						●					
2. Conduct FX operations and develop markets	FX intervention policy consistent with existing FX regime is understood by market and broader public			●				●		●				●	
	Market-determined ER is consistent with the existing monetary policy and FX regime							●							
	Effective and consistent Risk Policy Framework is in place													●	
	Developed FX market with adequate price policy		●					●		●					
	Clearly and publicly disclosed policy objectives and operational frameworks and instruments of FXI are designed and operational			●						●					
Assumptions and Risks															
a. Challenging external climate/conditions. b. Lack of staff support and commitment. c. Lack of political support. d. Inadequate resources e. Other risks															

Public Financial Management																
Strategic Objective	Outcome	AFG	DZA	DJI	EGY	IRQ	JOR	LBN	LBY	MAR	SDN	SYR	TUN	WBG	YMN	
Comprehensive, credible, and policy-based budget preparation	A more comprehensive and unified annual budget is published.								●							
	A more credible medium-term budget framework is integrated with the annual budget process.		●	●	●											
	A more credible medium-term macro-fiscal framework that supports budget preparation.			●				●	●		●			●		
	Planning and budgeting for public investments is more credible.				●											
	Information on resources and performance by program is included in budget documentation.		●		●											
Strengthened fiscal policies and frameworks	Fiscal rules are adopted or improved.									●						
Improved fiscal policies and institutional frameworks to combat climate change and its impacts	Authorities have a baseline understanding of how well fiscal policies and institutional frameworks support environmental sustainability and opportunities for increase alignment				●											
Improved asset and liability management	Cash flow forecasts for central government are more accurate and timelier.		●	●		●					●				●	
	More central government revenues and expenditures are deposited and disbursed through a Treasury Single Account.			●		●							●			
Improved PFM laws and effective institutions	The capacity of ministry of finance to plan, implement and sustain PFM reforms is enhanced															
Strengthened identification, monitoring, and management of fiscal risks	Analysis, disclosure, and fiscal oversight of public corporation risks are strengthened							●					●			
	Fiscal costs and risks arising from PPP operations are managed and contained						●									
	Analysis, disclosure, and management of other specific fiscal risks are more comprehensive															
Improved budget execution and control	Budget execution monitoring and controls are strengthened.						●			●			●		●	
	Funding made available in a timely manner during budget execution.													●		
Improved coverage and quality of fiscal reporting	Comprehensiveness, frequency, and quality of fiscal reports are enhanced.				●			●		●						
Assumptions and Risks																
a. Country authorities remain committed to the implementation of the PFM reform agenda.																
b. The political and security conditions in member countries allow normal CD delivery.																
c. Countries take the lead in coordinating CD provided by others, to foster synergies and support effective reform implementation.																

Revenue Administration																	
Strategic Objective	Outcome	Verifiable Indicator	AFG	DZA	DJI	EGY	IRQ	JOR	LBN	LBY	MAR	SDN	SYR	TUN	WBG	YMN	
Strengthened revenue administration management and governance arrangements (SDG 17.1)	Corporate priorities are better managed through effective risk management	Better mitigation of risks through a compliance improvement program TADAT POA2-4)		●				●						●	●		
		Improved monitoring and evaluation of compliance risk mitigation activities (TADAT POA2-5)					●										
	Capacity for reform increased due to clear reform strategy and a strategic management framework adopted and institutionalized	Reform management capacity strengthened or in place for reform implementation, including dedicated resources							●		●						
		Key performance indicators established, regularly reported and monitored				●			●								
	Organizational arrangements enable more effective delivery of strategy and reforms	Strategic and operational plans prepared and adopted							●								
		Clear organizational structure along functional lines and/or taxpayer segments established and operating or strengthened					●			●							
		Appropriate institutional settings in place							●						●	●	
Improved customs administration functions (SDG 17.1)	Audit and other verification programs more effectively ensure accuracy of reporting	Appropriate range of tax audits and other initiatives used to detect and deter inaccurate reporting and fraud (TADAT 2015 POA6-16/TADAT 2019 POA6-19)														●	
	The integrity of the taxpayer base and ledger is strengthened	More accurate and reliable taxpayer information held in centralized database (TADAT POA1-1)															
	Customs control during the clearance process more effectively ensures accuracy of declarations	Risk-based control selectivity applied more consistently			●	●				●							●
		Effective application of procedures based on international standards for valuation, origin and the tariff classification of goods improved			●					●	●						
		Rate of physical inspections decreased			●	●	●	●	●	●							
	Audit and anti-smuggling programs more effectively ensure enforcement of customs laws	Effectiveness of the fight against fraud and smuggling increased						●			●						
		A larger share of trade controlled progressively through a properly designed post clearance audit program			●	●	●	●	●	●					●		●
Trade facilitation and service initiatives better support voluntary compliance	Cargo clearance times decreased																
Assumptions and Risks																	
a. Continued commitment to reform objectives by country authorities and revenue administrations																	
b. Continued funding for METAC activities																	
c. Continued CD from IM HQ and other development partners																	
d. Political/security conditions in member countries allow for CD delivery and reform implementation																	
e. Sufficient funding available to support resourcing of reform programs																	
f. No travel restrictions for experts/authorities’ representatives. In case of travel restriction, CD can be delivered remotely, and appropriate technology is available in beneficiary countries.																	

Real Sector Statistics															
Strategic Objective	Outcome	AFG	DZA	DJI	EGY	IRQ	JOR	LBN	LBY	MAR	SDN	SYR	TUN	WBG	YMN
Strengthen compilation and dissemination of data on national accounts statistics for decision making according to the relevant internationally accepted statistical standard, including developing/improving statistical infrastructure, source data, serviceability and/or metadata	A new data set has been compiled and disseminated internally and/or to the public				●	●					●		●		
	Statistical techniques are sound				●		●					●		●	
	Staff capacity increased through training, especially on developing source data, compilation methods, and dissemination				●				●			●			●
	Source data are adequate for the compilation of the national accounts					●	●								
Strengthen compilation and dissemination of data on price statistics for decision making according to the relevant internationally accepted statistical standard, including developing/improving statistical infrastructure, source data, serviceability and/or metadata	Methodological basis for the statistics follows internationally accepted standards, guidelines, or good practices							●	●						
	Improved periodicity, timeliness, and consistency of data						●	●	●						
	A new data set has been compiled and disseminated internally and/or to the public					●									
	Statistical techniques are sound							●	●						
Assumptions and Risks															
a. Sufficient ownership of reforms by the country authorities, including implementation of activities' recommendations. b. Sufficient funding for METAC CD activities, by development partners and members. c. Complementary CD from HQ and development partners is available. d. Political/security conditions in member countries allow for CD delivery and reform implementation.															

APPENDIX V

WORKPLAN FOR FY24

WORKPLAN FOR FY24¹

	Activity name	CD modality	Quarter	Total days
Algeria				
CBO	In-house Credit Assessment System (Follow-up) (1/2)	FB	Q1	16
CBO	In-house Credit Assessment System (Follow-up) (2/2)	FB	Q2	16
CBO	Liquidity Forecasting	FB	Q3	22
FSR	Finalizing Risk Rating Framework and Developing Early Intervention Measures	FB	Q1	19
FSR	Regulating Outsourcing Activities	FB	Q2	15
FSR	ICAAP Review and Complete	FB	Q4	15
PFM	Follow-up on the implementation of the Organic Budget law	FB	Q2	23
PFM	Follow-up on cash management	FB	Q4	23
REV	TAX - Establishment of a Risk Management Framework in the extractive sector	FB	Q1	26
REV	FAD HQ assessment mission	FB	Q4	22
Djibouti				
CBO	Monetary Policy Operations under a Currency Board	FB	Q1	26
PFM	Treasury Single Account and cash management	FB	Q1	23
PFM	Strengthening Revenue Forecasts to Improve Budget Credibility	FB	Q2	23
REV	TAX - Assist tax administration in the establishment of large taxpayers office.	FB	Q4	21
REV	Customs - Support to the Customs Strategic Planning Support / Drafting Strategic Plan	FB	Q1	12
REV	Customs - Support to Customs to Align Clearance Procedures with the Inter. Standards	FB	Q2	22
REV	Customs - Strengthening the Customs Dispute Resolution Process (Appeal procedures)	FB	Q4	12
Egypt				
FSR	Enhancing Corporate Governance Regulation	FB	Q1	20
FSR	Capacity Building of Onsite Team on Internal Audit, ICAAP and Stress Testing	FB	Q2	17
FSR	Capacity Building on Assessment of Recovery Plans	FB	Q4	18
PFM	Legal Framework Implementation	FB	Q1	21
PFM	Follow-up on CPIMA	FB	Q3	27
RSS	Supply and Use Tables	FB	Q2	18
RSS	Training - GDP - Study visit (National Accounts)	FB	Q2	11
RSS	GDP - Financial and Balance Sheet Accounts II	DS	Q3	17
RSS	GDP in Volume Terms	FB	Q3	17
REV	TAX - Follow-up on the Implementation of the Performance Management Framework	DS	Q3	17
REV	TAX - Participation in HQ mission	FB	Q2	21
REV	Customs - Support to the PCA (Audit Manual)	FB	Q1	12
REV	Customs - Assist in the Design and Implementation of a Performance Management Framework	FB	Q1	12
REV	Customs - Strengthening the Customs Valuation Function (Transfer Pricing)	FB	Q4	12

	Activity name	CD modality	Quarter	Total days
Iraq				
CBO	Domestic Liquidity Management under an Exchange Rate peg (Follow-up)	FB	Q1	7
CBO	FX Auctions	FB	Q3	22
FSR	Enhancing Supervisory Reporting for Islamic Banks	FB	Q3	17
FSR	Enhancing Supervision of Systemically Important Banks	FB	Q4	19
PFM	TSA Implementation Workshop (jointly with WB)	FB	Q1	24
PFM	Cash Forecasting	FB	Q2	24
RSS	GDP - Supply and Use Tables	FB	Q1	15
RSS	PPI - RPPI	FB	Q2	11
RSS	GDP - Gross Fixed Capital Formation	FB	Q3	7
REV	TAX - Assess the Readiness of the GCT in applying the Self-Assessment Approach	FB	Q3	18
REV	TAX - Modernizing the Organizational Structure of the Headquarter and the Regional Offices (Follow-up)	FB	Q4	18
REV	Customs - Support to the Legal and Organizational Framework	FB	Q2	12
REV	Customs - Follow-up on the Support to Align Clearance procedures with the inter standards	FB	Q3	12
REV	Customs - Participation in HQ assessment mission	FB	Q1	22
Jordan				
FSR	Developing SRP Risk Rating Methodology (1/2)	FB	Q1	18
FSR	Developing SRP Risk Rating Methodology (2/2)	FB	Q3	19
PFM	Public-Private Partnership Fiscal Risk	FB	Q1	23
PFM	Arrears management workshop	FB	Q2	23
RSS	GDP - Financial Production	FB	Q1	15
RSS	PPI Development	FB	Q2	20
RSS	GDP - Non-Observed Economy	FB	Q3	18
REV	TAX - Improving Tax Compliance in the Digital Economy Sector	DS	Q2	17
REV	TAX - Assist the ISTD in the establishment of an Analytical Capacity Unit	FB	Q2	21
Lebanon				
CBO	FX Auction and Trading Platform Scoping	FB	Q1	28
CBO	FX Auction and Exchange Rate Unification	FB	Q2	32
FSR	Business Plan Development and Capacity Building on the Assessment	FB	Q3	11
PFM	Fiscal Reporting and Transparency	FB	Q2	24
PFM	Training with the Institute of Finance on Fiscal Risks	FB	Q4	20
PFM	Budget Planning	FB	Q2	24
REV	TAX - Advise the tax administration on the methodology to develop strategic and operational plans	FB	Q3	13
REV	TAX - Assist the Tax Administration in the Design of a Performance Management Framework	FB	Q3	20
REV	TAX - Assist the Tax Administration on the Development of Strategic and Operational Plans	FB	Q4	20
REV	Customs - Support the Update of the Legal Framework (new customs code/law draft)	FB	Q2	12
REV	Customs-Support to customs to align clearance procedures and rules with the international standards (customs valuation-rules of origin-tariff classification)	FB	Q3	17

	Activity name	CD modality	Quarter	Total days
Libya				
PFM	Training on Core PFM Functions (1/2)	FB	Q1	23
PFM	Training on Core PFM Functions (2/2)	FB	Q3	21
REV	TAX - Reviewing the Organizational Structure of the HQ and the Regional Offices	FB	Q3	16
REV	Customs - Support to the PCA Function (Guidelines and SOP's)	FB	Q4	12
REV	Customs - Strengthening the Risk Management / Intelligence / Investigation Function	FB	Q3	22
Morocco				
FSR	Fundamental Review of the Trading Book - Developing Regulation	FB	Q2	19
FSR	Fundamental Review of the Trading Book - Training and Investigation Guidelines	FB	Q4	20
PFM	Fiscal Rules	FB	Q3	25
PFM	Internal Control Framework	FB	Q4	21
REV	TAX - Participation in HQ mission	FB	Q4	21
REV	TAX - Assist the Tax Administration in the Design of a Reform Governance Framework	FB	Q4	19
Sudan				
RSS	GDP - Quarterly National Accounts (Offsite)	FB	Q4	20
RSS	GDP - Supply and Use Tables (Offsite)	FB	Q3	10
Tunisia				
CBO	Liquidity Forecasting (Follow-up)	FB	Q2	32
PFM	Reconciliation between Fiscal and Financial	FB	Q2	23
PFM	Surveillance of State-Owned Enterprises	FB	Q3	23
RSS	Quarterly GDP by Expenditure II	FB	Q1	11
RSS	ISA - Rest of the World Accounts	FB	Q2	11
RSS	ISA - Non-Financial Balance Sheets	FB	Q3	9
REV	TAX - Assist the Tax Administration in the Establishment of a Risk Governance Framework	FB	Q3	20
REV	Customs - Support to the Restructuring Customs Organizational Structure	FB	Q1	22
REV	Customs - Strengthening the Management and Control of Exemptions and Duty Relief Programs	FB	Q2	12
REV	Customs - Follow-up on PCA: Finalization of the PCA Audit Manual and SOPs	FB	Q2	12
REV	Customs - Follow-up on the FAD HQ assessment mission	FB	Q3	22
West Bank and Gaza				
FSR	Enhancing Risk Based Supervision - Risk Matrices	FB	Q2	14
FSR	IFRS 9 Implementation Review	FB	Q1	27
PFM	Fiscal Strategy Development and MTFF Alignment (Follow-up)	FB	Q1	23
RSS	GDP - Benchmarking the QNA	FB	Q1	18
RSS	Chain-Linking GDP	FB	Q3	17
REV	TAX - Assist the Large Taxpayer Department in the Establishment of a Risk Management Unit	DS	Q4	19
Yemen				
CBO	Restructuring the General Department of Foreign Money & Foreign Reserves	FB	Q2	28
FSR	Scoping Mission Enhancing Supervision	FB	Q2	18
PFM	Expenditure Control - Workshop for Roll-Out	FB	Q1	25

	Activity name	CD modality	Quarter	Total days
PFM	Cash Management (Follow-up)	FB	Q3	23
REV	TAX - Training on the Tax Audit Manual Developed	FB	Q1	14
REV	Customs - Strengthening the PCA Function (drafting of PCA audit manual)	FB	Q4	12
Regional activities				
CBO	Workshop on Tools for Monetary Policy Implementation	IL	Q3	31
FSR	CEF IFRS 9: Supervisory Perspective	IL	Q1	16
FSR	Regional ICAAP/ILAAP Assessment	IL	Q3	19
PFM	METAC-CEF Course on Medium-Term Fiscal Framework	IL	Q2	22
PFM	METAC-CEF Course on Budget Execution and Expenditure Control	IL	Q3	22
PFM	Regional Knowledge Activity	OA	Q2	18
RSS	METAC-CEF-GDP- Regional Workshop on Gross Capital Formation	IL	Q1	20
RSS	GDP - Regional Workshop on Supply and Use Tables (AITRS)	IL	Q1	6
RSS	METAC-CEF- GDP- Regional Workshop on Measuring Financial Services	IL	Q2	18
REV	TAX - Regional Workshop on Identifying Risks in the Extractive Industry Sector	IL	Q1	18
REV	TAX - METAC-CEF Regional workshop on Tax Administration Organizational Design	IL	Q2	18
REV	Customs - Workshop on Customs Performance Measurement/Exchange of Information with Customs Stakeholders	IL	Q3	8

^{1/} Does not yet include new workstreams on Government Finance Statistics, Macroeconomic Frameworks, and Tax Policy.

Note: CBO: Central Bank Operations; FSR: Financial Supervision and Regulation; PFM: Public Financial Management; REV: Revenue Administration; RSS: Real Sector Statistics

DS: Duty Station-Based work; FB: Field-Based work; IL: Interactive Learning and Workshops; OA: Outreach Activities

APPENDIX VI

METAC STAFF

Mr. Holger Floerkemeier: Director



Prior to joining METAC in September 2021, Holger Floerkemeier was Deputy Director of the Joint Vienna Institute (JVI). From 2013 to 2017, he worked as Deputy Division Chief in the IMF's Institute for CD, leading the Regional TA Center (RTAC) team. Having joined the International Monetary Fund in 2002, he has held positions in the African, the European, and the Middle East and Central Asian Departments, working on IMF-supported programs and surveillance relations in close to 20 member countries. Before joining the IMF, he was an assistant professor for statistics and empirical economic research at University of Freiburg, Germany, and worked in several roles in the market research field. Holger is a Chartered Financial Analyst (CFA).

Ms. Nehmat Hantas: Financial Supervision and Regulation Advisor



Ms. Nehmat Hantas, a Lebanese national, joined METAC in January 2022. She has 25 years of professional experience in banking supervision with the Banking Control Commission of Lebanon (BCCL). Prior to joining METAC, she was leading the offsite supervision division at BCCL. She has also established, in 2014, the macro-prudential and regulation department at BCCL. During her career in supervision, she played an active role in the development of supervisory tools, methodologies, local regulatory frameworks, and implementation supervisory guidelines in line with Basel, FSB, and IFRS standards and other international supervisory best practices. She was a member in core committees related to financial stability, supervisory strategy, and bank restructuring. She was also a speaker in several trainings delivered to supervisors in Lebanon and in the region. Nehmat holds a master's degree in money and banking from the American University of Beirut.

Mr. Jonas Frank: Public Financial Management Advisor



Mr. Jonas Frank, a German national, joined METAC on November 1, 2019. He has 20 years of professional experience on a wide range of PFM issues. Previously, he was Deputy Head of the Macroeconomic Support Division at the Swiss Secretariat of Economic Affairs, overseeing operations in MENA, Eastern Europe, and Central Asia. He also worked for ten years at the World Bank, focusing on public investment management and fiscal decentralization, and co-led the Decentralization and Subnational Finance Thematic Group. Mr. Frank holds a Doctorate in Economics and Social Sciences from the University of Potsdam (Germany).

Mr. Yasser Sobhi: Public Financial Management Advisor



Mr. Yasser Sobhi, an Egyptian national, joined METAC in November 2022 as Public Financial Management Advisor. He has been working with the IMF Fiscal Affairs Department's public financial management division since 2017, and was stationed as a resident advisor in the Kingdom of Saudi Arabia, supporting the Ministry of Finance in establishing a macro-fiscal policy unit. Prior to joining the IMF, Mr. Sobhi worked at the Ministry of Finance in Egypt for twelve years as an economist, and then as a Deputy Minister of Finance for macro-fiscal policies, covering several fiscal policy and related public financial management issues. He is fluent in Arabic, French, and English. He studied economics at Cairo University and holds a master's degree from Columbia University.

Mr. Stefaan Ide: Monetary and Foreign Exchange Operations Advisor



Mr. Ide joined METAC in October 2022 as Central Bank Operations Resident Advisor. He previously was an IMF resident advisor to the Governor of the Central Bank of Algeria and worked at the IMF's South Asia Regional Training and Technical Assistance Center (SARTTAC) in Delhi as Monetary and Foreign Exchange Operations advisor. In the latter position, he provided technical assistance to the central banks in the South Asia region to modernize their monetary policy frameworks as well as providing training on monetary policy implementation. Before joining the IMF in 2016, he worked at the National Bank of Belgium's Research & Economics Department with a focus on International Macroeconomics and on Monetary Policy Strategy and Implementation. He holds a degree from the KULeuven and Bocconi University.

Mr. Rosen Bachvarov: Tax Administration Advisor



Mr. Rosen Bachvarov, a Bulgarian national, joined METAC on July 1, 2023. He has more than 20 years of professional experience in the revenue administration of Bulgaria in the areas of stakeholder engagement and communications, also being directly involved in strategic and operational planning, compliance, risk management, digital services, project management and international cooperation on tax matters. Mr. Bachvarov has been providing short term capacity development advice as an expert for the European Commission's TALEX Program. He holds degrees from Sofia University and University of World and National Economy in Law and Marketing.

Ms. Sabine Corm: Tax Administration Advisor



Sabine Corm joined METAC in September 2023 as a Tax Administration Advisor. She has worked as an External Expert with the IMF's Fiscal Affairs Department since 2020. Sabine has worked in the Lebanese Ministry of Finance for more than 20 years and for the past three years has been involved in the tax administration's reform program. Sabine has extensive experience in tax administration and has worked with several international institutions in different countries in the Middle East, Gulf and North Africa regions. She holds a Higher Diploma in Specialized Postgraduate Studies (Diplôme D'études Supérieures Spécialisées DESS) in Auditing and Finance from the Lebanese University in partnership with the Francophone University Agency (AUPELF).

Mr. Andrew Allan: Customs Administration Advisor



Mr. Andrew Allan, a British national, joined METAC on July 18, 2023. He served 15 years with British Customs in cargo processing, passenger processing, anti-smuggling and investigations. He has been consulting on Customs and Trade Facilitation projects since 2001, often in fragile/ conflict affected states, gaining experience in the Middle East, Africa, Central Asia, South Asia, Southeast Asia and the Caribbean. He has assisted Customs Administrations of varied developmental advancement in their change processes, improving stakeholder capacities in core customs skills, enhancing revenue collection and compliance whilst also improving trade facilitation. Mr. Allan is a graduate of York St. John University, England.

Mr. Issam Al Sammak: Real Sector Statistics Advisor



Mr. Issam Alsammak, a Canadian national with over 15 years of experience in national accounts, has been METAC's resident advisor on Real Sector Statistics since October 2018. Prior to joining METAC, Mr. Alsammak was Assistant Director at Statistics Canada's Industry Accounts Division, where he was primarily responsible for the compilation of the annual national and regional supply and use tables; the reconciliation of the income and expenditure accounts with the benchmark estimates; and the development of other statistical products such as Canada's transportation satellite account. Mr. Alsammak professional experience also included delivering technical assistance to countries in the Caribbean as part of a Canada-funded project to advance national accounts statistics in the region. Mr. Alsammak is a graduate of McGill University in Montreal, Canada.

Mr. Peter El Sharoni: IMF Legal Department Regional Advisor for Anti-Money Laundering and Counter Financing of Terrorism (AML/CFT)



Mr. Peter El Sharoni enjoys more than 18 years of experience in the fields of AML/CFT and banking supervision. He comes from the MENA Financial Action Task Force (MENAFATF) where he was an Executive Officer for Policy Development and Quality Assurance. He was mainly responsible for overseeing and contributing to the work related to the development and review of the AML/CFT policies and ensuring quality and consistency of AML/CFT mutual evaluation reports, follow-up reports and technical documents. He also worked as a short-term expert for the IMF and provided TA to several countries in the Middle East. He previously held the position of Assistant Manager in the Research and Strategic Analysis Department at the Egyptian Money Laundering and Terrorist Financing Combating Unit (EMLCU) which was preceded by other roles at the EMLCU and the Central Bank of Egypt. He is also an instructor and speaker in various fora since 2005 and was an author of a number of specialized AML/CFT training programs. Peter holds both CBA (Certified Bank Auditor) and CAMS (Certified Anti-Money Laundering Specialist) certificates.

Ms. Rana Hariz: Office Manager



Ms. Rana Hariz, a Lebanese national, joined METAC in November 2022 as Office Manager. She has more than 18 years of diverse professional experience in areas of office management, project management, research, auditing and reporting. In her last assignment, Rana worked with ESCWA as a consultant. Formerly, she was the Director of BPA Worldwide Middle East Regional Office in Dubai, which provides third party compliance services to defined government, industry, and organizational standards. Rana holds a degree in Banking and Finance with focus on economics and human development. She is fluent in Arabic, English and French.

Ms. Anastasia Janzer-Araji: Local Economist



Ms. Anastasia Janzer-Araji, a German national, joined METAC as a local economist on August 1, 2023. She previously worked as Economic Analyst at the World Bank's Macroeconomics, Trade and Investment Global Practice for the Middle East and North Africa, where she conducted macroeconomic monitoring and forecasting of the Jordanian economy and supported various analytical activities and development lending operations. Prior to that, she held various positions at UN-ESCWA, the European Central Bank and EY. Ms. Janzer-Araji holds a degree in Economics and Social Sciences from the University of Potsdam and a M.A. in Economics from the University of Wisconsin-Milwaukee.



METAC

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INTERNATIONAL MONETARY FUND

Institute for Capacity Development

Global Partnerships Division

700 19th Street, NW

Washington, DC 20431 USA

T. +(1) 202.623.7636

F. +(1) 202.623.7106

GlobalPartnerships@IMF.org