

**MIDDLE EAST
REGIONAL TECHNICAL
ASSISTANCE CENTER**



**ANNUAL
REPORT
2024**



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ACRONYMS

AML/CFT	Anti-Money Laundering and Combating the Financing of Terrorism	MENAFATF	Middle East and North Africa Financial Action Task Force
ASYCUDA	Automated System for Customs Data	METAC	Middle East Regional Technical Assistance Center (IMF)
CBO	Central Bank Operations	MoF	Ministry of Finance
CBY	Central Bank of Yemen	MTFF	Medium-Term Fiscal Framework
CD	Capacity Development	MTRS	Medium-Term Revenue Strategy
CEF	Middle East Center for Economics and Finance (IMF)	OECD	Organization for Economic Co-operation and Development
CPI	Consumer Price Index	PFM	Public Financial Management
CRM	Compliance Risk Management	PCA	Post Clearance Audit
EU	European Union	PPP	Public-Private Partnership
FAD	Fiscal Affairs Department (IMF)	PSDS	Public Sector Debt Statistics
FCS	Fragile and Conflict-Affected States	RBS	Risk-Based Supervision
FSAP	Financial Sector Assessment Program	RPPI	Residential Property Price Index
FSR	Financial Supervision and Regulation	RSS	Real Sector Statistics (IMF)
FRTB	Fundamental Review of the Trading Book	SECO	Swiss State Secretariat for Economic Affairs
FRS	Fiscal Risk Statement	SOB	State-Owned Banks
FTE	Full-Time Equivalent	SOE	State-Owned Enterprise
FY	Fiscal Year	SRP	Supervisory Review Process
FX	Foreign Exchange	STA	Statistics Department (IMF)
GDP	Gross Domestic Product	SUT	Supply and Use Table
GFS	Government Finance Statistics	TA	Technical Assistance
HQ	Headquarters (IMF)	TADAT	Tax Administration Diagnostic Assessment Tool
IBP	International Budget Partnership	TP	Tax Policy
ICAAP	Internal Capital Adequacy Assessment Process	TSA	Treasury Single Account
IFRS	International Financial Reporting Standards	UNDP	United Nations Development Programme
IRRBB	Interest Rate Risk in the Banking Book	UNESCSWA	United Nations Economic and Social Commission for Western Asia
MCM	Monetary and Capital Markets Department (IMF)	USAID	United States Agency for International Development
MENA	Middle East and North Africa		

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STATEMENT BY METAC DIRECTOR



Mr. Holger Floerkemeier
METAC Director

The first full fiscal year of METAC's Phase V (May 2023 to April 2024) was a special one in many ways. METAC has always operated in a volatile regional political and security environment, and the world emerged from a three-year long pandemic not long ago. And yet, this was another extraordinary rollercoaster year for the region, the world, and METAC's work.

The region experienced tragic conflicts, notably Sudan and Gaza, spilling over into Lebanon and the Red Sea, and impacting economies and people across the region with tremendous human and financial cost. Having just reopened its office in Beirut and started the new program phase, and embarking on an ambitious expansion of its services, METAC had to adjust to new realities in October 2023.

The Center and its staff quickly adapted operations for the remainder of the fiscal year. METAC's international staff and their families had to relocate, and new regional advisors onboarded remotely. CD delivery to conflict-affected countries had to be discontinued, postponed, changed to virtual modality, or moved to offsite locations. I continue to be

impressed by my colleagues' agility and dedication to adjust and deliver their work programs. And I have been likewise impressed by the resilience and motivation of member country authorities to continue working with METAC on building their macroeconomic institutions and developing their legal and regulatory frameworks.

Despite the challenging circumstances, METAC expanded its CD delivery to new heights and achieved tangible results in its member countries. The Center introduced new workstreams and increased its focus on fragile and conflict-affected states (FCS). This would not have been possible without the financial backing from our development partners—Germany, Switzerland, the Netherlands, France, and the European Union—and a greatly increased resource contribution by the IMF, including three new FCS advisors, joint missions, and strong backstopping, operational, and logistical support.

METAC continues its ambitious plans in the new fiscal year. The three newly introduced workstreams will become fully operational, and METAC's Steering Committee endorsed the addition of two additional work areas over the coming year. METAC CD delivery, outreach activities, and partner collaboration will continue to grow.

Finally, METAC will celebrate its 20th anniversary this year. Conceived as a collaborative effort between the IMF, member countries, and development partners with the mission to advance human and institutional capacity and support sound economic policies and inclusive growth, METAC is firmly rooted in the region and well positioned to serve its member country institutions in the years to come.

STATEMENT BY THE CHAIRPERSON OF METAC'S STEERING COMMITTEE



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

In the tumultuous landscape of global economics, the resilience and adaptability of institutions are often put to the ultimate test. Through strategic and targeted interventions, METAC has played a pivotal role in strengthening Lebanon's Ministry of Finance and enhancing its resilience.

Amidst these efforts, METAC's engagement has been marked by innovation and commitment. From supporting Lebanon's tax administration with sophisticated data analysis to refining compliance strategies and bolstering auditor training, METAC has left an indelible mark on the country's fiscal landscape. The journey hasn't been without its hurdles; geopolitical tensions necessitated agile responses, leading to remote and offsite missions that underscore METAC's dedication despite adversity.

Moreover, METAC's impact extends beyond immediate fiscal reforms. Collaborative efforts have revitalized Lebanon's customs services, reviewed critical legislation, and laid foundations for robust economic forecasting frameworks. These initiatives not only address immediate fiscal challenges but also pave the way for sustainable economic growth and stability.

EXECUTIVE SUMMARY

In the first full year of Phase V, the Middle East Regional Technical Assistance Center (METAC) delivered its commitment to substantially expand capacity development (CD) services to its member countries. The number of CD activities delivered increased by 30 percent compared to the previous year. CD delivery to fragile member states even increased by 40 percent. METAC introduced three new workstreams (government finance statistics and public sector debt statistics (GFS/PSDS), macroeconomic frameworks, and tax policy) and work programs on climate and gender.

METAC CD yielded tangible results. Progress was made in improving spending control and cash forecasting in Yemen, advancing public financial management reform in Egypt, implementing tax self-assessment and customs risk management in Iraq, rolling out Automated System for Customs Data (ASYCUDA) World in Libya's customs, and upgrading internal control frameworks in public financial management in Morocco. METAC also contributed to implementing reserve requirements in Djibouti, developing a credit rating system for non-financial corporations in Algeria, implementing consolidated supervision in Egypt, developing Supervisory Review Process frameworks in Jordan and Algeria, improving quarterly GDP, chain-linking and volume measurement in

Tunisia and West Bank and Gaza, and increasing the use of administrative data and measuring the non-observed economy in Jordan.

METAC achieved these accomplishments in a very challenging regional environment. Wars erupted in Sudan in April and in Gaza in October 2023, with hostilities extending to Lebanon. As a result, CD delivery to Sudan and West Bank and Gaza was disrupted. From October 2023 to April 2024, METAC's international staff and their families had to relocate out of Lebanon, and in-person missions to the country were suspended. Five newly recruited regional advisors had to be onboarded and start their tenure remotely. CD projects had to be cancelled or rescheduled, missions originally planned in-person had to be delivered remotely, others had to be moved offsite to third-country locations, and some regional workshops needed to be postponed and relocated. METAC's team rose to the challenge of flexibly rescheduling activities, reallocating resources, and serving member countries' CD needs.

METAC will further expand its CD delivery in FY25. The indicative workplan currently includes 155 CD activities across all workstreams, about 20 percent more than delivered in FY24. The actual delivery is expected to be higher, as the workplans for the

new GFS/PSDS, macroeconomic frameworks, and tax policy workstreams are still evolving.

METAC will add a new debt management workstream in FY25, and a new governance and anti-corruption workstream in FY26. The debt management workstream will be financed by a dedicated contribution from the **Netherlands**. The objective is to deepen CD engagement in debt management, complementing METAC CD in public financial management and monetary operations. The governance and anti-corruption workstream, to be introduced subject to the availability of additional funding, will be closely coordinated with other METAC workstreams and IMF CD departments to better integrate anti-corruption perspectives in METAC's existing workstreams.

In June 2023, METAC inaugurated its new office and fifth program phase with a regional conference. The event, attended by representatives from member countries, development partners, and civil society, was well received. At the October 2023 Annual Meetings in Marrakesh, METAC organized a seminar on budget transparency jointly with the *IMF Fiscal Affairs Department*, the *International Budget Partnership*, and the **European Union**. METAC's IMF-funded fragile states advisors joined the Center between September and December 2023, and the new workstreams started

operations between November 2023 and January 2024. In November 2023, METAC delivered its first regional workshop on gender economics, and in January 2024, METAC launched a climate change economics webinar series, leading up to a regional workshop on *The Macroeconomics of Climate Change* in March.

In 2024, METAC will celebrate its 20th anniversary. The Center was established in October 2004, with 10 **member countries** (Afghanistan, Egypt, Iraq, Jordan, Lebanon, Libya, Sudan, Syria, West Bank and Gaza, and Yemen). Four more countries (Algeria, Djibouti, Morocco, Tunisia) joined METAC with the begin of Phase IV in 2016. Throughout two decades, METAC received invaluable financial support from its **development partners** (currently European Union, France, Germany, Netherlands, Switzerland;

previously also Japan, Kuwait, Oman, USA, and the European Investment Bank). Without the funding from donor partners, METAC would not have been able to provide continuous CD services to its member countries. METAC plans to celebrate its 20th anniversary with a regional conference towards the end of the year.

METAC's Phase V funding situation is improving, but uncertainties remain.

The **IMF** increased its financial support to METAC by (1) covering most of METAC's administrative budget, including the local administrative team salaries, and (2) financing from its own budget three Fragile and Conflict-Affected States (FCS) regional advisor positions at METAC, in line with the IMF's FCS Strategy. **Egypt** is the third member country to contribute to the new program phase, following the example of **Algeria** and **Morocco**.

METAC is also expected to benefit from a new CD cooperation agreement between the IMF and **Saudi Arabia**. Finally, the **Netherlands** will finance the establishment of the new debt management workstream hosted by METAC. Nevertheless, Phase V is not yet fully funded, and fundraising efforts with potential donor partners continue. METAC also calls upon its **member countries** to invest in their institution-building through financially contributing to METAC's CD program. Country experiences and independent evaluations suggest that such investments regularly deliver substantial returns in terms of higher revenue mobilization, more efficient spending, greater financial stability, and evidence-based economic policy decision-making.

SECTION I

OVERVIEW

OVERVIEW

The Middle East and North Africa (MENA) region faced multiple shocks and challenges in 2023, including the outbreak or escalation of conflicts in several countries (most notably the wars in Sudan as well as in Gaza), natural disasters (floods in Libya, earthquake in Morocco), disruptions of trade and economic activity, and the continued fallout from conflicts elsewhere, global fragmentation, elevated inflation, fiscal pressures, and tight financing conditions. Average growth in MENA was subdued overall in 2023 (1.9 percent) and negative across MENA low-income countries. Conflicts in the region are causing a devastating human toll and long-term economic scarring. Red Sea shipping disruptions and oil production cuts have added to existing vulnerabilities related to high debt levels and elevated borrowing costs, which pose financing challenges among MENA emerging market economies.

Uncertainty regarding the outlook remains very high. The IMF's growth forecast for MENA in 2024 has been revised down to 2.7 percent. Oil dependence, conflicts, uncertainties, and policy settings are shaping an uneven recovery across MENA economies. Average growth is projected to increase to 4.2 percent in 2025 as the impact of negative factors—such as the conflict in Gaza, disruptions to Red Sea shipping, and oil production cuts—are assumed to gradually fade. Inflation continues to recede in line with global trends. Monetary tightening cycles are ending in many MENA

countries, as inflation is approaching historical averages or targets for many economies and is projected to continue easing.

Downside risks prevail. The conflict in Gaza remains a major downside risk for the MENA region, including the risk of further escalation and prolonged war. Furthermore, trade pattern changes due to the conflicts could have detrimental effects on economic activity and fiscal revenue. Several global risks could also spill over to countries in the MENA region, including those related to geopolitical fragmentation. On the upside, higher-than-projected global growth would boost trade in the region, while a faster-than-expected resumption of interest rate cuts in major advanced economies could help reduce fiscal pressures and improve debt dynamics.

Despite the regional challenges, the Middle East Regional Technical Assistance Center (METAC) had a successful start in the new program phase. The center has delivered on introducing new workstreams and scaling up capacity development (CD) delivery to its member countries. METAC added three new workstreams to its portfolio: tax policy (TP), macro-economic frameworks (MF), and government finance statistics and public sector debt statistics (GFS/PSDS). In line with the IMF's Fragile and Conflict Affected States (FCS) strategy, METAC substantially increased its support to fragile member countries and tailored its work program to their

specific CD needs, including by adding three regional advisors with explicit focus on FCS to METAC's team (in financial supervision and regulation, tax administration, and tax policy).

The first highlight of the fiscal year was METAC's regional conference in June, which inaugurated the Center's new office premises and the new 2023-2027 program phase. The event was well attended by representatives from member countries, development partners, and civil society organizations and received positive feedback from participants.

Another highlight was a seminar on Budget Transparency that METAC organized in October 2023 at the IMF-World Bank Annual Meetings in Marrakesh, in collaboration with the IMF's *Fiscal Affairs Department* (FAD), the *International Budget Partnership* (IBP), and the *European Union* (EU).

This high-level event demonstrated the benefits of greater budget transparency and highlighted reforms and opportunities for progress in the MENA region (also see [METAC Regional Note #10](#)).

However, October 2023 also saw the tragic events in Israel and Gaza. We were shocked and saddened by the loss of life, destruction, and humanitarian situation due to the conflict in Gaza. Following October 7, METAC staff were temporarily evacuated from Lebanon but continued to stay engaged and supporting its members as normally as possible. International METAC staff finally started to return

to Beirut in May 2024. We hope for an end to all conflicts and a peaceful future for the region.

METAC's new cross-cutting Climate and Gender work programs kicked off in the third quarter of fiscal year 2024 (FY24).

METAC organized a regional workshop on *Gender and Inequality: A Practical Approach to Evidence-Based Policy Design* in November 2023 together with the IMF Strategy and Policy Review Department's Gender and Inclusion Unit. A webinar series on the Economics of Climate Change was launched in January 2024. The new webinar series aims at raising awareness of the economic impact of climate change in the region. In this context, METAC also hosted a regional workshop on the *Macroeconomics of Climate Change: Policies for the Middle East and North Africa* in March 2024 in collaboration with several IMF departments. A second regional workshop on *Strengthening Budget Institutions for Climate Change Action and Gender Equality* took place in June 2024, in Cairo, Egypt, in collaboration with the IMF's FAD and **Switzerland's State Secretariat for Economic Affairs (SECO)**.

METAC's CD delivery has returned to mostly in-person assistance with substantial hands-on advice and training elements. Hybrid CD delivery combining in-person and remote elements has gained importance. The share of offsite missions has increased significantly, both due to new conflicts (affecting Lebanon, BOX 2) and the strong increase of CD delivered to FCS that are classified as high-risk locations (Iraq, Libya, and Yemen).

METAC will continue supporting the IMF's FCS Strategy, giving special attention to FCS members by tailoring CD advice to their context and institutional capacities. In recognition that a "one size fits all" CD strategy is not effective for working with FCS, METAC will focus on (1) maintaining ongoing communication with FCS member authorities to ensure CD

efforts align with their priorities and absorption capacity; (2) prioritizing CD realistically while remaining responsive and adjusting support to changing circumstances and emerging needs; (3) tailoring assistance, beginning with basic support, gradually increasing its sophistication based on progress; (4) offering flexible delivery methods, including workshops, online training tools, remote, hybrid, or offsite options, peer-to-peer learning; and (5) actively collaborating with development partners involved in FCS to seek synergies and complementarities, while avoiding duplication, and minimizing the burden on resource-constrained authorities. (6) METAC also encourages country officials to make use of the IMF's [online training](#) and [microlearning](#) offerings.



"METAC has provided timely assistance throughout our extended mutual cooperation in several technical areas with the aim of strengthening the resilience of the Egyptian banking sector. Such areas included Bank's Liquidity Risk management, Corporate Governance, Consolidated Supervision and Early Intervention internal frameworks, etc..

We are offering genuine congratulations to the entire METAC team for the exceptional work they have extended to Egypt and to the whole region which contributes towards the soundness and strength of the banking sectors in the countries that METAC works with."



Rana Badawi, Sub-Governor of Regulations, Banking Supervision, Central Bank of Egypt

METAC's Phase V funding situation improved in FY24. The IMF increased its financial support to METAC by (1) covering most of METAC's administrative budget, including the local administrative team salaries and (2) financing from its own budget three FCS-focused regional advisor positions at METAC, in line with the IMF's FCS Strategy. The IMF also established an important CD cooperation agreement with **Saudi Arabia**. METAC and its member countries are expected to be among the main beneficiaries of newly available funding. The **Netherlands** will also step up its financial contribution to METAC through the funding of an additional workstream on debt management. The **Netherlands** have dedicated US\$2.6 million to this end. Finally, **Egypt** will be the third member

country to make a voluntary contribution to METAC's Phase V. The Egyptian Ministry of Finance has committed US\$2 million. Other member countries with capacity to contribute should follow the examples of **Algeria, Egypt, and Morocco**, demonstrating their ownership of METAC in the new program phase.

METAC PRIORITIES IN FY25

In FY25, METAC's new **government finance statistics and public sector debt statistics, tax policy, and macro-economic frameworks** workstreams will become fully operational. METAC will also add a new **debt management** workstream, supported by additional funding from the Netherlands and backstopped by the IMF's Monetary and Capital Markets Department (MCM), and to introduce a **Governance and Anti-Corruption** workstream backstopped by the IMF's Legal Department. This new program is expected to become operational in FY26 once dedicated additional funding becomes available. Both new workstreams will operate in close coordination with METAC's existing workstreams and respective CD Departments, including FAD.

In **Central Bank Operations (CBO)**, 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 (for example, short-term interest rates, monetary aggregates, inflation, and exchange rates), and operational frameworks for money and foreign exchange markets.

In **Financial Supervision and Regulation (FSR)**, the focus will be on: (1) strengthening supervisory practices through continuing Supervisory Review Process (SRP) projects and enhancing supervision practices on business models, capital framework, International Financial Reporting

Standards (IFRS) 9 and loan classification; (2) developing the regulatory framework through providing technical assistance (TA) on requests to develop regulations on market risk capital requirements, Interest Rate Risk in the Banking Book (IRRBB), related parties exposures, risk management and Internal Liquidity Adequacy Assessment Process (ILAAP); and (3) training supervisors on topics like corporate governance, risk-based supervision and climate-related financial risks.

In **Public Financial Management (PFM)**, METAC will continue to give special attention to FCS, and its CD delivery will include substantial hands-on training. The focus will be on: (1) strengthening fiscal institutions and frameworks; (2) strengthening budget management; (3) improved fiscal policies and institutional frameworks to combat climate change and its impacts; and (4) improving fiscal transparency and reporting. Furthermore, METAC will continue to contribute to the identification, monitoring, and management of fiscal risks from public-private partnerships (PPPs) and state-owned enterprises (SOEs).

In **Revenue Administration (RA)**, CD will aim to strengthen revenue administration management and governance arrangements including compliance risk management (CRM), developing core tax administration functions (such as administration, debt collection and prevention, audit, and taxpayer services), and improving customs administration functions, strengthening risk management, supporting customs law and supporting legislation reviews, and evaluating organizational capacity and ability to maximize the use of Automated System for Customs Data (ASYCUDA) World (where in use). Rebuilding and strengthening fiscal institutions in FCS are crucial to boost revenue generation and escape the fragility trap. During FY25, METAC's revenue administration TA to FCS member states is expected to increase

significantly, aligned with the IMF Strategy for FCS. This will be contingent on the national agendas, the countries' demands, and their capacity to absorb CD support.

In **Tax Policy (TP)**, the objective is to deepen CD engagement with FCS, thereby complementing METAC CD in tax administration and exploiting synergies. Beyond assisting in designing and implementing tax reforms, CD in tax analytics—especially estimating tax expenditures—remains priority to guide policy making, enhance transparency, and build fiscal institutions.

In **Real Sector Statistics (RSS)**, the objective is to strengthen the compilation and dissemination of macroeconomic statistics. METAC CD will focus on improving the quality and coverage of quarterly and annual GDP estimates and updating and further developing price statistics. The center will collaborate with the IMF Data for Decisions (D4D) program in supporting METAC countries to develop and improve price statistics such as Residential Property Price Index (RPPI) and Export and Import Price Indexes. At the regional level, METAC will organize a joint workshop with the IMF Middle East Center for Economics and Finance (CEF) on measuring the non-observed economy.

In **Government Finance Statistics and Public Sector Debt Statistics (GFS/PSDS)**, the new workstream's objectives include: (1) expansion of coverage and timeliness for GFS and PSDS, (2) regular data reporting to the IMF, (3) increased availability of fiscal statistics, and (4) harmonization with the *Government Finance Statistics Manual 2014 (GFSM 2014)* and the *Public Sector Debt Statistics: Guide for Compilers and Users (PSDSG)*, which are the latest internationally accepted methodologies. CD delivery will be based on in-person and hybrid country missions as well as two regional workshops and two workshops in collaboration with the CEF in Kuwait.

The workstream will include training elements and practical guidelines for compilation and application of *GFSM 2014* and *PSDSG*.

In **Macroeconomic Frameworks (MF)**, METAC will support Central Banks and Ministries of Finance 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 and stress testing in the financial sector. The focus will be on building models, training staff in the use of these models, and organizing workshops to bolster technical staff and policy makers' skills. METAC, the IMF Institute for Capacity Development (ICD), MCM, and the Central Bank of Jordan plan to co-organize a technical peer-to-peer regional workshop on the experiences with macroeconomic forecasting and policy analysis in MENA central banks.

In **Debt Management (DM)**, the objective is to support authorities in the development of comprehensive debt management strategies, strengthen institutional capacity, develop legal and regulatory frameworks, increase debt transparency, and eventually improve access to diverse funding sources.

This new workstream will be complementing METAC CD in public financial management and monetary operations. Work programs and CD delivery will be closely coordinated between the respective workstreams and IMF CD Departments.

The proposed **Governance and Anti-Corruption (GAC)** work will be introduced through a regional workshop on *Confronting Macro-Critical Corruption*, raising awareness and starting a dialogue with member countries on developing a respective CD work program for FY26.

The objective of METAC's **Climate and Gender (C&G)** work programs is to broaden CD engagement on climate and gender through (1) raising awareness for the macro-criticality and policy implications of climate change and gender inequality, (2) introducing related analytical tools and CD products that the IMF is developing, and (3) supporting the IMF's dialogue on economic policies that can help member countries reach shared climate goals and reduce gender gaps and inequality. The work programs are based on the IMF's respective Climate and Gender Strategies and developed in close coordination with IMF Headquarters.



We thank METAC for the Center's invaluable support to its member states, especially Djibouti. METAC experts are highly effective due to their proximity, responsiveness, and efficiency in providing technical assistance and effective implementation support. Their contributions have been essential in addressing our needs and achieving practical outcomes.

Mr. Simon Mibrathu
Secretary General,
Ministry of Budget, Djibouti

RESULTS AND ACTIVITIES IN FY24

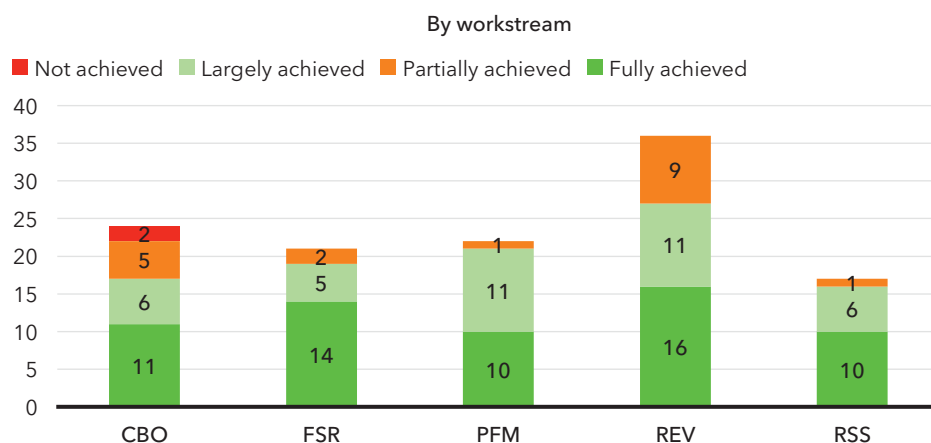
PROGRESS ACHIEVED IN FY24

In FY24, progress was achieved on 97 percent of milestones (Figure 1).

About 82.5 percent of the milestones were fully or largely achieved, despite continued constraints in CD delivery due to the security situation in the region. CD activities remained suspended in Afghanistan and Sudan, and for several months in West Bank and Gaza. In April 2024, METAC had its first CD engagement with Syria in more

than a decade. Overall, 80 percent of the original FY24 workplan activities were delivered, while 30 percent of actual activities were added during the year to accommodate new CD requests. Several originally planned activities were canceled or postponed (23 activities), mainly reflecting delivery constraints due to the conflicts and security concerns, as well as upon authorities' requests due to shifting priorities, lack of staff capacity, and political constraints.

FIGURE 1. STATUS OF FY24 MILESTONES¹



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

^{1/} Given the disparate nature of workstreams, associated milestones may vary in levels of detail and number. Milestones are also country and project-specific and not standardized or comparable across countries.

KEY HIGHLIGHTS BY WORKSTREAM

CENTRAL BANK OPERATIONS

FY24 was the first full year of execution under the new advisor, and the CD program is expected to expand further in FY25. The multi-year program with the Bank of **Algeria** to accept credit claims, including the development of a credit rating system for non-financial corporations, is gaining traction. The Banque Centrale de **Djibouti** has made significant progress in its preparation to introduce reserve requirements during FY24. The CD project with the Central Bank of **Iraq** on domestic liquidity management was successful with the launch of liquidity-absorbing open market operations. After an initial involvement with the Central of **Yemen** on the organization of the General Investment department, METAC also provided additional training on the basic concepts of foreign reserves management. Towards the end of FY24, METAC started providing TA to the Central Bank of **Libya** with the aim of providing a full TA program in FY25 after an interruption of missions of more than a decade. METAC successfully collaborated with **CEF** for a course on monetary policy implementation tools and a monetary policy workshop, which allows for an optimal use of shared infrastructure, expert knowledge and membership outreach.

FINANCIAL SUPERVISION AND REGULATION

Member countries continued to enhance their supervisory practices and regulatory framework in many aspects. In FY24, the FSR workstream focused on: (1) Enhancing banks' rating systems and developing SRP frameworks (**Algeria, Jordan, West Bank and Gaza (WBG)**); (2) developing a comprehensive guideline on Consolidated Supervision (**Egypt**); (3) advising on Corporate Governance best practices, requirements and assessment practices (**Egypt**); (4) enhancing Loan Classification, Loan Restructuring and

Loan Provisioning regulation (**Jordan, WBG**); (5) developing Regulatory and Financial Reporting for Islamic banks (**Iraq**); (6) producing a Medium-term Plan for Technical Assistance needs (**Yemen**); (7) developing regulation on Fit and Propriety Requirements for board members and senior management and building the supervisors' capacity to assess fit and proper criteria and licensing applications of banks (**Yemen**); (8) developing Market Risk regulation in line with Basel III requirements (**Morocco**); (9) developing regulation to control and mitigate banks' risks related to Outsourcing Activities (**Algeria**); and (10) providing capacity building to monitor, supervise and regulate Domestic Systemically Important Banks (**Iraq**).

At the regional level, METAC delivered two regional workshops and one webinar. The events covered (1) *"IFRS 9: A Supervisory Perspective"*, jointly with the **CEF** in Kuwait; (2) *"Pillar 2 Supervisory Approaches with a focus on Interest Rate in the Banking Book (IRBB)"* conducted in Istanbul; and (3) webinar on *"Revised Core Principles for Effective Supervision"*, in collaboration with Monetary and Capital Markets (MCM). It also contributed to a session on *"The role of external experts in CD delivery"* in the IMF regional CD Forum in Paris.

PUBLIC FINANCIAL MANAGEMENT

In FY24, the public financial management CD focused on: (1) budget planning, macro-fiscal planning, medium-term budgeting, and program-based budgeting (**Djibouti, Egypt, Lebanon, Libya, WBG; CEF course**); (2) expenditure control to set up commitment controls (**Yemen; CEF course**) as well as to address expenditure arrears (**Jordan**); (3) cash management, including the implementation of a Treasury Single Account (TSA) (**Djibouti, Iraq**) and strengthening an annual cash forecast (**Yemen**); (4) internal control, upgrading related

frameworks (**Morocco**); (5) fiscal risk management, including those from PPP while elaborating a Draft Fiscal Risk Statement (**Jordan**), and FAD HQ-led activity on evaluating fiscal risks related to climate change on debt sustainability (**Morocco**); (6) budget reporting (**Lebanon**); (7) digitalization, supporting the further development of a mobile-phone based connectivity solution (**Yemen**); and (8) technical support to the financial training institute (**Djibouti**). Several activities had to be moved to the next fiscal year due to changing demand from ministries of finance (**Tunisia**), including and due to changing security conditions in some of the METAC FCS (**Sudan, WBG**).

Outreach activities included participation in the Organization for Economic Co-operation and Development (**OECD**) Senior Budget Officials meeting for the MENA region; two events on budget transparency (METAC Conference; IMF Annual Meetings in partnership with the International Budget Partnership (IBP) and the European Union event); [Regional Note no. 10](#) on budget transparency and a related [IMF Blog](#); peer reviews of the [Open Budget Survey](#) (OBS) for selected countries; and a contribution to an event on gender budgeting in Lebanon ([Institute of Finance](#)).

REVENUE ADMINISTRATION

The METAC tax administration focus for the fiscal year was on strengthening institutional governance through a dedicated workshop at **CEF** and bilateral CD addressing organizational structure in **Iraq, Libya, and Yemen**. Following METAC's assistance, **Iraq** has made some progress in implementing a self-assessment system. **Yemen** benefited from CD on CRM and audit. Additionally, a regional workshop explored CRM specific to the oil and gas industry. To support countries lacking established Information Technology (IT) systems, METAC offered a webinar on digitalization.



Lebanon has significantly benefited from METAC's capacity development services and support to improve its macroeconomic institutions, and we appreciate how seamlessly METAC continued its technical assistance during the recent conflict and mission suspension.

**Mr. Georges Maarrawi,
Director General of Land
Registration and Cadaster at the
Ministry of Finance of Lebanon**

METAC supported **Algeria, Djibouti,** and **Lebanon** in their efforts to develop and implement a comprehensive CRM framework. **Jordan's** Income and Sales Tax Department was assisted in building analytical capacity and linking it to the risk management components already in place. METAC also helped **Jordan's** tax administration to further institutionalize and improve its transfer pricing methodologies and processes, and to reduce tax risks related to the digital economy. The establishment of the Large Taxpayer Office (LTO) and the development of a communication program to support voluntary compliance were part of the agenda in **Djibouti**. An intensive program was launched to assist **Lebanon's** tax administration in three main areas: (1) data analysis to support compliance, (2) compliance strategy for the LTO, and (3) supporting training needs for

auditors' assessment. The **Moroccan** tax administration worked with METAC to further improve its reform governance framework, building on the capacity of the project management office. **Tunisia's** tax administration was supported in development of communication strategy to improve compliance and link it with the broader CRM program. METAC's **customs administration** workstream supported **Egypt** and **Djibouti** in areas relating to Strategic Planning and Management. The **Iraq** General Authority of Customs was supported by both METAC and the IMF's Legal Department (LEG) in reviewing the Customs Law for priority areas requiring modernization and reform. Following a mission by the IMF's FAD, **Lebanon** Customs (LCA) were supported in a review of the customs services for which a fee may be charged, with a view to recovering customs costs to help address infrastructure and human resource concerns. Following the Deputy Prime Minister's request to FAD, the LCA were due to receive support on a review of the Customs Law in April 2024, but following a sudden escalation in regional tensions, leading to the closure of airspace on the day of travel, the activity was postponed to FY25 and delivered in May. Building on earlier peripatetic FAD support on Automated System for Customs Data - ASYCUDA World (AW), METAC assisted **Libya** with its plans to roll out AW with an aligned import-export process to Mitiga International Airport, Tripoli, and with basic training on risk management and post clearance audit (PCA). **Morocco** expanded their analysis capabilities for assessing and identifying risk using new technology, including Artificial Intelligence and Machine Learning. PCA was strengthened in **Yemen** through tailored training.

TAX POLICY

The new tax policy workstream was augmented in the context of the IMF's strategy for FCS, with a new advisor

strengthening tax policy and building capacity in the MENA region's FCS. Work has started with **Djibouti** (classified as fragile until 2023) in January 2024. A joint HQ-METAC in-person mission conducted a review of Djibouti's wage tax with the aim to assist the authorities in identifying and prioritizing wage and income tax reform options.

REAL SECTOR STATISTICS

Key FY24 achievements in the RSS area include progress in: (1) compilation of Supply and Use Tables (**Egypt, Iraq**); (2) increasing the use of administrative data and improving the non-observed economy estimates (**Jordan**); (3) quarterly GDP, chain-linking, and volume measurement (**Egypt, Tunisia, WBG**); (4) institutional sector accounts (**Tunisia**); and (5) training and peer-to-peer engagement activities on the compilation of annual and quarterly GDP (**Yemen, Syria, Egypt**). Two regional training courses delivered jointly with the **CEF** in Kuwait on measuring the financial services and gross fixed capital formation. In addition, a regional training on Supply and Use Tables was delivered jointly with the [Arab Institute for Training and Research in Statistics \(AITRS\)](#).

In the area of price statistics, METAC provided support to improve compilation and update the consumer price index (**Iraq**), develop the construction cost index (**Lebanon**), compile the RPPi (**Iraq, Jordan**), and update export and import price indexes based on new trade weights and a methodology consistent with the 2009 Export and Import Price Indexes Manual (**Tunisia**).

GOVERNMENT FINANCE STATISTICS AND PUBLIC SECTOR DEBT STATISTICS

The new GFS/PSDS workstream started in November 2023. The aim is to expand coverage and increase timeliness of GFS/PSDS statistics and assist member

countries to build their capacities for compilation based on *Government Finance Statistics Manual 2014 (GFSM 2014)* and *Public Sector Debt Statistics: Guide for Compilers and Users (PSDSG)*, which are the latest internationally accepted methodologies. Due to limited time since its inception, activities thus far have focused on **Lebanon** and **Yemen**, while activities with other member countries will be included in the FY25 workplan. The work program for the coming years is currently under development. For **Yemen**, the development of statistics on domestic and external debt has started and initial time series have been developed, while basic concepts and initial steps are undertaken in the GFS area. For **Lebanon**, the focus of a joint PFM-GFS mission has been on strengthening fiscal reporting and resuming GFS compilation and dissemination under the current circumstances and challenges.

MACROECONOMIC FRAMEWORKS

In FY24, the new MF workstream provided technical assistance to the Central Bank of **Iraq** to simulate and forecast the impact of various economic shocks on the real, external, monetary, and fiscal sectors.

METAC delivered a course jointly with **CEF** on *Monetary and Exchange Rate Regimes in Resource-Rich Countries*, targeting monetary policymakers in Gulf Cooperation Council countries.

ANTI-MONEY LAUNDERING AND COMBATING THE FINANCING OF TERRORISM

CD delivery under the MENA Assessment Preparation Project expanded in FY24 and included new MENA countries preparing for their Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) assessments by the Middle East and North Africa Financial Action Task Force (MENAFATF). CD missions were delivered to **Djibouti**

and **Iraq**, including diagnostics of effectiveness focusing on priority areas relevant to both countries. A desk-based review of a draft procedure to identify and address informal service providers was conducted for WBG. Legal reviews were also provided to **Djibouti**, resulting in the enactment of a new AML/CFT law, regulations on the operations of the Financial Intelligence Unit, and a framework for implementing Targeted Financial Sanctions (TFS). In addition, two **regional workshops** were conducted: (1) on AML/CFT risk-based supervision in the United Arab Emirates (UAE), and (2) on the development and use of financial intelligence in Oman.

CD delivery under the project for **Egypt** included two missions in relation to the project's focus on strengthening risk-based AML/CFT supervision of banks and improving the effectiveness of financial investigations and other enforcement actions. Under the **Jordan** CD project, two onsite missions were conducted. Under the **Yemen** CD project, a mission was conducted in UAE to discuss the review of the AML/CFT law and its implementing regulations.

CAPACITY DEVELOPMENT ACTIVITIES IN FY24

Excluding outreach, METAC delivered 128 CD activities in FY24 (Table 1) resulting in an execution rate of 110 percent. This also reflects the introduction of the new workstreams, which were not yet included in the original FY24 workplan. Various modalities were employed, including duty station, field-based, hybrid, peer-to-peer learning, and interactive learning and workshops. Due to the worsened security environment, several activities had to be shifted from field-based to remote/duty station-based and to offsite delivery, while others had to be postponed or relocated (for example, to Cairo or Istanbul). METAC also conducted nine outreach



During the preceding years of war, the continued support from METAC proved instrumental in assisting us in overcoming numerous challenges. This support enabled our ministry to successfully implement several reform programs aimed at mobilizing tax revenues and enhancing the efficiency and effectiveness of budget preparation and execution.

Mr. Abdulqader Abdulqader
Deputy Assistant Minister,
Ministry of Finance of Yemen

activities and eight webinars to expand its reach and impact in the region. The most active country was **Iraq** with 18 activities, followed by **Djibouti** with 16 activities (BOX 1). **Lebanon** and **Yemen** had 15 and 14 activities, respectively. Measured in full-time equivalent (FTE), **Djibouti** was the largest beneficiary (Figure 2).

CD delivery to fragile member states increased substantially in FY24, in line with the increased IMF focus on FCS (Figure 3), and despite the suspension of missions to **Sudan** and temporarily to **West Bank and Gaza**. Some resources were also dedicated

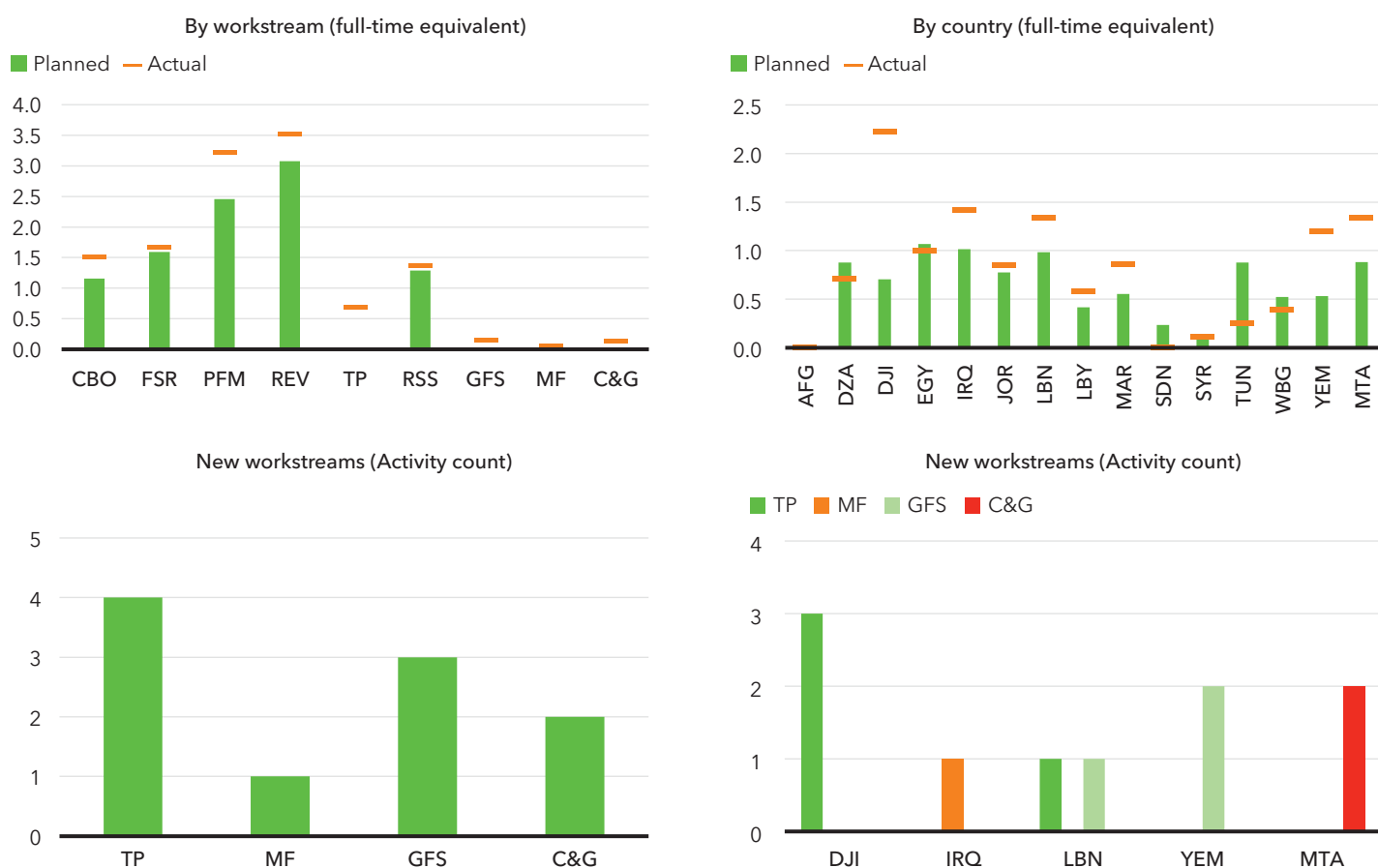
TABLE 1. FY24 CAPACITY DEVELOPMENT ACTIVITIES AND RESOURCES

	Number of Activities			Full-Time Equivalent*		
	Plan	Actual	Execution Rate (%)	Plan	Actual	Execution Rate (%)
By Activity Type**	116	128	110	9.6	12.2	128
Duty station	5	28	560	0.4	1.8	464
Field-based	100	84	84	8.3	9	108
Interactive learning and workshops	11	14	127	0.9	1.3	152
Peer-to-peer engagement	0	2	n.a.	0	0.1	n.a.
By Resource Type						
Long-term Experts				4.5	5.3	119
Short-term Experts				5	6	119
IMF HQ Staff and Other				0.1	0.9	1231
Outreach activities***	1	9		0.1	0.3	344
Webinars	2	8		0.04	0.1	188

*Full-Time Equivalent is recalculated based on 225 aligned with CDMAP.

**Excluding outreach activities and webinars.

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

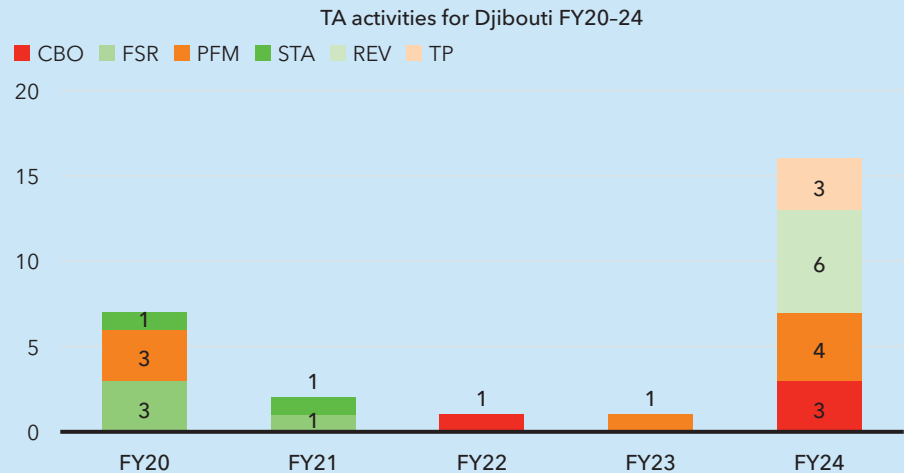
FIGURE 2. FY24 - CAPACITY DEVELOPMENT BY WORKSTREAM AND COUNTRY


Note: CBO: Central bank operations; FSR: Financial supervision and regulation; PFM: Public financial management; REV: Revenue administration; TP: Tax Policy; RSS: Real Sector Statistics; GFS: Government Finance Statistics; MF: Macroeconomic Frameworks; C&G: Climate and Gender; MTA: Regional activities.

BOX 1. INCREASED CAPACITY DEVELOPMENT DELIVERY TO DJIBOUTI

Following the re-engagement with Djibouti in FY23 in the PFM workstream, after an interruption during the pandemic due to the authorities' strong preference for in-person rather than virtual missions, this year's CD delivery to Djibouti expanded significantly. Various METAC Workstreams received CD requests from the Djibouti authorities, with a total of 16 activities delivered in FY24.

- CD activities in the PFM workstream in FY24 comprised four missions to the Ministry of Budget to support its reform plans. The technical capacity support included a joint FAD/METAC mission in budget preparation, and METAC missions on Medium-Term Fiscal Framework (MTFF), cash management, and training capacities.
- The Central Bank of Djibouti received METAC support to introduce and operationalize reserve requirements, which will provide several beneficial roles in Djibouti's currency board arrangement.

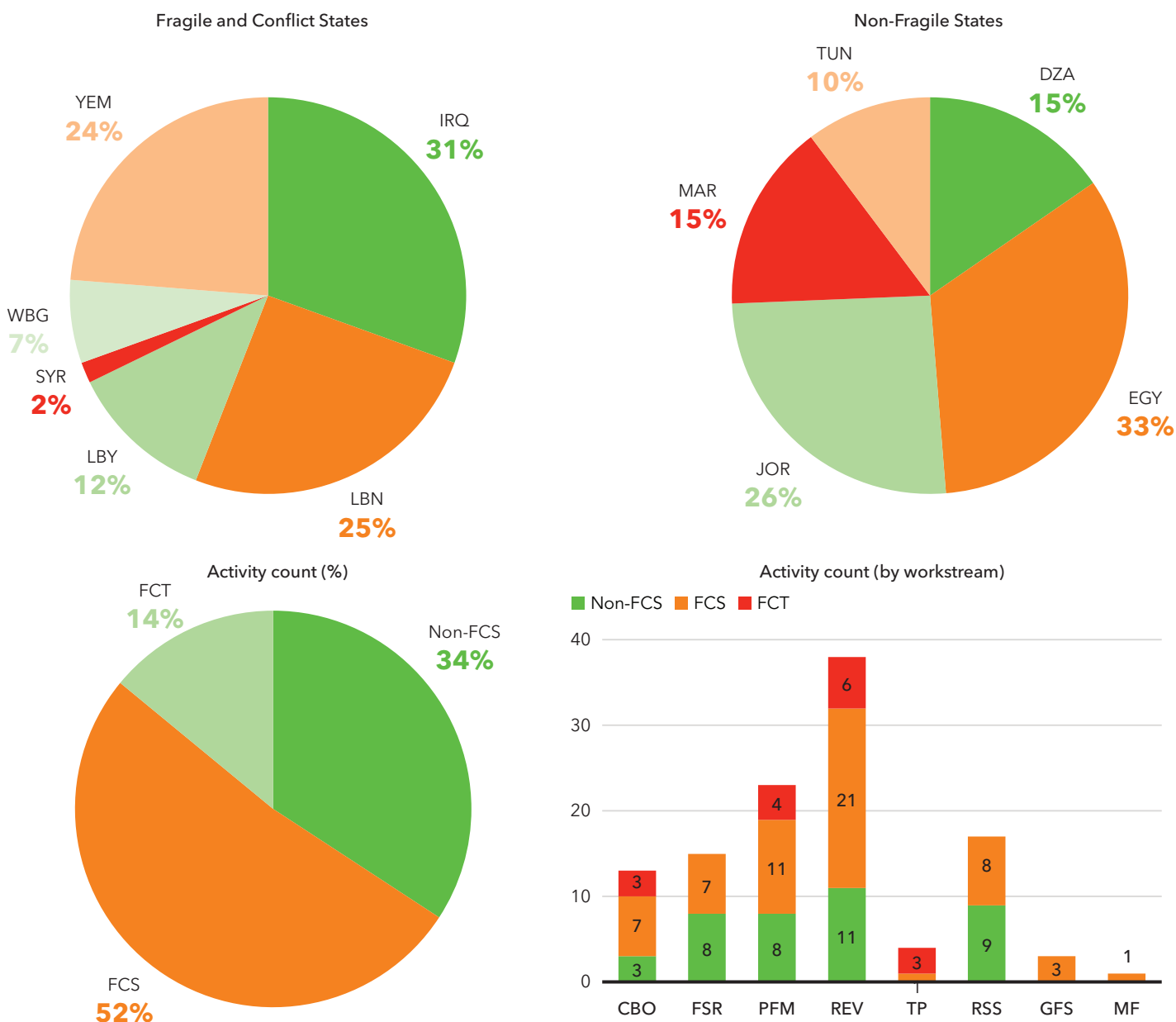


- The Revenue Administration workstream delivered a total of six CD activities during FY24, which comprised assistance in the development of the country's first customs strategic plan, and in tax administration assistance on CRM and large taxpayer office.
- Djibouti also benefited from METAC CD under METAC's new Tax Policy workstream covering value-added tax (VAT) and income tax reform.
- The METAC-based IMF Legal Department Regional AML/CFT Advisor supported the Central Bank of Djibouti in assessing

the effectiveness of AML/CFT supervision of banks and other high-risk financial institutions and designated non-financial businesses and professions.

- Government officials from Djibouti actively participated in METAC's regional events, including the regional workshop on *The Macroeconomics of Climate Change* and webinars.
- Djibouti also benefited from the synergies from CD support provided by an in-country IMF resident advisor on banking supervision.

FIGURE 3. FY24 - DISTRIBUTION OF CAPACITY DEVELOPMENT ACTIVITIES IN FRAGILE AND NON-FRAGILE STATES



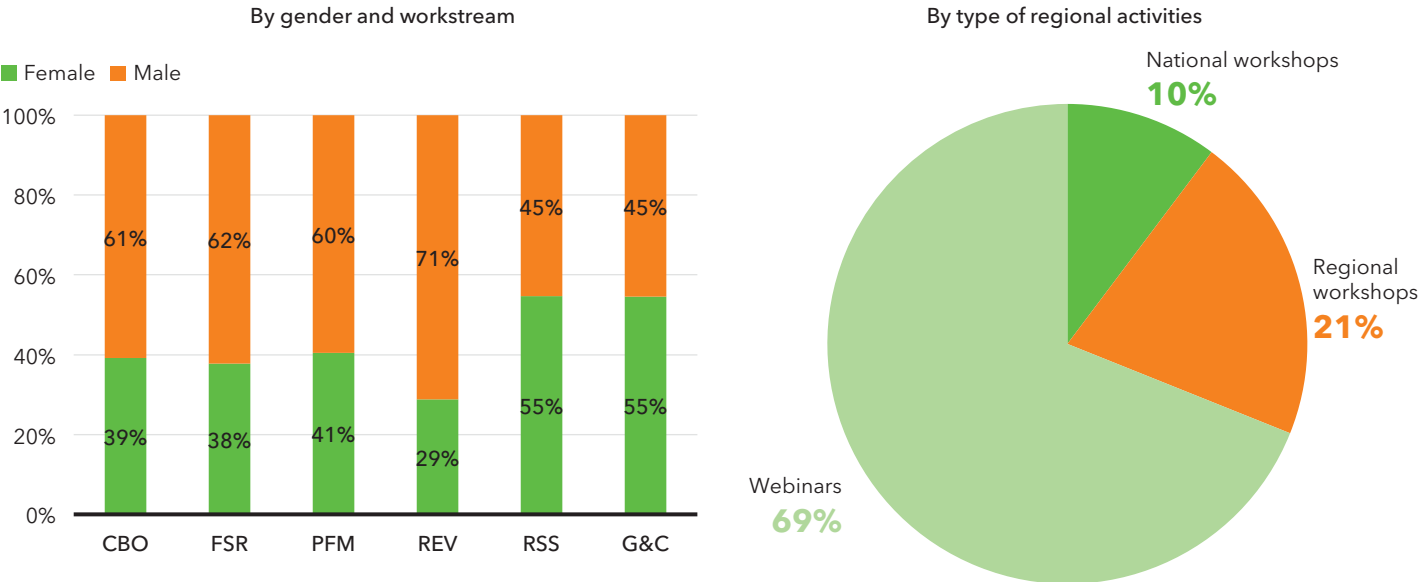
Note: Fragile States: Afghanistan, Iraq, Lebanon, Libya, Sudan, Syria, West Bank and Gaza, and Yemen. Fragile state in transition (FCT): Djibouti

to regional activities (Figure 4), notably the first two regional workshops of the new climate and gender work programs. METAC advisors continue to collaborate closely with IMF Headquarters, development partners (including EU, UNESCWA, UNDP, USAID, and World Bank), and member country partner institutions.

Almost 1800 government officials participated in METAC's training activities and webinars in FY24. This included eight regional training courses delivered jointly with the CEF in Kuwait, six regional workshops, two peer exchange visits, as well as eight webinars. The peer exchange visits included a delegation from

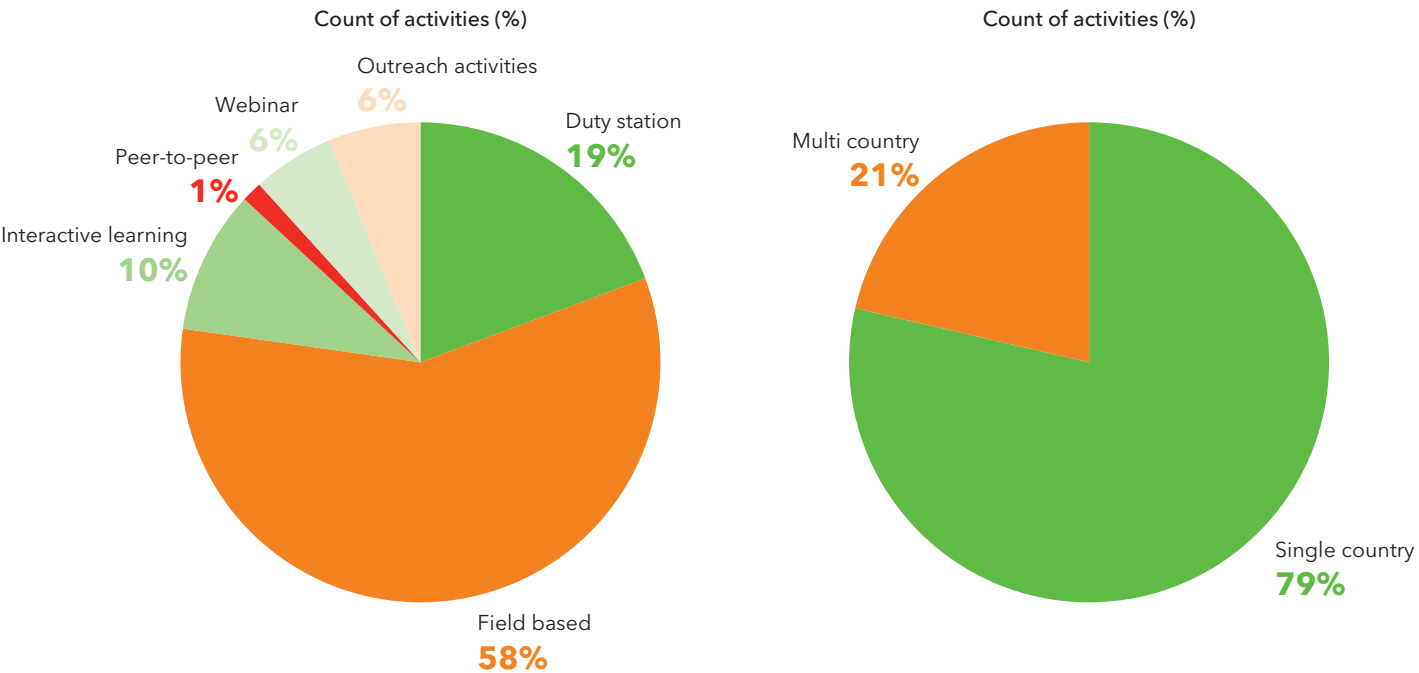
the Egyptian Ministry of Planning and Economic Development (MPED) and Central Agency for Public Mobilization and Statistics (CAPMAS) to the High Commission Plan (HCP) in Morocco; and a professional attachment for the Banque Centrale de Djibouti (BCD) at the Bank Al Maghrib (BAM) in Rabat.

FIGURE 4. FY24 - DISTRIBUTION OF TRAINEES IN REGIONAL ACTIVITIES



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

FIGURE 5. FY24 CAPACITY DEVELOPMENT MODALITY



WORKPLAN FOR FY25

**WORKPLAN AND
RESOURCE ALLOCATIONS**

The indicative plan for FY25 comprises a comprehensive array of 155 CD activities (Table 2) across all workstreams. This does not yet include the planned new debt management workstream that will be introduced in FY25. The AML/CFT workstream activities co-hosted by METAC are also not counted in METAC's workplan, as they are reported under the AML/CFT Trust Fund. The workplans for the new GFS/PSDS, macroeconomic frameworks, and tax policy workstreams are still evolving. The new regional advisors

are conducting scoping missions and remote meetings with country authorities to discuss CD priorities in the respective areas.

The proposed workplan excludes placeholders for activities that are envisaged but not yet certain, either because METAC has not received firm CD requests from member country authorities, or because CD delivery is currently not possible due to security or political constraints. That said, METAC has made provisions to add CD activities and stands ready to deliver once the authorities are ready to

TABLE 2. INDICATIVE CAPACITY DEVELOPMENT ACTIVITIES AND RESOURCES PLANNED FOR FY25

	Plan	CBO	FSR	PFM	REV	TP	RSS	GFS	MF
Activity Type	155	11	24	25	52	4	18	11	10
Duty station	11	1	0	0	8	0	0	0	2
Field-based	121	8	21	21	40	3	16	7	5
Peer-to-peer	2	0	0	0	0	0	1	0	1
Interactive learning and workshops	21	2	3	4	4	1	1	4	2
Placeholders	19	2	2	5	3	2	3	0	2
Resource Type (FTE)	12.3	1.3	2.4	2.4	3.3	0.4	1.2	0.8	0.4
Long-term Experts	6.2	0.5	1.1	1.4	1.4	0.2	0.6	0.6	0.3
Short-term Experts	5.8	0.8	1.3	1	1.9	0.1	0.6	0	0
IMF HQ Staff	0.3	0	0	0	0	0	0	0.2	0.1

*Webinars and outreach activities will be added in the course of the fiscal year.

submit their pending requests needs, or if new CD needs and opportunities arise.

FCS will receive a higher share of CD activities than non-FCS. The main beneficiaries will be **Iraq, Lebanon, Libya, and Yemen.**

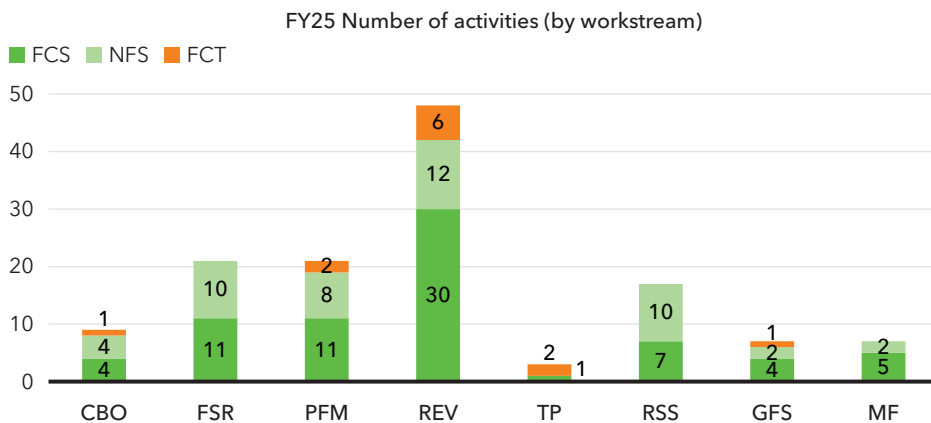
CD delivery has increased substantially in recent years. Measured in FTE, it more than doubled. From 6.1 in FY22, FTE grew to 8.3 in FY23, and increased sharply to 12.2 in FY24. CD delivery is expected to increase to almost 12.3 FTE in FY25.

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. FY24 was a year with severe disruptions due to the conflicts in **Sudan, WBG** (the latter also impacting neighboring countries and Red Sea shipping), as well as major natural disasters such as the **Morocco** earthquake and the floods in **Libya**. Mission travel to and from **Lebanon** was suspended and METAC's international staff relocated outside the country for more than half a year due to the conflict in Gaza. Shifts in political environments and changing attitudes to engaging in IMF-supported programs also impacted CD delivery, including in **Tunisia**.

The region has a high proportion of FCS with large CD needs and weak institutional foundations, magnifying challenges to CD implementation and sustainability. Political instability,

FIGURE 6. INDICATIVE ACTIVITIES PLANNED FOR FRAGILE AND NON-FRAGILE STATES FOR FY25



Note: Fragile states: Afghanistan, Iraq, Lebanon, Libya, Sudan, Syria, West Bank and Gaza, and Yemen.
Fragile state in transition (FCT): Djibouti.

TABLE 3. CAPACITY DEVELOPMENT DURING FY22-25

Capacity Development by FTE	FY22	FY23	FY24	FY24
By Resource Type	6.10	8.30	12.20	12.30
Long-term Experts	3.60	4.10	5.30	6.20
Short-term Experts	2.30	3.90	6.00	5.80
IMF HQ Staff and Others	0.20	0.40	0.90	0.30
By Workstream				
Central Bank Operations	0.20	0.80	1.50	1.30
Financial Supervision and regulation	0.70	1.20	1.70	2.40
Public Financial Management	2.20	1.90	3.20	2.40
Revenue Administration	1.50	2.60	3.50	3.30
Tax Policy	...	...	0.70	0.40
Real Sector Statistics	1.40	1.80	1.40	1.20
Government Finance Statistics and Public Sector Debt Statistics	...	...	0.10	0.80
Macroeconomic Frameworks	...	...	0.00	0.40
Climate and Gender	...	...	0.10	tbd

Note: FY22 and FY23 Full-Time Equivalent is recalculated based on 225 days instead of 261 to align with Capacity Development Management and Administration Program – CDMAP.

TABLE 4. INDICATIVE ALLOCATION OF RESOURCES IN FY25 BY COUNTRY AND WORKSTREAM (FTE)

	CBO	FSR	PFM	REV	TP	RSS	GFS	MF	Total	Country Share
Regional Activities	0.2	0.2	0.4	0.3	0.1	0.1	0.4	0.1	1.7	14%
Afghanistan	0	0	0	0	0	0	0	0	0	0%
Algeria	0.3	0.2	0.2	0.1	0	0	0	0.1	0.9	8%
Djibouti	0.1	0	0.2	0.3	0.2	0	0.1	0	0.9	7%
Egypt	0	0.4	0.3	0.1	0	0.3	0.1	0	1.2	10%
Iraq	0.1	0.2	0.3	0.5	0	0	0.1	0.2	1.4	12%
Jordan	0.1	0.3	0.1	0.4	0	0.2	0	0	1.1	9%
Lebanon	0.1	0.2	0.3	0.5	0.1	0.1	0.1	0	1.4	11%
Libya	0.3	0.2	0.2	0.4	0	0.1	0	0.1	1.2	10%
Morocco	0	0.2	0.2	0.2	0	0	0	0	0.6	5%
Sudan	0	0	0	0	0	0	0	0	0	0%
Syria	0	0	0	0	0	0.1	0	0	0.1	0%
Tunisia	0	0	0	0.1	0	0.1	0	0	0.2	2%
West Bank and Gaza	0	0.2	0	0	0	0.1	0	0	0.3	2%
Yemen	0	0.3	0.3	0.4	0	0.1	0.2	0	1.2	10%
Total (FTEs)	1.3	2.4	2.4	3.3	0.4	1.2	0.8	0.4	12.3	100%
CD Sector Share (%)	11%	20%	20%	27%	3%	9%	7%	4%	100%	

Note: Does not include cross-cutting regional events, outreach activities, webinars and so on.
Full-Time Equivalent is equal to 225 days.

fragility, and external shocks often risk disrupting CD delivery and hinder reform implementation in member countries—in some cases for prolonged periods (for example, **Afghanistan** and **Syria**). Often, weak administrative capacity and high staff turnover (particularly in the case of staff with high and transferable skills, such as IT or auditing) 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 (for example, **Yemen**) and limit options for virtual CD delivery (for example, **Djibouti**), while

travel restrictions to high-risk locations require CD delivery in offsite locations (for example, **Iraq**, **Libya**, **Syria**, **Yemen**, and more recently **Lebanon** and **WBG**). Conflict-related mission suspensions disrupted in-person CD delivery to **Lebanon** and **WBG** and affected the conduct of individual regional workshops that were planned to take place in **Jordan**.

METAC strives to adapt to such challenges, and its CD support has helped member countries 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 (for example, **Iraq** and **Yemen**), while offering flexible and quick ad hoc support where

necessary (for example, **Lebanon**). METAC's 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. For example, following the October 7 escalation in Gaza, **Lebanon** missions were conducted virtually in the last quarter of 2023 and organized offsite since January 2024 (BOX 2).

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 (1) adjusts its workplan to respond to external shocks and emerging priorities; (2) utilizes available technologies to ensure that countries can engage remotely; (3) 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; (4) uses several video conferencing platforms in its virtual CD delivery; and (5) question and answer (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 continued scaling-up of CD delivery in FY25. Political instability, conflict, and economic crises remain downside risks, requiring flexible planning and resource management as discussed above. This will include a more flexible practice of moving TA missions for high-risk location member counties to offsite locations, under observance of the Steering Committee-endorsed conditions, as well as the move to hybrid and virtual CD delivery modalities whenever feasible (BOX 3). Vacancy risks due to planned staff turnover will be mitigated through succession planning.

METAC continues to refine its results-based management practices. This includes an increased emphasis on the planning, monitoring, and reporting of CD results (that is, 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 regularly discusses 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



The work of METAC is of strategic importance for countries of the region and economic institutions to prepare, implement and monitor sound macro-economic policies that are conducive to inclusive and sustainable growth while reducing vulnerabilities. Economic governance is also a key priority for the European Commission.

European Commission

institutions with legitimate interest. Future reporting on results will aim to increasingly focus on outcomes rather than milestones. 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.

BOX 2. METAC'S ENGAGEMENT IN LEBANON AFTER OCTOBER 7, 2023

Following the tragic events of October 7, international METAC staff were evacuated from Lebanon during the second half of the fiscal year, and IMF mission travel to Lebanon suspended. Despite these challenges, METAC staff continued and even scaled up the CD delivery to Lebanon. To stay engaged and support the Lebanese authorities despite the mission suspension, missions were delivered first remotely starting in November and then delivered offsite in Amman, Jordan, from January 2024.

Remote missions included:

- Support to the Ministry of Finance in developing a concept for strengthened budget reporting by assessing the feasibility to enhance the Public Finance Monitor report in the current context of staffing constraints and nearly two years of information backlog.
- Enhancing the Medium-term Fiscal Framework (MTFF) with a focus on revenue forecasting.
- Support to the Lebanon Customs Administration (LCA) in identifying a list of services for which it may charge fees, along with a methodology for fairness and transparency; and
- Support to the Lebanese tax authorities in identifying reform options to strengthen income taxation and modernize the income tax law.
- Conducting a training needs assessment and developing a training program for tax auditors.
- Assistance to the Central Administration of Statistics in developing a construction cost index.
- An offsite mission in February continued technical support to enhance the MTFF, building on the in-person scoping mission in July 2023, and the following remote mission.
- An offsite mission in March supported the tax authorities to plan the integration of a Single Large Taxpayer Office (from current standalone VAT and Revenue Directorates), along with a large taxpayer compliance strategy followed by a mission in April to assess the auditors' skills gaps and design a training plan to address them.
- A mission to support the LCA in reviewing their current Customs Law, planned for April, had to be postponed at the last moment due to a temporary airport closure amidst regional conflicts. It took place in May.

These remote missions were followed by in-person offsite missions:

- The first offsite mission in January supported the Lebanese tax authorities in developing data analytics for compliance, CRM, and large taxpayers.

BOX 3. LESSONS FROM METAC OFFSITE MISSIONS

METAC has long-term experience in conducting offsite missions for FCS member institutions in high-risk security environments, and the number of offsite missions increased substantially in FY24 given METAC's increased FCS focus and the deteriorated regional security situation. Offsite missions are costly compared to in-country activities and create significant challenges, but they also offer important opportunities that can foster effective CD delivery.

Opportunities:

- **Putting in place practical elements of policy reforms.** Participants work closely together full-time for several days. Practical mission elements can be applied, techniques trained, ideas generated, ownership strengthened, and implementation advanced.
- **Participants are highly motivated in offsite mission discussions.** They perceive being in an international engagement as rewarding and recognize the key role they are having in their institution.

- **Participants are highly focused on the mission,** with no distractions from daily work and/or meetings like in their normal work environment.
- **Nurturing communication across institutional boundaries.** Offsite missions create a neutral environment of open information exchange and discussion. Reaching the same institutional breadth in an in-country mission works usually only for much shorter durations, such as half-day workshops.
- **Fostering team building.** Sharing travel experiences and spending extended time together, participants interact socially beyond the seminar room and develop mutual trust and understanding, including with IMF experts.
- **Authorities signal commitment through cost sharing.** Key officials are released from day-to-day duties for a considerable time to attend offsite missions. METAC has participant cost limits, and member country institutions are regularly willing to cover the costs of additional relevant participants themselves, if they see the need to attend with a larger delegation.

Challenges:

- **Selecting the right participants is essential for conducting focused and productive missions.** In-depth discussions with the authorities during the preparation phase greatly help in identifying the relevant participants, but in some cases, individual participants have had no direct link with the mission topic or were not able to contribute materially. Specific lessons:
 - **Not always full control of key staff presence,** as participation is at the country's discretion.
 - **Virtual meetings with non-participating staff are difficult to arrange at short notice.**
 - **Logistical challenges are relevant:** valid passports, timely visa issuance, and flight availability determine the timing of missions and sometimes cause delays.
- **Missing the real work environment of the institution,** including not seeing first-hand the offices, equipment, relations, and interactions between the staff in their day-to-day work.

SECTION II

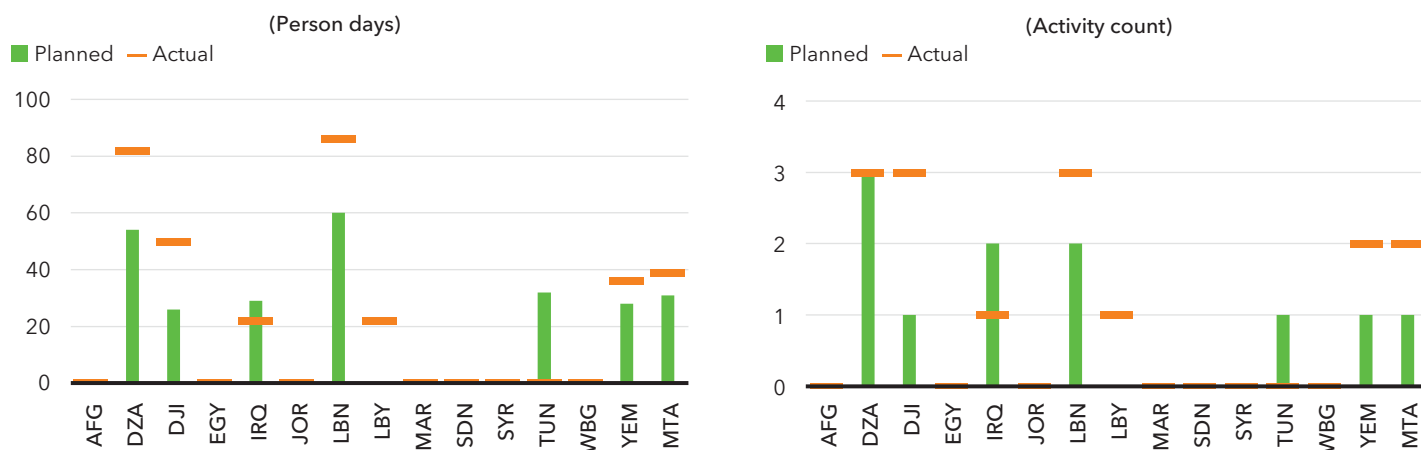
RESULTS AND ACTIVITIES BY CAPACITY DEVELOPMENT WORKSTREAM

CENTRAL BANK
OPERATIONSEXECUTION OF THE
FY24 WORKPLAN

METAC provided 13 CD activities to six countries in FY24 and two regional activities (1.5 FTEs) (Figure 7). FY24 was the first full year of execution under the new advisor and the CD program is expected to expand further in FY25. With the CD project with the Bank of **Algeria** and the Central Bank of **Djibouti** gaining traction, METAC ensured sufficient resources were allocated to guarantee the necessary follow-up. The CD project with the Central Bank of **Iraq** on domestic liquidity management received a follow-up Technical Assistance (TA)

while the activities related to foreign exchange (FX) were postponed. The planned follow-up TA on liquidity forecasting with the Central Bank of **Tunisia** was cancelled on the request of the authorities and no new activities are currently planned. Towards the end of FY24, METAC organized a scoping mission with the Central Bank of **Libya** with the aim of providing a full TA program in FY25 after an interruption of missions of more than a decade. In addition to the support on the organization of the General Investment department of the Central Bank of **Yemen** (CBY), METAC provided a customized training on foreign reserves

FIGURE 7. CENTRAL BANK OPERATIONS: EXECUTION OF THE FY24 WORKPLAN



Note: MTA: Regional activities

management. The scoping mission on the FX market in **Lebanon**, was followed by a TA request to support the creation of an electronic FX trading platform. After a successful course at the IMF Middle East Center for Economics and Finance (CEF), METAC was invited to contribute to a monetary policy workshop with CEF and IMF Institute for Capacity Development (ICD).

KEY ACHIEVEMENTS IN FY24

The Central Bank of **Djibouti** (BCD) has made significant progress in its preparation to introduce reserve requirements during FY24. The BCD has created a dedicated unit responsible for the preparation, implementation, and continuous monitoring of the reserve requirements. It has drafted the necessary regulation and is in an advanced stage of consultation with the banking sector to finalize the preparatory stage before implementation.

The Bank of **Algeria** has embarked on an ambitious project to 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 liquidity-providing operations as well as for Emergency Liquidity Assistance. The Bank of Algeria has concluded the first stage with the implementation of the rating methodology, based on the country-specific calibrations of the relevant financial balance sheet ratios. The Bank of Algeria also made substantial progress to integrate the 58 regional branches into the project, a key element in the success of the project since regional staff are in a better position to complement quantitative analysis with qualitative information to obtain a final credit rating.

METAC provided TA to the Central Bank of **Yemen** (CBY) in Aden on the reorganization of the General Investment Department. METAC

assisted the CBY in preparing the staffing of this department by defining the proper roles and responsibilities. Based on this input, the CBY selected five staff members to participate in a five-day in-person training on basic concepts of FX reserve management, offsite in Amman. The training was well-received by the participants and benefited from highly interactive discussions.

During a scoping mission for TA on the functioning of the FX market METAC and the Central Bank of **Lebanon** (BdL) on the implementation of an electronic interbank trading platform, agreement was reached that the interbank market should be guided by transparent rules and compliance checks and an automated, electronic trading platform which allows for a transparent pricing mechanism and reference rate. The mission stressed that an electronic trading platform is a technical tool but needs to be supported by a broader package to obtain a liquid two-way FX market with a market-clearing rate. Follow-up TA on the platform's implementation was delayed and postponed into FY25 due to the tensions in the region.

The Central Bank of **Iraq** (CBI) has made significant progress since the initial TA mission in March 2023 in adopting an active domestic liquidity management to support the exchange rate peg. The CBI has initiated two-week liquidity-absorbing open market operations for both conventional and Islamic banks. There is currently no interbank market in Iraq, and the FY24 TA mission provided recommendations on the preconditions and basic features to kickstart an interbank market.

METAC provided to the Central Bank of **Libya** (CBL) a remote diagnostic mission on foreign reserve management. This is the first IMF engagement with the CBL on Central Bank Operations (CBO) since 2013. The CBL



I thank METAC for its technical support, which has allowed Tunisia, particularly in the field of banking supervision, to benefit from projects that have accelerated the implementation of several reforms.

Ms. Hend Benzekri,
Central Bank of Tunisia

has requested technical assistance to establish an effective decision-making process, a consistent investment policy and guidelines and to strengthen the risk policy framework. Before engaging through in-person offsite missions, this remote mission provided a better understanding of the current framework and practices, and priority areas to deliver well-targeted in-person missions in FY25.

METAC and the IMF Monetary and Capital Markets Department (MCM) provided a regional course at CEF-Kuwait on monetary policy implementation tools. The course presented how to (1) apply advanced forecasting techniques to estimate autonomous factors of the central bank balance sheet, (2) estimate and implement foreign exchange intervention rules based on a risk approach, and (3) introduced the participants to stress testing central bank balance sheets. Participants benefited from the course's interactive nature and peer-to-peer experience exchanges.

PRIORITIES AND ACTIVITIES FOR FY25

Well targeted capacity building will support the modernization efforts of the Central Bank of **Djibouti**, drawing on the findings of past missions by METAC and MCM. METAC will support the BCD in taking a more dynamic approach to FX reserve management to ensure earnings on the reserves cover operating expenses, while at the same time putting in place a robust risk management framework to maintain full control of the investment process and avoid unnecessary and potentially costly risk-taking.

With the support of IMF CD, the Bank of **Algeria** is modernizing its monetary policy implementation framework. It introduced collateralized open market operations and upgraded its liquidity monitoring and forecasting framework. Continuing modernization will improve the functioning of the monetary

transmission mechanism and foster financial stability. In FY25, CD will focus on further upgrading the liquidity forecasting framework in line with quantitative tools recently developed by the IMF and support the introduction of central bank bills as the main liquidity-absorbing instrument.

Engagement with the Central Bank of **Libya** is expected to gain traction with well-targeted support on foreign reserve management. METAC will also provide guidance on achieving efficient and robust domestic liquidity management to support the exchange rate peg, considering the specific characteristics of the Libyan financial and banking system.

The Central Bank of **Iraq** has made significant progress in adapting its domestic liquidity management under the exchange rate peg. METAC will continue providing support with

well-targeted missions, focusing in FY25 on improving liquidity monitoring and liquidity forecasting.

METAC will provide guidance to the Central Bank of **Jordan** (CBJ) on integrating quantitative tools on liquidity forecasting and the estimation of the demand for central bank reserves into the daily decision-making process. This will contribute to achieving CBJ's operational target that the interbank market interest rate reflects the policy interest rate. A **regional** course, jointly organized with CEF and MCM, will focus on monetary policy operations tools for liquidity forecasting, foreign exchange intervention, and Central bank balance sheet stress testing. METAC will also organize a **regional** workshop on monetary policy implementation. The workshop will focus on monetary policy frameworks, CBO, and market development.

FINANCIAL SUPERVISION AND REGULATION

EXECUTION OF THE FY24 WORKPLAN

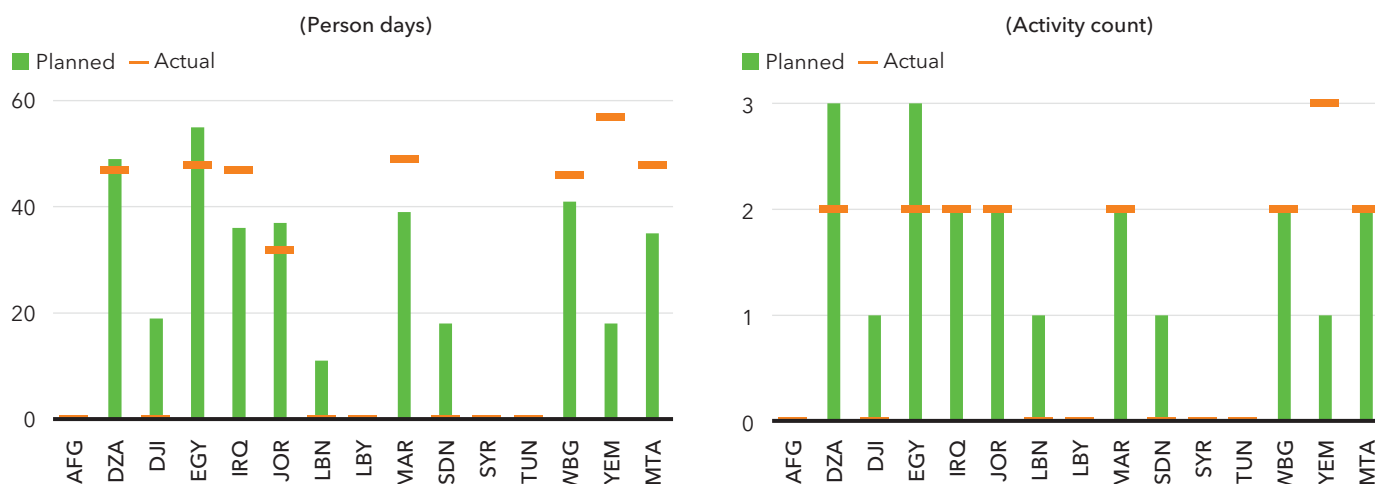
METAC delivered 15 CD activities and two regional workshops in FY24, equivalent to 374 person-days (1.7 FTEs) (Figure 8). Two originally planned activities were cancelled and three were postponed to FY25. Two new activities for Yemen were added to the workplan during the year, addressing emerging needs. Cancelled activities included Sudan due to the war and Djibouti due to a delay in establishing an Islamic Banking unit, which was a prerequisite for the planned CD. Postponements to FY25 include (1) Lebanon due to the deteriorated security situation and

related mission suspension, (2) Algeria due to preparations needed to be finalized by the Bank of Algeria (BA) team before proceeding with the next steps in the Supervisory Review Process (SRP) project, and (3) Egypt due to logistical constraints. The two latter activities will now be delivered in the first quarter of FY25.

KEY ACHIEVEMENTS IN FY24

Algeria: Continued support was provided to the Bon its medium-term SRP project. New regulation on outsourcing activities of banks and financial institutions was developed

FIGURE 8. FINANCIAL SUPERVISION AND REGULATION: EXECUTION OF THE FY24 WORKPLAN



Note: MTA: Regional activities

to adequately monitor and manage outsourcing-related risks. The new regulation is in line with European Banking Authority guidelines and was tailored to the Algerian banking sector characteristics.

Egypt benefited from CD on Consolidated Supervision and Corporate Governance. A comprehensive internal guideline on the implementation of Consolidated Supervision was finalized this year. On Corporate Governance, the CD addressed conflicts of interest, the role and composition of board sub-committees, and approaches to assessing governance in practice. Advice on enhancing current regulation and assessment processes was provided.

Iraq: The capacity of CBI supervisors to monitor, supervise, and regulate Domestic Systemically Important Banks and State-Owned Banks (SOB) was enhanced. In line with the assistance provided in FY23 on reporting by conventional banks, METAC supported CBI in enhancing the reporting templates for Islamic banks to ensure coherence of databases across various reports, which is crucial for effective Risk-Based Supervision (RBS).

Jordan: METAC assisted in implementing the first part of the multi-step roadmap devised in November 2022

to develop SRP framework. It also reviewed the draft regulation on loan classification and loan loss provisioning, which was revised by the CBJ to help implement the recommendations of the last Financial Sector Assessment Program (FSAP) report.

Morocco: METAC is assisting Bank Al Maghrib (BAM) in a new project to develop regulation on the Fundamental Review of the Trading Book (FRTB), which will enhance Morocco's regulatory framework for market risk in line with Basel III.

West Bank and Gaza: Despite the challenges related to the war, METAC succeeded in providing support to the Palestine Monetary Authority (PMA) through remote CD. The first CD helped to identify the gaps in the present regulatory and supervisory frameworks for credit classification and provisioning and proposed recommendations to enhance the classification of loans and the definition of restructured loans. The second CD bolstered the PMA Banking Supervision Department's capacity to effectively conduct RBS.

Yemen: METAC scaled up its engagement with the Central Bank of Yemen (CBY), in banking supervision and regulation and produced with the authorities a medium-term workplan to advance the reform of supervision and organize the work among CD providers (BOX 4).

At the regional level, the Financial Supervision and Regulation (FSR) workstream organized three regional activities:

A regional workshop on IFRS9: A Supervisory Perspective in collaboration with CEF. The workshop imparted knowledge on the IFRS 9 standard, provided guidance on the role of the supervisor, discussed the implementation challenges, and fostered the exchange of country experiences. The event was attended by 36 participants from 14 countries.

A regional workshop on Pillar 2 Supervisory Approaches with a focus on Interest Rate Risk in the Banking Book (IRRBB). The workshop enhanced supervisors' knowledge on (1) Pillar 2 supervisory review approaches, (2) IRRBB and its measurement, (3) review of banks' Internal Capital Adequacy Assessment Process (ICAAP) submissions, and (4) use of stress test results in developing Pillar 2 capital and liquidity buffers. The workshop featured speakers from the Basel Committee for Banking Supervision (BCBS), the Financial Stability Institute (FSI), and the IMF. It included round-table discussions and case studies on business models and IRRBB measurement.

BOX 4. MEDIUM-TERM CD WORKPLAN TO REFORM SUPERVISION IN YEMEN

A diagnostic mission was conducted to identify CBY's CD needs to reinforce the regulatory and supervisory frameworks. The mission developed a comprehensive medium-term workplan which defines and prioritizes in a sequential manner the CD topics.

The workplan was designed to strike a balance between addressing imminent risks and progressing on the implementation of international standards. The workplan also helps organize the CD provision of different providers to avoid duplication and ensure complementarity.

In FY24, METAC started to implement one of the identified short-term CD priorities by reviewing the regulation on fit and propriety criteria for board and senior management and building the capacity of CBY supervisors on licensing and fit and proper assessment.

A webinar on *Revised Basel Core Principles for Effective Banking Supervision* in collaboration with **MCM and other IMF Regional Capacity Development Centers**. The webinar raised awareness about the consultative document issued by the Basel Committee and delved into the proposed changes of the Basel Core Principles. The event covered *inter alia* financial risks, operational resilience, systemic risk, digitalization of finance, and climate-related financial risks. Speakers from IMF and World Bank highlighted the use of the Basel Core Principles in the FSAP.

PRIORITIES AND ACTIVITIES FOR FY25

METAC will continue to support member countries in strengthening their supervisory frameworks, prudential regulations, and building supervisory capacity. The FY25 workplan features 10 country projects with 21 CD activities and three regional workshops. Almost half of the planned activities will be in support of Fragile and Conflict-Affected States (FCS). Except for **Djibouti** (which benefits from an in-country FSR expert), all currently active METAC countries requested TA for FY25, reflecting both continuous member country CD needs and trust in METAC CD delivery.

STRENGTHENING SUPERVISORY FRAMEWORKS

Supervisory Review Process. METAC will continue its medium-term projects to develop SRP for **Algeria, Jordan, and West Bank and Gaza**. This will enhance risk rating methodologies, identification of banks' vulnerabilities, and implementation of Basel Pillar 2. **Iraq** also requested METAC assistance to develop risk matrices and an SRP process, motivated by the successful SRP project in **Morocco**.

Developing and Reviewing Business Plans for Banks. METAC will support **Lebanon** in developing a business plan guideline and train supervisors on the methodology to assess bank business plans (originally planned for FY24).

Enhancing supervisory practices. After three years of relatively low engagement, **Tunisia** seeks METAC assistance to enhance the capacity of onsite and offsite supervisors and the supervisory practices to integrate the reforms in the regulatory framework in the areas of capital framework on consolidated basis, IFRS 9, and loan classification and loan restructuring, expected to be issued end of 2024. METAC stands ready to provide these CD once these regulations are issued and to meet any other demands Tunisia would ask for in this fiscal year.



The assessment of technical needs to build capabilities for the banking supervision sector in September 2023, represented a fundamental turning point, which resulted in a clear plan with specific priorities to enhance the supervision capabilities of banks and financial institutions. METAC began implementing the plan by holding a workshop for the Licensing Department, in which staff of the Licensing Department were trained on the best international standards and practices. I believe that METAC is the specialized institution that has cumulative and diverse expertise and experience in providing technical support to build the capabilities of member central banks in monitoring and supervising banks and other financial institutions.

Mr. Mansour Rageh,
Deputy Governor Central Bank of Yemen Aden

ENHANCING PRUDENTIAL REGULATORY FRAMEWORKS

Market Risk Capital Requirements. METAC will help **Morocco** implement a market risk project on Fundamental Review for the Trading Book (FRTB), launched in FY24 to align with new Basel standards.

Interest Rate Risk in the Banking Book (IRRBB). Both **Jordan** and **Egypt** have requested METAC assistance in developing IRRBB regulation.

Related Parties Regulation. In response to FSAP recommendations, **Jordan** requested METAC support in enhancing the CBJ's regulatory framework on related parties.

Internal Liquidity Adequacy Assessment Process (ILAAP). Morocco has produced a draft ILAAP regulation and requested METAC assistance to review this regulation and provide training for supervisors on how to assess banks' ILAAP submissions.

Risk Management Regulation and Capital Adequacy Framework. METAC will assist Yemen in developing a new regulation requiring banks to maintain a comprehensive risk management process to identify, measure, evaluate, monitor, report, and control material

risks, with focus on credit, liquidity, and operational risks. Yemen also requested METAC assistance for the development of Basel III capital regulation proportionate to the size and risks of the Yemeni banking system.

BUILDING THE CAPACITY OF SUPERVISORS

METAC will deliver three **regional workshops**: (1) *Corporate Governance and Board Effectiveness*, jointly organized with the CEF, (2) *Regulation*

and Supervision of Cyber Risks, and (3) *Climate-Related Financial Risks*. In addition, **Egypt** will benefit from a tailored workshop for onsite supervisors to enhance their inspection methodologies of banks' internal control processes, ICAAP, stress testing, and IFRS 9 Expected Credit Loss models. Most bilateral CD will include hands-on training on the respective CD topics. Brainstorming and discussions with supervisors during TA activities also contribute to capacity building.

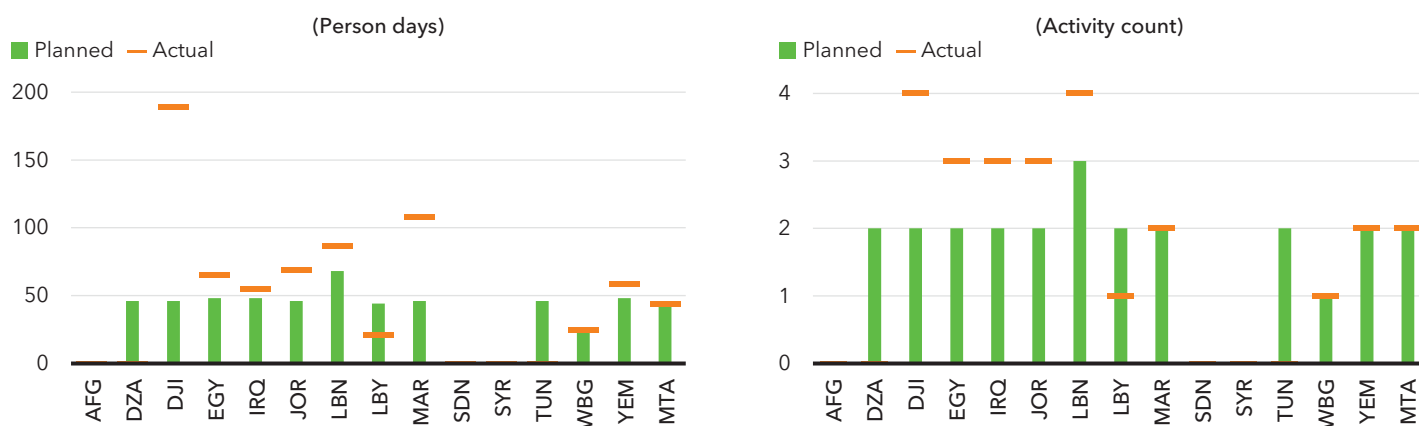
PUBLIC FINANCIAL
MANAGEMENTEXECUTION OF THE
FY24 WORKPLAN

In FY24, METAC completed 25 CD activities in 722 person-days, equivalent to 3.2 FTEs (Figure 9), and six outreach activities. This was one CD activity more than originally planned. One activity was cancelled and four were postponed to FY25; six activities were added, covering primarily new priorities addressing emerging needs. In consultations with member country authorities, METAC repeatedly emphasized the importance of medium-term CD planning to ensure the continuity, effectiveness, and sustainability of CD.

KEY ACHIEVEMENTS IN FY24

Djibouti: FY24 saw a strong engagement with the Djibouti authorities to meet demands for technical support to pursue the implementation of the government's ambitious plans in public finance management reforms. TA was provided to the Ministry of Budget in budget preparation process reforms. The first mission was to work with the budget department to develop a medium-term fiscal framework (MTFF). A second joint FAD / METAC mission focused on reviewing the budget preparation process, improving the strategic approach in budgeting, in addition to exploring the possibilities to move towards a medium-term

FIGURE 9. PUBLIC FINANCIAL MANAGEMENT: EXECUTION OF THE FY24 WORKPLAN



budget framework (MTBF), and to later meet the requirements for program and performance-based budgeting (PBB). Another TA mission provided support to cash management reforms. The mission centered on helping the authorities update and implement the action plan for cash management reforms, with a focus on improving cash forecasting, by using an FAD-developed user-friendly tool for cash forecasting and assessment (CFAT). In addition, a METAC mission supported the authorities in enhancing the role of the Institute of Finance to upgrade the government employee's capacity related to public finance topics. The mission worked with the Ministry of Budget and its training institute to develop an action plan for the institutional, strategy, and activity improvements.

Egypt: METAC provided intensive support to the Ministry of Finance (MoF) to take the initial steps to implement the new Public Financial Management (PFM) Law approved in 2022. The law provides a four-year period for its full implementation, foreseeing medium-term budgeting. Following scoping carried out in May 2023, support included a joint FAD-METAC mission and follow-up TA. As a result, the MoF owns a strategic roadmap with detailed implementation steps for medium-term budgeting, which also helps development partner coordination. The MoF also considered measures to strengthen fiscal strategy; discussed alternatives to setting expenditure ceilings; and analyzed implementation steps to apply baseline budgeting with the goal to assess fiscal policy proposals against the available fiscal space.

Iraq: METAC organized two workshops (June 2023, March 2024) to support the implementation of a Treasury Single Account (TSA) in Iraq, as part of cash management reforms. The workshops were attended by 35 and 37 Iraqi officials, respectively,



With METAC's support, we have implemented fiscal reforms that enhance transparency, accountability, and efficiency in the use of public resources. These reforms are fundamental to the trust and confidence that our citizens place in their government.

Dr. Mohamed Maait, Former Minister of Finance, Egypt.

representing the MoF, the Central Bank of Iraq and several state-owned banks (SOBs) to develop agreed solutions to move forward in this high-priority reform. The first workshop focused on developing a roadmap for a comprehensive overview, including short-term priorities for completing the bank account census and the roll-out of SOB core banking systems. The second workshop assessed progress made, and remaining challenges, and updated the roadmap with agreed action steps to be implemented during the following months.

Jordan: The Macro-Fiscal Unit (MFU) established in January 2022 elaborated the first Fiscal Risk Statement (FRS), which was published in November 2023 – a significant step forward in fiscal transparency. While METAC had already provided assistance on drafting an FRS in FY23, in FY24 the emphasis was on fiscal risks stemming from Public-Private Partnerships (PPPs), which are significant in Jordan.

The Fiscal Commitment Unit (FCU) and line ministries were supported in assessing fiscal risks, including through PPP Fiscal Risk Assessment Model (PFRAM) training. In March 2024, METAC helped addressing expenditure arrears, which are a recurrent issue in Jordan, and developed an approach for key reforms in expenditure control and cash forecasting to mitigate the risk of further arrears build-up, as well as to clear arrears.

Lebanon: METAC assisted the MoF to revive the macro-fiscal functions and fiscal reporting, affected by staff retention challenges. Three technical assistance missions worked with a team formed from the re-staffed “macroeconomic and studies unit” and from other MoF departments to rebuild the MTFF with a focus on revenue forecasting and in reflecting other fiscal developments considering the macroeconomic perspective. Technical support also aimed at the resumption of fiscal reporting, developing an approach for enhanced fiscal data generation, compilation, and reporting, including MoF's main departments and the Central Bank. METAC also contributed to a conference on gender budgeting in Lebanon, organized by the Institute of Finance together with UN-WOMEN, presenting international and regional practices in improving the gender budgeting process.

Libya: The nascent macroeconomic unit is producing monthly budget performance data. METAC provided technical support to develop the medium-term fiscal framework and improve analysis, forecasting, and reporting skills. The aim is to improve the analytical and forecasting contribution in the budget preparation process.

Morocco: A joint FAD / METAC mission provided technical support in evaluating fiscal risks from climate change (BOX 5). In addition, METAC supported the authorities in upgrading the internal control framework (ICF), jointly with the Inspection Générale des Finances.

CD focused on improving internal audit, updating the project roadmap, and discussed the expected functionalities of the future information system that will support the ICF.

West Bank and Gaza: METAC supported the MoF's Macro-Fiscal Unit (MFU) in strengthening macro-fiscal planning. The MoF elaborated an approach of how a short and concise pre-budget statement can set a strategic frame for the annual budget within a multi-year perspective, and how the MFU and Budget Department can collaborate to achieve this goal. Based on international references, MoF senior officials were provided guidance on the features of a pre-budget statement, which also included preparing an outline highlighting key information requirements. The mission discussed capacity challenges that hinder the timely preparation of a pre-budget statement before launching the budget circular.

Yemen: METAC provided continued assistance build PFM capacities in budget execution, with the overarching goal to enable the MoF to spend resources in line with cash availability. The January 2024 cabinet approval of the new commitment control procedures provides legal backing for their implementation. The MoF has also consolidated its cash forecasting capacity, which METAC has supported since FY22: since mid-2023, forecasts are updated regularly, which is a notable advance. METAC assistance emphasized several synergies across the different thematic engagements (BOX 6).

At the regional level, countries continue to benefit from peer-to-peer learning and applying lessons learned to their own situations. Two joint courses with the CEF-Kuwait on macro-fiscal planning (June 2023) and budget execution (December 2023) provided opportunities for ministries of finance

to strengthen peer engagement and enhance understanding of PFM issues. METAC published the final version (draft reported in the FY23 SC Report) of [Regional Note no. 10](#) on budget transparency, which was elaborated jointly with the International Budget Partnership (IBP) and the Arab Bureau of the United Nations Development Program (UNDP), including translations into French and Arabic.

PRIORITIES AND ACTIVITIES FOR FY25

METAC will continue to support the development of sustainable PFM capacities in its member countries.

This includes support to ministries of finance for the management of economic effects of external or domestic shocks, including the impact of climate change. This will require further efforts regarding efficient resource management and mitigation of fiscal risks. Emphasis will be placed

BOX 5. ASSESSMENT OF CLIMATE CHANGE RISKS ON DEBT SUSTAINABILITY IN MOROCCO

Climate change has become a global source of long-term fiscal and economic risks, including for the Middle East and North Africa (MENA) region. North African coastal countries are among the most vulnerable to rising sea levels, in addition to other climate change risks. Morocco has suffered in the last four years from climate-related events. Drought had a significant impact mainly on the agricultural sector, affecting overall GDP growth, trade, fiscal revenues, and food prices.

This year, the Ministry of Economy and Finance in Morocco introduced for the first time an analytical section on fiscal risks in its 2024 budget report. The analysis was comprehensive in coverage, explaining the government policy and measures

to address these risks. However, the quantification of general and climate change-related fiscal risks are yet to be included.

Based on the authorities' request, a joint FAD/METAC mission in February 2024, led by FAD and including climate experts, provided technical support to assess the long-term GDP and fiscal impact from global warming and sea-level rise risks. In recent years, the IMF has developed models and tools to identify and estimate these risks, to support countries in addressing and designing the needed policies to reduce their impact.

The mission applied state-of-the-art econometric methods and the most recent set of temperature scenarios to estimate the potential impact of

climate warming on GDP per capita growth, and the Coastal Impact and Adaptation Model (CIAM) to estimate the cost of sea-level rise under alternative adaptation strategies. The mission also applied an excel-based tool for quantifying the budgetary impact of climate change (QCRAFT) to assess the impact of climate change and the sea level rise on debt sustainability.

The mitigation and adaptation policies implemented by the authorities in recent years have made Morocco more resilient to climate shocks. However, more investments, policies, and analysis—including quantified estimates of the impacts of climate change—are needed to improve fiscal risk management over the medium and longer terms.

BOX 6. PFM SUPPORT IN YEMEN: SPENDING IN LINE WITH AVAILABLE RESOURCES

The overarching goal of support to the MoF is keeping the pace of spending in line with available resources. Programmatic METAC assistance on this topic started in January 2022, aiming that cash management, expenditure control, and digitalization work in a complementary fashion. This work was done in close collaboration with USAID-PRAGMA.

Cash forecasting helps to make resources available at the right time and in the right place to cover expenditure needs. MoF is now preparing an annual cashflow forecast containing anticipated revenues and expenditures per month. Since mid-2023, the authorities are

updating the forecast regularly to be able to anticipate and address changes. In January 2024, a joint workshop with USAID-PRAGMA assisted the cashflow forecasting team towards finalizing the forecast, while also analyzing risks that can affect cash availability during the year.

The January 2024 cabinet approval of new commitment control procedures is based on the Commitment Control Manual, which was finalized based on insights from testing the procedures in pilot entities. Support to the expenditure control team included the development of an Excel tool to allow proper tracking of information and monitoring for

fiscal policy decisions. MoF staff also attended the December 2023 regional METAC-CEF course on budget execution, thus enhancing synergies across different IMF capacity building modalities.

Digitalization is a major enabler for PFM reform. METAC provided support by building a concept for a mobile phone-based solution to provide connectivity to spending units without internet access (which are mostly located outside Aden), representing about 30 percent of total public spending. This builds on the March 2023 FAD-led Hackathon event, which provided a prototype solution.

on fragile or conflict-affected states with weak governance capacity, where tailoring of solutions to context will remain key.

The FY25 workplan includes 21 single-country CD activities and four regional activities. The main activities by strategic objectives are:

STRENGTHENED FISCAL INSTITUTIONS AND FRAMEWORKS

METAC will support budget planning, including the development of MTFs in **Lebanon** and **Libya**. In **Libya**, METAC will continue its partnership with the Accounting and Financial Training Institute to provide capacity building to the core PFM related issues.

STRENGTHENED BUDGET MANAGEMENT

In **Algeria**, METAC will advise the authorities on the implementation of program and medium-term budgeting, and on cash and debt management reforms. **Djibouti** will benefit from support to improve the budget preparation process and fiscal risk management related to state-owned enterprises (SOEs). METAC will assist **Egypt** in implementing the PFM Law in fiscal strategy enhancement and medium-term budgeting (see BOX 7) and in the management of fiscal risks related to SOEs. In **Iraq**, METAC will help advance the implementation of the TSA roadmap, in addition to improving budget execution and

commitment control. In **Morocco**, METAC will assist the authorities advance Internal Control Framework reforms, continuing the programmatic support initiated in FY22. It will also support fiscal risks management. In **Jordan**, METAC will continue its assistance in assessing and managing fiscal risks arising from PPPs. METAC will support **Yemen** in rolling out the new commitment control procedures across all line ministries considering cash availability and making use of basic tools. METAC will also assist the authorities to continue with regular updates for their cash forecast while improving databases and strengthening reporting; jointly with FAD, it will assess TSA functionalities.

BOX 7. SUPPORT TO THE MINISTRY OF FINANCE OF EGYPT: IMPLEMENTATION OF THE PFM LAW

Egypt adopted a new PFM law in February 2022, including a four-year transitional period for its full implementation. Among the reforms introduced by the PFM law is the adoption of a Fiscal Strategy and a Medium-Term Budget Framework (MTBF) based on a rolling three-year basis. This requires (1) strengthening fiscal strategy elements in the budget process; (2) the setting of an aggregate expenditure ceiling, determining the total level and overall allocation of expenditure before detailed items in the budget are negotiated; and

(3) baseline budgeting, ensuring that under a no-policy change scenario, fiscal policy proposals can be assessed against the available fiscal space. This implies significant adjustments to the budgeting process for which guidelines must be developed. The guidelines should define process steps and new tasks for the macro fiscal team, the Budget Department, and line ministries.

Support to the MoF in Egypt will continue to benefit from close collaboration of METAC with IMF

headquarters. Following two joint activities in FY24, which were in part financed by a Swiss State Secretariat for Economic Affairs (SECO) grant for PFM reforms in Egypt, activities will continue to be executed in a complementary way. Importantly, the MoF has put in place a PFM Donor Coordination Group which will work in a results-based way to ensure mutual accountability. This platform will further facilitate alignment of activities coordinated under the guidance of the MoF.

Improved fiscal policies and institutional frameworks to combat climate change and its impacts (Sustainable Development Goal 13).

In **Egypt**, METAC will assist introducing and presenting climate-related programs and projects in the budget, particularly in areas identified in the 2023 Climate Public Investment Management Assessment (C-PIMA).

IMPROVE FISCAL TRANSPARENCY AND REPORTING

In **Lebanon**, following up on FY24 support, METAC will assist the authorities in the re-launch of budget reporting while improving its quality and timeliness.

Two regional courses at the CEF-Kuwait will develop technical capacities and foster peer-to-peer

exchanges in core PFM areas: (1) a course on *Macro-Fiscal Planning* will enhance capacities in budget planning aimed at enhancing consistency in fiscal and economic policies; and (2) a course on *Cash Management* will raise awareness of the importance of cash forecasting and provide training on the operation of TSAs.

REVENUE ADMINISTRATION

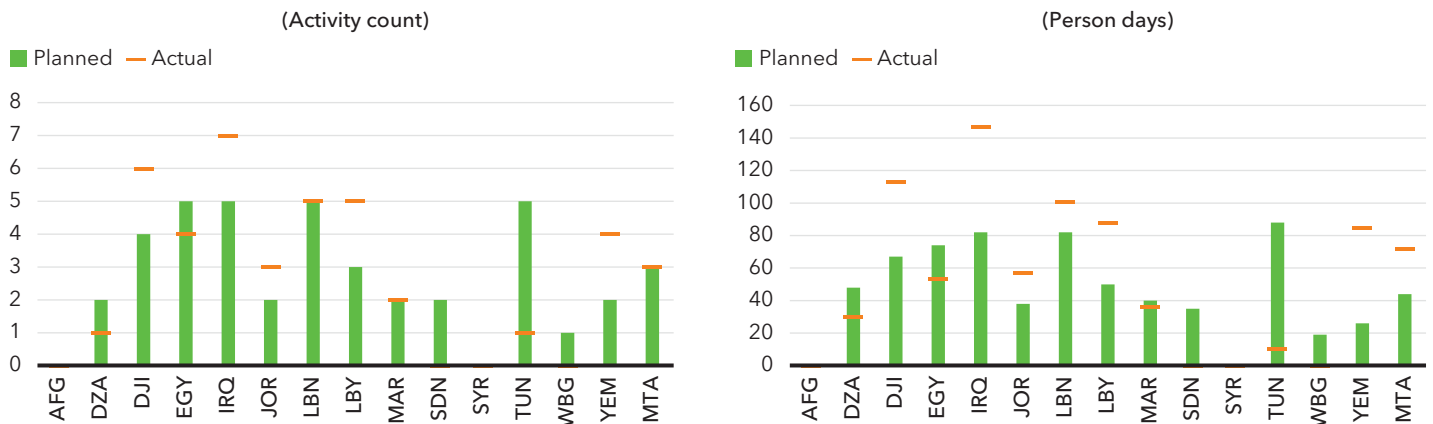
EXECUTION OF THE
FY24 WORKPLAN

In revenue administration (tax and customs), METAC provided 38 single-country CD activities to 10 countries and three regional activities, equivalent to 792 person-days (3.5 FTEs) (Figure 10).

In tax administration, METAC provided 23 single-country CD activities to 10 countries and two regional activities, equivalent to 515 person-days (2.3 FTEs) (Figure 11). The appointment of the new FCS-focused

tax advisor led to a significant increase in the CD provided to fragile member countries. METAC initially planned nineteen CD activities for both FCS and non-FCS, however five activities had to be cancelled or postponed (two for **Sudan**, one for **West Bank and Gaza (WBG)** one for **Egypt**, and another one for **Morocco**). METAC added nine new activities (three for **Iraq**, one for **Libya**, two for **Yemen**, two for **Djibouti**, and one for **Jordan**) as well as one webinar on digitalization and one outreach event (VITARA annual partner meeting).

FIGURE 10. REVENUE ADMINISTRATION: EXECUTION OF THE FY24 WORKPLAN



CUSTOMS ADMINISTRATION

The customs element of the METAC revenue workstream delivered 15 activities across seven country projects and contributed to one FAD-led CD needs assessment mission to Egypt and one regional workshop. Five activities were cancelled or postponed (Algeria, Tunisia), while new activities were substituted or added (Djibouti, Egypt, Iraq, Lebanon, Libya, and Morocco). Eight CD activities were conducted for four FCS (Iraq, Lebanon, Libya, and Yemen) in addition to three activities to Djibouti, classified as a fragile state until 2023.

KEY ACHIEVEMENTS IN FY24

CD delivery remains challenging especially in FCS. Missions to countries in conflict (Sudan, WBG) were cancelled, while most missions to other FCS had to be delivered offsite.

TAX ADMINISTRATION

Algeria's tax administration benefited from METAC support in compliance risk management (CRM) specifically for the oil and gas sector. A draft compliance improvement plan (CIP) was developed for this sector, together with a comprehensive roadmap for implementing the CRM framework.

In **Djibouti**, METAC supported the tax administration by providing extensive training on CRM. Stakeholder engagement and communication programs were developed with the support of METAC to improve compliance through structured and results-oriented communication activities. The ongoing establishment of a large taxpayer unit (LTU) was supported in coordination with the local World Bank team, providing advice on the key governance arrangements required, including knowledge transfer on reform/project management and the development of the reform implementation plan.

Egypt is implementing a Medium-Term Revenue Strategy (MTRS) with the support of the IMF and other development partners. METAC contributed to a FAD-led mission providing further advice on MTRS implementation in tax administration.

A blended CD delivery model was adopted to assist the General Commission of Taxes of **Iraq** in modernizing its organizational structure and implementing a self-assessment system (SA) (BOX 8). METAC provided in-person support to develop a high-level organizational structure, followed by a remote mission to validate the findings, discuss a more



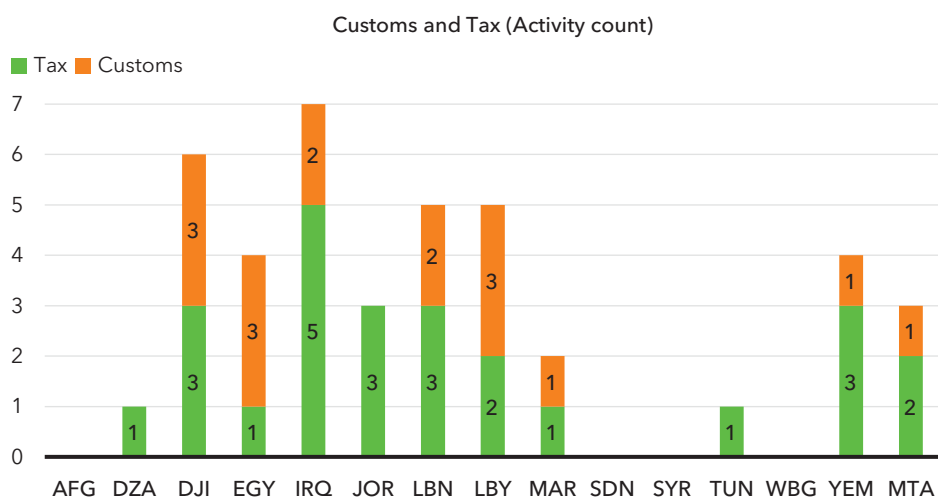
METAC's assistance in strengthening our tax administration has enabled us to broaden our revenue base, ensuring that we have the necessary resources to invest in critical areas such as healthcare, education, and infrastructure. This is crucial for our economic development and the social well-being of our people.

Dr. Mohamed Maait, Former Minister of Finance, Egypt.

detailed structure for the subordinate levels, and advise on high-level mandates for core tax functions. Additionally, METAC assessed the readiness of the tax administration in applying the SA system and assisted in reviewing and designing the necessary legislative amendments to facilitate implementation of SA. The Council of Ministers endorsed the general implementation of SA. Furthermore, METAC and FAD conducted a joint mission to develop a medium-term reform plan and an integrated FAD/METAC mid-term capacity development plan.

The **Jordanian Income and Sales Tax Department (ISTD)** worked intensively with METAC in three areas: (1) transfer pricing; (2) compliance risks in the digital economy sector; and (3) analytical capacity building. METAC supported the establishment of a new compliance management unit,

FIGURE 11. REVENUE ADMINISTRATION: CUSTOMS AND TAX FY24 CD DISTRIBUTION



BOX 8. REVENUE ADMINISTRATION SUPPORT IN IRAQ

In FY24, METAC provided ongoing support to Iraq in implementing a Self-Assessment (SA) system. The team began by assessing the readiness of the Iraqi General Commission of Taxes (GCT) in applying the SA, identifying key challenges, and developing an action plan for the transition. One significant hurdle identified was the inadequacy of the legal framework. Existing laws only allowed for administrative assessment. In response, METAC and LEG conducted a review of the income tax law and proposed necessary legal amendments. These amendments primarily focused on registration procedures, information access, audit powers, penalties, and the objection process. Necessary legislative changes were developed and discussed with the authorities. This led to a Council of Ministers decision to implement the SA for all taxpayers.

Additionally, a draft instruction outlining the new mechanism was issued. While these are significant steps towards full implementation of the SA system, further work remains, including the legal reform and operational changes. METAC will continue to support the GCT in FY25 as it transitions to a fully functional SA system.

METAC assisted the General Authority on Customs (GAC) in taking the significant step of moving from a 'gate keeper' approach to using a risk-based approach. In August 2023, FAD carried out an offsite Needs Assessment. During this assessment, GAC requested CD support for its Legal and Organizational Review working group. In November 2023, METAC organized an offsite CD activity in Amman, Jordan, with both customs and legal external experts. This first joint METAC-LEG mission

assisted the GAC team to plan the development of amendments to the customs law and draft a function-based organigram for GAC. This support was followed up with a second CD activity over January-February 2024, this time remotely, spread over eight weeks, to allow for due discussion and deliberations. This mission prioritized implementing Risk Management in the GAC and resulted in a well-researched draft order from the Director General to establish a Risk Management Committee and Circular on Risk Management. There are plans for two further CD activities with the GAC working group in FY25. Through this series of CD activities, METAC is increasing the working group's knowledge and understanding of more modern approaches to both customs operations and the legislation which enables them.

including knowledge transfer and the introduction of the concept of predictive modelling to improve tax compliance. Transfer pricing methodologies, risk assessment, and case selection processes were improved by joint efforts coordinated by ISTD, METAC, and other donors. Support was provided to address compliance risks in the digital economy sector, providing ISTD with a better understanding of international best practices in this area, as well as the development of a comprehensive CIP and the necessary structural and governance support for its implementation.

METAC assisted the **Libyan Taxation Authority (LTA)** in modernizing the organizational structure of its headquarters and regional offices. The mission recommended a high-level hybrid model organizational

structure and emphasized the need to strengthen critical headquarters functions. To ensure the LTA has the necessary information for better risk management, METAC aided the LTA in reviewing and updating its tax forms.

Given the country's challenging situation, FAD and METAC launched an ambitious program for **Lebanon's** two tax directorates. The FY24 program was built around three pillars: (1) data analysis to support immediate revenue mobilization, (2) compliance strategies, and (3) integration of a single Large Taxpayer Office (LTO). Two offsite missions supported these initiatives. Additionally, a remote support identified the audit team's specific training needs of auditors and designed a training plan, which will be supported through subsequent activities.

METAC supported the Project Management Office (PMO) in **Morocco** with dedicated training in strategic management and project management, as well as advice on the PMO's role, processes, and procedures. METAC advised the tax administration on project management methodologies and organizational coordination and communication arrangements to operationalize project management in support of its ambitious digitalization agenda.

METAC supported **Tunisia's** tax administration in the development of a communication strategy focusing on digital channels. Workshops on CRM and behavioral economics provided the authorities with the knowledge and skills to better manage communications with key audiences. The Risk Differentiation Framework (RDF)

and RDF digital tool were introduced, helping the compliance team to better prioritize resources and plan and execute compliance treatment initiatives.

METAC supported the tax administration of **Yemen** in (1) capacity building in tax auditing based on the tax audit manual developed by METAC in FY23; (2) the development of a pilot CIP for the banking sector after identifying its main compliance risks; and (3) reviewing the organizational structure and proposing a new one. METAC will coordinate follow-up support with USAID-Pragma.

METAC fostered peer-to-peer learning through **regional workshops**. A regional workshop on managing compliance in the oil and gas sector brought together participants to identify the most significant challenges faced by their tax administrations in managing taxes in this sector. METAC experts facilitated sessions to pinpoint country-specific risks, examine the sector's characteristics, and identify risks at each stage of the industry lifecycle. A joint METAC-CEF workshop on organizational design, based on the *VITARA modules on Organization and Institutional Governance*, attracted tax administration officials from 14 member countries, who learned about organizational (re)design and institutional governance through lectures, presentations, discussions, and interactive case studies.

A **webinar** on digitalization explored the importance of digitalization in modern tax administrations. The event discussed regional challenges, essential capabilities and services of an Integrated Tax Administration System (ITAS); key reforms required to support digitalization. It introduced the *Kontaktu* digitalization platform and elaborated how it can support the digitalization of tax administrations in the region.

CUSTOMS ADMINISTRATION

METAC supported **Djibouti's** Directorate General of Customs and Indirect Taxes (DGDDI) with both the development of a strategic plan and in identifying skills required to implement it. Through a combination of in-person and remote support, the DGDDI developed, validated, and prioritized actions for their 2024-2027 Strategic Plan. Further, six officers involved in project management were facilitated with access to and successfully completed the World Customs Organization online certificate course *-Project Management in the Customs Environment*. A project *Management Maturity Assessment* identified the DGDDI team at the Initial Stage, and METAC plans continued support in FY25.

METAC assisted the **Egyptian Customs Authority** (ECA) in conducting a review of its strategic performance over the last three years and in the development of a new strategic plan. CD focused on practical advice and workshops to assist the ECA to raise its level of maturity for strategic management and performance management. The ECA also benefited from a workshop on dealing with royalties in relation to customs valuation. Late in FY24, METAC supported an FAD mission to assess the ECA's contribution to MTRS obligations, resulting in a tentative two-year CD workplan being discussed with senior ECA management.

Iraq's General Authority of Customs (GAC) requested assistance with a review of the legal framework. METAC partnered with the IMF Legal Department (LEG) to provide both customs and legal expertise to the GAC working group regarding amendments to the Iraq Customs Law (BOX 8). Significantly, the draft amendment to priority areas of the law produced with this support should enable the GAC to transition from mandatory one hundred percent inspections to a risk-based system.

Following an FAD Diagnostic Mission and a subsequent request from the Deputy Prime Minister, METAC supported **Lebanon** in (1) a review of Service Fees, to provide additional funds to maintain critical Information Technology (IT) and Human Resources roles, and (2) a review of the Customs Law, with the intention of providing enabling legislation for improved risk management and trade facilitation measures. The latter activity had to be rescheduled due to regional security constraints and was delivered in May 2024.

Libya was supported in the areas of post clearance audit (PCA) and CRM and in its drive to automation of customs import and export processes. Having benefitted from joint METAC/FAD assistance on developing the ASYCUDA World prototype for Tripoli Port, METAC followed up with assistance on the Planning for Roll Out of AW to Mitiga International Airport. Importantly, this included 'embedding' the new clearance process in the system, thus standardizing, and reducing the amount of human intervention required in the process.

The **Morocco** Customs and Excise Administration (ADII) received support on the use of emerging technologies to exploit the huge amount of data available to customs. Select officers were familiarized with Python programming in the context of customs data analysis and introduced to the use of developing machine learning models to identify fraudulent activities.

Yemen was supported in its modernization efforts with training for the Yemen Customs Authority (YCA) on PCA, a measure used by customs globally to balance compliance with trade facilitation. The YCA is still in the early stages of implementing PCA, and the training focused on desk based transactional PCA.

PRIORITIES AND ACTIVITIES FOR FY25

The FY25 workplan includes 48 single country CD activities and four regional activities with an estimated resource need of 3.3 FTE.

FRAGILE AND CONFLICT-AFFECTED STATES

The FY25 workplan includes four FCS projects with 30 CD activities.

To ensure that the workplan aligns with the needs of the respective FCS, METAC held discussions with the authorities to discuss planned activities and incorporate their priorities. METAC stands ready to resume support for the remaining FCS member countries as soon as circumstances permit. To that end, a “TA-like session” will be organized for **Sudan** to see whether METAC can provide expertise regarding the authorities’ basic needs. As for **WBG**, METAC will re-engage as soon as the situation allows, and priorities are established.

METAC’s workplan is a step towards achieving dual long-term objectives: boosting revenue generation and escaping the fragility trap. METAC aims to achieve these ambitious goals through a series of realistic, incremental steps and sustained efforts focused on institution building, governance improvement, and strengthening core tax administration functions.

TAX ADMINISTRATION

MANAGEMENT AND GOVERNANCE ARRANGEMENTS

METAC will continue to support **Algeria, Morocco, and Tunisia** in the implementation of CRM frameworks, and will also work with countries in the region to develop a simplified CRM framework for administrations with limited resources and persistent IT/resource challenges.

METAC will provide advice to **Djibouti** in the establishment of a large taxpayer office and development and implementation of a compliance strategy for large taxpayers as well as in the implementation of a CRM framework.

METAC will support the IMF headquarters mission to **Egypt** to help shape the next steps in the implementation of the MTRS and address the recommendations of a recent Tax Administration Diagnostic Assessment Tool (TADAT) assessment.

Recognizing the critical role that a well-designed and well-operated Large Taxpayer (LT) Department plays in any tax administration, particularly FCS, METAC will support **Iraq** in reviewing LT criteria and developing a simplified and tailored risk management approach.

METAC support for **Iraq’s** SA project will continue with dedicated missions focused on reviewing and redesigning the system implementation process.

A follow-up to the activities on analytical capacity building and digital economy risks is planned for **Jordan**.

Lebanon will be supported in the areas of reform management and the implementation of a crisis compliance strategy.

The project to modernize the organizational structure of **Libya’s** tax administration will continue in FY25. METAC will conduct follow-up missions focused on two key areas: developing a detailed structure for subordinate levels and establishing clear mandate statement for core tax functions.

In support of **Libya’s** ambitious modernization strategy aimed at boosting domestic revenue and promoting tax compliance, METAC will continue to support digitalization, which is the cornerstone of the authorities’ strategy.

METAC will support recent developments in behavioral economics in **Morocco** by developing a CIP in the digital economy.

Properly developed and unified tax procedures will be critical in establishing an effective and efficient tax administration. METAC’s support to **Yemen** in FY25 will include developing a Tax Procedures Code.

To prioritize resource allocation under staffing constraints, METAC will assist **Yemen** to focus on managing non-compliance risks in its highest-revenue-generating and flourishing sectors.

In recognition of the growing focus on reform strategies/plans across many METAC countries, and as information has become increasingly crucial in modern and efficient tax administrations, METAC will organize **three regional workshops** on Strategy and Reform Governance, exchange of information between customs and tax administrations, and on *Kontaktu’s* functionalities.

As the digital economy continues to be a concern for most countries in the MENA region, a **webinar** on improving tax compliance in the digital economy is planned, covering both legal and technical aspects of the issue.

TAX ADMINISTRATION CORE FUNCTIONS

METAC will assist **Iraq** in developing a comprehensive registration strategy. This strategy will focus on streamlining registration procedures and reviewing existing registration forms to ensure clarity and efficiency.

Lebanon will be supported in the development and implementation of an audit training program for the two tax directorates.

CUSTOMS ADMINISTRATION

MANAGEMENT AND GOVERNANCE ARRANGEMENTS

In FY25, METAC's Customs Administration workstream will build on FY24 activities and support new work areas. **Djibouti** Customs will be further supported in implementing its Strategic plan and Project Management capacity, and with a Law Review. The **Iraq** GAC and **Lebanon** LCA working groups will receive continued support in amending their respective customs laws. Both **Lebanon** and **Yemen** will see support to ASYCUDA World (AW), through provision of IT training in Java and SoClass programming. **Lebanon's** LCA will also receive

support in assessing their AW current configuration prior to a planned system upgrade. Again, building on FY24 activity, **Morocco** will be further supported on the use of Artificial Intelligence and Machine Learning in its data analytics.

IMPROVED CUSTOMS ADMINISTRATION FUNCTIONS

Lebanon's LCA will also receive support in Risk Management and Customs Enforcement through joint training with the *International Centre for Migration Policy Development (ICMPD)* Lebanon office. **Jordan** will be supported in the risk management of the broker community, particularly in

automating the approach to this area of risk. A joint Customs and Tax workshop is also planned for Jordan Customs and Tax Administrations, to identify opportunities to reduce tax evasion. To capitalize on the standardization of procedures automation offers, **Libya** Customs will be supported on the drafting of National Standard Operating Procedures for key areas; they will also receive support in a peer-to-peer exchange on the Management and Control of Customs Free Zones. A follow-on training for **Morocco** customs on the use of emerging technologies in the identification of fraud will build on FY24 CD activity.



During the last years, METAC showed evidence of a strong commitment to bridge the economic and financial gaps in the MENA region and Lebanon in times of multiple crises, namely the Covid-19 and the drastic economic downturn. The expertise and tremendous work provided played a vital role in mitigating and alleviating the crisis' implications on different sectors. This is by delivering enriching technical assistance and capacity development practices tailored to the region's pressing needs. The success of the Center's initiatives lies in a collaborative effort between the IMF, member countries and the development partners. METAC's network and knowledge building allow our community to better understand the diverse upcoming challenges, fostering an ambitious and prosperous future to the region.



Dr. Salim Chahine, Vice Governor, Central Bank of Lebanon

KEY ACHIEVEMENTS IN FY24

Djibouti: A joint HQ-METAC in-person mission conducted a review of Djibouti's wage tax to assist the authorities in identifying and prioritizing wage and income tax reform options.

PRIORITIES AND ACTIVITIES FOR FY25

The tentative plans for FY25 include scoping missions to **Iraq** and **Yemen** to identify priority areas for capacity development in tax policy, a follow-up on income tax design in **Lebanon** jointly with FAD, and follow-up activities to **Djibouti**.

In addition, the tax policy advisor is tasked with (1) writing a regional note on taxation and gender in the MENA region; and (2) organizing a joint FAD-METAC regional tax policy workshop.

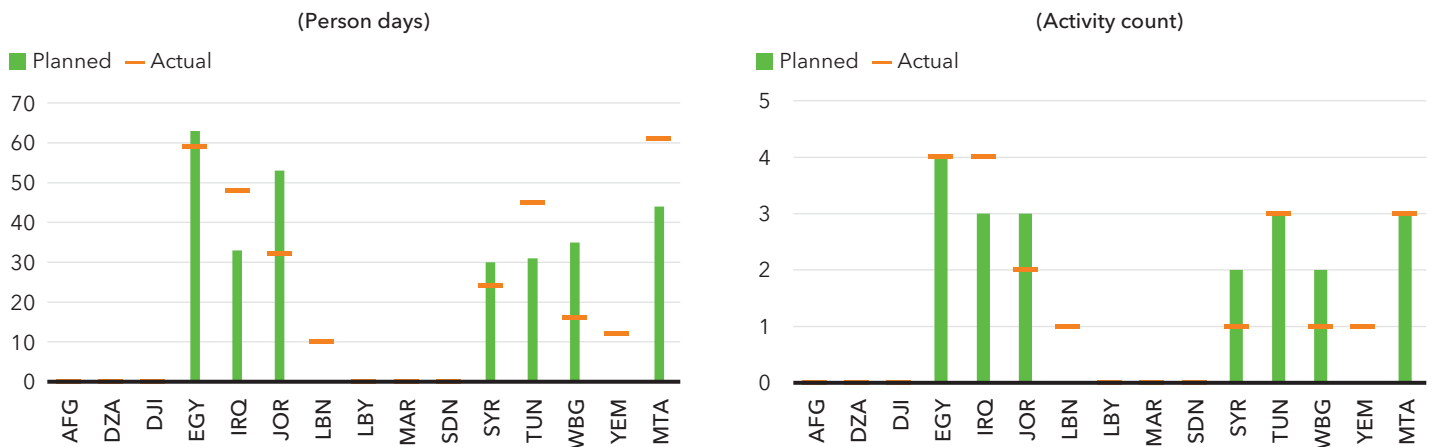
REAL SECTOR STATISTICS

EXECUTION OF THE
FY24 WORKPLAN

METAC delivered 17 single-country CD activities and three regional workshops, as originally planned (Figure 12). Three activities were cancelled or postponed but were replaced with three new ones. Thirteen of the single country activities were on national accounts and four on price statistics.

Of the 17 CD activities conducted in FY24, eight were for fragile and conflict-affected states. These included four missions to **Iraq** (two offsite and two remote), one to **West Bank and Gaza**, one to **Lebanon** (remote), one to **Syria** (offsite), and one to **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 due to the amount of work needed on the Supply and Use Table (SUT) balancing.

FIGURE 12. REAL SECTOR STATISTICS: EXECUTION OF THE FY24 WORKPLAN



METAC organized a peer-to-peer activity in collaboration with Morocco's High Commission Plan for Egypt's national accounts staff to increase capacities on the full integration of annual national accounts and SUTs. METAC also conducted two regional workshops in collaboration with the CEF in Kuwait, on *Measuring Gross Capital Formation* and *Measuring Financial Services*. Finally, METAC organized a workshop on SUTs jointly with the Arab Institute for Training and Research in Statistics (AITRS).

KEY ACHIEVEMENTS IN FY24

METAC continued to build member countries' capacity in improving and developing macroeconomic statistics, in line with the priorities for Phase V. To this end, it provided TA and training aimed at enhancing countries' statistical capacity to produce and disseminate national accounts statistics and price statistics, with improved quality, coverage, and timeliness.

Egypt improved the compilation process used to produce SUTs, through the development of customized tools to store, edit, and analyze the estimates. Egypt progressed with the SUT balancing process and is working toward improving GDP volume estimates.

Iraq completed the compilation of SUT, updated the consumer price index (CPI) weights and implemented improvements in the CPI compilation technique. In addition, progress has been made on compiling a new Residential Property Price Index (RPPI).

Jordan assessed the use of administrative data sources to compile GDP estimates for financial corporations and the data sources and methods to improve the GDP exhaustiveness and measuring the non-observed economy.

Lebanon assessed the data collection methods and compilation techniques for producing a Construction Cost Index.

Tunisia progressed with the development of quarterly GDP estimates by the expenditure approach and balance sheet accounts of non-financial assets. In addition, a reconciliation of the Rest of the World account with balance of payment data was performed.

West Bank and Gaza enhanced the compilation system for fixed base year annual estimates of production-based GDP and developed one for chain-linked estimates.

METAC dealt with fragility by working closely with development partners and IMF country teams. METAC participated in virtual meetings with the World Bank, UNESCWA, and UNDP to coordinate national accounts and price statistics CD projects to member countries. METAC further participated in the 10th Steering Committee meeting of the Arab Statistics Initiative of the Arab Monetary Fund (ArabStat). METAC is also keeping IMF country teams aware of the statistical environment in countries such as **Lebanon, Sudan, and Yemen**.

METAC has directed substantial RSS CD resources to FCS and reacted swiftly to the changed circumstances in the region. The Central Statistical Organization of **Iraq**, for example, benefitted from four TA activities during FY24 as opposed to three planned activities. One national accounts mission to **Iraq** was postponed due to other priorities. However, two remote missions on improving the CPI were added at relatively short notice due to the importance of the subject to the IMF country team as well as to the readiness and capacity of the Central Statistical Organization to receive and

implement the recommendations. Missions combining training and TA were tailored for **Yemen** and **Syria**, respectively, to raise staff capacities in national accounts and assist in assessing existing data sources for GDP compilation. In **Lebanon**, one remote price statistics mission was added by METAC to support the Central Administration of Statistics on the construction cost index, while no progress was made on the update of the CPI due to funding and staff constraints.

PRIORITIES AND ACTIVITIES FOR FY25

The FY25 workplan includes 17 CD activities and one regional workshop, equivalent to 1.2 FTEs. CD delivery will focus on improving the quality and coverage of national accounts statistics (76 percent of the allocated resources) and price statistics (24 percent) in line with relevant internationally accepted statistical standards. The plan assumes that all activities will be conducted in-person.

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 balance sheet accounts and further improve GDP estimates; and another with the Central Agency for Public Mobilization and Statistics to improve the system to compile SUTs and Input-Output Tables. METAC will also assist MPED in improving the volume measurement of annual and quarterly GDP estimates and the consistency of GDP by the production and expenditure approaches.

Jordan: METAC will assist the Department of Statistics to improve measures of the non-observed

economy and the use of administrative data sources in annual and quarterly national accounts estimates.

Libya: Assistance will focus on SUT compilation.

Morocco: A peer-to-peer engagement activity of the High Planning Commission of Morocco national accountants will take place in Switzerland, covering the energy accounts.

Tunisia: METAC will continue to assist in the development of quarterly estimates of GDP by expenditure and non-financial balance sheet accounts.

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

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

Syria: METAC plans to provide further training and technical assistance to the Syrian Central Bureau of Statistics on the compilation of quarterly GDP and SUT.

Regional: A regional workshop will aim at enhancing countries' capacity in estimating the non-observed economy in the national accounts.

PRICE STATISTICS

Iraq: METAC will continue its assistance to the Iraqi Central Statistics Organization to compile a new Producer Price Index.

Jordan: METAC will continue its assistance to the Department of Statistics to increase the granularity and coverage of the Producer Price Index.

Lebanon: METAC will continue to provide TA on CPI compilation to the Central Administration of Statistics.

GOVERNMENT FINANCE STATISTICS AND PUBLIC SECTOR DEBT STATISTICS

EXECUTION OF THE FY24 WORKPLAN

The Government Finance Statistics and Public Sector Debt Statistics (GFS/PSDS) workstream was newly implemented in November 2023. Three missions were conducted in FY24 in three different modalities—remote, offsite, and hybrid—in collaboration with IMF headquarters and METAC's PFM workstream.

KEY ACHIEVEMENTS IN FY24

Yemen has made significant progress in several aspects of GFS and PSDS compilation. Institutional sectorization was extensively discussed, and the authorities established a list of institutions with corresponding sectors. PSDS have been prepared with two main segments: domestic government debt and external government debt on a quarterly basis for the past two years, while there are plans to expand the time series back to 2017. The preliminary debt data require further refinement and checking before reporting and use for surveillance purposes. The GFS/PSDS are at an early stage of development. The authorities learned about main concepts

and methodologies. Bridge tables for compilation are developed and tested with annual data for 2022, while compilation of monthly and quarterly data will follow.

Lebanon received technical assistance to develop a concept for strengthened budget reporting and re-starting GFS compilation. The first step would be to enhance the Public Finance Monitor report, which was discontinued in December 2021, with critical reporting elements—such as arrears; alignment of reporting on budget advances and treasury advances; payables; and commitments—while ensuring timely issuance in the current context of staffing constraints and information backlog. The concept has been validated by the authorities and further assistance will be required to define operational details within a time-bound plan.

PRIORITIES AND ACTIVITIES FOR FY25

The FY25 workplan for the new GFS/PSDS workstream is still under development in consultation with member country authorities and

IMF country teams. Currently, it comprises seven single-country CD activities and four regional activities with possible expansion based on additional CD requests from member countries.

The focus will be on expansion of GFS and PSDS and necessary adjustments and guidelines depending on specific circumstances in each country. CD will address main challenges in compilation, diagnostic work on TA needs, and providing guidelines

on implementation of standards and reporting to the IMF. In-person missions are planned for **Djibouti, Egypt, Iraq, Jordan, and Lebanon.** Two hybrid missions (offsite missions coupled with a series of virtual meetings) are planned for **Yemen.** METAC will continue to assist the authorities to improve GFS and PSDS data.

Two regional workshops will be organized at the beginning and the end of FY25. The opening workshop

will be used as an introduction to main concepts in GFS and PSDS as well as for the collection of information from the authorities on the status of GFS and PSDS compilation in their respective countries.

Another two workshops will be organized in collaboration with the CEF in Kuwait. Both workshops will promote understanding of GFS and PSDS compilation and related issues with a special emphasis on the integration of SOE in fiscal statistics.



MACROECONOMIC FRAMEWORKS

KEY ACHIEVEMENTS IN FY24

The Central Bank of **Iraq** (CBI), with ICD and METAC assistance, is at the advanced stage in developing the Macro Foundations Tool (MFT). The tool will help the CBI with preparing macroeconomic forecasts and generating simulations, strengthening the policy-decision-making process. The recent development efforts have been concentrated on integrating higher-frequency data and incorporating short-term forecasting models into the MFT.

PRIORITIES AND ACTIVITIES FOR FY25

METAC will participate in an ongoing technical assistance to the Bank of **Algeria** to build and operate a Quarterly Projection Model (QPM) in conducting monetary policy. Moreover, METAC plans three follow-up missions to the Central Bank of **Iraq** to continue developing macroeconomic framework and introduce quarterly data. A prospective work with **Lebanon's**

MoF to implement a forecasting approach using machine learning methods is yet to be confirmed. In **Libya**, METAC tentatively plans to embark on a series of technical assistant projects conditional on absorption capacity of the country.

METAC will sponsor and contribute to a **peer-to-peer regional workshop** in **Jordan** on the "Experiences with macroeconomic forecasting and policy analysis in MENA central banks." The regional workshop aims to help participating central banks further develop modern and adaptable macroeconomic frameworks, and share best practices and technical insights to enhance forecasting and policy analysis capabilities.

In collaboration with the **CEF**, METAC will deliver a **tailored course on macroeconomic forecasting** in **Morocco**. Another workshop on macroeconomic framework models for Gulf Cooperation Council countries will be held in **Saudi Arabia**.

ANTI-MONEY LAUNDERING AND COMBATING THE FINANCING OF TERRORISM

KEY ACHIEVEMENTS IN FY24

Iraq: Mock assessment CD mission:

The Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) Regional Advisor back-stopped a capacity development mission for Iraq that was conducted in Amman, Jordan, in May 2023. Officials from the Central Bank of Iraq, the Ministry of Justice, the AML/CFT Office, the Terrorist Funds Freezing Committee, and the Non-Profit Organizations Directorate participated in mission activities. The mission conducted a mock assessment of the effectiveness of AML/CFT supervision in the banking, money or value transfer services, and real estate sectors and of the implementation of targeted financial sanctions in Iraq. High-level findings and recommendations were discussed with the authorities.

At the request of the **Djibouti** authorities, the AML/CFT Advisor led a capacity development mission on AML/CFT supervision in July 2023. Officials from the Central Bank of Djibouti, supervisors of FIs, DNFBPs, and officials from the financial intelligence unit and other agencies relevant to financial investigations participated in mission activities. The mission conducted a mock assessment of effectiveness of AML/CFT supervision

of banks and other high risk FIs and DNFBPs, of the use of financial intelligence, and of investigations of money laundering. High level findings and recommendations were discussed with the authorities.

Egypt: The Regional Advisor contributed to a capacity development mission on risk-based AML/CFT supervision of banks in Cairo, Egypt, in September 2023. The mission met with officials from a variety of authorities, notably the Central Bank of Egypt, Egypt's financial intelligence unit, and the Public Prosecution Office. The mission was conducted under the Egypt's CD project which focuses on strengthening risk-based AML/CFT supervision of banks and improving the effectiveness of financial investigations and other enforcement actions. Previously, a scoping mission was conducted in March 2023 to develop a road map for the delivery of CD outputs.

In February 2024, the AML/CFT Advisor contributed to a virtual mission with the Central Bank of Egypt (CBE) that focused on the risk assessment model implemented by the CBE offsite AML/CFT supervision team. The project team identified areas for improving the model's future versions,

including widening the range of risk factors and consolidating the outcomes of several risk tools used by the CBE. An aide-memoire was shared with CBE identifying initial findings by the project team and proposed areas of work.

As part of the AML/CFT CD project of **Yemen** the Regional Advisor participated in a mission in Dubai, United Arab Emirates in December 2023. The mission discussed legal drafting advice that was provided recently by staff to review the AML/CFT law and its implementing regulations. If adopted, the revised draft law and regulations should bring **Yemen's** AML/CFT framework further in line with the Financial Action Task Force (FATF) standards.

At the request of **Algerian** authorities, a series of virtual CD sessions was conducted during the period November 2023-March 2024 to assist the Bank of Algeria in enhancing AML/CFT Risk-based supervision of financial institutions under its purview. The sessions focused on the development of the supervisory understanding of money laundering and terrorist financing risks and the upgrade of a regulation to implement certain obligations under the AML/CFT law.

Regional workshop: The Regional Advisor led a workshop on AML/CFT Risk-based Supervision in Dubai, United Arab Emirates (UAE) during July 9 -13, 2023. Officials from nine MENA jurisdictions scheduled

to undergo an AML/CFT mutual evaluation or not yet subject to the process participated in this workshop. Presentations focused on features and best practices for an effective risk-based AML/CFT supervision, of financial institutions (FIs) and designated non-financial businesses and professions (DNFBPs).

EXECUTION OF THE FY24 WORKPLAN

The FY24 workplan was executed as planned. The **MENA** and **Jordan** AML/CFT CD projects are set to conclude by the end of the FY. The pace of the TA delivery under the MENA project was accelerated to accommodate the needs of beneficiary countries ahead of their respective AML/CFT assessments. This approach allowed the achievement of important results: (1) for **Iraq**, the project's review of the mechanism for Targeted Financial Sanctions was taken into consideration when adopting the relevant procedure amendments in September 2023; (2) for **Djibouti**, draft amendments of the AML/CFT laws were adopted, and regulations relevant to the operations of the financial intelligence unit (FIU) and the implementation of Targeted Financial Sanctions were adopted in a timely manner ahead of the assessment by the Middle East and North Africa Financial Action Task Force (**MENAFATF**) in the first quarter of 2024. These drafts were developed with the project assistance; (3) two

regional workshops were delivered to beneficiary countries in July and October 2023; and (4) CD provided to **Jordan** assisted in meeting an important benchmark which allowed Jordan's exit from the FATF's grey list in October 2023.

PRIORITIES AND ACTIVITIES FOR FY25

The AML/CFT advisor will continue to contribute to the legal drafting amendments to align **Yemen's** legal framework with the international AML/CFT Standards. As for **Egypt**, the delivery of TA will focus on assisting the CBE in enhancing its AML/CFT supervision and supporting the authorities in the area of criminal justice to effectively address major ML/TF threats. For **Algeria**, the assistance to the Bank of Algeria on AML/CFT supervision will further develop, and new modules on risk assessment and entity transparency will be initiated. A new CD projects is being contemplated for **Libya**.

The AML/CFT advisor will continue to represent the Fund in relevant **AML/CFT events** in the region, including the participation in **MENAFATF plenary meetings** and other training activities, and the contribution to the coordination and delivery of the **CEF course** in September 2024. The AML/CFT advisor will also continue to collaborate with METAC and provide support on financial integrity issues.

CLIMATE AND GENDER

KEY ACHIEVEMENTS IN FY24

In collaboration with the IMF's Strategy, Policy, and Review Department (SPR), METAC organized a **regional workshop on gender economics** in Amman, Jordan in November 2023, titled *Gender and Inequality: A Practical Approach to Evidence-Based Policy Design*. The hands-on workshop presented main trends of gender disparities, highlighted the channels through which gender inequality affects macroeconomic outcomes and showcased user-friendly toolkits developed by the IMF to facilitate the analysis of gender inequality's macroeconomic impact.

The **climate webinar series** kicked off in January 2024 with an introductory event on the *Macroeconomics of Climate Change*. It was followed by two webinars on adaptation policy priorities and mitigation policy options in the MENA region. The series continued with a webinar on *Climate Change and the Financial Sector*, explaining the impact of climate change and mitigation policies on financial markets. The financial system's role in combating climate change was further explored in a webinar on *Insurance Solutions to Mitigate Climate Damages* (with representatives from reinsurance company MunichRE as guest presenters).

It highlighted how insurance companies analyze climate risks and discussed the role of the complementary insurance sector in mitigate damages from climate-related shocks. All webinars were attended by around 90 participants and triggered lively discussions during the Q&A sessions, highlighting the considerable interest in the topic in the region.

In March 2024, METAC organized a **regional climate workshop** on *The Macroeconomics of Climate Change: Policies in the Middle East and North Africa* in collaboration with various IMF departments in Amman, Jordan. The workshop gave a comprehensive overview of cross-cutting climate-related issues and showcased toolkits developed by the IMF. Dedicated discussion sessions and participant presentations featured regional country experiences in responding to climate challenges.

PRIORITIES AND ACTIVITIES FOR FY25

In FY25, METAC will organize three regional workshops under the Climate and Gender Work program, including (1) a regional workshop on Strengthening Budget Institutions for Climate Change Action and Gender Equality in the Middle East

and North Africa in collaboration with FAD in June 2024 (see below); (2) a regional workshop on *Climate-Related Financial Risks* (see section B.) and (3) a workshop on *Gender and Inequality* in collaboration with SPR.

METAC is planning to deliver regular webinars on Climate Change and Gender-related issues. The webinar series will be driven by both supply (new related IMF analytical and policy work) and demand (regional interest in the topics).

The webinar series on Climate will continue with a focus on country cases, specifically METAC member

countries, as well as fiscal issues, such as fossil fuel subsidies, carbon taxation and green budgeting. METAC will serve as a **regional platform** to increase the reach of climate-related IMF publications, including policies and challenges around the green transition. METAC will continue to cooperate with development partners, non-governmental organizations (NGOs), and other institutions working on climate issues. Coordination and collaboration with the CEF will aim at creating synergies in presenting the IMF's macroeconomic and financial policy advice on climate-related risks and opportunities across the MENA Region.

The Gender webinar series will start with introductory events, providing a global and regional overview of gender inequality, its importance for inclusive growth, and the IMF Strategy to mainstream gender. The webinars will include presentations of various IMF toolkits for identifying macro-critical gender gaps and assessing the macro-economic impacts of gender inequality. Other webinars will draw on the IMF's analytical work that explores how tax policy can contribute to gender equality and how legal impediments shape women's economic participation.

DEBT MANAGEMENT

With funding from the Dutch government, a new workstream will be established in public debt management and the development of local currency government bond markets for countries in the METAC region. The objective is to deepen CD engagement in debt management, complementing METAC CD in public financial management and monetary operations. Debt management and debt market development face several key challenges. Often, practices in debt management are not based on a comprehensive strategy, institutional capacity is limited, legal and regulatory frameworks are inadequate, debt transparency is poor, and access to diverse funding sources is limited. With shallow government bond markets, the primary markets provide an unbalanced choice of maturities, leading to poor price discovery and lack of liquidity in secondary markets. This is also due to a concentrated investor base that, in some countries, is captive and comprises banks and state-owned institutions that dominate bond markets due to a lack of alternative investments.

The new regional advisor on debt management will facilitate country-specific debt management support to increase the resilience of debt management in METAC member countries by providing expertise on several fronts.

This will include capacity building in formulating and implementing a medium-term debt management strategy and in assessing debt sustainability risks, both of which are important to support macroeconomic stability and improve access to funding. The resident advisor will also assist country authorities in devising policies to deepen their local currency bond markets and increase funding resilience by improving issuance practices, primary dealer arrangements, price transparency, and financial market infrastructure. Other types of debt management assistance will be useful to countries in the region, such as improving debt transparency through regular debt reporting and laying the groundwork for effective investor relations and enhancing the investor base, such as mutual funds, and fostering the presence of foreign investors, where appropriate, to increase competition and investor diversification. In parallel, efforts to develop a robust debt management framework will support the development of efficient and liquid debt markets. For FCS, the regional advisor will focus on foundational issues of debt management, including the institutional and legal framework, the organization of debt management functions, training human capital, debt recording, and establishing sound primary market practices.



GOVERNANCE AND ANTI-CORRUPTION

Poor governance and the lack of transparency offer incentives and opportunities for corruption—the abuse of public office for private gain. Corruption alters the incentives of individuals entrusted with public authority, undermining good financial governance and governments’ ability to deliver inclusive and sustainable growth. It is a corrosive force that eviscerates the vitality of businesses and stunts a country’s economic potential.

METAC will establish a new Governance and Anti-Corruption (GAC) workstream in METAC starting in FY26 (summer of 2025). The workstream will be an addition to METAC’s endorsed Phase V work program. It will be subject to additional funding expected to materialize in the next fiscal year. The program will be introduced with a soft start in FY25 via a regional workshop on *Confronting Macro-Critical Corruption*, co-financed by METAC’s seminar and workshop budget and LEG. The event will raise awareness of the macro-criticality of corruption and gauge related

CD demand from METAC member countries, complementing LEG’s experiences from governance diagnostic assessments and law reviews. This will facilitate the development of a respective work program for FY26-27. A long-term GAC advisor will then be placed in METAC in FY26. The advisor, backstopped by LEG, will manage and implement specific GAC CD, closely coordinating with other regional advisors and CD departments to better integrate anti-corruption perspectives in METAC’s existing workstreams.

The proposed FY25 workshop on *Confronting Macro-Critical Corruption* will support the implementation of the IMF’s 2018 Framework for Enhanced Engagement on Governance, strengthen METAC member countries’ capacity to address corruption vulnerabilities in key state functions, contribute to enhanced understanding of the IMF’s anticorruption and governance work, and identify country demand and opportunities for CD engagement. The course will be tailored for the region and will

offer the following four modules: (1) IMF's approach to governance and anti-corruption; (2) assessing the severity of corruption; (3) tailoring anticorruption approaches for impact; and (4) core principles of effective anticorruption laws and institutions. It will also offer two one-hour clinics to discuss the most important anti-corruption issues in the region.

The target audience will be MENA country officials responsible for the development, implementation and monitoring of programs, policies, or action plans to prevent, confront, and sanction corrupt behavior; and strengthen accountability, transparency, integrity, and the rule of law. The course duration will be four days, delivered in hybrid modality.



Germany appreciates the valuable and highly sought-after advice that METAC is providing. It helps drivers of change to tackle important challenges that the MENA region is facing, such as the high level of debt, low levels of tax revenue, and the widespread exclusion of women from economic life.

Holger Illi, Head of Development Cooperation at the German Embassy in Cairo, Egypt

SECTION III

OUTREACH
AND COLLABORATION

OUTREACH AND COLLABORATION

GENERAL OUTREACH ACTIVITIES

Throughout the year, METAC Director Holger Floerkemeier conducted regular virtual and in-person outreach and coordination meetings with METAC's donor partners, (the European Union, France, Germany, the Netherlands, and Switzerland) and other development partners, such as USAID. He met with member country authorities (virtually, on country visits, as well as during the IMF's Annual and Spring Meetings) to discuss capacity development (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 also met with representatives of international organizations to explore potential collaboration; and with international institutions, private sector, and civil society organizations to raise awareness of METAC's work, including on climate change and gender economics-related activities.

MIDDLE EAST AND NORTH AFRICA FINANCIAL ACTION TASK FORCE (MENAFATF) PLENARY AND WORKING GROUPS' MEETINGS (MAY 20 - 25, 2023)

AML/CFT Regional Advisor Peter El Sharoni participated in the MENAFATF Plenary and Working Groups meetings, held in Manama, in the Kingdom of Bahrain, from May 20-25, 2023. The participation included contribution to discussions of AML/CFT assessment reports¹ and follow-up reports, MENAFATF governance papers, and CD activities coordination. During the meetings, an overview of the Legal Department's CD work in the MENA region was provided and the IMF received an award for their contributions to the MENAFATF activities.

WORKSHOP ORGANIZED BY THE INSTITUTE OF FINANCE BASIL FULAIHAN AND THE UN WOMEN OFFICE (JUNE 6, 2023)

In a training workshop organized jointly by the Institute of Finance Basil Fulaihan and the UN Women office

¹ of Lebanon and Algeria, for which Fund staff was an external reviewer and provided extensive comments on the draft reports.

in Lebanon, METAC Public Financial Management (PFM) Advisor Yasser Sobhi contributed a presentation on “the lessons learned by the regional and international experience in Gender Budgeting”. The training was attended by around 30 government officials and employees from public enterprises. The presentation focused on how to integrate the gender perspective in the different PFM phases, including budget planning, preparation, execution, and monitoring, while presenting a few success stories from the region.

METAC REGIONAL CONFERENCE (JUNE 7-8, 2023)

METAC organized a [regional conference](#) on June 7-8 in Beirut, Lebanon, to inaugurate the Center’s new Program Phase (2023 – 2027) and mark the reopening of its office premises following the tragic August 2020 Beirut harbor explosion. The conference was followed by METAC’s annual steering committee meeting. 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 [member countries](#) across the Middle East and North Africa (MENA) region, in line with the recent [IMF CD Strategy Review](#).

The event brought together representatives from METAC member countries, development partners, civil society, and the IMF to foster capacity development collaboration, facilitate peer-to-peer exchanges, and strengthen coordination. 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.

CONTRIBUTION TO IMF DEPARTMENTAL PAPER: “MANAGING FISCAL RISKS IN THE MIDDLE EAST AND NORTH AFRICA”

METAC contributed to an IMF departmental paper (DP/2023/005) on “[Managing Fiscal Risks in the Middle East and North Africa](#)” prepared jointly by the IMF’s Middle East and Central Asia Department (MCD) and the FAD. The paper analyzes the sources of fiscal risks in 17 low-and middle-income countries in the Middle East, North Africa, and Pakistan region, excluding high-income Gulf countries. It finds that important macroeconomic shocks, contingent liabilities, and tail-risk events have affected the region in recent years, with a strong impact on macroeconomic outcomes. These are likely to remain important sources of vulnerability in the future, raising the need for robust fiscal risk management frameworks. The paper takes note of ongoing efforts to enhance fiscal risk management capacity in the region and discusses avenues for reforms to further strengthen them. It highlights the importance of building appropriate institutional frameworks for fiscal risk management, enhancing transparency on fiscal risks, and deploying a wide range of mitigation measures to better control them, drawing on the IMF’s fiscal risk management framework and international best practice.

JORDAN COUNTRY VISIT (SEPTEMBER 4-6, 2023)

METAC Director Holger Floerkemeier and METAC Economist Anastasia Janzer conducted an outreach mission to Amman on September 4-6, 2023, to meet with high-level Jordanian authorities and development partners. The purpose was to raise awareness about METAC, update the authorities and development partners on METAC activities and plans, and discuss how METAC can best support

the authorities’ reform and capacity development efforts—including through strengthened coordination and collaboration with development partners to ensure complementarity of CD efforts and consistent CD advice. The authorities praised IMF-METAC’s CD work for its quality, responsiveness, and tailoring to the authorities’ needs. They also stressed that METAC CD has supported the implementation of fund-supported programs and addressing recommendations of the Public Investment Management Assessment (PIMA), Fiscal Transparency Evaluation (FTE), and Financial Sector Assessment Program (FSAP). The authorities also value METAC’s regional workshops, which usually take place in Amman.

TRAINING ON BENEFICIAL OWNERSHIP (SEPTEMBER 10-14, 2023)

IMF Legal Department AML/CFT Regional Advisor Peter El Sharoni contributed to an IMF-CEF training for countries of the MENA region on transparency of beneficial ownership. The training also benefited from the contribution of the MENAFATF² Secretariat and was hosted by the IMF’s Middle East Center for Economics and Finance in Kuwait during September 10-14, 2023. The training was, based on the Fund’s recent publication *Unmasking Control: A Guide to Beneficial Ownership Transparency*, and aimed at improving the participants’ understanding of the concept of beneficial ownership, its relevance to the prevention of misuse of legal entities, and the related obligations arising from the Financial Action Task Force (FATF) recommendations. The participants were derived from various institutions, such as central banks, financial

² <https://www.menafatf.org/about>

intelligence units, ministries of finance, tax authorities, and anti-corruption and procurement agencies.

47TH ORDINARY SESSION OF THE COUNCIL OF ARAB CENTRAL BANKS AND MONETARY AUTHORITIES GOVERNORS (SEPTEMBER 17-19, 2023)

METAC Director Holger Floerkemeier and Central Bank Operations Advisor Stefaan Ide participated in the 47th Ordinary Session of The Council of Arab Central Banks and Monetary Authorities Governors and the High-Level Roundtable Workshop, organized by the Arab Monetary Fund (AMF) in Algeria. Mr. Ide contributed as panelist in the high-level workshop session on Effective Monetary-Fiscal Policy Interactions in a High Inflation Environment.

ORGANIZATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT (OECD) MENA SENIOR BUDGET OFFICIALS MEETING IN DUBAI (SEPTEMBER 19-20, 2023)

METAC Director Holger Floerkemeier, and PFM Advisor Jonas Frank participated in the OECD MENA Senior Budget Officials Meeting in Dubai. The event was attended by 42 participants, including from four METAC countries (Egypt, Iraq, Lebanon, and Tunisia) and six Gulf Cooperation Council countries (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and UAE). The meeting included engagement with budget officials regarding FAD and METAC support modalities in budgeting, highlighting key assessment tools such as the FTE and PIMA/C-PIMA; country examples on recent TA in budget planning and macro-fiscal planning including medium-term fiscal frameworks (MTFF); and the regional agenda on fiscal and budget transparency with collaboration by the International Budget Partnership (IBP) and the

Bureau of Arab States of the United Nations Development Programme (UNDP).

ARAB MONETARY FUND MEETING IN ABU DHABI (SEPTEMBER 20, 2023)

METAC Director Holger Floerkemeier met with an Arab Monetary Fund (AMF) delegation led by counsellor and chief economist Mr. Maher Hasan and chief of financial markets division Mr. Yisr Barnieh. He presented METAC's CD workstreams and previous collaboration between METAC and the AMF (including ArabStat) and discussed possibilities for future cooperation and joint activities.

EGYPT-ASSESSORS TRAINING COURSE (SEPTEMBER 25-29, 2023)

AML/CFT Regional Advisor Peter El-Sharoni participated in the delivery of a five-day AML/CFT assessors training course in Cairo, during September 25-29, 2023. The course was held in collaboration with the Financial Action Task Force (FATF)³ and the MENAFATF. Over the course, participants from the MENA region and across the FATF Global Network learned about applying the FATF Standards and evaluating countries' technical compliance with FATF requirements, as well as assessing the effectiveness of their measures.

IMF-WBG ANNUAL MEETINGS (OCTOBER 9-14, 2023)

METAC Director Holger Floerkemeier attended the IMF Annual Meetings in Marrakesh and met with METAC member country delegations, donor partners, and other development partner organizations. He joined many country meetings with IMF CD departments to discuss CD priorities, plans, and requests, and some with the area department. IMF-METAC

also organized an Annual Meetings event in collaboration with the International Budget Partnership and the European Union.

NEW FRONTIERS OF OPENNESS: ADVANCING BUDGET TRANSPARENCY AND ACCOUNTABILITY IN THE MENA REGION (OCTOBER 14, 2023)

During the Annual Meetings in Marrakech, METAC organized the Roundtable "New Frontiers of Openness: Advancing Budget Transparency and Accountability in the MENA Region". The high-level event demonstrated the benefits of greater budget transparency and highlighted reforms and opportunities for progress in the Middle East and North Africa (MENA) region. The event brought together representatives from government and civil society from countries in the region, the IMF, the [International Budget Partnership \(IBP\)](#) and the [European Union \(EU\)](#) to stimulate debate on fiscal transparency from different angles and address concerns over greater openness. Speakers from the region demonstrated their efforts and examples of successful economic reform implementation and the challenges that remain. The roundtable event drew significant attention both from in-person and virtual audiences.

DESK REVIEWS OF OPEN BUDGET SURVEY FOR SELECTED METAC COUNTRIES

As part of the FAD-IBP Partnership, PFM Advisors Yasser Sobhi and Jonas Frank conducted desk reviews of the draft Open Budget Survey (OBS) for two METAC countries. The inputs will be used in the finalization of the surveys, which will be published as part of the OBS 2023 edition in End-May 2024.

³ <https://www.fatf-gafi.org/en/the-fatf.html>

VITARA PARTNER MEETING (DECEMBER 7, 2023)

METAC Tax Administration Advisor Rosen Bachvarov, attended the VITARA Partner Meeting in December 2023. Mr. Bachvarov shared how VITARA training content is used in the provision of technical assistance missions and in METAC's workshops. The event was attended by internal and external stakeholders such as the OECD, the World Bank, and the Intra-European Organization of Tax Administrations. VITARA partners discussed knowledge transfer methodologies, the role of VITARA content in discussions with the authorities, and language specificities and the existing training infrastructure of the IMF and external partners.

USAID FOREIGN SERVICE NATIONALS CONFERENCE (FEBRUARY 5, 2024)

METAC Director Holger Floerkemeier presented IMF and METAC CD work at a USAID Foreign Service Nationals Conference in Cairo, Egypt. He also met with a high-level USAID delegation to discuss METAC's work and recent collaboration with USAID and its

implementing partners, and to explore opportunities for closer cooperation with USAID in the MENA region.

WORKSHOP ON COUNTER- TERRORIST FINANCING MECHANISMS AND REQUIREMENTS

AML/CFT Advisor Peter El Sharoni participated, via videoconference, in the delivery of a Combating the Financing of Terrorism (CFT) workshop that took place in Abu Dhabi – UAE in collaboration with the Middle MENAFATF, the FATF, the United Nations Office on Drugs and Crime and the German Agency for International Cooperation (GIZ)⁴. The contribution was mostly based on the Fund's knowledge in the subject matter, notably its 2023 CFT book⁵. Main topics discussed were the assessment of terrorism financing risks and the challenges facing countries in implementing effective regimes to combat terrorism financing.

REGIONAL CD FORUM, PARIS, FRANCE (APRIL 12, 2024)

METAC Financial Supervision and Regulation Advisor Nehmat Hantas participated in a **panel discussion on “The role of external experts in CD delivery”** in a regional CD Forum organized by the IMF's Monetary and Capital Markets Department (MCM) in collaboration with Banque de France in Paris. The Regional CD Forum was an outreach and recruitment initiative aimed at enhancing international cooperation in CD delivery, facilitating the exchange of peer-to-peer knowledge across CD providers, and broadening MCM's network of experts. The event was attended by about 40 participants in-person and 50 participants remotely, including representatives of the Banque de France, the Bank of England, Deutsche Bundesbank, the Bank of International Settlement, the Bank of Japan, the European Central Bank, the Federal Reserve Board, the Federal Reserve Bank of New York, the National Bank of Belgium, the National Bank of Hungary, the National Bank of Finland, the Monetary Authority of Singapore, and the Swiss National Bank, as well as from central banks receiving CD from the IMF.

⁴ https://www.giz.de/en/html/about_giz.html

⁵ <https://www.imf.org/en/Publications/Books/Issues/2023/05/12/Countering-the-Financing-of-Terrorism-Good-Practices-to-Enhance-Effectiveness-515493>

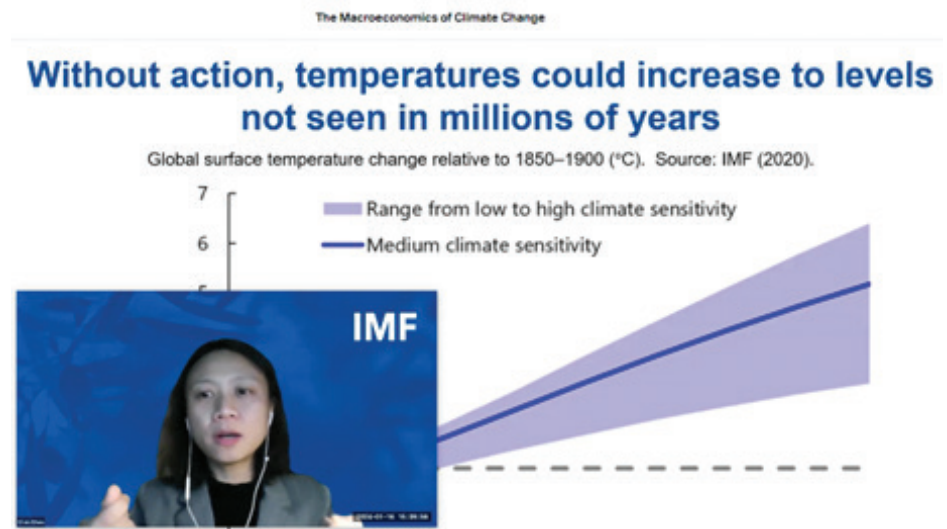
WEBINARS

THE MACROECONOMICS OF CLIMATE CHANGE (JANUARY 16, 2024)

In collaboration with the IMF Institute for Capacity Development (ICD), METAC launched the first webinar of its event series on the Economics of Climate Change. The webinar “Macroeconomics of Climate Change” gave a comprehensive overview of the science and economics of climate change, including its causes, economic consequences, and impact on human welfare. The webinar discussed how the IMF engages its member countries to address climate change issues and presents adaptation and mitigation policy options for tackling climate change. The webinar was attended by more than 130 participants, which raised a lot of questions during the following Questions and Answers (Q&A)

WEBINAR ON A LOW-CARBON FUTURE FOR THE MIDDLE EAST AND CENTRAL ASIA: WHAT ARE THE OPTIONS? (FEBRUARY 12, 2024)

METAC and the IMF Middle East and Central Asia Department (MCD) presented a webinar on regional mitigation challenges based on MCD’s departmental paper “[A Low-Carbon Future for the Middle East and Central Asia: What are the Options?](#)”. The webinar gave an overview of country pledges under the Paris Agreement to



contain greenhouse gas (GHG) emissions and illustrated how the region’s pledges fit into the global mitigation effort. The webinar identified the most pressing challenges the region is facing in its efforts to reduce emissions while preserving economic growth. The speakers presented a menu of fiscal policy options to fulfil emission reduction commitments and examined their trade-offs. The webinar was attended by more than 80 participants who engaged in a lively discussion with the speakers during the Q&A session.

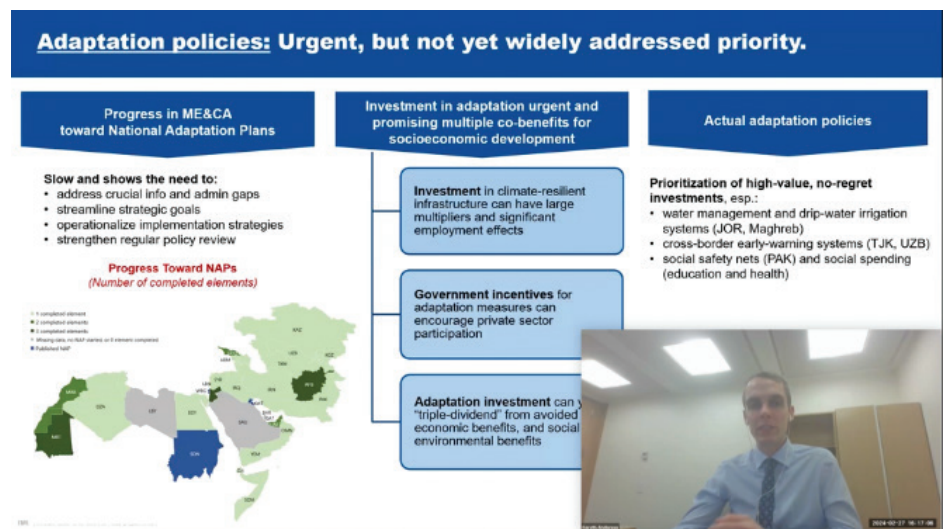
WEBINAR ON TRADE INTEGRATION IN AFRICA. UNLEASHING THE CONTINENT’S POTENTIAL IN A CHANGING WORLD (FEBRUARY 14, 2024)

The IMF’s Africa Training Institute (ATI), Middle East Center for Economics and Finance (CEF), and METAC organized

a webinar on “[Trade Integration in Africa—Unleashing the Continent’s Potential in a Changing World](#)”, based on a 2023 joint departmental paper by the IMF’s African and Middle East and Central Asia departments. The African Continental Free Trade Agreement (AfCFTA) has the potential to transform regional trade and thereby lift growth and support livelihoods across the continent. Successful AfCFTA implementation could unlock substantial gains for Africa in terms of income, jobs, and other benefits. The event, chaired by ATI director Mr. Sukhwinder Singh was attended by over 500 participants. The IMF presentation was followed by comments from Mr. Andrew Mold from UNECA. The paper, presentations and other relevant materials can be found at [2024 ATI Webinar Research Series](#).

WEBINAR ON FEELING THE HEAT: ADAPTING TO CLIMATE CHANGE IN THE MIDDLE EAST AND CENTRAL ASIA (FEBRUARY 27, 2024)

METAC and the IMF Middle East and Central Asia Department (MCD) presented a webinar on regional adaptation challenges based on MCD's departmental paper "[Feeling the Heat: Adapting to Climate Change in the Middle East and Central Asia](#)". The webinar gave an overview of the region's key climate challenges and illustrated the macroeconomic impact of climate change in the Middle East and Central Asia. It further presented specific adaptation policy priorities for the region, examined the policies' implied financing needs, and described sources of domestic



external financing. The webinar was attended by more than 90 participants who engaged in a lively discussion with the speaker.

WEBINAR ON "CLIMATE CHANGE AND THE FINANCIAL SYSTEM" (APRIL 17, 2024)

METAC presented a webinar exploring the dual impact of a warming climate and climate change mitigation policies on financial markets and institutions. Mr. Laurent Millischer from the Joint Vienna Institute (JVI) outlined strategies that financial regulators can employ to manage climate-related risks and discussed the financial system's role in combating climate change. The webinar was attended by more than 100 participants. The Q&A session following the presentation covered various topics, including how financial institution can integrate climate change into lending decisions; if environmental provisions for potential losses can mitigate risks; and what role green bonds play in financing climate resilience and achieving NDCs.



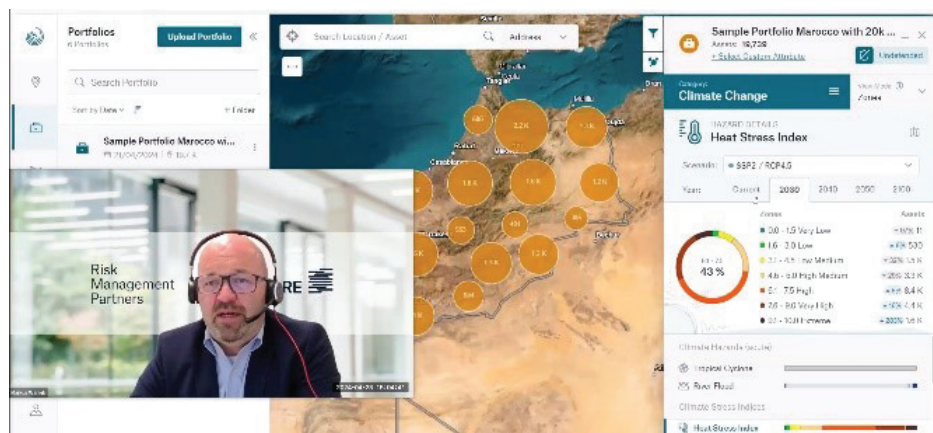
WEBINAR ON “DIGITALIZATION AS AN IMPERATIVE: REGIONAL CHALLENGES, GOOD PRACTICES, AND INNOVATIVE DEVELOPMENTS” (APRIL 22, 2024)

This joint Fiscal Affairs Department (FAD) and METAC webinar was carried out to help countries lacking or struggling with outdated IT system namely: Iraq, Libya, and Yemen, on their journey towards digital transformation. The webinar was organized around 4 sessions spread across two hours. It was attended by high-level officials from the Ministries of Finance, tax administrations, institutions involved in digitalization, and training bodies. The webinar started by analyzing the digital landscape of the participating countries using a SWOT analysis. This was followed by a session on understanding digital business models, the essential capabilities and services needed for an Integrated Tax Administration System (ITAS), and the key reforms required to facilitate digitalization. The webinar introduced the *Kontaktu* platform, highlighting its core functionalities and the requirements for interested countries to implement it.

WEBINAR ON INSURANCE SOLUTIONS TO MITIGATE CLIMATE DAMAGES (APRIL 23, 2024)

Each year, natural disasters destroy assets worth billions of dollars. Research indicates that weather-related disasters are already influenced by climate change. The ability to respond to natural disasters or weather-related losses is crucial for the climate risk management of governments, societies, and corporations. As part of its event series on the Economics of Climate Change, METAC presented a webinar on the analysis of climate risks and the assessment of their financial implications. Guest speakers from reinsurance company “**Munich Re**” presented how insurance solutions

can mitigate losses from climate-related shocks and cover risks that have traditionally been uninsurable. A speaker from the IMF’s Middle East and Central Asia Department illustrated the structure of the insurance market in the MENA region and discussed the insurance sector’s role in supporting economic recovery from climate-related disasters. The webinar was attended by 76 participants, who engaged in a lively discussion with the speakers around topics such as fiscal pressures resulting from compensations for uninsured risks; agricultural sector climate risk exposure, especially for small farmers and remote regions; and the role of microinsurance or Islamic insurance.



SECTION IV

FINANCING
AND BUDGET

A

FUNDRAISING AND STATUS OF CONTRIBUTIONS AT THE END OF FY24

Phase V signed agreements and commitments by development partners, member countries and the IMF at the end of FY24 stood at US\$30.7 million, of which 62 percent was from development partners (Table 5).

Several of METAC key development partners have already signed agreements to support the center's ambitious expansion during Phase V. Total signed agreements from development partners as of end of FY24 reached US\$19 million (**Germany** €5 million, **Switzerland** CHF5 million, **EU** US\$3 million, **Netherlands** €3 million, and **France** €2 million). In addition, the **Netherlands** will provide around US\$2.6 million to cover the expenses of a new debt management workstream through the remainder of the program phase. Two member

countries signed agreements totaling US\$2 million with US\$1 million each (**Algeria** and **Morocco**). **Egypt** has indicated its intention to provide US\$2 million. Oman and USAID agreed to transfer their portion of the residual balance from previous phases to the new phase totaling US\$360,000. In addition, US\$400,000 was transferred from the IMF's COVID-19 Crisis CD Initiative. Going forward, METAC may also benefit from an IMF CD agreement with Saudi Arabia, which is currently still under negotiation.

The IMF's financial contribution to METAC amounts to US\$6.8 million, including covering most of the Center's administrative expenses. In addition, the IMF is financing three new regional advisors focusing on CD delivery to fragile and Conflict-Affected states (FCS).

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

Agreement/Amendment Information					Contribution Received		Contribution Expected (U.S. Dollars)	
Partners/Members	Signed Date	Currency	Amount	U.S.Dollars	Agreement Currency	U.S.Dollars	Requested	Future Contributions ^{1/}
Partners				19,086,320		17,823,151	-	1,294,778
European Commission	12/12/2022	USD	2,985,300	2,985,300	2,985,300	2,985,300	-	-
France	12/07/2022	EUR	2,000,000	2,008,637	800,000	840,844	-	1,294,778
Germany	22/12/2022	EUR	5,000,000	5,305,040	5,000,000	5,342,720	-	-
Netherlands	07/12/2021	EUR	3,000,000	3,384,858	3,000,000	3,269,520	-	-
Switzerland	23/11/2021	CHF	5,000,000	5,402,485	5,000,000	5,384,767	-	-
Members				2,000,000		1,400,000	-	600,000
Algeria	17/08/2021	USD	1,000,000	1,000,000	1,000,000	1,000,000	-	-
Morocco	11/07/2022	USD	1,000,000	1,000,000	400,000	400,000	-	600,000
Partners and Members Total				21,086,320		19,223,151	-	1,894,778
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	-	-
Under Negotiation				2,000,000				
Egypt				2,000,000				
Under Negotiation Total				2,000,000				
Host Country & IMF								
Host Country								
In-Kind				-				
IMF				6,800,000				
Host Country and IMF Total				6,800,000				
Grand Total				30,668,000		20,004,831	-	1,894,778
Program Document Budget				49,700,000				
				(19,032,000)				

Source: Partners Connect

^{1/} The future contributions amount is set to zero for completed installments.^{2/} Refers to transfers from one program phase to another (e.g. phase rollovers).

EXPENSES IN FY24

Total expenses in FY24 reached US\$8.5 million (Table 6), a 59 percent increase compared to FY23. This rise is driven by (1) higher CD delivery, (2) switch back from remote to in-person CD delivery, and (3) increased number of offsite missions for member countries that are classified as high-risk locations and subject to mission travel restrictions (including Lebanon for much of FY24). Total CD delivery (+30 percent) and in particular CD support to FCS members (+40 percent) explains the bulk of additional expenditures. The introduction of three new workstreams also contributed to increased expenses, with the concomitant increase in respective CD delivery expected only for FY25, given that it takes time to conduct diagnostics, establish relations, and develop the work programs. The same is the case for the tailoring of METAC's work program to FCS members' specific CD

needs, including by adding the three regional advisors with explicit focus on FCS to METAC's team (in financial supervision and regulation, tax administration, and tax policy). Finally, METAC invested in the development of climate and gender work programs, organizing two regional workshops and a series of webinars with simultaneous interpretation.

The strategic budget reserve was utilized to cover higher CD delivery costs in the Financial Supervision and Regulation (related to new FCS advisor) and Central Bank Operations workstreams, as well as higher administrative costs, mainly related to additions to METAC's local team to support the growing number of regional advisors and the new climate and gender work programs, METAC's June 2023 reopening conference, as well as increased outreach, including the Annual Meetings seminar.

TABLE 6. FINANCIAL OPERATIONS IN FY24 (US\$)

Project	FY2024		
	Working Budget	Expenses	Execution (%)
Central Bank Operations	975,000	977,740	100%
Financial Supervision and Regulation	1,000,000	1,131,122	113%
Public Financial Management	1,800,000	1,652,060	92%
Revenue Administration	1,795,000	1,773,777	99%
Tax Policy	350,000	213,770	61%
Real Sector Statistics	900,000	754,392	84%
Government Finance Statistics and Public Sector Debt Statistics	400,000	178,794	45%
Macroeconomic Frameworks	350,000	123,526	35%
Seminars and Workshops	125,000	116,811	93%
Administration	435,321	358,654	82%
Governance and Evaluation	30,000	8,096	27%
Strategic Budget Reserve ^{1/}	0	0	0%
Sub Total	8,160,321	7,288,742	89%
Trust Fund Management	571,222	510,212	
Total	8,731,543	7,798,954	89%
IMF Expenses	1,230,000	674,798	
Total	9,961,543	8,473,752	85%

Source: Partners Connect, CDMAP.

^{1/} During the Fiscal Year, the Strategic Budget reserve was allocated to Banking Supervision and Regulation, Monetary Policy Operations, and Administration (200k).

BUDGET FOR FY25

For FY25, METAC envisaged budget stands at around US\$11.3 million (Table 7). Increases compared to the FY24 budget are mostly due to the full implementation of the new GFS/PSDS and macroeconomic frameworks workstreams, as well as funding for the activities of the second financial supervision and regulation advisor focused on FCS. Finally, the FY25 budget includes an allocation for METAC's mid-term evaluation, which will be carried out in FY25/26.

The FY25 budget does not include the IMF's contribution to cover the three FCS regional advisors mentioned above. It also does not include the budget for the newly planned debt management workstream, which is financed under the Netherlands subaccount. The co-hosted AML/CFT workstream, while increasingly integrated into METAC's general CD workplan, is not included either since it is financed under the AML/CFT Trust Fund.

TABLE 7. PROPOSED WORKING BUDGET FOR FY24 (US\$)

Workstream ^{1/}	FY2025
	Approved Working Budget
Central Bank Operations	900,000
Financial Supervision and Regulation	1,050,000
Public Financial Management	1,800,000
Revenue Administration	1,800,000
Tax Policy	350,000
Real Sector Statistics	900,000
Government Finance Statistics and Public Sector Debt Statistics	700,000
Macroeconomic Frameworks	700,000
Seminars and Workshops	200,000
Administration	350,000
Governance and Evaluation	120,000
Strategic Budget Reserve	200,000
Sub-total	9,070,000
Trust Fund Management Fee (7 % of sub-total)	634,900
Total	9,704,900
IMF Expenditures	1,600,000
Grand Total	11,304,900

Source: Partners Connect, CDMAP

^{1/} The Debt Management workstream is not included since it is financed under the Netherlands subaccount.

SECTION V

OTHER ISSUES

METAC REOPENING CONFERENCE JUNE 2023

The first highlight of the fiscal year was the June 7-8 [regional conference](#), which inaugurated the Center's new office premises and the new 2023-2027 program phase (Phase V). The event was well attended by representatives from member countries, development partners, and civil society organizations and received very positive feedback from participants. 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 H.E. Deputy Prime Minister of Lebanon Mr. **Saade Chami**, Banque du Liban Deputy Governor Mr. **Salim Chahine**, Vice Minister of Finance of Egypt Mr. **Ahmed Kouchouk**, and H.E. Minister of Budget

of Djibouti, Mr. **Isman Ibrahim Robleh**. In his opening remarks, H.E. Minister of Finance of Lebanon Mr. **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's Middle East and Central Asia Department Mr. **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 H.E. the Minister of Finance Mr. Youssef and Mr. Zeidane, METAC Director Mr. **Holger Floerkemeier** thanked development partners for their longstanding support and collaboration, and member countries for their strong ownership of the Center. He also expressed his gratitude to the METAC team colleagues for their great work in organizing and smoothly running the event.

METAC 20TH ANNIVERSARY 2024

METAC was officially inaugurated on October 25, 2004, in Beirut, Lebanon. In 2024, METAC plans to organize a regional conference to celebrate METAC's 20th anniversary, bringing together representatives from member countries, development partners, and the IMF. Originally, the event was planned to be held together with the 2024 SC meeting in June. However, it had to be postponed due to the regional conflict and the temporary relocation of METAC's international staff outside of Lebanon. The event will now take place in Cairo, Egypt, on December 4, 2024. The overarching theme of the one-day high-level conference will be "governance", a topic that permeates all existing METAC CD workstreams, ranging from fiscal and central bank governance to financial sector oversight and AML/CFT. It will also introduce the new governance and anticorruption workstream that METAC plans to introduce in FY26 (May 2025). The conference will be organized

back-to-back with various METAC regional workshops on December 1-3 and a half-day interim Steering Committee meeting on December 5 that will introduce the Phase V independent external mid-term evaluation.

METAC is also preparing a special anniversary publication to commemorate METAC's achievements, challenges, and growth, and to capture personal experiences of the people that have been involved in the Center. The booklet will cover country CD stories as well as personal stories from all METAC stakeholders: IMF-METAC, member countries, and development partners. We thank all contributors for their enthusiastic support and for sharing their personal stories for this publication. These stories are what make METAC's history rich and inspiring. They highlight the human element behind our collective efforts, showcasing the diversity of thought, culture, and approach that makes METAC unique.

MID-TERM EVALUATION

As part of its governance structure and as stipulated in METAC's Phase V Program Document, an independent evaluation of the work of METAC will be carried out by external experts' half-way through the program phase. METAC Phase V evaluation is expected to commence during this fiscal year. It will be completed in FY26, and the final evaluation report presented to the SC at its June 2026 meeting.

The evaluation will assess METAC's CD delivery, bearing in mind the long-term nature of capacity-building. The evaluators will also assess METAC's operations. The objectives of and methodology for the evaluation will be in line with the [Updated Common Evaluation Framework and Guidance Note](#) for the IMF's CD activities. The evaluation will use the RBM logical framework that lays out the sequence of steps on how CD actions are expected to lead to the achievement of outcomes and objectives. It will assess the achievement of the objectives of the CD projects using the Organization for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC) evaluation criteria: relevance, coherence,

efficiency, effectiveness, sustainability, and impact. The evaluation will formulate recommendations for improvement, which will inform discussions on METAC's future operations. It will also assess recommendations from previous mid-term evaluations.

The Steering Committee participates in the evaluation through an evaluation subcommittee (ESC). The ESC is comprised of IMF staff, donor partners, and member countries. The ESCs role is to provide strategic guidance and ensure that the evaluation follows the principles of the IMF's Common Evaluation Framework. The ESC will review the key evaluation inputs and deliverables: terms of reference, inception note, draft evaluation report, and the responses to recommendations. The final evaluation report will be shared with the Steering Committee, and an action plan will be developed to address recommendations. METAC plans to organize a half-day interim Steering Committee meeting in conjunction with the Center's 20th Anniversary event, on December 4-5, 2024, in Cairo, Egypt, to introduce and discuss the objectives, methodology, process, and timeline of the evaluation.

STAFFING CHANGES

METAC's team expanded greatly in FY24. METAC recruited eight regional advisors (five of which are for new LTX positions) and two local team members (both new positions).

In the regional advisor team, Mr. **Rosen Bachvarov** joined METAC in July 2023 as Tax Administration Advisor, succeeding Ms. **Fadia Sakr**, who moved to the IMF's Fiscal Affairs Department. In September, Mr. **Andrew Allan** joined as Customs Administration Advisor, succeeding Mr. **Djamel Bouhabel**, who left METAC at the end of July. Also in September, Ms. **Sabine Corm** joined METAC as Tax Administration advisor with a focus on Fragile and Conflict-Affected States (FCS)—the first of three advisors financed under the IMF's FCS strategy. In early October, Ms. **Elirjeta Pepaj** succeeded Mr. **Issam Alsammak** as Regional Advisor on national accounts and price statistics. In November, Ms. **Lusine Margaryan** joined as Financial Supervision and Regulation Resident Advisor with a focus on fragile states—the second IMF-funded FCS advisor position. Also in November, Mr. **Amir Hadziomeragic** joined as Government Finance Statistics (GFS) and Public Sector Debt Statistics (PSDS) Advisor, the first position of the three new workstreams

in METAC's portfolio. In December, Ms. **Sarah Bou Atmeh** and Mr. **Nasser Badra** filled the positions of the other two new METAC workstreams, joining as Tax Policy Advisor with a focus on fragile states—the third IMF-funded FCS advisor position and Macroeconomic Framework Advisor, respectively. In July 2024, Mr. **Kevork Baboyan** succeeded Mr. **Jonas Frank** as Public Financial Management Advisor.

In the local METAC team, Ms. **Anastasia Janzer-Araji** joined METAC as a local economist on August 1, 2023. Her main responsibilities include the development and management of METAC's new work programs on climate and gender. Ms. **Sara Wehbi** joined as an Administrative Assistant in late October to support the growing team of regional advisors, focusing on the statistics and macroeconomic framework workstreams.

Mr. **Djamel Bouhabel**, METAC Customs Administration Advisor since February 2022, left the Center at the end of July 2023. Drawing on extensive his experience from a long career in the Canadian Customs, he started the new METAC customs workstream and provided CD on post-clearance audits and various strategic customs topics.

Mr. **Issam Alsammak**, Regional Advisor on national accounts and price statistics since 2018, completed his assignment on October 20, 2023. We thank Mr. Alsammak for his long-standing support to METAC's member countries. Mr. Alsammak provided five years of excellent and dedicated service to building statistical capacity in METAC member countries. Upon completing his METAC tenure, he returned to Statistics Canada.

At the end of FY24, Public Financial Management Advisor Mr. **Jonas Frank**'s tenure at METAC ended after four-and-half highly productive years. We thank Jonas for his longstanding support to METAC's member countries. He provided dedicated and outstanding

service to improving Public Financial Management (PFM) institutions in METAC member countries. In May, he started his new assignment as Regional PFM Advisor for Southeastern Europe, IMF Fiscal Affairs Department, based in Vienna, Austria.

PFM advisor Mr. **Yasser Sobhi** was appointed Vice-Minister of Finance of Egypt in July 2024. We thank Yasser for his great dedication, outstanding work, and positive teamwork since he joined METAC in November 2022, following his tenure as an IMF resident advisor for Saudi Arabia since February 2017. We wish him all the best for his responsibilities at the Egyptian Ministry of Finance, and we look forward to collaborating with him in his new role.

Messrs. Bouhabel, Alsammak, Frank, and Sobhi have been valued colleagues and trusted advisors to member country authorities and METAC colleagues alike. We thank them for their excellent work and collegiality, and we wish them all the best for their new responsibilities and plans.

The METAC team will continue to evolve and grow in FY25. Two new advisors (one to succeed Yasser Sobhi, and one for the new debt management workstream) and two additional local team members (a second local economist and an administrative assistant) are expected to join the Center in the coming months.

TEMPORARY RELOCATION OF INTERNATIONAL STAFF

Following the October 7 attacks and ensuing Gaza - Israel conflict, the IMF decided on a precautionary relocation of METAC's international staff based in Lebanon to ensure uninterrupted CD delivery due to a potential disruption of air travel from Beirut's Rafiq Hariri International Airport in the event of an escalation of hostilities along the Southern Lebanese borders. For the remainder of FY24, METAC's regional advisors have operated from their home countries or third-country locations. Despite the unaltered security conditions, the evacuation status and mission suspension for Lebanon was lifted in early April, allowing the return of international METAC staff starting May.

Due to a renewed increase in regional tensions and the suspension of many international flights, international METAC staff had to relocate once more outside Lebanon at the beginning of August 2024. In addition, international flight cancellations to Amman resulted in a temporary mission suspension to Jordan. This created serious operational challenges for METAC, as most regional workshops and offsite missions for Iraq, Lebanon, Libya, and Yemen have been organized in Amman. Consequently, to ensure operational continuity and CD delivery, METAC was forced to temporarily move regional events and offsite missions to other locations. This includes alternative locations in member countries (notably Cairo and Tunis) and outside the METAC region (e.g., Dubai, Kuwait, or Istanbul).

APPENDIX I

SUMMARY DESCRIPTION OF FY24 ACTIVITIES

This annex describes briefly regional workshops (subsection A), and country-level activities (subsection B) undertaken in FY24. It is a valuable narrative to the results-based management analysis provided earlier in the report.

A

REGIONAL WORKSHOPS

**REGIONAL WORKSHOP ON
MEASURING GROSS CAPITAL
FORMATION (MAY 7-11, 2023)**

In collaboration with the IMF's Middle East Center for Economics and Finance (CEF), METAC conducted a five-day workshop on Measuring Gross Capital Formation. The workshop was attended by 34 participants from 16 Arab countries and covered concepts, data sources, and measurement methods to compile estimates of gross fixed capital formation, changes in inventories, consumption of fixed capital, and stocks of produced assets at current prices and in volume terms.

**REGIONAL WORKSHOP ON "IFRS9:
A SUPERVISORY PERSPECTIVE"
(MAY 29-JUNE 1, 2023)**

METAC and CEF jointly organized a regional workshop on "IFRS9: A Supervisory Perspective". The purpose

of the regional workshop was to build the knowledge of the participants on IFRS 9 standard, guide them on the role of the supervisor, discuss the implementation challenges and exchange country experience. The course was attended by 36 participants from 14 countries. The course presented the key requirements of IFRS 9, the guidance on the staging of credit risk and the evaluation criteria. It also provided in-depth sessions on the Expected Credit Loss (ECL) model assessment, the role of the supervisor in interrogating the key components of an ECL framework, and the importance of governance and control frameworks for an effective ECL. The course provided case studies on how to practically identify deficiencies in ECL frameworks. The participants were actively engaged and interacted enthusiastically during the course, and the feedback was encouraging.

**REGIONAL WORKSHOP ON
COMPILING SUPPLY AND USE
TABLES (JUNE 11-15, 2023)**

In collaboration with the Arab Institute for Training and Research in Statistics (AITRS), METAC conducted a five-day workshop on Compiling Supply and Use Tables (SUTs). The workshop was attended by 23 participants from 12 Arab countries and covered topics such as data sources and practical compilation techniques, balancing methods, transforming SUTs into Input-Output tables, and compiling SUTs in volume terms. Participants benefited from presentations by the IMF expert, exercises for self-learning, and peer-to-peer learning through discussions on country practices.

REGIONAL WORKSHOP MANAGING TAX COMPLIANCE RISKS IN THE OIL AND GAS INDUSTRY SECTOR (JULY 10-13, 2023)

METAC organized a regional workshop on “Managing Tax Compliance Risks in the Oil and Gas Industry Sector” in Amman, Jordan. It was attended by 28 participants from 13 METAC countries and three Gulf Cooperation Council countries. Through a pre-questionnaire and country presentations, participants identified the most significant challenges their tax administrations are facing in managing the Oil and Gas sector. IMF experts addressed



in plenary sessions common and country-specific risks and the Oil and Gas value chain, examined the

characteristics of the sector, and identified risks at each phase of the industry lifecycle.

REVISED BASEL CORE PRINCIPLES FOR EFFECTIVE BANKING SUPERVISION (SEPTEMBER 12-13, 2023)

The Basel Committee on Banking Supervision (BCBS) recently issued a public consultation on revisions to the Core Principles for effective banking supervision, standards which stand as the de facto minimum for sound prudential regulation and supervision

of banks and banking systems universally. The IMF Monetary and Capital Markets Department (MCM), alongside METAC and other IMF Regional Technical Assistance Centers, organized webinars on “Revised Basel Core Principles for Effective Banking Supervision”, which aimed to raise awareness about the consultation and delve into the proposed changes. Topics covered included financial risks,

operational resilience, systemic risk, digitalization of finance, climate-related financial risks, and more. Representatives from the IMF and World Bank also highlighted the use of the Core Principles in the Financial Stability Assessment Program (FSAP). The events drew significant attention, demonstrating strong interest in the evolving standards of banking supervision across diverse regions.

MEASURING FINANCIAL SERVICES (OCTOBER 1-5, 2023)

In collaboration with the CEF, METAC conducted a five-day workshop on Measuring Financial Services. The workshop was attended by 30 participants from 11 Arab countries and covered the techniques and methods used to estimate financial services in nominal and volume terms, their impact on the sequence of accounts, and estimation of financial institutions’ output, intermediate consumption and gross value added as recommended by the 2008 System of National Accounts.



MACRO-FISCAL POLICY PLANNING AND ADVISORY (OCTOBER 9-12, 2023)

The four-day course on Macro Fiscal Planning was conducted at the IMF CEF in Kuwait, involving 33 participants from 13 countries, bringing together mid-to senior-level officials of central banks, ministries of finance, economy and planning in the region. The objective was to enhance their understanding and share practical experiences in macro-fiscal policy planning and advisory. The course was delivered

through lectures, roundtable discussions, and workshops, including live policy simulations.

Most Ministries of Finance in the Middle East and North Africa (MENA) region have started to develop macro-fiscal functions. Other ministries and central banks have also put policy formulation as a key priority in their list of reforms. Macro fiscal planning is becoming increasingly important in the MENA region. For instance, it is crucial for crisis management when countries need to best manage their scarce resources or when they need

to efficiently plan the use of natural resource windfall profits over the medium term. While centralized to serve staff working on Medium-term Fiscal Frameworks (MTFF), this training program was designed to open new horizons for policymakers' aides towards deploying multi-layered, wide-scope, and diligent thinking, as they address their core functions, including macro-fiscal and policy planning. The course addressed theories, concepts, and selected intuitive lessons to serve the purpose.

ORGANIZATIONAL DESIGN OF TAX ADMINISTRATIONS (OCTOBER 23-26, 2023)

The four-day workshop delivered at IMF CEF in Kuwait was attended by 26 officials from 14 countries. Based on the VITARA modules on 'Organization' and 'Institutional Governance', the workshop provided an overview of international good practices in organizational design and institutional governance in modern tax administrations. As most of the participating countries are under continuous pressure to enhance revenue mobilization, they face the challenge of optimizing their structures, processes, and systems. By means of lectures,



presentations, discussions, and interactive case studies, participants gained insights into the significance of adopting a systematic approach to organizational (re)design and the essential governance requirements

for achieving effective tax administration. Participants appreciated the usefulness and comprehensiveness of the workshop, acknowledging that they had gained valuable insights and understanding of the topics.

REGIONAL WORKSHOP ON GENDER AND INCLUSION (NOVEMBER 7-9, 2023)

METAC hosted a workshop on gender and inclusion in Amman, Jordan, in collaboration with the Inclusion and Gender Unit of the IMF's Strategy and Policy Review Department. The workshop covered the main indicators and trends of gender disparities and highlighted the channels through which gender inequality affects

macroeconomic outcomes, making gender considerations macro-critical. It showcased user-friendly toolkits developed by the IMF to facilitate the analysis of gender inequality's macro impact. For instance, the child marriage toolkit demonstrates the potential increase in GDP per capita growth rate that could result from reducing child marriage. The course also discussed various measures of inclusion and presented a modelling framework to analyze the distributional impacts of

policy reforms. Participants included staff from the ministries of finance and central banks from Egypt, Jordan, Lebanon, Libya, Morocco, and Tunisia. Representatives from the United Nations Population Fund (UNFPA) and the Jordanian National Commission for Women also attended. The workshop received positive feedback, and METAC is exploring potential avenues for further engagement on inclusion and gender.

COURSE ON TOOLS FOR MONETARY POLICY IMPLEMENTATION (NOVEMBER 12-16, 2023)

METAC and the Central Bank Operations Division of the Monetary and Capital Markets Department (MCMCO) provided a course at the CEF-Kuwait on the **monetary policy implementation tools** currently developed by MCMCO. The course presented how to (1) use advanced forecasting techniques to estimate autonomous factors of the central bank balance sheet; (2) estimate and implement foreign exchange intervention rules based on a risk approach; and (3) introduced the participants to stress testing central bank balance sheets. The workshop was attended by 21 participants from 14 central banks of the METAC and GCC region. They valued both the concepts conveyed in the lectures and the practical usefulness of the hands-on workshops. Participants suggested lengthening the duration



of the course to allow for more in-depth coverage of all aspects of the tools, including (1) theoretical framework; (2) software language;

and (3) hands-on applications. METAC and MCMCO have suggested to CEF to plan a similar course for FY25.

COURSE ON BUDGET EXECUTION AND COMMITMENT CONTROL (DECEMBER 6-8, 2023)

The first edition of this hybrid course on budget execution, conducted at the CEF, involved 26 participants from

13 countries in the MENA region. The course brought together mid-to senior-level officials from ministries of finance to enhance their understanding of and share practical experiences in supporting international good practices in budget execution and

its linkages to cash management and arrears prevention. In addition to lively interaction, the course offered well-received peer learning opportunities in which participants presented their countries' experiences in budget execution.

MODERNIZING CUSTOMS PROCEDURES TO ACHIEVE THE OBJECTIVES OF THE AFRICAN CONTINENTAL FREE TRADE AREA (JANUARY 16-18, 2024)

METAC supported a Regional Workshop for its member countries implementing the Protocol on Trade in Goods of the African Continental Free Trade Area (AfCFTA) in Cairo, Egypt. Participants, which included METAC members Egypt, Libya, Morocco and Tunisia; additionally, Somalia and the Arab Maghreb Union were also represented. The workshop was opened by the IMF, the Representative



of the Embassy of Japan in Egypt, and the Commissioner General of Egyptian Customs Authority (ECA), who emphasized the criticality of this agreement between 54 signatory countries to boost trade, economic integration, and growth. The group

discussions covered the need to improve the management and control of African preferential origin of goods; progressive intra-African tariff elimination and adoption of further trade facilitation measures/removal of non-tariff barriers.

**PILLAR 2 SUPERVISORY
APPROACHES WITH A FOCUS ON
INTEREST RATE IN THE BANKING
BOOK (IRRBB)
(JANUARY 29-FEBRUARY 1, 2024)**

The regional workshop was conducted in Istanbul, Turkey, and aimed at enhancing the supervisors' knowledge of (1) the Pillar 2 supervisory review approaches; (2) IRRBB risk and its measurement techniques; (3) to learn how to review the Internal Capital Adequacy Assessment Process (ICAAP) submission by banks; and (4) how to use stress test results to develop Pillar 2 capital and liquidity buffers. The workshop was rich in round table discussions and case studies on business model and IRRBB measurement in which the participants were actively engaged. In addition to the two in-person core speakers, the workshop included a remote participation of five other speakers from the Basel Committee for Banking



Supervision BCBS (Secretary General), the Financial Stability Institute (Deputy Chairman), the IMF, and the Bank of Finland. The presenters shared their views on the lessons learned from recent bank crisis, notably the banks' business model and the aspect of digitalization, the active topics on BCBS agenda, the aspects of good

supervision, climate related risks, and the role of countercyclical buffer from an economic angle. The course was attended by 22 participants from 12 Arab countries. The participants expressed great appreciation for the course's value, its relevance for their work, and the broadening of perspective on supervision practices.

**REGIONAL WORKSHOP ON THE
MACRO-ECONOMICS OF CLIMATE
CHANGE, AMMAN, JORDAN
(MARCH 5-7, 2024)**

Delivered in collaboration with various IMF departments, the event discussed the macro-criticality of climate change, policy options for mitigation and adaptation, and related good public financial management practices, resilience of financial institutions to climate risks, and climate finance tools. The three-day workshop was delivered to 42 in-person participants from 13 countries (9 METAC members and 4 GCC countries) and 7 remote participants. Jordan's Minister of Environment Dr. Muawieh Radaideh provided opening remarks, highlighting the importance of addressing climate change challenges in the region. In peer-to-peer exchanges,



workshop participants shared valuable country experiences. The lectures and tools were presented by nine facilitators from the IMF Institute for Capacity

Development (ICD), Middle East and Central Asia Department (MCD), Fiscal Affairs Department (FAD), and the Research Department (RES).

WORKSHOP ON “COUNTER-TERRORIST FINANCING MECHANISMS AND REQUIREMENTS” (MARCH 2024)

AML/CFT Advisor Peter El Sharoni contributed to a workshop on Combating the Financing of Terrorism (CFT) in Abu Dhabi, UAE, in collaboration with the Middle MENAFATF, the FATF, the United Nations Office on Drugs and Crime and the German Agency for International Cooperation (GIZ). His contribution was based on the IMF’s 2023 CFT book. Main topics discussed were the assessment of terrorism financing risks and the challenges facing countries in implementing effective regimes to combat terrorism financing.



CEF - ICD - METAC WORKSHOP ON MONETARY POLICY (APRIL 15-16)

METAC advisors Stefaan Ide and Nasser Badra contributed to a workshop on Monetary Policy and the Macroeconomic Management in Resource Rich Countries courses at CEF in Kuwait. Topics included monetary transmission mechanisms, the role of monetary policy in macroeconomic stabilization, and the operationalization of monetary policy frameworks in pegged exchange rate regimes. The program comprised lectures and interactive workshops, featuring country case studies to illustrate appropriate monetary policy responses to various shocks.

Macroeconomic Frameworks advisor Nasser Badra participated in various Regional Workshops during the fourth quarter of FY24. In the CEF-ICD-METAC Workshop on Monetary Policy and the Macroeconomic Management in Resource Rich Countries courses, Nasser Badra contributed lectures



on “Monetary Policy in Managed Exchange Rate Regimes” and “Monetary and Exchange Rate Regimes in Resource-Rich Countries”. During the regional Workshop on

“The Macro-economics of Climate Change”, he moderated a discussion on the Moroccan experience under the RSF.

CAPACITY DEVELOPMENT AND TRAINING ACTIVITIES

CENTRAL BANK OPERATIONS

ALGERIA

June 18-22, 2023: At the request of the Banque d'Algérie (BA), METAC provided a follow-up mission as part of the project of setting up a credit rating system for non-financial corporations. The project was launched during the December 2022 mission and 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). This focused, hands-on mission provided clarification and follow-up on outstanding recommendations of the initial mission and an update of the detailed roadmap, taking BA's progress

and experience so far into account. The mission found that BA has made good progress at the organizational level but more needs to be done with respect to data collection to allow for a country-specific statistical calibration for the credit rating process.

September 18-19, 2023: Following the Arab Monetary Fund (AMF) High-Level Workshop in Algiers (see above), METAC conducted a follow-up consultation with the Banque d'Algérie (BA) on the ongoing technical assistance (TA) project of establishing an internal credit rating system for credit claims. METAC and BA agreed that the next steps on the roadmap will be delivered in-person given the confidentiality of the input data of the project.

January 29-February 1, 2024: At the request of the Banque d'Algérie, METAC provided a follow-up technical assistance mission to set up a credit rating system for non-financial corporations to allow bank credit claims to be accepted as collateral in central bank liquidity-providing operations. Under this project METAC delivered short and targeted follow-up missions at regular intervals conditional on the actual progress made. This mission delivered tools for the hands-on implementation of the methodology based on the country-specific calibrations of the relevant financial balance sheet ratios to achieve a credit rating scale for Algerian non-financial corporations. The next step of the project will be the mapping of the credit rating scale into a haircut schedule for credit claims.



DJIBOUTI

May 28-June 6, 2023: At the request of the Banque Centrale de Djibouti (BCD), METAC provided a technical assistance mission on domestic liquidity management. The mission focused on introducing and operationalizing reserve requirements. The mission found that reserve requirements would provide several beneficial roles in Djibouti's currency board arrangement, absent other safety nets. The mission provided guidance on all parameters of the reserve requirement. Given limited absorption capacity and the limited track record of implementing previous TA recommendations, METAC stands ready to provide hands-on follow-up support.

December 17-21, 2023: At the request of the Banque Centrale de Djibouti (BCD), METAC provided CD on the implementation of reserve requirements. This mission followed a first METAC mission on this topic in June 2023. The BCD has expressed its intention to introduce reserve requirements in early 2024. Throughout the mission there was an intensive collaboration with the staff of the newly created "Pôle Réserves Obligatoires". The mission was hands-on in nature and provided regulatory texts and ready-to-use tools. An updated, granular roadmap should provide sufficient guidance to the BCD to achieve an immediate implementation. METAC stands ready to further support

the implementation of the reserve requirements through remote or field-based delivery.

March 4-5, 2024: METAC facilitated a peer learning program on the implementation of reserve requirements for the Banque Centrale de Djibouti (BCD) at the Bank Al Maghrib (BAM). As the BCD is preparing the introduction of reserve requirements in CY24, the visit was timely and allowed to share and clarify all outstanding aspects of adopting and implementing reserve requirements in practice. BCD benefited from discussions with peers from the BAM's Monetary Policy Division as well as the Banking Supervision Department. METAC and BCD are appreciative for BAM's efforts in co-organizing the program.

IRAQ

October 15-18, 2023: At the request of the Central Bank of Iraq (CBI), METAC provided a four-day TA mission on domestic liquidity management and on developing an interbank market in domestic currency. The CBI has made significant progress since the initial TA mission in March 2023 in adopting an active domestic liquidity management to support the exchange rate peg. The mission reiterated the outstanding recommendations on domestic liquidity management and provided advice for fine-tuning, among others, to support open market operations office (OMO)



implementation that would encourage interbank activity. There is currently no interbank market in Iraq and the

mission provided recommendations on the preconditions and basic features to kickstart an interbank market.

LEBANON

May 2-12, 2023: At the request of the Banque du Liban (BdL), METAC delivered a scoping mission for Technical Assistance (TA) on the functioning of the foreign currency (FX) market. At the start of the mission the BdL-Governor stated the objective to move towards a floating exchange rate with a transparent, market-determined pricing mechanism. The mission provided clear guidelines and an action plan to introduce an electronic interbank trading platform. Moreover, the interbank market should be guided by transparent rules and compliance checks and an automated, electronic trading platform will allow for a transparent pricing mechanism and reference rate. The mission stressed that an electronic trading platform is a technical tool but needs to be supported by a broader policy measure to obtain a liquid two-way FX market with a market-clearing rate.

October 26, 2023-April 19, 2024: At the IMF Annual Meetings in October 2023, the Banque du Liban (BdL) requested support to guide the set-up of an electronic Foreign Exchange (FX)

trading platform with high priority. This request was a direct follow-up to a May 2023 METAC scoping TA mission. Due to the tensions in the region following October 7th and their direct impact on Lebanon, the BdL has put the implementation of the FX electronic trading platform on hold until further notice. Once the BdL resumes its efforts on this project, METAC is ready to re-engage and provide technical assistance in FY25.

September 11-13, 2023: An IMF staff team visited Lebanon from September 11-14, 2023, to discuss economic and political developments. METAC CBO advisor assisted the mission on foreign exchange related matters, including discussing TA request from the authorities in this area.

LIBYA

March 18-April 26, 2023: METAC provided a remote diagnostic mission on foreign reserve management to the Central Bank of Libya (CBL). This was the first IMF engagement with the CBL on central bank operations in over a decade. The mission recommended

strengthening the governance of the reserve management activity by assigning the appropriate hierarchical decision-making levels. All foreign reserve management processes should have clear rules and formal documentation of authority. The mission also recommended introducing benchmarked portfolio management. METAC will support the CBL in implementing the recommendations of the diagnostic mission in FY25.

YEMEN

September 1-October 19, 2023: At the request of the Central Bank of Yemen (CBY), METAC provided guidance on the reorganization of the General Investment Department. To support strengthening the foreign reserve management capacities METAC assisted the CBY to prepare this department's staffing. The remote mission tasks included defining the proper roles and responsibilities of the front and middle office of their Foreign Reserve Department. This will allow the CBY either to hire externally or reallocate staff with adequate skill set within the bank.

October 5 - 9, 2023: At the request of the Central Bank of Yemen (CBY), METAC provided training on basic concepts of Foreign Exchange (FX) reserve management. The CBY selected 5 staff members to participate in a 5-day in-person training in Amman. The training focused on the governance framework, financial products for FX reserve managers and IMF reserve management guidelines. The training was well-received by the participants and benefited from highly interactive discussions.



FINANCIAL SUPERVISION AND REGULATION

ALGERIA

July 23-27, 2023: METAC supported the Banque d'Algérie (BA) in developing new regulations for banks and financial institutions to regulate their outsourcing activities. The regulation was developed in line with EBA (European Banking Authority) guidelines and was tailored to the Algerian banking sector characteristics and legal framework. The regulation defines the essential outsourced activities and develops the minimum expectations regarding the outsourcing process. This includes the internal governance arrangements, risk

management, and controls that should be in place to manage and control the risks related to outsourcing activities. It also addresses considerations related to conflict of interests, cross border relationships, and business continuity plan. The mission also provided capacity building to the METAC 5th *Newsletter May-July 2023* supervisors on the risks and challenges related to outsourcing arrangements to enhance their understanding, awareness, and their capacity to assess these risks.

October 15-19, 2023: The mission's objectives were to (1) propose final enhancement to the risk rating methodology; (2) advise on the framework that relates the risk rating category

of banks to an array of supervisory measures for early intervention; and (3) review the documentation of the rating architecture, processes, and procedures. It reviewed the quantitative aspect of the methodology and introduced new indicators for each type of risk, and individual risk weights to improve the overall rating. The mission also advised on the types of supervision, the process, tools, and intervention measures for each rating category considering the bank's size and systemic importance. It further reviewed the documentation of the rating methodology, including the composition and role of the committee responsible for the validation of risk ratings.

EGYPT

December 17-21, 2023: The mission assisted the Central Bank of Egypt (CBE) on the **development of consolidated supervision**. It built on a previous mission in October 2022, which discussed the main aspects of consolidated supervision of the banking sector, including international standards and practices. The mission's focus was on the development of internal guidelines to support CBE's supervisors in the implementation of consolidated supervision. The guidelines set out the nature and purpose of consolidated supervision and the



application of key regulatory requirements and supervisory practices and crisis preparedness. They highlight the importance of a good understanding

of group structures, to construct a comprehensive view of all group risks, and to ensure that bank groups are adequately supervised in practice.

February 11-15, 2024: Based on the request of Central Bank of Egypt (CBE) to assist the Licensing Sector (Governance Unit) on the development of the CBE's work on **banking sector corporate governance**, the mission (1) presented an overview on topics of conflicts of interest in bank governance, the role and composition of board sub-committees, approaches to assessing governance in practice and fit and proper requirements applied to banks' Boards of Directors and senior managers, highlighting international standards and practices, (2) shared comments on the CBE's governance regulations, and (3) provided advice on the enhancement of banks' corporate governance regulations, assessment processes and the next steps.



IRAQ

September 18-22, 2023: The mission conducted a workshop with the objectives to (1) build the capacity of the CBI supervisors to effectively monitor, supervise and regulate the Domestic Systemically Important Banks; and (2) review the framework recently developed by the CBI to deal with D-SIBs. The workshop presented the concepts, the principles, the framework, the assessment methodology relating to D-SIBs and the supervisory measures recommended by the Basel Committee on Banking Supervision (BCBS) guidelines and best international practices. It also focused on how to supervise State-Owned Banks (SOBs) and the challenges faced in dealing with these banks. This is highly relevant to the CBI banking system given that most of the D-SIBs are SOBs. The mission proposed enhancements to the framework regarding classifying D-SIBs in line with BCBS guidance and experience of other jurisdictions.



April 14-18, 2024: A remote mission assisted the Central Bank of Iraq (CBI) in **enhancing its supervisory reporting for Islamic banks** and building the capacity of its supervisors. The mission helped (1) amending the Financial Position (FP) & Income Statement (IS) of Islamic banks reported to CBI for supervisory purposes; (2) developing reporting guidelines related to these statements; (3) reviewing the existing supervisory templates and developed additional ones to supplement the revised FP and IS; (4) providing a comprehensive capacity building training on the components of the amended FP, IS and templates and their use in supervision; and (5) providing an overview of relevant *Accounting and Auditing Organization for Islamic Financial Institutions* accounting standards while highlighting the similarities and differences with IFRS standards where applicable. The goal of the mission was the development of a well-structured reporting for Islamic Banks, which helps in building a coherent database. Such a database is an essential element

for enhancing risk-based supervision and understanding Islamic banks' risk profiles.

JORDAN

July 16-20, 2023: METAC assisted the Central Bank of Jordan (CBJ) in implementing the first step of the multi-step roadmap devised in November 2022 for the implementation of the Supervisory Review and Evaluation Process (SRP) framework. The mission involved questions and answers (Q&A) sessions and discussions of CBJ's ongoing projects on the risk rating framework's various blocks, global SRP architecture, and its related processes. The mission provided advice on the first versions of the associated quantitative (Key Risk Indicators) and qualitative (questionnaires framing expert judgment) aspects of the framework. It recommended to streamline the CBJ initial proposals and refocus the analysis to fully cover the main risks faced by the Jordanian banking system. The mission recommended

that additional risks should be added in the SRP (for example, IRRBB) at a later stage, stress testing results and ICAAP analysis should be also incorporated to reinforce the forward-looking aspect of the framework in addition to establishing a matrix linking between the main SRP scoring and a range of capital and liquidity add-ons (Pillar two Requirement P2R).

November 1-3, 2023: Upon the request of the Central Bank of Jordan (CBJ), METAC conducted a **desk review of the draft regulation on loan classification and loan loss provisioning** prepared by the CBJ's team, which amended the old regulation no. 24/2009. The regulation was revised based on the last FSAP recommendations to close important gaps in the existing regulation. The mission provided a list of recommendations to further enhance the amended regulation, address the gaps and align with international best practices, notably in the areas of loan restructuring, loan provisioning, write-off, and assets acquired in settlement of debts.

MOROCCO

January 16-20, 2024: METAC assisted the Bank Al Maghrib (BAM) in **reviewing the requirements of Basel III Fundamental Review of the Trading Book (FRTB)** and identifying the main gaps in BAM's current market risk framework. The mission presented to BAM the major enhancements to the market risk framework provided by FRTB and how the European Union (EU) incorporated these new requirements in its regulatory framework and addressed certain implementation issues. The mission discussed the various simplified, standard, and advanced approaches of FRTB, outlined several specificities of the Moroccan banking system that would require more investigations



to assess the implications of FRTB and recommended BAM to decide on the most appropriate approach.

It also discussed the structure of the regulation and developed a roadmap for FRTB implementation.

April 15-19, 2024: METAC assisted Bank Al Maghrib (BAM) in preparing the **implementation of the Fundamental Review for the Trading Book (FRTB)** requirements under Basel III market risk capital requirements, achieving the first actions defined with BAM in the roadmap set in January 2024. The mission developed (1) a draft circular on the boundary between the Trading Book (TB) and the Banking Book (BB); and (2) a methodological guide for calculating capital requirements under the standard approach and Excel templates for calculating standard approach sensitivities for the Generalized Interest Rate Risk (GIRR) instruments, including the calculations of delta, vega, and curvature sensitivities under three scenarios.

WEST BANK AND GAZA

June 18 – July 3, 2023: In response to a request from the Palestine Monetary Authority (PMA), METAC conducted a virtual mission to review the PMA's current regulatory and supervisory frameworks for credit classification and provisioning under IFRS 9. It identified the gaps in the current regulatory framework causing the variances between the regulatory and accounting provisioning. The mission proposed a list of recommendations to address the regulatory gaps, enhance the classification of loans and the definition of restructuring and the criteria for the curing period of restructured loans. It proposed enhancing the IFRS 9 model risk management and governance. The mission also provided the examiners

with a set of examination procedures to guide them in performing their supervisory review process tasks of IFRS 9 implementation.

April 21-25, 2024: The mission assisted the Palestine Monetary Authority (PMA) in **enhancing the risk-based supervision (RBS) of banks** and discuss a follow-up TA project on transitioning to a single risk assessment methodology. The mission provided a detailed overview of the Supervisory Review Process (SRP) using the EU Supervisory Review and Evaluation Process (SREP) framework as an example. Over five days, participants were introduced to various elements of SREP, including its basics, objectives, Risk Matrix, management of Interest Rate Risk in the banking book (IRRBB), Business Model and internal governance and risk management assessment. The mission highlighted the importance of using SRP results to determine additional capital and liquidity requirements, as well as devising the SRP to allocate the supervisory work on a risk basis. An action plan was developed to provide subsequent RBS TA.

YEMEN

September 24-26, 2023: The mission developed a Technical Assistance (TA) workplan in supervision and regulation for the Central Bank of Yemen (CBY). The mission had extensive discussions with senior representatives from CBY who presented the current landscape of the banking system, risks

and challenges, the regulatory and supervisory frameworks (current and planned) and helped to clarify the TA priority needs. The mission team also met with the other main TA providers in Yemen (USAID-Pragma and World Bank) to ensure close coordination of CD provided to the authorities. The mission produced a medium-to-long-term workplan identifying and prioritizing TA topics and allocating them among potential TA providers. The workplan was designed to strike a balance between addressing imminent risks and advancing the implementation of international requirements and best practices, with the aim of fostering a more resilient banking system.

November 8-10, 2023: Upon the request of the Central Bank of Yemen (CBJ), METAC conducted a **desk review of the draft regulation on the appointment requirements for board members** and senior positions at banks. The purpose of this regulation is to (1) determine the senior positions in banks that require CBY's written prior approval for appointment; (2) set out the minimum criteria in education and expertise that the candidates should possess to be appointed to senior positions; and (3) set out the minimum fit and proper criteria and disclosure requirements that the banks should adopt to assess the fitness and propriety of candidates. The mission provided a list of recommendations to further enhance the draft regulation in line with best practices with due care to proportionality consideration and to the special conditions of the Yemeni banking and financial system.

January 6-11, 2024: METAC conducted a workshop with the objectives of (1) building the capacity of Central Bank of Yemen's (CBY) supervisors on **assessing of banks' licensing applications and fitness and propriety of board directors (BOD) and Senior Management (SM)**; and (2) finalizing the **draft regulation prepared by the CBY on fit and proper criteria requirements for BOD and SM**. The mission took place in Amman, Jordan, with six participants from CBY's licensing department, including the deputy head of supervision and the head of the licensing department. It presented the licensing and fit and proper assessment and highlighted the importance of having in place an adequate due diligence as a first line of defense to new licensed players in the financial system. The mission also presented METAC's recommendations



on the draft regulations for licensing of micro-finance banks and the fit and proper criteria for BOD and SM, explained the rationale behind and the proposed measures to align with best practices with proportionality consideration. It discussed the challenges faced by CBY's licensing staff

in the process of licensing new banks and assessing the appropriateness of the BOD and SM. The participants expressed great satisfaction with the outcome of the mission and revealed preparedness to implement the mission's takeaways.

PUBLIC FINANCIAL MANAGEMENT

DJIBOUTI

May 7-11, 2023: A METAC mission supported the Ministry of Budget in its objective to develop its budget preparation process, mainly on improving the budget projections and medium-term forecasting. The mission developed, in close collaboration with the budget preparation department, a new framework that is user friendly and well-focused on the budget details. Medium-term forecasting, mainly on the revenue side, was prepared with the participation of tax agencies, with discussions focusing on the main factors influencing revenue performance. The MTFF complements the Ministry of Finance (MoF) and Economy's efforts and output of the country's economic model.

January 8-18, 2024: A joint mission from the IMF's Fiscal Affairs Department (FAD) and METAC visited Djibouti to assist the authorities in **strengthening the budget preparation process** and advise on the prerequisites for effective implementation of the medium-term budget framework (MTBF) and performance-based budgeting (PBB). The mission worked with the authorities to support their reform plans in budget preparation including strengthening the strategic approach, reviewing the budget calendar, building capacity and in taking experimental steps when considering MTBF and PBB.

January 18-25, 2024: A METAC mission supported the Ministry of Budget to present and implement the **analytical tool for preparing cash**

forecasting (CFAT), developed by the fiscal affairs department (FAD) at the IMF. It is a continuation of METAC's technical support to help improve cash management in Djibouti during the last few years. The mission worked with the treasury department team responsible for forecasting the use of the CFAT to enhance the quality of forecasting and improve cash management. Discussions also included the process for collecting data and enhancing coordination between the forecaster and the various departments (debt, budget, and so on) to enrich the cash flow forecast, in addition to start preparing the pre-requisites for the implementation of the treasury single account (TSA).

February 11-22, 2024: A METAC mission supported the Ministry of Budget (MoB) in preparing a roadmap to **enhance the role of the training institute** in building capacity in public finance topics. The MoB aims to improve staff skills and knowledge to support the public financial management reforms. The roadmap proposed by the mission includes steps to develop the strategy, resources, operations, trainers, and resources to upgrade the quality of training. Improving training will have a positive impact, mainly on the MoB and the Ministry of Economy and Finance's performance in fiscal and financial related issues.



EGYPT

May 23-June 1, 2023: A METAC scoping mission identified progress made, and challenges faced in the implementation of the new PFM law, mainly regarding Performance-Based Budgeting (PBB), Medium-Term Budget Framework (MTBF) and the production of a fiscal strategy document. A phased implementation has started but should be completed before the four-year transition period. The mission highlighted that the work done on PBB over the last three years has to be considered as a pilot phase and recommended to take stock of the lessons learned in linking the program designs to the Sustainable Development Strategy, Egypt 2030. The authorities are about to produce a Fiscal Strategy paper and implement an MTBF. The mission stressed that these reforms

are useful in the context of a top-down budget process, where achieving fiscal targets is a clear priority.

December 3-14, 2023: In response to a request of the Ministry of Finance, a joint FAD and METAC mission supported the authorities in drafting a detailed action plan for the full **implementation of the new Public Finance Law** in the areas of medium-term budget framework (MTBF) and fiscal strategy paper. The Law, adopted in February 2022, includes a comprehensive array of reforms and tools aiming at reinforcing fiscal discipline, strengthening oversight mechanisms, and fostering a more efficient and effective allocation of public resources. The mission provided support on the key design elements of a Fiscal Strategy Paper (FSP) and MTBF that will be adopted in the coming years.

February 11-15, 2024: A joint FAD-METAC mission supported the Ministry of Finance (MoF) in the **implementation of medium-term budgeting** stipulated in the new PFM law. The law introduces top-down budgeting which will require new roles for the Budget Department and line ministries. Several workshops helped (1) guiding MoF through different options on setting budget ceilings and ensuring these are in line with the fiscal target/anchor; and (2) discussing the key methodological steps for baseline budgeting and identifying implementation steps. The mission was co-funded by Swiss State Secretariat for Economic Affairs (SECO) as part of a work program with FAD.

IRAQ

June 13-15, 2023: Jointly with the World Bank, METAC conducted a workshop in Amman/Jordan to design a roadmap for TSA implementation. The event gathered 30 participants from key stakeholders including the Ministry of Finance (MoF), Central Bank of Iraq (CBI), and six State-owned banks (SOBs). Participants developed an initial roadmap for TSA implementation, which will be overseen by the newly formed "TSA higher committee". A census of more than 12'000 bank accounts has recently started and will continue in the coming months. A limitation for



an efficient TSA will be the still limited roll-out of the recently procured core banking system. It is anticipated that development partner support, including from METAC, is required along key

steps of the roadmap. The German development corporation Gesellschaft für Internationale Zusammenarbeit (GIZ) participated in the workshop as observer.

March 6-9, 2024: The METAC mission conducted a workshop in Amman/Jordan to follow-up on the **implementation of a Treasury Single Account (TSA)**. The event gathered 37 participants that represent the operational committee from key stakeholders including the Ministry of Finance (MoF), Central Bank of Iraq (CBI), and six State-owned banks (SOBs). Participants discussed main progress and challenges and updated the roadmap for TSA implementation. The government aims to accelerate the process to better control public expenditures. A census of more than



12,000 bank accounts has recently started and will continue in the coming months. A limitation for an efficient TSA is the still limited roll-out of the

recently procured core banking system. The roadmap includes specific steps to be implemented during the next few months to address main challenges.

JORDAN

May 15-18, 2023: METAC supported the Fiscal Commitment Unit (FCU) of the Ministry of Finance (MoF) to strengthen Purchasing Power Parity (PPP) fiscal risk management practices. The mission developed recommendations for the short-and medium term based on meetings with technical staff of line ministries, the PPP Unit, and Public Investment Management (PIM) Unit. It provided a workshop attended by 35 participants (seven from MoF; 28 from line ministries of Energy and Mineral Resources, Investment, Planning and International Cooperation, Water Authority, Water and Irrigation, Transport, and the Greater Amman Municipality/GAM).



The event concluded that three years after the enactment of the 2020 PPP Law, fiscal risk management, reporting, and mitigation measures are still at the initial stages. While MoF has the powers to stop PPP projects at three

critical stages (pre-feasibility, feasibility, contract award), adequate fiscal risk management tools (among others, P-FRAM) would still need to be applied, their use more focused, and embedded in the institutional framework.

September 25-28, 2023: Supporting the Fiscal Commitment Unit (FCU) of the Ministry of Finance (MoF), METAC conducted a three-day training workshop on the PPP Fiscal Risk Assessment Model (PFRAM), including a total of 19 participants from MoF and seven-line ministries. An application of the tool on the largest PPP projects in execution would facilitate monitoring and addressing fiscal risk. The mission also reviewed a draft of the PPP chapter of Jordan's first Fiscal Risks Statement (FRS) which has been finalized by now.



March 10-14, 2024: The mission on expenditure arrears management assisted the Ministry of Finance (MoF) of Jordan to identify the key drivers of **expenditure arrears** and craft an approach to prevent further buildup. This included a workshop with Senior MoF officials to validate findings. Building on the institutional strengths, improved budget execution and comprehensive monitoring can mitigate risks of arrears.

LEBANON

July 31-August 4, 2023: The scoping mission focused on identifying main challenges and opportunities in reviving the macro-fiscal functions at the ministry of finance and enhancing the medium-term fiscal framework (MTFF). The mission worked with the core technical team at the ministry of finance, on reviewing analysis and forecasting for main macroeconomic

sectors, including the real economy, balance of payments, monetary sector, and the fiscal sector (revenue, expenditure, and financing). In addition to building capacity on MTFF topics, the mission agreed with the team on practical steps for updating, simplifying, and using the framework for fiscal and economic analysis and forecasting, towards higher contribution in budget preparation and policy formulation.

November 14-December 12, 2023: The remote joint METAC-STA mission supported the Ministry of Finance in **developing a concept for strengthened budget reporting**, based on a stepwise approach. The mission assessed the feasibility to enhance the Public Finance Monitor report, stopped in December 2021, with critical reporting elements—such as arrears; alignment of reporting on budget advances and treasury advances; payables; and commitments—while ensuring timely issuance in the

current context of staffing constraints and nearly two years of information backlog. The mission validated the concept. Further assistance will be required to define operational details within a timebound plan.

December 12-14, 2023: The remote joint METAC-STA mission supported the Ministry of Finance (MoF) to **enhance the Medium-Term Fiscal Framework**. The mission worked with the MoF team to develop a user-friendly framework that considers the current constraints, while ensuring it is comprehensive, coherent, and includes the core fiscal and economic variables. The main objective is to support the budget preparation process and ensure that fiscal policies are prepared and analyzed within a medium-term macro-fiscal perspective. This mission will be followed by additional support to continue building capacity and improve the tools used in analysis and forecasting.

February 6-10, 2024: A METAC mission worked with an MoF team, representing several departments and divisions, on an offsite mission in Amman, to continue developing the Medium-Term Fiscal Framework (MTFF) and enhancing capacity in fiscal analysis and forecasting. This has helped to ensure ownership and continuity of using the framework in internal work related to budget preparation and fiscal analysis. The mission focused on updating the fiscal database and revenue forecasting. Members of the macroeconomic unit were trained in basic forecasting techniques and in creating alternative economic and fiscal scenarios by using the framework.



LIBYA

May 14-18, 2023: The mission worked with an MoF team, on an offsite mission in Tunisia, to continue developing the MTFF and enhance the staff's capacity to self-manage the framework. This will help to ensure ownership and continuity of using the framework in the future budget preparation and fiscal analysis. The members of the macroeconomic unit were trained in basic forecasting techniques and in creating different economic and fiscal scenarios by using the framework. The mission also provided an outline of a policy document, to be prepared by the unit, to initiate fiscal policy discussions in the government.

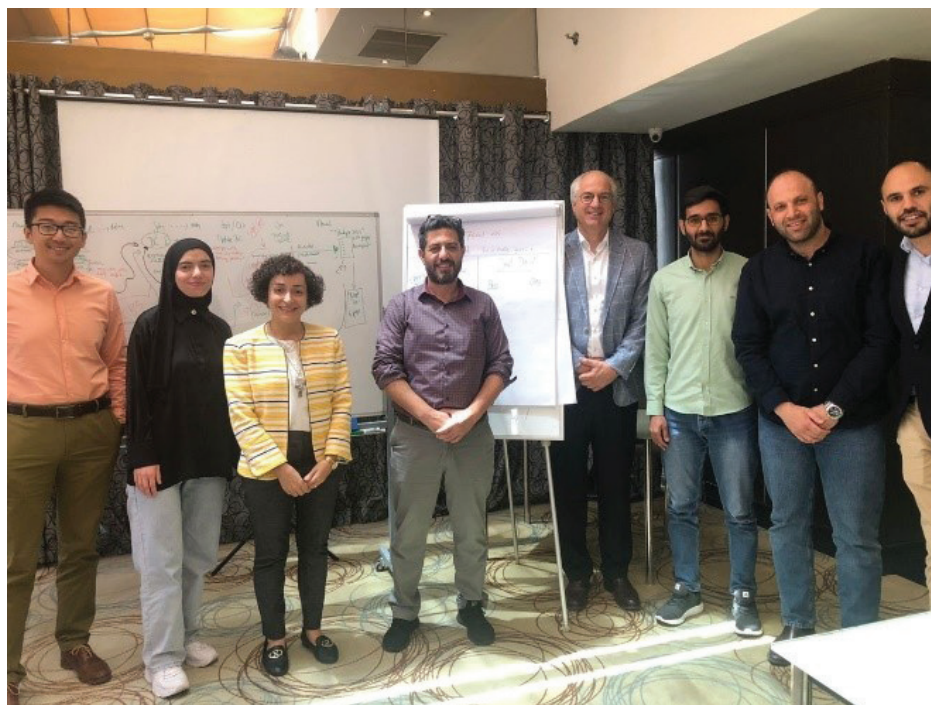
MOROCCO

February 15-26, 2024: Morocco has taken several steps in implementing mitigation and adaptation policies, mainly to address climate shocks including repeated droughts during the last few years. The Ministry of Economy and Finance introduced an analytical section on fiscal risk analysis in its annual budget reports but didn't yet include climate related fiscal risks. A joint HQ/METAC mission supported the authorities in **assessing the long-term impact of climate change** and rising sea level **on debt and GDP**, using new IMF models and tools. The aim was to enhance fiscal risk analysis by adding climate change-related fiscal risks.

April 15-24, 2024: During the last few years, METAC supported the Ministry of Economy and Finance, through the "Inspection Generale des Finances" (IGF), in the **rollout of an internal control system** in the government's ministries. The recent METAC mission continued the work with focus on **internal auditing**. Morocco has made significant progress in developing internal auditing. The mission assessed the progress of the internal auditing function in eight ministries, identifying the training needs, and developing an audit training plan and provision of tools necessary for this plan, in addition to the identification of needs in the information systems. An update on the deployment of the internal audit's roadmap was also provided.

WEST BANK AND GAZA

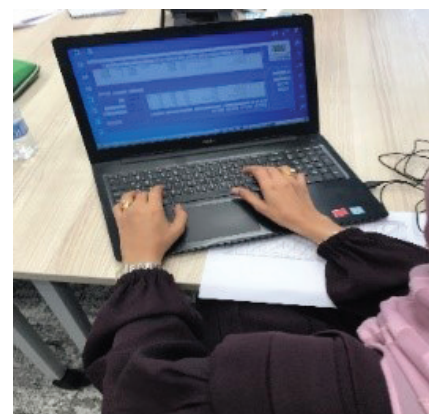
May 30-June 1, 2023: The three-day workshop was attended by the Macro Fiscal Unit, the Budget Directorate, and the PFM Coordinator. It assessed fiscal policy documents, instruments, and processes currently in use. The workshop concluded that fiscal strategy needs to be more focused, leaner, and more connected to the budget process. MoF officials developed an outline and initial content of a pre-budget statement, which can set fiscal strategy and a frame for budget planning and implementation. This instrument can still be used for the 2024 annual budget if it is launched before the end of July 2023 along with the budget circular. The FCDO-sponsored PFM program "Takamol" participated as observer in the workshop.



YEMEN

July 8-12, 2023: As part of the programmatic support on budget execution in Yemen, METAC conducted an offsite mission in Amman, Jordan. The mission (1) tested the new expenditure control procedures and supported the Ministry of Finance team to adjust the Excel tool previous to its roll-out to all line ministries; and (2) developed a concept and implementation plan to bring to scale a prototype for a

mobile phone application that allows the sending of financial data between the Ministry of Finance and spending units; this built on the FAD-METAC Hackathon event conducted in Amman in March 2023, during which several prototypes were developed and ranked. The mission was attended by eleven Ministry of Finance officials with staff from the expenditure control team, the cash forecasting team, and IT specialists.



July 8-12, 2023: As part of programmatic support on expenditure control, METAC delivered an offsite workshop in Amman that was attended by 12 officials from the Ministry of Finance. The workshop (1) finalized the commitment

control processes, adjusting the Draft Manual and templates; (2) advanced on developing an Excel tool for tracking information and financial monitoring; (3) developed a concept to address internet connectivity issues based

on a mobile phone application, as a follow-up to the Hackathon from March 2023. The MoF aims to roll out the commitment control processes in early 2024.

January 27-30, 2024: A joint workshop with USAID/PRAGMA aided six officials from the Ministry of Finance of Yemen to plan for the **next steps in the new budget execution processes**. The “cash flow forecasting team” was supported to review the 2024 cash plan and quarter 1 (Q1) forecast prior to its finalization. The “expenditure control team” was supported to feed cash forecasts into the approval steps and update the training plan to line ministries. The commitment control procedures are now based on a cabinet approval and are expected to be rolled across all line ministries in the coming months. This will usefully contribute to the critically important goal of adjusting the rate of spending with available resources.



REVENUE ADMINISTRATION

ALGERIA

April 28-May 6, 2024: METAC provided tailored advice to the Algerian General Directorate of Taxes (DGI) on the design of a compliance risk management strategy for the extractive industries (EI) (oil, gas, and mining). The mission conducted a comprehensive environmental scan of the local circumstances together with a review of global EI business models, tax planning, and regulatory frameworks. It prepared a draft mid-turn program to provide regular and on-demand advice throughout FY25, enabling DGI to implement a strategy to improve EI compliance and expand it to a broader tax base.



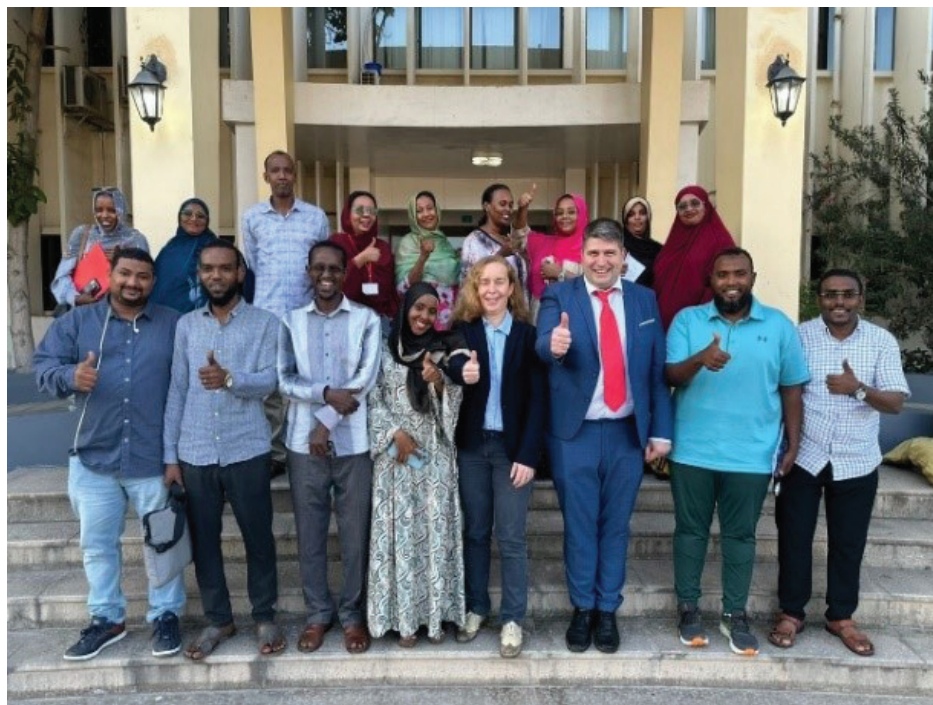
DJIBOUTI

June 11-23, 2023: METAC assisted the General Directorate of Customs and Indirect Taxes (GDC) of Djibouti in the development of its first ever strategic plan. The mission supported the GDC to: (1) develop in-house capacities

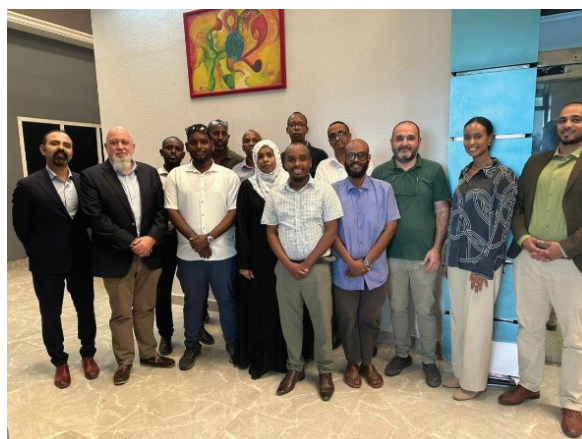
in the areas of strategic planning and results-based management; (2) conduct a high-level environmental scan; (3) develop the strategic plan's vision, mission, and values; (4) validate strategic pillars, draft strategic goals, and associated performance indicators;

and (5) preliminarily identify the structure of the reform and modernization program. The GDC requested additional TA to finalize and launch the strategic plan and support the conception and execution of the reform and modernization program.

January 7-11, 2024: A dedicated training on compliance risk management (CRM) was conducted with representatives of the Ministry of Budget and Tax Administration. The quality and usefulness of the workshop and the expertise of the IMF team were highly appreciated by the participants. In addition, the mission concluded that a simplified CRM framework for countries with limited resources could be jointly developed and piloted in Djibouti. A series of meetings were held with the Secretary General of the Ministry of Budget and the Head of the Tax Administration to identify capacity development (CD) needs for the remainder of FY24 and FY25. A coordination meeting was held with the local World Bank team to ensure that CD initiatives do not overlap.



January 28-February 1, 2024: In a five-day training on Project Management skills with the Direction des Douanes et Droits Indirects (Customs), participants received training on what a project is; formulating a project; a project life cycle; roles of project stakeholders; etc. and were introduced to templates useful in documenting and managing projects. The participants have been requested to complete the World Customs Organization and/or the IMF VITARA online Project Management training courses to build on the in-person training and will be supported remotely as they put this into practice, developing several project documents



using correct methodology. In addition to the training, the mission worked with senior customs managers to validate

and give preliminary priorities to activities for Djibouti Customs's strategic plan.

February 2024: February saw the conclusion of the remote element of a hybrid mission on Project Management skills for the Direction des Douanes et Droits Indirects (Customs). With seven days of remote support, the mission supported Djibouti Customs in (1) **finalizing two Project Initiation Documents** started during the in-person element of the mission; (2) enabling six officers to complete

the **WCO online training in Project Management**; and (3) completing a Project Management Organizational Maturity Level Assessment, which indicated the Djibouti Customs are at the 'initial stage' (first of five levels).

April 21-25, 2024: A follow-up in-country CD mission on **Strategic Planning and Project Management** took place at Djibouti Customs HQ.

The team of officers who will be responsible for implementing the received expert support on developing performance indicators for the Strategic Plan agreed on a governance mechanism for the Strategic Plan, determined priority actions for reforms, and finalized several Project Initiation Documents. Additionally, the Director General received an update on the progress and METAC support.

A further virtual follow up mission will take place in May to support the finalization of Project Initiation Documents and Project Governance documents.

April 14-28 and April 21-24, 2024:

METAC assisted Djibouti's tax administration in **setting up an integrated large taxpayers office**, working with officials to draft an implementation plan and the necessary legislation to support integration. A second METAC remote mission helped the authorities to design a stakeholder engagement and communication program as a structured approach to encourage voluntary compliance.

EGYPT

May 14-25, 2023: METAC assisted the Egyptian Customs Authority (ECA) in the review of its strategic performance over the past three years, and in developing a new strategic plan for 2023-2026, including the formulation of a mission statement and SMART objectives. Specifically, METAC provided training to raise ECA staff awareness for strategic planning and strategic performance management. Several meetings, trainings, and workshops provided detailed practical advice on strategic performance and management issues. The mission proposed improvements to the strategic planning and performance measurement process. If fully embraced and resourced by the ECA leadership, improved strategic and performance management will contribute to improving overall performance of customs administration.

May 21-25, 2023: METAC conducted a follow-up mission to review the work accomplished by the various working groups on the implementation of the Post-Clearance Audit (PCA) programs. Progress was achieved in two of the six programs initiated during the previous mission (March 2023), namely customs valuation and tariff classification. Also, at the request of the Egyptian

authorities, the mission reviewed current transfer pricing practices at the Egyptian Customs Administration (ECA). The mission made presentations on import transactions between related parties and discussed the OECD transfer pricing Guidelines for Multinational Enterprises and Tax Administrations.

July 30-August 10, 2023: METAC long-term expert participated in a Headquarters mission to Egypt to support the review of progress in the implementation of the Medium-Term Revenue Strategy (MTRS) and to advise on next steps. The mission recognized significant progress made by the authorities in redesigning the organizational structure, digitalization and human resources strategy and maintaining the momentum and focusing on building analytical capacity as part of the implementation of a comprehensive compliance risk management framework.

March 4-8, 2024: METAC's Customs Advisor supported the IMF Fiscal Affairs Department (FAD) Medium-Term Revenue Strategy (MTRS) CD Planning Activity. The mission team **assessed the Egyptian Customs Administration's (ECA) reform progress**, particularly in relation to MTRS obligations. Additionally, core customs functions were assessed, and the team made recommendations for improvements. The mission discussed an FAD CD workplan over a two-year period (FY25 & FY26) with senior ECA management. The team assessed that ECA had started 17 of 19 obligations, but that most (11) were only partly achieved. The authorities requested further CD on the MTRS obligations, particularly in compliance risk management (CRM) and post clearance audit (PCA).

IRAQ

May 14-20, 2023: An offsite capacity development mission (to Amman, Jordan) supported the Iraqi General

Commission for Taxes (GCT) in assessing its readiness to apply the self-assessment system. Guidance was provided on the key features of self-assessment and on necessary steps towards the transition to a self-assessment system. An action plan for transitioning to a self-assessment system was also presented to the GCT.

July 16-20, 2023: An offsite CD mission assisted the Iraqi General Commission of Taxes (GCT) on good practice in organizational design to modernize the organizational structure of GCT headquarter and regional offices. The mission addressed the importance of autonomy in public administration and advised to what extent an autonomous or semi-autonomous organizational structure would be beneficial for GCT. The mission developed with the Iraqi delegation a hybrid functional-based organizational structure, which will be reviewed by and discussed with the Ministry of Finance.

October 16-November 16, 2023: This joint METAC and IMF Legal Department (LEG) desk review assignment supported the General Commission of Taxes (GCT) of Iraq in (1) reviewing the current legal framework for tax procedures related to the self-assessment (SA) system; (2) identifying, designing, and drafting necessary legislative amendments to the Income Tax Law to support implementation of the SA; and (3) reviewing the amendments with designated GCT officials to address questions or comments. This mission is deemed critical as the current income tax law only provides for administrative assessment and thus presents an obstacle for the effective transition to the SA system.

November 6-16, 2023: This mission was conducted offsite in Amman, Jordan, in collaboration with the IMF's Legal Department (LEG). The mission (1) reviewed the current law of 1984, and the draft amendments prepared by the Iraqi authorities to identify gaps against international standards; (2) suggested

amendments to the customs law with respect to the implementation of risk management, authorized economic operators, post-clearance audits, and customs valuation. The mission also assisted the General Authority of Customs (GAC) to draft a function-based organization for GAC; and (3) identified further CD needs in this area.

December 4-15, 2023: This joint headquarters and METAC offsite mission to Turkey supported the General Commission of Taxes (GCT) of Iraq in developing a medium-term reform plan. The operational environment of the GCT has informed specific design criteria, leading to the identification of six core reform areas: (1) establishing a reliable taxpayer base; (2) improving core functions through implementation of the self-assessment system; (3) focusing on large taxpayers' compliance; (4) organizational design and workforce planning; (5) transitioning to a digital environment; and (6) reform governance, as foundations of the plan. These were translated into specific and sequenced initiatives categorized for the short and medium term. It was recommended that all reforms should undergo a pilot phase within the Large Taxpayer Office and be accompanied by a corresponding restructuring of the workforce and by a simplified reform governance structure

to manage the proposed plan. An integrated FAD/METAC mid-term capacity development plan was also developed and is currently under review by GCT.

January 5-February 29, 2024: METAC provided a remote CD activity spread over eight weeks in continued support to the development of amendments to the Iraq Customs Law. METAC, in cooperation with IMF LEG, worked with the Iraq Customs Legal Working Group to advise on the content of amendments to the Customs Law and on determining timelines for the amendments to be finalized and submitted. This was achieved through multiple virtual meetings over the period. The stretching of the remote CD delivery period allowed for internal discussion, comment, drafting and translation of the proposed amendments. Following consolidation of the amendments drafted in this remote mission, it is envisaged that an off-site mission will take place before the end of FY24 to assist in the finalization of the drafts.

January 5-February 29, 2024: An extended remote activity supported the General Authority of Customs (GAC) in **drafting a new Risk Management Circular** and an Order of the Director General for the Establishment of a Risk

Management Committee. These drafts follow support in November 2023 to the GAC in drafting legislative amendments on Risk Management and will support implementation of Risk Management amendment once it comes into force.

March 26-April 30, 2024: A remote mission assisted the Iraqi General Commission of Taxes (GCT) on **transitioning to a new hybrid functional-based organizational structure**. The mission advised the GCT on a more detailed preliminary structure for both HQ and the Large Taxpayers Office (LTO); developed high-level mandates for the basic core tax functions; and initiated discussions regarding the configuration of the new field office structure. Working sessions were scheduled throughout the remote mission to discuss: (1) METAC's previous proposal on a high-level organizational structure that was developed during October 2023; (2) the current GCT's HQ, LTO and Field Offices existing departments and sections; (3) possible restructuring of these sections; and (4) the advice on the mandates of the main core tax functions. Engaged in a productive dialogue, officials recognized the necessity of restructuring to facilitate a more modern approach to work.

JORDAN

October 2-12, 2023: In early October, a mission consisting of Rosen Bachvarov, resident tax advisor at METAC, and Peter Holloway, external FAD expert, visited Jordan to assist the ISTD in establishing a dedicated analytical unit. The experts advised also on the core competencies and tools needed for big data analytics and the implementation of several models aimed at predicting taxpayer behavior. The Jordanian Income and Sales Tax Department (ISTD) has made significant progress in digitalization and compliance management in recent years.



Major digitization projects have been successfully implemented, along with the integration of key elements of the CRM framework. The ISTD is moving towards better data exchange, improved risk analysis and structural

reorganization to support effective tax administration. As more data sources become available, the importance of risk differentiation and case selection for audit and non-audit compliance programs increases.

February 4-10, 2024: The mission analyzed the progress made by ISTD in three areas: (1) **transfer pricing** tactical implementation plan, (2) **transfer pricing risk assessment** and (3) progress on **transfer pricing audit cases**. The mission team worked with ISTD staff to help them understand how to build an appropriate TP risk assessment process and how to correctly identify the challenging issues. The mission provided training and coaching on how to audit specific categories of identified transfer pricing risks so that the audit work could start and be carried out effectively. In addition, a series of coordination meetings were held with the Ministry of Finance and USAID to align the CD provided by the IMF and other donors operating in Jordan. A joint FY25 METAC-USAID TP event was discussed during the mission.

February 20-29, 2024: The mission advised the **Income and Sales Tax Department (ISTD)** on how to strengthen **tax compliance in the digital economy**. Discussions were held to better understand Jordan's current practices and challenges in the digital economy. A workshop was held to introduce ISTD staff to the basic concepts of the digital economy and the associated compliance risks. The mission also discussed the international context of the digital economy and platform typologies; compliance risk management principles and their application to the compliance risks posed by platforms and platform providers. Extensive discussions were held on common international practices for the tax treatment of the digital economy and the organizational arrangements needed for effective risk management. The mission presented a draft roadmap

for the development of the Digital Economy Compliance Strategy and a Compliance Improvement Plan (CIP).

LEBANON

November 27-December 15, 2023:

This remote METAC CD activity supported the Lebanon Customs Administration (LCA) in identifying services currently provided, or to be offered by Customs, and whether legally supported fees are being, or may be, charged. A list of services for which the LCA may charge fees based on good international practice was developed and submitted to the LCA for review and approval. The LCA was advised to review its services list to determine a final list of services to be charged.

January 8-26, 2024: During an offsite CD event, extensive work was done on data analytics and three workshops were held in the following areas (1) compliance risk management; (2) organization, reform and change management (based on VITARA content); (3) large taxpayers office and tax directorates merger reform projects. Data reports on compliance were produced, together with numerous statistics to identify potential risks in registration, correct filing, payment, and collection in the Value Added Tax (VAT) segment. A database diagnosis of the core IT system SIGTAS was carried out, identifying challenges at the level of data governance, database architecture and data transfer and analysis processes. The mid-term agenda of the FAD-METAC CD was discussed with the participants and two tax directorates heads, and the activities for FY24 and FY25 were framed.



LIBYA

May 29-June 2, 2023: The METAC mission to the Libyan Customs Administration (LCA) complemented IMF Fiscal Affairs Department (FAD) support to pilot testing of ASYCUDA World at the Port of Tripoli. The FAD expert worked closely with a core team of LCA responsible for AW implementation, offsite in Tunis, Tunisia. The LCA team was given an in-depth view of AW functionalities relating to the management of suspensive regimes and the related system of guaranties. Therefore, the LCA team was enabled

to better understand the functional aspects of AW regarding the management of suspensive regimes, and the measures, both technical and organizational, needed to enhance the AW prototype in testing. The LCA team committed to start with the submission of new types of declarations before the end of June 2023.

August 28-September 1, 2023:

As part of capacity development to the Libya Customs Authority, METAC delivered an offsite training on Post Clearance Audit (PCA) and Risk Management (RM) in Amman,

Jordan. Four specialist officers from the RM Unit, Training Unit, Misrata Airport Audit Unit, and the Benghazi Audit Unit participated. Training covered PCA technical issues and RM matters, including the importance of relations and interaction between RM, PCA, intelligence and Enforcement functions. The participants left with a clearer view of PCA and RM, the requirements for its implementation, and were provided knowledge of risk indicators related to classification of goods and customs valuation in the framework of PCA.

January 8-13, 2024: An offsite CD event was held with Libya Customs Authority (LCA) in Cairo, Egypt. This CD activity, 'Support to Preparatory Work for the Roll-Out of ASYCUDA World', is the latest in a series of activities supporting the implementation of an automated customs clearance system, ASYCUDA World, by the LCA. With support from METAC, the core team of the LCA AW implementation team identified the measures to be taken for the roll-out of the system to another customs site. A comprehensive review of the current clearance process was conducted, with essential changes made to certain roles/functions in the existing clearance process, establishing a new process that enables the LCA to introduce a risk-based approach to customs controls/selectivity.



The LCA team has embedded this new process into the AW structure, allowing the system to impose a standard processing path for the declaration. The LCA is committed to implementing the new process in the next

office where the system will be rolled out. As an expression of thanks to the METAC team, the Libyan Customs presented Mr. Allan with a certificate of appreciation for the office.

February 24-28, 2024: An offsite mission to Amman, Jordan, assisted the Libyan Taxation Authority (LTA) to modernize its organizational headquarters (HQ) and regional offices' structure. The mission recommended a hybrid model organizational structure and emphasized the need to strengthen critical HQ functions. Discussions were held to gain a deeper understanding of the regional offices' structure and review the work of the various departments and offices within this structure. The mission delivered workshops to introduce the participants to the principles of governance and autonomy; good practices in organizational design;

April 21-29, 2024: A remote mission supported the Libyan Taxation Authority (LTA) in the **identification of data and reporting** requirements for the administration of income taxes. The mission clarified current approaches for income tax administration, including processes for registration, declaration, payment, and verification of liabilities; and identified a preliminary set of data requirements for a re-design of tax forms covering tax registration, and annual Personal Income Tax (PIT) and Corporate Income Tax (CIT) declarations. The authorities acknowledged that the analytical capacity for monitoring and managing an income tax system is lacking and expressed their will to take more immediate steps to improve the income tax administration. The proposed tax forms should be reviewed by the LTA to examine their legislative impacts and confirm their technical feasibility for short-term implementation in the interim LTA computer platform.

LEBANON

March 3-7, 2024: A follow-up mission to the Lebanese Customs Administration (LCA) Services Fees Review was carried out, offsite in Amman, Jordan. The mission



the main organizational models used by tax administration; and the role of the HQ. Deliberations took place to

developed a methodology to facilitate the pricing of services provided by Lebanese Customs. The methodology is designed to price services fairly and based on the recovery of actual costs to customs, as per World Customs Organization - Revised Kyoto Convention (WCO RKC) and World Trade Organization - Trade Facilitation Agreement guidelines (WTO TFA). The mission stressed the need for LTA to engage with the private sector prior to the application of new fees, to ensure users of customs service's understand the fee structure and purpose.

April 15-19, 2024: A dedicated online mission assessed the training needs of auditors in the two tax directorates in Lebanon. Key knowledge gaps were identified, and an audit training plan was prepared and submitted to the authorities for review and approval. The implementation of the plan would benefit from a blended modality. In-person mission can now resume with the return of METAC and FAD resident advisors to Lebanon.

April 15-24, 2024 (postponed): An offsite mission Law Review workshop with Lebanon Customs officers was planned for 15-24 April in Amman, Jordan. However, it was cancelled on the day of travel due to the closure

develop a high-level organizational structure that best aligns with Libya's specific context.

of air space during regional security tensions. Planning is underway to reschedule this workshop.

MOROCCO

February 5-14, 2024: Morocco Customs hosted a METAC training on '**Improving the use of new emerging data analysis technologies in customs**', at their Rabat HQ. Comprehensive training on this niche but important work area was delivered to a select group of eleven officers with the requisite skillsets. This activity is closely aligned with Morocco's customs strategy for development in this area. The 10-day training was split between familiarization on the relevant computer languages, followed by a deep dive into the intricacies of crafting a sophisticated machine learning model, with the explicit goal of detecting fraudulent activities within the Moroccan customs data set.

February 12-23, 2024: The mission advised the Direction Générale des Impôts (DGI) on the design of a **reform governance framework**. During the visit, international good practices in this field were presented to support the recently established Project Management Office. Several workshops

were held to ensure that the core reform management team at DGI was aware of the methods, tools, processes, and systems required for effective reform program/project management and the relevant governance arrangements. The mission provided advice on the change of the organizational structure according to reform/project management priorities. It delivered three dedicated workshops based on

YEMEN

May 22-26, 2023: An offsite training in Amman, Jordan, was conducted for the Yemeni General Taxation Department (GTD) on the tax audit manual previously developed by METAC. This training took the tax auditors through the necessary steps from assigned audit cases to the audit's completion. The training included many practical exercises related to each audit phase. Current GTD practices were discussed, and the mission provided advice on good practices in this field.

August 13-17, 2023: METAC delivered offsite training (Amman, Jordan) on Post Clearance Audit (PCA) to six Yemeni Customs Department (YCD) officers, from three different customs houses (Aden, Shahan and the

January 15-19, 2024: An offsite CD event in Amman, Jordan, support the Yemeni General Taxation Department (GTD) in piloting a Compliance Improvement Plan (CIP) for the Yemen banking sector. The five-day workshop covered: (1) broad knowledge of CRM using the VITARA course; (2) general knowledge on the banking sector internationally; (3) the Yemen banking sector, its compliance risks, and suitable treatments of the risks with practical focus on how to identify risks based on published Yemen Bank's Annual Report; and (4) advise on the capability workforce plan to achieve the

VITARA content to representatives from most of the key tax administration functions.

TUNISIA

April 15-1, 2024: The Tunisian General Directorate of Taxes (DGI) worked closely with METAC on compliance risk management (CRM), the risk differentiation framework (RDF; see also the

picture of the cake dedicated to the RDF) and communication as a tool to influence compliance. A draft communication strategy was developed with the local team and advice was provided on online marketing and social media activities as part of the overall compliance management framework. A fruitful brainstorming session contributed to the use of behavioral insights to better manage filing and payment risks.



Vehicles Customs House). The training followed World Customs Organization principles for the introduction of this compliance mechanism and included a practical day of examining actual Yemeni customs declarations, for a

hands-on experience. The mission report also made several recommendations for the YCD to consider in relation to setting up PCA units.



CIP expected results. The mission made progress in developing the banking sector CIP with a clear plan

for next steps. Discussions during the workshops were particularly active and enthusiastic.

February 24–28, 2024: An offsite mission to Amman, Jordan assisted the Yemeni General Taxation Department (GTD) in **reviewing its organizational structure** and developing initial accountability statements for each main department. A workshop approach was used to discuss the current GTD structure, possible alternatives, and the question of resource allocation. The workshop developed a common understanding of design principles and key features of modern tax administration organizations. Officials were enabled to apply these principles to the GTD structure re-design.

EGYPT

September 17–21, 2023: As part of a project to assist the Central Agency for Public Mobilization and Statistics of Egypt (CAPMAS) to implement an improved supply and use tables (SUTs) compilation process to produce 2019/20 SUTs, METAC conducted hybrid missions during July and September 2023. The missions helped with generating most of the remaining outstanding initial SUT estimates, and with integrating them into the central compilation file. CAPMAS staff are now entering the product balancing phase of the SUT compilation.

December 18–22, 2023: Four national accounts staff of MPED and two staff from CAPMAS participated in a peer-to-peer activity at the High Commission Plan in Morocco. The peer-to-peer activity increased staff capacities on the full integration of annual national accounts and supply and use tables.

January 21–February 1, 2024: At the request of the Egyptian Ministry of Planning and Economic Development (MPED), the mission assisted MPED with the improvement of GDP volume measurement. The mission reviewed

TAX POLICY

DJIBOUTI

March 10–21, 2024: A joint METAC–HQ in-person mission conducted a review of Djibouti’s wage tax to assist the authorities in identifying and prioritizing wage and income tax reform options. The mission conducted an international benchmarking of tax wedges and of effective tax rates across a wide range of income levels. Upon the mission’s conclusion, the authorities were presented with key recommendations that included identifying the guiding principles of a wage tax reform in addition to complementing measures intended to broaden the scope of capital income taxes.

REAL SECTOR STATISTICS

STATISTICS DEPARTMENT’S (STA) LONG-TERM EXPERTS (LTXS) RETREAT

May 15–19, 2023: METAC’s real sector statistics advisor, along with the IMF Statistics Department’s (STA) 24 long-term experts (LTXs) met in Washington D.C. during May 15–19, 2023, for a working visit. The visit allowed STA to gain insights on field-based CD delivery and on how LTXs could be further integrated into STA/IMF activities. LTXs were briefed on STA management’s strategic priorities and Fund-wide developments, advances in areas of their technical expertise, and broader data issues—including linkages to surveillance.



the volume and price data available and advised on other methods of estimating the GDP by the production and expenditures approaches at constant prices. National accountants and price statisticians from the Central Agency for Public Mobilization and Statistics (CAPMAS) joined the mission as prices and some volume indicators are produced and compiled by this institution. As this was Elirjeta Pepaj’s first visit in Egypt as METAC’s new regional statistics advisor, the mission visited CAPMAS offices to meet Mr. Mustapha Saad Badawi, the Head of the Economic and Mobilizing

statistics and other key staff and to discuss their capacity development needs and priorities.

March 10–April 25, 2024: The mission assisted the Central Agency for Public Mobilization and Statistics of Egypt (CAPMAS) to progress in compiling 2019/20 supply and use tables (SUT). Key outcomes were: (1) the integration of all initial SUT estimates into the central file; (2) developing control aggregate tables for the goods-producing industries; and (3) initiating the balancing process and manually balancing several products.

IRAQ

July 2-12, 2023: Following up on the mission held in February 2023, METAC assisted the Central Statistical Organization (CSO) of Iraq to progress significantly in the production of 2018 Supply and Use Tables (SUTs). The July 2023 mission helped with balancing the supply and use of all products and move the compilation exercise into the final validation and dissemination phase.



August 13-17, 2023: METAC assisted the Central Statistics Organization of Iraq to improve the residential property price indexes (RPPIs). The mission advised on applying hedonic regression techniques rather than stratification methods, which require significant effort and result in many unreported strata in the survey. Training was provided on using online listings, including how to collate and tidy them, how to analyze them, and how to calculate the resulting RPPIs.

November 26-28, 2023: METAC assisted the Central Statistics Organization (CSO) of Iraq in creating an experimental consumer price index (CPI) compilation system based on chained short-term relatives and geometric means in Excel. The new compilation system was tested on real data from August 2023, and the results compared to those generated by the current system. CSO plans to introduce the new compilation system in early 2024.

February 25-March 7, 2024: METAC assisted the Iraqi Central Statistics Organization (CSO) with implementing a new CPI compilation system based on chained short-term relatives and geometric means in Excel, and partially updating the index weights. This new compilation system and updated index weights were introduced by the end of March 2024.

LEBANON

April 22-26, 2024: A remote mission assisted the Central Administration for Statistics (CAS) of Lebanon with the development of a Construction Cost Index (CCI). The mission reviewed all the development work completed by the CAS to date, identified potential methodological improvements, and helped to plan the remaining work required to publish the final index.

JORDAN

May 28-June 8, 2023: A METAC mission assisted the Jordanian Department of Statistics (DOS) in assessing the use of administrative

records to compile national accounts for financial corporations. Using administrative data to replace or complement field surveys could 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 developed templates to acquire administrative data on banks, insurers, and money exchangers from the Central Bank of Jordan and developed a method to compile GDP estimates from the source data.

December 3-14, 2023: In response to a request from the Jordan Department of Statistics, the mission assisted the authorities in the assessment of the data sources and developing methods for the compilation of the non-observed economy in Jordan national accounts. Key outcomes included: (1) training on concepts, definitions, and estimation methods; (2) review of source data for the non-observed economy; and (3) identification of improvements required to enhance GDP exhaustiveness and accuracy.

SYRIA

April 25-29, 2024: An offsite mission in Egypt provided training and technical assistance to the Syrian Central Bureau of Statistics on the compilation of quarterly GDP (QGDP). This is the first METAC mission to Syria on national accounts. An inventory of the available annual and quarterly data sources was made and a roadmap for the compilation of QGDP statistics was drafted.



TUNISIA

October 9-12, 2023: The mission assisted the Tunisian National Institute of Statistics (INS) with the development of quarterly estimates of GDP by the expenditure approach (QGDPE). The mission recommended using detailed turnover and Value Added Tax (VAT) revenue data from VAT declarations to further improve QGDPE.

February 19-23, 2024: At the request of the Tunisian Statistical Institute (INS), the mission assisted with the development of sectoral non-financial balance sheets (NFBS) statistics. The first plausible estimate of total non-financial assets of dwellings held by households was compiled (time series 2014-2022). However, close cooperation with other stakeholders remains key for the successful compilation of the NFBS held by corporations and government.

April 22-26, 2024: At the request of the Tunisian Statistical Institute (INS), the mission assisted with the treatment of certain statistical issues and discrepancies between the current account and the non-financial account for the rest of the world.

WEST BANK AND GAZA

August 13-24, 2023: The mission assisted the Palestinian Central Bureau of Statistics (PCBS) to enhance the compilation system for fixed

based year annual estimates of production-based GDP and develop one for chain-linked estimates. The key areas of improvement were identified, and more disaggregated quantity and price indicators were used to estimate volumes using both deflation and extrapolation methods.

YEMEN

April 13-18, 2024: An offsite mission was organized in Jordan to provide training on national accounts compilation to the Central Statistical Organization of Yemen (CSO) national accounts staff. In addition, the mission created an inventory and assessed the existing data sources for GDP compilation in Yemen.

GOVERNMENT FINANCE STATISTICS AND PUBLIC SECTOR DEBT STATISTICS

LEBANON

November 14-December 12, 2023: The remote joint mission with the IMF Statistics Department (STA) supported the Ministry of Finance (MoF) to strengthen **budget reporting**. The mission assessed the feasibility to enhance the Public Finance Monitor report with critical reporting elements (arrears; reporting on budget advances and treasury advances; payables; and commitments), while ensuring timely issuance in the current context of staffing constraints and long

information backlogs. The concept has been validated in the mission and further METAC and STA assistance will be required to define operational details within a timebound plan.

YEMEN

November 13-December 8, 2023: The mission developed a **draft institutional table** for the Yemen public sector with two levels of government: central government (budgetary central government and extrabudgetary units) and local governments. The mission and authorities worked on domestic and external debt data and discussed the treatment of the different domestic debt instruments and their classification according to international standards. Regarding external debt, the Yemeni authorities have advanced on gathering data sources and have introduced most of the external loans, so preliminary data series for external debt are prepared. Finally, the mission and the Yemeni officials worked on the GFS and PSDS compilation work plan and defined the needs and dates for the forthcoming technical assistance meetings.

February 3-8, 2023: An in-person workshop with hands-on training for Yemen was held in Amman to strengthen the authorities' understanding of **government finance statistics** (GFS) main concepts and framework as well as **public sector**

debt statistics (PSDS). Remote TA through seven virtual meetings followed between February and April. The participants were from the central bank, the Ministry of Finance, and the Ministry of Planning and International Cooperation. Several aspects of GFS compilation in Yemen were discussed and coupled with related recommendations including: (1) institutional sectorization (2) quality of data sources (3) development of preliminary detailed bridge tables, which will be crucial for future GFS compilation (4) analysis of national budget presentation; and

(5) preliminary above and below-the-line consistency. The workshop was very well received by the participants with significant improvement in knowledge on GFS and PSDS based on the pre- and post-course assessment.

MACROECONOMIC FRAMEWORKS

IRAQ

December 10-15, 2023: With the help of TA provided by METAC and IMF headquarters (HQ), the Central Bank of Iraq (CBI) developed and operated

a **Macro-Framework Foundation Tool** (MFT) to promote and bolster policy formulation. As a result, CBI is now well-versed to obtain timely and quality forecasts for internal and external sectors and levels of foreign reserves in response to various economic shocks including shocks to oil prices and other internal and external shocks. The tool is expected to enhance the formulation of monetary policies by gauging the impact of different shocks on economic sectors and, ultimately, safeguarding an appropriate level of net foreign assets.

APPENDIX II

TECHNICAL
ASSISTANCE REPORTS
ISSUED IN FY24

TECHNICAL ASSISTANCE REPORTS ISSUED IN FY24

METAC steering committee members can access METAC issued technical assistance (TA) reports using Partners Connect (if 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 [Partners Connect \(imfconnect.org\)](https://imfconnect.org).

Title of the TA report	Country	Transmission Date
Financial Supervision and Regulation		
Developing Supervisory Review and Evaluation Process Framework ¹	Jordan	20-Apr-23
Developing Supervisory Review and Evaluation Process Framework	Jordan	20-Apr-23
Supervisory and Evaluation Process	Morocco	15-May-23
Finalizing Risk Rating for Banks and Developing Early Intervention Measures	Algeria	18-Jan-24
Public Financial Management		
Appui à la mise en œuvre du cadre de référence de contrôle interne des administrations publiques	Morocco	27-Apr-23
Appui au renforcement de la gestion de la trésorerie et à l'opérationnalisation du Compte Unique du Trésor	Djibouti	26-Jun-23
Strengthening Analysis on Fiscal Risks and Sustainability of Public-Private Partnerships	Egypt	3-Jul-23
Strengthening Public Private Partnership Fiscal Risk Management	Jordan	28-Aug-23
Enhancing the 2023 Cashflow Forecast	Yemen	5-Sep-23
Renforcement du Cadrage Macro-Budgétaire	Djibouti	27-Oct-23
Fiscal Strategy and Performance Budgeting	Egypt	25-Oct-23
A Concept for Strengthened Budget Reporting	Lebanon	8-Feb-24
Addressing Connectivity Gaps for Exchanging Public Finance Information	Yemen	8-Apr-24
Revenue Administration		
Digitization Preparedness and Planning	Libya	27-Mar-23
Reform and Organizational Restructuring in the Lebanese Customs Administration	Lebanon	5-Apr-23
Unsupervised Artificial Intelligence Techniques for Anomaly Detection in Customs Data	Jordan	5-May-23
Developing a Compliance Improvement Plan for the Large Taxpayer's Segment	Morocco	11-May-23
Support to the Post Clearance Audit Function	Egypt	18-May-23
Développement du contrôle a posteriori	Tunisia	27-Jul-23
Modernizing the Organizational Structure of the Headquarters and the Regional Offices of the Tax Administration	Iraq	30-Aug-23
Transitioning to a Self-Assessment System	Iraq	30-Aug-23
Renforcer la sécurité de la DGI pour le projet Échange Automatique de Renseignements	Tunisia	15-Sep-23
Post Clearance Audit	Yemen	23-Oct-23
Developing a Revised Organizational Structure for the Sudan Taxation Chamber	Sudan	12-Oct-23
Assist the Customs Administration in Designing and Implementing a Performance Management Framework/Strategic Plan	Egypt	25-Oct-23

Title of the TA report	Country	Transmission Date
Appui à la Direction Générale des Douanes et Droits Indirects pour la conception de son premier plan stratégique	Djibouti	25-Oct-23
Transitioning to a Functional Based Organizational Structure	Iraq	30-Oct-23
Customs Law review and legal drafting mission	Iraq	19-Dec-23
Identifying Services Provided by Customs	Lebanon	31-Jan-24
Introduction to Risk Management and Post Clearance Audit	Libya	8-Feb-24
Utilisation de l'intelligence artificielle pour la détection de fraude et la recherche sémantique	Morocco	22-Mar-24
Developing a Compliance Improvement Plan for the Banking Sector	Yemen	26-Mar-24
Amendments to the Income Tax Law to Support Implementation of the Self-Assessment System	Iraq	27-Mar-24
Gestion des risques d'incivisme fiscal	Djibouti	27-Mar-24
Analytics and Compliance Strategy: Next Steps	Lebanon	5-Apr-24
Real Sector Statistics		
Consumer Price Index	Iraq	27-Apr-23
Updating and Improving the Producer Price Index	Jordan	4-May-23
Supply and Use Tables	Iraq	23-May-23
National Accounts	Jordan	4-Jul-23
Price Statistics	Lebanon	11-Jul-23
Supply and Uses Tables	Egypt	27-Oct-23
Measure the Production of Financial Corporations Using Administrative Data	Jordan	29-Nov-23
Report on Residential Property Price Index Mission	Iraq	23-Nov-23
Iraq Supply and Use Tables	Iraq	6-Dec-23
Comptes nationaux trimestriels selon l'optique des dépenses	Tunisia	10-Jan-24
Consumer Price Index statistics to the Central Statistics Organization of Iraq	Iraq	5-Mar-24

Note: Reports prepared as drafts but not transmitted to authorities in FY24 are not included in this table.

¹/Published on the IMF website on March 15, 2024.

APPENDIX III

HQ-LED ACTIVITIES
IN FY24

HQ-LED ACTIVITIES IN FY24

Country	Activity Division	Activity Name	Start Date	End Date
Fiscal Affairs Department				
Djibouti	FADR1	Desk review - Regular check-ins	5/1/2023	4/30/2024
Djibouti	FADM1	Budget Preparation and MTBF	1/8/2024	1/18/2024
Djibouti	FADT1	TVA (remote)	5/15/2023	8/31/2023
Djibouti	FADT1	TVA (in-person)	9/24/2023	9/28/2023
Djibouti	FADT1	Presentation of SIP on DRM	1/14/2024	1/18/2024
Djibouti	FADT1	Wage tax	3/10/2024	3/21/2024
Egypt	FADM1	Implementation of the PFM Law	12/3/2023	12/13/2023
Egypt	FADM1	MTBF implementation (with SECO funding)	2/11/2024	2/15/2024
Egypt	FADR1	HQ mission on MTRS in ETA	7/30/2023	8/10/2023
Egypt	FADR1	TADAT training	12/17/2023	12/21/2023
Egypt	FADR1	TADAT desk support	12/27/2023	1/31/2024
Egypt	FADR1	TADAT assessment	2/4/2024	2/19/2024
Egypt	FADR1	HQ staff and STX support	3/4/2024	3/8/2024
Egypt	FADR1	Support to AfCTFA workshop for MCD	1/15/2024	1/19/2024
Egypt	FADR1	Customs - Royalties application in customs value	2/11/2024	2/20/2024
Egypt	FADR1	Customs - CD planning visit	3/4/2024	3/8/2024
Egypt	FADT1	Income Tax	3/24/2024	3/28/2024
Egypt	FADT1	HQ - Led VAT Mission	5/3/2023	8/31/2023
Egypt	FADT1	Income Tax T1	3/24/2024	3/28/2024
Iraq	FADR1	Customs-HQ-led reform and needs assessment workshop	8/7/2023	8/17/2023
Iraq	FADR1	TAX - Diagnostic mission and development of a medium-term CD plan	12/4/2023	12/15/2023
Jordan	FADCP	HQ led - Climate Diagnostic	8/14/2023	8/27/2023
Jordan	FADEP	TA on Health Spending	6/6/2023	6/21/2023
Jordan	FADM1	HQ C-PIMA	7/19/2023	8/1/2023
Jordan	FADM1	C-PIMA Follow-up and implementation	10/25/2023	11/9/2023
Jordan	FADR1	HQ STX - Headquarters modernization	6/4/2023	6/15/2023
Jordan	FADR1	Staff visit	6/20/2023	6/22/2023
Jordan	FADT1	HQ Mission - Taxation of Capital Income, Follow Up on TEA	10/17/2023	10/31/2023
Lebanon	FADR1	FY24 HQ Mission	9/25/2023	10/6/2023
Lebanon	FADR1	TAX - Assist tax administration with data analysis to support compliance	1/8/2024	1/26/2024
Lebanon	FADT1	Follow up on Tax Reforms	11/14/2023	1/15/2024
Libya	FADR1	Customs - Peripatetic advisor for ASYCUDA functions	5/12/2023	8/21/2023
Libya	FADR1	Customs - Peripatetic Advisor AW functions II	8/22/2023	11/17/2023
Tunisia	FADEP	Subsidies across two sectors	6/5/2023	10/31/2023

Country	Activity Division	Activity Name	Start Date	End Date
Tunisia	FADR1	Development of a Compliance Risk Management Strategy for the Tax Administration	10/30/2023	11/14/2023
Tunisia	FADT1	VAT reform and TE follow up	12/11/2023	12/22/2023
Tunisia	FADT1	VAT data analysis (STX remote - part 1)	11/1/2023	12/8/2023
Tunisia	FADT1	VAT data analysis (STX remote - part 2)	2/1/2024	4/30/2024
Institute for Capacity Development				
Algeria	ICDMM	Algeria TA - FY24 #1	11/5/2023	11/16/2023
Algeria	ICDMM	Algeria TA - FY24 #3	2/25/2024	3/7/2024
Algeria	ICDMM	Algeria - Scoping Mission	5/28/2023	6/1/2023
Iraq	ICDMF	Iraq TA Mission (FY24 1st mission)	12/10/2023	12/15/2023
Iraq	ICDMF	Iraq TA Mission (FY24 1st mission)	3/24/2024	3/28/2024
Jordan	ICDMM	Jordan - DSGE TA Mission 2	7/17/2023	10/31/2023
Jordan	ICDMM	Jordan - DSGE TA Mission 3	12/3/2023	12/14/2023
Jordan	ICDMM	Jordan - DSGE TA Mission 4	4/28/2024	5/9/2024
Libya	ICDMF	Libya - Scoping Mission	3/4/2024	3/8/2024
Libya	ICDMF	Pre-Scoping Mission	3/28/2024	3/28/2024
Morocco	ICDMM	Morocco TA Mission #1, FY23 (postponed to FY24, tentative dates)	4/1/2024	4/5/2024
Sudan	ICDMF	Sudan - Scoping mission	4/22/2024	4/29/2024
Tunisia	ICDMF	FY24- Tunisia TA Mission 3	7/3/2023	7/7/2023
Tunisia	ICDMF	FY24_Tunisia TA Mission 4 (2 weeks in person mission)	11/13/2023	11/24/2023
Tunisia	ICDMF	FY24-Tunisia TA Mission 5	3/4/2024	3/8/2024
Tunisia	ICDMM	Tunisia - Macroeconomic Frameworks TA - Central Bank	12/4/2023	12/15/2023
Tunisia	ICDMM	Tunisia - Macroeconomic Frameworks TA (Hybrid) - Central Bank - MCM Staff	7/3/2023	7/7/2023
Tunisia	ICDMM	Tunisia TA	12/4/2023	12/15/2023
Legal Department				
Algeria	LEGF2	Desk-based delivery	11/1/2023	4/30/2024
Algeria	LEGF2	Virtual mission 1	3/11/2024	4/23/2024
Djibouti	LEGF2	LTX Mission - FY24	5/15/2023	5/19/2023
Djibouti	LEGF2	Desk-Based Reviews	1/3/2024	1/31/2024
Djibouti	LEGF2	Onsite Mission on RBS & Financial Intelligence	7/6/2023	7/11/2023
Djibouti	LEGF2	Desk Based Reviews	2/5/2024	3/4/2024
Djibouti	LEGF2	STX Desk Based - Legal Review	11/17/2023	12/22/2023
Djibouti	LEGF2	Staff and STX Legal Review	12/11/2023	12/13/2023
Djibouti	LEGF2	STX Desk Based	2/20/2024	2/20/2024
Egypt	LEGF2	Supervision Virtual mission	4/1/2024	4/30/2024
Egypt	LEGF2	Desk based reviews	9/5/2023	9/14/2023
Egypt	LEGF2	Supervision and S&T on-site mission	9/17/2023	9/21/2023
Egypt	LEGF2	LTX desk-based review work	3/1/2024	4/30/2024
Egypt	LEGFF	Tax Reform (desk based)	2/5/2024	2/8/2024
Egypt	LEGFF	Tax Reform (mission)	7/15/2023	7/20/2023

Country	Activity Division	Activity Name	Start Date	End Date
Egypt	LEGFF	Led VAT Mission	6/4/2023	6/13/2023
Egypt	LEGFF	International Tax Law - Virtual Mission	8/28/2023	10/31/2023
Egypt	LEGFF	Workshop on the Restructuring of Legal Function	4/15/2024	4/18/2024
Iraq	LEGF2	TFS and RBS Mission	5/19/2023	5/23/2023
Iraq	LEGF2	Desk-Based Reviews	5/1/2023	6/30/2023
Jordan	LEGF1	JG onsite visit	7/14/2023	7/28/2023
Jordan	LEGF1	Desk-Based Reviews	5/1/2023	4/30/2024
Lebanon	LEGGA	Drafting and Finalization of GD Report	5/1/2023	8/30/2023
Lebanon	LEGGA	GDA - WAH	5/1/2023	8/31/2023
Lebanon	LEGGA	Mission to discuss GD recommendations	4/8/2024	4/12/2024
Lebanon	LEGGA	STX - Mission Support Finalizing Recommendations	1/5/2024	4/30/2024
Lebanon	LEGGA	GDA Report Writing (AML)	12/4/2023	4/30/2024
Sudan	LEGF2	Virtual Mission	6/5/2023	6/9/2023
Sudan	LEGF2	Desk-Based Reviews	5/1/2023	7/7/2023
Tunisia	LEGF1	Desk-based review	9/1/2023	4/30/2024
Yemen	LEGF2	Discussion of draft advice on the AML/CFT legal framework	12/17/2023	12/21/2023
Yemen	LEGF2	TFS Reg	2/5/2024	4/30/2024
Yemen	LEGF2	Discussion of draft advice on the AML/CFT legal framework	12/15/2023	12/23/2023
Monetary and Capital Market Department				
Algeria	MCMPI	Payment service providers and payment systems supervision and oversight	2/25/2024	3/3/2024
Egypt	MCMFC	Operationalizing the Resolution Framework and Strengthening Crisis Preparedness	6/6/2023	6/15/2023
Jordan	MCMFR	Crypto Asset Regulatory Framework in-person	7/17/2023	7/24/2023
Morocco	MCMPI	Central Bank Digital Currency Follow-Up	6/1/2023	4/30/2024
West Bank and Gaza	MCMCO	FY23 March Assessment of Internal Audit Function	6/14/2023	7/11/2023
West Bank and Gaza	MCMFC	FY24 May Operationalization of the Bank Resolution Regime	5/10/2023	6/8/2023
West Bank and Gaza	MCMFR	FY24 May Cyber Strategy and Supervisory Framework (Virtual)	5/17/2023	4/30/2024
Statistics Department				
Djibouti	STABP	BOP	6/11/2023	12/29/2023
Djibouti	STAFI	MFS	3/17/2024	3/28/2024
Iraq	STAGO	PSDS and GFS-IMF 01	5/13/2023	5/18/2023
Jordan	STARE	RPPI	12/3/2023	12/7/2023
Libya	STABP	BOP	11/27/2023	12/8/2023
Morocco	STABP	ESS - Improving data sources	4/29/2024	5/10/2024
Tunisia	STARE	Export and import price indexes - Update base year	11/13/2023	11/17/2023
Yemen	STAFI	BSA - Off site Mission to Jordan	9/7/2023	9/13/2023
Yemen	STAGO	GFS - D4D - Data Assessment Off Site Jordan	5/7/2023	5/12/2023

APPENDIX IV

STRATEGIC
LOGFRAMES
FOR FY25

STRATEGIC LOGFRAMES FOR FY25

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 risk-based supervision (RBS) in addition to Institutional structure and operational procedures for RBS enhanced/developed		●		●	●	●							●	
	Forward-looking assessment of banks' risk strengthened		●			●	●							●	
	Legal and regulations empower and equip supervisors with an adequate range of corrective measures		●												
	Legal/prudential regulations for risk management, governance framework and prudential ratios on consolidated basis, developed/strengthened							●	●						●
	Legislation/regulations on liquidity developed/strengthened.									●					
	Supervisors' capacity and competence to implement and monitor banks' compliance with Basel II/III and prudential regulations strengthened				●		●			●			●		
Prudential framework for IIBS developed/strengthened	Enhanced/new regulations guidelines on risk management and governance specific to IIBS issued								●						
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 is 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.																

Government Finance Statistics and Public Sector Debt Statistics																
Strategic Objective	Outcome	AFG	DZA	DJI	EGY	IRQ	JOR	LBN	LBY	MAR	SDN	SYR	TUN	WBG	YMN	
Strengthen compilation and dissemination of Government Finance Statistics (GFS)	A new data set has been compiled and disseminated internally and/or to the public														●	
	Staff capacity increased through training, especially on developing source data, compilation methods, and dissemination			●											●	
	Methodological basis for the statistics follows internationally accepted standards, guidelines, or good practices			●		●	●	●								
	Statistical techniques are sound					●										
	Source data are adequate for the compilation of these macroeconomic statistics					●	●									
	Improved periodicity, timeliness, and consistency of data						●									
	Authorities have a baseline understanding of the current state of Government Finance Statistics compilation and dissemination and opportunities to strengthen these capabilities														●	
Strengthen compilation and dissemination of fiscal statistics	Data are compiled and disseminated using the classification of the latest manual/guide														●	
Strengthen compilation and dissemination of Public Sector Debt Statistics (PSDS)	Source data are adequate for the compilation of these macroeconomic statistics				●											
	A new data set has been compiled and disseminated internally and/or to the public				●											
	Staff capacity increased through training, especially on developing source data, compilation methods, and dissemination.														●	
	Authorities have a baseline understanding of the current state of Public Sector Debt Statistics compilation and dissemination and opportunities to strengthen these capabilities														●	
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.																

Public Financial Management																
Strategic Objective	Outcome	AFG	DZA	DJI	EGY	IRQ	JOR	LBN	LBY	MAR	SDN	SYR	TUN	WBG	YMN	
Strengthened fiscal policies and frameworks	Better designed and more credible macroeconomic and fiscal forecasts							●	●							
Strengthened Budget Management	Strengthened medium-term frameworks		●		●											
	Strengthened identification, monitoring, and management of fiscal risks			●	●		●			●						
	Strengthened annual budget process, and effective allocation			●				●	●							
	Strengthened budget execution and control processes					●									●	
	Strengthened asset and liability management processes		●			●									●	
Improved fiscal policies and institutional frameworks to combat climate change and its impacts.	Improved fiscal policy for climate mitigation				●											
Improve Fiscal Transparency and Reporting	Comprehensive, timely, and high-quality fiscal reports							●								
	Strengthened accounting and audit processes									●						
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 identification, assessment, ranking and quantification of compliance risks (TADAT POA2-3)								●						
		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				●			●							
		Strategic and operational plans prepared and adopted							●							
	Digital technologies are better aligned with strategic objectives	Core systems and process automation are consistent with good practices					●			●						●
	Organizational arrangements enable more effective delivery of strategy and reforms	Clear organizational structure along functional lines and/or taxpayer segments established and operating or strengthened					●			●						
Strengthened core tax administration functions	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)														
Improved customs administration functions (SDG 17.1)	Customs control during the clearance process more effectively ensures accuracy of declarations	1. Risk-based control selectivity applied more consistently			●	●				●						●
		2. Effective application of procedures based on international standards for valuation, origin and the tariff classification of goods improved			●				●	●						
		3. Rate of physical inspections decreased			●	●	●	●	●	●						
	Audit and anti-smuggling programs more effectively ensure enforcement of customs laws	1. Effectiveness of the fight against fraud and smuggling increased						●			●					
		2. 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

- Continued commitment to reform objectives by country authorities and revenue administrations.
- Continued funding for METAC activities.
- Continued CD from IM HQ and other development partners.
- Political/security conditions in member countries allow for CD delivery and reform implementation.
- Sufficient funding available to support resourcing of reform programs.
- 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.

Tax Policy															
Strategic Objective	Outcome	AFG	DZA	DJI	EGY	IRQ	JOR	LBN	LBY	MAR	SDN	SYR	TUN	WBG	YMN
Improve Tax Policy Design -TPD	Improved distributional fairness across taxpayers due to amended tax rates or base			●											
Assumptions and Risks															
a. External climate conditions: World economy, security in the region, etc.															
b. Management and technical staff support and commitment.															
c. Political support: Obtain needed leadership from Budget and/or Finance Ministers and sufficient buy-in from the whole government to enact meaningful reforms in the National Assembly.															
d. Resource adequacy in the Ministry of Budget including number of staff and skillset.															
e. Other risks (security in the region, etc.).															
Real Sector Statistics															
Strategic Objective	Outcome	AFG	DZA	DJI	EGY	IRQ	JOR	LBN	LBY	MAR	SDN	SYR	TUN	WBG	YMN
National Accounts															
Strengthen compilation and dissemination of Institutional Sector Accounts - ISA	A new data set has been compiled and disseminated internally and/or to the public				●								●		
Strengthen compilation and dissemination of National Production, Income and Expenditure Accounts - PIE	A new data set has been compiled and disseminated internally and/or to the public											●	●		
	Staff capacity increased through training, especially on developing source data, compilation methods, and dissemination.								●	●		●			●
	Statistical techniques are sound				●									●	
	Methodological basis for the statistics follows internationally accepted standards, guidelines, or good practices.				●										
Strengthen compilation and dissemination of macroeconomic and financial statistics for decision making according to internationally accepted statistical standards, including developing statistical infrastructure, source data, serviceability and/or metadata	A new data set has been compiled and disseminated internally and/or to the public														
	Source data are adequate for the compilation of these macroeconomic statistics						●							●	
	Adjustments (for under coverage, misreporting, definitional or conceptual differences, reconciliation of two or three measures of GDP, balancing of product level estimates, and so on) made to source data are explicit, transparent and well documented						●								
	Statistical techniques are sound													●	

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 real sector statistics- national accounts - NAC	A new data set has been compiled and disseminated internally and/or to the public					●					●				
Price Statistics															
Strengthen compilation and dissemination of Property Price Statistics - PPS	Methodological basis for the statistics follows internationally accepted standards, guidelines, or good practices.					●							●		
Strengthen compilation and dissemination of Consumer Price Statistics - CPP	Methodological basis for the statistics follows internationally accepted standards, guidelines, or good practices.					●									
Strengthen compilation and dissemination of Producer Price and Trade Price Statistics - PPT	Improved periodicity, timeliness, and consistency of data						●								
Strengthen compilation and dissemination of macroeconomic and financial statistics for decision making according to internationally accepted statistical standards, including developing statistical infrastructure, source data, serviceability and/or metadata	A new data set has been compiled and disseminated internally and/or to the public							●					●		
	Methodological basis for the statistics follows internationally accepted standards, guidelines, or good practices.							●	●				●		
	Improved periodicity, timeliness, and consistency of data							●	●						
	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 FY25

WORKPLAN FOR FY25¹

	Activity name	CD modality	Quarter	Total days
Algeria				
CBO	Liquidity Forecasting	FB	Q2	31
CBO	Foreign Reserve Management	FB	Q1	22
CBO	Central Bank Bills	FB	Q3	23
FSR	ICAAP Development	FB	Q1	22
FSR	ICAAP Review and Training	FB	Q3	24
PFM	Cash Management - Strategy for debt sustainability	FB	Q2	22
PFM	Implementation of the PFM Law (MTBF/PPB)	FB	Q3	22
REV	Support the tax administration to improve compliance in the extractive industries	FB	Q1	21
MF	Developing Quarterly Projection Model	FB	Q1	8
MF	Macroeconomic Framework - Central Bank	FB	Q3	14
AML/CFT	Enhancing AML/CFT Framework	DS	Q1	10
AML/CFT	Enhancing AML/CFT Framework	FB	Q2	7
AML/CFT	Enhancing AML/CFT Framework	FB	Q4	7
Djibouti				
CBO	Foreign exchange reserve management	FB	Q1	29
PFM	Fiscal Risk - SOE health check tool applications	FB	Q1	22
PFM	Budget Preparation- Follow up	FB	Q3	22
REV	Strategic governance training for the Reform Management Team	FB	Q1	21
REV	Follow-up on strategic planning and performance measurement	DS	Q1	5
REV	Assist the tax administration in developing a compliance strategy for the large taxpayer segment	FB	Q4	21
REV	Support on the presentation of the Strategic plan and priority project proposals to donors	FB	Q2	17
REV	HQ-METAC - Customs needs assessment	FB	Q2	6
REV	Customs Law Review	FB	Q3	5
TP	HQ mission	FB	Q2	20
TP	Follow up mission	FB	Q3	25
GFS	Expanding GFS Coverage	FB	Q1	12
Egypt				
FSR	Risk assessment methodology & risk ratings of Internal Control environment	FB	Q1	34
FSR	IRRBB Framework Update	FB	Q3	22
FSR	Credit Guarantee Companies Regulation and Supervision	FB	Q4	23
PFM	Budget preparation follow up (ceilings, baseline budgeting)	FB	Q2	22
PFM	Fiscal Risk - SOE health check tool applications	FB	Q2	22

	Activity name	CD modality	Quarter	Total days
PFM	C-PIMA follow up	FB	Q3	22
REV	Participation in FAD-HQ led strategic mission	FB	Q2	13
REV	Support (TBD meeting ECA in early March)	FB	Q2	16
RSS	Quarterly GDP improvements	FB	Q1	15
RSS	Annual GDP improvements	FB	Q3	15
RSS	Financial accounts	FB	Q2	15
RSS	Supply and Use Tables	FB	Q2	15
GFS	Expand GFS coverage	FB	Q2	21
AML/CFT	Criminal Justice Workshop	FB	Q1	7
Iraq				
CBO	Liquidity Monitoring	FB	Q2	23
FSR	SRP Project (ICAAP Regulation Development)	FB	Q1	23
FSR	SRP Project	FB	Q2	23
PFM	TSA- Follow-Up (1)	FB	Q1	22
PFM	TSA- Follow-Up (2)	FB	Q4	20
PFM	Expenditure Control	FB	Q2	22
REV	Review and re-design the self-assessment implementation mechanism	DS	Q1	17
REV	Develop a registration strategy that includes integrated and simple registration procedures including reviewing registration forms	FB	Q3	22
REV	Develop simplified compliance risk management framework for the large taxpayer segment	FB	Q3	22
REV	Review the Large Taxpayers criteria	FB	Q2	21
REV	Customs Law Review 3 (Hybrid)	FB	Q1	18
REV	Customs Law-implementing regulations 1 (Hybrid)	FB	Q1	15
REV	Customs Law-implementing regulations 2 (Hybrid)	FB	Q2	15
RSS	Producer Price Index (PPI) update	FB	Q3	10
GFS	Expand GFS and PSDS coverage	FB	Q3	23
MF	Building Macroeconomics Framework using MFT tool	FB	Q1	9
MF	Macroeconomic Framework - Central Bank	FB	Q2	9
MF	Macroeconomic Framework - Central Bank	DS	Q3	8
MF	Macroeconomic Framework - Central Bank	DS	Q4	8
Jordan				
CBO	Liquidity Forecasting follow-up	FB	Q4	32
FSR	Developing SRP Risk Rating Methodology	FB	Q2	22
FSR	Enhancing Related Parties Regulation	FB	Q2	23
FSR	Developing IRRBB Regulation	FB	Q3	22
PFM	PPP fiscal risk follow-up	FB	Q3	22
REV	Follow-up on tax compliance in the digital economy sector	FB	Q4	23
REV	Support the Income and Sales Tax Department in data analysis to improve compliance	FB	Q1	14
REV	Support to reviewing broker operations/licensing/performance/risk	FB	Q1	24

	Activity name	CD modality	Quarter	Total days
REV	Support to Customs and Tax data exchange	FB	Q2	10
RSS	GDP-NOE	FB	Q1	15
RSS	GDP-Use of administrative data in ANA&QNA	FB	Q4	15
RSS	PPI-Update of PPI and IPI	FB	Q3	15
GFS	Expand GFS coverage to the General government	FB	Q2	5
Lebanon				
CBO	Foreign exchange trading platform - follow-up (2)	DS	Q4	32
FSR	Business Plan Development and Capacity Building on Assessment	FB	Q3	23
FSR	Asset Quality Review & Valuation	FB	Q2	22
PFM	MTFF follow-up	FB	Q2	22
PFM	Budget reporting follow-up	FB	Q3	22
PFM	Institute of Finance - Expenditure costing	FB	Q4	22
REV	Support the tax administration in developing and implementing a reform management framework	FB	Q4	17
REV	Assist the tax administration in developing a crisis compliance strategy	FB	Q2	16
REV	Provide training for auditors	DS	Q1	5
REV	Supporting Risk Management & Intelligence (joint with ICMPD)	FB	Q1	5
REV	Support to mapping of customs clearance process	FB	Q2	5
REV	Joint FAD-LEG Workshop Legislation (1)	FB	Q1	10
REV	Joint FAD-LEG Workshop Legislation (2)	FB	Q2	10
REV	Joint FAD-LEG Workshop Legislation (3)	FB	Q2	10
REV	Joint FAD-LEG Workshop Legislation (4)	FB	Q3	10
REV	FAD-METAC ASYCUDA World IT Training (SoClass/Java)	IL	Q1	10
REV	FAD-METAC ASYCUDA World Assessment (Remote)	DS	Q1	5
TP	Income Tax Design	FB	Q2	20
RSS	GDP-Improving quarterly national accounts	FB	Q2	15
RSS	CPI-CPI development	FB	Q3	15
GFS	Expand GFS and PSDS coverage	FB	Q3	13
Libya				
CBO	Foreign reserves management mission (1)	FB	Q1	32
CBO	Foreign reserves management mission (2)	FB	Q3	33
FSR	Enhancing Regulatory and Supervisory Framework	FB	Q2	22
FSR	Governance framework for financial institutions	FB	Q2	22
PFM	Finance Institute Roadmap	FB	Q1	22
PFM	Budget Preparation follow-up	FB	Q3	22
REV	Participation in FAD HQ led strategic mission	FB	Q2	7
REV	Develop mandates for headquarters functions and field offices for the Libyan Tax Administration	FB	Q1	20
REV	Develop business processes based on the METAC proposed organizational structure	DS	Q2	22
REV	Follow-up on the digitalization project	DS	Q3	16
REV	Review of key customs procedures to develop national SOP	FB	Q2	10

	Activity name	CD modality	Quarter	Total days
REV	Customs Free Zone operation and control	FB	Q2	18
RSS	GDP-Annual National Accounts	FB	Q3	15
MF	Macroeconomic Framework - Ministry of Finance	FB	Q3	23
Morocco				
FSR	ILAAP Regulation Review	FB	Q1	22
FSR	Fundamental Review of the Trading Book (FRTB) - Training and guidelines	FB	Q2	22
PFM	Internal Control	FB	Q3	22
PFM	Fiscal Risks	FB	Q4	22
REV	Support the tax administration in implementing a compliance strategy for the digital economy	DS	Q4	12
REV	Advise the tax administration on the implementation of behavioral insights to improve compliance	FB	Q4	10
REV	Follow up on improving the use of new emerging data analysis technologies in customs	FB	Q1	10
REV	Follow up on improving the use of new emerging data analysis technologies in customs	FB	Q3	15
RSS	Energy Accounts	Peer-to-peer	Q2	9
Syria				
RSS	Supply and Use Tables	FB	Q4	10
Tunisia				
REV	Follow-up on the development and implementation of a compliance risk management framework	FB	Q3	19
RSS	GDP-Quarterly GDP by Expenditures	FB	Q1	15
RSS	ISA-non-financial balance sheets	FB	Q4	10
West Bank and Gaza				
FSR	SREP	FB	Q3	22
FSR	Consolidated and Cross Border Supervision	FB	Q3	22
RSS	GDP - Benchmarking	FB	Q2	25
Yemen				
FSR	Development Risk Management Regulation for Banks	FB	Q1	22
FSR	Enhancing Supervision and regulation on Capital Framework (Capacity development and Roadmap)	FB	Q2	22
FSR	Enhancing Supervision and regulation on Capital Framework (Regulation Development) STX	FB	Q4	22
PFM	Expenditure control follow-up	FB	Q2	22
PFM	HQ-METAC TSA	FB	Q3	22
PFM	Cash forecasting for 2025 budget execution	FB	Q4	22
REV	Follow up on the CIP for the banking sector	FB	Q1	19
REV	Joint METAC-LEG mission: Assist the general directorate of taxes in the development of a tax procedure code	DS	Q3	15
REV	Assist the GTD in auditing high risk sectors/insurance	FB	Q4	19
REV	Assist the GTD in auditing high risk sectors/oil	FB	Q2	19
REV	Support to AW Review	FB	Q1	15
REV	Support to 'SOClass/JAVA' training (ASYCUDA World related)	FB	Q3	10

	Activity name	CD modality	Quarter	Total days
RSS	GDP-Annual National Accounts (training)	FB	Q4	10
GFS	PSDS - METAC - Data Improvement (offsite)	FB	Q2	18
GFS	PSDS - METAC - Data Improvement (offsite)	FB	Q2	18
AML/CFT	AML/CFT Legal Drafting	DS	Q1	3
Regional activities				
CBO	Course on Selected Issues on Monopole Implementation	IL	Q2	18
CBO	Course on Tools for Monetary Policy Implementation	IL	Q4	22
FSR	METAC Regional Workshop Stringent Regulation and Agile Supervision	IL	Q4	22
FSR	METAC CEF Kuwait Corporate Governance and Board Effectiveness STX	IL	Q1	18
FSR	METAC Regional Workshop Climate change	IL	Q4	16
PFM	METAC-CEF Macro-Fiscal Planning	IL	Q1	20
PFM	METAC-CEF Cash Management	IL	Q3	20
PFM	Digitalization/Gender/Climate	IL	Q2	20
PFM	Budgeting in MENA (with OECD)	IL	Q3	14
REV	Regional Workshop on Performance Management	IL	Q1	15
REV	Regional workshop on Customs-Tax data exchange	IL	Q1	15
REV	Regional Workshop on Kontaktu's platform functionalities	IL	Q1	15
TP	Regional tax policy workshop	IL	Q3	20
RSS	METAC-CEF Regional training on measuring the NOE	IL	Q2	10
GFS	METAC Opening Workshop on GFS&PSDS	IL	Q1	20
GFS	METAC - CEF-GCC GFS Workshop	IL	Q3	20
GFS	METAC Regional Workshop GFS&PSDS	IL	Q4	20
GFS	METAC/CEF-GCC Compilation of GFS for SOEs Workshop	IL	Q4	20
MF	Monetary Policy Practices - Peer to peer Learning	Peer-to-peer	Q2	6
MF	Monetary Policy	IL	Q2	6
MF	CEF-METAC MFA (BAM) Training Course	IL	Q2	8
AML/CFT	AML/CFT Course at CEF	FB	Q2	7
AML/CFT	38 th MENAFATF Plenary and WG Meetings	FB	Q1	7
AML/CFT	39 th MENAFATF Plenary and WG Meetings	FB	Q2	7
AML/CFT	41 st EAG WG and Plenary, Kyrgyz Republic	FB	Q2	7
AML/CFT	Advanced Strategic Analysis Course	FB	Q1	7

^{1/} Indicative work plan planned for FY25 as of May 2024 excluding webinars and outreach activities.

Note: DS: Duty Station-Based work; FB: Field-Based work; IL: Interactive Learning and Workshops; MENAFATF: Middle East and North Africa Financial Action Task Force.

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 Capacity Development](#), leading the Regional Technical Assistance 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).

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 KU Leuven and Bocconi University.

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.

Ms. Lusine Margaryan: Financial Supervision and Regulation Advisor



Ms. Lusine Margaryan, an Armenian national, became a part of METAC in November 2023, taking on the role of a Financial Supervision and Regulation Resident Advisor. With a rich professional background spanning 18 years, her expertise lies in capital markets, financial regulation and supervision, regulatory compliance, financial and strategic analysis, corporate governance, risk management, and internal control of banks, investment companies, and investment funds. Before joining METAC, Lusine Margaryan held the Head of the Listing Division position at the Armenian Securities Exchange. Additionally, she contributed to the Central Bank of Armenia for approximately 13 years in a supervisory capacity. Furthermore, she has served as a short-term expert and consultant for international organizations and local financial institutions. Ms. Lusine holds a degree in Commerce from the Armenian State University of Economics and an MBA from Nottingham University.

Mr. Jonas Frank: Public Financial Management Advisor



Mr. Jonas Frank, a German national, was METAC PFM Advisor from November 2019 until April 2024. 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 10 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.

Ms. Sarah Bou Atmeh: Tax Policy Advisor



Ms. Sarah Bou Atmeh is an experienced policy economist with over 20 years' experience working in the public and private sectors, on both tax policy formulation and implementation. Ms. Bou Atmeh has worked with the Lebanese Ministry of Finance, PWC, the United Arab Emirates' Federal Tax Authority and the Department of Finance of Dubai on Value Added Tax, Excise Tax, Corporate Income Tax, Petroleum and Natural Resources Taxes. In addition, she has led and delivered several tax related capacity development activities in the GCC and the MENA regions. Ms. Bou Atmeh holds a Master of Arts in Policy Economics from Williams College, the United States of America, and a "Diplôme d'Études Approfondies en Management" from the Saint Joseph University of Beirut, Lebanon, as well as a certificate in English language from Georgetown University, the United States of America.

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 TAIEX Program. He holds degrees from Sofia University and University of World and National Economy in Law and Marketing.

Ms. Sabine Corm: Tax Administration Advisor



Ms. 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. Ms. Corm 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. She 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. Djamel Bouhabel: Customs Administration Advisor



Mr. Djamel Bouhabel, was METAC Customs Administration Advisor from February 2022 to July 2023. He has more than 25 years' experience in customs administration and international trade. Before joining METAC, he served in different technical and managerial positions at the Canada Border Services Agency (CBSA) for more than 22 years. Djamel's professional experience covers multiple facets of customs administration, including, commercial import processing, tariff classification, customs valuation and transfer pricing, rules of origin, drawbacks, exonerations, audit, and investigations. He has significant experience as an international expert in customs and trade facilitation. He delivered TA on customs reform and modernization projects in more than a dozen countries in Africa, the Caribbean, and the MENA region. Djamel has experience in developing, reviewing, and updating commercial compliance verification manuals, programs, and standard operational procedures (SOPs). As a certified training specialist, he delivered training in a wide range of technical customs issues. Djamel has a master's level education in economics and finance.

Mr. Andrew Allan: Customs Administration Advisor



Mr. Andrew Allan, a British national, joined METAC on September 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 and 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, was METAC's resident advisor on Real Sector Statistics from October 2018 to October 2023. 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 SUTs; 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 TA 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.

Ms. Elirjeta Pepaj: Real Sector Statistics Advisor



Ms. Elirjeta Pepaj, an Albanian national, joined METAC as Regional Advisor on national accounts and price statistics on October 6, 2023. Previously, she held the same position at the IMF's Africa Regional Technical Assistance Center West 2 for five years. Prior to her appointment to the IMF, she was Real Sector Statistics Director in the Albanian Institute of Statistics. Ms. Pepaj has more than nineteen years of experience working on the production of national accounts, price, and business statistics. She has participated in and led numerous inter-institutional working groups on the development of macroeconomic statistics, drafting Memoranda of Understanding, and contributing to international projects for the implementation of 2008 SNA. Ms. Pepaj holds a Master of Science in European Economic Studies from the Faculty of Economics, University of Tirana, Albania.

Mr. Amir Hadziomeragic: Government Finance Statistics and Public Sector Debt Statistics Advisor



Mr. Amir Hadziomeragic joined METAC on November 6, 2023, as Government Finance Statistics (GFS) and Public Sector Debt Statistics (PSDS) Advisor. Mr. Amir joins METAC from the Central Bank of Bosnia and Herzegovina (CBBH), where he was the Head of the Statistics and Publication (and previously also Economic Research and Financial Stability) Department. He played an active role in the national statistical system, EU integration process, cooperation with the Eurostat and the ECB and represented Bosnia and Herzegovina in international statistical fora. Before his 20-year career at the CBBH, he worked as Advisor to the Ministers in the Ministry of Foreign Trade and Economic Relations, and different roles in Bosnia-Herzegovina government institutions, and the World Bank. Mr. Amir holds a master's degree from Columbia University, USA.

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



Mr. Peter El Sharoni has more than 20 years of experience in the fields of AML/CFT and banking supervision. He worked at the MENAFATF as 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.

Mr. Nasser Badra: Macroeconomic Framework Advisor



Mr. Nasser Badra joined METAC in December 2023 as macroeconomic framework advisor. Previously, he worked at UNDP as National Economic Advisor at the office of the Lebanese deputy prime minister where he contributed to the Staff Level Agreement with the IMF following the Lebanese financial and economic crisis. He also worked at the International Labor Organization as an Economic Consultant. Between July 2019 and May 2022, he worked as Consultant and Associate Economic Officer at UN-ESCWA, Economic Development and Integration Division analyzing sources of exchange rate misalignment in the MENA region and fiscal policy efficacies. Before joining ESCWA, Mr. Badra worked as full-time Research Associate and Consultant at the American University of Beirut, Institute of Financial Economics, where he contributed to the publication agenda. He obtained his master's in economics from the American University of Beirut and California State University, Sacramento.

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 the 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 a 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 an M.A. in Economics from the University of Wisconsin-Milwaukee.

Ms. Nathalie Tawil: Senior Administrative Assistant



Ms. Nathalie Tawil, a Lebanese national, joined METAC as an administrative assistant in February 2013. She has more than 18 years of professional experience in the areas of project management, operations, research and reporting. In her last assignment, Nathalie worked with UNDP - Regional Bureau for Arab States as Program Management and Operations Assistant, where she supported the preparation process of the second series of the Arab Human Development Reports. Nathalie holds a master's degree in social and Economic Development from the Lebanese University of Social Sciences.

Mr. Joey Ghaoui: Administrative Assistant



Mr. Joey Ghaoui, a Lebanese national, joined METAC in June 2022 as administrative assistant. Prior to joining METAC, he worked in the marketing field in the fast-moving consumer goods sector handling international brands for the past seven years. He also has three years of experience working in the private banking sector.

Ms. Zeinab Hammoud: Administrative Assistant



Ms. Zeinab Hammoud, a Lebanese national, joined METAC in October 2022 as administrative assistant. Prior to joining METAC, she worked in the field of international relations and diplomatic services for the past four years at the embassy of India. She holds a master's degree in international relations and a bachelor's degree in political science and international affairs from the Lebanese American University in Beirut (LAU).

Ms. Sara Wehbi: Administrative Assistant



Ms. Sara Wehbi, a Lebanese national, joined METAC as an administrative assistant in October 2023. She previously worked as team and research assistant in the United Nations Economic and Social Commission for Western Asia. During her four-year tenure at ESCWA, she contributed to various capacity development projects for member states, particularly in the areas of research and coordination, provided administrative functions and substantive technical assistance in project implementation. She also contributed to ESCWA publications in the realm of Sustainable Development Goals (SDGs) and institutional development. Ms. Sara holds a degree in International Affairs and Diplomacy from the American University of Science and Technology.

Mr. Fadi Mehrez: Senior Driver



Fadi Mehrez, a Lebanese national, joined METAC in early 2005 as an office driver. With his tenure going back almost to the Center's establishment, he has worked with all directors, regional advisors, and local staff over the years, accumulating a rich institutional memory and supporting smooth Center operations. He witnessed every shock that has impacted METAC during the past 20 years, and he had a crucial role in facilitating several staff evacuations.



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