

**MIDDLE EAST
REGIONAL TECHNICAL
ASSISTANCE CENTER**



**ANNUAL
REPORT
2021**



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ACRONYMS AND ABBREVIATIONS

BCBS Basel Committee on Banking Supervision

CD Capacity Development

CEF Middle East Center for Economics and Finance (IMF)

CPI Consumer Price Index

FAD Fiscal Affairs Department (IMF)

FTE Full-Time Equivalent

FY Fiscal Year

GDP Gross Domestic Product

HQ Headquarters (IMF)

ILAAP Internal Liquidity Adequacy Assessment Process

IFSB Islamic Financial Services Board

IMF International Monetary Fund

IOT Input-Output Table

LTX Long-Term Expert

LCR	Liquidity Coverage Ratio	PPP	Public-Private Partnership
MCM	Monetary and Capital Markets Department (IMF)	SOE	State-Owned Enterprise
MENA	Middle East and North Africa	SREP	Supervisory Review and Evaluation Process
METAC	Middle East Regional Technical Assistance Center (IMF)	STX	Short-Term Expert
MoF	Ministry of Finance	SUT	Supply and Use Table
NSFR	Net Stable Funding Ratio	TSA	Treasury Single Account
PPI	Producer Price Index	VAT	Value-Added Tax

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STATEMENT BY THE DIRECTOR



Mario Mansour

Dear reader,

The past fiscal year (May 2020 to April 2021) has been dubbed a “year like no other”. The COVID-19 pandemic exacted a human and financial cost on the world, which mere accounting would be an understatement of its true long-term impact. But it also showed that in extreme times, countries did not hesitate to take extreme measures to protect their populations, and to learn lessons for future generations.

During the year, METAC kept its focus on helping its members respond to the crisis while keep building long-term monetary and fiscal capacity. It delivered 104 capacity development activities—8 more than its workplan, and 20 percent of which targeting COVID-19 issues; it hosted 26 regional webinars on various subjects related to macroeconomic management of the pandemic; and

over 1000 government officials benefited from its training activities—more than three times the figure in a normal year, reflecting in part the scale afforded by new virtual communication and collaboration platforms. The Center published three *Regional Notes*, covering implementation of international standards in banking supervision, PFM reforms and analytical tools to support them, and customs administration strategies for revenue mobilization.

Our workplan for FY22 reflects bringing forward the hiring of two additional resident advisors, to help the Center prepare effectively for scaling up its operations in fiscal year 2023 and be well positioned to deliver on its next five-year strategy, outlined in its [program document](#). The METAC team is encouraged by the support and guidance from its steering committee members, and in particular its development partners.

Eighteen months after COVID-19 was declared a pandemic, it continues to pose significant challenges for economic recovery in many countries in the METAC region. Although it is still early to project with some accuracy when its impact will wane, positive signs are emerging as more people are vaccinated. Policymakers in the region need to remain vigilant and plan for the medium-term. METAC is ready to continue playing an important and even bigger role in supporting them.

EXECUTIVE SUMMARY

METAC delivered 104 capacity development (CD) activities in FY21 (8 more than its workplan), with resources of 5.9 full-time-equivalent (75.3 percent of its budgeted FTEs). While countries postponed (and in few cases cancelled) 32 activities, 40 new activities were added to the workplan—all consistent with the current objectives of country multi-year projects. About 20 percent of FY21 activities were directly or indirectly targeted to the implications of COVID-19 and how to address them—often at the urgent request of the authorities.

Progress was achieved on 87 percent of the milestones. About 72 percent of the milestones were fully or largely achieved, a level above that realized in FY20, despite the operational constraints imposed by COVID-19 throughout the year. Significant efforts were directed to peer-to-peer learning, with the Center delivering 26 regional webinars on various issues related to macroeconomic management of the pandemic.

Training and peer-to-peer activities increased substantially. METAC's activities hosted 1053 government officials during the year. This is more than three times the previous year and is primarily due to COVID-19-related factors. The Center published three *Regional Notes*, covering Basel II and III implementation, PFM reforms and analytical tools, and customs administration strategies

for revenue mobilization. The main purpose of these notes is to improve peer-to-peer learning—the notes can be found at www.imfmetac.org under the Publications tab.

METAC's outreach activities included presentations at the following events: (1) 5th virtual meeting of the Arab Monetary Fund (AMF) on banking supervision and how COVID-19 has affected it; (2) the annual AMF tax conference, which focused on the COVID-19 crisis; (3) the United Arab Emirates' Young Economist Program; (4) the AMF's seventh Steering Committee meeting of the Arab Statistics Initiative (Arabstat); (5) a workshop on taxpayers' rights and obligations organized by the College of Law of the Hamad Bin Khalifa University in Qatar; (6) and a webinar by the Euro-Mediterranean Economists Association on stabilization policies in fragile states. The Center collaborated with the secretariat of the Public Expenditure and Financial Accountability, the International Budget Partnership, and Women's World Banking. It also contributed to analytical work of the UN Development Program in Lebanon, and the UN Economic and Social Commission for Western Asia.

Total expenses in FY21 amounted to USD 3.698 million. The FY21 budget was revised downward in November by USD 1.187 million, which represents

travel costs of bilateral and regional activities for the period August 2020 to April 2021. The additional shortfall in budget execution (USD 1.244 million) is due to lower STX and LTX expenses, lower expenses related to office space and local employees caused by ending the lease of METAC in the aftermath of the explosion at the port of Beirut, delaying the hiring of an additional assistant, and lower IMF-funded expenses.

The workplan for FY22 foresees 94 CD activities, equivalent to 7.5 FTEs. In addition, and as envisaged in the program document for Phase V, METAC will hire during FY22 a central bank operation LTX, a customs administration LTX, and, possibly in the last quarter of the year, a government finance statistics LTX. The customs administration expert will be funded from the new IMF COVID-19 Crisis Capacity Development Initiative during FY22 and FY23.

The FY22 budget is estimated at USD 5.480 million (4.606 excluding IMF-funded expenses). It is fully funded, as total contributions for Phase IV net of total expenses (excluding the IMF) stood at USD 5,331 million at the end of April 2021. METAC will advise the steering committee on the use of the surplus at the mid-year review of the annual workplan and budget, including a possible extension of Phase IV to April 2022.

SECTION I

OVERVIEW

OVERVIEW

The IMF revised its macroeconomic outlook for the MENA region for 2021, expecting on average a better performance than the forecast in October 2020.¹ Real growth is projected at 4 percent, with oil-exporting countries faring better than oil-importing countries, due to a pick-up in oil prices and oil production in Libya. The recovery in oil-importing countries is projected to be sluggish primarily due to the impact on tourism of slow COVID-19 vaccination campaigns. Gross domestic product (GDP) growth in oil-importing countries is projected at 2.3 percent in 2021, slightly below the estimate provided in the October 2020 regional economic outlook. Inflation is forecast to increase to 12.8 percent in 2021, because of higher food prices. This is especially the case of countries where devaluation and monetary financing have taken place—Iraq, Lebanon, Libya, Sudan, and Yemen. Fiscal balances are expected to improve across the region, particularly in oil-exporting countries where the increase in oil prices will boost revenue. The improvement is

less marked in oil-importing countries, because of the end of COVID-19 revenue measures, and a return in some countries to fiscal consolidation due to increased debt burdens. The situations of current account balances across the region mirror to a large extent those of fiscal balances in the oil-exporting and oil-importing groups of countries.

A year after the outbreak, COVID-19 continues to have significant implications for economic recovery. This recovery is expected to be asymmetric across countries and economic sectors, and depends on two key factors: (1) countries who responded early to the pandemic with fiscal measures are expected to recover faster from it, provided they manage well their exit strategies—i.e. the timing of withdrawing fiscal and monetary support; (2) the speed of vaccination will play an important role in reestablishing the mobility of people within and across countries, and hence the underlying economic activities benefiting from or driven by such mobility.

It remains too early to accurately project when the COVID-19 pandemic's effects on the economies of the region will wane. Policymakers need to remain vigilant and to plan for the medium-term. METAC's activities in fiscal year 2022 (FY22) will remain focused on helping countries deal with the short-term consequences of COVID-19, while providing support for the imperative of medium-term

¹ This section draws from the IMF Middle East and Central Asia Department's Regional Economic Outlook (REO) of April 2021. The MENA corresponds to the METAC region, except for GCC countries, Pakistan, Mauritania, and Somalia, which are not METAC members. Despite this difference, the REO analysis provides a useful (and unique) analysis of the short-term macroeconomic challenges facing METAC countries, particularly when the MENA group is split between oil-exporting and oil-importing countries.

planning and capacity development (CD). As such, METAC's projects in FY22 and during Phase V will keep assisting countries to address the consequences of COVID-19, while emphasizing strengthening in the medium-term the core functions and institutions for macroeconomic management. Broadly, the priorities for FY22 are as follows:

- In public financial management (PFM), METAC will continue to expand its assistance to fragile and conflict states in the key areas of budget design, execution, and monitoring (including cash management). In other states, the emphasis will be on strengthening analytical tools and budget transparency, particularly in areas such as fiscal risk management, coordination of fiscal and monetary policies in cash management and funding budgetary short-term financing needs, improving the quality and content of published budget documents, gradually implementing fundamental PFM reforms (such as the introduction of new organic budget laws, which requires years to be fully

implemented), and expanding the use of program and gender-responsive budgeting.

- The central bank operations long-term expert (LTX) will be hired early in FY22. Together with banking supervision, METAC's support to its countries to address financial vulnerabilities (for instance, through better implementation of risk-based supervision), and allow more flexibility in exchange rates management, will increase significantly. Within this agenda, METAC will also be better placed to address the climate issues associated with financial sector policies—in this regard, a workshop will be organized early in FY22, together with the IMF Monetary and Capital Markets Department (MCM).
- Revenue administration CD for revenue mobilization and increased transparency in how tax and customs administrations interact with taxpayers will be at the core of METAC's strategy for FY22 and Phase V. To be sure, several of METAC members have tax-to-GDP ratios below 5 percent and need to

reduce their reliance on volatile oil revenues. This will require both tax policy and administration reform agendas—such as the Medium-Term Revenue Strategy recently drafted by Egypt. IMF HQ will lead the CD agenda on supporting countries design tax policy reforms, with an eye on climate change and inequalities, while METAC will support tax and customs administration in implementing these agendas. Climate change issues will be addressed more explicitly, for example by building more effective valuation and collection infrastructure for excise taxes on petroleum products—similar to what METAC did recently in Sudan.

- Rebasement and improving the frequency and timeliness of price and GDP statistics will continue to be at the core of METAC's CD. In addition, the hiring of a government finance statistics later in FY22, will expand work on fiscal transparency by assisting countries to report properly and according to international standards, fiscal and public debt data.

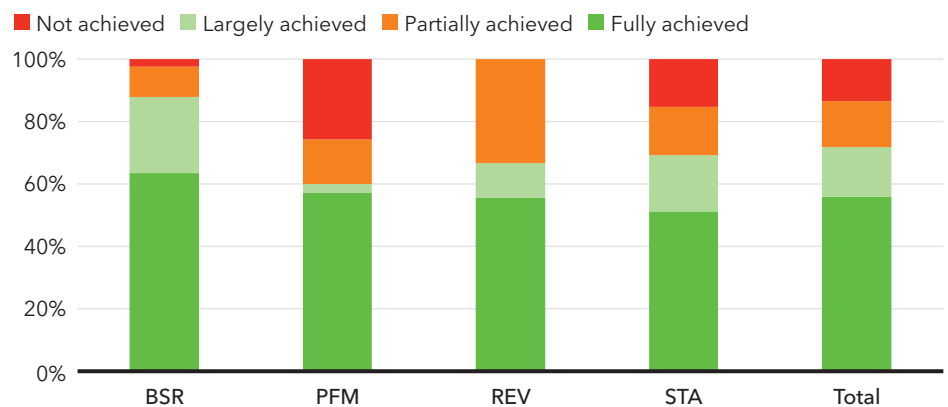
RESULTS AND ACTIVITIES IN FISCAL YEAR 2021

PROGRESS ACHIEVED IN FY21

METAC continued its support to its member countries on the basis of multi-year CD projects, while taking particular attention to respond to the short-term implications of COVID-19. At least 20 percent of its activities in FY21 dealt directly or indirectly with COVID-19 issues, generally at the urgent request of the authorities. This included several workshops to facilitate peer-to-peer learning and experience sharing across countries, and the dissemination of analytical work and results from the IMF on policy options to respond to the pandemic.

Progress in FY21 was achieved on 87 percent of the milestones (Figure 1). About 72 percent of the milestones were fully or largely achieved, a level above that realized in FY20, despite the constraints imposed by COVID-19 throughout the fiscal year. Progress in the PFM area were slightly below other CD workstreams due to a shift toward CD demand to address the short-term implications of COVID-19—and hence postponement of a larger number of activities to FY22, as METAC’s LTXs tend to operate at full capacity, and countries’ absorption capacity was lower and slower with

FIGURE 1. PROGRESS ON MILESTONES IN FY21



Note: BSR: banking supervision and regulation; PFM: public financial management; REV: revenue administration; STA: statistics.

the remote CD modality. COVID-19 was probably not the only reason for the slow progress in some countries, but it was difficult to disentangle it from other factors.

Despite the constraints of COVID-19, nearly 70 percent of the original workplan was delivered, while 30 percent shifted to COVID-19 and other priorities. This result reflects the flexibility with which METAC and the IMF reacted to the pandemic, and the fast adjustment of country authorities to benefit from remote CD.

KEY HIGHLIGHTS AT THE COUNTRY LEVEL

BANKING REGULATION AND SUPERVISION

Countries continued to implement Basel II and III standards for banks, further developed their supervisory capacity, including the implementation of risk-based supervision. Algeria developed a Liquidity Coverage Ratio (LCR) and a Net Stable Funding Ratio (NSFR). **Egypt** drafted a consultative paper on the credit risk framework to discuss with the banking sector, and another on enhancing market discipline through strengthened public disclosures; it also updated its regulation for large exposures. **Morocco** strengthened its market risk supervision capacity to be in a better position to move toward a more flexible foreign exchange rate regime. **Tunisia** developed an Internal Liquidity Adequacy Assessment Process (ILAAP), a critical aspect of the Supervisory Review and Evaluation Process (SREP). **Yemen** identified areas for strengthening its Islamic banking regulation and supervision and developed a medium-term implementation plan.

At the regional level, METAC delivered a workshop on gender bias and gender-balanced practices in banking supervision authorities. This activity, undertaken in collaboration

with Women's World Banking, has as a primary objective the promotion of women in senior management for more inclusive human resources policies.

PUBLIC FINANCIAL MANAGEMENT

Progress in PFM was particularly noticeable in fiscal risk management, budget execution, and peer-to-peer learning amidst the consequences of COVID-19. Afghanistan, Morocco, Egypt, Iraq, and Sudan reviewed the fiscal risk function with a view to strengthen reporting and disclosure, improve state-owned enterprises (SOEs) and public-private partnerships (PPPs) oversight, and better monitor and report on government guarantees. Progress on budget execution was achieved in **Yemen**, where the authorities showed strong commitment to engage in gradual reforms amidst limited capacities and a challenging political and security context. New CD projects were started in **Algeria**, with the implementation of program-based budgeting (as part of a new organic law framework that will be gradually implemented over the next few years), and in **Tunisia**, on surveillance of SOEs. METAC's advisors facilitated workshops, outreach events and a course at the CEF, to strengthen peer-to-peer learning. This included: (i) the role of macro fiscal units in the current COVID-19 pandemic; (ii) how to improve fiscal transparency; and (iii) how to use more effectively diagnostic tools for planning and executing PFM reforms. METAC also continued its engagement with macro fiscal units as they remain challenged in the current COVID-19 context, with a view to respond to shifting priorities and needs as they arise.

REVENUE ADMINISTRATION

Progress in revenue administration was particularly noticeable in the areas of compliance risk management and business continuity. Sudan developed a business continuity plan (BCP)

for responding to an epidemic and mitigating its impacts on the administration of taxes. **Jordan** improved its procedures for the valuation of goods at its customs department, based on international standards, and progressed on finalizing a compliance improvement plan for large taxpayers and self-employed professionals.

Afghanistan developed a work plan for further implementation of compliance risk management in customs and assessed the readiness of its revenue and customs administrations for value-added tax (VAT) implementation in December 2021. At the regional level, one webinar was conducted on customs modernization strategies for improved revenue mobilization, which identified areas of priorities and CD needs in the region—key lessons are available in METAC's [Regional Note](#) number 4.

REAL SECTOR STATISTICS

Progress was important in ensuring that countries continued to publish national accounts and price statistics, despite the lockdowns due to COVID-19, and to update the timeliness and frequency of statistics. **Iraq** rebased its producer price index (PPI) to 2020 using weights from the economic survey of 2018.

Lebanon addressed consumer price index (CPI) continuity issues related to COVID-19 by compiling the index for the early months of the pandemic and drafting a statement on the impact of COVID-19 on the CPI. **Sudan** updated the product basket and weights of its CPI using the latest household survey and plans to publish the new CPI in the second quarter of 2021. **Tunisia** revised the methodology for, and compiled estimates of the financial accounts by institutional sector.

CAPACITY DEVELOPMENT ACTIVITIES IN FY21

METAC delivered 104 CD activities in FY21, 8 more than its workplan (Table 1). Despite a year marked by

COVID-19 and its constraints, METAC and its members adjusted quickly to the remote work modality and to shifting priorities to pursue their CD engagements. The eight additional activities delivered, and some other changes to the workplan, were entirely targeted to address the short-term consequences of COVID-19, build business continuity to better manage future crises, and improve peer-to-peer learning through regional workshops where countries presented their experience in designing and implementing policies to respond to COVID-19.

Full-time equivalent resources used were 5.9, or 75.3 percent of budgeted resources (Table 1). The underutilization of resources was noticeable primarily in the short-term expert (STX) category; it is caused by two factors: (i) STX travel time, estimated at about 0.7 FTEs; and (ii) a contribution from IMF HQ staff to METAC's regional events, estimated at 0.3 FTE. In other words, the savings due to remote CD delivery and the contribution of the IMF amounted roughly to 15 percent of the resource envelope for FY21.

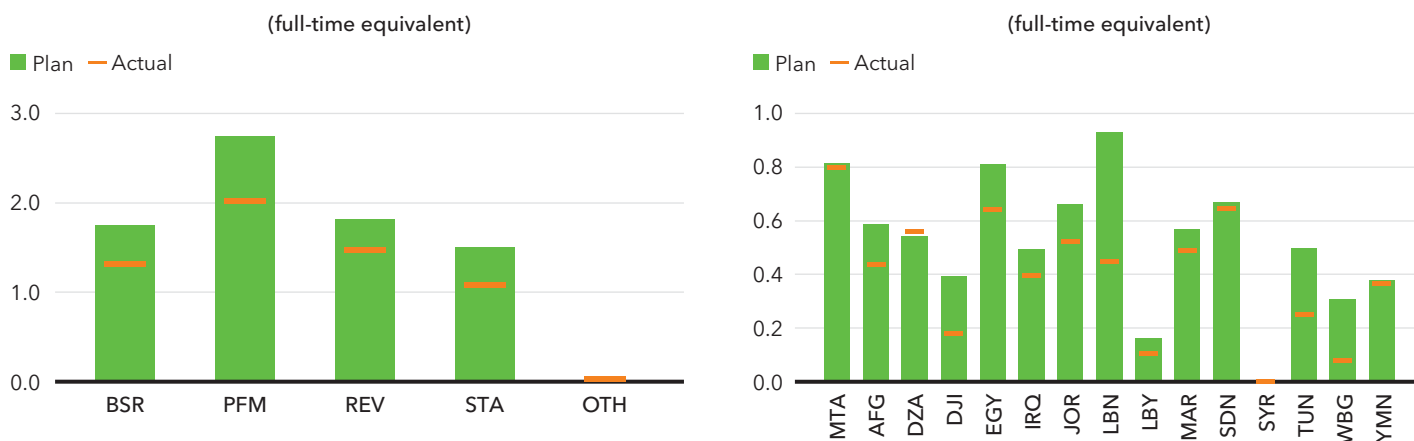
All CD sectors used over 75 percent of their budgeted FTE resources, except statistics (Figure 2, left panel). Statistics delivered the highest number of regional events, which was primarily done in collaboration with IMF HQ staff and funded from other budgetary sources, such as the data for decision trust fund.

Most countries benefited from their allocation of FTEs (Figure 2, right panel). The exceptions were Djibouti, Lebanon, Tunisia, and West Bank and Gaza. Djibouti's Ministry of Finance (MoF) has expressed a preference

TABLE 1. CAPACITY DEVELOPMENT ACTIVITIES AND RESOURCES IN FY21

	Number of Activities			Full-Time Equivalent		
	Plan	Actual	Execution Rate (%)	Plan	Actual	Execution Rate (%)
By Activity Type	96	104	108.3	7.8	5.9	75.3
Technical Assistance and Training	74	67	90.5	6.1	4.6	74.5
National Training	14	8	57.1	0.9	0.5	60.2
Regional Workshops	8	24	300.0	0.8	0.7	91.5
Outreach	0	5	n.a.	0.0	0.0	n.a.
By Resource Type				7.8	5.9	75.3
Long-term Experts				3.6	3.6	99.9
Short-term Experts				4.0	2.2	55.2
HQ Staff and Other				0.2	0.1	32.7

FIGURE 2. CAPACITY DEVELOPMENT IN FY21 BY WORKSTREAM AND COUNTRY



for face-to-face engagement. CD in Lebanon slowed down due to the political crisis that has gripped the country since the summer of 2020. CD traction in Tunisia has been generally low in Phase IV, especially in the fiscal area. The MoF of the Palestinian authorities has kept its moratorium on engagement with IMF CD. Finally, the distribution of CD resources was less unequal than last year, with fragile states benefiting from over 50 percent of total country FTEs.

The number of government officials who participated in METAC's training activities in FY21 stood at 1053. This is more than three times higher than the previous year, and is due to the following factors: COVID-19-related demand for experience sharing and peer-to-peer learning; the fact that training activities tended to be shorter than the usual week-long activities; and the absence of travel. The distribution of trainees across the four workstreams of METAC

was as follows: 49 percent PFM; 30 percent statistics; 19 percent banking supervision; and 2 percent revenue administration.

METAC published three *Regional Notes* in FY21. They covered Basel II and III implementation, PFM reforms and analytical tools, and customs administration strategies for revenue mobilization. Two regional notes are in progress and are expected for publication in the first half of FY22. These figures are in line with METAC's initial objective to publish two to four notes per year. METAC's *Regional Notes* can be found on its website (www.IMFmetac.org) under the *Publications* tab.

METAC continued to expand its outreach efforts (see section III). Events spanned all CD areas covered by the Center—and included banking supervision and financial stability, tax policy and administration, national statistics systems, and modern budgeting frameworks. A particular

emphasis of outreach activities was on how METAC and the IMF supported countries during the COVID-19 pandemic, and how business continuity can be enhanced for countries to be better prepared to face future epidemics.

The Center collaborated with IMF CD departments and other CD providers. The collaboration with the IMF was significant in disseminating the analytical work of the IMF related to the consequences of the pandemic—the COVID-19 analytical notes. Collaboration with other CD providers included training with the Public Expenditure and Financial Accountability (PEFA) secretariat and the Open Budget Partnership, a workshop on gender-balance in financial supervision authorities with Women's World Banking, a United Nations Development Program's dashboard on monitoring the Lebanese economy, and numerous coordination meetings with METAC's development partners.

WORKPLAN FOR FISCAL YEAR 2022

WORKPLAN AND RESOURCE ALLOCATIONS

The workplan for FY22 foresees 94 CD activities, equivalent to 7.5 FTEs (Table 2). In addition, and as envisaged in the program document for Phase V, METAC will hire during FY22 a central bank operation LTX, a customs administration LTX, and a government finance statistics LTX. These will add at least 1.3 FTEs, bringing the total for the year to 8.8 FTEs. Relative to the average annual FTE during Phase IV, this represents an increase of 1.6 FTEs (Table 3).

As in previous years, the workplan was built through consultations with country authorities, METAC steering

committee members, and IMF CD and area departments. The country distribution of FTEs in FY22 (Table 4) reflects country demands for TA. Fragile states have been allocated about 61 percent of total country FTE resources. Given the lead role that the IMF Middle East and Central Asia Department (MCD) plays in prioritizing CD, discussions were also held with MCD country teams and CD management to ensure that METAC resources are optimally allocated within and across countries, taking into account other IMF CD resources benefiting the region. As in previous years, workplan management will be flexible in FY22, and a review will be made at the

TABLE 2. CAPACITY DEVELOPMENT ACTIVITIES AND RESOURCES IN FY22

	BSR	PFM	REV	RSS	TOTAL
Activity Count	19	33	20	22	94
Technical Assistance and Training	17	23	18	19	77
National Training	0	9	0	1	10
Regional Workshops	2	1	2	2	7
Outreach	0	0	0	0	0
Resources (FTE)	1.7	2.7	1.7	1.4	7.5
Long-term Experts	0.9	1.5	0.8	0.8	4.0
Short-term Experts	0.8	1.2	0.8	0.5	3.3
HQ Staff and Other	0.1	0.0	0.1	0.1	0.3

TABLE 3. CAPACITY DEVELOPMENT DURING PHASE IV: FY17-22 (FTE)

	FY17	FY18	FY19	FY20	FY21	FY22 Plan
By Activity Type	6.0	8.8	8.2	6.6	5.9	7.5
Technical Assistance and Training	4.6	6.4	6.4	5.4	4.6	6.0
National Training	0.9	1.4	0.7	0.5	0.5	0.8
Regional Workshops	0.5	1.0	1.0	0.6	0.7	0.6
Outreach	n.a.	n.a.	0.1	0.2	0.0	0.0
By Resource Type	6.0	8.8	8.2	6.6	5.9	7.5
Long-term Experts	2.9	3.2	3.5	3.1	3.6	4.0
Short-term Experts	2.8	5.2	4.2	3.2	2.2	3.3
HQ Staff and Other	0.3	0.4	0.5	0.3	0.1	0.3
By CD Sector	6.0	8.8	8.2	6.6	5.9	7.5
BSR	1.5	2.1	1.8	1.6	1.3	1.7
PFM	1.3	2.1	2.3	1.9	2.0	2.7
REV	1.3	2.3	2.4	1.6	1.5	1.7
RSS	1.7	2.1	1.7	1.4	1.1	1.4
OTH	0.3	0.2	n.a.	0.1	0.0	0.0

Note: FY22 reflects partly Phase IV and the start of Phase V.

TABLE 4. ALLOCATION OF RESOURCES IN FY22 BY COUNTRY AND WORKSTREAM (FTE)

	BSR	PFM	REV	RSS	Total	Country Share (%)
Regional Workshops	0.2	0.2	0.2	0.2	0.7	9.3
Afghanistan	0.2	0.3	0.2	0.1	0.7	9.5
Algeria	0.0	0.2	0.1	0.0	0.3	3.4
Djibouti	0.1	0.1	0.0	0.1	0.4	5.4
Egypt	0.2	0.2	0.2	0.2	0.7	9.9
Iraq	0.1	0.2	0.2	0.1	0.6	7.9
Jordan	0.0	0.3	0.2	0.1	0.6	7.4
Lebanon	0.0	0.3	0.1	0.1	0.5	7.1
Libya	0.0	0.2	0.0	0.1	0.2	2.8
Morocco	0.1	0.2	0.2	0.1	0.6	7.6
Sudan	0.2	0.3	0.2	0.1	0.8	10.5
Syria	0.0	0.0	0.0	0.0	0.0	0.0
Tunisia	0.2	0.2	0.1	0.1	0.5	6.7
West Bank and Gaza	0.1	0.1	0.0	0.1	0.4	5.0
Yemen	0.2	0.3	0.1	0.1	0.6	7.4
Total	1.7	2.7	1.7	1.4	7.5	100.0
CD Sector Share (%)	22.6	36.2	22.3	18.9	100.0	

mid-year point to ensure consistency with country ongoing priorities and absorption capacities.

RISKS MANAGEMENT AND MITIGATION

METAC manages the risks to its workplan through a combination of active information sharing and collaboration, and flexibility in delivery. It holds regular consultations with country authorities (both at the level of the LTXs and the Center Director), IMF mission teams, development partners, and other CD providers. For the execution of its workplan, METAC relies on a combination of (1) postponing CD activities where country absorption capacities are low, and (2) redirecting resources where their use is most beneficial and country commitment is highest, or where country priorities have shifted.

This risk management strategy proved to be effective during FY21. Despite working remotely with countries during the year, METAC was able to: (i) adjust its workplan to respond to short-term priorities; (ii) utilize all available technologies to ensure that countries can engage remotely; (iii) change both the timing and format of its CD engagement to adapt to countries' constraints. Examples of how this strategy allowed the Center to deliver over 100 percent of its workplan in FY21 included: spreading CD activities over several weeks or months to allow

country officials to better manage their daily time constraints; using several IT communication platforms (e.g. WebEx, MS Teams, Zoom, WhatsApp) in addition to the standard engagement via ongoing email communications; planning with countries Q&A sessions following regional webinars on technical issues to complement peer-to-peer learning. This flexibility will remain at the core of METAC's operations in FY22, and beyond the COVID-19 pandemic; it has created opportunities for improving the effectiveness and efficiency of CD delivery, without compromising quality and results.

In response to the mid-term evaluation, METAC will expand its risk management to emphasize results in addition to CD delivery. One of the key recommendations of the mid-term evaluation of METAC is that the Center focuses too much its risk analysis on CD delivery (e.g. how security affects the provision of CD), and not enough on CD results (i.e. whether and how reform objectives are met). METAC will address this recommendation by discussing regularly with country authorities the impact of various risks on attaining their reform objectives, and by reflecting the results of these discussions in project planning.

As usual, METAC beneficiary countries have an important role to play in risk management and mitigation, by:

- Improving their leadership through active participation in the formulation, execution, and evaluation of CD activities, and better coordination of CD activities provided by METAC and others—e.g. promptly informing METAC when they start planning CD activities with other development partners.
- Supporting the participation of officials in METAC workshops and ensuring a rigorous and fair selection process.
- Disbursing their agreed financial contributions for METAC Phase IV and planning their contributions for Phase V as part of their 2022 budgets.
- Keep investing in technologies that facilitate interaction with outside world and managing their CD activities with METAC and other providers remotely.

Development partners also play an important role in identifying and mitigating the risks to METAC's workplan execution and results. This includes regular meetings to share information with METAC on their CD activities; and inviting METAC to participate in certain CD planning activities so they can be integrated more effectively with METAC's country projects.

SECTION II

RESULTS AND
ACTIVITIES BY CAPACITY
DEVELOPMENT
WORKSTREAM

BANKING SUPERVISION

ACHIEVEMENTS IN FY21

METAC continued supporting member countries in preserving financial stability and maintaining banking system soundness. Key support included: (i) upgrading regulatory frameworks in line with the Basel Committee on Banking Supervision (BCBS) and Islamic Financial Services Board (IFSB) international standards; (ii) implementing methodologies, toolkits and best practices in risk-based supervision; (iii) maintaining strong capital and liquidity positions that adequately cover banks' risk profiles and business models; (iv) identifying and addressing emerging and existing banking vulnerabilities, including cyber risk, in a timely manner; (v) overseeing key risks in the banking sector; and (vi) enhancing capacity to identify non-performing loans and determine the adequacy of loan-loss provisioning.

Countries made progress towards achieving their planned milestones. Thirty-six out of 41 milestones with an implementation deadline in FY21 were achieved or largely achieved, while 4 milestones were not achieved or partly achieved for various reasons, including lack of institutional and human resources capacity, change

in priorities related to the regulatory agenda as a result of the COVID-19 pandemic, change in the sequence of implementation of measures, or underestimating the time required for effective implementation.

KEY ACHIEVEMENTS BY COUNTRY

- **Algeria** developed a LCR and a NSFR after having considered the specificities of the unencumbered high-quality liquid assets available and the balance sheet of the Algerian banking sector. Training was provided on the use of the LCR, NSFR and related prudential reporting templates, including for the purpose of performing quantitative impact studies. This training has contributed to capacities in implementing risk-based liquidity framework and better assessing banks' liquidity adequacy in normal and stressed circumstances.
- **Djibouti** increased its know-how about the LCR framework. It analyzed available prudential reporting, identified data gaps for performing a LCR quantitative impact study, and developed a quantitative impact study template to assess the

feasibility of a LCR in the challenging context of a small economy with a structural excess liquidity in its banking sector and with a lack of high-quality liquid assets available in its domestic economy.

- **Egypt** made progress in implementing the Basel III capital adequacy framework, particularly its know-how and capacity. A consultative paper on the credit risk framework (pillar 1) was drafted to share with the banking sector. Another discussion paper on enhancing market discipline through strengthened public disclosures (pillar 3) was also drafted. To bring its large exposures framework in line with the new central bank and banking law (No. 194) and the BCBS standards, an updated draft regulation for large exposures has been developed and a quantitative impact study has been performed.
- **Iraq** enhanced its knowledge and capacity to implement the ISFB capital adequacy requirements for Islamic banks, developed the prudential reporting templates and learned how to use them, including for the purpose of performing a quantitative impact study. A guidance note was drafted to ensure that both the draft regulation and the reporting templates could be easily understood by the Islamic banks, hence facilitating their implementation and enforcement.
- **Libya** improved its skills and capabilities to strengthen its Islamic banking regulatory framework in line with the IFSB standards with the development of the (i) equity-related risks, and (ii) operational risk management regulations.
- **Morocco** strengthened its market risk supervision capacity, following its decision to move to a more flexible

foreign exchange rate regime. It identified improvement options for the regulatory, prudential reporting, and supervisory frameworks, that will allow better assessment of banks' market risk profiles and related risk management frameworks. Three methodological guides were developed covering market risk, liquidity risk and interest rate risk in the banking book. The guides contain supervisory attention points, tools, and procedures to be followed by the on-site and off-site supervisors; they were designed to strengthen the effectiveness of supervisory actions in the context of more flexible exchange rate regime and potentially higher interest rate volatility.

- **Tunisia** strengthened its liquidity risk management framework and developed an ILAAP, a critical aspect of the SREP (pillar 2). The capacity to assess banks' assets using an asset quality review (AQR) was also improved through the following actions: hands-on training; design of a loan tape format; drafting of an AQR methodology; developing templates to simplify reporting and aggregation of AQR outcomes.
- **Sudan** enhanced its knowledge and capacity to implement a large exposures framework, and drafted regulation and a template to be used for performing a quantitative impact study to assess the feasibility of implementing such a framework.
- **Yemen** identified key preconditions to strengthen Islamic banking regulation and supervision, developed a corresponding medium-term implementation plan, and drafted a risk management regulation. The risk management framework provides a set of best practices for managing Islamic

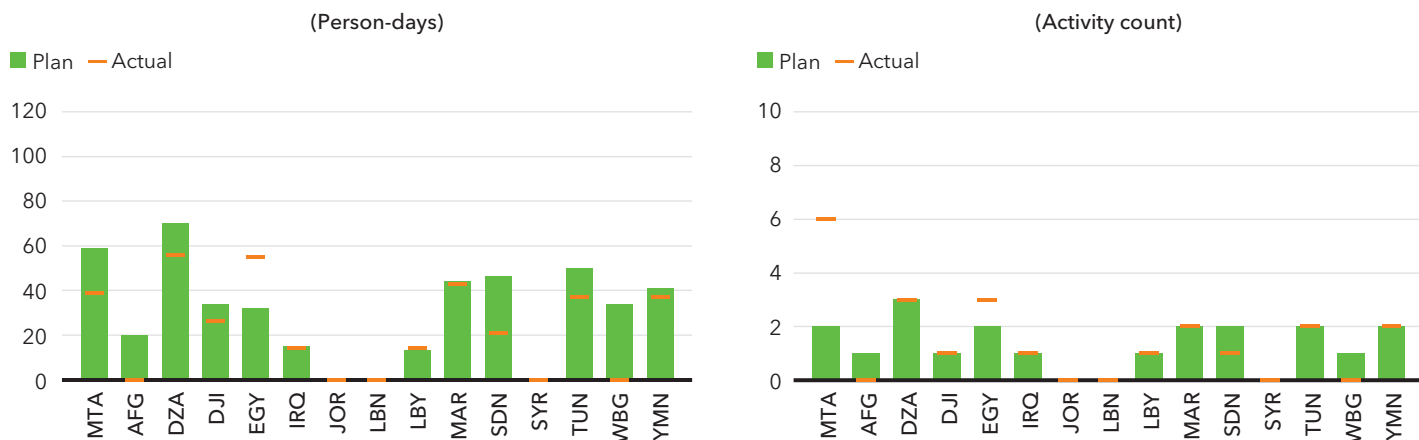
financial services: identifying, measuring, monitoring, mitigating, reporting, and controlling relevant categories of risks. The framework outlines a set of detailed requirements applicable to six material risk categories in line with the IFSB best practices. METAC provided training on the required knowledge and capabilities to establish an effective on-site and off-site supervisory framework and to strengthen risk-based supervision.

Jointly with the IMF CEF, METAC delivered a training course on risk-based banking supervision—attended by 50 participants from 15 countries. Using a combination of lectures and case studies, participants sharpened their technical skills in (i) analyzing the key principles and success factors for implementing risk-based supervision, and identifying interactions with pillar 2 of Basel II, (ii) evaluating banks' risk profile, in particular the assessment of credit, liquidity, market and operational risks, (iii) assessing banks' governance frameworks, and (iv) considering how stress tests could be useful in the COVID-19 context and how they have been used by advanced economies to assess banks' resilience.

EXECUTION OF FY21 WORKPLAN

METAC provided 22 CD activities to 9 countries in FY21 (2 more than its workplan) (Figure 3). Three activities to Afghanistan, Sudan, West Bank and Gaza, and a regional workshop were cancelled. Six activities were added, of which four regional webinars on the implications of COVID-19 to banking supervision, one on central bank operations during COVID-19, which was used to identify priorities for METAC Phase V, and one on gender-balanced leadership in banking.

FIGURE 3. BANKING SUPERVISION: EXECUTION OF FY21 WORKPLAN



PRIORITIES AND ACTIVITIES IN FY22

The FY22 workplan includes nine country projects and two regional projects, with a total of 19 CD activities. Most projects are ongoing multiyear TA projects that started in the past three years. The key strategic objectives are the following:

- **Banking regulations and prudential norms.** METAC will support **Djibouti, Sudan** and **Tunisia** improve their liquidity risk management by developing the LCR and/or the NSFR. It will assist **Iraq** and **Yemen** in developing and enhancing their regulatory framework for Islamic banks. Two web courses, one on the regulation

of cyber risks and one on institutions offering Islamic banking products will be organized to help supervisors acquire knowledge to update their regulatory frameworks in these areas.

- **Basel II and III standards.** To contribute to the financial system stability, METAC will assist **Morocco** in strengthening its SREP and **Egypt** in updating its regulation in line with its new banking law and the BCBS standards.
- **Risk-based supervision.** METAC will assist **Afghanistan, Djibouti** and **Yemen** implement key building blocks of a risk-based supervision approach.

- **Supervisory effectiveness for prudential provisioning.** METAC will support **Afghanistan** develop its capacity to implement International Financial Reporting Standard 9, and **West Bank and Gaza** to review and improve its on-site risk-based supervision process with a focus on the identification of problem loans and related loan-loss provisioning in line with the recommendations of MCM’s Financial Sector Stability Review.
- **Institutional capacity.** METAC will assist the central bank of **Yemen** to strengthen its supervisory process by establishing effective off-site and on-site supervisory units and processes.

PUBLIC FINANCIAL MANAGEMENT

ACHIEVEMENTS IN FY21

Member countries fully or largely achieved 21 out of 35 milestones in FY21. The five partially achieved milestones result from a slower than expected pace of reform implementation, amidst operational constraints from the COVID-19 pandemic. Milestones that have not been achieved were caused by postponement of CD activities and delays in the implementation of recommendations.

KEY ACHIEVEMENTS BY COUNTRY

- **Afghanistan** started the implementation of fiscal risks assessment. The MoF has undertaken a comprehensive review of this function, highlighting key risks, mitigation measures, and identifying steps to improve the fiscal risk section of the Annual Fiscal Policy Paper. METAC and the IMF Fiscal Affairs Department (FAD) supported the authorities in assessing contingent liabilities related to SOEs and PPPs, and there are ongoing efforts to assess budget grants to SOEs.
- **Algeria** is implementing program-based budgeting. The MoF is reengineering budget execution and defining objectives and indicators for pilot programs in line ministries. The authorities benefited from the IMF's SOEs health check tool, which should help them improve the analysis of related financial performance and fiscal risks.
- **Egypt** strengthened its PPP projects approval process, and drafted regulations for the new PPP law. The authorities also updated their draft fiscal risk statement to incorporate the implications of COVID-19.
- **Iraq** Following an assessment of the guarantees registry and based on new regulations, the country is in a better position to monitor fiscal risks associated with guarantees and develop options for when they are called.
- **Jordan** The MoF conducted a comprehensive review of trust (off-budget) accounts—an important source of budget inefficiencies, which have increased in recent years. A roadmap was elaborated to allow for regular monitoring and reporting of such accounts.
- **Lebanon** In partnership with the Institute of Finance Basil Fuleihan, METAC provided training for MoF

and other public institutions on (i) medium-term budgeting, (ii) fiscal risks from PPPs, and (iii) improving surveillance of SOEs. Drafting a gender budget statement has progressed in the ministry of agriculture, and is expected to be finalized during FY22.

- **Morocco** has improved its analytical and monitoring framework for the surveillance of fiscal risks from SOEs and PPPs.
- **Sudan** has conducted a classification of SOEs and produced an inventory, but due to lack of data, the authorities have adopted a gradual approach for the analysis of fiscal risks, focusing first on few large SOEs. The forecasting of cash for budget planning and execution was extended to 3 months to provide more visibility, and cash ceilings were introduced to better manage budget execution.
- As part of the IMF Article IV mission, **Tunisia** discussed a plan to improve surveillance of SOEs and a corresponding medium-term TA program with METAC. These results are reflected in an annex to the Article IV report.

- **Yemen** initiated a comprehensive review of budget execution practices, including expenditures control and cash management, to improve efficiency. Two key reform options are being implemented: shortening the budget allocation time horizon to improve credibility of budget estimates; and reviewing cash projections more regularly.

At the regional level, countries continue to benefit from peer-to-peer learning and apply the lessons to their own situations. Several webinars on macro fiscal functions and fiscal transparency garnered an attendance of over 100 participants from 12 countries. A joint course with the CEF, and in collaboration with the PEFA secretariat, disseminated international standards and practices related to diagnostics tools for effective PFM reforms. A partnership with UNESCWA will result in a paper on social expenditures in the MENA—with METAC contributing a case study on Jordan.

EXECUTION OF FY21 WORKPLAN

METAC completed 30 out of 36 activities in FY21, equivalent to 526 person-days or 2 FTEs (Figure 4). Five activities were cancelled and 13 were postponed to FY22, while 12 activities

were added, covering primarily short-term COVID-19 issues. The Center emphasized with several countries the importance of medium-term CD planning to improve traction and results; it increased slightly the frequency of its activities within country projects, from 2.1 on average in FY20 to 2.3 in FY21.

PRIORITIES AND ACTIVITIES IN FY22

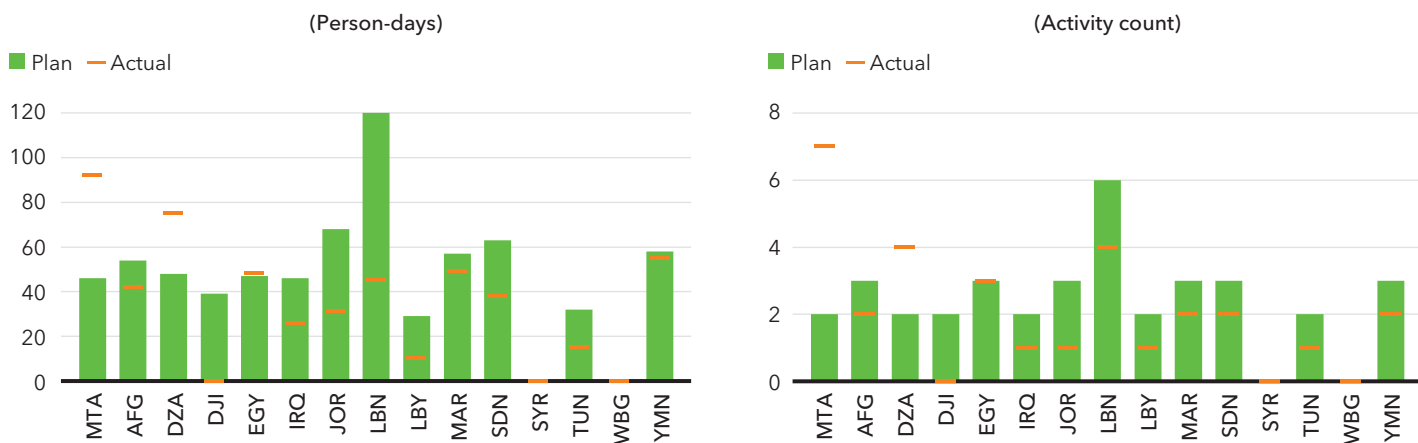
METAC will continue to support the development of sustainable capacity in countries exposed to:

- Political instability, especially in conflict or countries, and civil unrest.
- Persistence of the economic impact of COVID-19, which will likely require further fiscal action in the next two years, and careful implementation.

Capacity development will rest on remote delivery during Q1 and Q2. This will be combined with virtual seminars for hands-on training and peer-to-peer learning.

The FY22 workplan includes 13 country projects and two regional projects, with a total of 33 activities and an estimated resource envelope of 2.7 FTEs. The main activities by strategic objectives are:

FIGURE 4. PUBLIC FINANCIAL MANAGEMENT: EXECUTION OF FY21 WORKPLAN



- **A comprehensive and unified budget.** In **Sudan**, assistance will focus on a review of budget planning practices, including costing applied by line ministries and agencies.
- **Comprehensive, credible, and policy-based budget preparation.** METAC will further support the development of medium-term fiscal frameworks and their integration in the budget process. This support continues in **Sudan**, and **Jordan** where technical advice to a new macro fiscal unit will enhance macro fiscal forecasting. METAC will support **Afghanistan** in macro fiscal planning and multi-year budgeting of public investments. As a requirement of the PFM law, assistance to **Iraq** will entail medium-term budgeting. In **West Bank and Gaza**, assistance will focus on reviewing the link of the new MTFE with medium-term budgeting. **Djibouti** and **Tunisia** will benefit from support in medium-term budgeting. The work on gender-responsive budgeting will continue in **Lebanon**, of Agriculture. In **Algeria**, METAC will support the implementation of program budgeting. In **Libya**, the Center will partner with the Accounting and Financial Training Institute to provide capacity building to the MoF on various fiscal issues, including MTFE and budget preparation.
- **Improved budget execution and control.** METAC will continue to assist **Yemen** in strengthening expenditure control with a view to contain arrears and shorten the budget allocation time horizon.
- **Improved integration of asset and liability management framework.** **Djibouti** will benefit from further support to consolidate their liquidity within the treasury single account (TSA). In **Morocco**, the Center will further assist the authorities in cash forecasting. In **Lebanon**, METAC will collaborate with the World Bank on a project to implement a TSA and improve cash management practices. In **Yemen**, METAC will assist the authorities in reinstating a cash management unit.
- **Improved coverage and quality of fiscal reporting.** In **Lebanon**, METAC will assist the authorities to improve quality, timeliness, and publication of fiscal reports.
- **Strengthened identification, monitoring, and management of fiscal risks.** METAC will focus its support on three critical areas: (i) fiscal risk identification and disclosure (**Afghanistan, Egypt, Jordan, Lebanon, Sudan**), (ii) assessing fiscal risks arising from PPPs (**Afghanistan, Egypt, Jordan, Lebanon**), and (iii) assessing fiscal risks related to SOEs (**Afghanistan, Algeria, Egypt, Jordan, Lebanon, Morocco, Sudan, Tunisia**).

Two **regional courses** will be delivered jointly with the CEF: (i) good practices in fiscal transparency, how the region compares with international practice, and approaches to strengthen publication of key fiscal documentation; (ii) PFM methods and tools for budgeting, which will focus on how analytical tools and methods can be used to strengthen baseline analysis and medium-term budgeting.



REVENUE ADMINISTRATION

ACHIEVEMENTS IN FY21

Milestones achieved contributed to strengthening revenue administration management, governance arrangements and improved core functions in revenue collection. Six out of nine milestones in FY21 were fully or largely achieved, and two were partially achieved. The partially achieved milestones (Egypt, Jordan) require a longer period for implementation and are expected to be fully achieved in FY22.

KEY ACHIEVEMENTS BY COUNTRY

- **Afghanistan** implemented compliance risk management in the customs department by developing risk criteria, defining effective relationships between the Risk Management unit and other units, and developing key performance indicators (KPIs). The country also updated its VAT readiness for December 2021 and identified related risks—both in the tax and customs administrations.
- **Algeria** has made some progress in analyzing tax debts, and recently introduced legislation to streamline the existing stock of debt—the success of such legislation in encouraging taxpayers to come forward and pay their debts, in return for some amnesty, will have to be assessed at the end of the first year.
- **Egypt's** customs administration made progress in establishing KPIs and improving employee performance appraisal. In addition, the compliance risk register for the tax authority has been incorporated into Egypt's Medium-Term Revenue Strategy. Disputed debt was analyzed and necessary actions resulting in the reduction of disputed debts are being considered.
- **Iraq's** General Customs Authority made some progress on the development and application of procedures for valuation, rules of origin, and tariff classification of imported goods.
- **Jordan** developed an updated implementation plan for a formal binding private tax ruling mechanism and issued a small number of binding public rulings in the Income and Sales Tax Department to provide taxpayers with certainty on how the tax administration will apply the tax law. Compliance improvement plans for large taxpayers and free professionals (FP) are being formulated, and a compliance campaign targeting highest-risk

FP has been developed. Jordan progressed in implementing a tax dispute resolution process, by creating an independent objections division separate from the audit function. In customs, Jordan improved its procedures for valuation of goods and intangibles based on international standards.

- **Lebanon** is progressing in developing strategies for debt reduction and debt prevention and in setting up performance standards to measure the implementation of debt reduction. Progress is also noticeable in completing a risk register to identify, assess and rank compliance risks.
- **Morocco** developed a risk management structure, governance arrangements and key functions for sound risk management, both for compliance and institutional risks.
- **Sudan** drafted a business continuity plan to maintain tax collections and critical tax administration functions during COVID-19. It completed rolling out the risk management function in its customs administration mainly on sea and dry ports, a high-level committee on risk management has been formed, and the intelligence function has been expanded and improved. In customs, Sudan

developed a plan to roll-out risk management to excise duty collection and is planning to apply the voluntary compliance on manufacturers of excised goods.

METAC and FAD organized a regional webinar on how tax administrations can deal with the consequences of the COVID-19 and prepare for future challenges and opportunities. Although tax administrations have taken some ad-hoc initiatives to address the impact of the pandemic on operations and revenue, more remains to be done in order to secure business continuity and recovery. Countries noted the necessity of digitalization across all functions of tax administrations, the importance of having business continuity plans, and the challenges facing tax administrations in restoring taxpayer compliance after the pandemic—and hence, the criticality of compliance risk management.

METAC and FAD organized a regional webinar on customs modernization strategies for improved revenue mobilization which emphasized current and medium-term challenges that customs administrations are facing, the reforms that are being undertaken, and the good international practices in the development of customs modernization programs.

EXECUTION OF FY21 WORK PLAN

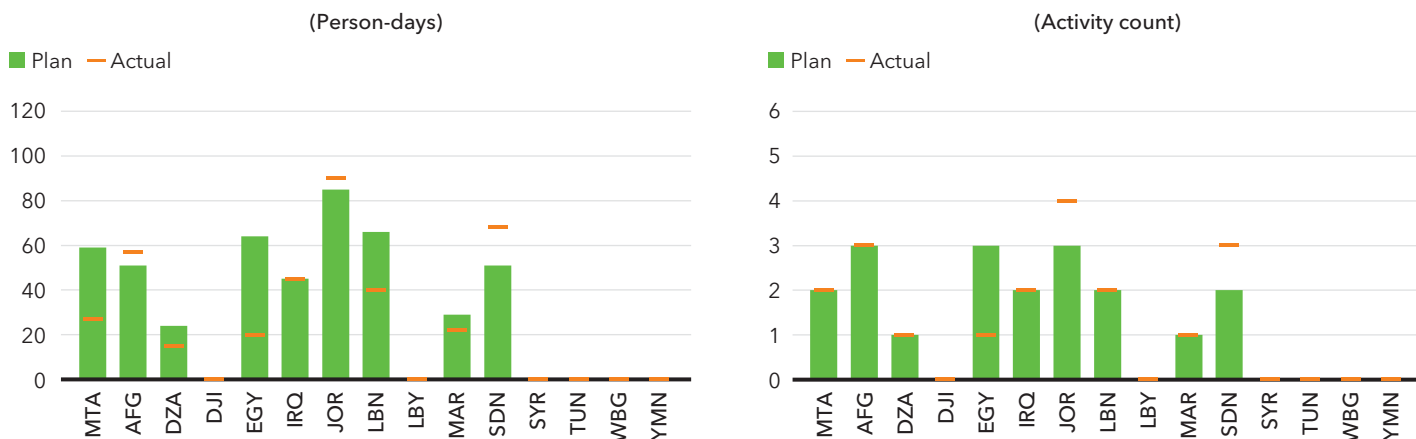
METAC delivered 19 activities within 8 country projects (100 percent of its workplan), equivalent to 384 person-days (1.5 FTE) (Figure 5). Of the 19 originally planned activities, 15 were delivered, and four cancelled—one for each of Afghanistan and Jordan, and 2 for Egypt.

Four new activities were added to the FY21 workplan. These included 2 activities for Jordan on compliance improvement, one activity for Afghanistan to follow up on preparedness for VAT implementation in December 2021, and a new project was added in Sudan on business continuity plans.

PRIORITIES AND ACTIVITIES IN FY22

The proposed FY22 workplan has 10 country projects, totaling 18 CD activities, and two regional projects, with resources estimated at 1.7 FTEs. The workplan aims to achieve three objectives that are consistent with improving revenue collection and responding to countries' needs to recover revenue administration operations after COVID-19. The activities focus on strengthening capacities in revenue administration management and governance arrangements, core tax administration functions, and customs administration functions.

FIGURE 5. REVENUE ADMINISTRATION: EXECUTION OF FY21 WORKPLAN



MANAGEMENT AND GOVERNANCE ARRANGEMENTS

- In continuation of METAC's CD support, further assistance will be provided to **Afghanistan's** tax and customs administrations to ensure that the target of December 2021 for VAT implementation remains feasible given the COVID-19 impact.
- Further support will be provided to the tax administrations of **Egypt** and **Sudan** on the development of a compliance risk management function, for **Jordan** on the development of compliance improvement plans for large taxpayers and free professionals. METAC will also assist in developing a compliance improvement plan for the tax administration of **Morocco** and will work on improving compliance risk management implementation in the customs authority of **Morocco**.
- Assistance will be provided to **Egypt** on the use of a Management Information System for better evaluation and regular reporting of operational performance, and for **Jordan** in enhancing the capacity of newly established divisions for objections and disputes analysis.
- METAC will assist **Lebanon** in developing an action plan for the establishment of a project management office and the customs administration of **Tunisia** in developing an action plan for the establishment of internal audit policy, charter, code of ethics and planning documents.
- Two **regional** workshops will be organized—one on post-crisis revenue generation for tax administrations and another on good practices for governance in revenue administrations.

TAX ADMINISTRATION CORE FUNCTIONS

- To further increase the proportion of taxpayers that comply with payment obligations as required by law, assistance will be given to **Algeria** for the development of strategies to improve on-time payment ratio and further assistance to **Lebanon** to develop a strategy for debt collection and debt prevention.

- **Iraq** will be assisted in the area of audit and other verification programs to detect and deter inaccurate reporting and fraud.
- To ensure that taxpayer information is accurate, reliable, and held in centralized database, assistance will be given to **Yemen** to strength the integrity of the taxpayer database.

CUSTOMS ADMINISTRATION CORE FUNCTIONS

- METAC will continue to support the customs authorities of **Sudan** in the implementation of compliance risk management in excise duties.
- Moreover, the IMF has approved the funding of a customs administration expert from the newly established COVID-19 trust fund, for FY22 and FY23. This will allow METAC to bring forward the hiring of this expert and guarantee funding during the transition from Phase IV to Phase V.

REAL SECTOR STATISTICS

ACHIEVEMENTS IN FY21

METAC continued to build member countries' capacity in improving and developing macroeconomic statistics, in line with the priorities for Phase IV. It provided TA and training aimed at enhancing countries' statistical capacity to produce and disseminate (1) national accounts statistics, (2) price statistics, and (3) external sector statistics, with improved quality, coverage, and timeliness.

Countries made progress in developing real sector statistics. Fifty-four of the 78 milestones in FY21 were fully or largely achieved, and 12 were partially achieved. These included outcomes such as developing staff's capacity, increasing use of appropriate statistical techniques, ensuring adequacy of source data, and improving the coverage and scope of national accounts and price statistics and aligning them to concepts and definitions required by international standards.

KEY ACHIEVEMENTS BY COUNTRY

- **Iraq** rebased the PPI to 2020 using weights from the economic survey of 2018.
- **Jordan** evaluated the quality of annual primary statistics and

developed a methodology to use the data to compile annual GDP estimates.

- **Lebanon** addressed CPI continuity issues related to COVID-19 by compiling the indexes for the early months of the pandemic, drafting a statement on the impact of COVID-19 on the CPI, and developing a plan going forward for the continued timely release of monthly CPI data.
- **Libya** and **Yemen** increased their capacity to compile the CPI during times of crisis.
- **Sudan** updated the product basket and weights of its CPI using the latest household budget and plans to publish the new CPI in the second quarter of 2021.
- **Tunisia** revised the methodology for, and compiled estimates of the financial accounts by institutional sector; it plans to publish them in the second half of 2021.
- **West Bank and Gaza** compiled input-output tables (IOTs) for economic impact analysis based on the 2017 supply and use tables (SUTs).

METAC recognized early on in the emerging needs at national statistics offices created by the COVID-19

pandemic and reacted quickly to meet them. It organized several COVID-19 webinars on various topics, including CPI and PPI business continuity and treatment of missing prices, national accounts business continuity, and treatment of COVID-19 related policies in the national accounts and in short-term indicators of economic growth. The webinars were attended by a total of 133 participants from the national statistics offices of 13 METAC members.

The virtual CD modality allowed METAC to conduct increasingly flexible engagement projects. In particular, the Center introduced short (one or two-day) activities, to assist countries in dealing with an urgent statistics compilation issue. For example, it assisted Lebanon in incorporating new quarterly banking data into the national accounts compilation system, and in correctly treating imports whose valuation varied significantly between quarters due to changes in the exchange rate.

To better meet new and urgent demand, METAC collaborated closely with IMF HQ to provide support and expertise during COVID-19. Several activities were jointly funded by METAC and the Enhanced Data Dissemination

Initiative funded by the UK. The project to improve the PPI in Iraq, for example, benefitted from METAC's support and two IMF HQ activities during the year. The Lebanon mission on the CPI also benefitted from organizational and logistical support from METAC, while IMF HQ provided the needed expertise.

EXECUTION OF FY21 WORKPLAN

The COVID-19 pandemic led to the postponement or cancellation of several activities—although no country projects were cancelled. In total, seven out of the original 23 activities were cancelled by the authorities. The reasons included a preference by the authorities for face-to-face interaction (Egypt, Jordan, and West Bank and Gaza), and shifting priorities (Tunisia and Afghanistan).

METAC added 16 activities to its workplan, bringing the total for the year to 30 instead of 21 (Figure 6). Seven of the 14 activities were COVID-19 related webinars and took place between May and September 2020. The new priorities were primarily targeted to the compilation of CPIs, which was affected by the pandemic lockdowns—instead of the original four

activities on price statistics. The remote delivery and the COVID-19 priorities allowed METAC to support Libya and Yemen, two fragile states that had not benefitted from IMF TA in statistics for several years.

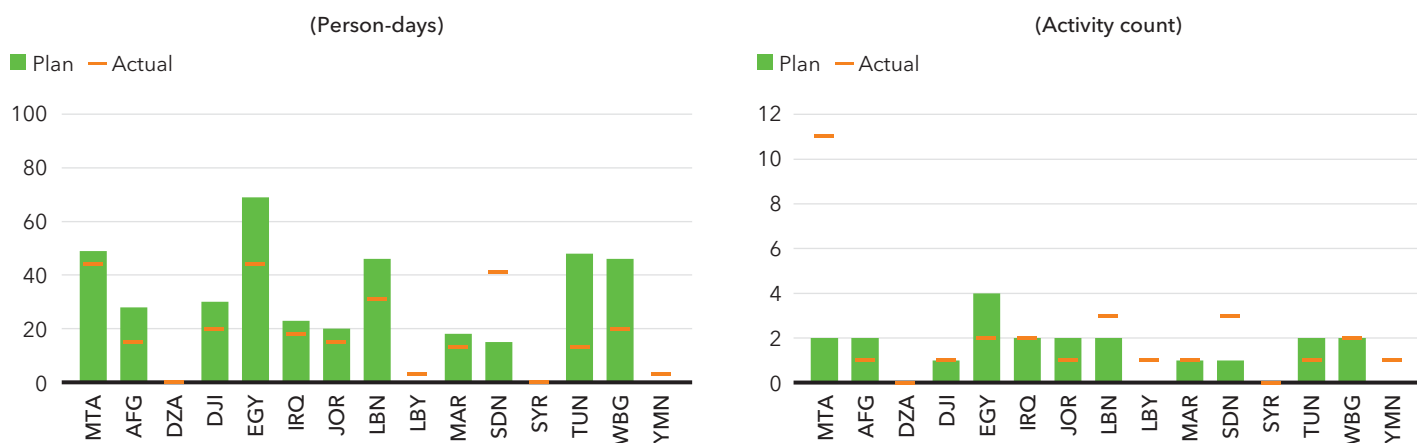
PRIORITIES AND ACTIVITIES IN FY22

The FY22 workplan has 13 country projects with 20 activities, and two regional projects, with total resources of 1.4 FTEs. It will focus on improving the quality and coverage of national accounts statistics (9 country projects and one regional) and price statistics (4 country projects and one regional), in line with relevant internationally accepted statistical standards.

NATIONAL ACCOUNTS STATISTICS

- **Afghanistan:** GDP was revised in 2020 and the time series of the revised estimates covers 2016 to 2020. METAC will assist the National Statistic and Information Authority in backcasting the national accounts in order to produce a longer time series of GDP. Assistance will also be provided to develop quarterly national accounts as this is a key priority for the authorities.

FIGURE 6. REAL SECTOR STATISTICS: EXECUTION OF FY21 WORKPLAN



- **Djibouti:** METAC will continue assisting the *Institut National de la Statistique de Djibouti* to further develop the national accounts compilation system, particularly to update the pre-2013 national accounts time series and to assist with developing the preliminary GDP estimates.
- **Egypt:** METAC will support the Ministry of Planning and Economic Development to compile financial accumulation accounts and balance sheets for the country. Capacity development will also be provided to the Central Agency for Public Mobilization and Statistics to compile supply-use tables (SUTs) and IOTs.
- **Iraq:** METAC will assist the Iraqi Central Organization of Statistics and Information Technology to develop a system to compile SUTs.
- **Jordan:** METAC will assist the Department of Statistics to produce annual GDP estimates from primary annual statistics, based on SUTs.
- **Lebanon:** Assistance will be provided to the Central Administration of Statistics to develop the national accounts compilation system to use alternate data sources when conventional sources are not available.
- **Morocco:** METAC will provide training to new recruits at the High Planning Commission on national accounts concepts and on compilation of integrated economic accounts.
- **Sudan:** METAC will provide training to the Central Bureau of Statistics staff on quarterly national accounts and advise on developing SUTs.
- **WBG:** Assistance to the Palestinian Central Bureau of Statistics will focus on developing a set of integrated economic accounts by institutional sector and the compilation of financial accounts.
- **Regional:** One regional workshop will aim at enhancing countries' capacity in compiling national accounts statistics, with a focus on the sequence of accounts for all institutional sectors of the economy, and on recording COVID-19 related initiatives within the sequence of accounts.

PRICE STATISTICS

- **Lebanon:** METAC will continue the project with the Central Administration of Statistics on developing price indices (PPIs and CPI).
- **Libya and Yemen:** METAC will follow up with TA to the Bureau of Statistics and Census of Libya and the Central Statistics Organization of Yemen to improve the CPI and develop PPIs.
- **Tunisia:** Support will be directed at improving the PPI and at using data collected using alternative methods (e.g. webscraping) in the CPI.
- **Regional:** One regional workshop will provide training with an aim to enhance countries' capacity in compiling CPI statistics.

SECTION III

OUTREACH
AND COLLABORATION

OUTREACH AND COLLABORATION

METAC's long-term experts and its director participated in outreach activities to increase the visibility of the Center and the support provided by its development partners. Events spanned several topics, including banking supervision and financial stability during COVID-19, tax policy and administration, national statistics systems, modern budgeting, and how METAC adapted its CD to assist countries in dealing with the consequences of COVID-19. Key events included the following:

- Mr. Didier Casier, METAC's banking supervision advisor, attended the 5th virtual meeting of the Arab Monetary Fund (AMF). Forty participants from Arab League countries discussed the following topics: (i) Covid-19 and financial stability: the role for Basel III buffers (BCBS); (ii) Fiscal Response to the COVID-19 (Bank for International Settlements); (iii) Impact of the Loan-to-Income Flow Limit (Bank of England); and (iv) The effectiveness of macroprudential policy and capital controls (De Nederlandsche Bank). During the question period, Mr. Casier made a brief presentation on the IMF COVID-19 special series notes. This outreach is an opportunity to increase the

collaboration of METAC with the AMF, in particular in organizing joint workshops on banking regulation and supervision issues.

- At a virtual meeting of the AMF, Mr. Mario Mansour, METAC's director spoke on tax policy measures to address the health and economic implications of COVID-19 in the short-term and exit strategies for the medium- and long-term. He emphasized the importance of monitoring the effectiveness and budgetary cost of recently-introduced tax measures to help individuals and companies throughout the pandemic, and to use the opportunity of building exit strategies to fundamentally rethink tax levels and tax revenue composition in the region, especially in oil-exporting countries where tax-to-GDP ratios are very low relative to spending needs. Mr. Mansour raised the issue of income tax policy as the next challenge that Arab countries should address, with the aim to reduce distortions to labor and capital markets, diversify the revenue base (especially in oil-exporting countries), and address (if only partially) income and wealth inequalities.

Over 70 participants attended this event, which included talks by senior officials from MCD and FAD, OECD, and several Arab countries.

- Mr. Mario Mansour and Mr. Jonas Frank (PFM long-term expert at METAC), gave lectures on tax policy and PFM to participants in the United Arab Emirates's Young Economist Program, which purpose (detail available [here](#)) is to encourage young Emirati professionals to pursue careers in economics in the public and private sectors. Mr. Mansour's lecture covered how the function of tax policy analysis is organized within ministries of finance, how taxes contribute to state building, and a brief overview of tax trends in the MENA region. Mr. Frank addressed the topic of modern budgeting principles (unity, universality, specificity, and annuality), and highlighted how countries around the world have increasingly embraced them. The lecture also reviewed key features of budgeting in the MENA, including the issue of "dual budgeting" which creates coordination challenges among ministries of finance and planning. He concluded by noting that progress in transparent and modern

budgeting in the MENA region is an unfinished reform agenda, despite progress in some countries, as citizens increasingly demand higher accountability from policymakers and better public services.

- At the invitation of the AMF, Mr. Issam Alsammak, long-term expert in real sector statistics at METAC, participated in the seventh meeting of the Steering Committee of the Arab Statistics Initiative (Arabstat). He presented on the pandemic's impact on real sector statistics and the IMF's response, including how METAC supported its members to ensure continuity in publishing national statistics during COVID-19.
- Mr. Mario Mansour gave the opening remarks at an event on taxpayers' rights and obligations organized by the College of Law of the Hamad Bin Khalifa University in Qatar. His remarks focused primarily on how countries in the GCC can benefit from the opportunity of building new tax systems to instill simplicity and transparency, which will eventually foster good compliance cultures.
- Mr. Mansour participated in a panel organized by the Euro-Mediterranean Economists Association on stabilization policies in fragile states. His remarks covered how tax policy and administration

and PFM systems can be built in fragile states to account for weak absorption capacity and to allow states to gradually move from simple functions of budget management to more complex frameworks—as they move from conflict to fragility, and eventually exit fragility. The event included panelists from the IMF and academia, and was largely based on a recent book edited by IMF staff on macroeconomic policy in fragile states—published by Oxford University Press, and available [here](#).

METAC increased its collaboration with IMF departments and other CD providers, especially to assist countries in responding to the implications of COVID-19. This included the following:

- Several webinars were organized with IMF CD departments on how governments can address the implications of COVID-19, both from a policy perspective and to ensure continuity of policy implementation during lockdowns and other restrictions on movements. These webinars spanned all areas of METAC's work: national statistics, banking supervision, PFM, and revenue administration. The collaboration also extended to macroeconomic

policies to address the impact of COVID-19 and exit strategies from such policies in the medium-term.

- Numerous meetings and workshops with METAC's development partners, in particular the European Commission, to provide input into their own country engagement strategies on budget support and CD.
- Collaboration with the PEFA secretariat and the International Budget Partnership on providing analytical input and training to METAC's members on fiscal transparency issues and the use of PFM analytical tools to design and monitor reforms.
- Collaboration with Women's World Banking on how to address gender bias and promote gender-balanced employment strategies within central banks and banking supervision authorities.
- Collaboration with the United Nations Development Program in Lebanon on the design of a monitoring dashboard of the Lebanese economy, covering economic, financial, and social indicators.

SECTION IV

FINANCING
AND BUDGET

FINANCING AND BUDGET

STATUS OF CONTRIBUTIONS AT END OF FY21

Contributions agreed with development partners and members at the end of FY21 stood at USD 36.102 million (Table 5).² However, contributions received amounted to USD 24.302 million, of which USD 21.246 from development partners. Excluding IMF-funded expenses, this is lower by USD 3.863 million relative to the initial budget for Phase IV. Despite this deficit, Phase IV was fully funded until its end (April 30, 2021) due to the following factors: (1) an additional contribution from the Netherlands's in the amount of USD 3.488 million;³ (2) unused funding for a second PFM advisor during the first 2.5 years of Phase IV; (3) lower spending on STXs than originally planned; (4) lower spending on LTX due to hiring transitions; and (5) efficiency gains and synergies from collaboration with the CEF.

Significant savings have been realized during the work-from-home period related to COVID-19, which started in early March 2020. These savings, estimated at approximately USD 1.19 million in FY21, together with the Dutch

² This includes the IMF contribution of USD 5 million, and USD 1.5 million under negotiation.

³ Without this contribution, the cash deficit would have been USD 7.351.

additional contribution, have allowed the Center to extend its Phase IV by 8 months, to December 31, 2021.

EXPENSES IN FY21 AND BUDGET FOR FY22

Total expenses in FY21 amounted to USD 3.698 million (Table 6). The FY21 budget was revised downward in November by USD 1.187 million, which represents travel costs of bilateral and regional activities for the period August 2020 to April 2021. This revision was necessary to reflect the assumption of remote delivery for the whole year—instead of the first quarter of the year only, which was the initial budget assumption. The additional shortfall in budget execution, which amounted to USD 1.244 million, is due to the following key factors: (1) lower expenses on STXs, particularly professional fees related to the absence of travel days during COVID-19, LTXs and IMF HQ staff (48.5 percent of the shortfall); lower expenses related to office space and local employees as the lease of METAC was ended in the aftermath of the explosion at the port of Beirut and hiring of an additional assistant was delayed (25 percent); and lower IMF-funded expenses (14.5 percent).

The FY22 budget is estimated at USD 5.480 million (Table 6). This includes the hiring of one central bank operations LTX, and one government

finance statistics LTX in the last quarter of the year. It assumes that travel will resume only in the second half of the year. This assumption will be revised at the mid-year point and if travel is not allowed by the IMF due to COVID-19, the budget will be adjusted downward by about USD 0.5 million.

The FY22 budget is fully funded. At the end of April 2021, total contributions for Phase IV net of total expenses (excluding the IMF) stood at USD 5,331 million. This is sufficient to fund the external part of the budget (USD 4,605 million). METAC will advise the steering committee on the use of the surplus at the mid-year review of the annual workplan and budget, including a possible extension of Phase IV to April 2022 (from December 2021).

The FY21 budget excludes a contribution from the new IMF COVID trust fund. METAC will receive an allocation of USD 313,333 in FY22, and USD 626,667 in FY23, to fund a revenue mobilization project for customs administrations in the region (including hiring a customs administration LTX). This project is in addition to METAC's current portfolio of projects and is entirely targeted at assisting countries to be more effective and efficient in their revenue administration, to contribute to funding the revenue consequences of COVID-19.

TABLE 5. STATUS OF FINANCIAL CONTRIBUTIONS AT END OF APRIL 2021

Partners/Members	Agreement/Amendment Information				Contribution Received		Contribution Expected (USD)	
	Signature Date	Currency	Amount	USD	Agreement Currency	USD	Requested	Remaining
Partners and Members Total				21,345,816		21,245,816	100,000	0
Partners				19,695,816		19,695,816	0	0
European Commission	10/24/2018	EUR	2,000,000	2,250,400	2,000,000	2,250,400	0	0
France	9/20/2016	EUR	2,000,000	2,248,200	2,000,000	2,248,200	0	0
Germany	6/20/2016	EUR	2,500,000	2,754,750	2,500,000	2,754,750	0	0
Germany	4/26/2017	EUR	2,500,000	2,793,000	2,500,000	2,793,000	0	0
Netherlands	10/17/2019	EUR	3,000,000	3,488,100	3,000,000	3,488,100	0	0
Netherlands	10/7/2016	EUR	1,500,000	1,699,260	1,500,000	1,699,260	0	0
Switzerland	10/8/2016	CHF	4,500,000	4,462,106	4,500,000	4,462,106	0	0
Members				1,650,000		1,550,000	100,000	0
Egypt, Arab Republic Of	2/14/2018	USD	1,250,000	1,250,000	1,250,000	1,250,000	0	0
Morocco	12/19/2018	USD	300,000	300,000	300,000	300,000	0	0
Sudan	4/27/2018	USD	100,000	100,000	0	-	100,000	0
Internal Transfers 1/				1,756,357		1,756,357		
Egypt, Arab Republic Of				104,244	0	104,244	0	0
European Investment Bank				213,856	0	213,856	0	0
France				324,686	0	324,686	0	0
Jordan				78,937	0	78,937	0	0
Kuwait				15,147	0	15,147	0	0
Lebanon				783,552	0	783,552	0	0
Libya				184,658	0	184,658	0	0
Oman				15,149	0	15,149	0	0
Sudan				2,805	0	2,805	0	0
Syrian Arab Republic				18,177	0	18,177	0	0
Yemen, Republic Of				15,146	0	15,146	0	0
Under Negotiation				1,500,000				
Algeria		USD	1,000,000	1,000,000				
Iraq		USD	500,000	500,000				
Host Country and IMF				11,500,000		1,300,165	2,199,835	3,000,000
Host Country		USD	6,500,000	6,500,000		1,300,165	2,199,835	3,000,000
IMF				5,000,000				
Grand Total				36,102,173		24,302,338	2,299,835	3,000,000
Program Document Budget				33,164,937				
Funding Surplus 2/				2,937,236		-3,862,599		

1/ Refers to transfers from one program phase to another.

2/ The deficit under "Contribution Received" is equal to total contributions received minus the "Program Document Budget" (net of the IMF contribution).

TABLE 6. FINANCIAL OPERATIONS IN FY21 AND FY22 BUDGET

Workstream	Cumulative FY17-21			FY21			FY22
	Working Budget	Expenses	Execution (%)	Working Budget	Expenses	Execution (%)	Working Budget
Banking Regulation and Supervision	5,130,045	3,878,021	76	774,088	544,141	70	731,504
Long-term Advisors	2,107,479	1,423,261	68	487,500	333,631	68	367,855
Short-term Advisors	1,783,142	1,796,875	101	201,993	140,150	69	227,600
HQ Staff	128,197	55,836	44	11,397	0	0	20,580
Governance	33,371	2,392	7	0	0	n.a.	0
Seminars and Study Tours	307,875	165,307	54	0	0	n.a.	0
Backstopping	216,461	175,930	81	37,500	37,217	99	36,658
Management	136,928	85,568	62	14,898	14,899	100	10,810
Other	416,592	172,852	41	20,800	18,244	88	68,000
Central Bank Operations	0	0	n.a.	0	0	n.a.	339,441
Long-term Advisors							334,425
Management							5,016
Public Financial Management	7,185,164	4,803,976	67	1,095,472	1,033,968	94	1,182,437
Long-term Advisors	2,905,028	2,267,030	78	623,578	770,699	124	686,207
Short-term Advisors	2,314,325	1,603,839	69	344,827	171,098	50	323,086
HQ Staff	327,686	251,014	77	10,000	0	0	0
Governance	34,614	8,254	24	0	0	n.a.	0
Seminars and Study Tours	634,081	136,826	22	0	0	n.a.	0
Backstopping	316,896	178,601	56	67,500	59,930	89	63,669
Management	112,719	66,675	59	22,367	8,358	37	17,474
Other	539,815	291,737	54	27,200	23,883	88	92,000
Revenue Administration	4,825,809	3,766,649	78	639,551	415,764	65	769,413
Long-term Advisors	1,714,157	1,333,410	78	310,000	148,705	48	350,914
Short-term Advisors	2,092,329	1,662,451	79	233,095	165,322	71	258,816
HQ Staff	50,040	26,465	53	12,500	11,801	94	25,725
Seminars and Study Tours	337,470	196,864	58	0	0	n.a.	0
Backstopping	208,741	187,552	90	35,625	35,625	100	38,588
Management	80,177	53,147	66	13,131	13,131	100	11,371
Other	342,895	306,761	89	35,200	41,180	117	84,000
Real Sector Statistics	4,552,441	3,580,486	79	569,571	422,304	74	713,266
Long-term Advisors	1,716,570	1,471,865	86	305,500	271,929	89	335,961
Short-term Advisors	1,412,505	1,042,729	805	126,355	78,999	63	173,601
HQ Staff	129,572	79,167	6	30,924	2,732	9	46,718
Governance	37,056	12,214	33	0	0	n.a.	0
Seminars and Study Tours	391,233	384,878	98	1,326	380	29	0
Backstopping	249,361	219,694	88	39,375	16,884	43	42,446
Management	134,740	121,603	90	11,491	10,874	95	10,541
Other	481,404	248,335	52	54,600	40,506	74	104,000

TABLE 6. (CONTINUED)

Workstream	Cumulative FY17-21			FY21			FY22
	Working Budget	Expenses	Execution (%)	Working Budget	Expenses	Execution (%)	Working Budget
Government Finance Statistics	0	0	n.a.	0	0	n.a.	103,225
Long-term Advisors							101,700
Management							1,525
Financial and Fiscal Law	384,460	209,966	55	0	0	n.a.	0
Short-term Advisors	226,951	105,550	47	0	0	n.a.	0
HQ Staff	103,200	89,260	86	0	0	n.a.	0
Project Backstopping	42,842	9,773	23	0	0	n.a.	0
Management	2,967	2,863	96	0	0	n.a.	0
Other	8,500	2,520	30	0	0	n.a.	0
Administration	2,171,411	1,312,302	60	490,791	159,899	33	465,228
Governance	186,744	109,413	59	24,876	7,374	30	12,500
Management	45,229	42,861		9,156	9,157		8,898
Facilities	1,332,675	649,636		290,450	41,511		290,450
Local Staff	606,763	510,392	84	166,309	101,858	61	153,381
Governance and Evaluations	244,593	178,710	73	114,525	113,526	99	0
Trust Fund Management	1,714,575	1,241,108	72	257,880	188,272	73	301,316
TOTAL (excl. IMF Expenses)	26,208,498	18,971,219	72	3,941,878	2,877,874	73	4,605,831
IMF Expenses	5,000,000	3,793,588	76	1,000,000	820,414	82	874,415
TOTAL (incl. IMF Expenses)	31,208,498	22,764,807	73	4,941,878	3,698,288	75	5,480,246

Note: This presentation of METAC's financial operations will change starting next year, as part of the implementation of the new IMF CDMAP system for managing capacity development.

ANNEX I

STRATEGIC LOG FRAME
FOR FISCAL YEAR 2022

STRATEGIC LOG FRAME FOR FISCAL YEAR 2022

Banking Regulation and SupervisionDevelop															
Strategic Objective	Outcome	AFG	DZA	DJI	EGY	IRQ	JOR	LBN	LBY	MAR	SDN	SYR	TUN	WBG	YMN
Develop/strengthen banking regulations and prudential norms	Legal and regulatory framework equips supervisors to bring about timely corrective actions for banks' problems and weaknesses.	●												●	
	Legal/regulatory frameworks for licensing lay out key steps and criteria for granting (and withdrawing) a license and imposing prudential conditions where appropriate.				●										
	Supervisors and regulations require banks to apply risk measurement and management on a timely basis.				●	●									
Develop/strengthen regulatory framework and supervisory tools to address specific risks in Islamic banking	Adapted or new prudential framework for IIBS in place.					●									
	Regulatory and supervisory authority require IIBS to have robust Sharia governance policies and processes.														●
	Supervisors have the necessary capacity to upgrade regulations and guidelines specific to IIBS and effectively apply them.	●	●	●	●	●	●	●	●	●	●		●	●	●
Implement Basel II and III standards	Banking legislation and regulations are aligned with Basel II/III requirements.			●	●						●		●		
	Banks have a robust liquidity position and funding structure to withstand crises and shocks in the short-term.			●							●		●		
	Banks' capital level reflects their risk profile, business strategy and risk acceptance levels.									●					
	Supervisors can drive the implementation process of Basel II/III and monitor bank's compliance with the new requirements.			●	●					●	●		●		
Implement a risk-based supervision system and upgrade other supervisory processes	Bank risk assessment frameworks strengthened (quality and timeliness of regulatory data and flexibility of reporting system)			●	●	●					●		●		●
	Strengthened institutional structure, operations, and procedures for RBS implementation.														●

Banking Regulation and SupervisionDevelop															
Strategic Objective	Outcome	AFG	DZA	DJI	EGY	IRQ	JOR	LBN	LBY	MAR	SDN	SYR	TUN	WBG	YMN
Improve accounting and prudential provisioning regulatory guidelines	Enhanced knowledge of IFRS by CB supervisors and banks.	●												●	
	Improved provisioning guidelines and implementation in line with credit risk and capital adequacy assessment.	●												●	
Develop/strengthen cybersecurity regulations and prudential norms	Supervisors have capacity to upgrade regulations and effectively apply them.	●	●	●	●	●	●	●	●	●	●		●	●	●
Assumptions and Risks															

- Authorities at the highest level are committed and determined to implement their strategic plans, road maps and IMF/METAC recommendations.
- Political stability and security conditions allow the delivery of METAC CD activities.
- Supervisory authorities support the implementation of METAC's recommendations and show continued commitment to apply and enforce methodologies.
- Low turnover of management and staff.
- Adequate financing for METAC CD activities is mobilized.

Note: IIBS: Institutions offering Islamic Banking Services.

Public Financial Management															
Strategic Objective	Outcome	AFG	DZA	DJI	EGY	IRQ	JOR	LBN	LBY	MAR	SDN	SYR	TUN	WBG	YMN
Comprehensive, credible, and policy-based budget preparation	A more comprehensive and unified annual budget is published.							●	●		●				
	A more credible medium-term budget framework is integrated with the annual budget process.		●	●		●	●	●							
	A more credible medium-term macro-fiscal framework that supports budget preparation.	●	●	●			●	●	●		●		●	●	
	Planning and budgeting for public investments is more credible.	●	●		●			●					●		
	Information on resources and performance by program is included in budget documentation.		●												
Improved asset and liability management	Cash flow forecasts for central government is more accurate and timelier.			●						●					●
	More central government revenues and expenditures are deposited and disbursed through a Treasury Single Account.			●				●							
Improved budget execution and control	Budget execution monitoring and controls are strengthened.					●			●						●
Improved coverage and quality of fiscal reporting	Comprehensiveness, frequency, and quality of fiscal reports are enhanced.							●							
Assumptions and Risks															

- Country authorities remain committed to the implementation of the PFM reform agenda.
- The political and security conditions in member countries allow normal CD delivery.
- Countries take the lead in coordinating CD provided by others, to foster synergies and support effective reform implementation.

Revenue Administration															
Strategic Objective	Outcome	AFG	DZA	DJI	EGY	IRQ	JOR	LBN	LBY	MAR	SDN	SYR	TUN	WBG	YMN
Strengthened revenue administration management and governance arrangements (SDG 17.1)	Corporate priorities are better managed through effective risk management.						●			●	●				
	Effective implementation of a new tax or modernized legislation.	●													
	More independent, accessible, effective and timely dispute resolution mechanisms adopted.						●								
	Organizational arrangements enable more effective delivery of strategy and reforms.							●							
	Support functions enable more effective delivery of strategy and reforms.				●										
	Transparency and accountability are more effectively supported by independent external oversight and internal controls.													●	
Strengthened core tax administration functions (SDG 17.1)	A larger proportion of taxpayers meet their payment obligations as required by law.		●												
	Audit and other verification programs more effectively ensure accuracy of reporting.					●									
	The integrity of the taxpayer base and ledger is strengthened.														●
Improved customs administration functions (SDG 17.1)	Audit and anti-smuggling programs more effectively ensure enforcement of customs laws.														

Assumptions and Risks

- a. Continued commitment to reform objectives by country authorities and revenue administrations.
- b. Continued funding for METAC activities.
- c. Complementary CD from IMF HQ and other development partners.
- d. Political/security conditions in member countries allow CD delivery and reform implementation.
- e. Sufficient funding available to support resourcing of reform programs.
- f. No travel restriction for experts/authorities' representatives. In case of travel restriction, CD can be delivered remotely, and appropriate technology is available in beneficiary countries.

Real Sector Statistics															
Strategic Objective	Outcome	AFG	DZA	DJI	EGY	IRQ	JOR	LBN	LBY	MAR	SDN	SYR	TUN	WBG	YMN
		Strengthen compilation and dissemination of data on national accounts statistics for decision making according to the relevant internationally accepted statistical standard, including developing/improving statistical infrastructure, source data, serviceability and/or metadata	Data are compiled and disseminated using appropriate statistical techniques, including dealing with data sources, and/or assessment and validation of intermediate data and statistical outputs				●	●	●	●			●		
Data are compiled and disseminated using the concepts and definitions of the latest manual/guide														●	
Data are compiled and disseminated using the coverage and scope of the latest manual/guide	●				●						●			●	
Longer time series have been compiled and made available internally and/or to the public	●														
Source data are adequate for the compilation of the national accounts	●			●			●								
Staff capacity increased through training, especially on developing source data, compilation methods, and dissemination											●				
Strengthen compilation and dissemination of data on price statistics for decision making according to the relevant internationally accepted statistical standard, including developing/improving statistical infrastructure, source data, serviceability and/or metadata	Data are compiled and disseminated using appropriate statistical techniques, including dealing with data sources, and/or assessment and validation of intermediate data and statistical outputs							●					●		●
	Data are compiled and disseminated using the concepts and definitions of the latest manual/guide							●	●						
	Source data are adequate for the compilation of price statistics								●						●
	Data are compiled and disseminated using the coverage and scope of the latest manual/guide												●		
Assumptions and Risks															

- a. Sufficient ownership of reforms by the country authorities, including implementation of missions' recommendations.
- b. Sufficient funding for METAC CD activities, by development partners and members.
- c. Complementary CD from HQ and development partners is available.
- d. Political/security conditions in member countries allow for CD delivery and reform implementation.

ANNEX II

DESCRIPTION OF ACTIVITIES

This annex describes briefly regional (subsection A) and country-level activities (subsection B) undertaken in FY21. It is a valuable narrative to the results-based management analysis provided earlier in the report.

A

REGIONAL WORKSHOPS

**BANKING REGULATION
AND SUPERVISION****REGULATORY AND SUPERVISORY
RESPONSE TO COVID-19 CRISIS
(JUNE 23-24, 2020)**

Two webinars on this topic, one in English (June 23) and one in French (June 24), were attended by respectively 60 and 18 participants from 12 METAC countries. Organized jointly with MCM, the webinars covered the following topics: (i) a presentation on the appropriate regulatory and supervisory response to deal with the impact of the Coronavirus pandemic, with the objective of maintaining a balance between preserving financial stability and soundness, and sustaining economic activity; (ii) from a prudential perspective, how banks should follow certain requirements related to restructured loans, using the flexibility embedded in the regulatory framework; (iii) how to deal with the impact of the COVID-19 outbreak on banks' financial position; and (iv) updates to consider to the supervisory approach.

**CENTRAL BANK OPERATIONS IN
SUPPORT OF FINANCIAL MARKETS
DURING COVID 19 CRISIS
(JUNE 30, 2020)**

Organized jointly with MCM and attended by 34 participants from 6 METAC countries, this webinar,

which included presentations by Morocco and Jordan, covered the following topics: (i) identifying which financial markets are important for maintaining financial stability; (ii) identifying market dysfunctions and determining the appropriate triggers for intervention; (iii) designing support programs to address market impairment; and (iv) overview of support measures to financial markets of countries of different income levels (advanced, emerging, and low-income).

**RISK BASED SUPERVISION
(JANUARY 18-21, 2021)**

METAC and CEF jointly organized a webinar on "Risk Based Banking Supervision". The workshop provided 50 participants from 15 countries a forum to exchange views and experiences on key elements of risk-based banking supervision. Using a combination of lectures and case studies, participants sharpened their technical skills in (i) analyzing the key principles and success factors for implementing risk-based supervision, and identifying interactions with Pillar 2 of Basel II, (ii) evaluating banks' risk profiles, in particular assessment of credit, liquidity, market and operational risks, (iii) assessing banks' governance frameworks, and (iv) considering how stress tests

could be used to assess a bank's resilience to the COVID-19 shock, including preliminary results from central banks' experiences in the US, UK, and the EU.

GENDER BALANCE RECRUITMENT AND LEADERSHIP (MARCH 8, 2021)

In partnership with Women's World Banking, METAC and MCM provided senior managers of central banks and financial sector regulatory agencies a forum to discuss how to promote the business case for gender balance management within their institutions, and trained participants (36 from 10 countries) on how to address barriers in building gender-balanced leadership. By establishing a data-driven baseline via a stocktaking survey, participants better understood barriers to leadership for women and shared insights from within their own institutions. These insights were instrumental into identifying unconscious bias and helped participants in developing options to address them, including sponsorship to fortify buy-in from the highest levels of the organization. Following the webinar, participants had the opportunity to take an online organizational gender assessment and to receive high-level recommendations for their organization.

PUBLIC FINANCIAL MANAGEMENT

MACRO-FISCAL UNITS AND THE RESPONSE TO COVID-19 (MAY 27, JUNE 10, AND JUNE 24, 2020)

METAC and the IMF Fiscal Affairs Department held a series of three webinars on macro-fiscal planning in the context of COVID-19. At the first webinar (The Role of Macro-Fiscal Units in the COVID-19 pandemic), 41 participants from 9 countries discussed and shared experiences on how macro-fiscal units can lead government-wide efforts to provide timely

technical analysis to policymakers and coordinate the fiscal response to the pandemic. Of particular interest to participants was the issue of how to handle unforeseen budget revisions in light of the uncertainty related to the pandemic, including lower revenues.

The second webinar (Managing Uncertainty: Approaches and Tools for Macro Fiscal Planning), attended by 34 participants from 7 countries, presented approaches, tools, and country experiences on how macro-fiscal analysis can better guide budget planning and execution in times of crisis, while providing transparency and effective communication to the public. This event deepened peer learning, in particular through presentations which showed the various approaches used by countries to respond to COVID-19.

The Third and final session (Fiscal Risks and COVID-19: Relevance for the METAC Region), attended by more than a hundred participants from 11 countries stressed the fact that fiscal rarely appear in isolation, and that there are significant interconnections between them. This is case for instance of risks that materialized in recent years in METAC countries in relation to state owned enterprises, pension liabilities, government guarantees, and the financial sector. The session also presented tools and practical experiences that are useful to help countries improve their reporting on fiscal risks—hence, improving transparency. The economic challenges related to COVID-19 are likely to accentuate fiscal risks over the medium term, highlighting the increasingly important role of macro-fiscal planning.

STRENGTHENING FISCAL TRANSPARENCY IN CHALLENGING TIMES (JUNE 23, JUNE 30, AND JULY 7, 2020)

METAC, in collaboration with the International Budget Partnership and the IMF Fiscal Affairs Department, held a series of three webinars on how to

improve fiscal transparency during the COVID-19. In total, about 100 participants attended, and included representatives from civil society organizations (CSOs). The primary motivation for the seminar was to discuss how government can provide better oversight to the large additional outlays they have committed to fighting the pandemic. Discussions during the first webinar focused on the 2019 results of the Open Budget Survey, which indicate that the MENA region scores lower than comparator groups, and on various metrics and analytical tools available to countries to help them plan and implement reforms to improve fiscal transparency. Participants from fragile states noted the particular constraints they face in advancing reforms in this area of PFM.

The second webinar covered budget execution reporting. Few country representatives made presentations on recent progress in improving the content of budget execution reports, and how to institutionalize transparency reforms. METAC spoke on the key challenges hampering budget execution reporting in the region – e.g. data availability and integrity, good practices in making small but sustained progress. Participants raised questions on how to conduct more regular PEFA evaluations, and CSOs made the important point that more budget documents should be made publicly available and that governments should actively seek their dissemination and communication.

The third and last webinar focused on the role of CD in improving fiscal transparency. Egypt, Iraq and Lebanon presented their experiences working with METAC (and other CD providers), in particular how CD has helped them design and implement transparency reforms, such as in the areas of fiscal risk analysis and statement, and improved financial oversight by parliament. Based on feedback from the authorities, METAC advisors

summarized the key reforms contemplated in the region on budgeting, fiscal risks, and fiscal integrity and reporting.

ANALYTICAL TOOLS FOR BETTER PFM REFORMS AND SYSTEMS (MARCH 1-4, 2021)

Jointly with the PEFA Secretariat, METAC delivered a four-day course at the CEF on PFM diagnostic tools and methodology of PEFA Handbook Volume IV. A case study was developed as a background discussion document based on a real country experience that participants had to apply to their own country. The objective was to understand how diagnostic tools can be used to inform PFM reforms, and answer questions related to each step of the reform process. Twenty-nine participants (16 women and 13 men) from METAC and GCC countries attended. Key points raised by participants included how to improve ownership and ensure timely implementation of PFM reforms in fragile and conflict countries.

REVENUE ADMINISTRATION

REVENUE ADMINISTRATIONS' RESPONSES AND BUSINESS CONTINUITY ACTIONS RELATED TO COVID-19 (JUNE 22-23, 2020)

METAC's revenue administration advisor participated in two FAD-led webinars (one in English-Arabic and one in French-Arabic) on how tax administrations can deal with the consequences of the COVID-19 pandemic and prepare for future challenges and opportunities. The agenda of the event was organized around two IMF Special COVID-19 Series notes: (i) Business Continuity; and (ii) Reinvigorating Operations to Safeguard Collection and Compliance. Discussions among participants suggested that although tax administrations have taken some ad-hoc

initiatives to address the impact of the pandemic on operations and revenue, much more remains to be done in order to secure business continuity and recovery. In particular, participants noted the necessity of digitalization across all functions of tax administrations, the importance of having business continuity plans and regularly updating them, and the challenges facing tax administration in restoring taxpayer compliance after the pandemic—hence, the criticality of compliance risk management.

CUSTOMS MODERNIZATION STRATEGIES FOR IMPROVED REVENUE MOBILIZATION (OCTOBER 28, 2020)

In collaboration with the IMF's Fiscal Affairs Department (FAD), METAC held a webinar on "Customs Modernization Strategies for Improved Revenue Mobilization" on October 28, 2020. The main objective was to discuss priorities and challenges in modernizing the revenue function of customs and share country experiences. Discussions were informed by the results of a questionnaire, which suggested the following (respondents included Afghanistan, Jordan, Morocco, Sudan, Tunisia and Yemen): (1) customs collections represent one-third of tax revenue on average, with VAT accounting for the largest share, followed by excises and the external tariff; (2) tax incentives related to various programs such as free economic zones, and valuation and post-clearance audit, are key operational challenges in terms of risk to the revenue base; and (3) key institutional challenges include human resource and information technology management (in particular ethics and integrity), strategic planning, and data collection, organization and analysis. The results of the webinar will be published in a METAC Regional Note and will serve as a basis for planning CD support over the next five years.

REAL SECTOR STATISTICS

CONSUMER PRICE INDEX BUSINESS CONTINUITY (MAY 20, JUNE 22, AND JULY 13, 2020)

Continuous compilation and dissemination of a reliable CPI is of key importance for economic policy-making. The CPI is compiled by most national statistics offices and is usually published on a monthly basis within four weeks of the end of the reference period. This first (out of three) webinar provided guidance on dealing with issues affecting the routine compilation and dissemination of CPIs as a result of measures taken to limit the spread of COVID-19—e.g. how missing prices should be accounted for.

The second webinar, organized in response to positive feedback received from the first, covered similar issues, with a greater focus on developing solutions to specific country challenges.

The third webinar provided further guidance on imputation methods for missing prices. Topics discussed included variety of samples and outdated index weights, treatment of increases in local transportation prices, when to replace disappearing varieties, and the need for flexibility with regard to the number of months non-seasonal items can be imputed.

BUSINESS CONTINUITY OF PRODUCER PRICE INDEXES AND EXPORT AND IMPORT PRICE INDEXES (JUNE 15, 2020)

Attended by 26 participants from eight METAC members (Afghanistan, Egypt, Lebanon, Libya, Morocco, West Bank and Gaza, Tunisia, and Yemen), this webinar included presentations on guidelines for dealing with issues affecting the routine compilation and dissemination of PPIs and Export and Import Price Indexes (XMPIs),

and good practices for transparency. Topics discussed during the webinar included data collection challenges. Countries identified and discussed their current compilation challenges, including data collection, the treatment of missing data due to temporary closures and restrictions on movement, how to use alternative data sources such as counterpart country price indexes, and how to adjust for fluctuating exchange rates.

RECORDING COVID-19 RELATED GOVERNMENT INITIATIVES IN THE NATIONAL ACCOUNTS (JUNE 29, 2020)

This webinar covered methods on how to record COVID-19-related government policy interventions in the national accounts, to ensure comprehensiveness and accuracy in GDP estimates, both in aggregate and within the key components of GDP. It presented a range of examples taken from the IMF COVID-19 policy tracker in the fiscal and monetary areas, which can be found here. Countries raised questions regarding their own policy interventions and were able to compare their experiences to others in the region and elsewhere. It is worth noting that proper recording of policy interventions goes beyond the accuracy of GDP estimates, and touches on issues of transparency in the conduct of macroeconomic policy to ensure effectiveness and efficiency of government interventions.

NATIONAL ACCOUNTS BUSINESS CONTINUITY (JULY 6, 2020)

At this webinar, topics presented and discussed included challenges and solutions related to missing or late source data, restrictions to movement and reduced accessibility to workplaces, volatility in primary statistics, and communications with users of

national accounts. The webinar was attended by 37 participants from 11 METAC members (Afghanistan, Algeria, Egypt, Iraq, Jordan, Lebanon, Libya, Morocco, West Bank and Gaza, Sudan, and Syria).

MONTHLY INDICATOR OF ECONOMIC GROWTH (JULY 20, 2020)

Policy makers require timely information on changes in economic activity. The ongoing COVID-19 pandemic has made the need for a monthly indicator of economic growth (MIEG) even more evident. Annual and quarterly gross domestic product (GDP) programs will often capture these changes with a significant time lag. As a complement to traditional national accounts products, many statistical offices and central banks compile and publish a MIEG (also known as Monthly GDP in some countries) using a collection of high-frequency indicators (HFIs). A webinar was organized by METAC on July 20 to introduce the topic of the MIEG, illustrate the HFIs needed to compile such an index, and explain the broad steps to compile a timely MIEG.

RESIDENTIAL PROPERTY PRICE INDEX (SEPTEMBER 8, 2020)

The needs of policy makers for reliable and timely statistics on prices have increased, as they attempt to make timely decisions to lessen the impact of the COVID-19 pandemic on the welfare of citizens. The Residential Property Price Index (RPPI), which measures the change over time in the selling price of residential properties, provides the information to policy makers and markets more generally to assess the economic situation of real estate markets. This regional webinar on the RPPI illustrates the sources and methods to compile the RPPI, in accordance with the Practical Guide developed by the IMF and other

partners. The Guide contains easy-to-use scripts that can be adapted to country data.

COMPILATION OF EXTERNAL SECTOR STATISTICS DURING THE COVID-19 PANDEMIC (NOVEMBER 16-19, 2020)

A virtual regional workshop on the “Compilation of External Sector Statistics (ESS) during the COVID-19 Pandemic” was conducted jointly with the Center of Economics and Finance (CEF). The workshop focused on (i) the implications of the pandemic on the collection, compilation, and dissemination ESS; (ii) ways to address the challenges to ensure the continuity of ESS; and (iii) provide practical guidance to participants on the recording of transactions related to COVID-19 debt relief. Thirty-three officials from fifteen countries attended the workshop.

GOVERNMENT FINANCE STATISTICS AND PUBLIC SECTOR DEBT STATISTICS (DECEMBER 15, 2020)

METAC and the IMF Statistics Department hosted a regional webinar on Government Finance Statistics (GFS) and Public Sector Debt Statistics (PSDS) for decision and policy-making. Participants benefitted from an overview of the internationally accepted framework for compiling and disseminating GFS and PSDS and discussed the challenges they face, which varied from basic compilation of central government fiscal statistics to data consolidation for a broad definition of government and its entities. The webinar was attended by development partners and revealed possibilities and priorities to enhance capacity building efforts towards broader and better GFS and PSDS compilation in the region. The lessons from the webinar will be used to draft a METAC *Regional Note* and inform its CD planning over the next few years.

CAPACITY DEVELOPMENT AND TRAINING ACTIVITIES

BANKING REGULATION AND SUPERVISION

ALGERIA

May 3-7, 2020: METAC continued its assistance to the Bank of Algeria (BA)'s General Inspection Department (GID) by developing jointly with the BA project team a LCR and a NSFR frameworks—key elements of the Basel III standards. The assistance reflected the specificities of the unencumbered high-quality liquid assets and the balance sheet structure of the Algerian banking sector. METAC's experts also developed the prudential reporting templates, and trained BA staff on their use, including for the purpose of performing a quantitative impact study. Once implemented, the LCR and NSFR regulations will enhance BA's capacity to detect weak banks by considering early warning indicators.

June 7-11, 2020; October 3-10, 2020: METAC continued assisting the BA's GID in developing a comprehensive risk assessment and risk rating methodology for off-site supervisors to assess the risk profile of banks. During this activity, a review was undertaken of the risk assessment guides for ten significant risks that rely on the assessment of quantitative and qualitative

risk factors and that have been developed by the GID project team. METAC proposed a methodology for determining the overall risk rating, and drafted a reporting format, i.e. the rating sheet, which will summarize the results of the off-site risk assessment process. Suggestions were also made about how to best calibrate the weights of risk factors by testing the off-site risk assessment methodology on a representative sample of Algerian banks. Once integrated in the supervisory process, this methodology will enhance GID's capacity to detect weak banks using early warning indicators—thus, allowing it to intervene more effectively at an earlier stage of the supervisory process.

DJIBOUTI

March 13-20, 2021: METAC assisted the Central Bank of Djibouti (CBD) to develop its capacity related to the LCR standard, prepare to communicate with the banking sector and perform a quantitative impact study. The LCR is an essential component of the Basel III reforms; it promotes the short-term resilience of a bank's liquidity risk profile by ensuring that a bank has an adequate stock of unencumbered high-quality liquid assets that can be

converted into cash to meet its liquidity needs for a 30-calendar day liquidity stress scenario. Once implemented, the LCR will enhance CBD's capacity to detect weak banks by considering early warning indicators in order to intervene at an earlier stage of the supervisory process—thus improving the banking sector's ability to absorb shocks arising from financial and economic stress, and reducing the risk of spillover from the financial sector to the real economy.

EGYPT

October 11, 2020–January 15, 2021: METAC continued its support to the Central Bank of Egypt (CBE). This activity focused on enhancing market discipline through public disclosures which are consistent with Basel III (Pillar 3). This pillar was designed to incentivize banks to implement sound and robust risk management. METAC's experts held several virtual meetings with CBE senior management to explain recent changes to Basel Pillar 3 disclosure requirements and mapped them against Egypt's current guidelines. They identified 42 disclosure requirements (out of 80) relevant to Egypt. The CBE will undertake an internal review of the draft regulation, consult with the banking sector, and perform a Quantitative Impact Study. When the draft regulation is completed and issued, it will improve public disclosure requirements enabling market participants to access key information on a bank's regulatory capital and risk exposures, and increase transparency in a bank's exposure to risks and the adequacy of its regulatory capital.

October 25, 2020–February 11, 2021: METAC continued its support to the CBE Basel Directorate on the implementation of the Basel III revisions, with a specific focus on the credit risk framework—which seeks to restore the credibility in the calculation of risk-weighted assets and improve the

comparability of banks' capital ratios. The experts held remote WebEx meetings with management and experts to explain the key aspects of the framework, through an in-depth analysis of the various asset classes and their respective risk weights. A draft discussion paper highlighting further investigations to be carried out and emphasizing the options that need to be addressed by the authorities was developed. Once the remaining steps are finalized (internal CBE review of the draft regulation, consultation with the banking sector, performance of a Quantitative Impact Study) and the draft regulation issued, the CBE capital adequacy framework will benefit from improved risk sensitivity.

March 2-16, 2021: METAC supported the CBE in updating its large exposures regulation to ensure compliance with the new Banking Law (No. 194) and the BCBS standard. The experts interacted with a dedicated large exposure working group, composed of representatives from the Bank Regulation department, the Basel team, and the off-site and on-site departments. The working group has been established for the purpose of drafting an updated regulation for measuring, aggregating, and controlling single name concentration risk. The purpose of large exposure limits is to constrain the maximum loss a bank could face in the event of a sudden failure of a counterparty or a group of connected counterparties and to help ensure the bank remains a going concern. Especially where the bank's counterparty is another bank, large exposure limits can directly contribute to the reduction of banking system contagion risk. METAC provided training on the Basel large exposures standard and reviewed the draft regulation drawn up by the CBE. The training focused on the rationale and objectives of the Basel framework, its key aspects, and the implementation challenges to provide context to the changes that the

CBE working group have proposed. METAC also addressed numerous technical questions raised by the CBE on the details of the Basel standard to enable the members of the working group to customize the framework to the specific characteristics of the Egyptian banking sector.

IRAQ

June 4-11, 2020: METAC continued assisting the Central Bank of Iraq (CBI) in strengthening its regulatory framework. It developed a fact-finding survey, and then coordinated with the authorities on the responses obtained, which were considered during the development of the capital adequacy regulation for Islamic banks in order to reflect the specificities of the Iraqi banking sector. The experts also developed the prudential reporting templates and explained how to use them, including for the purpose of performing a quantitative impact study. A guidance note was also developed to ensure that both the draft regulation and the reporting templates can be easily understood, used, and enforced by the CBI and the Iraqi Islamic banks.

LIBYA

June 14-21, 2020: METAC continued assisting the Central Bank of Libya (CBL) in strengthening its Islamic banking regulatory framework. It developed a fact-finding survey, and coordinated with the authorities on the responses obtained, which were considered in the development of regulations for equity investment and operational management risks.

MOROCCO

November 2-6, 2020, February 1-5, 2021: These two activities supported Bank Al-Maghrib (BAM), Banking Supervision Department (BSD), to improve its market risk supervision

capacity, following the authorities' decision to move to a more flexible foreign exchange rate regime. During the first activity, METAC assisted BSD to address and answer banks' comments on the revised Internal Capital Adequacy Assessment Process regulation, identified the regulations that require adjustments in order to further enhance the supervision of market risk, reviewed the current market risk prudential reporting, and organized workshops with BSD staff in charge of on-site and off-site supervision in order to understand how they supervise market risks and identify how they could strengthen their effectiveness.

During the second activity, METAC assisted in the development of methodological guides in the following areas: (i) market risk, (ii) liquidity risk, and (iii) interest rate risk in the banking book. The guides contain supervisory attention points, tools, and procedures to be followed by BSD's on-site and off-site supervisors to analyze and assess the adequacy and effectiveness of banks' risk management framework. The guides focus on strengthening the effectiveness of the supervisory actions and provide additional criteria in the current risk assessment and scoring methodology (which is currently transitioning to a full SREP-like approach).

SUDAN

February 6-11, 2021: METAC assisted the Central Bank of Sudan (CBoS) to develop its capacity related to the BCBS standard on large exposures, which provides requirements for measuring, aggregating, and controlling single name concentration risk. It trained CBoS staff on the Basel large exposures standard, drafted regulation, and developed related prudential reporting. It also provided staff with the rationale and objectives of the large exposures' framework, its key aspects, and the implementation challenges that CBoS is likely to face.

The large exposures limits constrain the maximum loss a bank could face in the event of a sudden failure of a counterparty or a group of connected counterparties and help ensure that the bank remains a going concern. Especially where the bank's counterparty is another bank, large exposure limits can directly contribute towards the reduction of banking system contagion risk.

TUNISIA

May 4-8, 2020: METAC assisted the Central Bank of Tunisia (CBT), General Directorate of Banking Supervision (GDBS), on business continuity issues, notably with regard to liquidity contingency planning, and the development of an ILAAP framework. This involved three tasks: (i) determining how to best address the crisis management and the assessment of banks' business continuity planning; (ii) developing an ILAAP and training staff; and (iii) reemphasizing the importance of Internal Capital Adequacy Assessment Process and ILAAP as critical elements of the overall SREP. The daily sessions, which were set as training in the morning and workshop-style discussions in the afternoon, proved very effective in answering the authorities' concerns and motivating active participation.

November 23-27, 2020: METAC continued its support to the CBT, GDBS, to develop its capacity to assess banks' asset quality, through planning for the performance of an asset quality review (AQR) in 2021, including the design of a loan tape format aimed at supporting the performance of an AQR and drafting an AQR methodology, paying attention to adopting harmonized assessment methods and criteria. Emphasis was on: (i) implementing a thorough cash-flow analysis at the appropriate level; (ii) assessing debtors' solvency condition on "a going concern" basis only if the repayment capacity allowed for repayment with a reasonable time horizon; (iii) adopting

"liquidation approach" where such repayment capacity was not granted; (iv) adopting a harmonized but prudent approach in assessing value and effectiveness of collateral and guarantees; and (v) conducting all such assessments at debtors-group's level where repayments are dependent on an exclusive or predominant cash-flows source. The experts also issued reporting templates aimed at simplifying reporting and aggregating AQR outcomes, to address additional provisioning needs, losses occurred from the implementation of the liquidation approach, and impacts on risk-weighted assets on Tier 1 capital and on the solvency ratio.

YEMEN

May 10-15, 2020: METAC assisted the Directorate of Banking Supervision (DBS) of the Central Bank of Yemen (CBY) in the area of regulatory framework for Islamic banks. The following outputs were delivered: (i) identify key preconditions to be addressed in order to strengthen Islamic banking regulation and supervision; (ii) develop a comprehensive medium-term action plan for implementing an Islamic banking regulatory framework in compliance with IFSB standards—including five key elements for the authorities to develop in the short-term; and (iii) draft a comprehensive risk management framework regulation for Islamic banks, which provides a set of best practices for managing Islamic financial services and products undertaken through identifying, measuring, monitoring, mitigating, reporting and controlling relevant categories of risks.

August 30-September 3, 2020: A remote training, focusing on the required knowledge and capabilities to establish an effective on-site and off-site supervisory framework, and to strengthen risk-based supervision (RBS), was delivered to the Directorate of Banking Supervision of the Central Bank of Yemen. A preliminary

assessment identified the elements of the supervisory framework that could be further improved and aligned with international standards and best practices. One of key outputs of this activity was the production of an action plan to strengthen banking supervision with a focus on RBS building blocks. This plan will serve as a basis for future TA to Yemen.

PUBLIC FINANCIAL MANAGEMENT

AFGHANISTAN

June 22–July 30, 2020: A remote mission on fiscal risk management was conducted jointly with the IMF Fiscal Affairs (FAD) and Legal (LEG) departments. The emerging institutional framework for fiscal risk oversight and management needs to be strengthened, among others by fostering the responsibilities of the Oversight Board for state owned enterprises (SOEs). Fiscal risk oversight should continue to focus on the largest SOEs, with a more strategic approach and better financial information. Risks related to PPPs need to be integrated into the budget process alongside a disclosure of fiscal risks while the “gate-keeping” role of the ministry of finance needs to be fostered.

November 18–December 14, 2020: METAC supported the MoF to strengthen its fiscal risk function. The absence of proper mitigation measures for key risks, currently leads to an excessive use of the contingency budget and cash buffers. To improve fiscal risk disclosure, the Ministry should add a quantitative element to its fiscal risk analysis (and disclose it in its annual Fiscal Strategy Paper), particularly in relation to the largest SOEs—where there is an urgent need to improve quality and timeliness of financial information availability. Fiscal risks related to PPPs will increase in coming years, as 20 additional projects are in the pipeline for negotiation and execution. The Ministry should also disclose

contingent liabilities to enhance awareness among parliamentarians on medium-term fiscal implications.

ALGERIA

November 16–26, 2020: A joint activity with the FAD assisted the Algerian authorities in program-based budgeting and management of fiscal risks from SOEs. Both of these reforms are part of a broader agenda led by the MoF to implement the Organic Budget Law (OBL) voted in 2018. Building on the important progress the authorities made in program-based budgeting, the mission worked with authorities to define a coherent and realistic set of actions to take toward full implementation. Regarding surveillance of SOEs, the mission helped define the next steps to better collect financial data from key SOEs and developed capacities to perform quantitative and qualitative analysis of financial information.

This activity included a three-day workshop for senior officials from the MoF on: (i) benchmarking and good practices in implementation of program-based budgeting; (ii) practices from neighboring countries on surveillance of SOEs; and (iii) introducing FAD’s SOE financial performance tool, with a real example—and how it can be adapted to the Algerian context.

January 28, 2021: METAC provided support to the IMF Article IV consultations with the authorities, on the analysis of fiscal risks of SOEs. The support covered a discussion with key internal stakeholders of the current financial situation of SOEs, solutions to monitor their performance the risk they pose to the budget, and avenues for further CD from METAC. The key output of this support was an annex on fiscal risks of SOEs in the IMF staff report for the Article IV. This activity is part of a broader strategy to drive further the integration of

METAC’s CD activities in the broader work on macroeconomic surveillance of the IMF.

February 8–26, 2021: Further assistance was provided to the authorities on the implementation of program budgeting. While the agenda is advancing well, there are still pending matters regarding the definition of objectives and indicators for programs and the reengineering of budget execution processes. METAC facilitated practical workshop with stakeholders of the reform, both in the MoF and line ministries to discuss their respective new roles and better understand the new regulatory framework in program mode. METAC drafted a detailed outline of a budget execution manual in program mode and plan on assisting the authorities in developing it further during FY22.

EGYPT

October 26–November 6, 2020: A joint METAC-FAD mission supported the Egyptian authorities in updating their draft Fiscal Risk Statement to reflect recent economic and fiscal developments, including the COVID impact, drawing on international experience to identify good practices and emerging trends. The update provides a more structured outline to discuss the main factors that may cause fiscal outcomes to differ from initial budget assumptions and forecasts, such as changes in the macroeconomic environment and the financial position of public corporations. It also summarizes the impact of the COVID crisis on public finances and the mitigation measures the authorities took. A special attention is also granted to long-term fiscal risks, such as demographics and climate change.

December 7, 2020–February 19, 2021, April 4–16, 2021: With these two activities, METAC assisted the authorities to design a database to keep a record of PPP projects along with key financial

information and drafted a presentation on fiscal risks of PPPs for the PPP unit to use to disseminate the reforms to government senior officials. As an updated PPP law was prepared and is being discussed in parliament, METAC helped the authorities to update the corresponding regulations in order to improve surveillance of PPPs and coordination of the PPP process with the broader public investment management cycle.

IRAQ

December 7-21, 2020: METAC supported the MoF of Iraq to strengthen the management of guarantees, a source of significant fiscal risk. It provided assistance to enhance the existing guarantee registry so that it facilitates comprehensive financial monitoring. One of the key challenges for the Ministry is to assess the timing and likelihood of a guarantee being called, and to devise payment plans consistent with medium-term fiscal planning.

JORDAN

September 28-November 18, 2020: METAC supported the MoF to improve monitoring and reporting of financial activities in trust accounts, which are a non-negligible source of fiscal operations and risks. In order to improve oversight, statistical information should be directly captured from trust accounts on a monthly basis, so that all transactions with third parties are accounted for directly and in a timely manner. The use of the GFSM 2014 standard would provide for consistency of accounting and reporting, together with conducting regular reconciliation exercises. Finally, in terms of transparency, METAC recommended that trust accounts should be included in the budget, especially when they are used to fund service delivery, in order to enhance parliamentary oversight.

LEBANON

June 29-July 1, 2020: METAC organized, jointly with the Institute of Finance Basil Fuleihan, a workshop on PPP management. The objective was to develop further the capacity of government officials to analyze and report on PPP risks. Discussions focused on how the MoF can play its role effectively in monitoring and assessing PPP projects, and how the IMF P-FRAM model can be used to assess the risks of a PPP contract and to analyze risks and report on them to the Minister of Finance and other stakeholders. Twenty participants from three agencies attended the event—MoF, High Council for Privatization and PPPs, and Electricité du Liban. This multi-agency attendance allowed participants to better appreciate the respective role of each, and the criticality of cross-agency collaboration.

July 27-29, 2020: METAC held three webinars on medium-term budget planning, which was attended by 32 staff from the MoF and six sectoral ministries and agencies. Participants underscored the potential of medium-term budget planning to strengthen the allocation and management of budget resources and encourage results-based management. Participants also stressed the importance of strengthening Lebanon's current medium-term fiscal framework, in particular using fiscal rules, to increase budget transparency and improve linkages between economic perspectives and budget making. Finally, Lebanon can improve the transparency and efficiency of budget costing by introducing and unifying the use of costing parameter across government ministries and agencies.

March 15-21, 2021: METAC, jointly with the Institute of Finance Basil Fuleihan delivered a training to staff of the Lebanese MoF and SOEs on

strengthening surveillance of SOEs. The training presented practical tools to better analyze and report on financial performance and risks of SOEs as well as good practices from comparable countries and peers. The training was also an opportunity to discuss a roadmap to take first actions to improve availability of financial data from SOEs to the MoF to strengthen its surveillance function and internal reporting.

January 11-April 30, 2021: METAC collaborated with the United Nations Office for the Coordination of Humanitarian Affairs (OCHA) to provide input to their Lebanon monthly crisis monitoring dashboard. The center helped OCHA identify PFM and other key economic indicators, along with associated risks, likelihoods, and triggers, to feed into the monthly crisis monitoring dashboard. The dashboard is a tool aiming to monitor recent developments in Lebanon based on selected risks and associated indicators using available public data and information received from partners.

LIBYA

April 19-22, 2021: METAC, in collaboration with the Institute of Financial and Accounting Training of Libya, delivered a training on cash management to staff of the ministry of finance and the central bank of Libya. It provided an overview of the main objectives and functions of cash management such as cash forecasting, treasury single accounts, and coordination with other key functions like budget execution and debt management. The training included practical examples on how other fragile states rebuilt this core PFM function after a major conflict, and discussions with the authorities on the steps to take to apply those examples in the Libyan context.

MOROCCO

October 26–November 3, 2020:

METAC continued its support in setting an analytical framework to analyze the fiscal risks associated with PPPs. At a workshop attended by more than 20 participants from the MoF, the analysis provided in March 2019, which was based on simplified cases, was extended to a real PPP contract. The METAC team also discussed with participants and provided recommendations on the desired role of the budget department and the treasury in strengthening the integration of PPPs in the public investment and the budget process.

March 8–19, 2021: METAC trained the authorities on practical tools to analyze key SOEs financial ratios and associated fiscal risks. It discussed with participants the international experience related to surveillance of financial performance and risks of SOEs, including fiscal support provided by the government to SOEs during the COVID-19 pandemic. METAC also assisted the authorities in drafting a roadmap to progressively integrate in their risk framework some of the tools and experience presented at the workshop.

SUDAN

October 12–19, 2020: METAC supported the MoF to assess fiscal risks from SOEs. Gradually building up a comprehensive inventory of SOEs is a first important step towards more transparency. Timely and comprehensive financial reporting would allow fiscal risk assessments on operational profitability and balance sheet risks. The assessment of fiscal risk should initially focus on the largest SOEs and be expanded over time to smaller entities where build-up of risks is likely.

March 8–18, 2021: This joint FAD–METAC activity supported the treasury in the MoF and Economic

Planning (MoFEP) in improving cash management practices, particularly with a view to extending the cash programming horizon from one to three months. This extension will lead to better management of scarce resources, provide predictability for budgetary units in planning their expenditure and improve coordination with the Central Bank of Sudan. It will be key that the cash program is built on a combination of bottom-up projections on cash requirements from the ministries and agencies and top-down analysis from the treasury. METAC also provided recommendations for expanding the coverage of the TSA.

TUNISIA

December 8–January 8, 2020: METAC provided support to the IMF Article IV consultations, focusing on the financial situation and implications of SOEs. This was also an opportunity to discuss TA more broadly with officials from the MoF. METAC’s key outputs consisted of a presentation to senior officials on good practices in monitoring and reporting on SOEs, and an annex on this issue for the Article IV report.

YEMEN

August 31–November 10, 2020: METAC and FAD supported the MoF and the Central Bank of Yemen in rebuilding their PFM systems, in particular in the area of budget execution, to improve resource use and start building trust in the state. Twenty-six government officials from both agencies discussed and analyzed the complementarity of cash management and expenditure control, and how coordinating these two functions can help improve budget execution—especially oversight and transparency.

March 22–April 30, 2021: METAC assisted operational and senior staff of the Budget Sector Department and the Regulatory and Audit Control Department of the MoF to improve

expenditure control and reduce the accumulation of arrears. It provided recommendations on practical steps to adopt a new process for issuing quarterly allocations and commitments approval. While grounding budget execution on more realistic information, this will also provide the MoF additional flexibility to review updated cash projections.

REVENUE ADMINISTRATION

ALGERIA

January 4–28, 2021: METAC continued its support to the General Directorate of Taxes (DGI) on tax debt stock analysis and development of strategies for debt reduction and prevention. The mission found that the build-up of tax arrears is concentrated in small taxpayers, and that it has increased in 2020 to over 200 percent of annual revenues. The active management of almost all tax debts has stalled due to the pandemic. To slow the accumulation, a major re-scheduling of tax debts was recommended, for taxpayers affected by the pandemic, together with tighter controls over non-filing of recurrent obligations (value-added and wage taxes). The mission also recommended to engage debtors early on, especially those with a history of non-payment, and to maximize collections of tax debt before applying enforcement measures.

AFGHANISTAN

August 5–19, 2020: METAC supported the Afghanistan Customs Department (ACD) with their implementation of compliance risk management. The TA consisted in developing risk criteria, defining effective relationships between the Risk Management Unit and other ACD structures, developing Key Performance Indicators, and communicating more effectively and more broadly risk management principles and objectives to ACD staff.

January 25–February 8, 2021: METAC assessed the preparations made by the ACD for the introduction of VAT, planned for December 2021. It gathered information on ACD's activities, organization, and workload, and discussed the VAT Law and its consequences on customs work. It also identified some of the areas where action is needed and urged ACD to adopt a systematic approach to identify others.

February 7–March 7, 2021: This activity assisted the Afghanistan Revenue Department (ARD) in identifying issues and risks with VAT implementation and advised on mitigation actions. It evaluated the composition of the ARD VAT implementation plan and assessed its progress and achievability against the deadline of December 2021. Advice was also provided on gaps identified in the design of specific VAT business functions, and included a list of prioritized actions for the implementation of VAT.

EGYPT

September 6–October 3, 2020: METAC supported the Egyptian Tax Authority in analyzing the main causes of the accumulation of disputed tax debts, including procedural and legal reasons, and advised on actions to reduce such debts. The support included advice on improving monitoring and management of disputed tax debts, including how changes to the ETA's procedures and practices may result in a reduction in tax debts. This support is relevant to the key tax administration elements of the Medium-Term Revenue Strategy, which Egypt's MoF is putting together with TA from the IMF FAD.

IRAQ

January 10–31, 2021: METAC continued its support to the General Commission for Taxes (GCT) on management and governance

arrangements for a new tax IT system. There are significant delays in implementing previous advice, due to the fact that the current contract has not been signed and cooperation with the IT supplier has been cancelled. As such, METAC recommended that the authorities issue a new tender and redesign and validate a new IT strategic plan; it also mentioned the importance of not funding the IT system implementation and operation by increasing taxes.

January 17–February 4, 2021: METAC advised the General Customs Authority (GCA) on the development and application of procedures for valuation, origin and tariff classification of goods. Iraq's trade system is heavily regulated; the goods clearance process demands a large volume of documents, most of which are paper based. An IT system to support new business procedures meeting international commitments and standards is needed. METAC recommended that GCA should (i) review the legal and regulatory framework for customs; (ii) implement a modern customs transactions processing IT system to support operations (strengthen compliance, secure borders, combat fraud and corruption, improve productivity); and (iii) accelerate its recent bid to join the World Trade Organization. To achieve the above, a comprehensive strategic plan should be prepared, and a modernization project office should be created to be responsible for managing and monitoring all the reform activities and coordinate TA from various donors.

JORDAN

August 8–20, 2020: METAC supported Jordan's customs in the application of international standards for the valuation of goods and intangibles. The advice focused on cases of undervaluation of imports during the clearance process and post clearance audit. METAC also provided guidance to customs on how to apply World Trade

Organization's Valuation Agreement Method 2 and 3 regarding transaction values of identical/similar goods and adjustments, including to intellectual property, and international practice on software licenses.

September 15–October 6, 2020: METAC supported the Income and Sales Tax Department (ISTD) of Jordan on progressing in the implementation of an effective disputes process. This is an ongoing project, which main objective is to improve fairness for taxpayers by ensuring that disputes are resolved independently and as quickly as possible—especially those that can be easily avoided. The ISTD is making good progress in this project, in particular: (1) creating an independent Objections Division separate from the audit function; (2) established a Dispute Analysis Division, which has already started analyzing the causes of disputes. This CD activity has also supported ISTD in developing capacity in establishing indicators to monitor the performance of the disputes process and identify improvements. An updated action plan was prepared to further advance the implementation of this project.

December 2–16, 2020: METAC supported the ISTD of Jordan to develop compliance improvement plans for the Large Taxpayers Department and the Free Professionals Department. This activity focused on commencing the process of preparing the plans; a second activity in March/April 2021 will assist ISTD in finalizing them and readying them for implementation. Key recommendations included that compliance improvement should be based on a greater level of large taxpayers' risk analysis, and, for professionals, that the ISTD should formulate a clear picture of high risk sectors as well as a thorough understanding of how actual compliance (and its risks) relate to the profile and actions of non-complaint taxpayers.

March 14–April 8, 2021: METAC assisted the ISTD of Jordan in finalizing the formulation of compliance improvement plans for large taxpayers (LT) and free professionals (FP). Four separate approaches will be taken under the LT CIP based on taxpayers' risk rating: (i) provide assistance and undertake risk reviews to determine the likelihood and consequences of non-compliance; (ii) implement administrative and/or system changes to make complying easier; (iii) provide advice on law interpretation as it applies to a taxpayer's situation; and (iv) undertake audits and penalize as appropriate. Three measures will be taken under the FP CIP based on taxpayers' risk rating: (i) measures for facilitating compliance (services focus); (ii) measures for dealing with non-compliance (enforcement focus); (iii) a compliance campaign for the high-risk medical sector, as developed by METAC.

LEBANON

April 7–28, 2021: METAC assisted the Lebanese Tax Authority (LTA) on the management of its tax arrears, which stood at 173 percent of annual tax revenues collected by the LTA in 2019. Strategies were developed based on a segmentation of debtors and classification of debts. The assistance included an analysis of the impact of the COVID-19 pandemic and the on-going economic crisis on the stock of tax arrears. Several priority actions were recommended, including: (i) starting prioritizing the newest debts for follow-up as soon as possible; (ii) profiling large debtors; (iii) launching a new instalment scheme for all taxes; (iv) extending the role of tax auditors to assess taxpayers' net financial position and their capacity to pay, subject to audit.

April 18–30, 2021: METAC also assisted the LTA on how to identify, assess and prioritize compliance risks. A Compliance Committee has

been established in the LTA with overall responsibility for the adoption of a Compliance Risk Management approach. In addition, given more recent economic turmoil caused by the ongoing financial and foreign exchange crises, assistance was given to develop specific compliance treatment strategies for previously compliant taxpayers who now present challenges to the LTA.

MOROCCO

March 1–15, 2021: METAC supported the General Directorate of Taxes (GDT) on the development of a structure and governance arrangements for sound risk management. As risk management in the GDT is currently fragmented, METAC recommended to consolidate all types of risks into one risk management unit and to create a risk committee.

SUDAN

August 10–27, 2020: METAC assisted the Sudan Taxation Chamber (STC) in the implementation of a compliance risk management structure and processes. This is a follow-up activity, which took participants through the risk identification, assessment, and prioritization processes, and how to develop mitigation/treatment strategies (using the cash economy as a case study). The compliance risks were addressed by tax type (e.g. VAT, corporate and personal income taxes) and pillars of compliance (e.g. registration, filing, payment). Future TA will focus on how to identify, assess, and mitigate risk by economic sector.

August 31–September 17, 2020: METAC also assisted the STC in developing a business continuity plan to maintain tax collections and critical tax administration functions during the COVID-19 pandemic. Following in-depth discussions of how the STC had so far addressed

these matters under lockdown, a customized plan was prepared for approval by STC's Secretary General. The plan identified which functions (including support functions) were mission critical and would need to be continued in the event of a further wave of infections—or future similar events. It also addressed priorities in dealing with work backlogs caused by the closure of STC offices during the lockdown.

February 15–March 14, 2021: METAC advised the Sudan Customs Authority (SCA) on the integration of risk management into the excise duty function. It provided recommendations on (i) a pilot program proposed by the SCA to implement voluntary compliance to iron producing sector ahead of a broader roll-out; (ii) developing an enhanced excise licensing system; (iii) developing reporting mechanisms to remotely monitor risk; (iv) extending current post clearance audit capabilities to excises; and (v) supporting industry in the new self-assessed environment.

REAL SECTOR STATISTICS

AFGHANISTAN

October 11–November 19, 2020: METAC assisted the National Statistics and Information Authority (NSIA) to develop quarterly national accounts (QNA). Training was provided to 14 staff on concepts and methods of compiling QNA. Existing sub-annual statistics were assessed by measuring their benchmark-to-indicator ratios and correlations with the annual estimates. The NSIA will continue to investigate issues discovered in order to increase the coverage and quality of quarterly indicators.

DJIBOUTI

February 14–25, 2021: METAC assisted the National Institute of Statistics of Djibouti (INSD) to develop the national

accounts compilation system, finalize the 2014-2018 GDP estimates, and compile the preliminary 2019-2020 GDP estimates. It also assisted with the incorporation of data on the activities of ports and free zones and compiled the preliminary 2019-2020 GDP estimates.

EGYPT

March 14-25, 2021: The mission assisted the Egyptian Ministry of Planning and Economic Development (MoPED) progress the development of annual financial accounts and balance sheets statistics. Newly received data sources were assessed and compilation of preliminary estimates of balance sheets was initiated.

April 4-8, 2021: The mission assisted the MoPED assess and classify existing measures of the non-observed economy. Strategies and methods to measure more of the non-observed economy were also recommended.

IRAQ

July 19-30, 2020: METAC assist the Central Organization of Statistics and Information Technologies (COSIT) of Iraq with the development of the PPI, in particular rebasing it to 2020 using weights from the economic survey of 2018. Training was also provided to COSIT staff on how more detailed data collection could be carried out.

October 25-February 4, 2021: METAC assisted COSIT to set up a system to compile SUTs. It provided training on key concepts and helped develop a supply-use classification framework and organize the source data files.

JORDAN

February 28-March 11, 2021: METAC assisted the Department of Statistics of Jordan (DOS) progress toward

the compilation of 2017-2018 annual GDP estimates directly from primary annual statistics. It developed a system to analyze, validate, and adjust the primary statistics; it established the framework for supply-use compilation system; and it drafted a strategy and roadmap to disseminate 2017-18 GDP and revise quarterly GDP by the third quarter of 2021.

LEBANON

June 1-12, 2020: METAC assisted the Central Administration for Statistics (CAS) in addressing CPI continuity issues related to the COVID-19 crisis. The key outcomes included: (i) compiling the indexes for March, April, and May 2020; (ii) drafting a statement on the impact of COVID-19 on the CPI; and (iii) developing a plan going forward for the continued timely monthly release of CPI data.

August 6-7, 2020: METAC assisted CAS in incorporating new quarterly data into the estimation of the output and value added of financial institutions. This was done on a very short notice from the authorities to allow for timely production of quarterly GDP estimates, especially given the financial crisis that the country is going through.

April 19-30, 2021: METAC assisted CAS to compile institutional sector accounts for general government and the rest of the world.

LIBYA

July 20-30, 2020: METAC assisted the Libyan Bureau of Statistics and Census to improve CPI compilation methods and addressing continuity issues related to the COVID-19 pandemic. The assistance identified improvements to the collection of rent, demonstrated techniques to impute for missing prices and indexes, and identified potential sources to partially update CPI weights.

MOROCCO

September 8-October 9, 2020: METAC assisted the *Haut Commissariat au Plan* of Morocco to begin development of PPIs for the service sector (SPPIs). It provided training on SPPIs compilation to ten staff and set out an initial roadmap to guide staff in the compilation of SPPIs. The development of SPPIs will lead to a better understanding of the origins of inflation and their incorporation in the compilation of national accounts will improve the measurement of economic growth in volume terms.

SUDAN

August 16-27, 2020: METAC reviewed the status of the national accounts. It assessed the sources and methods and provided training to the national accounts staff on revising the GDP estimates using a supply-use framework.

October 18-November 29, 2020, March 19-28, 2021: These two CD activities assisted the Central Bureau of Statistics (CBS) to update the CPI. Key outcomes included: (i) updating the weights and the product basket to 2014/15; (ii) producing the CPI with a new base year and advising on how to produce an index series for long-term analysis; and (iii) training on CPI compilation methods. Significant progress has been made, and the CBS expects to publish a new CPI in the second quarter of 2021.

TUNISIA

June 16-27, 2020: METAC assisted the *Institut National de la Statistique* in the development of sectoral financial accounts. This included the compilation of a preliminary table for stocks of financial assets and liabilities. Sectoral financial accounts contribute to better macroeconomic management as they offer a complete picture of the flow of funds in the economy. They also inform macroprudential policies by reporting

the gross and net debt positions, evolutions of the domestic sectors, and the interrelations between them.

WEST BANK AND GAZA

August 9-13, 2020: METAC assisted the Palestinian Central Bureau of Statistics (PCBS) to compile an IOT for economic modeling. IOTs allow analysts to model “what if?” questions at a detailed level, exploring the impact of exogenous changes in final demand on output. For example, “What is the effect on industrial output that would result from an increase in public expenditure to combat a recession or

unemployment?” The compiled IOT was an industry-by-industry table based on the 2017 SUTs that were compiled and published in December 2019. As part of the process of compiling the IOT, the following tables were also compiled: SUTs at basic prices, imports use table, domestic use table, and Leontief inverse matrix.

February 21-25, 2021: METAC recommended improvements to the methodology used by the PCBS to compile GDP at constant prices. It also provided guidance and a roadmap to move from fixed-base year constant price estimates to chain-linked volume measures.

YEMEN

August 16-27, 2020: METAC assisted staff of the Central Statistical Organization of Yemen to address missing observations in the CPI. It provided guidance on methods to measure price changes for items whose price collection was suspended for security or COVID-19 reasons. This included interpolating missing observations between January 2019 and March 2020, where only prices for food and tobacco were collected. Implementation of the recommendations will allow the CPI to better reflect inflation.

ANNEX III

LIST OF ISSUED
TECHNICAL
ASSISTANCE REPORTS

LIST OF ISSUED TECHNICAL ASSISTANCE REPORTS

	Country	Transmission Date
Public Financial Management		
Fiscal Risk Statement	Lebanon	10-Feb-20
Cash Planning and Forecasting	Afghanistan	23-Feb-20
Publishing a Fiscal Risk Statement	Egypt	25-Feb-20
Budget Management	Yemen	20-Feb-20
Roadmap to Establish a Macro Fiscal Unit	Libya	3-Mar-20
Appui à l'amélioration des prévisions de trésorerie et à la mise en œuvre du compte unique du Trésor	Djibouti	28-Aug-20
Guarantees and Extra-Budgetary Funds Management	Iraq	22-Sep-20
Improving Surveillance of State-Owned Enterprises	Egypt	9-Sep-20
Fiscal Risk Advisory	Sudan	23-Sep-20
Update of the Fiscal Risk Statement	Egypt	12-Jan-21
Fiscal Risk Management for State-Owned Enterprises	Sudan	9-Feb-21
Revenue Administration		
Follow-up Technical Assistance Report on Improvement Compliance Risk	Lebanon	6-Mar-20
Review of VAT Implementation and the Proposed Refund System	Afghanistan	11-May-20
Progressing Compliance Risks Management	Egypt	11-May-20
Strategic Planning and Performance Measurement in the Egyptian Customs Authority	Egypt	8-Jul-20
Risk Management in the Afghan Customs Department	Afghanistan	19-Oct-20
Management Arrangements and Implementation of New Tax Information Technology System	Iraq	26-Nov-20
Follow-up Technical Assistance on Improving Compliance Risk Management	Sudan	20-Nov-20
Effective Application of Valuation Procedures	Jordan	23-Dec-20
Statistics		
External Sector Statistics	Iraq	6-May-20
National Accounts	Iraq	23-Apr-20
Financial Accounts	Tunisia	26-Aug-20
National Accounts	Lebanon	26-May-20
Supply and Use Tables in Constant Prices	Egypt	7-May-20
Supply and Use Tables	Jordan	1-Jul-20
Compilation of Input-Output Tables	West and Bank and Gaza	29-Sep-20
National Accounts	Djibouti	6-Mar-20
Financial Accounts	Tunisia	3-Apr-20
Producer Price Index	Iraq	7-Sep-20
National Accounts	Sudan	15-Nov-20
Price Statistics	Sudan	28-Jan-21

Note: Reports prepared as drafts in FY21 and pending finalization and transmission to the authorities in FY22 are not included in this table.

ANNEX IV

WORKPLAN FOR
FISCAL YEAR 2022

WORKPLAN FOR FISCAL YEAR 2022
MAY 2021-APRIL 2022

	Objective	Description	Outcome	Milestones	Output	Quarter	Person-days			
							HQ	LTX	STX	Total
Total Workplan							66	1031	851	1948
Outreach and Regional Projects							46	82	54	182
BRS	Develop/ strengthen regulatory framework and supervisory tools to address specific risks in Islamic banking	CEF Web course on Islamic Banking regulation and supervision	Supervisors have the necessary capacity to upgrade banking regulations and effectively apply them	Supervisors receive adequate training about the latest international applicable standards and best supervisory practices Supervisors incorporate the new regulatory requirements in their supervisory processes and activities	Training material	Q1	8	12	8	28
BRS	Develop/ strengthen cybersecurity regulations and supervisory frameworks	METAC Webinar on Cybersecurity regulatory framework	A legal/regulatory framework underpinning the implementation of regulation and supervision of cybersecurity risk are enacted/ strengthened in line with international standards	New/revised laws, regulations and guidelines are drafted	Training material	Q2	8	8	8	24
PFM	Improved coverage and quality of fiscal reporting	CEF regional course on improving fiscal transparency	Comprehensiveness, frequency, and quality of fiscal reports is enhanced	Good practice regarding fiscal transparency is disseminated at the regional level	Workshop material	Q2	0	12	10	22
PFM	Comprehensive, credible, and policy-based budget preparation	CEF regional course on budget tools and planning (September 2021)	A more credible medium-term budget framework is integrated with the annual budget process	Good practice about medium-term budgeting is disseminated at the regional level	Workshop material	Q2	0	10	8	18

	Objective	Description	Outcome	Milestones	Output	Quarter	Person-days			
							HQ	LTX	STX	Total
REV	Strengthened revenue administration management and governance arrangements (SDG 17.1)	METAC remote webinar on Post Crisis Revenue Generation for Tax Administration	Capacity for reform increased due to clear reform strategy and a strategic management framework adopted and institutionalized	Knowledge is acquired on an action plan Post Crisis Revenue Generation for Tax Administration	Workshop material	Q1	10	10	0	20
REV	Strengthened revenue administration management and governance arrangements (SDG 17.1)	Advice on Good Practices for Governance in Tax Administration	Authorities have a baseline understanding of the current state of the government's revenue administration, management, and governance arrangements and core revenue administration operations	Knowledge is acquired on good practices of Governance in Tax administration	Workshop material	Q2	10	12	0	22
RSS	Strengthen compilation and dissemination of national accounts statistics for decision making according to the relevant internationally accepted statistical standard	METAC Regional Workshop on National Accounts	Staff capacity increased	Staff from NSOs trained on treatment of COVID-related government interventions	Workshop material	Q1	0	14	10	24
RSS	Strengthen compilation and dissemination of prices statistics for decision making according to the relevant internationally accepted statistical standard	METAC Regional Workshop on Prices	Staff capacity increased	Staff trained on price statistics concepts	Workshop material	Q3	10	4	10	24

	Objective	Description	Outcome	Milestones	Output	Quarter	Person-days			
							HQ	LTX	STX	Total
Afghanistan							0	111	75	186
BRS	Improve accounting and prudential provisioning regulatory guidelines	TA on IFRS 9, provisioning guidelines and reporting requirement	Enhanced IFRS knowledge by CB supervisors and banks	Revised and updated provisioning assessment process is in place that reflects the requirements of international standards and best practices Supervisory inspection reports reflect well the provisioning needed against the impairment of credit risk	TA report	Q3	0	13	11	24
BRS	Develop/strengthen banking regulations and prudential norms	TA on timely address of unsafe and unsound practices and subsequent enforcement of proportionate prompt corrective actions	Unsafe and unsound practices or activities that could pose risks to banks or to the banking system are timely addressed	An early warning system is put in place to detect at an early stage risks that may threaten banks' soundness and safety Supervisory processes are reviewed for gaps in monitoring and supervising weak / problem banks and enforcing corrective action	TA report	Q3	0	13	11	24
PFM	Comprehensive, credible, and policy-based budget preparation	Review of macro fiscal planning and improvement of Fiscal Strategy	A more credible medium-term macro-fiscal framework that supports budget preparation	Fiscal strategy enhanced with deviation on planned/executed budget	TA report	Q2	0	14	10	24
PFM	Comprehensive, credible, and policy-based budget preparation	Multi-year budgeting of public investment	Planning and budgeting for public investments is more credible	A forward estimate for 80% of public investment expenditures is available	TA report	Q3	0	10	10	20

	Objective	Description	Outcome	Milestones	Output	Quarter	Person-days			
							HQ	LTX	STX	Total
PFM	Strengthened identification, monitoring, and management of fiscal risks	Follow-up on strengthening of the fiscal risk function	Disclosure and management of contingent liabilities and other specific risks are more comprehensive	Sections on fiscal risks from PPPs and SOEs in the Fiscal Strategy Paper are further expanded with quantitative information	Workshop material (technical notes)	Q1	0	14	10	24
REV	Strengthened revenue administration management and governance arrangements	Identifying issues on VAT implementation in the Revenue Department	Effective implementation of a new tax or modernized legislation	Mitigation actions for the issues identified in VAT in tax administration are taken	TA report	Q2	0	10	10	20
REV	Strengthened revenue administration management and governance arrangements	Identifying issues on VAT implementation in the Customs Department	Effective implementation of a new tax or modernized legislation	Mitigation actions for the issues identified in customs are taken	TA report	Q3	0	12	13	25
RSS	Strengthen compilation and dissemination of national accounts statistics for decision making according to the relevant internationally accepted statistical standard	Backcast the annual national accounts	Coverage and scope	Review quarterly indicators Set up quarterly GDP compilation system	TA report	Q2	0	14	0	14
RSS	Strengthen compilation and dissemination of national accounts statistics for decision making according to the relevant internationally accepted statistical standard	Development of quarterly national accounts	Longer time series	Publish longer time series of revised national accounts	TA report	Q3	0	11	0	11

	Objective	Description	Outcome	Milestones	Output	Quarter	Person-days			
							HQ	LTX	STX	Total
Algeria							0	33	33	66
PFM	Comprehensive, credible, and policy-based budget preparation	Follow-up on program-based budgeting	Information on resources and performance by program is included in budget documentation	A draft manual for budget execution in a program mode is available	TA report	Q1	0	14	10	24
PFM	Strengthened identification, monitoring, and management of fiscal risks	Development of the institutional framework to improve surveillance of SOEs and public entities	Central fiscal oversight and analysis of public corporation risks are strengthened	The Ministry of Finance performs financial analysis on fiscal risks stemming from SOEs	TA report	Q2	0	14	10	24
REV	Strengthened core tax administration functions (SDG 17.1)	Development of strategies to improve on-time payment ratio	A larger proportion of taxpayers meet their payment obligations as required by law	On-time payment ratio is improved	TA report	Q3	0	5	13	18
Djibouti							0	52	53	105
BRS	Implement an RBS system and upgrade other supervisory processes	TA on risk-based supervision	Bank risk assessment frameworks strengthened (quality and timeliness of regulatory data and flexibility of reporting system)	Bank risk assessment frameworks strengthened (quality and timeliness of regulatory data and flexibility of reporting system)	TA report	Q3	0	19	18	37
PFM	Improved asset and liability management	Follow-up on TSA and cash management	More central government revenues and expenditures are deposited and disbursed through a Treasury Single Account (TSA)	Agreements with commercial banks on how to operate the TSA are drafted	TA report	Q4	0	5	10	15
PFM	Comprehensive, credible, and policy-based budget preparation	Development of the medium-term fiscal framework	A more credible medium-term macro-fiscal framework that supports budget preparation	An updated methodology to improve revenue forecasting is available	TA report	Q4	0	12	10	22

	Objective	Description	Outcome	Milestones	Output	Quarter	Person-days			
							HQ	LTX	STX	Total
RSS	Strengthen compilation and dissemination of national accounts statistics for decision making according to the relevant internationally accepted statistical standard	Compilation of supply and use tables	New data set	Supply and use tables compiled for rebasing exercise	TA report	Q4	0	16	15	31
Egypt							0	94	99	193
BRS	Develop/ strengthen banks' regulation and supervision frameworks	TOPIC 1 from CBE priority TA list (to be determined after MCM & country team discussions with the CBE)	Supervisors have the necessary capacity to upgrade banking regulations	Supervisors regularly update the regulatory framework to account for evolving banking risks and to reflect latest developments in international standards	TA report	Q1	0	11	9	20
BRS	Develop/ strengthen banks' regulation and supervision frameworks	TOPIC 2 from CBE priority TA list (to be determined after MCM & country team discussions with the CBE)	Supervisors have the necessary capacity to upgrade banking regulations	Supervisors regularly update the regulatory framework to account for evolving banking risks and to reflect latest developments in international standards	TA report	Q1	0	11	9	20
BRS	Develop/ strengthen banks' regulation and supervision frameworks	TOPIC 3 from CBE priority TA list (to be determined after MCM & country team discussions with the CBE)	Supervisors have the necessary capacity to upgrade banking regulations	Supervisors regularly update the regulatory framework to account for evolving banking risks and to reflect latest developments in international standards	TA report	Q1	0	11	9	20

	Objective	Description	Outcome	Milestones	Output	Quarter	Person-days			
							HQ	LTX	STX	Total
PFM	Strengthened identification, monitoring, and management of fiscal risks	Development of the institutional framework for governance and transparency of public corporations	Central fiscal oversight and analysis of public corporation risks are strengthened	The Ministry of Finance performs financial analysis on fiscal risks stemming from SOEs	Workshop material	Q3	0	12	10	22
PFM	Strengthened identification, monitoring, and management of fiscal risks	Development of capacity to assess fiscal costs and risks from PPPs	Disclosure and management of contingent liabilities and other specific risks are more comprehensive	The fiscal risk statement presenting key fiscal costs and risks arising from PPPs is improved	Workshop material	Q3	0	12	10	22
REV	Strengthened revenue administration management and governance arrangements	Follow-up on the development of a compliance risk management function	Corporate priorities are better managed through effective risk management	An action plan to identify, assess, rank and quantify compliance risks is developed	TA report	Q4	0	5	17	22
REV	Strengthen revenue administration management and governance arrangements	Follow-up on advice on the usage of the Management Information System (MIS) for better evaluation and regular reporting of operational performance	Support functions enable more effective delivery of strategy and reforms	The MIS provides for regular evaluation and reporting of operational performance	TA report	Q3	0	10	10	20
RSS	Strengthen compilation and dissemination of national accounts statistics for decision making according to the relevant internationally accepted statistical standard	Compilation of supply, use, and input-output tables	Statistical techniques	Update methods to compile supply and use tables Automate compilation of input-output tables	TA report	Q1	0	14	0	14

	Objective	Description	Outcome	Milestones	Output	Quarter	Person-days			
							HQ	LTX	STX	Total
RSS	Strengthen compilation and dissemination of national accounts statistics for decision making according to the relevant internationally accepted statistical standard	Compilation of financial accumulation accounts and balance sheets	Coverage and scope	Set up compilation system for financial accounts	TA report	Q2	0	4	10	14
RSS	Strengthen compilation and dissemination of national accounts statistics for decision making according to the relevant internationally accepted statistical standard	Measurement of the non-observed economy	Coverage and scope	Acceptable methods used to estimate the non-observed economy	TA report	Q3	0	4	15	19
Iraq							0	82	72	154
BRS	Develop/strengthen banking regulations and prudential norms	Workshop on risk management regulation (Concentration risk, Interest rate risk management, Market risk management (foreign exchange position and commodity risk), Operational risk management and supervisory actions after new CAR reporting	Supervisors and regulations require banks to apply risk measurement and management on a timely basis	Banking risks and activities are reviewed and appropriate recommendations for risk identification, measurement and mitigation are provided	Training material	Q1	0	9	9	18

	Objective	Description	Outcome	Milestones	Output	Quarter	Person-days			
							HQ	LTX	STX	Total
BRS	Develop/ strengthen regulatory framework and supervisory tools to address specific risks in Islamic banking - IBR	TA on Islamic Banking Financial Statements and prudential reporting	Adapted or new prudential framework for IIBS in place	Amendments and/ or redrafting of regulations and guidelines are made by relevant authorities, significantly along lines recommended by IMF	TA report	Q2	0	9	9	18
PFM	Improved budget execution and control	Addressing expenditure arrears and monitoring	Budget execution monitoring and controls are strengthened	An arrears clearing plan with prioritized expenditures is available	TA report	Q3	0	12	10	22
PFM	Comprehensive, credible, and policy-based budget preparation	Developing a strategic approach to medium-term budgeting	A more credible medium-term budget framework is integrated with the annual budget process	A strategic plan for MTBF implementation is available	TA report	Q2	0	14	10	24
REV	Strengthened core tax administration functions (SDG 17.1)	Advice on audit and verification	Audit and other verification programs more effectively ensure accuracy of reporting	Cross - checking procedures to verify returns are developed	TA report	Q3	0	12	17	29
REV	Strengthened core tax administration functions (SDG 17.1)	Advice on audit and verification for different sectors	Audit and other verification programs more effectively ensure accuracy of reporting	Range of audit and verification types are in place	TA report	Q4	0	12	17	29
RSS	Strengthen compilation and dissemination of national accounts statistics for decision making according to the relevant internationally accepted statistical standard	Improvement of annual national accounts	Concepts and definitions	Output of financial sector valued correctly	TA report	Q1	0	14	0	14

	Objective	Description	Outcome	Milestones	Output	Quarter	Person-days			
							HQ	LTX	STX	Total
Jordan							0	94	50	144
PFM	Comprehensive, credible, and policy-based budget preparation	Review of practices of medium-term budgeting - and its link with macro fiscal planning	A more credible medium-term budget framework is integrated with the annual budget process	A concept to align bottom-up costing with top-down budgeting is available	TA report	Q4	0	10	10	20
PFM	Comprehensive, credible, and policy-based budget preparation	Follow-up on macro fiscal planning, supporting the new unit and its tools	A more credible medium-term macro-fiscal framework that supports budget preparation	Building from the existing forecasting, a first MTFE is available	Workshop material (technical notes)	Q3	0	12	10	22
PFM	Strengthened identification, monitoring, and management of fiscal risks	Follow-up to the FTE Building the fiscal risk function in the new macro fiscal unit	Analysis, disclosure and management of other specific fiscal risks are more comprehensive	Key fiscal risks (SOE/PPP) are disclosed in the Fiscal Strategy	Workshop material (technical notes)	Q2	0	14	10	24
REV	Strengthened revenue administration management and governance arrangements (SDG 17.1)	Follow-up on the development of an independent and effective tax dispute resolution process	More independent, accessible, effective and timely dispute resolution mechanisms adopted	Newly established divisions for objections and disputes analysis are fully operational	TA report	Q1	0	9	10	19
REV	Strengthened revenue administration management and governance arrangements (SDG 17.1)	Follow-up on developing a compliance improvement plan for the LTO and for free professionals' sector	Corporate priorities are better managed through effective risk management	A compliance improvement program for Large Taxpayers department and Free Professional sector is in place	TA report	Q1	0	9	10	19
REV	HQ mission	Assessing readiness of and assisting the ISTD with implementation of the TP/legal changes for closing revenue loopholes				Q2	0	10	0	10

	Objective	Description	Outcome	Milestones	Output	Quarter	Person-days			
							HQ	LTX	STX	Total
RSS	Strengthen compilation and dissemination of national accounts statistics for decision making according to the relevant internationally accepted statistical standard	Improve compilation methods for annual national accounts	Statistical techniques	Implement supply-use framework for annual national accounts compilation	TA report	Q1	0	14	0	14
RSS	Strengthen compilation and dissemination of national accounts statistics for decision making according to the relevant internationally accepted statistical standard	Improvement of consistency of quarterly and annual statistics	Internal consistency	Review and reconcile primary statistics derived from annual and quarterly industry surveys	TA report	Q3	0	16	0	16
Lebanon							10	84	45	139
PFM	Strengthened identification, monitoring, and management of fiscal risks	Development of the institutional framework for governance and transparency of public corporations	Central fiscal oversight and analysis of public corporation risks are strengthened	The Ministry of Finance performs financial analysis on fiscal risks stemming from SOEs	TA report	Q1	0	14	10	24
PFM	Improved coverage and quality of fiscal reporting	Fiscal reporting and transparency	Comprehensiveness, frequency, and quality of fiscal reports is enhanced	Quality, timeliness and publication of fiscal reports is improved	TA report	Q1	0	14	10	24
PFM	Comprehensive, credible, and policy-based budget preparation	Ministerial gender budget statement in Ministry of Agriculture	A more comprehensive and unified annual budget is published	A first ministerial gender budget statement (Agriculture Ministry) is published	Workshop material	Q1	0	8	5	13

	Objective	Description	Outcome	Milestones	Output	Quarter	Person-days			
							HQ	LTX	STX	Total
PFM	Improved asset and liability management	Joint work with the World Bank on the TSA and cash management project	More central government revenues and expenditures are deposited and disbursed through a Treasury Single Account	A draft architecture for the Treasury Single Account is made available to the authorities	Workshop material	Q2	0	12	0	12
REV	Strengthened core tax administration functions (SDG 17.1)	Follow up on the development of a strategy for debt reduction and debt prevention	A larger proportion of taxpayers meet their payment obligations as required by law	A strategy for debt collection and debt prevention is developed	TA report	Q2	0	9	10	19
REV	Strengthened revenue administration management and governance arrangements (SDG 17.1)	Follow -up on development of Project Management Office	Organizational arrangements enable more effective delivery of strategy and reforms	Developing actions plan for the establishment of a Project Management Office	TA report	Q2	0	9	10	19
RSS	Strengthen compilation and dissemination of national accounts statistics for decision making according to the relevant internationally accepted statistical standard	Improve quarterly national accounts	Statistical techniques	Properly account for fluctuations in the exchange rate Enhance compilation system to use alternative data sources when faced with missing data	TA report	Q2	0	14	0	14
RSS	Strengthen compilation and dissemination of prices statistics for decision making according to the relevant internationally accepted statistical standard	Development of CPI and PPI	Statistical techniques	Correct treatment of product substitution and large exchange rate fluctuations PPI regularly compiled for manufacturing activities, electricity, gas and water	TA report	Q2	10	4	0	14

	Objective	Description	Outcome	Milestones	Output	Quarter	Person-days			
							HQ	LTX	STX	Total
Libya							0	24	30	54
PFM	Comprehensive, credible, and policy-based budget preparation	Budget preparation and comprehensiveness of budget documentation	A more comprehensive and unified annual budget is published	The Budget law is more comprehensive and includes a discussion on fiscal risks	TA report	Q1	0	10	10	20
PFM	Comprehensive, credible, and policy-based budget preparation	Development of the macro-fiscal function	A more credible medium-term macro-fiscal framework that supports budget preparation	More credible forecast serve as input to the annual budget process and the budget circular contains medium-term key fiscal aggregates	Workshop material	Q2	0	10	10	20
RSS	Strengthen compilation and dissemination of prices statistics for decision making according to the relevant internationally accepted statistical standard	Development of the PPI	Concepts and definitions	Review of the methodology used in tabulating, collecting and disseminating data	TA report	Q3	0	4	10	14
Morocco							0	80	68	148
BRS	Develop/strengthen banks' regulation and supervision frameworks	Workshop: supervision of market risk in the context of a flexible exchange rate	Supervisors and regulations require banks to apply risk measurement and management on a timely basis	Banking risks and activities are reviewed and appropriate recommendations for risk identification, measurement and mitigation are provided	Training material	Q1	0	9	9	18
BRS	Implement Basel II and III standards	TA: SREP implementation	Banks' capital level reflects risk profile, risk acceptance, business strategy	Supervisors integrate this assessment of banks' capital adequacy in the supervisory framework so as to better tailor supervisory activities to the risk profile of each bank	TA report	Q2	0	11	9	20

	Objective	Description	Outcome	Milestones	Output	Quarter	Person-days			
							HQ	LTX	STX	Total
PFM	Improved asset and liability management	Review of cash management arrangements	Cash flow forecasts for central government is more accurate and timelier	A decree to operationalize the new cash flow forecast process is available	TA report	Q3	0	12	7	19
PFM	Strengthened identification, monitoring, and management of fiscal risks	Fiscal risk management from Public corporations	Disclosure and management of contingent liabilities and other specific risks are more comprehensive	The Ministry of Finance performs financial analysis on fiscal risks stemming from SOEs	TA report	Q2	0	12	10	22
REV	Strengthened revenue administration management and governance arrangements	Improving compliance risk management implementation in customs administration	Corporate priorities are better managed through effective risk management	Selection of the Post Clearance Audit cases based on risk management, is applied	TA report	Q2	0	9	10	19
REV	Strengthened revenue administration management and governance arrangements (SDG 17.1)	Developing a Compliance Improvement Plan	Corporate priorities are better managed through effective risk management	An action to establish a compliance improvement plan to mitigate identified risks is developed	TA report	Q4	0	15	13	28
RSS	Strengthen compilation and dissemination of national accounts statistics for decision making according to the relevant internationally accepted statistical standard	National accounts workshop	Staff capacity increased	Staff are trained on national accounts concepts	Workshop material	Q2	0	12	10	22
Sudan							0	118	86	204
BRS	Implement Basel II and III standards	TA: Developing the Basel III Liquidity framework (LCR ratio)	Banks have a robust liquidity position to withstand shocks in the short-term	Banks assess the impact of the implementation of the new regulations	TA report	Q3	0	13	11	24
BRS	Implement Basel II and III standards	TA: Developing the Basel III Liquidity framework (NSFR ratio)	Banks have a robust liquidity position to withstand shocks in the short-term	Banks assess the impact of the implementation of the new regulations	TA report	Q4	0	13	11	24

	Objective	Description	Outcome	Milestones	Output	Quarter	Person-days			
							HQ	LTX	STX	Total
PFM	Comprehensive, credible, and policy-based budget preparation	Review of budget planning practices	A more comprehensive and unified annual budget is published	A concept to establish systematic costing and alignment with top-down budgeting is available	TA report	Q2	0	14	10	24
PFM	Comprehensive, credible, and policy-based budget preparation	Building a MTF - follow-up in macro fiscal planning	A more credible medium-term macro-fiscal framework that supports budget preparation	The MTF is used to inform the budget planning exercise for 2023	Workshop material (technical notes)	Q1	0	14	10	24
PFM	Strengthened identification, monitoring, and management of fiscal risks	Strengthening SOE oversight and fiscal risk analysis and management (follow up)	Analysis, disclosure and fiscal oversight of public corporation risks are strengthened	Fiscal risks related to the five largest SOEs are disclosed	TA report	Q3	0	10	10	20
REV	Improved customs administration core functions (SDG 17.1)	Implementation of compliance risk management for excise duties within Sudan Customs authority	Audit and anti-smuggling programs more effectively ensure enforcement of customs laws	Prepare an action plan for the establishment of a Compliance Improvement Plan for excise duties	TA report	Q3	0	12	17	29
REV	Strengthened revenue administration management and governance arrangements (SDG 17.1)	Follow-up on development of compliance risk management function	Corporate priorities are better managed through effective risk management	Identified tax compliance risks are assessed and prioritized	TA report	Q4	0	12	17	29
RSS	Strengthen compilation and dissemination of national accounts statistics for decision making according to the relevant internationally accepted statistical standard	Compilation of supply and use tables	New data set	Compile initial estimates for supply and tables from primary statistics	TA report	Q2	0	14	0	14

	Objective	Description	Outcome	Milestones	Output	Quarter	Person-days			
							HQ	LTX	STX	Total
RSS	Strengthen compilation and dissemination of national accounts statistics for decision making according to the relevant internationally accepted statistical standard	Quarterly national accounts	Coverage and scope	Set up quarterly GDP compilation system	TA report	Q3	0	16	0	16
Tunisia							10	63	58	131
BRS	Implement Basel II and III standards	Developing the Basel III Liquidity framework (NSFR ratio)	Banks have a robust liquidity position to withstand shocks in the short-term	Banks assess the impact of the implementation of the new regulations	TA report	Q2	0	11	9	20
BRS	Develop/strengthen banking regulations and prudential norms	Developing the ILAAP regulation & strengthening liquidity supervision	Supervisors have the necessary capacity to upgrade banking regulations	Banking risks and activities are reviewed and appropriate recommendations for risk identification, measurement and mitigation are provided	TA report	Q1	0	11	9	20
PFM	Strengthened identification, monitoring, and management of fiscal risks	Development of the institutional framework for governance and transparency of public corporations	Central fiscal oversight and analysis of public corporation risks are strengthened	The Ministry of Finance performs financial analysis on fiscal risks stemming from SOEs	TA report	Q4	0	12	10	22
REV	Strengthened revenue administration management and governance arrangements (SDG 17.1)	Follow-up on the establishment of internal audit unit for customs administration	Transparency and accountability are more effectively supported by independent external oversight and internal controls	Development of an action plan for the Establishment of internal audit policy, charter, code of ethics and planning documents	TA report	Q1	0	9	10	19

	Objective	Description	Outcome	Milestones	Output	Quarter	Person-days			
							HQ	LTX	STX	Total
RSS	Strengthen compilation and dissemination of prices statistics for decision making according to the relevant internationally accepted statistical standard	Improvement of the PPI	Coverage and scope	PPI extended to cover agriculture, hunting and forestry	TA report	Q1	0	4	10	14
RSS	Strengthen compilation and dissemination of prices statistics for decision making according to the relevant internationally accepted statistical standard	Improvement of the CPI (webscraping, scanner data)	Statistical techniques	New collection methods introduced (scanner data, webscraping using R/Python, machine learning to clean and classify data to COICOP structure)	TA report	Q1	10	4	0	14
PFM	Comprehensive, credible, and policy-based budget preparation	Development of institutional arrangements and capacity to develop a MTFF	A more credible medium-term macro-fiscal framework that supports budget preparation	A medium-term perspective is included in the budget documentation	TA report	Q4	0	12	10	22
West Bank and Gaza							0	39	58	97
BRS	Implement a risk-based supervision system and upgrade other supervisory processes	TA on the on-site supervision process (focus on credit risk)	Strengthened institutional structure and operations for RBS implementation	Risk-based supervision and inspection manuals are developed and adopted	TA report	Q4	0	19	18	37
PFM	Comprehensive, credible, and policy-based budget preparation	Follow-up to macro fiscal assistance from 2019, addressing gaps in MTFF	A more credible medium-term budget framework is integrated with the annual budget process	Timely issuance of MTFF and use for fiscal strategy development and implementation	TA report	Q4	0	12	10	22

	Objective	Description	Outcome	Milestones	Output	Quarter	Person-days			
							HQ	LTX	STX	Total
RSS	Strengthen compilation and dissemination of national accounts statistics for decision making according to the relevant internationally accepted statistical standard	Development of sequence of accounts	Coverage and scope	Evaluate sources and methods to compile the full sequence of accounts	TA report	Q4	0	4	15	19
RSS	Strengthen compilation and dissemination of national accounts statistics for decision making according to the relevant internationally accepted statistical standard	Compilation of financial accounts	Coverage and scope	Evaluate sources and methods to compile financial accounts	TA report	Q4		4	15	19
Yemen							0	75	70	145
BRS	Implement a risk-based supervision system and upgrade other supervisory processes	TA: Risk Based Supervision - liquidity risk	Bank risk assessment frameworks strengthened (quality and timeliness of regulatory data and flexibility of reporting system)	Revised Reporting templates are developed	TA report	Q2	0	11	9	20
BRS	Develop/ strengthen Islamic banking regulatory framework and supervisory tools	TA: Regulation on corporate governance and Shariah governance for Islamic banks	Requirements for IIBS to have robust Sharia governance policies, processes	Shariah governance practices and regulations are reviewed, and recommendations are provided to align them with the applicable international standards	TA report	Q3	0	13	11	24

	Objective	Description	Outcome	Milestones	Output	Quarter	Person-days			
							HQ	LTX	STX	Total
PFM	Improved asset and liability management	Follow-up for building a cash management unit (1)	Cash flow forecasts for central government is more accurate and timelier	A first cash forecasting report issued by the new CMU is available	TA report	Q1	0	14	10	24
PFM	Improved asset and liability management	Follow-up for building a cash management unit (2)	Cash flow forecasts for central government is more accurate and timelier	Cash forecasting reports are issued regularly and timely by the new CMU	Workshop material	Q4	0	10	10	20
PFM	Improved budget execution and control	Monitoring and clearing of arrears	Budget execution monitoring and controls are strengthened	An arrears clearing plan with prioritized expenditures is available	TA report	Q1	0	14	10	24
REV	Strengthened core tax administration functions (SDG 17.1)	Strengthening the taxpayer base and ledger	The integrity of the taxpayer base and ledger is strengthened	Developing initiatives and measures for detecting unregistered taxpayers	TA report	Q1	0	9	10	19
RSS	Strengthen compilation and dissemination of prices statistics for decision making according to the relevant internationally accepted statistical standard	Development of quarterly national accounts	Statistical techniques	Index calculation methods reflect recommendations in 2020 CPI Manual Treatment of missing items reflects recommendations in the 2020 CPI Manual	TA report	Q4	0	4	10	14

Note: CD: Center Director; HQ: IMF HQ staff; LTX: METAC's long-term experts; STX: short-term experts hired by METAC; SGD: sustainable development goal.



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