



MIDDLE EAST REGIONAL TECHNICAL ASSISTANCE CENTER

QUARTERLY NEWSLETTER

May – July 2024

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Key Highlights

METAC's main highlight of the past quarter was our [Steering Committee Meeting 2024](#) on June 6 in Cairo, Egypt, which brought together representatives from the IMF, member countries, and development partners to review the Center's [capacity development](#) (CD) activities for the past fiscal year and discuss the workplan for the period ahead. Overall, METAC had a very successful fiscal year 2024 (FY24, May 2023 – April 2024). The Center delivered on its commitment to substantially expand CD services, despite a challenging regional environment marked by fragility and conflict. In the coming year, METAC will further increase its CD delivery to member countries by introducing two new workstreams on [public debt management](#) and [governance & anti-corruption](#).

We had further staff changes in the Public Financial Management (PFM) workstream following Mr. Jonas Frank's departure at the end of April 2024. Mr. Kevork Baboyan joined METAC as Public Financial Management Advisor on 15 July, bringing twenty years of experience on PFM issues at both national and sub-national levels. At the same time, Mr. Yasser Sobhi unexpectedly left METAC after being appointed Vice-Minister of Finance of Egypt. We wish Mr. Sobhi all the best for his new responsibilities at the Ministry of Finance and look forward to collaborating with him in his new role. PFM Technical Assistance missions will be provided as planned with support from the IMF Fiscal Affairs Department until a successor is hired.

In the first quarter of FY25, METAC delivered 26 country CD activities, four regional workshops (see chart below), and several outreach activities.

Finally, we gave our newsletter a makeover. We hope that you like the new design!

DEVELOPMENT PARTNERS



European Union



France



Germany



Netherlands



Switzerland

MEMBERS



Afghanistan



Algeria



Djibouti



Egypt



Iraq



Jordan



Lebanon



Libya



Morocco



Sudan



Syria



Tunisia

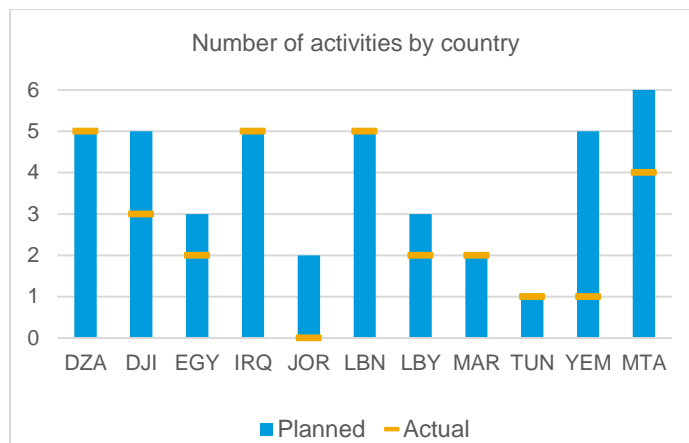
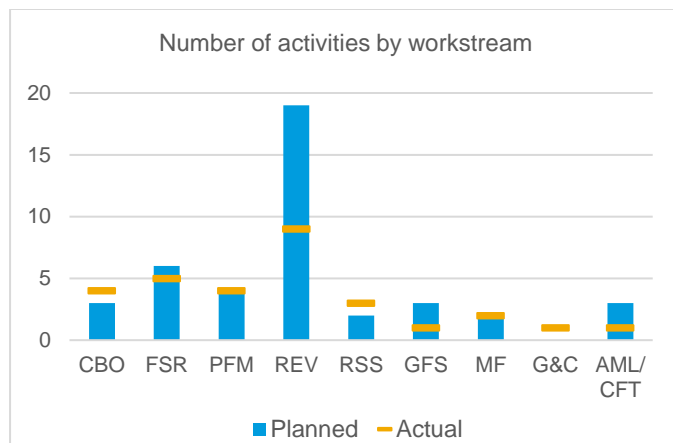


West Bank
and Gaza



Yemen

Capacity Development Activities May to July 2024



Acronyms: DZA: Algeria; DJI: Djibouti; EGY: Egypt; IRQ: Iraq; JOR: Jordan; LBN: Lebanon; LBY: Libya; MAR: Morocco; TUN: Tunisia; YMN: Yemen; MTA: Regional Activities.

CBO: Central Bank Operations; FSR: Financial Supervision and Regulation; PFM: Public Financial Management; REV: Revenue Administration; RSS: Real Sector Statistics; MF: Macroeconomic Frameworks; GFS: Government Finance Statistics; G&C: Gender and Climate; AML/CFT: Anti-Money Laundering & Combating the Financing of Terrorism.

Outreach

IMF-METAC Steering Committee Meeting 2024 (6 June | Cairo, Egypt)

For almost 20 years, the Middle East Regional Technical Assistance Center has been assisting its member countries in advancing public policies and building stronger macroeconomic institutions for long-term development and inclusive growth. METAC's Steering Committee met on June 6, 2024, in Cairo, Egypt, to review the Center's [capacity development \(CD\)](#) activities for the past fiscal year and discuss the workplan for the period ahead. The event brought together representatives from the IMF, member countries, and [development partners](#). Switzerland, Germany, the Netherlands, France, and the European Union provide financial and strategic support to the Center.

METAC had a very successful year. It delivered on its commitment to substantially expand CD services to its member countries, despite a challenging regional environment marked by fragility and conflict. Total CD delivery increased by 30 percent compared to the previous year, while CD to fragile member states rose by 40 percent. METAC added three new [workstreams](#) (tax policy, government

finance statistics, and macroeconomic frameworks) to its existing portfolio. It also established two new cross-cutting work programs on [climate](#) and [gender](#) and bolstered its team of experts with three regional advisors dedicated to assisting [fragile and conflict-affected states](#) with their specific institutional challenges and capacity building needs. In the coming year, METAC will further increase its CD delivery to member countries by introducing two new workstreams on [public debt management](#) and [governance & anti-corruption](#).



Middle East and North Africa Financial Action Task Force (MENAFATF) meetings (19-23 May | Manama, Bahrain)

The Middle East and North Africa Financial Action Task Force (MENAFATF) Secretariat granted the IMF an award for its 2023 contributions in support of its members. AML/CFT regional advisor Peter El Sharoni participated in the discussions of the



Mutual Evaluation Report of Iraq and provided an overview of the IMF Legal Department's AML/CFT capacity development work in the MENA region. The meetings were an opportunity to inform member countries of the planned CD

activities in the region, including the upcoming workshop at the IMF Center for Economics and Finance (CEF) on "Countering the Financing of Terrorism: Good Practices to Enhance Effectiveness" in September 2024. The Plenary was

also a chance to coordinate with the MENAFATF and other Technical Assistance providers, such as the World Bank and the UNODC, on CD activities in the MENA region.

Sustaining Partnerships: GIZ Lebanon (12 July | Beirut, Lebanon)

METAC Director Holger Floerkemeier and METAC Economist Anastasia Janzer attended the German International Cooperation (GIZ) reception for GIZ's new Country Director in Lebanon, Mr. Matthias Wagner. We wish Mr. Wagner and the GIZ team all the best for their successful work in Lebanon!



Regional Workshops

Budget Institutions for Effective Climate Change Action and Gender Equality in the Middle East and North Africa (9-12 June | Cairo, Egypt)

How well prepared are the budget institutions in MENA countries for implementing gender and climate reforms? And how can the budget process be adjusted to effectively incorporate gender and climate policy priorities? These were some of the questions that a regional workshop on Budget Institutions for Effective Climate Change Action and Gender Equality tried to answer. The event was jointly organized by METAC and the Fiscal Affairs Department ([FAD](#)) with the support of the Swiss State Secretariat for Economic Affairs ([SECO](#)). The workshop included country presentations and group exercises which evoked lively discussions among the participants. Peer exchanges played a crucial

role in enhancing understanding and sharing experiences and knowledge among participants.



Bank Corporate Governance and Board Effectiveness (27-30 May | Kuwait)

The workshop was organized in collaboration with the IMF Center for Economics and Finance (CEF)

in Kuwait to train participants on bank corporate governance and discuss related implementation challenges. The event was attended by 33 participants from 12 countries: Algeria, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Morocco, Tunisia, Saudi Arabia, Syria, and Yemen. It described the key principles and concepts of good governance, presented the role of board of directors and board committees, and explained the interdependencies of risk management, compliance, and internal audit in fostering a good governance infrastructure. Fit and propriety criteria of board members and key senior management were presented. Such criteria aim to ensure that bank executives possess adequate expertise, knowledge, and independence to conduct their functions effectively. Case studies trained participants on how to assess the effectiveness of corporate governance, identify weaknesses, and propose corrective measures. IMF experts presented sessions on Corporate Governance in Islamic Banks, Related Parties Exposures, and State-Owned Banks.



Macro-fiscal Planning (9-13 June | Kuwait)

PFM Advisor Yasser Sobhi led a five-day course at CEF in Kuwait, bringing together 33 participants from 13 countries (8 METAC, 4 GCC, and Somalia). Officials from ministries of finance and economy and central banks enhanced their understanding of policymaking and management processes and institutions over short to medium timeframes. During lectures, applied workshops, interactive roundtable discussions, and peer-to-peer learning,

the course covered selected issues in economic policymaking, macroeconomic policy formation, and crisis resolution. Participants' active interactions and comments revealed a high demand for such tailored trainings targeting officials working in the policymaking sphere.

Strengthening Government Finance Statistics and Public Sector Debt Statistics (19-23 May | Amman, Jordan)

Led by Mr. Imad Khanchaoui (IMF Statistics Department) and METAC Advisor Mr. Amir Hadziomeragic, this workshop covered key concepts of the Government Finance Statistics (GFS) Manual 2014 and the and Public Sector Debt Statistics (PSDS) Guide for Compilers and Users 2011 through presentations and case studies. 25 participants from 10 countries (Algeria, Egypt, Iraq, Jordan, Lebanon, Libya, Morocco, Tunisia, West Bank and Gaza, and Yemen) learned current GFS and PSDS practices, covering data collection, compilation methods, capacities, and dissemination standards in participating countries. It was the first of its kind in years and is expected to strengthen GFS/PSDS practices across the region and pave the way for future technical assistance.



Webinars

Fiscal Reforms to Support Addressing Climate Change Challenges in Algeria

(14 May)

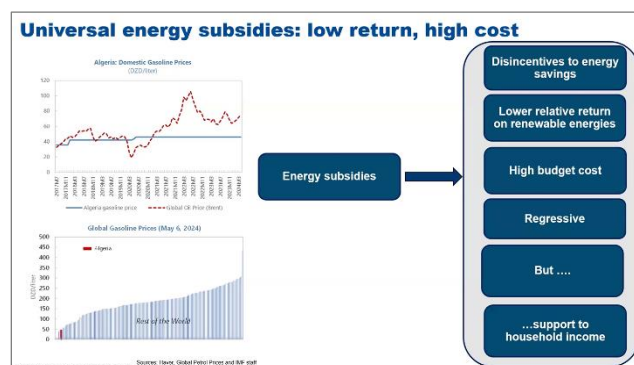
Fiscal policy instruments are powerful tools that governments can deploy to respond to climate change challenges. This webinar was based on the IMF [Selected Issues Paper](#) discussing the Algerian government's climate strategy and presented fiscal policy options to achieve Algeria's greenhouse gas emission reduction goals and build resilience against climate risks.

The webinar was attended by 84 participants. The presentation was followed by a lively Q&A session. The METAC team gives special thanks to the presenter, Mr. Mahmoud Harb from the IMF for taking the extra time to respond to all questions and engaging in the vivid discussion with the audience. Many questions focused on the proposed reform of the universal energy subsidy, which was one of the four presented reform pillars. Participants were especially interested in the reforms' impact on household's purchasing power, inflation, and investments in renewable energy. The debate covered topics such as (1) the need to cushion the social impact of an energy subsidy removal by an

accompanying targeted cash transfer mechanism that supports vulnerable households; (2) the necessity of adequate monetary policy to respond to the supply shock; and (3) the impact of universal subsidies on the commercial viability of investments in renewables.



Mahmoud Harb during his presentation.



Technical Assistance and Training

Central Bank Operations

Algeria

Calibrating Open Market Operations

At the urgent request of the Banque d'Algérie METAC reviewed the current practice of calibrating open market operations during 2-4 July. The mission supported the integration of the new liquidity forecasting framework that was delivered by the 2022 Technical Assistance mission, into the calibration of the weekly liquidity operations. The mission was hands-on in nature and improved and adjusted the existing procedures.

Operationalizing an In-House Credit Assessment System

This follow-up mission during 7-10 July is part of a project that assists the Banque d'Algérie in improving their calculation of credit rating and haircuts to support the BA in their objective to protect the central bank balance sheets when accepting collateral in liquidity-providing operations. The project reached a first major milestone with the implementation of an automated internal rating tool for non-financial corporations. The rating methodology will be implemented across the local branches of the Banque d'Algérie where the automated rating will be supplemented with the relevant expert judgement. Initially, the rating will be

used internally to calculate haircuts applicable to credit claims when mobilized for central bank liquidity provision operations.



Djibouti

Improving Foreign Reserve Management

At the request of the Banque Centrale of Djibouti (BCD), METAC provided a technical assistance mission during 6-16 May aimed at improving BCD's foreign reserve management. The BCD currently operates in a challenging environment with declining foreign reserves, resulting in currency board coverage ratio below 100 percent. The mission proposed that the BCD immediately adopt a comprehensive framework for the management of foreign exchange reserves, as it is currently subject to a high concentration of credit risk. The mission provided detailed documentation for an Investment Policy, Investment Strategy, and Investment Guidelines, calibrated to the BCD context. This includes limited investment in Shariah-compliant products to enable the remuneration of the required reserves of Islamic banks.



Libya

Improving Foreign Reserve Management

At the request of the Central Bank of Libya (CBL), METAC provided an off-site mission in Tunis during 24-28 June on enhancing the CBL's foreign reserve management and bringing it in line with international best practices. The mission team concentrated on structural features of a reserve management framework to incorporate economics and financial logic into the existing framework. Furthermore, the mission team stressed the importance of completing the CBL's foreign exchange management documentation with a Foreign Reserve Strategy to strengthen the link between the CBL's monetary policy objectives and foreign reserve management.



Financial Supervision and Regulation

Algeria

Developing a Risk Rating Framework for Banks

METAC assisted Banque d'Algerie (BA) during June 10–27 to develop a risk rating framework for banks, representing the last phase of a multi-step project that started in 2020. The project aimed at replacing the existing CAMELS rating system with a new rating system that covers a wider array of risks and is based on a set of quantitative and qualitative indicators. Unlike the CAMELS rating, the new rating will be produced by the off-site function to ensure updated results. The mission (i) finalized the methodological guide that describes the architecture, processes, and procedures of rating; (ii) reviewed the test results and proposed final finetuning to some indicators, weights, and benchmarks; and (iii) developed a guide relating the rating of a bank and its size to the intensity and frequency of supervisory activities. Finally, regulations to further enhance the new rating system and reinforce risk-based supervision were proposed as next steps.



Egypt

Onsite Inspection of Risk Management, Internal Control, ICAAP and IFRS 9

METAC provided capacity building for the on-site supervisors of the Central Bank of Egypt (CBE) during 9–13 June in onsite inspection of risk management, internal control, Internal Capital Adequacy Assessment Process (ICAAP) and IFRS 9. It presented onsite inspection methodologies to assess risk management, corporate governance, and internal control. The mission explained ICAAP

philosophy, principles, and assessment methodology, presented onsite inspection methodology for IFRS 9 implementation, and illustrated the interaction between regulatory and accounting provisioning and impact on capital. The workshop was attended by 9 senior onsite supervisors who were trained in identifying gaps and room to modernize their current procedures of onsite inspection.



Iraq

Developing and implementing the Basel Framework Pillar 2 Supervisory Review Process

To strengthen the Central Bank of Iraq (CBI) supervisors' capacity in Basel Framework Pillar 2 and ensuring banks have sufficient capital and liquidity to support all the risks in their business, a METAC mission met six CBI participants in Amman, Jordan, during 24–28 June. The mission focused on enhancing the CBI supervisors' understanding of the supervisory review process (SRP) and internal capital adequacy assessment process (ICAAP). The mission team presented and discussed the purpose, key components, and regulatory aspects along with implementation strategies.



Yemen

Enhancing Supervision and Regulation on Capital Adequacy Framework

As part of a multi-step project aimed at a full development and implementation of the Basel III Capital Adequacy Framework, a mission during 9-13 June assisted the Central Bank of Yemen (CBY) supervisors in capacity developing of Basel III Capital Adequacy Framework Pillar 1. The mission presented and discussed the components of Pillar 1, the application of proportionality to regulatory requirements and areas where Yemeni supervisors may exercise national discretion. The review and discussions improved Yemeni supervisors' understanding of Pillar 1 components and will help them making informed decisions on the development of their own regulation.



Public Financial Management

Djibouti

Analysis of Fiscal Risks related to State-owned Enterprises

During 12-16 May, a mission team worked with the Public Accounting Department at the Ministry of Budget (MoB) and held meetings with other stakeholders to analyze the current fiscal risk management systems linked to State-owned Enterprises (SOEs). The mission trained the DCP teams on the use of the SOE-"Health Check Tool", developed by the IMF Fiscal Affairs Department. Fiscal risks were analyzed for two public enterprises, and recommendations were proposed for improving fiscal risk monitoring and management. Finally,

MoB staff applied the "Health Check Tool" to a third SOE and analyzed the results with the mission team.

Iraq

Implementing the Treasury Single Account (TSA)

The third workshop to advance the implementation of the TSA in Iraq was organized by FAD/METAC, in collaboration with the Ministry of Finance of Iraq, during the period July 24-27 in Amman (Jordan). Building on the outcome of the second workshop in March 2024, the event gathered 13 core members from the "TSA Implementation Committee", formed by key stakeholders including the Ministry of Finance (MoF), Central Bank of Iraq (CBI), and four State-owned banks (SOBs). The mission discussed the progress made in the implementation of the TSA roadmap and the key challenges encountered over the past few months. Participants actively engaged in discussions and agreed actions to be implemented until October 2024, including advancing the TSA design and concept note, developing a database for TSA bank accounts, and designing portals for data collection as an interim step while the roll out of the core banking system in the largest two SOBs is completed.

Libya

Restore Core PFM Functions

During June 23-27, a joint FAD/METAC team met with officials from the Libyan Government of National Unity (GNU) Ministry of Finance in Tunis, Tunisia. The activity focused on strengthening budget preparation processes amid ongoing political instability and fragmentation. Key recommendations included formalizing the budget timetable, developing a Fiscal Strategy Paper, and



enhancing budget transparency through the publication of key budget documents that are already being produced. The mission also highlighted the role of the medium-term fiscal framework in guiding budget discussions and improving fiscal planning. Despite the challenges faced in Libya, officials were confident they would be able to implement achievable and practical improvements in the budget preparation processes.

Revenue Administration

Djibouti

Strategic Plan and Generate Projects for the Djibouti Customs

METAC conducted a remote mission during 1-16 May to support Djibouti Customs in developing a strategic plan and generate projects which will implement the priorities of the plan, specifically focusing on the development of terms of reference for tiers of the selected governance framework and review of project initiative documents.

Iraq

Strengthening the Self-Assessment System to Enable Taxpayers to Fulfill their Tax Obligations.

Recognizing the importance of shifting the responsibility for calculating tax liability from tax administrations to taxpayers, this mission assisted the Iraqi General Commission of Taxes (GCT) during 13-16 July in strengthening the supportive framework for the Self-Assessment (SA) system. During this off-site mission, the mission team evaluated GCT's existing SA mechanism and identified key improvements. This mission is part of a complex transition to an SA system that would

enable most taxpayers to voluntarily fulfill their tax obligations, representing a significant change in the way the tax administration conducts its operations.

The Iraqi delegation presented a token of appreciation for METAC which represents the main historic Iraqi cities:



Iraq

Draft Implementing Regulations for the Iraq General Authority of Customs Law Review

A hybrid follow-on mission during 1-20 May for the Iraq General Authority of Customs (GAC) Law Review developed (remotely) and validated (in-person) two draft implementing regulations to be approved by the Director General of GAC: (i) a circular on Post Clearance Audit and (ii) an instruction on temporary exports (and re-imports) of goods. The mission also agreed that 'Customs Valuation' will be the next mission priority.

Lebanon

Training on Customs Enforcement Issues

This CD training to Lebanon Customs Authority (LCA) participants on 13-16 May was co-delivered and cost shared with the International Centre for Migration Policy Development (ICMPD). METAC's Customs Administration Advisor presented Customs Intelligence practices and the concept of National Risk Targeting Centers, while ICMPD advisors covered Risk management, Post Clearance Audit, and Vessel/ Container tracking.

Lebanon

Tax and Customs Cooperation

A workshop on tax and customs cooperation was held in Beirut in June 27-28, co-organized by FAD



and METAC tax and customs advisors. Very productive discussions covered the concepts of identifying, prioritizing, and addressing common risks and the institutional framework required for information exchange and joint activities aimed at improving compliance and increasing revenue mobilization.



Lebanon

Legislative Review Workshop

In response to a request from the Deputy Prime Minister (DPM), this workshop, held at the METAC office 24 June to 3 July, assisted the Lebanese Customs Administration (LCA) to identify gaps in current customs legislation. Five LCA representatives, were supported on the (i) review of the customs law; (ii) development of recommendations for amendments to align the law with international standards; and (iii) planning for an implementation road map. World Bank representatives joined in person and online. The next step is to formally present workshop outcomes



to the DPM and LCA, suggesting a prioritized list of amendments and proposing FAD / LEG support to assist with drafting, consultations, and implementation.

Lebanon

Reform Management

The Lebanese Ministry of Finance was supported in its reform agenda by METAC's Reform Management Mission during July 1-5. Despite the complicated economic and political context, the Lebanese tax authorities are moving towards reforming the existing tax administration organization with the large taxpayer project as a pilot. The mission conducted a comprehensive environmental scan and analyzed the possible alternative approaches to reform, engaging with key stakeholders and identifying the main challenges and basic prerequisites for successful change management.



Morocco

Development of an e-invoicing project

E-invoicing has a strong impact on tax compliance if the implementation is strategically planned, involving key stakeholders, and ensuring that key data analysis capabilities are in place. At the request of the Moroccan tax administration, METAC supported the initial steps in the development of an e-invoicing project. During 4-17 July, METAC helped the General Directorate of Taxes to assess the current situation, specific needs, and expectations. During a series of productive workshops and brainstorming sessions, the

appropriate invoicing model was selected. The joint work also resulted in a benefits-driven project plan and schedule for the preparation of functional and technical specifications and the required change management arrangements. The Moroccan authorities have an ambitious plan, dedicated resources and every prospect of success working with METAC.



Morocco

Improving the use of Emerging Data Analysis Technologies

In Rabat, Morocco, from July 15-24, METAC supported the Moroccan Customs Service in developing the necessary skills to design and implement machine learning models in Python software, specializing in dynamic selectivity. An intensive workshop was organized to build capacity in this area. It is a strategic objective of the Moroccan Customs to develop Artificial Intelligence (AI) strategies to make more effective use of data and improve revenue collection using cutting-edge technology to detect fraudulent transactions. The workshop was attended by five dedicated officers from the Risk Management, Statistics, and IT

departments. The participants brought a deep understanding of their customs environment, facilitating an in-depth and engaging learning experience.

Real Sector Statistics

Egypt

Improving quarterly GDP (QGDP) compilation and benchmarking techniques

During 28 July - 8 Aug, METAC assisted the Egyptian Ministry of Planning, Economic Development and International Cooperation (MPEDIC) with improving quarterly GDP (QGDP) compilation and benchmarking techniques and provided training on the quarterly national accounts methodology to enhance staff capacities.



Lebanon

Compilation of GDP Estimates for Financial Corporations

At the request of Central Administration for Statistics of Lebanon, METAC assisted the national



accounts team during 22-26 July with reviewing the source data and improving the compilation of GDP estimates for financial corporations, to ensure that international best practices are applied.

Tunisia

Compiling Quarterly Estimates of GDP by the Expenditure Approach

During 15-19 July, a mission assisted the Tunisian National Institute of Statistics (L'Institut National de la Statistique: INS) with the development of the methodology for compiling quarterly estimates of GDP by the expenditure approach.



Macroeconomic Frameworks

Algeria

Extending the Quarterly Projection Model (QPM) to the Fiscal Sector

During 26 May to 6 June, METAC assisted the Bank of Algeria (BA) in extending the Quarterly Projection Model to incorporate the fiscal sector and assess implications on inflation dynamics, the central bank's reaction function, and the evolution of debt. The mission team provided hands-on training on



preparing the forecasts and various alternative scenarios. Incorporating the effect of fiscal policy, forward-looking expectations, and timely intervention of the Central Bank will help BA in conducting monetary policy and achieving its long-term goals.

Iraq

Improving the Central Bank's Projections by Incorporating High-Frequency Data

The mission team supported a core team at the Central Bank of Iraq during 9-13 June to incorporate high-frequency data in the Macroeconomic Forecasting Tool (MFT) to ensure the timely updating of the current year's estimates and improve the forecast set. The MFT is a multi-sectoral model that can capture endogenous economic responses of scenarios, such as oil price fluctuations. The baseline projection, alternative scenarios, and formulation of year-on-year forecasts are now based on quarterly forecasts rather than historic figures or personal judgment. The mission team underscored the critical role of developing fiscal policy scenarios and determining an adequate level of foreign reserves buffers.

Anti-Money Laundering & Combating the Financing of Terrorism

Algeria

Enhancing the ML/TF Risk Understanding of the Supervisors

AML/CFT Regional Advisor Peter El Sharoni participated in a mission comprising a series of virtual CD sessions conducted in May and June to assist the Bank of Algeria in enhancing AML/CFT risk-based supervision of financial institutions under its purview. The sessions focused on the understanding of the main threats affecting the banking sector and that can trigger ML risks for enhancing the risk assessment tools utilized by supervisors, including geographic risks and risks related to the cross-border movements of funds.

Technical Assistance Reports

The following reports were uploaded to IMF Partners Connect website. Steering Committee members of countries and donors who have signed a confidentiality agreement with the IMF may access the reports at [TA Reports \(imfconnect.org\)](https://imfconnect.org):

Public Financial Management

Djibouti: Utilisation de l'outil de prévision de trésorerie – May 2024

Jordan: Strengthening Public-Private Partnership Fiscal Risk Management – May 2024

Yemen: Cash forecasting for 2024 Budget Execution – May 2024

Revenue Administration

Djibouti: Appui à la Direction Générale des Douanes et Droits Indirects en matière de planification stratégique et gestion de la réforme – June 2024

Lebanon: Customs Service Costing Methodology – May 2024

Lebanon: Audit Training Needs in the VAT and Revenue Directorates – May 2024

Statistics

Iraq: Consumer Price Index Mission – June 2024

Jordan: Measuring Non-observed Economy – May 2024

Tunisia: Non-Financial Balance Sheets – May 2024

Staff News



Mr. **Kevork Baboyan** joined METAC as Public Financial Management Advisor on 15 July. A national of Lebanon, Kevork has worked for twenty years on PFM issues at both national and sub-national levels. Among

others, he supported the budget reforms and the production of the Medium-Term Fiscal Framework at the Office of the Minister of Finance in Lebanon, assessed revenue policies as an Overseas Development Institute Fellow for the Internal Revenue Commission of Papua New Guinea, and supported Ministries of Finance in the Asia-Pacific region integrating SDG concerns such as climate change and gender equality into their PFM systems at UNDP's regional hub in Bangkok. Most recently, he worked with UNDP Lebanon at the Ministry of Interior and Municipalities on the re-activation of core state governance functions. Mr. Baboyan holds an MA in development economics from the University of Sussex and a BA in Economics from the American University of Beirut. He is fluent in Arabic, French, and English and has good knowledge of spoken Armenian.



Mr. **Yasser Sobhi** left his position as Public Financial Management Advisor in July 2024 after being appointed Vice-Minister of Finance of Egypt. We would like to thank Mr. Sobhi for his great dedication, outstanding work,

and good spirits and teamwork since he joined METAC in November 2022. The METAC staff held a reception to bid farewell to Mr. Sobhi.



We wish Mr. Sobhi all the best for his new responsibilities at the Egyptian Ministry of Finance, and we look forward to collaborating with him in his new capacity.

Analytical Corner

Flagship Publications

[World Economic Outlook Update, July 2024: The Global Economy in a Sticky Spot](#)

Global growth is projected to be in line with the April 2024 World Economic Outlook (WEO) forecast, at 3.2 percent in 2024 and 3.3 percent in 2025. Upside risks to inflation have increased, raising the prospect of higher for even longer interest rates, in the context of escalating trade tensions and increased policy uncertainty.

[Blog: Global Growth Steady Amid Slowing Disinflation and Rising Policy Uncertainty](#) (July 2024)

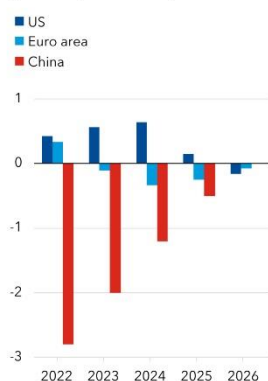
Although global growth projections are unchanged, there have been notable developments beneath the surface. Growth in major advanced economies is becoming more aligned as output gaps are closing:

Growth and inflation

Output gaps are closing, and inflation is expected to continue its downward trend.

Output gaps

(percent of potential GDP)

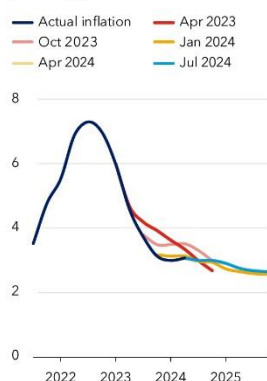


Sources: IMF, World Economic Outlook; and IMF staff calculations.

Note: Inflation is a PPP-weighted average and excludes Argentina and Türkiye.

Global headline inflation

(percent; y/y)



IMF

[2024 External Sector Report: Imbalances Receding](#) (July 2024)

This report discusses the evolution of global external positions in 2023, key risks to external sector stability, and policy priorities for reducing excess imbalances. The report also analyzes the historical pattern in the external sector implications of energy price swings and discusses possible implications of the clean energy transition and the

evolving correlation between the oil price and US dollar.

[Blog: Emerging Markets Show Resilience Despite Global Monetary Tightening](#) (July 2024)

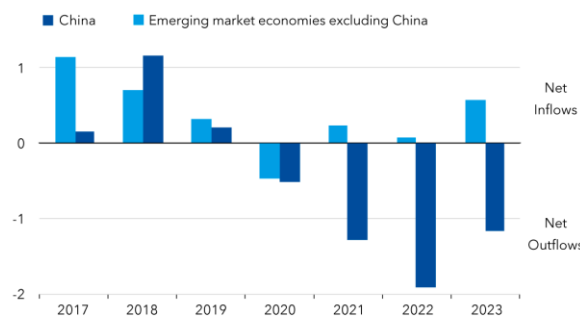
Unlike past episodes, emerging market capital flows have remained largely resilient in the face of global monetary tightening, even as global capital flows have fallen:

Emerging market resilience

Net flows to emerging markets excluding China have returned to levels not seen since 2018, despite global monetary tightening.

Net capital flows including foreign reserves

(percent of GDP)



Source: IMF Balance of Payments.

Note: Average net inflows (outflows) are reported as positive (negative) values. Emerging markets include: Argentina; Bangladesh; Brazil; Chile; Colombia; Costa Rica; Guatemala; Hungary; India; Indonesia; Malaysia; Mexico; Pakistan; Peru; Philippines; Poland; Romania; Russia; Saudi Arabia; South Africa; Thailand; Türkiye; Uruguay; Vietnam.

IMF

Regional

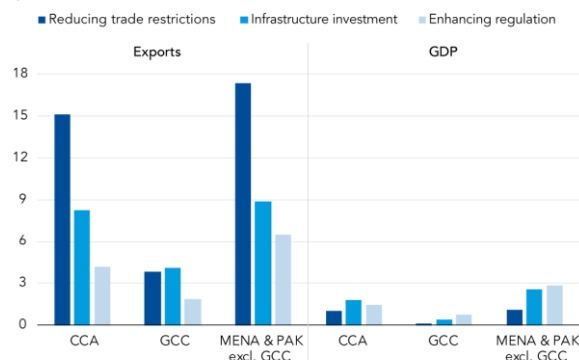
[Blog: More Diversified Trade Can Make Middle East and Central Asia More Resilient](#) (May 2024)

Reducing trade barriers, easing regulatory constraints, and upgrading infrastructure can mitigate challenges and help countries leverage new opportunities:

Policy gains

Countries can achieve higher exports and GDP—and guard against future shocks—through proactive reforms.

Exports and GDP gains from key policy actions
(percent)



Sources: CEPII Gravity dataset; and IMF staff calculations.
Note: CCA = Caucasus and Central Asia; EM = emerging markets; GCC = Gulf Cooperation Council; MENA & PAK excl. GCC = Middle East and North Africa and Pakistan excluding the GCC.

IMF

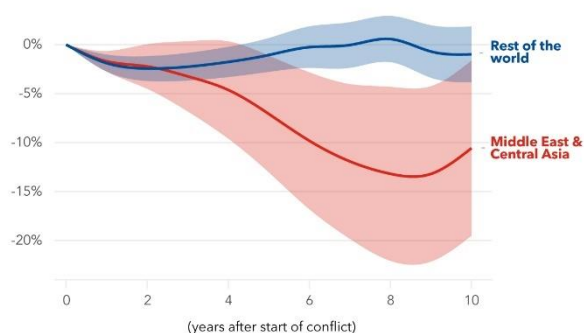
Chart of the Week: Scars of Conflict Are Deeper and Longer Lasting in Middle East and Central Asia (June 5)

The negative economic effects of conflicts are larger and more persistent, partly reflecting a sharper impact of higher-intensity conflicts in these regions:

Prolonged effects

Middle East and Central Asian economies suffer nearly a decade after intense conflict, while impacts elsewhere fade after five years.

Impact of conflict on real GDP per capita



Sources: IMF, World Economic Outlook database; Uppsala Georeferenced Event Database (v23.1); and IMF staff calculations. Note: The shock occurs in year 1 and corresponds to an increase in conflict intensity (conflict-related deaths per hundred-thousand population) to the 75th percentile of the world distribution. Bands depict the 90 percent confidence intervals.

IMF

Djibouti

[Djibouti: 2024 Article IV Consultation - Staff Report](#) (June 2024)

Following years of high growth led by public investment, consecutive exogenous shocks have weighed heavily on Djibouti's debt. Djibouti's ongoing debt rescheduling discussions are expected to reopen policy space, but restoring debt sustainability would require fully addressing the debt burden through a balanced mix of reforms, new concessional financing, and debt relief.

[Djibouti: Selected Issues: Empowering Diverse Futures: Labor Market Dynamics and Inclusive Growth in Djibouti](#) (June 2024)

The capital-intensive nature of Djibouti's growth model limits job creation, while growing skill mismatches in the labor market have increased structural unemployment. This selected Issues Paper discusses potential policies to improving human capital and supporting the development of more labor-intensive sectors.

[Djibouti: Selected Issues: Creating Fiscal Space to Build Inclusive and Resilient Growth](#)

Djibouti's growth model, built around port activity, has brought high growth rates but also shown some fragilities. Increasing fiscal space will be decisive to build more inclusive and resilient growth. This paper discusses reforms in four areas that can create fiscal space in Djibouti.

Egypt

[IMF Executive Board Completes the Third Review of the Extended Arrangement under the Extended Fund Facility for Egypt](#) (July 2024)

The Egyptian authorities' recent efforts to restore macroeconomic stability have started to yield positive results, but the regional environment remains difficult. On 29 July, the IMF Executive Board completed the third review under the Extended Arrangement under the Extended Fund Facility for Egypt, allowing the authorities to draw the equivalent of about US\$820 million.

Iraq

[Iraq: 2024 Article IV Consultation - Staff Report](#) (May 2024)

The ongoing fiscal expansion is expected to boost growth in 2024, at the expense of a further deterioration of fiscal and external accounts and Iraq's vulnerability to oil price fluctuations. Without policy adjustment, the risk of medium-term sovereign debt stress is high and external stability risks could emerge.

[Iraq: Selected Issues: A Roadmap for Raising Non-Oil Revenues](#) (May 2024)

Raising non-oil revenue should be a key policy priority in context of the prospective transition away from oil and Iraq's large development needs. This paper offers a roadmap for tax policy measures and structural reforms that could be used to raise non-oil revenues.

[Iraq: Selected Issues: Addressing Labor Market Challenges: Areas for Reform](#) (May 2024)

This paper provides an assessment of the drivers of Iraq' labor market challenges, empirically investigates two main features in the Iraqi labor market — the low women participation and high informality — and discusses policy priorities.

Jordan

[Jordan: First Review Under the Extended Fund Facility - Staff Report](#) (July 2024)

Jordan's economy continues to show resilience despite a challenging external environment. The economy continues to grow, albeit at a somewhat slower pace, inflation is low, and reserve buffers are strong. Growth is projected to pick up pace in 2025, contingent upon the Israel-Gaza conflict ending and its impact fading.

[Jordan: Climate Policy Diagnostic](#) (July 2024)

Using a novel cross-country dataset, which merges firm-level financials with information on firms' participation in the European Unions' Emissions Trading System (ETS), this report investigates how firm performance is affected by tightening of environmental policies that put a price on pollution.

[Jordan: Climate Module of the Public Investment Management Assessment and Green Public Financial Management](#) (May 2024)

The assistance assessed how climate change impacts and responses are addressed in the public investment cycle using the Climate Module of the Public Investment Management Assessment. The assistance also evaluated the scope to advance Green Public Financial Management practices.

Lebanon

[IMF Staff Concludes Visit to Lebanon](#) (May 2024)

Negative spillovers from the conflict in Gaza, fighting at Lebanon's southern border, and the strain of the refugee crisis have exacerbated an already dire economic and social situation, while the economic outlook is highly uncertain.

Libya

[Libya: 2024 Article IV Consultation - Staff Report](#) (July 2024)

Episodes of active conflict have become less frequent, but Libya remains de facto divided between the West and the East and fragmented among various militias with competing objectives. The political economy constraints and inadequate capacity hinder the authorities' ability to implement Fund policy advice.

[Libya: Selected Issues: Quantifying Libya's Exchange Market Pressure](#) (July 2024)

Libya's exchange rate has experienced both appreciation and depreciation pressures over the past few years. This paper identifies the sources, quantifies the exchange market pressures and derives policy recommendations from the findings.

Morocco

[Morocco: Article IV Consultation - Staff Report](#) (May 2024)

The Moroccan economy once again showed resilience to negative shocks in 2023, as economic activity accelerated, inflation slowed, and the current account deficit narrowed despite headwinds from water scarcity, the September 2023 earthquake, and lower growth in the Euro Area.

Yemen

[IMF Staff Concludes Staff Visit to Yemen](#) (May 2024)

The halt in oil exports and high domestic prices continue to weigh on economic activity while straining the government budget and foreign

reserves. The Economic outlook depends on the progress on the Yemen peace talks, continued commitment to reforms, and the evolution of regional tensions.

IMF Online Courses

General information is available at: <https://www.edx.org/school/imfx>. Registration for online courses, available to government officials and, in some cases, to the public can be accessed at: <http://imf.smartcatalogiq.com>

The IMF Institute offers online training to both member countries officials and the general public. Microlearning videos are available at: [IMF Institute Learning Channel - YouTube](#)



Activities Planned during August-October 2024

Country	Topic and Lead METAC Advisor	Date
Central Bank Operations – Mr. Stefaan Ide		
DZA	Broadening central bank collateral	Sep
IRQ	Central Bank Liquidity monitoring	TBD
MAR	FX operations	Sep-Oct
REG	Course on monetary policy implementation tools	Oct
Financial Supervision and Regulation – Ms. Nehmat Hantas		
DZA	ICAAP Review and Training LTX	Sep
JOR	Developing SRP Risk Rating Methodology	Aug
	Developing IRRBB Regulation	Oct
MAR	ILAAP Regulation Review	Oct
Financial Supervision and Regulation –Ms. Lusine Margaryan		
WBG	Developing the Supervisory Review and Evaluation Process (SREP)	Aug
Public Financial Management – Mr. Kevork Baboyan		
IRQ	TSA	TBD
LBY	MTFF	Oct
WBG	Core Budget Functions	Sep
Tax Administration – Mr. Rosen Bachvarov		
DJI	Strategic/reform management training	Sep
DZA	Follow-up on compliance risk management in oil and gas	Oct
JOR	Analytical unit and data analytics	Oct
LBN	Tax-customs cooperation offsite event	Sep
REG	Webinar on digital economy	Oct
	Workshop on tax-customs cooperation	Oct
Tax Administration – Ms. Sabine Corm		
REG	Adaptable IT Solutions for Digital Tax Administration	Aug
YMN	Follow- up on CIP for the Banking sector- Help Desk 1	Jul
	Follow- up on CIP for the Banking sector- Help Desk 2	Sep
Customs Administration – Mr. Andrew Allan		
DJI	Support to Presenting the Strategic Plan and Priority Projects to Donors	TBC
IRQ	Customs Law Implementing Procedures 1	Aug-Sep
	Customs Law Implementing Procedures 2	Oct
JOR	Support to workshop on Customs and Tax Cooperation	Oct
LBN	IT Training for ASY Staff (SoClass, Java)	Sep
	Joint METAC FAD LEG Hybrid Workshop 2	Sep-Oct
	ASYCUDA World Assessment	Oct
LBY	Support to National SOP for key Customs procedures	Aug-Sep
YMN	Customs Support on ASYCUDA programming	Sep
Tax Policy – Ms. Sarah Bou Atmeh		
DJI	Support authorities on the possible introduction of a new tax policy unit	Sep
	Review of tax expenditures	Oct
YMN	Scoping mission	Aug

Government Finance Statistics and Public Sector Debt Statistics – Mr. Amir Hadziomeragic		
EGY	Expand GFS coverage	Aug
DJI	Expansion of GFS coverage	Aug
YEM	GFS & PSDS data improvement	Sep
Real Sector Statistics – Ms. Ms. Elirjeta Pepaj		
EGY	Supply and Use Tables compilations	Aug
JOR	Use of Administrative data in National Accounts	Aug
REG	Regional training on measuring the Non-Observed Economy (CEF-METAC)	Sep
WBG	Quarterly National Accounts	Oct
Macroeconomic Frameworks – Mr. Nasser Badra		
MAR	Macroeconomic Forecasting and Analysis	Sep
JOR	Nowcasting method for GDP	TBD
REG	Forecasting Policy Analysis Systems	Sep
Anti-Money Laundering and Combating the Financing of Terrorism – Mr. Peter El Sharoni		
DZA	Enhancing AML/CFT Framework	Aug
REG	CFT Course at CEF	Sep

Note: OA: Outreach activity; REG: Regional activity

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