

Iraq

Technical Assistance in Fiscal year 2016

All METAC missions for Iraq were held in Amman, Jordan.

Banking Supervision

METAC reviewed the Central Bank of Iraq (CBI) prudential regulations in banking supervision based on the Basel Core Principles and the CBI's Banking Law 94 of 2004. The mission produced a detailed report identifying the current regulations that need to be amended and upgraded to be in line with international standards and best practices in banking supervision, and recommended the development of additional regulations that should be in place to enhance the regulatory framework at the CBI.

Public Financial Management

METAC, jointly with the IMF Middle East and Central Asia Department (MCD) fielded a mission to review overall progress made in the implementation of PFM reforms, discuss TA needs in the PFM area, and prepare the grounds for the next FAD mission. The mission focused on cash management system in place; status of the TSA implementation in light of the draft PFM law; status of the law; and the progress achieved following the March 2015 mission on Government Financial Statistics.

METAC long-term resident advisor participated in the FAD led mission which included staff from the World Bank. The mission took place concurrently with the MCD negotiation mission for the staff-monitored program (SMP). The mission provided guidance on the steps to (a) review the latest draft of the financial management law, (b) discuss the design of and steps required to implement commitment controls and strengthen cash management, and (c) assess the practicality to the authorities to meet the SMP structural benchmark related to the financial management law.

Statistics

National Accounts

METAC conducted a mission on NA for the central organization of statistics and information technologies (COSIT). The mission reviewed the progress achieved in the recent years, mainly the adopted new benchmark year for NA estimates - a very important step forward, as the previous GDP estimates were outdated (based on 1998). The mission observed some inconsistencies in the applied procedures for price and volume measures, which require immediate further assistance. Furthermore, the development of data sources for regular NA compilation is one of the key priorities for further TA.

Price Statistics

METAC conducted a mission on price statistics for the COSIT. The mission reviewed and assessed the price indexes compiled by COSIT, namely monthly consumer price index (CPI) and producer price index (PPI). Recommendations were provided for possible further expansion of the

coverage of the indexes, and better methodological compliance with the international standards and good practices.

External Sector Statistics

A METAC mission held in Amman, Jordan, worked with the officials from the CBI and key representatives from other relevant institutions (Ministry of Oil, Central Statistics Organization, and the MoF) on further developing of the ESS in accordance with international standards and good practices. The mission assisted CBI in analyzing possible reasons for growing statistical discrepancy in external sector: inadequate coverage of payments to international oil companies; absence of transactions from the Kurdistan region; and incomplete recording of the counterparts for the increased net borrowing. CBI was advised on further developments of the compilation system and broadening the range of administrative data sources.