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## **METAC 20<sup>th</sup> Anniversary Conference**

**Good Governance for Economic Resilience:  
Twenty Years of METAC Capacity Development in the Middle East and North Africa**

4 December 2024



For the past two decades, the IMF's Middle East Regional Technical Assistance Center (METAC) has been instrumental in promoting good governance and supporting its member countries in building strong macroeconomic institutions and implementing sound economic policies that promote inclusive growth and resilience. METAC's 20th Anniversary Conference in Cairo, Egypt, brought together representatives from member countries, development partners, and the IMF to discuss the role of capacity development, country ownership, and development partner support.

## ***Egypt reinforces its long-term cooperation with METAC.***

In his opening remarks, H.E. Finance Minister of Egypt Ahmed Kouchouk noted that METAC's anniversary is a testimony for how important and vital multilateral support and partnerships are in advancing economic reform. Egypt greatly benefited from METAC's support in a wide range of economic areas and has made significant strides in improving fiscal discipline, including with the help of development partners. Expressing a strong commitment to the crucial role METAC plays in enhancing the macroeconomic foundations of its member countries, H.E. Ahmed Kouchouk signed a contribution agreement with METAC, enforcing Egypt's ownership and commitment as a contributing member of METAC. The



Deputy Director of the IMF Institute for Capacity Development Mr. Franck Bousquet and H.E. Ahmed Kouchouk present the signed contribution agreement.

Director of the IMF's Middle East and Central Asia Department Mr. Jihad Azour commented that "METAC's achievements owe much to contributions from member countries and development partners which have enabled the center to broaden its impact and address the region's evolving needs and strong capacity development demand." METAC Director Mr. Holger Floerkemeier added "We thank the Egyptian authorities for their commitment to METAC capacity development and for demonstrating strong ownership of the Center for 20 years. This is an investment with a high return for Egypt and member countries. It provides a valuable public good for the region and for the international community."

## ***METAC is instrumental in supporting fragile and conflict-affected states.***

Looking back at METAC's inauguration in 2004, the Director of the IMF's Middle East and Central Asia Department Mr. Jihad Azour highlighted that METAC was designed to be a key reform partner and a bridge between member countries and IMF Headquarters. Over the past two decades, METAC has become a critical partner in helping governments address fiscal pressures, combat corruption, and implement reforms essential for restoring trust in institutions. He highlighted that METAC's most profound contribution has been in fragile and conflict-affected states, whose need for technical expertise and institutional capacity-building is most urgent, and where METAC has been instrumental in supporting governments as they rebuild, stabilize, and restore essential state functions. He added that "through METAC, the IMF is today making a long-term commitment of resources and expertise to the whole region", significantly scaling up its support to fragile and conflict-affected states.

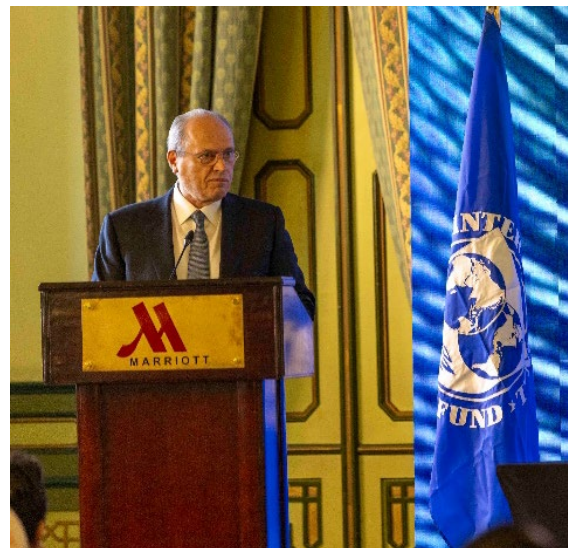




Opening Session: IMF Middle East and Central Asia Department Director Jihad Azour, METAC Director Holger Floerkemeier, IMF Institute of Capacity Development Deputy Director Franck Bousquet, H.E. Finance Minister of Egypt Ahmed Kouchouk, and H.E. Deputy Prime Minister of Lebanon Saade Chami (from left to right).

### ***Stepping Back and Looking Forward: Lessons for Capacity Development.***

H.E. Saade Chami, Deputy Prime Minister of Lebanon and second Director of METAC (2007-2012), provided guidance from the experience gained in twenty years of METAC capacity development in the MENA region. First, prioritizing those member institutions that stand to benefit the most, to ensure that support is targeted and impactful. Second, strengthening regional and member country ownership and involvement in shaping METAC's work program. Third, diligently evaluating requests to avoid duplication and enhance effectiveness. Fourth, regularly following up on the effective implementation of advice. Related to this, fifth, periodic evaluation of the outcomes of technical assistance provided to inform future capacity development. Sixth, leveraging digital transformation, and seventh, enhancing the visibility of METAC's good work and accomplishments to help garner support and recognition to support its mission.

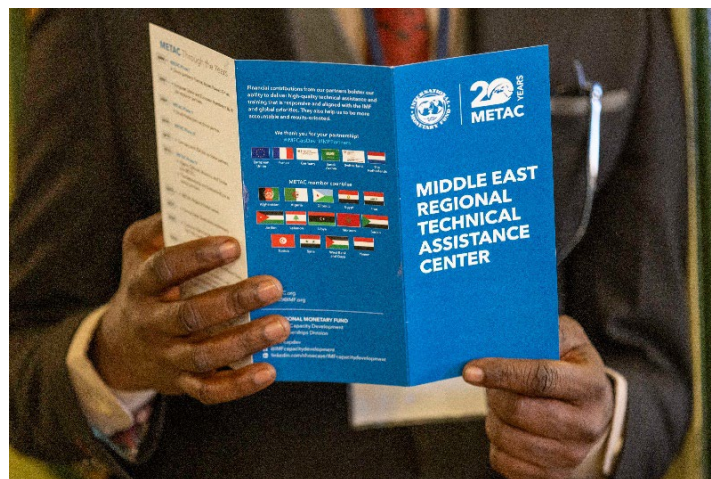


***Good governance is critical for improving economic performance in the Middle East and North Africa.***

Mr. Zeine Zeidane, Deputy Director of the IMF Middle East and Central Asia Department presented the IMF's Governance Framework to promote more systematic, effective, and candid engagement with member countries regarding governance vulnerabilities, and the status of economic governance and the control of corruption in the Middle East and North Africa (MENA) region. He emphasized the macro-criticality of good governance for improving economic performance, even more so as fiscal and monetary policy space is limited. He noted the gradual improvement in governance in MENA high- and middle-income countries, but low-income and fragile states continue to face major challenges. Improving governance is a long-term endeavor that requires strong leadership with a strong focus, robust legal and institutional frameworks, a dedicated and skilled civil service, and broad-based public support.

***Supporting good governance practices through partnerships, dialogue, and knowledge sharing.***

Through various panel sessions, the conference highlighted capacity development successes, challenges, and partnerships over the past two decades, as well as priorities going forward. Representatives from member countries, development partners, and the IMF discussed the role of capacity development in building strong economic and financial institutions for more resilient and inclusive economies in the MENA region. Under the conference theme “Good Governance for Economic Resilience”, panelists shared valuable insights and practical strategies from their experiences in overcoming governance challenges, underscoring the importance of collaboration and knowledge exchange for achieving sustainable progress.



***Capacity development is as much about people and relationships as it is about institutions, regulations, and practices.***

The first panel session “*Building Fiscal Institutions to Strengthen Governance and Accountability*” discussed pressing public financial management (PFM) challenges to address governance weaknesses across METAC countries. Some panelists recalled their personal journey with



METAC over the past two decades. Citing METAC's [anniversary booklet](#), Ms. Lamia Moubayed Bissat, President of the Institute of Finance Basil Fuleihan in Lebanon, noted that “capacity building is as much about people and relationships as it is about institutions” stressing the importance of human capital and talent that is affecting fiscal governance, especially in fragile setting. Ms. Valerie Liechti from the Embassy of Switzerland in Egypt highlighted SECO supported success stories from several countries in the region, such as the introduction of e-procurement system in Tunisia, or digital platforms that support tax collection and reporting in Jordan.



The session pointed to the role of technology as tool to strengthen governance and accountability. Nonetheless, building human skills is a crucial component for fully utilizing the benefits of digital systems. Mr. Zeine Zeidane, Deputy Director of the IMF Middle East and Central Asia Department, emphasized the strong and continuous commitment from member countries, which offers fertile ground for scaling up technical assistance.

***Long-term partnerships and cooperation between institutions yield substantial benefits.***

The second panel session “*Domestic Resource Mobilization: Balancing Efficiency and Equity Considerations*” discussed the challenges and potential strategies for enhancing tax-to-GDP ratios and therefore sustainable public spending capacity through more inclusive and equitable tax systems and improving tax compliance. The panelists emphasized the importance of a country-tailored approach for achieving meaningful reforms. Experience shows that pragmatic solutions—with focus on what is possible and implementable—work better in fragile states. Panelists highlighted revenue administration achievements in the region, such as the introduction of function-based tax administration, which has significantly strengthened tax administrations’ core functions. Mr. Peter Jonath from the German International Cooperation (GIZ) highlighted the critical role of digitalization as well as capacity development steps needed to fully make use of digital systems and technology. Rather than individual interventions that put digital systems in place, digitalization is a journey that requires long-term follow up and programmatic support.

***Member countries' commitment to reform offers fertile ground for scaling up technical assistance.***

The third panel “*Emerging Trends in Debt Management and Monetary Operations: Ensuring Financial Stability in a Changing World*” introduced METAC’s new debt management workstream. It highlighted a forward-looking view of public debt management and capital market development, outlining how capacity development can support achieving financial stability. While the region faces a set of formidable challenges in the debt area, those are manageable with the right approaches. Thordur Jonasson, Deputy Division Chief of the Monetary and Capital Markets Department outlined the areas that METAC’s new workstream would cover, including medium-term debt management strategies, annual borrowing plans, debt reporting, and local currency bond market development. In this regard, information, communication, transparency, and close coordination with other technical assistance providers are essential.



***What cannot be seen, cannot be measured, cannot be managed. Reliable, adequate, and timely data is the foundation for evidence-based policy making.***

The fourth panel “*Empowering Decision Makers with Better Data*” discussed the importance of economic data for informed policy decision making. Significant progress has been achieved among member countries in national account and price statistics, reflecting METAC’s capacity development focus on these two areas. Important challenges persist, such as the measurement of informal economic activity, as mentioned by several panelist. Deputy Director of the IMF Middle East and Central Asia Department Ms. Taline Koranchelian explained how regional developments have shaped the IMF’s perspective on statistics, such as a stronger focus on data on inclusion following the Arab Spring. Moreover, leveraging big data is a powerful tool for macroeconomic policymaking. She showcased concrete examples how the IMF is helping member states in this regard, such as [Portwatch](#), a platform that monitors shipping disruptions in the red sea. Mr. Yasser Sobhi, Vice Minister of Finance of Egypt, emphasized the significant opportunities that digitalization and artificial intelligence are providing from a policy maker’s perspective. For instance, the introduction of electronic tax receipts offers new opportunities for policy analysis, in which the IMF could support Egypt.



***Over the past 20 years, METAC has made a real difference in its member countries, and it is reinforcing its capacity development efforts going forward.***

In his concluding remarks, METAC Director Mr. Floerkemeier noted that the 20th Anniversary conference was a reflection of what METAC is: a collaborative effort between member countries, development partners, and the IMF. The discussions highlighted member countries' capacity development priorities, what IMF-METAC can offer, and the importance of development partner coordination. METAC's mission is to build strong economic institutions and good governance frameworks for resilient and more inclusive growth. The Center has made a real difference for its member countries in a challenging environment, with many member countries suffering from fragility and conflict. METAC has greatly expanded its capacity development delivery and looks forward to serving its member countries in the years to come.

