



MIDDLE EAST REGIONAL TECHNICAL ASSISTANCE CENTER

QUARTERLY NEWSLETTER

May – July 2025

Content

Key Highlights	1
Outreach	2
Stories from the Field	4
Regional Workshops	5
Webinars	7
Technical Assistance and Training	9
Technical Assistance Reports	15
Staff News	16
Analytical Corner	16
IMF Online Courses	19
Activities Planned during August – October 2025	20

Key Highlights

On June 3, METAC's [Steering Committee](#) (SC) convened in Cairo, Egypt, to review the Center's capacity development (CD) activities in fiscal year 2025 (FY25) and discuss the workplan for the coming year. The meeting, chaired by H.E. Yassine Jaber, Minister of Finance of Lebanon, and hosted by H.E. Ahmed Kouchouk, Minister of Finance of Egypt, brought together representatives from member countries, development partners, and the IMF. Importantly, the SC endorsed a **budget augmentation** that will allow METAC to further expand its work in fragile member countries, reengage with **Syria**, and introduce a new workstream on **Governance & Anti-Corruption** and a cross-cutting work program on **digitalization**. METAC Director Holger Floerkemeier recognized the financial support and strategic guidance from development partners and member countries. He thanked SC members for the excellent collaboration over the past four years and introduced his successor as METAC director, Ms. Monique Newiak, who will join METAC in September 2025.

On August 5, METAC launched its [LinkedIn](#) page. This new platform provides updates on our CD activities, initiatives, and collaboration with member countries and development partners. We invite you to follow and engage with us through LinkedIn. You will gain access to timely insights on our ongoing projects and key METAC events. Join us today and be part of our community!

This newsletter will inform you about METAC's 32 country CD activities, six regional workshops, and five webinars during the first quarter of FY26, staff news, and recent IMF analysis and publications on the MENA region.

DEVELOPMENT PARTNERS



European Union



France



Germany



The Netherlands



Saudi Arabia



Switzerland

MEMBERS



Afghanistan



Algeria



Djibouti



Egypt



Iraq



Jordan



Lebanon



Libya



Morocco



Sudan



Syria



Tunisia

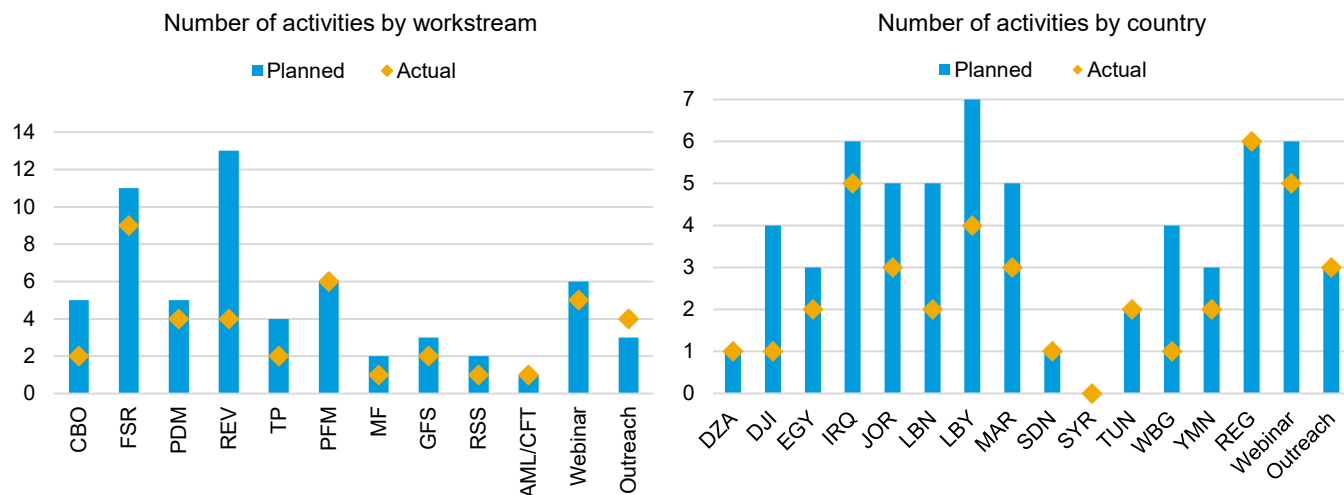


West Bank
and Gaza



Yemen

Capacity Development Activities May 2025 to July 2025



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

Country acronyms: AFG: Afghanistan; DZA: Algeria; DJI: Djibouti; EGY: Egypt; IRQ: Iraq; JOR: Jordan; LBN: Lebanon; LBY: Libya; MAR: Morocco; SDN: Sudan; SYR: Syria; TUN: Tunisia; WBG: West Bank and Gaza; YMN: Yemen; REG: Regional Activities.

Outreach

Launching the Light CRM Guide

In July, METAC and FAD initiated Phase 1 of a multi-phase project to develop a “How-To-Do-It Guide” for Light Compliance Risk Management (CRM) framework, aimed at supporting low-capacity and fragile states in adopting practical CRM approaches. This guide is designed to help tax administrations begin or strengthen their CRM journey through simplified, output-oriented tools.

The purpose of the guide is to provide step-by-step instructions and practical templates for producing three core CRM outputs: Compliance Risk Profiles, Compliance Risk Registers (CRR), and Compliance Improvement Plans (CIP). These tools are essential for identifying and addressing taxpayer compliance risks in a structured and effective manner.

Phase 1, initiated in July, focused on data collection and analysis. A structured questionnaire was finalized and will soon be distributed to METAC countries to assess current CRM practices,

challenges, and institutional readiness. The responses will provide valuable insights into the status quo and common barriers to CRM implementation, laying the foundation for the guide’s content and structure.

The upcoming phases will include (i) Drafting the guide with practical instructions and tools; (ii) Pilot testing in selected countries; (iii) Reviewing and finalization; and (iv) Dissemination and capacity building through workshops and trainings.

TADAT Coffee Chat in Arabic: Smart Prioritization: TADAT insights for transforming tax administration in the Middle East



During July TADAT Coffee Chat, senior officials from Iraq and Jordan's tax administrations came together in a virtual setting to share their experiences with the TADAT assessment and its role in shaping their reform agendas. Both countries highlighted how the assessment results provided a clear diagnostic of strengths and weaknesses, helping them prioritize reforms and attract targeted support from development partners. Participants also reflected on implementation challenges such as resource constraints, resistance to change, and coordination hurdles, offering practical strategies for overcoming them. The session underscored the importance of peer dialogue in fostering reform and encouraged countries beginning their TADAT journey to embrace the assessment as a catalyst for structured, evidence-based transformation.

MENAFATF's 40th plenary (May 7-8, Jordan)



The AML/CFT Regional Advisor participated in the 40th plenary of the Middle East and North Africa Financial Action Task Force (MENAFATF) in Amman, Jordan. While the new round of MENAFATF's mutual evaluations is set to start in mid-2025, several countries (including the Financial Action Task Force gray-listed countries) are stepping up preparations to enhance their AML/CFT frameworks. The advisor discussed with representatives from several countries the opportunities for support under the new AML/CFT CD project to assist MENA countries that could be provided in preparing for evaluations. He also discussed with TA providers (e.g., the United Nations Office on Drugs and Crime, the Deutsche Gesellschaft für Internationale Zusammenarbeit - GIZ, and the World Bank) opportunities for coordination of CD activities in the region, especially in relation to Algeria and Yemen's IMF AML/CFT CD projects.

Stories from the Field

AMIR HADZIOMERAGIC

Government Finance Statistics and Public Sector Debt Statistics
(GFS/PSDS) Advisor



In November 2023, METAC introduced a new GFS/PSDS workstream to address data gaps that hinder fiscal management and IMF surveillance in the MENA region, with a specific focus on supporting fragile and conflict-affected states (FCS). The new workstream began with my appointment and it was initially challenging to establish a working relationship with the authorities while taking over ongoing Technical Assistance activities that were delivered through the IMF Headquarters. Several of our member states are fragile and conflict affected, with very limited capacities and modest experience in GFS/PSDS compilation.

However, the most challenging aspect at the beginning of my appointment was the evacuation from Beirut on August 14, 2024, and working remotely without access to the METAC office. My colleagues at METAC were supportive and available throughout this period, organizing certain activities remotely. Additionally, some of the TA missions were also conducted in hybrid mode (combining off-site and virtual meetings).

The second evacuation was very dramatic for me, because it happened just one day before the first air strikes on Southern Beirut. It was a quite theatrical ride to the airport when the evacuation was just announced, and with expectations that the airport would likely be closed on that very day. I left Beirut for a previously scheduled mission, and escaped bombing near the airport road just a few hours after my departure. During the mission I received an instruction to return to my home country. My family was very concerned at that time, and I could not share all the details with them while we were having security briefings and preparing for the evacuation. During the evacuation, my primary concern was to ensure our colleagues at METAC were not exposed to any additional danger. In particular, the Administrative Coordinators endured very difficult times being concerned about their personal security and the security of their families. In my earlier life, I had lived through a 3.5-year-long siege of Sarajevo, which taught me that security issues should never be compromised.

Despite these challenges, I believe we generated very good outcomes. Nearly all planned activities were delivered on time and fully. Member countries and donors have not noticed any major disruption in our work. In fact, the activities under the new workstream on GFS and PSDS accelerated and intensified. Following the inaugural GFS/PSDS regional workshop conducted in Amman in May 2024, several member countries expressed interest in technical assistance in this area. So far, METAC has actively worked with Yemen, Egypt, Djibouti, Jordan, and Iraq. Work programs are being developed with other member countries. In addition, METAC delivered regional training activities, including in collaboration with the IMF Center for Economics and Finance in Kuwait.

Modern communication technologies provide immense support in our job when you have electricity and good connectivity. However, good personal relations, professionalism, and collaborative work environment at METAC were key to the successful delivery and continuation of the work.

Regional Workshops

Monetary Policy Implementation

(June 16-18, Riyadh, Saudi Arabia)



METAC held a workshop on Monetary Policy Implementation for METAC and GCC central banks in Riyadh (Saudi Arabia). The workshop strengthened central bankers' theoretical and practical knowledge related to monetary policy implementation and related tools. Monetary policy implementation tools are methods central banks use to control the supply of money and influence interest rates in the economy. These tools help keep prices stable and support steady economic growth by influencing borrowing costs for people and businesses through adjusting interest rates or minimum reserves, and buying or selling government bonds.

Local Currency Bond Market (LCBM) Development Regional Workshop

(May 4-8, Amman, Jordan)

The workshop provided an overview of LCBM development concepts by focusing on the six (6) key building blocks for LCBM: Money Market, Primary Market, Secondary Market, Investor Base, Legal and Regulatory Framework, and Market Infrastructure. The event also covered the LCBM framework jointly developed by the IMF and World Bank, published in 2021, used to assess market development. Participants discussed common challenges and the identification of reform priorities and policy recommendations to support domestic debt market development.

Country officials presented the key challenges and development issues related to their LCBMs and conducted a self-assessment on the stage of their

market development. The interactive format of the workshop provided a platform for participants to learn from the experiences and good practices of peer countries. METAC encourages the participants to apply the knowledge gained to design policies and strategies for developing their country's LCBMs.



Considerations and Challenges for Financial Intelligence and Enforcement Authorities Against Terrorist and Proliferation Financing

(May 4-8, Kuwait City, Kuwait)

The AML/CFT Regional Advisor participated in the delivery of a workshop on "Considerations and Challenges for Financial Intelligence and Enforcement Authorities Against Terrorist and Proliferation Financing", in the CEF - Kuwait City, Kuwait. The workshop discussed implementation challenges of Combating the Financing of Terrorism (CFT) measures in a number of MENA countries, including the understanding of terrorism financing (TF) risks, TF prosecution and investigations, establishing effective regimes for implementing UN targeted financial sanctions, domestic and international cooperation, and collaboration with the private sector. The workshop also provided a forum to discuss the ongoing implementation of the Financial Action Task Force (FATF) related recommendations and the preparation of countries for the fifth round of evaluation. Participants included representatives from central banks, financial intelligence units (FIUs), AML/CFT supervisors, ministries of finance, as well as law enforcement authorities. The participants were highly invested and active in the discussions.

Climate Responsive Public Investment Management (May 18-22, Kuwait City, Kuwait)



The regional course was organized jointly with the IMF Center for Economics and Finance (CEF) in Kuwait, introduced climate considerations into the public investment management process using the Climate-Public Investment Management Assessment (C-PIMA) framework. The event brought together 34 participants from 14 countries, including 10 METAC members (Egypt, Djibouti, Iraq, Jordan, Lebanon, Libya, Morocco, Sudan, Tunisia, and West Bank and Gaza), two GCC countries (Oman and Saudi Arabia), as well as Mauritania and Somalia.

The course addressed mid- to senior-level officials from ministries of finance, environment, industry, and trade. Its objective was to explain climate-responsive public investment management (PIM) and facilitate the exchange of practical experiences across countries. Participants presented the status of climate-responsive PIM practices in their countries and highlighted how the application of PIMA and C-PIMA supports progress in national PIM reforms.

Regional Workshop on Investigation and Prosecution of Money Laundering Crimes (July 7-9, Cairo- Egypt)

The AML/CFT Regional Advisor participated in a workshop held in Cairo, Egypt on Investigation and Prosecution of Money Laundering (ML). Discussions with experts from the IMF, UNODC, GIZ, and the Middle East and North Africa Financial Action Task Force (MENAFATF). Topics discussed included the use of financial intelligence, the role of



AML/CFT supervisors, the use of beneficial ownership information to support ML investigations and recover assets, challenges facing countries, and practical considerations. Practitioners from various fields of expertise, including Financial Intelligence Units (FIUs), Law enforcement Authorities (LEAs), and prosecution authorities participated in the event. Achieving effectiveness in money laundering investigations has been challenging across the entire Global Network, and greater efforts are still needed to address these challenges.

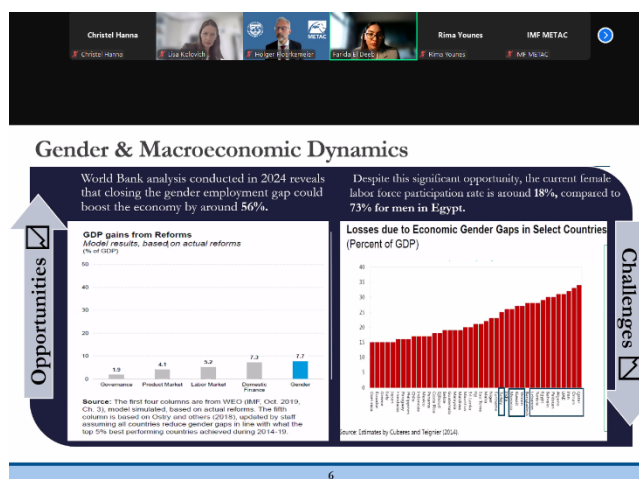
IFRS 9: A Supervisory Perspective (June 16-19)



METAC and the IMF Center for Economics and Finance (CEF) delivered a regional workshop for financial supervisors on the International Financial Reporting Standard 9 (IFRS 9). The workshop enhanced participants' understanding of IFRS 9, discussed supervisors role and implementation challenges, and facilitated the sharing of experiences among countries. The workshop received enthusiastic feedback from its 29 participants from 12 countries, highlighting its relevance to their work.

Webinars

Bridging Gaps through Evidence-Based Policies (May 20)



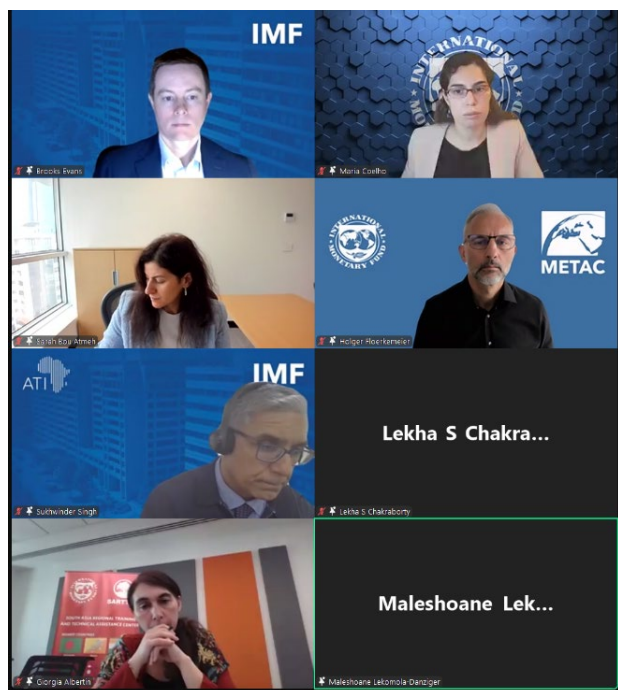
Following the regional workshop "Bridging Gaps through Evidence-Based Policies: A Deep Dive into Gender Inequality and Macroeconomic Outcomes" held in Cairo in January 2025, METAC and IMF's Strategy, Policy, and Review Department (SPR) organized a virtual discussion session for workshop participants. This is the first of a series of follow-up online meetings on the topic. Farida El Deeb, Economist at the Central Bank of Egypt's Monetary Policy Sector, and Rima Younes, Deputy Director and gender focal point at the Central Bank of Lebanon, recounted their experience with the tools learned, including how they applied them and what difficulties they faced in doing so. The presenters received feedback from a panel of experts that included Racha Ramadan, Professor of Economics at Cairo University, Lisa Kolovich, Senior Economist at IMF SPR, and Daniela Viana Costa, Economist at IMF SPR.

Female Labor Participation in the MENA Region (May 27)



How can increased female participation in the labor market positively impact economic growth? What policies are essential to raise participation, and what role does data play in this process? These pivotal questions guided the webinar organized by METAC and the IMF's Strategy, Policy, and Review Department. The discussion highlighted the macro-criticality of female labor participation as a key driver for sustainable economic growth and development. Enhancing women's engagement in the formal workforce boosts productivity by promoting entrepreneurship, bringing complementary skills and ideas to the workplace, and supporting sectoral reallocation. Peter Rademaker (ILO), Racha Ramadan (Cairo University), and Lisa Kolovich (IMF) brought to light the persistent structural, legal, and societal barriers that hinder women's opportunities, leaving their immense potential largely untapped.

Tax and Expenditure Policies to promote Women's Economic Empowerment (June 11)

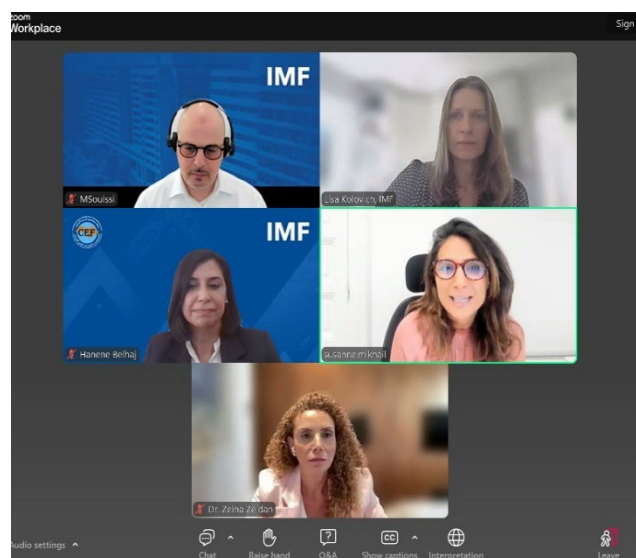


The IMF's METAC, Africa Training Institute (ATI), and South Asia Regional Training and Technical Assistance Center (SARTTAC) jointly organized a webinar to discuss how tax policies influence inequalities between men and women. The webinar featured panelists Sarah Bou Atmeh, METAC tax policy advisor, Lekha S. Chakraborty, Professor at the National Institute of Public Finance and Policy in India; Maleshoane Lekomola-Danziger, Budget Controller in Lesotho's Ministry of Finance and Development Planning; and Brooks Evans, senior economist at the IMF. Maria Coelho, an economist from the IMF's Fiscal Affairs Department (FAD), moderated the event. The discussion provided valuable insights drawn from country examples and best practices, highlighting how fiscal policies can either perpetuate or mitigate gender disparities.

Women's Economic Participation: A pathway for growth (June 25)

Increasing women's economic participation can be a major driver for growth, especially in the MENA region, where female labor market participation is generally low. The webinar explored the design of

gender-aware macroeconomic policies that foster higher and more inclusive economic growth. This event was offered jointly by METAC and the IMF Middle East Center for Economics and Finance (CEF). The panel included Lisa Kolovich, Senior Economist at the IMF; Susanne Mikhail, Director of Women Employment in the Green, STEM, and Care Economy at UN Women; and Zeina Zeidan, governance and financial strategy expert with experience in the public and private sectors. Sharing success stories and lessons learned, the panelists emphasized the role of women's economic participation in driving sustainable growth.



Transforming Public Finance Through Digitalization (July 22)



"Digitalization is not just a technical upgrade" emerged as a key message from the first webinar of METAC's newly launched Digitalization series. The session explored how digitalization can transform Public Finance. IMF fiscal economists Ms. Andja Komso and Mr. Alok Verma, and Ms. Sabine Corm and Mr. Kevork Baboyan, METAC tax administration and public financial management

advisors, highlighted the role of digitalization as an enabler of stronger institutions and better governance. During the Q&A session, the audience raised several insightful topics, including system compatibility, data quality, the unique challenges faced by Fragile and Conflict-affected States, and barriers to successful digitalization.

Technical Assistance and Training

Central Bank Operations

Libya

Domestic Liquidity Management under an Exchange Rate Peg (May 4-8)



The Central Bank of Libya (CBL) faces challenges including operationalizing the reunification of the West and East central bank, fiscal dominance, and widening parallel exchange rate market premium. The mission recommended completing without delay CBL's monetary policy framework with an active domestic monetary policy implementation. This includes absorbing excess liquidity by issuing an interest-bearing liquidity absorbing instrument in line with prevailing Islamic finance regulations.

Financial Supervision and Regulation

Iraq

SRP Project: ICAAP regulation and risk matrix development (May 24-28)



METAC collaborated with the Central Bank of Iraq (CBI) team to finalize new guidelines about the Internal Capital Adequacy Assessment Process (ICAAP) regulation, a critical component in sustaining the financial soundness of the banking sector. This initiative was part of a broader effort to enhance the banking supervision practices of the CBI. Emphasis was placed on improving the evaluation of risks and effective monitoring of banks, both off-site and on-site. The overarching objective is to ensure banks are better equipped to manage their financial risks.

Jordan

Supervisory Review Process (May 11-15)

A significant milestone has been reached in the SRP project with the successful development and documentation of a comprehensive SRP methodology. The Central Bank of Jordan (CBJ) is now ready to embark on the second phase of the project, which will involve compiling essential data, defining benchmarks for key risk indicators, and conducting rigorous testing and calibration. As part of the SRP analysis, each bank's risk profile will be evaluated, and a score will be assigned accordingly. This score, along with the bank's role in the

Jordanian banking sector, will help determine the level of supervisory intensity and inform annual supervisory plans, promoting a more risk-based approach. Furthermore, the SRP methodology includes a matrix that links each bank's score to a range of capital requirements. This will ensure that capital requirements are more responsive to the risk profiles of individual banks, facilitating the implementation of Basel III Pillar 2.



The Internal Capital Adequacy Assessment Process (ICAAP) (May 18-22)

METAC assisted the Central Bank of Jordan (CBJ) to enhance regulation for the Internal Capital Adequacy Assessment Process (ICAAP). This initiative is an essential milestone in the medium-term SRP project. In September, additional technical assistance will focus on creating guidelines for supervisors to evaluate banks' ICAAP reports and assess Pillar 2-related risks. This project will support the implementation of Basel III Pillar 2 requirements, enabling supervisors to better understand the risk profiles of banks, evaluate their internal capital assessments, and enforce necessary corrective actions, risk mitigation strategies, and additional capital buffers to address identified risks.



Libya

Diagnostic on technical assistance needs in regulation and supervision (July 24-28)

The Central Bank of Libya (CBL) is committed to enhancing the regulatory and supervisory framework of the Libyan banking sector. This initiative seeks to modernize the banking industry in accordance with international standards and best practices. CBL partners with METAC to support this transformation, commencing with a diagnostic assessment to identify and prioritize the banking sector's technical assistance requirements. The objective is to establish a clear timeline and prioritize delivering short- and medium-term technical assistance.

Tunisia

Bank supervision (June 30-July 4)

METAC assisted the Central Bank of Tunisia (CBT) in developing a supervisory framework for Payment Companies (PCs). This collaboration achieved three primary objectives: (i) developing dashboards for effective supervision of PCs; (ii) review CBT's reporting templates for PCs; and (iii) drafting inspection guides for off-site and on-site supervision. The technical assistance enhanced the supervisory framework for payment companies and built the knowledge, understanding, and capacity of supervisors to assess the risks associated with these entities in the Tunisian banking sector.

West Bank and Gaza

Training on SRP/On-site Supervision (June 29-July 3)

METAC provided training for the supervisors of the Palestine Monetary Authority (PMA) to enhance their risk-based supervision (RBS) of banks and improve the capacity of on-site supervisors under the new risk assessment framework and Supervisory Review Process (SRP). This effort was part of a medium-term, multi-stage project strengthening the PMA's RBS. The training focused on improving PMA supervisors' understanding of on-site supervision processes and procedures in line with the new risk assessment framework while also helping the PMA identify areas for further improvement.

Yemen

Risk Management Regulations for Banks (May 18-22)

METAC supported the Central Bank of Yemen (CBY) in establishing crucial risk management regulations tailored specifically for the Yemeni banking sector. This initiative prioritizes comprehensive training for CBY supervisors and focused discussions to enhance the regulations. The purpose of the risk management guidelines is to safeguard the integrity of the banking sector by ensuring that banks adopt robust risk controls and risk management processes. By operating within defined limits and adhering to international best practices, these regulations will bolster the banking industry's resilience and instill confidence in Yemen's national financial system.



Capacity development on Islamic Banks (July 13-17)

METAC assisting CBY in a multi-phase initiative aimed at developing and comprehensively implementing the Capital Adequacy Framework and risk management regulations for both conventional and Islamic banks. At this stage, the online training primarily focused on conveying the fundamental concepts related to the regulation and supervision of Islamic banks, thereby enhancing the regulatory and supervisory capabilities of personnel responsible for overseeing these institutions. This initiative was designed to establish a solid foundation for future missions directed towards formulating the Capital Adequacy Framework in accordance with the standards set forth by the Islamic Financial Services Board (IFSB).

Public Debt Management

Egypt

MTDS Formulation and implementation (May 25-29)



A joint METAC/World Bank mission trained staff from the Ministry of Finance's debt management unit on the use of the medium-term debt management strategy (MTDS) framework, its Analytical Tool (AT), and the interpretation of the outputs and results. It also addressed shortcomings in the authorities' practices for the design of their debt management strategy and provided guidance for its successful development and implementation. The mission provided an overview of the MTDS framework, including linkages with the fiscal framework and addressed the participants' knowledge gaps in MTDS design. Additionally, it trained participants in data preparation for use in the MTDS AT and in forward-looking debt portfolio risk analysis and exploring feasible alternative financing options and cost-risk tradeoffs, paying attention to the MTDS methodology.

Iraq

Strengthening debt portfolio management capacity (June 15-19)

A virtual mission trained debt managers on the best practices in public debt management and financial analysis of public debt portfolios and debt instruments. The training focused on presenting financial mathematic concepts commonly used in public debt management, presented issues related to debt portfolio risk management, discussed the relationship between debt portfolio risk management and debt management strategy and covered some issues related to domestic debt market development, i.e., essential characteristics

of government securities, auction methods, key players, and prerequisites for developing the government securities market.

Jordan

Local Currency Bond Market (LCBM) development (July 21-31)

METAC supported the Central Bank of Jordan (CBJ) and the Ministry of Finance (MoF) in assessing the level of LCBM development and identify the key challenges in implementing the building blocks of the domestic government debt market, using the IMF/WB LCBM diagnostic framework and formulating a sequenced reform plan for its deepening. The structured diagnosis and reform plan covers the following areas: i) legal and regulatory framework; ii) money market; iii) primary market; iv) secondary market; v) investor base; and vi) financial market infrastructure. The reform plan will serve as a medium-term roadmap for market development. METAC will be available to continue supporting the authorities in implementing the approved reform plan.



Public Financial Management

Lebanon

Macro-fiscal Forecasting (July- August)

METAC supported Lebanon in developing the medium-term fiscal framework (MTFF) for the 2026 budget preparation process. The mission is part of the continued support to the Lebanese Ministry of Finance (MoF) on strengthening the macro fiscal framework by developing the macro-fiscal indicators and improving fiscal projections for fiscal years 2026-2029. The aim is to restore MoF's macro-fiscal functions and improve the contribution of the MTFF in budget preparation and the

management of fiscal risks. The Macro-fiscal Unit (MFU) team reviewed the main assumptions and methodology used to develop 2026 estimates and to contribute to the budget preparation process. The mission focused on enhancing forecasting methods for main economic and fiscal objectives over the medium term, strengthening the model linkages comprehensively and consistently, and explaining the forecasts' main underlying assumptions.



Morocco

AI in internal audit (May-June)

A joint mission by METAC and the IMF's Fiscal Affairs Department (FAD) supported the Inspectorate General of Finance (IGF) of Morocco in developing an AI strategy to enhance the efficiency of its fiscal oversight processes. The strategy aims to enable the IGF to conduct more audits annually by leveraging AI. To guide this work, the mission delivered a workshop to apply FAD's Framework for Strengthening the PFM Enabling Environment for Digitalization and used the PFM AI Maturity Model to assess IGF's AI readiness. The thorough AI readiness assessment was based on IGF-provided information and several rounds of field-based and remote consultations, including the relevant divisions of the Ministry of Economy and



Finance and the Ministry of Digital Transformation. It revealed the strengths and weaknesses of the IGF and provided recommendations for improvements. A set of Key Performance Indicators was also developed in collaboration with the IGF team to monitor the progress of AI implementation. The authorities actively participated in developing the strategy and expressed appreciation for the findings.

Sudan

PFM Law (May-June)

Since November 2024, METAC is providing ongoing support to Sudan for the development of an integrated PFM law, which the authorities consider to be a prerequisite for the implementation of in-depth PFM reforms. In May and June, METAC suggested the addition of a chapter fully dedicated to financial management to streamline and strengthen the structure of the proposed law. METAC also provided comments on treasury, accounting, and audit chapters to strengthen their content and consistency. METAC organized weekly discussions with the authorities to make drafting recommendations on budget preparation with a focus on reform-oriented articles, including top-down budgeting, strategic budgeting (concepts, tools etc.), organization of the budget process and its calendar, budgeting for fiscal risks, and budget documentation.

Revenue Administration

Iraq

Thematic support for Iraq customs continues (July)

The sixth in a series of hybrid capacity development workshops commenced with remote drafting of supporting instructions for the implementation of customs guarantees. The draft has been shared with Iraq customs for their initial review and will be validated and finalized during an in-person workshop in August.

Strengthening Audit Capacity in Iraq's Tax Administration (July)

The mission supported the General Commission for Taxes (GCT) in Iraq through a five-day training program designed to enhance the audit capabilities

of approximately twenty tax officers. The mission built foundational knowledge and practical skills in auditing companies for compliance with Iraqi tax laws. Through interactive sessions and practical exercises, the mission team introduced participants to key audit principles, including case selection, planning, evidence gathering, and audit finalization. The training was based on good international practices such as VITARA and TADAT and tailored to address the diverse experience levels of participants. The training helps adopting modern audit techniques and strengthening the overall effectiveness of Iraq's tax administration.

Libya

Advancing Legal Reform: Drafting Libya's Tax Procedures Code (July 18-27)

As part of a three-phase initiative to modernize Libya's tax administration, the July mission marked the second phase of support to the Libyan Tax Authority (LTA) in developing a comprehensive Tax Procedures Code (TPC). This phase focused on drafting the TPC, building on the diagnostic work completed in Phase 1 during February 2025. The METAC team, working jointly with the IMF's Legal Department (LEG), engaged in desk-based drafting activities to produce a simple yet comprehensive TPC that consolidates and harmonizes administrative provisions across core taxes, including income tax and stamp duty. The draft code reflects international good practices and is tailored to Libya's institutional context, improving procedural clarity and transparency, taxpayer compliance, and administrative efficiency. The draft code will be presented to the Libyan authorities during Phase 3, when it will be reviewed, discussed, and finalized.

Tunisia

Spotlight on Capacity Building: Advancing AI in Tunisian Customs (June 17-26)

IMF HQ and METAC delivered an intensive training to strengthen the capacity of Tunisian Customs officers in enhancing selectivity mechanisms through artificial intelligence (AI). This initiative directly supports the strategic objective of the General Directorate for Customs (GDC) to integrate AI into the risk management framework of SYNDA

2—the country's next-generation customs IT system currently under development.

The workshop trained seven dedicated officers from the Risk Management, Statistics, and IT departments. Their strong understanding of the customs environment fostered rich discussions and practical insights, making the sessions highly interactive and impactful. Participants explored how AI can be applied to improve targeting, streamline operations, and support data-driven decision-making, laying the groundwork for future innovation in Tunisian Customs.



Tax Policy

Iraq

Income Tax Law (June 19-July 25)

A remote joint METAC and IMF HQ mission reviewed the draft Income Tax Law (ITL) before submission to parliament. The mission recommended legislative changes and policy design options to strengthen revenue yields, equity, and the efficiency of Iraq's income tax legislation. The mission worked primarily with the General Commission for Taxation and the Supreme Committee for the Implementation of Tax Reform.

Government Finance Statistics and Public Sector Debt Statistics

Morocco

Government Finance Statistics training (May 19-30)

A joint METAC and IMF HQ mission enhanced the quality and scope of fiscal statistics. The mission was funded jointly by METAC and the Data for Decisions (D4D) Fund. The mission's focus was on refining GFS for the budgetary central government (BCG) and identifying data needed for an expansion to the general government (GG). The authorities agreed with the mission on guidelines to include extra budgetary units into the compilation of GFS, which will significantly improve quality of GFS. Important elements are to institutionalize and strengthen GFS compilation and dissemination, produce consolidated statements for the government sector, and ensure the completeness of the list of public sector entities.

Lebanon

Government Finance Statistics training (May 19-June 30)

METAC helped Lebanon improve GFS quality, coverage, and harmonization, ensuring alignment with international GFS standards. The mission engaged with the Ministry of Finance and the Central Bank, assessing the quality of current data, enhancing coverage and timeliness, assessing IT support, and developing an action plan for the next 12 months. The authorities are interested in re-starting national fiscal reporting and GFS compilation. The mission offered guidance on data collection and worked to integrate data from different sources. It also reviewed the current fiscal reports, as well as revenue and expense transactions focusing on how to classify them in line with international standards.

Real Sector Statistics

Libya

Rebasing the national accounts (July 6-10)



METAC conducted a follow-up mission involving seven compilers from the statistical office and six researchers from the Central Bank of Libya to improve the GDP coverage for 2022. The mission

trained officials on key concepts to better measure informal activities, discussed recommendations with the Head of National Accounts, and agreed on a workplan to produce a new national accounts benchmark for 2022 by 2027.

Macroeconomic Frameworks

Egypt

Macroeconomic Frameworks (June 15-26)

This was the second in a series of technical assistance (TA) missions to assist the Central Bank of Egypt (CBE) in upgrading its Forecasting and Policy Analysis System (FPAS), including modernizing the CBE's short-term forecasting tools and Quarterly Projection Model (QPM). The mission expanded the QPM with CPI disaggregation, introduced additional nowcasting models, and estimated the QPM parameters with Bayesian techniques.

Technical Assistance Reports

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

Real Sector Statistics

Egypt: Supply and Use Tables – July 2025
Egypt: Annual and quarterly GDP Improvements – July 2025
Egypt: Input-Output Tables – July 2025
Lebanon: Construction Cost Index – August 2025
Libya: PPI TA Report November 2024 – July 2025
Libya: Consumer Price Index – July 2025
Tunisia: Non-financial accounts for the Rest of the World – June 2025

Financial Supervision and Regulation

Jordan: Development of Revised Requirements on Banks' Transactions with Related Parties – July 2025
Yemen: Development of a Central Bank Regulation on Risk Management by Banks – July 2025

Revenue Administration

Iraq: Review of Criteria for Identification of Large Taxpayers – June 2025
Jordan: Preliminary Administrative Measures for a Medium-Term Revenue Strategy – August 2025
Yemen: Preparation for Implementing the Compliance Improvement Plan for the Banking Sector – July 2025

Staff News



Gregory Legoff joined METAC as Real Sector Statistics Advisor at the beginning of June. He comes with a wealth of experience in capacity development from two IMF Regional Capacity Development Centers (Pacific Financial Technical Assistance Center (PFTAC), Fiji, and AFRITAC South, Mauritius) and IMF Headquarters. Prior to joining the IMF, Gregory worked at the Organization for Economic Cooperation and Development (OECD) and the Australian Bureau of Statistics.



Nasser Badra concluded his tenure as METAC's first macroeconomic frameworks advisor at the end of May, after contributing to projects in Iraq and Algeria as well as several regional activities. Nasser has remained active for METAC as a short-term expert in the Central Bank of Egypt FPAS project.



At the end of June, **Rosen Bachvarov** ended his two-year assignment as Tax Administration Advisor, focusing mainly on non-fragile member states. Rosen's dedication and insights were invaluable not only for member countries but also the center itself, including his contributions to developing METAC's communication and outreach. The METAC team wishes Rosen all the best for his future endeavors.

Analytical Corner

Flagship Publications

[World Economic Outlook Update, July 2025: Global Economy: Tenuous Resilience amid Persistent Uncertainty](#) (July 2025)

Global growth is projected at 3.0 percent for 2025 and 3.1 percent in 2026, an upward revision from April. This reflects front-loading ahead of tariffs, lower effective tariff rates, better financial conditions, and fiscal expansion in some major jurisdictions. Global inflation is expected to fall. Downside risks from potentially higher tariffs, elevated uncertainty, and geopolitical tensions persist. Restoring confidence, predictability, and sustainability remains a key policy priority.

[2025 External Sector Report: Global Imbalances in a Shifting World](#) (July 2025)



This year's report provides the external sector assessment of 30 of the world's largest economies based on their 2024 data. Global current account balances widened significantly. Excess current account balances account for about two-thirds of the widening, with China, the United States, and the euro area driving the increase.

Other Publications

[The 4th Financing for Development Conference- Contribution of the IMF to the International Financing for Development Agenda](#) (May 2025)

The series of major economic shocks since 2020 added to longstanding development challenges, with low-income and fragile countries affected the most. The escalation of trade tensions at the beginning of 2025 has negative implications for most developing countries. While these countries share many characteristics, increasing heterogeneity in their economic conditions and exposure to risks calls for appropriate differentiation in countries' policies and reform agendas, as well as in the support from the international community particular for the poorest and fragile countries.

[A Macroeconomic Framework for Long-Term Resilience and Growth](#) (July 2025)

This paper describes a macroeconomic framework integrating disasters in the analysis of growth and long-term economic resilience. The framework is a dynamic growth model incorporating endogenous human and physical capital accumulation, fiscal policy interventions, and public debt dynamics. The model allows for flexible analyses of slow and fast onset climate impacts and fiscal policy reforms to foster sustainable long-term growth and adaptation, including enhanced spending on resilient investment and non-structural adaptation options.

[Growth, Interrupted: How Crises delay Global Convergence](#) (June 2025)

This paper introduces a Markov chain approach integrating the study of crises and convergence. The paper finds that conflict and debt crises help to explain the persistence of low relative income, and that the convergence process has changed over time. Faster global convergence in the early 2000s can be attributed partly to fewer and shorter crises, so the multiple shocks after 2020 are likely to have slowed income convergence.

Afghanistan

[Understanding Inflation Dynamics in Afghanistan](#) (July 2025)

Over the past two decades, Afghanistan experienced three main periods of deflation, with

the latest being the longest. This paper investigates the macroeconomic factors influencing inflation dynamics in the short and long run, considering both domestic and external factors. The paper finds that the exchange rate is the primary long-term price driver due to Afghanistan's reliance on imports and foreign aid, followed by money supply and international commodity prices. In the short run, inflation is persistent, and broad money has a significant impact on inflation compared to external factors.

Djibouti

[Djibouti: Staff Concluding Statement of the 2025 Article IV Mission](#)

Djibouti has been navigating regional tensions well, with robust growth, moderate inflation, and recovering reserves. In response to global uncertainties and domestic debt challenges, the authorities plan significant fiscal consolidation, including leveraging state-owned enterprises dividends meaningfully, and advancing creditor dialogue. The authorities remain dedicated to investing in human capital and creating favorable investment conditions for job creation.

Egypt

[Arab Republic of Egypt: 2025 Article IV Consultation, Fourth Review Under the Extended Arrangement Under the Extended Fund Facility, Requests for Waivers of Nonobservance and Modification of Performance Criteria and Request for an Arrangement Under the Resilience and Sustainability Facility-Press Release; Staff Report; and Statement by the Executive Director for Egypt](#) (July 2025)

Persistent and successive external shocks have complicated policy execution. The ongoing war in Sudan precipitated a significant refugee inflow into Egypt, with some 603,000 Sudanese refugees registered with UNHCR at end-2024. Trade disruptions in the Red Sea since December 2023 have reduced foreign exchange inflows from the Suez Canal by US\$6 billion in 2024, while transit trade volumes remain at about a third of pre-conflict levels, with further negative spillovers to growth and fiscal revenues.

[Arab Republic of Egypt: Selected Issues](#) (July 2025)

This Selected Issues paper focuses on (1) climate action mitigation, (2) inflation targeting, and (3) debt anchor for the medium-term budgetary framework.

Iraq

[Iraq: 2025 Article IV Consultation-Press Release; Staff Report; and Informational Annex](#) (July 2025)

Iraq has managed to uphold domestic stability despite regional turmoil. However, rapid expansion of spending and emerging financing constraints led to arrears accumulation in 2024. These challenges are now compounded by declining oil prices in a highly uncertain global environment, further aggravating fiscal and external sustainability risks. At the same time, the country is struggling with lingering structural economic challenges, including high unemployment, excessive state footprint, a weak banking sector, corruption, and an inefficient electricity sector.

[Iraq: Selected Issues](#) (July 2025)

Iraq faces significant structural economic challenges that hinder its long-term growth. Against the backdrop of growing socioeconomic challenges, shifting toward a private sector-led growth model remains a key priority for the improvement of medium-term growth. To do so Iraq needs to address structural economic challenges including the improvement of the institutional and regulatory framework, the fight against corruption, the improvement of labor market legislation, and the development of the financial sector.

Jordan

[Jordan: Third Review Under the Extended Arrangement Under the Extended Fund Facility, and Request for Modification of Performance Criteria, and Request for an Arrangement Under the Resilience and Sustainability Facility-Press Release; Staff Report; and Statement by the Executive Director for Jordan](#) (July 2025)

Jordan continues to maintain macroeconomic stability despite external headwinds from regional conflicts and heightened global economic uncertainty, owing to the authorities' steadfast pursuit of sound policies and strong international support. Growth in 2024 ended up somewhat stronger than anticipated and is projected to pick up pace in 2025 and following years. Inflation remains

low, and reserve buffers are strong. Nonetheless, uncertainty is high and structural challenges remain.

Libya

[Libya: 2025 Article IV Consultation-Press Release; and Staff Report](#) (June 2025)

The 2025 Article IV Consultation discusses that the continued political division and widespread fragilities have hindered the authorities' capacity to control public expenditure and enact necessary reforms. Real gross domestic product growth is estimated to have declined to around 2 percent in 2024 from 10 percent in 2023, driven by a contraction in the hydrocarbon sector. The outlook is dominated by developments in the oil sector, and the country remains exposed to global downside risks. Forging a comprehensive reform program aimed at reducing dependence on oil revenues should be at the top of the authorities' agenda.

[Libya: Selected Issues](#) (June 2025)

Energy subsidy reform has become crucial for Libya. Whether the government decides to use general transfers or targeted support based on income brackets, it can compensate for the expected increase in energy prices and realize some budgetary savings at the same time. Eliminating subsidies is always a challenging process. Libya has an opportunity to gradually phase out subsidies, compensate citizens for the anticipated welfare loss and realize budgetary savings.

[Energy Subsidy Reform in Libya](#) (July 2025)

Energy subsidies have become a significant burden on government finances in Libya. The pervasive nature of subsidies has led to rampant corruption, smuggling, and a diversion of resources from essential public services. The paper identifies key barriers to reform, including opposition from vested interest groups and public apprehension regarding inflation and welfare loss. A strategic reform plan is proposed to address these challenges, emphasizing a phased approach, a comprehensive communication plan, and social protection measures to mitigate the adverse effects of subsidy removal. By taking these steps, Libya can transition towards a more sustainable framework that supports macroeconomic stability.

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 2025

Country	Topic and Lead METAC Advisor	Date
Central Bank Operations – Mr. Stefaan Ide		
JOR	Foreign Reserve Management	Sep
YMN	Foreign Reserve Management	Aug-Sep
Financial Supervision and Regulation – Ms. Nehmat Hantas		
DZA	Enhancing the onsite inspection manual	Sep
	Regulation review on loan classification and provisioning/Large exposures	Aug-Sep
	Regulation on capital adequacy framework	Sep-Oct
EGY	Workshop on digital banking supervision	Oct
JOR	Developing ICAAP supervisory guidelines	Sep-Oct
MAR	Regulation review on credit guarantee companies	Oct
REG	Fintech and Cyber Risk Supervision	Oct
Financial Supervision and Regulation – Ms. Lusine Margaryan		
IRQ	SRP Project (Risk Matrix Development)	Aug
LBY	Training on the Governance Framework of Banks	Oct
WBG	Enhancing Risk-based Supervision (Supervisory manual development)	TBD
	Consolidated and Cross-Border Supervisory Framework Development	TBD
YMN	Development Capital Adequacy Framework for Islamic Banks	Sep
Public Debt Management – Mr. Chaker Soltani		
DJI	Strengthening the institutional framework for public debt management	Sep
	MTDS and ABP developing and implementing	Oct
DZA	MTDS and ABP developing and implementing	TBD
IRQ	Developing the domestic market for government securities	Sep
Public Financial Management – Ms. Amra Srdanovic		
IRQ	TSA Workshop	Sep
LBN	Fiscal risks	Oct
SYR	Budget and cash management	Oct
Public Financial Management – Mr. Kevork Baboyan		
YMN	Establishment of a Treasury Single Account	Oct
Tax Administration – Ms. Sabine Corm		
IRQ	Compliance Risk Management (CRM) Principles	Sep
LBY	Compliance Risk Management (CRM) Principles	Sep
REG	CEF- Tax Policy and Administration for Executives	Sep
YMN	Short-Term Revenue Emergency Program for the Tax Administration	Aug
Customs Administration – Mr. Andrew Allan		
IRQ	Customs Guarantees supporting legislation/ instruction (in-person element)	Aug
JOR	Follow on to AEO (Golden List)	Oct
LBN	Review of ASYCUDA World Functions	Sep
	Risk Management Needs Assessment	Sep
REG	CEF Regional Workshop - The Use of Artificial Intelligence in Customs	Oct
Tax Policy – Ms. Sarah Bou Atmeh		
DJI	Tax Expenditures reporting and evaluation - remote mission	June- Sep
YMN	Follow up – improving income and consumption tax policy	Sep

Government Finance Statistics and Public Sector Debt Statistics – Mr. Amir Hadziomeragic		
REG	CEF regional course on PSDS	Sep
Real Sector Statistics – Mr. Gregory Legoff		
EGY	Improving annual national accounts	Aug
JOR	Rebasing national accounts	Aug
LBN	National Accounts	Sep
REG	CEF regional workshop on national accounts	Oct
SYR	National Accounts	Sep
TUN	Improving quarterly GDP estimates.	Oct
UAE	Participation in the UNESCWA regional workshop on the new system of national	Sep
Macroeconomic Frameworks		
DZA	Macroeconomic Frameworks TA - Banque d'Algérie	Oct
MAR	Macroeconomic Frameworks (DDT) - Ministry of Economy and Finance	Oct
Anti-Money Laundering and Combating the Financing of Terrorism – Mr. Peter El Sharoni		
REG	CEF regional course on “Enhancing the understanding of Money Laundering (ML), Terrorist Financing (TF) and Proliferation Financing Risks (AML)”	Sep
Climate, Gender, and Digitalization Work Program		
REG	Scaling Up Private Climate Finance in Emerging Market and Developing Economies: Challenges and Opportunities	Sep
REG	Implications of Central Bank Digital Currency for Monetary Operations	Sep
REG	Gender Inclusivity and Economic Reform: Evidence from Morocco	Sep
REG	Hanging Out to Dry? Long-term Macroeconomic Effects of Drought in FCS	Oct
REG	Digitalization (TBD)	Oct
REG	Gender and Revenue Administration: Principles and Practices	Oct
REG	Fintech Applications for Boosting Climate Finance	Oct

Note: OA: Outreach activity; REG: Regional activity

**The following Development Partners and Member Countries
provide financial support to METAC:**



EUROPEAN UNION



ALGERIA



FRANCE



EGYPT



GERMANY



MOROCCO



THE NETHERLANDS



SAUDI ARABIA



SWITZERLAND



International Monetary Fund

Middle East Regional Technical Assistance Center

metacss@IMF.org; IMFmetac.org;