

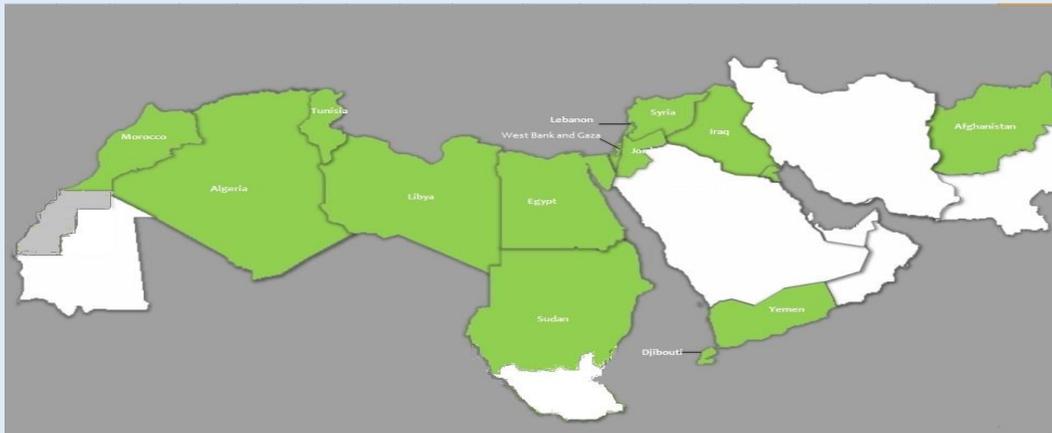


ANNUAL REPORT

September 2017

MIDDLE EAST REGIONAL TECHNICAL ASSISTANCE CENTER (METAC)





Partners Contributing to Phase IV



European Union



France



Germany



Switzerland



The Netherlands

Members Contributing to Phase IV



Algeria



Egypt



Iraq



Lebanon



Sudan

Members



Afghanistan



Djibouti



Jordan



Libya



Morocco



Syria



Tunisia



West Bank and Gaza



Yemen

STATEMENT BY THE CHAIRPERSON OF METAC STEERING COMMITTEE



This year was marked by the beginning of the Center's fourth funding cycle (Phase IV, Fiscal Year (FY) 2017-21); the expansion of METAC's membership, with four new members Algeria, Djibouti, Morocco, and Tunisia, joining the center in May 2016; as well as the increase in METAC partners, with the Netherlands and Switzerland, becoming new donor partners in 2016. I would like to take this opportunity to first welcome the new member countries and donor partners to METAC.

METAC's role in supporting institutional and human capacity building in the region continues to be key to achieving economic development and better standards of living in the region. This is even more important today, when the Middle East and North Africa region is going through an extraordinary period of turmoil and conflict; and mitigating the economic costs of conflicts and the refugee crisis requires deep macroeconomic and structural reforms, supported by capacity development from the international community.

In this context, I am pleased to report that despite the security situation in several countries in the region, METAC's overall program implementation was about 93 percent during FY17. This couldn't have been achieved without METAC's flexibility and readiness to respond to emerging needs of member countries. I also want to point out that METAC expanded its assistance to countries with precarious security situation, through missions in third countries.

Since its establishment, METAC's assistance to beneficiary countries has been based on assessment of the technical assistance and training needs of member countries. Certainly, there has been many tangible results and successes in METAC's delivery of technical assistance. In Lebanon, for example, METAC recently assisted the Ministry of Finance in strengthening the institutional framework for identifying and managing fiscal risks, adopting the International Public Sector Accounting Standards, and enhancing detection and prevention of VAT refund fraud. Also, thanks to the Center's assistance, the Lebanese Central Administration of Statistics could publish for the first time since 2010 statistics on Gross National Income and Gross National Disposable Income together with the national accounts dataset for 2014 and 2015.

Going forward, it is gratifying to note that the Center is planning to increase its activities in FY18 by 24 percent, to respond to the increased needs of member countries. The planned increase in METAC's activities was also lauded by the Steering Committee during its last annual meeting, which focused on METAC's relevance and responsiveness.

I want to emphasize that the Center's achievements would not have been possible without the generous contributions of donor partners and member countries. Going forward, we need to ensure that METAC has the needed resources to broaden its activities in the region, and to be able to help, in particular, the countries that are currently going through conflict. METAC's involvement in these countries is expected to increase significantly once the security situation normalizes. In this context, I would like to thank the European Union, France, Germany, the Netherlands, and Switzerland for their support to METAC and for their generous contributions, and encourage member countries (including new members) to provide timely financial support to METAC, so that it continues to serve its members. For its part, Lebanon has also adhered to its commitment as METAC's host country, with the Cabinet recently approving its pledges to METAC. I believe that our joint efforts will help strengthen and further enhance the Center's effectiveness.

Ali Hassan Khalil
Minister of Finance of Lebanon

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ACRONYMS AND ABBREVIATIONS

BAM	Bank Al-Maghrib
BCBS	Basel Committee on Banking Supervision
BCCL	Banking Control Commission of Lebanon
BCD	Banque Centrale de Djibouti
BRS	Banking Regulation and Supervision
CAS	Central Administration of Statistics, Lebanon
CBE	Central Bank of Egypt
CBI	Central Bank of Iraq
CBJ	Central Bank of Jordan
CBoS	Central Bank of Sudan
CBT	Central Bank of Tunisia
CD	Capacity Development
CEF	IMF Middle East Center for Economics and Finance
CIASA	Credit Information and Scoring Agency, Sudan
CPI	Consumer Price Index
DAB	Da Afghanistan Bank
DfID	United Kingdom Department for International Development
DOS	Department of Statistics, Jordan
EFF	Extended Fund Facility
ESS	External Sector Statistics
FAD	IMF, Fiscal Affairs Department
FSAP	Financial Stability Assessment Program
FY	Fiscal Year
GDP	Gross Domestic Product
ICAAP	Internal Capital Adequacy Assessment Process
IIFS	Institutions Offering Islamic Financial Services
IMF	International Monetary Fund
IMF-HQ	IMF, Headquarters
IPSAS	International Public Sector Accounting Standards
ISTD	Income and Sales Tax Department
MCD	IMF, Middle East and Central Asia Department
MCM	IMF, Monetary and Capital Markets Department
MENA	Middle East and North Africa
METAC	Middle East Regional Technical Assistance Center
MoF	Ministry of Finance
MTBF	Medium-Term Budgeting Framework
MTEF	Medium-Term Fiscal Framework
PCA	Post-Clearance Audits
PCBS	Palestinian Central Bureau of Statistics
PFM	Public Financial Management
PMA	Palestine Monetary Authority
PPI	Producer Price Index
RA	Revenue Administration
RBM	Results-Based Management

RBS	Risk-Based Supervision
RPPI	Residential Property Price Index
SC	Steering Committee
SNA	System of National Accounts
STA	IMF, Statistics Department
STX	Short-Term Expert
SUT	Supply and Use Table
TA	Technical Assistance
TADAT	Tax Administration Diagnostic Assessment Tool
TSA	Treasury Single Account
USAID	United States Agency for International Development
VAT	Value-Added Tax
WBG	West Bank and Gaza

SECTION I:

EXECUTIVE SUMMARY

SECTION I: EXECUTIVE SUMMARY

The ongoing political transitions, conflicts, and dislocations have impacted the human and institutional capacity in many member countries of the Middle East Regional Technical Assistance Center (METAC). Alleviating the economic costs of conflicts/refugees and fostering growth and inclusiveness in the region require deep macroeconomic and structural reforms, supported by capacity development (CD) assistance from the international community.

Against this background, and as part of the IMF's broader efforts in the region, METAC continued to respond to members' CD needs in Fiscal Year (FY) 2017. Overall, 81 missions, representing 260 person weeks of technical assistance (TA) and training, aimed at strengthening domestic revenue administration (RA) and fiscal institutions, fostering financial stability, enhancing macroeconomic statistics, modernizing monetary policy, and upgrading legal frameworks in METAC countries. Reaching an implementation rate of 93 percent wouldn't have been possible without continuous adjustments to respond to members' emerging needs.

Assistance was tailored to members' needs and aligned with IMF surveillance and program work. In countries with IMF lending arrangements (Afghanistan, Egypt, Iraq, Jordan, and Tunisia), METAC helped the authorities implement their reform commitments. In fragile states, the Center's assistance aimed at preserving institutions and developing staff's skills. And in other countries, METAC supported priority reforms to help the authorities maintain macroeconomic stability or strengthen resilience to shocks.

In FY17, METAC increased its engagement with countries under perilous security conditions, expanding off-site assistance to work around the constraints posed by precarious security conditions. Overall, the Center organized 18 off-site missions in Jordan, United Arab Emirates, and Azerbaijan (versus 12 missions in FY16) to assist Afghanistan, Iraq, and Libya. These missions took place only after the pre-conditions approved by the Steering Committee (SC) in 2015 were met. To increase efficiency and contain costs, seven of these missions were combined with hands-on training to officials.

During the year, METAC also engaged successfully with the four new member countries: Algeria, Djibouti, Morocco, and Tunisia. A TA agenda was developed on banking supervision and statistics with all four countries, and recent missions to Morocco (on preparing the banking supervision for the transition to a flexible exchange rate regime) and to Tunisia (on market risk, to help the authorities meet a structural benchmark in the Stand-By Arrangement) were very well received. The Center has also assisted Algeria and Tunisia on Public Financial Management (PFM).

Cooperation and coordination with other TA providers and development partners has helped to foster synergies and complementarities. In addition to METAC's regular meetings with donor partners during missions, the Center Coordinator visited Brussels and The Hague to hold strategic discussions with donor partners from the European Commission and the Dutch Ministry of Foreign Affairs. With the Netherlands and Switzerland signing agreements to finance METAC, the center received contributions and pledges equivalent to US\$25.7 million for Phase IV.

Spending during FY17 amounted to \$3.3 million, compared to the \$5.01 million planned annual budget. Considering the high implementation rate (93 percent) of the work program, the under-spending relative to the FY17 annual budget reflects the higher budgeting than necessary to execute the planned work program, the non-recruitment of a second PFM resident advisor as planned, and delays in recruiting two resident advisors to carry out the CD delivery in the areas of RA and PFM. In addition, METAC had four new member countries, which required some first-time engagement.

Finally, there were significant staffing turnover in METAC during FY17. A new coordinator and office manager were recruited in June 2016. METAC's resident advisor in RA moved to the IMF Headquarters (IMF-HQ) in May 2016, and a new resident advisor was recruited in November 2016. Similarly, METAC's resident advisor in PFM moved to the IMF-HQ in January 2017, a new resident advisor was recruited in April 2017. These changes meant that effectively METAC operated with the equivalent of three full-time resident advisors during FY17.

METAC will increase its CD activities in FY18 by 24 percent. This increase reflects both greater demand for TA and training, as well as higher supply. Greater demand results from the newly developed TA agendas in METAC's new member countries, five countries' reform commitments under IMF-supported arrangements, and the carry-over of some activities from FY17. On the supply side, the appointment of new resident advisors on PFM and RA is expected to raise METAC's capacity to provide CD. The additional TA will be delivered mainly through short-term experts (STXs), with backstopping from METAC resident advisors. Furthermore, during the year, METAC will assess whether there is a need for a second PFM advisor, considering the substantial increase in TA demand in this area.

METAC will continue to provide assistance in the areas of banking regulation and supervision (BRS), PFM, RA, and macroeconomic statistics. In addition, like in FY17, METAC will assist members in other areas (i.e., monetary operations and legal frameworks) when needs emerge. Given that METAC has no resident advisors in these two areas, such assistance will continue to be provided through STXs backstopped by the IMF-HQ departments, unless demand in these areas increases, warranting a resident advisor. METAC's assistance will support implementation of reforms, including those arising from IMF-HQ TA recommendations. This will mean that in most cases METAC will combine its TA with hands-on training or national workshops. The number of off-site missions is not projected to increase in FY18. However, the situation may change, in which case METAC resumes its activities in Syria and Yemen.

The FY18 work program was developed under the strategic objectives of the results-based management (RBM) framework. It responds to the TA needs as identified by the authorities, IMF country teams and TA departments, and the regional strategy note of the IMF's Middle East and Central Asia Department (MCD). The program includes well-defined milestones for FY18. This framework will ensure that activities are planned and implemented based on country needs, they are complementary to other forms of IMF TA, and constitute an integral part of the overall IMF TA program. A new system is being implemented in the IMF (CD-Port), which will enable METAC to monitor activities more closely, providing opportunities to adjust delivery and goals more proactively. The objective of the new RBM/CD-Port framework is to allocate CD resources in a more effective and agile way to support outcomes in member countries.

The anticipated risks for FY18 are like those METAC has faced during last year. Risks include (i) the political and security conditions in several METAC countries, which have impacted the Center's ability to deliver TA to those countries; (ii) country authorities' commitment to implement the TA recommendations; and (iii) member countries' institutional capacity to absorb and implement TA recommendations. To mitigate the security risk, for countries with serious security problems, METAC will continue to deliver TA off-site. To confirm the authorities' commitment to METAC supported reforms, the draft work program for FY18 was shared with the SC at an early stage to ensure that it only contained members' priority needs. To avoid absorption capacity issues, in general METAC plans a maximum of three TA missions/country in each area, and will monitor implementation before starting any new TA. In addition, most of the increase in TA is expected to be delivered to the new member countries.

Box 1: METAC's Key Achievements

Banking Regulation and Supervision

- ▶ Regulatory reform in **Iraq** to strengthen prudential standards and bank supervision, in line with their commitments under the Stand-By Arrangement. Prepared nine new regulations and trained Central Bank of Iraq supervisors on their implementation.
- ▶ Preparation of **Morocco's** banking supervision for the transition to a flexible exchange rate regime, including by assessing foreign exchange, interest rate, and liquidity risks in the supervisory process, and proposing guidelines to enhance the regulatory framework on market risk.
- ▶ Framework on market risk in **Tunisia** to help banks curb excessive risk-taking and meet structural benchmark under the Stand-By Arrangement.
- ▶ Capacity development on stress-testing in **Afghanistan, Jordan, Egypt, and Lebanon** to help supervisors effectively assess capital adequacy and detect bank vulnerabilities at an early stage.

Public Financial Management

- ▶ Enhanced PFM legal framework in **Iraq** to support the overhaul of PFM institutions and practices.
- ▶ Strengthened the medium-term orientation of the budget in **Algeria and Sudan**.
- ▶ Enhanced financial controls in **Iraq**.
- ▶ Improved annual financial statements in **Jordan**.
- ▶ Strengthened cash management practices, including the treasury single account arrangements in **Algeria, Iraq, Sudan, and Tunisia**.

Revenue Administration

- ▶ Enhanced tax risk management in **Egypt and Jordan**:
 - In developing a structure, governance arrangements, and key functions as a basis for compliance improvement, effective resource deployment and institutional security.
 - In preparing an action plan for the introduction of risk management across the whole organization.
- ▶ Improved customs administration functions in **Afghanistan, Sudan and West Bank and Gaza**, by defining the role and structure of the risk management function in line with international good practice to support intelligence and post clearance audit functions.
- ▶ Enhanced organizational structure along functional lines and segmentation of taxpayers in **Iraq**.
- ▶ Strengthened revenue administration management in **Egypt and Jordan** by the identification, based on a Tax Administration Diagnostic Assessment Tool assessment of priority areas for future reform to be addressed in building capacity.
- ▶ Assuring **Egypt's** readiness for the implementation of value-added tax, including staffing, training, office preparations, information technology, tax operations, taxpayer assistance and stakeholder management.

Macroeconomic Statistics

- ▶ Strengthened compilation and dissemination of national accounts statistics in **Jordan and Lebanon**. The Department of Statistics of Jordan rebased annual GDP data to 2010 benchmark year. Lebanon's Central Administration of Statistics resumed the compilation of Gross National Income and Gross National Disposable Income, published them for the first time (since 2010) in March 2017, together with the national accounts data set for 2014 and 2015.
- ▶ Strengthened compilation of price statistics in **West bank and Gaza**. The Palestinian Central Bureau of Statistics fulfilled in a satisfactory manner most of the international methodological requirements for compiling producer price index.
- ▶ Ongoing improvements in Balance of Payments statistics in **Iraq** with substantial reduction in the statistical discrepancy (net errors and omissions) in the preliminary 2016 Balance of Payments data.

SECTION II:

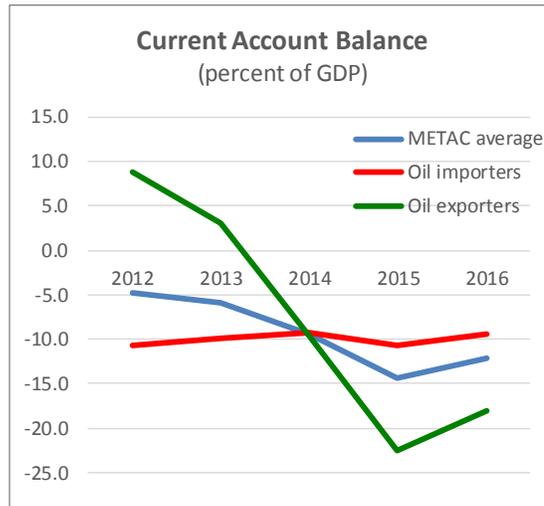
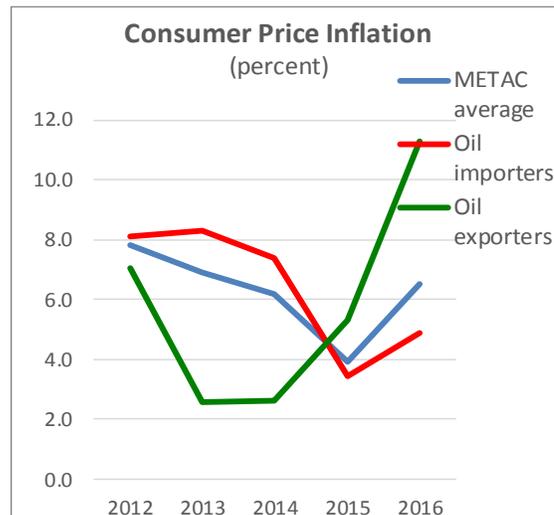
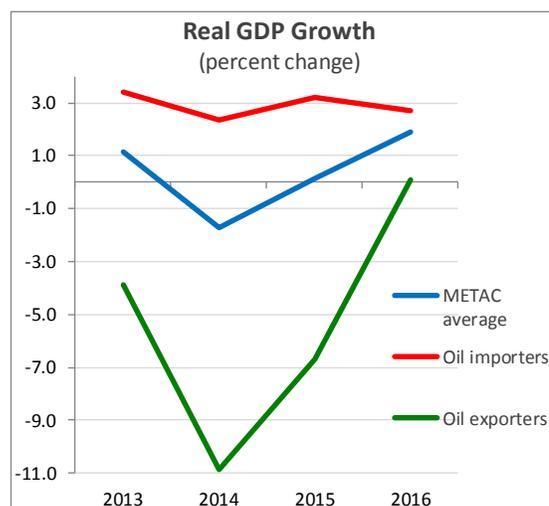
MACROECONOMIC CONTEXT

SECTION II: MACROECONOMIC CONTEXT

Security concerns and regional conflicts continue to take a toll on confidence and activity. METAC countries' average real GDP growth increased to 2 percent in 2016, owing mainly to the higher oil production in oil-exporting countries. Nonetheless, persistent regional conflicts and social tensions, low competitiveness, and deep-rooted structural impediments continued to hamper efforts to boost economic activity. Absent deep and sustained structural reforms, supported by sound macroeconomic policies, growth prospects for the medium term remain too low to address the region's high unemployment (11 percent and 25 percent among the youth) or improve living standards. Inflation gathered pace in the wake of energy subsidy phase-outs, higher food prices, public wage increases, and in some cases, currency depreciations (Egypt, Tunisia), monetization of fiscal deficits, and accommodative monetary policies.

External current accounts narrowed slightly, due stronger external demand, and slightly higher oil prices relative to 2015. Nevertheless, external imbalances remain sizable in many countries (Djibouti, Egypt, Jordan, Lebanon, Tunisia), suggesting a continuing need for fresh external inflows. Reducing these imbalances will require a capacity to set adequate and well-coordinated fiscal and monetary policies, supported by more flexible exchange rates. To address external vulnerabilities, many countries in the region also need to strengthen macroeconomic statistics to ensure that reliable and timely data is available for analysis and decision-making.

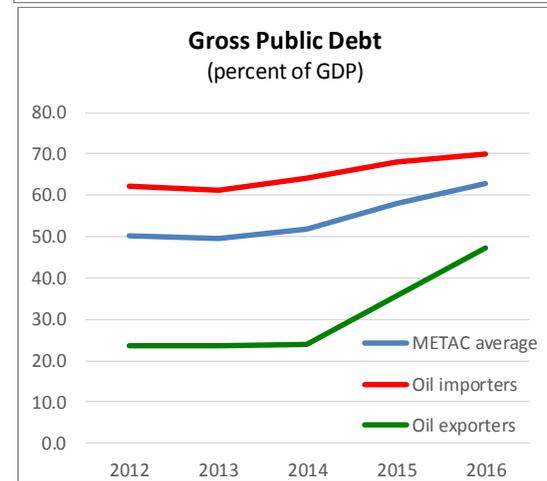
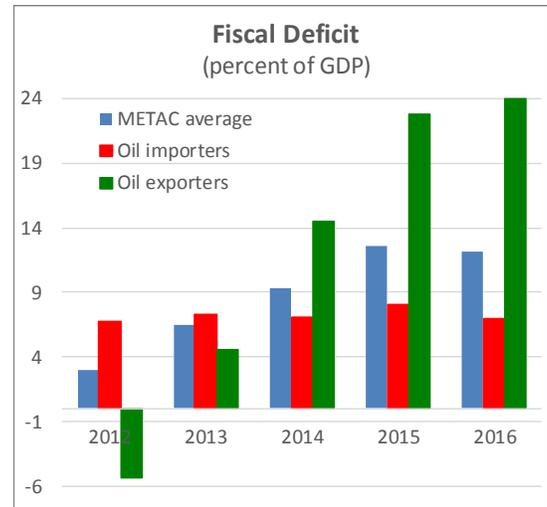
Fiscal consolidation continues to be a key challenge. Public debt and deficit levels have grown in the aftermath of the global financial crisis and the political transition in Arab countries, becoming a source of vulnerability in many countries, undermining investor confidence, and raising debt servicing costs. While reforms of generalized energy subsidies (Egypt, Morocco, Sudan) and lower transfers to energy-related state-owned enterprises (Jordan, Lebanon), have



helped to contain fiscal deficit in many countries, public debt levels remain high, exceeding 80 percent of GDP in a number of METAC countries. Such large debt stocks not only undermine investor confidence, they can also add to financial stability risks, given large holdings of debt by the banking sector and generally shallow financial markets. Thus, additional fiscal consolidation is needed to put public debt firmly on a sustainable path and rebuild policy buffers. Nevertheless, maintaining the pace of consolidation will remain a challenge. In 2016, revenues were weaker than expected compared due to weaker tax collection (Morocco, Tunisia), delayed reforms (Tunisia), and subdued growth (Jordan, Morocco, Tunisia). Thus, a key priority is to generate higher revenues by broadening the existing tax base. This will require measures to rationalize multiple value-added tax rates (Morocco, Tunisia), while simplifying the tax rate structure and eliminating exemptions (Djibouti, Egypt, Jordan, Lebanon, Morocco, Sudan, Tunisia). It will also require renewed efforts to strengthen tax administration (Afghanistan, Morocco, Sudan, Tunisia).

A challenging economic outlook highlights the need to maintain financial stability.

While the banking sector is liquid and capitalized, high public sector loan concentrations and high levels of nonperforming loan ratios, absent deeper financial markets, could pose risks to the stability of the banking sector. Further developing banking supervision, continuing the progress toward implementing Basel principles, and strengthening legal and regulatory frameworks will be important to ensure that the financial sector that can support economic recovery while controlling banking sector risks. Continuing to develop, liberalize and diversify financial markets could also help ensure well-functioning financial intermediation.



SECTION III:

**METAC'S ACTIVITIES IN FISCAL YEAR 2017 AND
PLANS FOR FISCAL YEAR 2018**

SECTION III: METAC'S ACTIVITIES IN FISCAL YEAR 2017

A. METAC's Activities in Fiscal Year 2017

With four new members joining the center in May 2016, METAC increased its capacity building activities in FY17 by 11 percent. Throughout the year, the center fielded 68 TA missions, of which 23 were combined with workshops or hands-on training, eight national workshops, and five regional workshops, accounting for 260 person weeks, versus 235 person weeks in FY16. Compared to the initial work program for FY17, the implementation rate was 93 percent, as some activities were cancelled, or slipped into FY18. Overall, one-third of the planned activities were either cancelled or delayed, due to conflicts in Libya and Yemen, integration of new members' needs into METAC work program, changes in country priorities, and METAC staffing issues.

Table 1. FY17 Status of METAC Outcome Milestone by Area
(in person weeks)

	Planned	Completed	New	Cancelled/ Postponed	Total Executed	Execution Rate (in percent)
Banking Supervision	58.0	52.0	11.0	10.5	63.0	108.6
Public Financial Management	66.0	39.0	17.0	32.0	56.0	84.8
Revenue Administration	71.0	37.0	18.0	33.0	55.0	77.5
Statistics	86.0	63.0	9.0	27.0	72.0	83.7
Other			14.0		14.0	-
Total	281.0	191.0	69.0	102.5	260.0	92.5

Capacity Development was delivered to all countries, except Syria and Yemen, due to intensified conflicts. Libya benefitted from one off-site mission—to re-establish their national accounts statistics—due to the ongoing political transition and security conditions. Sudan and Jordan received the largest share of METAC assistance, followed by Egypt, Iraq, and Lebanon. METAC's actual assistance to Afghanistan, Iraq, and Jordan was above the initial work program, reflecting new requests to help the respective authorities implement urgent structural reforms in the context of IMF-supported economic and financial programs. The higher than planned assistance to Sudan reflects a new request to strengthen the Banking Business Act.

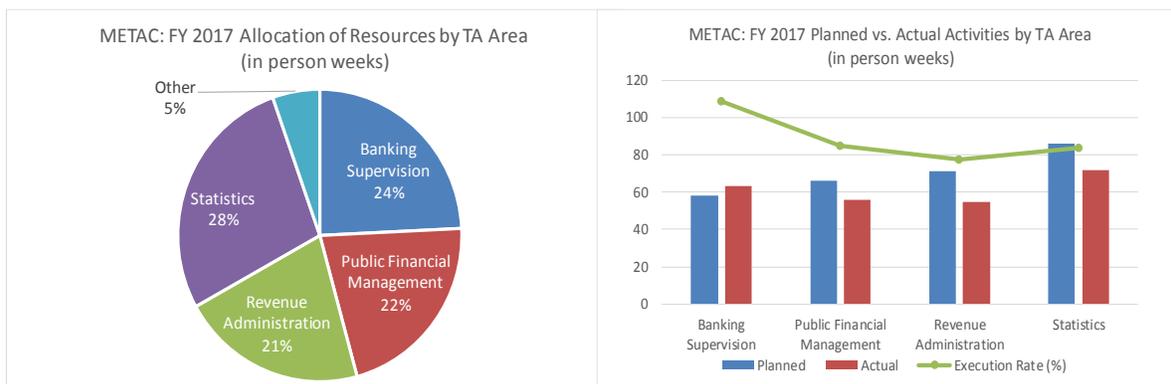
Table 2. METAC Activities in FY17 by Country
(in person weeks)

	Banking Supervision	Public Financial Management	Revenue Administration	Statistics	Other	Total	Country Distribution (in percent of total)
Regional	4.5	5.0	5.0	9.0	0.0	23.5	9.0
Afghanistan	4.5	0.0	6.0	9.0	0.0	19.5	7.5
Algeria	5.5	9.5	0.0	0.0	0.0	15.0	5.8
Djibouti	7.0	0.0	0.0	3.0	0.0	10.0	3.8
Egypt	7.0	4.5	8.0	7.0	0.0	26.5	10.2
Iraq	9.0	5.0	6.0	7.0	0.0	27.0	10.4
Jordan	2.0	13.5	10.0	6.0	0.0	31.5	12.1
Lebanon	8.5	7.0	4.0	8.0	0.0	27.5	10.6
Libya	0.0	0.0	0.0	3.0	0.0	3.0	1.2
Morocco	5.5	0.0	0.0	3.0	0.0	8.5	3.3
Sudan	4.0	6.0	4.0	8.0	12.0	34.0	13.1
Tunisia	2.5	5.5	0.0	3.0	2.0	13.0	5.0
West Bank and Gaza	3.0	0.0	12.0	6.0	0.0	21.0	8.1
Total	63.0	56.0	55.0	72.0	14.0	260.0	
Activity Distribution (in percent of total)	24.2	21.5	21.2	27.7	5.4		

More importantly, METAC’s flexibility throughout the year helped tailor its assistance to countries’ emerging needs, while ensuring alignment with IMF surveillance and program work. In Egypt, METAC helped the government prepare for the introduction of the value-added tax (VAT). In Jordan, METAC’s assistance was centered around PFM reforms and strengthening RA, to help the authorities’ meet their commitments under the IMF’s Extended Fund Facility (EFF). Similarly, in Tunisia, METAC focused its assistance on the authorities’ reforms supported under the IMF’s EFF, in banking regulation/supervision, monetary policy framework, and PFM. In Algeria, the center helped the government undertake PFM reforms to mitigate the fiscal implications of lower oil prices, and in Morocco, METAC assisted Bank Al-Maghrib (BAM) in preparing banking supervision to the transition to a more flexible exchange rate. In Afghanistan and West Bank and Gaza (WBG), most of the assistance aimed at strengthening macroeconomic statistics and developing staff’s skills.

National and regional workshops aimed to build institutional capacity, particularly in banking supervision and statistics. Five regional workshops focused on common issues arising from bilateral TA, peer-to-peer learning, and dissemination of good practices. In addition, 31 national workshops and hands-on training were delivered to 12 countries. Overall, METAC delivered training to around 500 officials in FY17.

In terms of TA area, macroeconomic statistics accounted for the largest share of METAC activities, followed by BRS. This outcome was largely due to the high demand for TA in statistics, as foreseen in the initial work program for FY17. Nevertheless, it was also because of the low rate of execution in RA and PFM areas, resulting from the turnover in METAC advisors in these areas. METAC fielded two missions in the areas of legal framework and monetary operations in Sudan and Tunisia respectively, as part of its response to the emerging priorities of members.



B. METAC’s Plans for Fiscal Year 2018

METAC plans to increase its CD activities in FY18 by 24 percent. The increase reflects several factors: (i) newly developed TA agendas in METAC’s new member countries; (ii) five countries’ reform commitments under IMF-supported arrangements; (iii) the carry-over of some activities from FY17; and (v) the appointment of new resident advisors on PFM and RA. To provide a more accurate budget, FY18 numbers are calculated based on a new metric that accounts for the time

spent by STXs to prepare for the mission, travel, and finalize the TA report.¹ When the new metric is used, METAC’s activities planned for FY18 would amount to 396 person weeks. While all TA areas are expected to see higher activities, increases are particularly noticeable in the areas of PFM and RA, where METAC recruited new resident advisors. A large part of the increase in TA delivery will take place through STXs, and resident advisors are expected to engage more in project management and review activities—to ensure effective implementation of the work plan and the quality of the TA provided by STXs, rather than delivering TA themselves. During the year, METAC will also assess the need for a second PFM advisor, given the substantial increase in TA demand related to PFM issues.

Table 3. METAC’s Planned Activities in FY18
(in person weeks)

	Actual FY16	Planned FY17	Actual FY17	Planned FY18 ¹
<i>Type of Activity</i>				
TA	188.0	226.5	199.2	302.0
National Workshops	25.0	34.5	37.3	50.0
Regional Workshops	22.0	20.0	23.5	44.0
<i>Delivery Mode</i>				
LTX	125.0	160.0	124.0	147.5
STX	110.0	121.0	123.0	241.0
IMF Staff	0.0	0.0	13.0	7.5
<i>Areas</i>				
Banking Supervision	70.0	58.0	63.0	97.0
Public Financial Management	60.0	66.0	56.0	102.5
Revenue Administration	66.0	71.0	55.0	101.0
Statistics	39.0	86.0	72.0	95.5
Other	0.0	0.0	14.0	0.0
Total	235.0	281.0	260.0	396.0

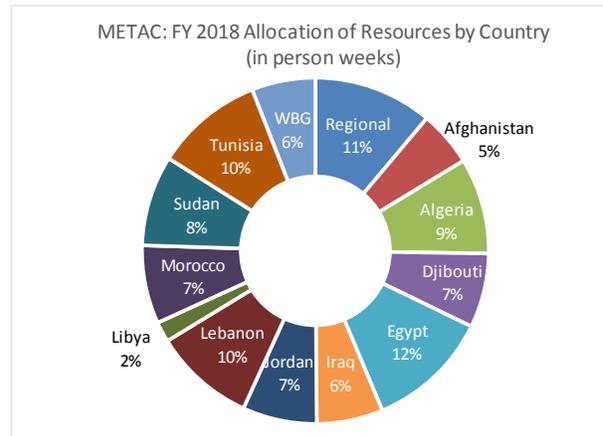
1/ Activities planned for FY18 include STX time for pre- and post-mission work (a total of 74 person weeks).

The program aims to help countries address the growing socio-economic challenges, considering the regional conflicts and refugee crisis. It was developed considering the macroeconomic challenges and priorities of member countries, as stated in the Program Document; the regional TA strategy note of MCD; TA needs as identified by countries, the experience accumulated by METAC advisors on members’ TA needs, and following consultations with donor partners. METAC’s assistance will support implementation of reforms, including those arising from IMF-HQ TA recommendations. This will mean that in most cases METAC will combine its TA with hands-on training or national workshops. The focus will remain on helping countries prioritize their budget space and mobilize revenues, maintain financial stability, enhance macroeconomic statistics, as well as on protecting/developing economic institutions. In each TA area, the work program includes well-defined and measurable milestones.

¹ The total time to be spent by STXs in FY18 to prepare the mission, travel, and finalize the TA report is 74 person weeks. In past years, only the time spent in the field was accounted for. The new metric provides a more accurate budget, as STXs are paid for pre-, during, and post-mission work, as well as for travel.

The allocation of resources across countries reflects the extent of macroeconomic vulnerabilities—with more resources

allocated to countries under IMF financial arrangements, the degree of ownership of reforms, absorption capacity, as well as conflicts. The net additional needs will be met through STXs. Furthermore, the program foresees little activity in Libya and Yemen. In case the security situation improves, METAC will expand its assistance to these countries. Accordingly, the situation will be re-assessed six months into FY18, and if need be, the work program will be revised.



The work program will focus on the following priorities:

- **Fiscal reform and consolidation across all countries.** The three main priorities in the fiscal sector are to enhance basic PFM, mobilize revenue, and reform tax and custom administrations. Enhancing PFM will help to improve the effectiveness and transparency of public spending. Revenue mobilization is critical to provide governments with enough resources to invest in job-creating projects and public infrastructure. Strengthening tax and customs administrations is needed to create fair and equitable revenue environments.
- **Financial sector development and strengthening banking supervision, to different degrees, are needed in most METAC countries.** METAC will continue to assist member countries in strengthening their financial systems and provide TA in other related banking areas, such as Islamic banking and developing and improving the credit registry system. METAC will focus on implementation of pillar 2 of Basel II, and on moving supervision practices from a compliance-based to a risk-based approach.
- **Most METAC countries would benefit from improving their monetary operations.** TA requests from member countries in this area will be met by short-term experts and will be backstopped by IMF-HQ departments.
- **Several TA priorities will require member countries to reform their legal systems.** TA and training will be provided to ensure that the reforms implemented in the different macroeconomic sectors are legally robust and fit in with the countries' broader legal context. TA requests from member countries in this area will be met by short-term experts and will be backstopped by IMF-HQ departments.
- **Strengthening macroeconomic statistics.** Building statistical capacity in the region to produce quality, sound, and timely statistics is essential for macroeconomic analysis and policy-making, and remains a priority for many member countries. METAC will focus on: (i) national accounts; (ii) price indices; and (iii) balance of payments statistics.

Table 4. METAC’s Resource Distribution in FY18 by Area and Country
(in person weeks)

	Banking Supervision	Public Financial Management	Revenue Administration	Statistics	Total	Country Distribution in % of total
Regional Workshops	11.0	10.0	12.0	11.0	44.0	11.1
Afghanistan	3.0	7.5	5.0	5.0	20.5	5.2
Algeria	8.5	8.0	8.0	11.0	35.5	9.0
Djibouti	8.5	10.0	5.0	4.0	27.5	6.9
Egypt	10.0	10.0	15.5	10.0	45.5	11.5
Iraq	6.0	7.5	5.0	6.0	24.5	6.2
Jordan	6.0	6.0	9.5	6.0	27.5	6.9
Lebanon	9.0	9.5	11.0	8.0	37.5	9.5
Libya	2.0	0.0	0.0	5.5	7.5	1.9
Morocco	9.5	7.5	8.0	4.0	29.0	7.3
Sudan	9.0	9.5	5.0	10.0	33.5	8.5
Tunisia	10.5	9.5	12.0	8.0	40.0	10.1
West Bank and Gaza	4.0	7.5	5.0	7.0	23.5	5.9
Yemen	0.0	0.0	0.0	0.0	0.0	0.0
Total	97.0	102.5	101.0	95.5	396.0	
Activity Distribution (in percent of total)	24.5	25.9	25.5	24.1		

The number of regional workshops will double in FY18. In FY17, given the sizeable resources required to hold workshops outside of METAC location, the number of regional workshops were reduced. However, this meant providing less opportunities for peer-to-peer learning, which dissatisfied member countries. In FY18 METAC plans to organize eight regional workshops, which will continue to be held outside Lebanon—for security reasons—or organized jointly with the IMF’s Middle East Center for Economics and Finance (CEF), in Kuwait.² METAC’s regional events will also involve non-METAC Arab countries to enhance knowledge sharing and provide a wider regional context. In addition, METAC will continue to hold national workshops and hands-on training to develop the capacity needed to implement reforms and TA recommendations. Overall, METAC plans to organize 25 national workshops and hands-on training.

The FY18 work program was developed under the strategic objectives of the results-based management (RBM) framework. It includes well-defined milestones for FY18. A new system is being implemented in the IMF (CD-Port), which will enable to monitor activities more closely, providing opportunities to adjust delivery and goals more proactively. METAC plans to implement the CD-Port in FY18, which would help the center allocate CD resources in a more effective and agile way to support outcomes in member countries.

² When the IMF revises its security assessment of Lebanon’s risks, METAC will resume its regional activities in Beirut.

SECTION IV:

COLLABORATION WITH PARTNERS AND PEER-TO-PEER LEARNING

SECTION IV: COLLABORATION WITH PARTNERS AND PEER-TO-PEER LEARNING

Donor Collaboration

METAC attaches a high priority to maintaining effective collaboration with other TA providers. It views such collaboration as essential, particularly because IMF TA is mainly upstream, building the economic policy and legislative frameworks, and other TA providers often rely on this work to ensure the effectiveness of their own TA work or donor assistance. To this end, in addition to the annual SC meetings that give strategic guidance and endorse the Center's work program for the following year, METAC's collaboration with donor partners includes:

- Meetings with local or regional donor offices during country visits by the Center Coordinator and during TA missions led by METAC resident advisors.
- VTCs and phone conferences with donors, upon request, mainly to discuss annual progress against common outcomes;
- Sharing of TA information with all SC members through a secured website.
- Dissemination of monthly newsletters on METAC activities, and publication of annual reports, which include METAC plans going forward.

To strengthen further donor collaboration, this year METAC shared its draft work program for FY18 at an early stage with all SC members requesting their inputs/feedback. Furthermore, in September 2016, METAC Coordinator visited Brussels and The Hague to discuss with donor partners from the European Commission and the Dutch Ministry of Foreign Affairs METAC's activities and achievements in the region, coordination with other TA providers, the center's strategy for the next five years, and financing issues.

Peer-to-Peer Learning

Peer-to-peer learning activities have largely focused on regional seminars and the involvement of local expertise in TA provision. METAC organized five regional seminars in FY17, which have provided an effective platform for peer-to-peer interaction, learning, and networking. In FY18, METAC plans to organize eight regional seminars, to provide more peer-to-peer opportunities to member countries. METAC has one resident advisor from the region (Lebanon) and seven short-term experts, who are officials in Egypt, Lebanon, Morocco, and Tunisia. Their regional knowledge combined with their expertise has been very effective in gaining traction.

SECTION V:

BUDGET AND FINANCING

SECTION V: BUDGET AND FINANCING

Contributions and Fundraising for Phase IV

May 1, 2016 marked the beginning of METAC's new five-year Phase IV. The fundraising goal for METAC Phase IV is \$28 million. Signed agreements to the new cycle include Germany (€5 million), Switzerland (CHF4.5 million), France (€2 million), the Netherlands (€1.5 million). Commitments have been received from the European Commission (€2 million), Egypt (\$1.5 million), Algeria (\$1 million), Iraq (\$0.5 million), and Sudan (\$0.1 million). Lebanon as the host country intends to make another substantial contribution to the Center's Phase IV (\$6.5 million). In addition to the prospects of rollovers from savings from Phase II and III (details below), METAC is continuing discussions with the center's member countries, and working with potential new partners. Funding for the first two to three years of operations has been secured.

Should a funding shortfall occur, to avoid a disruptive downscaling of activities, resident advisor contracts and long-term TA programs will be safeguarded first. Standalone short-term experts' interventions and seminars will be (i) either progressively reduced over the duration of the phase, or (ii) downscaling could be back-loaded. Any decision affecting the work program of METAC will be discussed and agreed upon by the SC.

Table 5. METAC's Status of Financial Contributions

Phase IV: May 2016 – April 2021

(In millions)

	Pledged (in US dollars)	Status/LOU (date signed)	Contribution Currency	Pledged (in Contribution Currency)	Contributions Received (in US dollars)	Expected Contributions (in US dollars)
Phase IV - Signed Agreements:						
France	2.23	9/20/2016	EUR	2.00	0.88	1.35
Germany	5.47	6/20/2016	EUR	5.00	5.55	0.00
Netherlands	1.67	10/7/2016	EUR	1.50	0.54	1.13
Switzerland (SECO)	4.59	10/8/2016	CHF	4.50	2.95	1.63
<i>Subtotal signed agreements</i>	<i>13.96</i>			<i>13.00</i>	<i>9.92</i>	<i>4.12</i>
Phase IV - Pledges - Pending						
Algeria	1.00		USD	1.00		1.00
Egypt	1.50		USD	1.50		1.50
EU	2.11		EUR	2.00		2.11
Iraq	0.50		USD	0.50		0.50
Lebanon	6.50		USD	6.50		6.50
Sudan	0.10		USD	0.10		0.10
<i>Subtotal pending signatures</i>	<i>11.71</i>					<i>11.71</i>
GRAND TOTAL*	25.67				9.92	15.84

* This table excludes IMF contribution of US\$ 5 million.

FY17 Budget and Expenses

Spending during FY17 amounted to \$3.3 million, compared to the \$5.01 million planned annual budget. Considering the high implementation rate (93 percent) of the work program per activities, the under-spending relative to the FY17 annual budget can be explained by the higher budgeting than necessary to execute the planned work program. Other reasons include the non-recruitment of a second PFM resident advisor as planned, and delays in recruiting two resident advisors to carry out the CD delivery in the areas of RA and PFM. In addition, METAC had four new member countries, which required some first-time engagement.

FY18 Budget

The FY18 budget, the second year of the new phase, reflects the expanded membership of the Center with costs associated with the TA and training delivery to METAC member countries expected to total \$6.4 million (including \$1 million in-kind contribution from the IMF).

Expected Carryover from Previous Funding Cycles

Subject to the SC members' approval, the projected carryover as of April 2016 amounting to approximately \$1.8 million from Phase III, in addition to up to \$1.1 million anticipated from the previous Phase II funding cycle will be transferred to Phase IV.

Table 6. METAC's Consolidated Financial Status

Phase IV: May 2016 - April 2021

(US\$ millions)

Activity	FY 2017			Budget (FY 2018)	Budget (FY 2019)	Budget (FY 2020)	Budget (FY 2021)	Budget Total
	Budget	Expenses	Remaining					
LTX_DELIVERY	1.47	0.86	0.60	1.85	1.89	1.94	1.98	9.13
STX_DELIVERY	1.30	1.30	0.00	1.31	1.43	1.46	1.49	6.99
GVRN_EVALUATION	0.05	0.02	0.03	0.05	0.07	0.35	0.06	0.58
HQ_DELIVERY	0.15	0.09	0.06	0.02	0.14	0.02	0.19	0.51
PROJECT_BKST	0.20	0.10	0.10	0.24	0.21	0.25	0.22	1.12
PROJECT_MNGT	0.14	0.06	0.08	0.15	0.16	0.16	0.15	0.77
SECURITY	0.16	0.02	0.15	0.16	0.17	0.17	0.18	0.84
SEMINAR_STUDYTR	0.58	0.24	0.35	0.59	0.60	0.62	0.63	3.03
LANG_SERVICES	0.28	0.13	0.15	0.30	0.32	0.29	0.31	1.50
LEASE_UTILITIES	0.26	0.20	0.06	0.27	0.27	0.28	0.28	1.36
LOCAL_STAFF	0.09	0.10	-0.01	0.10	0.10	0.10	0.10	0.49
Total TA Delivery	4.68	3.11	1.57	5.05	5.36	5.64	5.59	26.32
TFM - 7% Fee	0.33	0.22	0.11	0.35	0.38	0.40	0.39	1.84
Grand Total 1/	5.01	3.33	1.68	5.40	5.73	6.04	5.98	28.16

1/ Does not include IMF contribution

Table 7. METAC's FY17 Budget

Phase IV: May 2016 - April 2021

(US\$ millions)

Activity	FY 2017			Budget (FY 2018)	Budget (FY 2019)	Budget (FY 2020)	Budget (FY 2021)	Budget Total
	Budget	Expenses	Remaining					
Public Financial Management 1/	1,222,409	549,803	672,606	1,509,597	1,650,535	1,627,257	1,729,634	7,739,432
GVRN_EVALUATION	8,390	-	8,390	8,549	8,737	8,938	9,144	43,758
HQ_DELIVERY	75,647	58,720	16,927	-	39,353	-	82,289	197,289
LANG_SERVICES	74,685	40,646	34,039	79,879	92,049	73,421	70,962	390,996
LTX_DELIVERY	393,088	174,240	218,848	759,287	775,948	793,802	812,027	3,534,152
PROJECT_BKST	68,952	3,693	65,259	70,262	71,807	73,461	75,151	359,633
PROJECT_MNGT	23,632	5,992	17,640	24,081	24,610	25,178	12,878	110,379
SECURITY	51,152	6,090	45,062	52,124	53,270	54,497	55,751	266,794
SEMINAR_STUDYTR	226,004	5,116	220,888	230,273	235,304	240,695	246,199	1,178,475
STX_DELIVERY	300,859	255,305	45,554	285,142	349,457	357,265	365,233	1,657,956
Revenue Administration	920,481	590,418	330,063	924,408	1,022,383	985,631	1,070,639	4,923,542
HQ_DELIVERY	37,539	14,664	22,876	-	78,111	-	81,665	197,315
LANG_SERVICES	58,845	42,710	16,135	66,078	70,026	59,087	74,539	328,575
LTX_DELIVERY	343,471	166,423	177,048	349,994	357,686	365,926	374,338	1,791,415
PROJECT_BKST	30,420	18,773	11,647	61,996	31,679	64,819	33,155	222,069
PROJECT_MNGT	21,280	6,621	14,659	21,684	22,161	22,672	23,193	110,990
SECURITY	25,614	-	25,614	26,101	26,674	27,289	27,917	133,595
SEMINAR_STUDYTR	112,905	35,118	77,787	115,026	117,523	120,200	122,933	588,587
STX_DELIVERY	290,407	306,109	(15,702)	283,529	318,523	325,638	332,899	1,550,996
Banking Supervision	1,091,421	759,199	332,222	1,111,769	1,135,757	1,161,461	1,187,695	5,688,103
GVRN_EVALUATION	8,331	-	8,331	8,489	8,675	8,875	9,079	43,450
LANG_SERVICES	78,000	-	78,000	79,482	81,229	83,101	85,012	406,824
LTX_DELIVERY	371,136	222,829	148,307	378,025	386,148	394,850	403,734	1,933,893
PROJECT_BKST	46,746	27,152	19,594	47,634	48,681	49,803	50,948	243,812
PROJECT_MNGT	39,347	13,490	25,857	42,428	43,361	44,360	45,380	214,876
SECURITY	25,500	-	25,500	25,985	26,556	27,168	27,792	133,001
SEMINAR_STUDYTR	115,985	32,678	83,307	118,162	120,728	123,478	126,285	604,638
STX_DELIVERY	406,376	463,049	(56,673)	411,564	420,379	429,825	439,465	2,107,609
Macroeconomic Statistics	997,490	853,123	144,367	989,301	1,025,259	1,034,275	1,056,067	5,102,392
GVRN_EVALUATION	8,354	-	8,354	8,513	22,945	8,900	9,104	57,816
HQ_DELIVERY	26,610	14,553	12,057	-	-	-	-	26,610
LANG_SERVICES	64,100	44,034	20,066	75,406	77,064	78,840	80,653	376,063
LTX_DELIVERY	358,829	300,845	57,984	365,638	373,665	382,265	391,047	1,871,444
PROJECT_BKST	51,043	53,865	(2,822)	39,785	40,660	41,596	42,553	215,637
PROJECT_MNGT	31,753	19,526	12,227	44,585	45,565	46,615	47,687	216,205
SECURITY	59,500	10,578	48,922	60,631	61,963	63,391	64,849	310,334
SEMINAR_STUDYTR	129,267	163,668	(34,401)	127,542	130,343	133,343	134,445	654,940
STX_DELIVERY	268,034	246,055	21,979	267,201	273,054	279,325	285,729	1,373,343
Legal	47,432	30,520	16,912	104,365	106,684	109,067	111,496	479,044
HQ_DELIVERY	8,918	2,147	6,771	20,338	20,786	21,246	21,715	93,003
PROJECT_BKST	6,084	-	6,084	18,654	19,082	19,522	19,971	83,313
PROJECT_MNGT	1,270	1,132	138	553	565	579	592	3,559
STX_DELIVERY	31,160	27,241	3,919	64,820	66,251	67,720	69,218	299,169
MCD	383,243	322,516	60,727	391,290	399,508	407,898	416,462	1,998,401
GVRN_EVALUATION	16,663	17,845	(1,182)	17,013	17,370	17,735	18,107	86,888
LEASE_UTILITIES	260,355	201,610	58,745	265,822	271,405	277,104	282,923	1,357,609
LOCAL_STAFF	93,728	103,062	(9,334)	95,696	97,706	99,758	101,852	488,740
PROJECT_MNGT	12,497	-	12,497	12,759	13,027	13,301	13,580	65,164
FIN	9,757	8,334	1,423	8,617	8,749	8,950	9,156	45,230
PROJECT_MNGT	9,757	8,334	1,423	8,617	8,749	8,950	9,156	45,230
ICD	8,380	-	8,380	9,150	9,350	309,565	9,784	346,229
GVRN_EVALUATION	8,380	-	8,380	9,150	9,350	309,565	9,784	346,229
Total TA Delivery	4,680,613	3,113,913	1,566,700	5,048,497	5,358,225	5,644,104	5,590,933	26,322,372
TFM - 7% Fee	327,643	217,974	109,669	353,395	375,076	395,087	391,365	1,842,566
Total Externally Funded	5,008,256	3,331,887	1,676,369	5,401,892	5,733,301	6,039,191	5,982,298	28,164,938
IMF Contribution	1,000,000	811,479	188,521	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000
Grand Total	6,008,256	4,143,366	1,864,890	6,401,892	6,733,301	7,039,191	6,982,298	33,164,938

1/ Assumes that a second LTX could be hired in FY18.

SECTION VI:

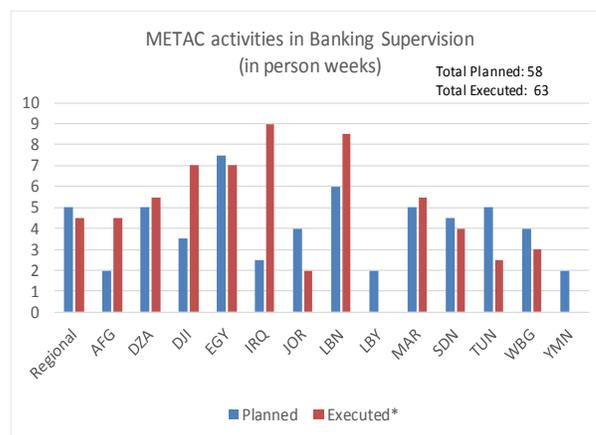
METAC'S ACTIVITIES IN FISCAL YEAR 2017 BY AREA

SECTION VI: METAC'S ACTIVITIES IN FISCAL YEAR 2017 BY AREA

A. Banking Regulation and Supervision

Progress vis-à-vis work programs

In FY17, METAC assisted 11 of its 14 member countries in BRS. It completed 19 of the 24 planned activities, and added four new activities to Afghanistan, Djibouti and Iraq.³ Missions planned for Libya and Yemen were cancelled for security reasons. Cancellations in Jordan and WBG were due to shifts in priorities, and the mission to Tunisia was postponed to FY18. At 63 person weeks, implementation rate was 109 percent, albeit 10 percent lower than in FY16 (70 person weeks).



Activities in FY17

With a view to help promote financial stability in the region, METAC continued to support member countries' efforts to (i) strengthen supervisory institutions, (ii) implement reform strategies to enhance banking supervision practices, and (iii) strengthen supervisors' capacity. revolved around a Results-Based Management (RBM) framework focused on four topical log-frames, with the aim to plan and track the results of TA activities in each country:

- i. **Regulatory and Prudential Framework.** *To achieve strengthened financial sector surveillance by improving the regulatory framework in line with international standards.* Several countries requested TA to improve their regulatory frameworks in response to the IMF's Financial Sector Assessment Programs, in order to further align them to Basel Committee on Banking Supervision (BCBS) standards and guidelines, as the case in **Egypt, Afghanistan, Algeria, Tunisia, Djibouti, Morocco, and Iraq.**
- ii. **Basel II/III Implementation.** *To ensure that banks' capital and liquidity positions adequately cover their risks and contribute to financial stability.* METAC continued its assistance to implement Pillar 2 of Basel II/III, particularly to enhance the supervisory review process in evaluating the adequacy of capital assessed by banks via internal capital adequacy assessment process (ICAAP), akin to **Egypt** and **Morocco.**
- iii. **Risk-Based Supervision and other Supervisory Processes.** *To use supervisory resources effectively and better oversee key risks in the banking system.* METAC continued its assistance to **Lebanon, WBG** to further enhance risk-based supervision: In Lebanon, by completing the upgrading of the RBS inspection manual of the Banking Control Commission of Lebanon (BCCL)'s and assisting in its implementation by testing it on pilot banks; and in WBG, by

³ The 22 activities were in the form of TA (7 missions), a mix of TA and hands-on training (9 missions), national workshops (5 workshops), and one regional workshop.

assisting the supervisors of the Palestine Monetary Authority (PMA) in assessing banks' risks on a forward-looking basis. METAC has also started a program with the Central Bank of **Sudan** (CBoS) to upgrade its inspection manual to align it with RBS approach. This program will continue throughout FY18.

- iv. **Stress Testing:** *To enhance financial stability through early detection of banking sector vulnerabilities an effective and timely response.* In FY17, this has become an area of interest to many countries in the region, including **Afghanistan, Jordan, Egypt, and Lebanon**. In Jordan, METAC promoted the implementation of more advanced approaches to test the vulnerabilities of banks against stressed conditions, by using next generation solvency and liquidity stress test modules.

Planned activities for FY18

BRS activities planned in FY18 should reach 97 person weeks,⁴ increasing by 25 percent relative to FY17 and 13 percent relative to FY16. The 28 CD activities will be in the form of TA (7 missions), a mix of TA and hands-on training (8 missions), national workshops (11 missions), and regional workshops (two missions). These will be delivered by the resident advisor and international experts from the IMF's Monetary and Capital Markets Department (MCM) roster. One of the planned missions to Jordan, will be on insurance supervision, to assist the Central Bank of Jordan (CBJ) in its preparations for assuming responsibility for the regulation and supervision of the insurance sector from the Ministry of Industry, Trade, and Supply.

The FY18 work program on BRS, including Islamic banking, is based on the IMF's Regional Strategic Note and countries' requests. It covers the five outcomes of the RBM log frames. Many of the planned activities for FY18 will be a continuation of projects that were started with in the FY16 and FY17. The following is a summary of the activities planned for FY18, classified based on the strategic objective of the RBM framework:

Regulatory and Prudential Framework

- In **Djibouti**, assist in strengthening prudential regulations on managing foreign exchange, interbank, and credit risks, and on internal control and corporate governance, in response to the Financial Stability Assessment Program (FSAP), MCM and METAC's recommendations.
- In **Iraq**, continue the assistance that has started in FY17 to improve the regulatory framework, by upgrading the regulations on market risk, interest rate risk, operational risk, and corporate governance.
- In **Libya**, provide CD in risk management and corporate governance in Islamic banking to help the Central Bank of Libya in improving the regulatory framework.
- In **Tunisia**, assist in developing regulations on liquidity risk, operational risk, and a corrective action framework.

⁴ 18 person weeks of the planned activities in FY18 reflect STX resource allocation for the time they spend to prepare for the mission, travel, and finalize the TA report.

Basel II/III Implementation

- In **Algeria**, assist in implementing Pillar 2 of Basel II/III, particularly the development of an ICAAP to measure banks' capital adequacy.
- In **Egypt** continue the assistance on implementing pillar 2 of Basel II/III that has started in FY17, by enhancing the capital adequacy framework in line with the BCBS standards and guidelines.
- In **Morocco**, enhance further the ICAAP framework by incorporating the risks that are likely to emerge with a transition to a more flexible FX regime.

Enhanced Risk- Based Supervision

- In **Lebanon**, continue to assist in implementing the RBS manual and assessing banks' risks on a forward-looking perspective.
- In **Morocco**, implement RBS to supervise and manage effectively FX, interest rate, and liquidity risks that are likely to increase with the move to a more flexible FX regime.
- In **Afghanistan**, continue to assist in implementing RBS to identify weak banks at an early stage.
- In **Sudan**, assist in implementing RBS and upgrading the inspection manual to align it with the risk-based approach, and enhance the functioning of credit registry as an essential tool that supports RBS in assessing credit risk.

Stress Testing

- In **Afghanistan**, develop capacity on stress testing to help supervisors assess banks' vulnerabilities under stressful situations and identify weak banks at an early stage.
- In **Jordan**, continue to develop capacity to run next generation stress test model to assess the adequacy of banks' liquidity and solvency under severe but plausible situations.
- In **Lebanon**, and per FSAP recommendations, assist in implementing stress tests in the supervisory process to assess banks' vulnerabilities to shocks.

IFRS for Accounting of NPLs and Provisioning

- In **Morocco**, provide CD in implementing IFRS 9 to improve regulatory provisioning to better capture and reflect credit risk.
- In **Lebanon**, METAC will assist the authorities in implementing IFRS 9 to better assess credit risk and improving the loan loss provisioning.
- **West Bank and Gaza**, provide CD on the implementation of IFRS 9 and the provisioning rules against credit risk.

Regional Workshops

With a view to enhance peer-to-peer learning on areas of common interest in the region, METAC plans to hold two regional workshops in BRS:

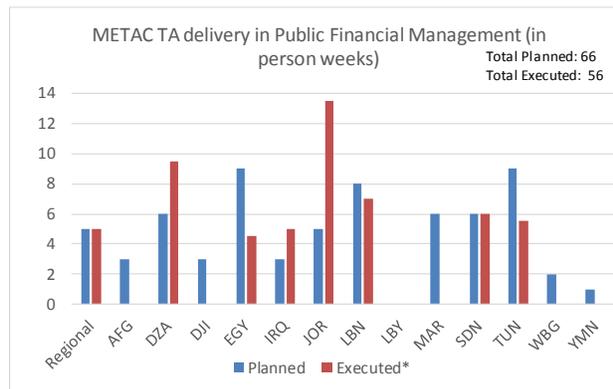
- The first will be jointly with the IMF-Center of Economic and Finance in Kuwait on the effective practices in the supervisory review process at institutions offering Islamic financial services (IIFS).
- The second will focus on stress test as an important tool to assess banks' risks and vulnerabilities.

B. Public Financial Management

Progress vis-à-vis work programs

In FY17, METAC supported PFM reforms in seven of its 14 member countries. Its activities in this area declined marginally relative to FY16 (from 60 to 56 person weeks), mostly due to the absence of a PFM advisor for three months.

Overall, nine of the planned 19 activities were completed and seven new activities were added.⁵ The mission to Yemen were cancelled for security reasons, and to WBG due to a shift in priorities. Missions to Djibouti, Morocco, and Tunisia were postponed due to delays in confirming the timing and scope of missions.



Activities in FY17

With a view to help members make public expenditure more effective and efficient, METAC's assistance in PFM covered a broad range of individual country priorities, including: strengthening the medium-term orientation of the budget (**Algeria, Sudan**); assessing the effectiveness of public investment management (**Jordan**); enhancing financial controls (**Iraq**); improving annual financial statements (**Jordan**); and strengthening cash management practices, including the treasury single account (TSA) arrangements (**Algeria, Iraq, Sudan, Tunisia**).

In several cases, METAC's support helped countries meet the structural benchmarks set in IMF-supported programs, such as: (a) preparing a law that enables future PFM reforms and addresses weaknesses in both the existing draft law and the PFM system in **Iraq**; (b) producing the 2015 financial statements compliant with cash basis- International Public Sector Accounting Standards (IPSAS) in **Jordan**; (c) classifying and consolidating the trust accounts into fiscal tables and publishing them in the government finance bulletin in **Jordan**.

⁵ The 16 activities were in the form of TA (12 missions), a mix of TA and national workshops (3 missions), and one regional workshop.

Planned activities for FY18

PFM activities planned in FY18 should reach 102 person weeks,⁶ 48 percent higher than FY17 execution. This increase is mainly due to increased demand for assistance in PFM, especially in countries benefiting from IMF support, though it also reflects higher potential supply of TA, as a full-time resident advisor in place. The planned 30 CD activities will be delivered by the resident advisor and international experts from the IMF's Fiscal Affairs Department's (FAD) roster.⁷

The FY18 work program has been developed in accordance with the Results-Based Management framework developed by FAD. It is also designed to contribute to the implementation of the IMF-supported economic and financial programs in **Afghanistan, Egypt, Jordan, Iraq, and Tunisia**.

The main activities by strategic objective are:

- i. **Effective PFM Laws and Institutions:** As requested by **Djibouti**, METAC and FAD will jointly provide support the strengthening of key PFM institutions (cash and debt management, TSA, oversight of public enterprises, and public investment). Assistance to **WBG** will include support to operationalize the government's PFM reform strategy.
- ii. **Comprehensive, Credible and Policy-Based Budget Preparation:** METAC will provide further assistance to **Algeria** in setting the annual budget in the context of a medium-term framework, continue to support the strengthening of macro-fiscal capacity in **Sudan**, and ensure the continuity of CD related to macro-fiscal forecasts in **WBG**.
- iii. **Improved Budget Execution and Control:** METAC will assist in building and sustaining financial controls in **Iraq**, and support **Jordan and Morocco** in strengthening planning, execution and monitoring of public investment expenditure.
- iv. **Improved Coverage and Quality of Fiscal Reporting:** In **Lebanon**, METAC will provide a follow up mission on the implementation of the cash-basis IPSAS and will further support the improvement of fiscal reporting in **Jordan**.
- v. **Improved Integration of Asset and Liability Management Framework:** METAC will provide further support to **Algeria** to improve cash planning capacity. **Sudan** will receive follow-up TA to guide the extension of the TSA arrangement and develop cash management capabilities. In **Iraq**, the focus will be on the design of the TSA and establishment of a cash management unit; and in **Tunisia**, on strengthening cash management practices and supporting implementation of a debt management office to improve integration of cash and debt management functions.
- vi. **Strengthened Identification, Monitoring and Management of Fiscal Risks:** Planned activities include assisting **Djibouti, Egypt, Sudan, and Tunisia** in strengthening the analysis capacity of ministries of finance to assess and mitigate fiscal risks that could arise from public corporations. In addition, further support to **Egypt** and **Lebanon** will aim at improving the

⁶ 20 person weeks of the planned activities in FY18 reflect STX resource allocation for the time they spend to prepare for the mission, travel, and finalize the TA report.

⁷ 28 TA missions and 2 regional workshops.

comprehensiveness of disclosure and management of contingent liabilities and other specific fiscal risks.

METAC will participate in IMF-HQ led missions to **Afghanistan, Algeria, Djibouti, Egypt, and Morocco**, and may adjust its work program based on the missions' findings.

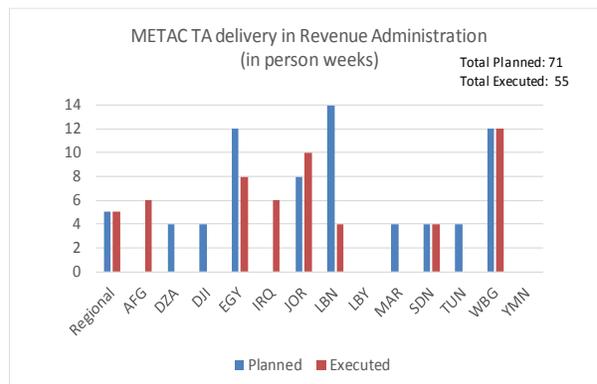
In addition, METAC plans to conduct two **regional** PFM workshops during FY18.

- The first one will present the international overview of government cash management, noting the trend towards more active cash management and will focus on a detailed understanding of how to strengthen cash management arrangements.
- The second one, building on the January 2017 workshop of fiscal risks, will discuss the institutional framework for monitoring, managing, and disclosing fiscal risks with a focus on state-owned enterprises (SOEs) and how to develop an analytical approach to monitor a common set of financial indicators.

C. Revenue Administration

Progress vis-à-vis work programs

METAC implemented 77 percent of its work program in RA. This was due mainly to the fact that METAC had a resident advisor in RA only in the second half of FY17. Nevertheless, METAC assisted eight member countries, executing nine of the 16 planned activities and adding six new activities.⁸



Activities in FY17

METAC has provided support to its member countries to improve their RA practices and capacity across a broad range of areas. Support was provided on strengthening RA management and core administration functions (**Afghanistan, Algeria, Egypt, Iraq, Jordan**); establishing an organizational structure along functional lines and taxpayers' segments (**Iraq**); and better managed corporate priorities through effective risk management (**Egypt, Jordan, Lebanon**).

METAC assisted in strengthening core customs administration functions (**Afghanistan, Sudan, WBG**). TA focused on improving customs control during the clearance process, by supporting the effective application of risk management and selectivity procedures, based on international standards for valuation, origin and tariff classification.

Evidence of increased demand for TA is now apparent, especially in countries benefiting from IMF support, and it is expected that TA delivery rates will strengthen during FY18.

⁸ The 15 activities were in the form of TA (12 missions), national workshops (2 missions), and one regional workshop.

Planned activities for FY18

Total resources for RA activities are expected to increase by 49 percent relative to FY17 execution. METAC plans to undertake 101 person weeks of TA activities,⁹ which will be delivered by the resident advisor and international experts from the IMF's FAD roster. This increase reflects higher demand, as well as a full-time resident advisor in FY18. The 20 CD activities will be in the form of TA, a mix of TA and hands-on training (18 missions), and regional workshops (two missions).

The FY18 work program on RA has been developed in accordance with the Results-Based Management framework developed by FAD for classifying all RA TA in a consistent manner. It is flexible, responsive to the priorities of the METAC member countries, and designed to contribute to the implementation of the IMF-supported economic and financial programs in **Afghanistan, Egypt, Jordan, Iraq, and Tunisia**.

The main activities by strategic objective are to improve member countries' capacity to design and implement strong RA, through the provision of technical advice and support on: (i) RA management and governance arrangements, (ii) tax administration core functions, and (iii) core customs administration functions.

i. Stronger RA management and governance arrangements:

- To better manage corporate priorities through effective risk management METAC will assist **Algeria, Egypt, Jordan and Morocco** in the development of a compliance improvement program to mitigate identified compliance and institutional risks.
- As a first step in the establishment of a clear organizational structure along functional lines and taxpayer segments support will be provided to **Tunisia and WBG** for the establishment of a Large Taxpayers Office that will administer all national-level taxes and focus on high yield activity by achieving a sharp focus on the relatively few taxpayers who account for a large share of tax revenues. Within the same objective METAC will support Tunisia also with the management of medium taxpayers.
- METAC will assist **Lebanon** in the establishment of a strategically focused framework for future development and **Iraq** in the establishment of support functions that will enable more effective delivery of strategy and reforms.

ii. Stronger tax administration core functions to strengthen compliance in registration, filing, payment and reporting in line with international good practice norms and to enhance taxpayers service initiatives to support voluntary compliance.

- Support will be provided to **Egypt** to ensure that VAT compliance on registration, filing, payment and reporting is in line with internationally recognized good practice norms espoused in the Tax Administration Diagnostic Assessment Tool (TADAT).

⁹ 19 person weeks of the planned activities in FY18 reflect STX resource allocation for the time they spend to prepare for the mission, travel, and finalize the TA report.

- METAC will assist **Jordan** in the development of a formal binding ruling mechanism to provide taxpayers with certainty as to how the tax administration will apply the tax law to particular transactions.
- To ensure that a larger proportion of taxpayers meet their payment obligations as required by law, support will be provided to **Morocco** to develop a tax debt management strategy that will focus on high yield activity.

iii. Strengthen core customs administration functions: Support will be provided to **Afghanistan, Djibouti, and Sudan** to ensure that customs control during the clearance process supports more accurate declarations by effective application of risk-based control and selectivity, and procedures based on international standards for valuation, origin, and the tariff classification of goods.

METAC will continue to participate in IMF-HQ led missions and will adjust its work program based on the missions’ findings.

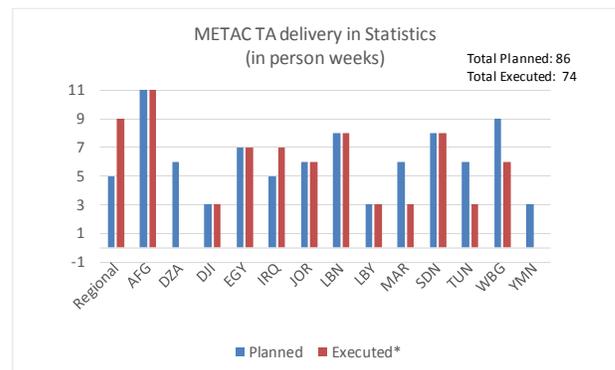
Two regional RA workshops will be organized during FY18. METAC has planned a series of three workshops on the newly developed TADAT designed to deliver an objective and standardized assessment of the most critical outcomes of any country’s system of tax administration. The first workshop held in Jordan in March 2017 covered four of TADAT’s nine performance outcome areas, and will be followed by two further workshops in FY18:

- The first workshop will concentrate mainly on the Effective Risk Management outcome area and more concretely on the way a compliance improvement program to mitigate identified compliance and institutional risks should be developed.
- The second workshop will then cover TADAT’s remaining four outcome areas: (i) Accurate Reporting in Declarations; (ii) Effective Tax Dispute Resolution; (iii) Effective Revenue Management; and (iv) Accountability and Transparency. Statistics

D. Macroeconomic Statistics

Progress vis-à-vis work programs

METAC’s activities in statistics increased by 85 percent relative to FY16 (from 39 to 72 person weeks). The implementation rate was 84 percent, covering 12 countries in the region. Overall, 22 of the 31 planned activities were completed, and three new activities added.¹⁰ Five of the nine cancelled missions were on price statistics, reflecting lower demand in this area.



¹⁰ The 25 activities were in the form of TA (13 missions), a mix of TA and hands-on training (8 missions), two national workshops, and two regional workshops.

Activities in FY17

METAC continued to build member countries' capacity in improving and developing macroeconomic statistics, in line the priorities set up for the Phase IV program period FY17-21, to strengthen their compliance with the international standards and good practices, and thus improve the quality of data used to assess fiscal and monetary policy settings.

The provided TA and training aimed at enhancing countries' statistical capacity to produce and disseminate (i) national accounts statistics, (ii) price statistics, and (iii) external sector statistics (ESS), with improved quality and timeliness, as well as extended coverage.

- METAC supported national statistics offices in improving their source data, and upgrading the methodological basis to compile national accounts. In this context, METAC' assistance supported: (i) the introduction of a new benchmark year and rebasing the GDP time series (**Jordan, WBG**); (ii) the extension and more efficient use of the available source data (**Afghanistan, Egypt, Iraq, Sudan**); and (iii) the adoption of better procedures for measuring volumes and the economic growth (**Afghanistan, Egypt, WBG**). Furthermore, areas for future cooperation were identified in new member countries (**Algeria, Djibouti, Morocco, and Tunisia**) as well as in **Libya**, where METAC has been inactive for the past few years.
- In price statistics, METAC focused on expanding the coverage of price indices (**Afghanistan** consumer price index (CPI)), aligning their methodological soundness to internationally accepted standards for proper treatment of seasonal prices, better reflecting qualitative changes, and introducing newly emerged products on the market (**Iraq** CPI and producer price index (PPI), **WBG** PPI, **Egypt** CPI).
- In the area of ESS, METAC provided TA to **Afghanistan** and **Iraq** to (i) address internal inconsistencies in ESS statistics to improve reliability (Iraq), develop source data and statistics techniques to record specific direct investment transactions and to estimate unrecorded trade (Iraq); (ii) assess major data gaps in IIP compilation and recording cross-border transactions of general government sector (Afghanistan); and (iii) set up data collections for secondary income transactions of household sector.

Planned activities for FY18

Planned activities in macroeconomic statistics for FY18 are expected to increase by 8 percent to 95 person weeks,¹¹ and will continue to focus on improving the quality and coverage of national accounts statistics (60 percent of the allocated resources in terms of person weeks), price statistics (31 percent) and ESS (9 percent), in line with relevant internationally accepted statistical standards.

The FY18 program responds to the priorities of the METAC member countries, and reflects the IMF strategy for CD in statistics in the region. It includes 23 TA missions, two off-site national workshops to Libya, and two regional workshops; and will be delivered by the resident advisor and international experts from the IMF's Statistics Department's (STA) roster.

¹¹ 18 person weeks of the planned activities in FY18 reflect STX resource allocation for the time they spend to prepare for the mission, travel, and finalize the TA report.

National accounts statistics

- **Afghanistan:** In cooperation with the IMF STA project on Enhanced Data Dissemination Initiative (funded by United Kingdom Department for International Development (DfID), METAC will assist in strengthening the institutional capacity, including staff training, for enhancing source data and their organization for rebasing national accounts.
- **Algeria:** METAC will assist the authorities in developing further the national accounts compilation system, particularly to assess the source data, including balance sheet and income statements for development a comprehensive set of accounts for financial institutions.
- **Egypt:** METAC will continue its assistance for better integration of source data in compiling annual and quarterly national accounts, consistent with the supply and use tables (SUT), based on the recent methodological standards (2008 System of National Accounts (SNA)) and good practices.
- **Iraq:** In cooperation with the IMF STA project on Enhanced Data Dissemination Initiative (funded by DfID), METAC will continue to assist Iraq in improving and further developing national accounts, and develop staff's capacity, particularly on enhancing the source data and adopting the internationally recommended concepts and definitions of the 2008 SNA.
- **Jordan:** After the successful rebasing of the national accounts time series, METAC will continue to work closely with the Department of Statistics (DOS) in enhancing quarterly GDP estimates and introducing independent estimates for household final consumption expenditures. Assistance will also be provided in finalizing the SUT for 2013.
- **Lebanon:** METAC will continue its assistance to the Central Administration of Statistics (CAS) to develop the Rest of the World account and sequence of accounts for the economy.
- **Libya:** Based on the agreed CD program during the FY17 mission, METAC will train the staff in organizing the data sources and re-establishing the national accounts compilation system.
- **Morocco:** METAC will work with the Statistics Directorate at the High Commission on Planning (HCP) to further enhance the national accounts and ensure methodologically sound linkages with other macroeconomic statistics, particularly for the selection, verification and assessment of the source data that are needed for establishing balance sheets by institutional sectors.
- **Sudan:** METAC will continue its assistance to enhance the source data, focusing on the assessment and integration of the regional business surveys in national accounts, and the adoption of procedures for estimating informal activities, based on 2014/15 household income and expenditure survey.
- **Tunisia:** METAC will provide TA within the framework of the European Union twinning project, for the modernization and development of administrative capacity of the National Institute of Statistics (NIS). More specifically, METAC will support the NIS in assessing the source data and adopting procedures to implement the 2008 SNA requirements for financial institutions.
- **WBG:** METAC will continue its assistance to the Palestinian Central Bureau of Statistics (PCBS) in two areas: adoption of annual chain linking volume measures of annual and quarterly

accounts for GDP by production and expenditure components, and developing a set of integrated economic accounts by institutional sectors.

Price statistics

- **Algeria:** METAC will assist the authorities in updating the weights for CPI based on the recent results from the household income and expenditure survey.
- **Djibouti:** METAC will continue to assist in developing the external trade price indexes, with a view to establish the weighting system, select establishments, and complete the initiation survey.
- **Egypt:** METAC will continue its assistance to improve the compilation of rent index based on the 2004 CPI Manual, and to update the weighting system of PPI by incorporating prices of exported products.
- **Lebanon:** METAC will continue the project with the Banque Du Liban (BDL), launched in FY17 on development of Residential Property Price Index (RPPI).
- **Libya:** METAC in cooperation with STA will assist the authorities in enhancing the staff capacity to produce price statistics, focusing on CPI compilation issues.
- **Sudan:** METAC will continue its assistance to update the CPI weights, based on the latest household budget survey results.
- **Tunisia:** METAC will assist the NIS in assessing available sources for measuring rentals, including owner occupied housing in CPI, as well as in assessing the feasibility of regionalization of CPI.

External sector statistics

- **Afghanistan:** METAC will continue to improve data sources for cross-border position statistics particularly for direct investment, facilitate the compilation of quarterly international investment position statistics (IIP), foster implementation of the revised enterprise survey to support BPM6 standards in balance of payments and IIP statistics, and set up data collections for secondary income transactions of household sector with the application of statistical techniques to estimate non-observed cross-border activities.
- **Algeria:** METAC will assist the authorities in assessing and enhancing the source data for compiling data on balance of payments and international investment position in accordance to the BPM6 methodological requirements. It will focus its TA on: designing and organizing an enterprise direct investment survey; assessing the ongoing work; and establishing regular international investment position statistics.
- **Iraq:** In cooperation with the IMF STA, METAC will continue to assist authorities in minimizing internal balance of payments inconsistencies to improve data reliability, develop compilation program with application of administrative data and statistics techniques for recording specific direct investment transactions inclining production sharing agreement arrangements, and addressing coverage issues for external trade data.

Regional workshops

METAC plans two regional workshops for enhancing countries' capacity in compiling data on national accounts and price statistics. The workshop on national accounts will focus on quarterly GDP estimates by production and expenditure categories, and the one on prices aims to cover issues ranging from the development of source data, to compilation methods and dissemination of price indexes, particularly the producer price index.

SECTION VII:

METAC'S ACTIVITIES IN FY17 BY COUNTRY

SECTION VII: METAC'S ACTIVITIES IN FISCAL YEAR 2017 BY COUNTRY

A. Afghanistan

Afghanistan is a fragile state undergoing a difficult political, security, and economic transition. The authorities' program supported under the IMF's Extended Credit Facility set out a structural reform agenda that focuses on institution building, fiscal and financial reforms, and measures to combat corruption. In this context, METAC's assistance to Afghanistan focused on strengthening Da Afghanistan Bank's (DAB) capacity to deal with weak banks, enhancing revenue collection and reducing leakages, and improving the compilation of national account, external, and price statistics. Seven off-site missions were organized in Amman and Dubai, of which one was joint with FAD:

Banking Regulation and Supervision (August 29-September 1, April 16-20)

To address the weaknesses and poor governance practices in the banking sector, METAC has been supporting the DAB efforts to enhance its regulatory and supervisory frameworks. In this context, METAC undertook two off-site training missions in Amman:

- The first mission trained a team of supervisors on how to deal with weak banks, to enhance their capacity to identify problem banks at an early stage and implement effective measures to manage them. The training focused on the difficulties DAB supervisors encounter while inspecting problematic banks, and the possible measures that could help manage such cases.
- The second mission focused on the techniques of stress testing as an important tool for assessing the resilience of individual banks to adverse economic and financial conditions in a forward-looking perspective. The mission aimed to enhance capacity of DAB supervisors in detecting banks' vulnerabilities under severe but plausible shocks, and accordingly, identifying weak banks at an early stage, and taking corrective actions.



*Off-site mission to DAB, Jordan,
August 29 - September 1*

Revenue Administration (February 20-24, April 30–May 4)

METAC organized two off-site missions, one joint with FAD in Dubai and one in Amman:

- The purpose of the first mission—organized jointly with FAD tax policy—was to develop options for short-term revenue mobilization both for tax and customs. Due to difficult operational circumstances, the first two days' meetings were held via Skype. The mission identified the establishment of a modern and well-functioning large taxpayers' office (LTO) as an important initiative that could increase tax revenue in both the short and long term. An LTO would help to secure tax revenues by achieving a sharp focus on the relatively few taxpayers who account for a large share of tax revenues. It was also agreed with the authorities that METAC would provide TA on the development of comprehensive 'multi-criteria' risk profiles to the Afghanistan Customs Department (ACD). An MCD mission started

at the end of the coordinated tax administration/tax policy mission, building on its conclusions.

- Following the Memorandum of Economic and Financial Policies for 2016-2019, ACD has to implement multi-criteria risk profiles in all border crossing points and inland custom depots to effectively identify and prioritize high-risk traders and shipments for physical examination and post-release verification. Accordingly, the second METAC mission reviewed the new national risk management policy, and advised on how to establish, test and implement multi-criteria risk profiles in all border crossing points and inland custom depots of Afghanistan.

Statistics (May 8-12, December 4-8, February 12-19)

As a part of its CD program to the Central Statistics Organization (CSO), METAC organized three off-site missions in Amman:

- The first mission provided TA on improving national accounts. It was organized jointly with the IMF's STA, within the project on Enhanced Data Dissemination Initiative (EDDI) Phase 2, funded by DfID. The mission considered the recent developments in data sources (i.e., non-agricultural economic surveys and household income and expenditure surveys) as a good basis for introduction of a new benchmark year for national accounts, and provided recommendations for their integration. The mission also provided hands-on training on the volume estimates of GDP expenditure components, and designed standard compilation templates to be completed by the CSO staff, prior to the next mission.
- The second mission supported the CSO's efforts to improve price statistics. It assessed the last updates of the CPI based on the 2011/12 living conditions survey and recommended enhancing the compilation system, including by: treating missing prices, improving the item sample, and collecting rent data. The mission also helped the staff in updating the description of sources and methods for compiling price statistics and assisted in revising the Enhanced General Data Dissemination System (e-GDDS) metadata for the Afghan CPI, to be posted on the IMF's Data Standards Bulletin Board (DSBB).
- The third mission assisted DAB in strengthening the quality of ESS. The mission welcomed improvements achieved since the last mission, including submitting revised balance of payments data in the Balance of Payments and International Investment Position Manual, sixth edition (BPM6) format to the IMF's STA, the preparation of International Investment Position (IIP) data in BPM6 format, the reconciliation of balance of payments and IIP data, and the comparison of partner country trade data. The mission assisted the authorities in addressing the data gaps in the IIP, which are related to direct investment assets, direct investment liabilities, other assets and liabilities of the private sector, and trade credits. To this end, it developed a detailed work plan for conducting an enterprise survey, finalized the survey form, and provided hands-on training on how to complete the survey form and train the enterprises that will take part in the survey.

B. Algeria

The oil price shock has hit Algeria's economy hard and exposed the longstanding vulnerabilities of an economy highly dependent on hydrocarbons. The IMF staff report for the 2016 Article IV Consultation highlighted the need to achieve a durable and ambitious fiscal consolidation over the medium term, deep structural reforms are necessary to offset the impact of fiscal consolidation on growth, and reduce the dependence on oil, by greater exchange rate flexibility, a carefully calibrated monetary policy that guards against inflation, and policies to mitigate risks in the banking system. Against this background, METAC's assistance focused on supporting the authorities' efforts aimed at fiscal consolidation, and developing Bank of Algeria's (BA) capacity to monitor credit risk.

Banking Regulation and Supervision (July 17-21, March 12-16)

Credit risk is a major concern for banks in Algeria. The stress tests performed by the FSAP in 2014 indicated that credit and specifically loan concentration are the main banking sector risks in Algeria. The BA has been working on enhancing and improving the supervision of credit risk in the banking sector and further building the capacity of its supervisors in better monitoring this risk. To support these efforts, METAC organized a national workshop on credit registry, to train a group of 28 staff from various departments of BA. Focusing on the latest developments on credit registry and the experience of other METAC member countries, the workshop emphasized on how to take advantage of the credit registry to monitor credit risk, particularly those arising from large borrowers and credit concentration. Following the training, METAC assisted BA in identifying areas for improving its credit registry to meet international best practices and to strengthen credit reporting by banks.



*National workshop on "Credit Registry", Algeria
July 17-21, 2016*



*National workshop on "ICAAP", Algeria
March 12-16, 2017*

In a second mission to Algeria, METAC trained BA supervisors on the ICAAP, covering the objectives of ICAAP, its framework and design, stress testing as an essential element in assessing capital needs under stressful conditions, material risks to be assessed, and the methodology and techniques to quantify risks and risk appetite. The mission also assisted the authorities in clarifying the concept of related parties, as recommended by the 2013 FSAP, and provided specific suggestions to amend the BA regulation related to this topic.

PFM (May 30-June 6, July 18-31)

Lower oil prices have caused a sharp drop in cash resources and a deterioration of budget balances in many oil-producing countries. Ambitious fiscal consolidation together with reforms in PFM could help restore fiscal sustainability against the backdrop of declining oil revenues.

- Cognizant of the need for such reforms, the Algerian authorities requested a TA mission to take stock of current practices and the institutional framework for cash management, and to identify areas for reform. The mission recommended a reorganization of the treasury function and closer coordination with the central bank; review of the existing cash management process to provide reliable and timely data on budget execution, receipts and payments; and establishing a cash forecasting function within the Treasury Directorate. The authorities welcomed the mission's recommendations, and expressed interest for building an effective and long-term cooperation to achieve sustainable PFM reforms.
- This was followed by a joint IMF FAD–METAC mission, which worked on (i) developing and operationalizing a medium-term budget framework (MTBF) to put the expenditures on a sustainable path in line with the fiscal policy objectives, and (ii) strengthening the cash management framework and upstream expenditure controls to ensure that fiscal and expenditure priorities are on track during budget execution. The mission recommended (i) extending the coverage of the MTBF; (ii) introducing multi-year commitment ceilings and a monthly flash reporting system; (iii) adopting the new organic budget law; (iv) and measures to strengthen cash flow forecasting and the treasury's day-to-day coordination with the central bank.

Revenue Administration (November 23–December 6)

METAC's new resident advisor participated in a TA mission of the IMF's FAD to review the status of implementation of the strategic plan 2015-19 of the General Directorate of Taxes (GDT). The mission recommended mitigation measures and steps to improve tax administration core processes, including to modernize filing and payment procedures, develop risk-based audit programs, and collect arrears. Attention was also given to VAT administration, including registration, filing, audit and refunds. The mission was an opportunity for METAC's advisor to meet the authorities and discuss areas where METAC could provide TA going forward.

C. Djibouti

Djibouti has been pursuing a strategy of developing infrastructure to foster growth and reduce poverty. Nevertheless, poverty and unemployment remain high, and humanitarian needs have increased with the influx of refugees, mainly from Yemen. High public investment spending has been exerting considerable pressure on public finances; and commercial banks' loan portfolio deteriorated over the past few years, driven mainly by the bankruptcy of two private oil companies and a stricter loan classification required by the Central Bank of Djibouti (CBD). As Djibouti is a new member country, METAC undertook three missions, of which two aimed at assessing Djibouti's TA needs and identifying areas for METAC support.

Banking Regulation and Supervision (October 16–27, February 5–16)

METAC's first mission to Djibouti assessed the CDs needs of "Banque Centrale de Djibouti" (BCD). Following the 2008 FSAP, the BCD enhanced the banking regulatory and supervisory frameworks with IMF assistance. Nevertheless, banking regulation needs further strengthening, the capital adequacy, assets classification and provisioning, exposures of related parties, internal control, corporate governance, risk management, and anti- money laundering and fighting terrorism.

Banking supervision also needs to be strengthened, by focusing on risks and internal control, developing enforcement framework, conducting penalty procedures, and enhancing the existing resolution framework. METAC identified areas where it can provide assistance in the regulatory and supervisory frameworks, and agreed with the authorities on a medium-term CD agenda.

A subsequent mission assisted the BCD in improving their prudential regulations on the equity components of the capital adequacy ratio, loan classification and provisioning, and related parties. Accordingly, the mission proposed three instructions, which should help to strengthen banks' financial soundness and prompt the BCD to adopt an effective regulatory framework. The mission also trained the banking supervision staff on the implementation of these regulations.

Statistics (November 13-17)

With the assistance from AFRISTAT, and after almost 15 years the Department of Statistics and Demographic Studies (DISED) resumed producing national accounts data. By end-2017, DISED expects to publish annual GDP series by production and final expenditure components at current and constant prices for the period 2008 – 2016. In this context, METAC's first mission to Djibouti reviewed and assessed the sources and procedures for compiling GDP by production and final expenditure components, at current and constant prices. In consultation with the AFRISTAT resident advisor and the authorities, the mission developed METAC's TA agenda on national accounts and price statistics in Djibouti, which includes: (i) developing capacity in national accounts after 2017, including a system for preliminary GDP estimates; (ii) producing import price index, to measure prices and volumes in national accounts; and (iii) organizing administrative and statistical sources for establishing statistical business register.

D. Egypt

The restoration of relative political stability since 2014 has given Egypt an opportunity to address its longstanding economic challenges. The authorities' economic program, supported by the IMF's EFF arrangement aims to address macroeconomic vulnerabilities and promote inclusive growth and job creation. Among other things, it includes fiscal consolidation to ensure public debt sustainability; strengthening PFM and fiscal transparency; and enhancing further the soundness of the banking sector and promoting competition. In this context, METAC supported the authorities' efforts as follows:

Banking Regulation and Supervision (August 21-24, February 26-March 2, April 9-13)

METAC has been assisting the Central Bank of Egypt (CBE) in implementing Pillar 2 of Basel II/III, and enhancing the supervisory capacity, as part of CBE's broader banking reform program *aimed at better assessing banks' capital adequacy and promoting a sound banking sector*. To this end, METAC organized three workshops during FY17:

- The first workshop was on the new Basel Committee on Banking Supervision's Standard related to the minimum capital requirements for market risk. It aimed at strengthening the capacity of the CBE supervisors in assessing bank's capital adequacy against market risk by emphasizing on the sensitivities-based approach of this Standard.

- The second workshop focused on the techniques of stress testing as an important tool for assessing the resilience of individual banks to adverse economic and financial conditions in a forward-looking perspective. The workshop aimed at enhancing the capacity of CBE on-site and off-site supervisors in detecting banks' vulnerabilities, particularly following the devaluation of the Egyptian pound.
- The third workshop was on supervising and assessing internal audit and internal control function in banks, within the supervisory and review process. This provides critical support to banks' boards of directors in overseeing risks and ensuring their maintenance of adequate capital.

PFM (November 23-30)

Fiscal risk management has been identified in previous FAD TA as a reform priority. In view of potentially significant exposure to contingent liabilities, it also features in the recently agreed EFF. To help the authorities strengthen their understanding of these pressures, METAC provided training to the Ministry of Finance (MoF) on fiscal risk management based on international good practice and experiences, and advised on the institutional framework for monitoring and managing the main fiscal risks in Egypt, including a possible outline of a fiscal risks report for Egypt, which could form the basis of a quarterly or bi-annual internal risks report. Over time, this could be expanded or amended as required, and possibly become a public statement of fiscal risk. An FAD mission in February 2017 followed up on analysis of risks in the state-owned sector.



*Training on "fiscal risk management", Egypt
November 23-30, 2016*

Revenue Administration (July 31-August 11, September 25-October 6, January 17-19, March 19-23)

Following a TADAT in October 2015, two METAC short-term experts provided post-assessment TADAT training to managers in the Egyptian Tax Authority (ETA) and the MoF to enhance their understanding of performance management standards, including obtaining and analyzing reliable performance data. The experts gathered feedback from participants regarding the priority areas to be addressed in building ETA capacity in line with international good practices. The five priority areas that were identified (transparency, risk management, dispute resolution, management reporting, and taxpayer register) will form the basis of a structured program for METAC TA support to the ETA over the next two years.

In September-October, a follow-up METAC mission assisted the authorities in developing a structure, governance arrangements, and key functions for sound risk management, as a basis for compliance improvement, effective resource deployment and institutional security. Together with the authorities, the mission also prepared an action plan for the introduction of risk management in the ETA.

In January, METAC's new resident advisor visited Cairo to hear the authorities' views on METAC's work and to assess Egypt's needs for TA going forward. He met with the Vice-Minister of Finance for Tax Policy and his senior staff. TA needs were discussed with IMF-HQ to determine how best to meet these. Special attention was given to the recently enacted and implemented VAT law.

Last, METAC assisted the authorities on VAT implementation. After many years preparing for implementation, Egypt introduced VAT in September 2016. Previous FAD and METAC TA had focused on ETA's readiness including: staffing, training, office preparations, information technology, tax operations, taxpayer assistance and stakeholder management. In addition, both the FAD Tax Policy Division and the IMF Legal Department had provided advice on legislative issues, including a new small business regime for those who are currently registered for the General Sales Tax but will not be required to register under the VAT law. METAC's visit took place in March six months after the introduction of the VAT, which was sufficient time for areas requiring further development to become apparent. The mission reviewed the implementation, and identified core administrative functions (registration, filing, payment, and compliance) and other areas, where further METAC TA support would be beneficial.

Statistics (September 18-29, December 11-15)

As part of METAC's CD to Egypt on improving national account statistics, a mission worked closely with the national accounts compilers at the Central Agency for Public Mobilization and Statistics (CAPMAS) and Ministry of Planning (MOP) to ensure consistency in concepts, methodological procedures, and source data, for compiling GDP aggregates by the production, income, and final expenditure approaches in annual national accounts and SUT. The mission identified areas for better consolidating the sources and compilation procedures, and provided recommendations on reporting the transactions for calendar year; valuation of output and value added; measuring foreign trade; adopting coordinated procedures for verification and assessment of source data and measuring informal activity, as well as unified methods for estimating some specific transactions. The mission also helped the compilers to enhance the quarterly estimation procedures, to enrich the set of indicators needed to compile quarterly GDP aggregates, such as labor force and foreign trade statistics, and the tax returns of the recently introduced VAT.

METAC also assisted CAPMAS in improving data sources and compilation procedures for the CPI. In this context, a mission assisted the authorities in improving the organization of calculation procedures for elementary price indexes, integrating price observations in the compilation system, and addressing ongoing problems with collecting rent data. The mission agreed with the authorities to provide additional TA after the release of the updated CPI in 2017, to help them introduce measures to revise the CPI weights every two years.

E. Iraq

Since 2014, Iraq has been hit by the conflict with the Islamic State in Iraq and Syria and a slump in oil prices. The oil price decline has resulted in a massive reduction in fiscal and export revenue, pushing the fiscal and balance of payments deficits to unsustainable levels. A Stand-By Arrangement was approved by the IMF Executive Board in July 2016 with access to SDR 3.8 billion to assist the Iraqi authorities in the current crisis. The program aims to address the urgent balance

of payments need, bring spending in line with lower global oil prices, and ensure debt sustainability. It also includes measures to strengthen PFM, enhance financial sector stability, protect the poor, and curb corruption. In this context, METAC held six off-site missions –of which two were joint with FAD—to help the authorities strengthen bank regulations, PFM, RA and data, and meet their commitments under the Stand-By Arrangement.

Banking Regulation and Supervision (November 20-28, March 5-12, April 22-25)

Strengthening banking supervision is critical to monitor and contain the damage caused by the crisis in Iraq on the banking system. Accordingly, as part of the IMF Stand-By Arrangement, the Central Bank of Iraq (CBI) committed to prepare regulatory changes to strengthen prudential standards and bank supervision, with the support of METAC and other external consultants. In this context, METAC has developed a two-year TA program to upgrade the regulatory framework:

- The first mission of the program focused on aligning regulations on capital adequacy ratio and liquidity measurement with the requirements of Basel II/III. The regulation on capital adequacy ratio focused on the common equity Tier 1 capital, capital conservation buffer, and leverage ratio. The regulation on liquidity aligned the liquidity coverage ratio (LCR) and the net stable funding ratio (NSFR) with Basel III, and set a minimum floor in local currency, in each major currency, taking into consideration the particularity of the Iraqi banking system. The regulation on liquidity also defined additional metrics to measure and manage liquidity risk that include: contractual maturity mismatch; concentration of funding; and market-related monitoring tools, and emphasizing on liquidity governance.
- The second mission completed the drafting of regulations on (i) risk management framework, (ii) loan classification and provisioning, (iii) credit risk management to provide a comprehensive bank-wide view of credit exposures consistent with a bank's risk appetite, (iv) measuring and managing concentration risk, (v) large exposures measured on solo and on a consolidated basis, and (vi) related parties' exposures, in line with BCBS guidelines, and after considering the Iraqi context. These regulations set out certain detailed requirements and reporting obligations for banks.
- The third mission aimed at discussing with a group of the CBI officials the regulations drafted with METAC assistance in November 2016 and March 2017. The mission trained the CBI officials on the implementation of these regulations, and prepared them to oversee the implementation and train other CBI supervisors and officials.

PFM (August 30-September 5, February 19-25)

The fiscal pressures have amplified the weaknesses underlying the public finance management system in Iraq, in particular as regards commitment controls and cash management. The Stand-By Arrangement includes several key measures on strengthening PFM, including to initiate the payment of accumulated arrears and avoid further accumulation. In this context, METAC held two missions to assist the authorities in meeting their commitments under the Stand-By Arrangement:

- The first mission helped the MoF in (i) preparing a new draft of the Financial Management law (FML) in line with World Bank and IMF comments; and (ii) the design and

implementation of a commitment control system for budget execution, starting by preparing a monthly budget execution report based on inputs from spending units, implementing cash rationing for each spending unit, improving the recording of commitments, and prohibiting any commitment beyond quarterly allocations. Subsequently, METAC reviewed and provided additional guidance to the new draft FML, and discussed with the authorities the design and steps required to implement commitment controls.

- The authorities had also committed to monitor arrears more closely and to take steps to implement a TSA. An FAD/METAC TA mission visited Amman, Jordan to review progress in implementing these critical reforms. Three presentations, on the abovementioned topics, were provided and discussed with the authorities. The mission also discussed the progress made in implementing previous FAD/METAC recommendations related to commitment controls and cash management, and proposed options and steps for introducing a TSA, taking into account Iraq's constraints.

Revenue Administration (February 5-9, March 19-23)

METAC organized two off-site missions, one joint with FAD in Baku and one in Amman:

- The first mission—organized jointly with FAD tax policy—discussed tax policy options for increasing non-oil tax revenue and options for short-term revenue mobilization. The discussions were primarily guided by two inter-related objectives: (i) simplify the tax system and improve its neutrality, and (ii) increase non-oil tax revenue in the short term, primarily from policy changes. Although the simplification measures could help raise additional revenue without fundamental changes in the tax and custom administrations operations, the mission identified many operational areas requiring improvement, including information technologies both in tax and customs, and a more effective management of large taxpayers in the tax administration. The establishment of a modern and well-functioning LTO was identified as an important initiative that could increase revenue in both the short and long term.
- A second mission advised on the establishment of a modern LTO. A small unit in Baghdad conducts post-filing verification checks on the tax returns of a limited number of larger taxpayers. However, this falls well short of an LTO structure and modern compliance management methodologies. The mission reviewed the existing practices for management of large taxpayers and the current understanding within the Tax Department regarding the types of non-compliant behavior by large taxpayers and their relationship to compliance management strategy and activities. It also delivered workshops on the role, objectives, and functional design of an LTO, as well as a time-bound work plan to establish an LTO, including allocation of responsibilities, performance indicators and resource requirements.



*Off-site mission on "Tax Policy", Azerbaijan
February 5 – 9, 2017*

Statistics (January 8-14, January 29-February 2, February 26-March 2)

METAC undertook three off-site missions to assist Iraq on external sector, national accounts, and price statistics:

- The first mission on external sectors statistics was held in Baku, Azerbaijan. The mission found that some of the previous mission's recommendations were implemented, and the statistical discrepancy (net errors and omissions) in the preliminary balance of payments data for 2016 has declined substantially. The mission advised on how to treat imports financed by the foreign exchange auction and recommended introducing the enhanced international transactions reporting system; and enhancing the inter-institutional cooperation.
- The second mission on national accounts statistics was held in Amman, Jordan. The mission assisted the Iraqi Central Organization of Statistics and Information Technologies (COSIT) in improving the source data and integrating product balances in the core national accounts compilation system. It suggested a standardized template to be used on all product balances, allowing the simultaneous compilation of values and volumes, specifying the valuation elements from supplier to the final user. While the challenging political and security conditions are considered as serious constraints, the mission observed some areas where concrete actions (with adequate political support) can be taken, including the treatment of foreign companies in the Iraqi economy, strengthening the data exchange and the use of available administrative data.
- The third mission in Amman, Jordan, provided follow-up assistance to COSIT in enhancing price statistics. The mission trained COSIT staff on the weighting procedures in compiling the national CPI, adopting appropriate indexes at the elementary level of aggregation, both for the CPI and PPI, treating missing prices, and introducing new and replacing the old products. The mission agreed with the authorities on a time table for the implementation of the recommended improvements, taking into account the planned updates of the base year.

F. Jordan

The conflicts in Iraq and Syria, the large inflow of refugees, along with large shortfalls in the supply of gas from Egypt at below-market-prices, constituted major shocks to the Jordanian economy. Nevertheless, the authorities undertook several reforms under the IMF's Stand-By arrangement to address the gas shortfalls. Going forward, they are committed to implementing policies and reforms, underpinned by Vision 2025 and supported by the IMF's EFF,¹² to (i) sustain macroeconomic stability through reducing fiscal needs and increasing reserves; and (ii) enhance the conditions for more inclusive growth, including through better PFM and governance. METAC's assistance focused on helping the authorities meet the structural benchmarks of the IMF's EFF, developing an agenda for improving RA, enhancing the capacity of bank supervisors, and rebasing the national account statistics.

¹² While the current EFF still includes reforms in the energy sector, it was not designed to address this particular shock.

Banking Regulation and Supervision (August 14-18)

The CBJ has undertaken significant reforms to enhance and its capacity to monitor the banking system in Jordan, including the development of an early warning system, the establishment of the Financial Stability Department, and the adoption of the Next Generation Balance Sheet to test the vulnerability of the banking sector. As part of METAC's support to these reforms, a mission provided training the CBJ supervisors on stress-testing as an essential tool to assess the resilience of banks to adverse economic and financial shocks. The mission discussed how to analyze and report on multi-period sensitivity and scenario solvency testing and how to integrate them in banking supervision. It also covered liquidity stress-testing and its interaction with solvency stress-testing and interest rate risk, and how to design stress test scenarios. These will help supervisors identify vulnerable banks at an early stage and contribute to enhancing financial stability.

PFM (September 25-29, October 23-27, December 5-14, March 7-8, April 25-May 9)

In November 2014, the Jordanian cabinet endorsed the adoption and implementation of IPSAS to improve the quality of financial reports and transparency in the government's financial practices, which was followed by the approval of a *"Roadmap for the Implementation of IPSAS"* by the IPSAS SC. Since then METAC has been supporting the Jordanian government's efforts to adopt accounting standards compliant with the cash basis of IPSAS. Following last year's METAC mission that undertook a gap analysis and identified deviations from IPSAS, two consecutive missions assisted the authorities with the implementation of the mid-November 2016 structural benchmark on IPSAS that was included in the IMF's EFF. The first mission provided hands-on training and recommendations in preparing cash-basis IPSAS financial statements, which include a cash flow statement, a statement of comparison of budget and actual amounts, and notes. The second mission assessed the process and provided guidance on how to solve pending issues. Following the second mission, the authorities formally submitted the financial statements to the Audit Bureau, which issued an audit report enclosing an opinion on the fair presentation of the cash flow statement and the comparison between budget and actual amounts for the FY15 in accordance with the Cash-basis IPSAS.

To promote greater fiscal transparency, the Jordanian authorities have also been taking steps towards effective monitoring, controlling, and managing the trust accounts maintained by government units covered by the TSA. In this context, last year, METAC assisted the authorities in reviewing the use of trust accounts and classifying them per their purpose and use. Since then, the authorities have started integrating part of the trust accounts into the TSA. This year, a follow up mission advised on the appropriate accounting treatment of the trust accounts and assisted with the implementation of the February 2017 structural benchmark on Trust Accounts (*"Record the trust accounts entries as revenue and expenditure and classify them by purpose and use and consolidate them into fiscal tables and publish in the government finance bulletin"*).¹³ The mission also recommended to (i) create a separate organizational unit for fiscal reporting; (ii) transform available accounting data for all budget and trust Accounts of general government units into GFS

¹³ This structural benchmark has been delayed.

categories; and (iii) aggregate and consolidate the budget accounts with the corresponding trust accounts.

A brief follow-up visit took place early March 2017 to assess progress made with the implementation of previous advice and provide further technical guidance, particularly to eliminate the discrepancies between the fiscal balance and the financing data in the fiscal table compiled for the EFF.

Using the IMF's new Public Investment Management Assessment (PIMA) framework, a joint FAD-METAC mission evaluated the strength of the Jordan's public investment management (PIM) practices. The mission assessed the efficiency of Jordan's public investment, outlined its relative institutional strengths and weaknesses, and provided practical recommendations to enhance the efficiency and impact of public investment.

Revenue Administration (August 28-September 8, December 12-15, April 23-May 4)

Following a TADAT assessment in March 2016, two METAC experts visited Jordan's Income and Sales Tax Department (ISTD) to review the assessment results and develop a framework for METAC TA support over the next two years. The priority areas that were identified and agreed with the authorities are: risk management, arrears management, creating a formalized rulings system, cooperative compliance initiatives for large taxpayers, and ensuring that the ISTD monitors and learns from tax dispute outcomes.

METAC's new resident advisor visited Amman to confirm with the authorities the focus and scope of future METAC TA in selected priority areas and to discuss the regional workshop on RA that METAC will organize in Amman during March 20-23, 2017. He met with senior directors of the Jordanian ISTD to discuss a roadmap for further TA, and with representatives from the United States Agency for International Development (USAID) and the European Delegation to coordinate the assistance provided by the respective institutions.

In April, a METAC mission assisted the authorities in developing a structure, governance arrangements, and key functions for sound risk management, as a basis for compliance improvement, effective resource deployment and institutional security. Together with the authorities, the mission also prepared an action plan for the introduction of risk management in ISTD.

Statistics (July 17-28, October 28-November 3)

Two METAC missions assisted DOS of Jordan in improving National Accounts. These were a continuation of METAC's assistance to replace the 1994 base year in the national account statistics.

The first mission reviewed and assessed the sources and procedures for the rebased GDP series to 2010, and provided recommendations for finalizing and disseminating the updated annual and quarterly GDP data sets. The mission also assisted DOS in updating the questionnaires needed for developing further the national account statistics, particularly for enhancing the

compilation of quarterly GDP by final expenditure components; and for collecting information needed for implementation of the 2008 SNA methodological standards.

The second mission helped to DOS finalize the annual GDP estimates by activity at current and constant 2010 prices for 2008-2014. As a result, the first set of annually compiled GDP data in line with the latest version of the International Standard Industrial Classification (ISIC Rev. 4) are now available. The mission discussed and agreed with the DOS that 2017 shall be the next base year. The mission also assisted the DOS in compiling SUT for 2013, which is expected by end-2016.

METAC will continue to support the national accounts compilers in reconciling the old quarterly series to the rebased annual estimates, to upgrade the benchmarking system, and update the underlying indicators. It will also provide further assistance to assess the results of the SUT and to integrate its structures as a benchmark for the regular national accounts estimates.

G. Lebanon

The protracted conflict in Syria and refugee inflows continue to place pressures on the Lebanese economy. For more than half of FY17, in the absence of a president, the authorities have tried to preserve macroeconomic stability and market confidence in very difficult circumstances. In such an environment, METAC's assistance has been incremental, focusing mainly on strengthening institutional capacity. More recently, after the formation of a new government, METAC provided assistance to strengthen VAT compliance.

Banking Regulation and Supervision (September 19-30, February 20- 24, April 25-28)

Over the last ten years, the BCCL has been implementing a risk-based supervision (RBS) program. In this context, a METAC mission assisted the BCCL on the implementation of the risk-based supervision (RBS) manual that was developed earlier with METAC assistance. The mission worked with a task force team of BCCL supervisors on a pilot bank to identify difficulties and challenges in the implementation process. The mission assisted in developing a template for RBS report, which would help to assess how a bank manages risks and to signal the areas that could threaten the soundness and safety of the bank. A follow-up on mission on RBS will take place in FY18.

To enhance the BCCL's risk-management framework, METAC trained the BCCL supervisors on the techniques and implementation of stress tests as an essential tool to assess the resilience of individual banks against economic and financial shocks, in a forward-looking perspective. The training focused on how the BCCL supervisors can use supervisory data to create single-factor sensitivity tests for generic credit risk, sectoral credit risk, large-exposure credit risk, foreign-exchange risk, interest rate risk, liquidity risk, and interbank contagion risk. METAC plans to continue this CD program in FY18, including to cover multi-period stress testing.

Against the background of the 2016 FSAP recommendations, and at the request of the BCCL, METAC also organized a workshop on consolidated and cross-border supervision. The workshop focused on the relationships between home and host supervisors in sharing information related to banking entities operating in their jurisdictions.

PFM (November 14-21, December 13-16)

As highlighted in the 2016 Article IV consultation, fiscal risks may add further pressure on Lebanon's public deficit and debt. The Lebanese authorities aim at strengthening the institutional framework for identifying and managing fiscal risks, anchoring its responsibility in the Macro Fiscal Department. In this context, METAC delivered a series of training sessions comprising presentations and hands-on training focused on the main concepts and commonly used methods for identifying, categorizing and measuring fiscal risks. An outline for a flash risk report was prepared, which considers risks to growth forecasts, tax revenue performance, and expenditure outlook. It also includes long-run revenue, debt and debt-service cost scenarios, contingent and accrual liabilities, and the likely long-run pressures on the budget.



*Training on "Fiscal risks", Lebanon
November 14-21, 2016*

As part of its efforts to strengthen PFM and increase transparency, the Lebanese MoF is seeking to issue Financial Statements based on IPSAS. Following a workshop organized by the World Bank in 2015, the MoF established a working group to prepare an action plan for the adoption of IPSAS. In this context, METAC provided training to MoF staff to sensitize the senior staff, raise their awareness of IPSAS among the main stakeholders, and enhance their understanding of the requirements of IPSAS and pronouncements. The mission also assessed where MoF stands in terms of meeting the requirements of the cash-basis IPSAS, shared lessons and experiences of countries who have adopted IPSAS, and recommended actions for adopting the cash-basis IPSAS.



*Training on "IPSAS", Lebanon
December 13-16, 2016*

Revenue Administration (February 13-24)

In recent years FAD and METAC have organized several tax administration expert visits to Lebanon to provide assistance in RA. The April 2010 FAD mission reviewed progress made by the tax administration in reforming its organization and operations, and advised on future reforms. A METAC mission, organized in July 2013, reviewed and identified weaknesses in the administration of VAT refunds. It recommended a set of measures to prevent abusive activities and fraudulent claims, and strengthen the VAT refund process. In this context, a METAC mission assessed commitment and progress in implementing the recommendations of the 2013 mission to improve the overall efficiency of VAT refund management. The mission advised on appropriate further measures to enhance detection and prevention of VAT refund fraud.

Statistics (July 25-August 5, March 6-17, April 24-28)

During FY17, METAC organized three missions in Lebanon, of which one was combined with a national workshop.

The first mission assisted the CAS with further improvement of sources for and compilation of CPI, particularly for better treatment of missing prices, enhanced data collection methods, and the treatment of rent. The mission also helped CAS to develop contingency plans for the collection of prices during August 2016, in case of eventual budgetary constraints—as those experienced during the price collection for January 2017 CPI. The authorities at all levels have demonstrated full commitment to compiling a CPI that broadly reflects the international standards and best practices.

The mission was followed up by a four-day workshop on the PPI compilation methods for CAS staff. A work program has been agreed for the development of a PPI for Lebanon, with initial coverage including quarrying, manufacturing, and utilities. Value-added tax data will be used to develop weights and, the 2008 survey of economic activity will be used as the basis for selecting a sample of establishments, as this is the only source of establishment data available.



*Training on "Price Statistics", Lebanon
July 25 – August 5, 2016*

The second mission assisted CAS in assessing and organizing the source data for re-establishing the Rest of the World (ROW) account, as a part of the integrated economic accounts for Lebanon. The mission strongly encouraged coordination between the national accountants at CAS and the balance of payments compilers at the BDL, to enable CAS to resume the compilation and publication of critical macro-economic aggregates, such as Gross National Income and Gross Disposable Income. Following the mission's recommendations, these data were published for the first time (after 2010) in March 2017, together with the national accounts data set for 2014 and 2015.

The third mission was in response to a new request from BDL. METAC assisted in establishing a system for the regular compilation of RPPI for Lebanon. The mission provided hands-on expertise on the process of the RPPI construction, including: validation of the data sourcing and means to improve them in future; assessment of the stratification technique used, and BDL's hedonic regression modeling. The mission agreed with the authorities on a program for the implementation of the recommended improvements and the adoption of appropriate modeling techniques for the regular compilation of RPPI.

H. Libya

Libya's political and security environment has remained fragile following the revolution. The country faces the challenges of stabilizing the economy, rebuilding institutions and infrastructure, and reducing hydrocarbon dependency. Since the intensification of conflicts in 2014, METAC has reduced its activities in Libya. In FY17, METAC organized one off-site mission for Libya to strengthen institutional capacity.

Statistics (January 8-12)

METAC undertook an off-site mission in Amman, Jordan to assist the Bureau of Statistics and Census of Libya in developing capacity for re-establishing national accounts statistics. The mission reviewed the status and designed a program to develop the national accounts compilation system. Strengthening the staff's capacity was priority, and METAC provided intensive training to the officials participating in the mission.

I. Morocco

Decisive policies and reforms have helped improve macroeconomic conditions in Morocco, but important challenges remain in raising growth and employment. The IMF's precautionary and liquidity line (PLL) provides insurance against external risks and supports the authorities' efforts to strengthen fiscal sustainability, transition toward greater exchange rate flexibility, and promote higher growth and reduce unemployment. During the first year of Morocco's membership in METAC, assistance was limited to help the banking supervision prepare for the transition toward greater exchange rate flexibility, and develop an agenda to strengthen real sector statistics.

Banking Regulation and Supervision (October 17-27, March 6-17)

METAC joined an MCM mission to review the preparation of BAM's supervision department for the move to a more flexible exchange rate arrangement. It assessed the implications of this move on foreign exchange, interest rate, and liquidity risks, and advised on the ongoing supervisory efforts in the run up to the transition, as well as on market risk and asset and liabilities management issues that would be raised with the gradual dis-anchoring from the current currency composite reference. Together with the authorities, METAC also prepared a two-year road map for banking supervision of market risks, to continue to assist the BAM in this area.

A follow-up METAC mission assisted BAM on supervising market risk from a risk-based perspective and mapping market risk. The mission identified the regulatory texts and supervisory procedures that would require adjustments in order to enhance further supervision of market risk. Follow-up missions are planned throughout the FY18.

Statistics (January 30-February 3)

METAC undertook its first mission to the Statistics Directorate of High Planning Commission of Morocco (HPC) to assess the status of national accounts system and its coherence with other macroeconomic statistics. The mission discussed the ongoing developments, and defined areas on which METAC support would be required, particularly to help the authorities to comply with

the requirements for subscribing to the IMF Special Data Dissemination Standard Plus (SDDS+), including by introducing financial balance sheets by institutional sectors and developing quarterly accounts by institutional sectors (non-financial, financial, and balance sheets). Opportunities for exchanging the HPC experience in compiling national accounts statistics with other METAC countries were also discussed.

J. Sudan

Sudan is facing significant domestic and international constraints and large macroeconomic imbalances despite efforts made toward macroeconomic stability and growth. Institutional reforms over the last few years strengthened tax collections and PFM. The IMF's staff report for the 2016 Article IV Consultation urged the authorities to accelerate policy consolidation and reforms to achieve macroeconomic stability, address vulnerabilities, and promote inclusive growth. In this context, METAC continued to support the authorities' efforts to strengthen the financial sector and PFM, and to improve national account statistics.

Banking Regulation and Supervision (December 4-8, March 12-16)

METAC continued its support to the Credit Information and Scoring Agency (CIASA), which is owned by the CBoS, to help them improve the credit registry system and develop a credit scoring system, and strengthen the authorities' capacity to monitor credit risk concentration and to detect non-performing loans at an early stage. The mission followed up on progress made in implementing METAC's earlier recommendations (February and March 2016). It also determined the status of installation and effectiveness of the CIASA credit scoring system, and advised on some key technical components related to credit scoring.

A second METAC mission marked the start of a series of TA missions to help the CBoS implement its reform strategy to strengthen banking supervision. The mission reviewed the current inspection manual and provided recommendations to align it with risk-based supervision. This assistance is expected to continue throughout FY18, with a view to establish a risk-based supervision framework in Sudan.

PFM (August 14-25, April 2-6)

FAD and METAC have been supporting the Ministry of Finance and Economic Planning (MoFEP) of Sudan in designing and implementing PFM reforms that are essential for helping Sudan cope with its macroeconomic challenges arising inter alia from internal conflict, the considerable loss of oil revenues following the secession of South Sudan in 2011, and US sanctions.

In August 2016, a joint FAD and METAC TA mission took stock of progress in the areas of TSA, cash management, budget preparation, and macro-fiscal analysis and advised on further reforms, including a realistic implementation plan. The mission observed that PFM reforms have gained momentum. Following centralization of cash balances for the Central Bank and reduction of idle balances, payment processing was centralized in combination with activation of the payment processing module of the information technology system. The roll-out of the payment processing system to all ministries is spurring other reforms and can have knock-on benefits for fiscal policy, including real time view on actual cash expenditures and payments for financing

items; close follow-up on budget implementation; and additional options for improving fiscal reports. The mission, moreover, developed another 12-month action plan to improve budget planning and preparation, which continues to be an essential reform area considering Sudan's macroeconomic challenges. The mission recommended developing a medium-term fiscal framework (MTFF) together with a basic MTBF to demonstrate the linkages between the MTFF and the existing budget work.

METAC also organized a five-day national workshop to facilitate the uptake of the recommendations of the August 2016 mission, and trained officials in developing an MTFF, and integrating the macroeconomic guidance provided by MTFF into the budget process. The workshop focused on how to set up an MTFF that provides three year aggregate fiscal targets and projections of revenue and expenditure by main economic categories.

Revenue Administration (April 16-27)

A METAC mission discussed with the Sudanese custom authorities improved custom administration functions, including concept and practice of post-clearance audits (PCA) and a framework for their implementation. The authorities are considering PCA as a priority, with further work on intelligence, and setting up an Authorized Economic Operator regime, all under the rubric of Risk Management necessary. The pilot risk management at Khartoum airport was reviewed and advice was given on how to extend risk management to Port Sudan.

Statistics (July 24-28, April 2-6, April 24-27)

Two METAC missions supported the Central Bureau of Statistics in upgrading the methodological basis of the national accounts, improving the data sources, and addressing the institutional challenges that hinder data collection.

- The first mission assisted the authorities in verifying, organizing, and integrating the ongoing survey results in national accounts compilation, notably the 2014/15 household budget and poverty survey, the 2014/15 regional surveys, and the 2015/16 agricultural census. The mission encouraged the authorities (including the CBoS and Tax Chamber at the MoF) to enhance the inter-institutional cooperation and to establish a coordinated data exchange mechanism for efficient use of administrative data for statistical purposes, in particular for regular compilation of national accounts and other macro-economic statistics.
- The second mission continued with integrating the available source data in the national accounts compilation framework, following the requirements of 2008 SNA. The mission supported the efforts of national accounts staff in assessing and organizing the results of the 2014 household expenditure and poverty survey for measuring the informal economy, as well as to estimate final consumption expenditures of the households.

METAC also assisted the Central Bureau of Statistics in updating the weights of CPI, based on the results from 2014 HEPS. It also helped to enhance the index calculations in compliance with the international methodological requirements, particularly: to apply appropriate index calculations at the elementary aggregation level; to update the sample and organize the rents collection, and to adopt appropriate procedures for treating missing prices and replacing product items.

Legal Framework (March 21-30)

Building upon the 2015 preliminary desk review by the IMF's Legal Department (LEG), a joint LEG/METAC team assisted the authorities in drafting the amendments of the Banking Business Act, to align it to relevant international good practices the legal framework related to Bank Supervision and Resolution. In particular the following topics were discussed : i) supervisory powers and responsibilities; ii) objectives, functions and legal powers of the supervisors; iii) legal nature and hierarchy of the norms; iv) licensing requirements; v) ongoing requirements; vi) corporate governance; vii) power to control ownership changes; viii) off and on site supervision and supervisory reporting; ix) consolidated supervision; x) sharing of information and inter-agency cooperation; xi) restrictions on lending activities; xii) early intervention, resolution, liquidation; xiii) sanctions; xiv) legal protection and judicial review.

K. Tunisia

Tunisia has managed to preserve macroeconomic stability and initiate fiscal and banking reforms in a context marked by a prolonged political transition, spillovers from the crisis in Libya, and numerous exogenous shocks. However, important challenges remain, and the authorities have developed a new economic program, supported under the IMF's EFF—to promote stronger and more inclusive growth, with implementation centered around four pillars: i) consolidating macroeconomic stability; ii) reforming public institutions, iii) promoting financial intermediation, and iv) improving the business climate. In this context, METAC focused its assistance on enhancing banking sector resilience, supporting the authorities' efforts to strengthen the monetary policy framework, PFM and transparency, including through enhanced anti-corruption initiatives, and improving national account statistics.

Banking Regulation and Supervision (January 16-20)

METAC undertook its first CD mission to the Central Bank of Tunisia (CBT), to support the authorities' banking regulatory and supervisory reforms in the context of the IMF Stand-By Arrangement. The mission provided training on market risk to 15 supervisors: It conducted peer analyses of similar countries on market risk, and offered practical examples to illustrate the calculation of capital charges, covering interest rate, equity, and foreign exchange risks under the standardized approach of Basel II. The mission also helped the CBT in drafting a framework on market risk, to help them curb excessive risk-taking and meet one of the structural benchmarks of the Stand-By Arrangement. In this context, it discussed with the authorities' various options, advised them to keep the regulation straightforward (i.e., without going into complex techniques such securitization, CDS, etc.), emphasized the need for a precise definition of the trading portfolio, drawing on recent work undertaken by the Basel Committee to limit regulatory arbitrage between the banking trading books, and prepared a detailed outline of a regulation covering capital charges for market risk.

Monetary Operations (March 28-April 10)

Over the past years, IMF TA missions have provided a number of recommendations to the CBT to strengthen its collateral framework. One of the recommendations was to strengthen the risk controls around CBT's acceptance of bank loans. Against this background, METAC supported the

CBT in establishing an internal rating tool for the assessment of bank loans as eligible collateral for monetary policy. More specifically, a TA mission backstopped by the IMF's MCM assisted with explaining the structure of rating tools, the ongoing monitoring of the tool and governance framework within the CBT, and with drafting high-level terms of reference for hiring an international consulting firm to do the actual operational work on the rating tool.

Public Financial Management (October 20-November 3)

Since the 2011 Revolution, Tunisia's fiscal challenges have been putting pressures on the fiscal deficit and the government's debt. Due in part to a decline in revenues and in part to large cash transfers to cover state owned enterprises' liabilities, the government liquidity dried up and debt burden increase. Under the IMF's EFF, Tunisia is making strides to improve its debt and cash management, including with the establishment of a treasury management office. In this context, a joint FAD/METAC mission provided advices to the authorities on: (i) key actions to foster cash management in the context of the establishment of the treasury management office; (ii) how to strengthen fiscal risks management, including templates for a fiscal risk statement and fiscal risk follow up; and (iii) how to strengthen the oversight practices for state-owned enterprises. The mission also conducted a high-level seminar on cash management for the staff of the MoF, the Central Bank and the banking branch of the Tunisian Post Office.

Statistics (January 23-27)

METAC undertook its first mission to the National Institute of Statistics (NIS) to review and assess Tunisia's national accounts compilation system. The mission discussed areas in which METAC could support the NIS to ensure a sustainable compilation system, in line with international methodological requirements, including by introducing financial balance sheets, enhancing quarterly GDP estimates, and improving the price statistics needed for national accounts.

L. West Bank and Gaza

The Palestinian economy continues to face considerable headwinds, with security risks and fading hopes for peace weighing heavily on growth prospects. In such an environment, METAC's assistance focused on supporting the Palestinian Authority' efforts to mobilize domestic revenue, strengthen the resilience of the banking sector to shocks, and improve real sector statistics.

Banking Regulation and Supervision (September 25-October 6)

Banks in WBG face several risks, including high exposure to the Palestinian Authority, as well as an unstable political and operating environment. The PMA has undertaken several reforms to enhance the soundness of the banking sector. In this context, METAC has completed a series of peripatetic missions since October 2012, which have resulted in the preparation of an inspection manual covering key aspects of risk-based supervision (RBS). In FY17, a METAC mission assisted the PMA in the implementation of the RBS manual. The mission worked with the PMA supervisors to assess, in a forward-looking perspective, the risk profiles of four domestic banks, of which two systematically important. The supervisors have gained a sound understanding of the business model, management and major issues of the supervised banks. METAC will continue

to provide TA on the implementation of the RBS manual, including by training analysts to prepare risk assessments, and by field-testing the manual.

Revenue Administration (May 15-26, July 31-August 18, April 30-May 11)

With the view to help enhance revenue mobilization, METAC engaged with the Palestine National Authority (PNA) Department of Customs on strengthening its overall effectiveness in terms of revenue and general enforcement compliance.

- In this context, a mission helped define the future role and structure of the Risk Management and Intelligence functions, in line with established international good practice. The mission also prepared a development plan to improve the effectiveness of risk management/intelligence in the General Directorate of Customs, Excise and Value-Added Tax.
- A subsequent mission assisted the PNA Department of Customs to enhance its technical investigative capacity. This involved delivering a training course in investigation techniques, and working with Customs and General Prosecution Service staff to ensure the forensic adequacy of investigation files and improve existing mechanisms for joint action, to ensure the effective pursuit of customs litigation cases through better application of the legal process.
- This was followed by a third mission, which reviewed the development of the Revenue Management System (RMS) and its interface with ASYCUDA, and recommended enhancements and systems that will enable more effective information exchange between these systems. A plan was prepared and agreed with the relevant authorities to ensure that the RMS and ASYCUDA are being optimized to support the functions and structure of risk management and intelligence across the Department of Customs, particularly in regards cargo processing and audit.

Statistics (August 28-September 1, October 2-6)

As part of METAC's CD program to the PCBS, METAC undertook two missions on improving national account statistics and the producer price index.

- The first mission reviewed data sources and methods for measuring GDP volumes by production and expenditure approaches. The mission assisted the PCBS in estimating GDP volumes and adopting the chain-linking technique for constructing time series. Together with the PCBS staff, the mission tested the feasibility of the recommended procedures with the available economic data and recently re-weighted price indices. The test enabled compilers to detect and prevent eventual shortcomings and deficiencies during the actual compilation process. The mission also followed up on progress in adopting procedures for independent quarterly estimates of the household final consumption expenditure (HFCE) and gross fixed capital formation (GFCF).
- The second mission reviewed the concepts and methods applied to compile the current PPI and observed that the PCBS fulfilled in a satisfactory manner most of the requirements of the previous mission in December 2014. Recommendations were provided to complete remaining tasks, notably to update the weights of elementary aggregates to the index

reference period (December 2015) and to revise the PPI upon its release in January 2016. The PCBS should reflect the improvements in the description of PPI metadata at the IMF Special Data Dissemination Standard web page.

M. Regional Workshops

Banking Regulation and Supervision (November 7-10)

METAC and CEF organized jointly a regional workshop on “Necessary Infrastructure for Effective Supervision of Institutions Offering Islamic Financial Services (IIFS),” in Kuwait City, Kuwait. The workshop attracted directors, deputy directors, and senior bank supervisors from Arab League countries, and covered a number of thematic topics that are necessary for establishing an efficient banking supervision regime, including:

(i) methodologies and approaches for implementing core principles for regulation and supervision of IIFS, (ii) risk-based supervision and key risks in IIFS, (iii) governance and board of directors’ oversight of IIFS, (iv) eligible capital and Shariah-compliant instruments, (v) determination of Alpha in measuring capital adequacy of IIFS, (vi) key elements in the supervisory review process, and (vii) stress testing as an essential tool for assessing capital. Participants acquired practical methods to identify and measure risks in IIFS. They shared experiences on how IIFS in their jurisdictions are supervised, and provided case studies about the identification of key risks in IIFS and measuring capital adequacy ratio under stressed situations.



*Regional workshop on “Islamic Financial Services”,
Kuwait*

Public Financial Management (January 23-26)

METAC and CEF organized jointly a regional workshop on “Frameworks for the Management of Fiscal Risks”, in Kuwait City, Kuwait. The workshop brought together 26 senior managers and technical staff from the ministries of finance and central banks of 13 countries in the region¹⁴ to share ideas and experiences in addressing fiscal risks, with a view to enhance their capacity to manage these risks, which, in turn could help make the region’s public finances more robust. Building on a set of analytical tools and best practices designed by the IMF to help policy makers understand and manage fiscal risks, the workshop provided participants with a structured conceptual overview of fiscal risks, their sources, and principles and mechanisms for managing them. The workshop also provided a



*Regional workshop on “Frameworks for the
Management of Fiscal Risks”, Kuwait*

¹⁴ Afghanistan, Djibouti, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Oman, Qatar, Sudan, Tunisia, and West Bank and Gaza.

forum for participants to discuss and exchange views on related issues and the challenges they encounter in their respective jurisdictions.

Revenue Administration (March 27-30)

METAC organized a regional workshop on the recently developed “Tax Administration Diagnostic Assessment Tool”(TADAT)”in Amman, Jordan. TADAT is a relatively new comprehensive but administrable instrument to help governments gauge the performance of their tax administrations and identify priority reforms. It is designed to deliver an objective and standardized assessment of the most critical outcomes of any country’s system of tax administration. Given the comprehensive nature of TADAT, and the volume of material to be covered, a series of three workshops have been planned, with the subsequent two workshops to be delivered in FY18. The current workshop focused on four performance TADAT outcome areas: (i) Integrity of the Registered Taxpayer Base; (ii) Supporting Voluntary Compliance; (iii) Timely Filing of Tax Declarations; (iv) Timely Payment of Taxes. It attracted 20 directors, deputy directors, and senior officials from eight member countries, and provided the participants with a detailed awareness session on the TADAT process, with a strong emphasis on the internationally recognized good practices espoused in the TADAT methodology. Examples were also given of practical application of these practices to demonstrate how they add to better tax administration. Representatives from both USAID and the European Union also attended the workshop and each provided a presentation on aspects of the above four performance outcome areas to support participants understanding of the importance of adopting good practices.



*Regional Workshop on “Tax Administration Diagnostic Assessment Tool”, Jordan
March 27-30, 2017*

Real Sector Statistics (November 27–December 1, March 13-16)

METAC and the IMF’s STA held a workshop on “Price Index Compilation Issues” in Amman, Jordan. The workshop addressed specific price statistics compilation issues of participating countries. International standards and best practices were discussed regarding the compilation and dissemination of price indexes. The interactive workshop facilitated extensive discussions and included practical exercises. In a final wrap-up session, the 21 participants from 11 countries attending the workshop were given the opportunity to identify potential areas for



*Regional workshop on “Price Index Compilation Issues”, Jordan
November 27 – December 1, 2016*

future METAC TA support in their countries. The countries represented in the workshop were: Afghanistan, Djibouti, Egypt, Iraq, Jordan, Libya, Morocco, Pakistan, Sudan, Tunisia, and WBG.

METAC, in cooperation with the IMF project on Enhanced Data Dissemination Initiative (EDDI, Phase 2), organized a four-day workshop on national accounts compilation issues in Amman, Jordan. 28 participants from 10 METAC countries (Djibouti, Egypt, Iraq, Jordan, Lebanon, Libya, Morocco, Sudan, Tunisia, and WBG), as well as five participants from Pakistan (as part of the IMF EDDI project) attended the workshop.

The workshop focused on issues related to changes of benchmark year, covering all basic conceptual and technical aspects: designing the benchmark framework, data sources, and their integration in the compilation process; methodological updates, particularly the implementation of the 2008 SNA; rebasing time series; and dissemination policy. The workshop was a good opportunity for METAC to determine and develop TA plans for each country, within the framework of CD in the Phase IV program period.



*Regional workshop on "National Accounts Compilation Issues", Jordan
March 13-16, 2017*

SECTION VIII:

METAC'S OTHER ACTIVITIES

SECTION VIII: METAC'S OTHER ACTIVITIES

Technical Assistance Reports

During FY17, METAC transmitted 25 TA reports to 11 member countries. These reports as well as previous TA reports are uploaded on the Center's website, and available for member countries and donors who signed confidentiality agreement with the IMF. An invitation to grant access is required and can be provided by METAC.

METAC Annual Report for Fiscal Year 2016

METAC's Annual Report for FY16 (May 2015-April 2016) was published in September 2015; The report describes METAC's TA and training activities, key achievements, and outreach activities that occurred in FY16, as well as the Center's strategic objectives for FY17- 21, based on the RBM framework and the work program for FY17. This year's report also includes METAC's medium-term agenda, and is available on METAC's website at www.imfmetac.org.

METAC Steering Committee Meeting

METAC held its annual SC meeting on May 19, 2016, in Beirut, Lebanon to assess the implementation of the Center's work program since May 2015, inaugurate the Center's fourth program phase; welcome four new member countries; and discuss the work program for the coming year. The meeting was chaired by Mr. Alain Bifani, Director General of the MoF of Lebanon, who noted that despite the complex political transformation and difficult security situation in the region, METAC had relatively a successful year. Mr. Bifani urged member countries and donors to continue to support METAC financially. Officials from eight member countries attended the meeting, together with representatives of donor partners (European Commission, France, Germany, and Kuwait) and IMF staff.

Representatives from the IMF-HQ shared their departments' TA strategies for the Middle East and North Africa (MENA) region, and the representative from the European Commission outlined the EC key reform priorities for the MENA region.



*METAC Steering Committee Meeting, Lebanon
May 19, 2016*

IMF workshop with Civil Society Organizations

METAC's Center Coordinator participated in a workshop with Civil Society Organizations (CSOs) organized by the IMF, where she made a presentation on how the IMF CD helps build stronger institutions and skills in the region, and chaired a session on jobs and employment. The workshop was an opportunity to strengthen the IMF's engagement with CSOs, and covered topics ranging from IMF arrangements to corruption and transparency. It included more than 20

CSOs from the MENA, such as Egypt, Iraq, Jordan, Lebanon, Libya, Sudan, Tunisia, WBG, and Yemen.

Assessment Visits to Algeria, Morocco, Tunisia, and Jordan

With the view to welcome Algeria, Morocco, and Tunisia in METAC and identifying their CD needs for the period ahead, METAC Coordinator visited Algiers, Rabat, and Tunis from July 18-27. During these visits, she met with the Governor of the CBT, the Algerian Minister of Finance, the Governor of BA, as well as officials from the ministries of finance, central banks, and national statistical offices of the three countries. The authorities appreciated the role METAC is playing in strengthening institutional and human capacity and sharing knowledge and experiences among practitioners in the MENA region. They requested TA in several areas, including strengthening budgetary frameworks, monitoring fiscal risks, broadening tax collection, enhancing risk-based banking supervision, and improving national account statistics.

METAC Coordinator also visited Amman to hear the authorities' views on METAC's work and to assess Jordan's needs for TA going forward. She met with the minister of finance, the deputy governor of the CBJ, as well as other officials and representatives from the USAID and the European Delegation.

Technical Advisory Group on Economic Statistics for the Arab Region

METAC's advisor in real sector statistics participated in the first meeting of the technical advisory group on economic statistics (TAGES)¹⁵ for the Arab Region, organized by UN ESCWA in Cairo Egypt, during November 9-10, 2016. Other participants included representatives from the UN Statistics Division, the UN Development Program, the Statistical Centre for the Cooperation Council for the Arab Countries of the Gulf and the League of Arab States. All representatives briefed the meeting on the priorities of their organizations, as well as the synergies with ESCWA on Economic Statistics, particularly on National Accounts. They identified CD areas, and discussed perspectives for combining resources at the regional and international levels.

Roundtable on the "ICAAP as a Strategic Tool to Effectively Manage Risk and Capital"

METAC's advisor in BRS participated in a roundtable discussion on the "ICAAP as a Strategic Tool to Effectively Manage Risk and Capital," organized by the International Finance Corporation and the Association of Banks in Lebanon, with the participation of 26 senior



¹⁵ TAGES highlights the priorities in the regional programs of TA providers on economic statistics, and advises countries in the region on the implementation of international standards and methodologies in the compilation and dissemination of economic statistics.

representatives from a number of large and medium banks in Lebanon.

International Women's Day

On the International Women's Day, METAC's Center Coordinator delivered a speech at the "Institut des Finances Basil Fuleihan-Lebanon" on women's role in building strong public institutions and contributing to good governance, based on her own experience. The event highlighted the role women can play in advancing public sector modernization and the need to provide them with opportunities for career progress.



ANNEXES

ANNEX I:

THE IMF REGIONAL TECHNICAL ASSISTANCE CENTERS AND METAC

THE IMF REGIONAL TECHNICAL ASSISTANCE CENTERS AND METAC

IMF and RTACs

The IMF's regional technical assistance centers (RTACs) are effective CD vehicles well suited to help member countries' commitments to the FfD agenda, facilitating the attainment of the Sustainable Development Goals. RTACs are collaborative ventures between the IMF, beneficiary countries, and bilateral and multilateral partners, combining strategic technical advice from IMF-HQ with local expertise and hands-on CD implementation support. Their strategic goal is to help member countries strengthen institutional and human capacity to design and implement macroeconomic and financial policies that promote growth and reduce poverty. The IMF's regional approach to CD allows for better tailoring of assistance to the particular needs of a region, closer coordination with other assistance providers, and an enhanced ability to respond quickly to emerging needs.

Key Areas of Assistance and Results

RTACs have a strong track record in assisting member countries to implement reforms in core areas of IMF expertise, which are macroeconomic policy, RA, PFM, debt management, monetary policy and operations, financial sector supervision, and macroeconomic and financial statistics. There are numerous concrete examples of how RTACs have contributed to the achievements of recipient countries, such as by assisting in establishing large taxpayer offices (LTOs) to strengthen domestic revenue mobilization; supporting reforms of customs administration; helping implement effective tax regimes for extractive industries; strengthening fiscal analysis and the quality of public spending through better PFM systems; acquiring capacity for debt sustainability analyses and designing sustainable medium-term borrowing policies, including for public investment; setting up risk-based supervisory frameworks for the financial sector; modernizing payments systems; and improving macroeconomic statistics as a basis for better economic policy decision-making.

Governance and Operational Arrangements

The RTACs' governance structure is designed to promote member countries' ownership, partner involvement and the Center's accountability. Strategically guided by SC, consisting of representatives from beneficiary countries, partners, and the IMF, RTACs facilitate coordination of the design, implementation, and monitoring of CD programs in member countries (including many fragile states). Broad CD needs and work plans are identified in conjunction with the SC and in close coordination with the IMF's area and TA departments. All RTAC CD is both integrated into the core lending and surveillance operations of the Fund and closely coordinated with CD from IMF-HQ (including CD provided by the Fund's topical trust funds). Backstopped and supported by HQ experts and services, RTACs have become a highly successful model of delivering well targeted, effective, efficient, and responsive IMF TA and training.

The Middle East Regional Technical Assistance Center (METAC) was established in Beirut, Lebanon, in 2004 to serve ten countries/territories in the Middle East: Afghanistan, Egypt, Iraq, Jordan, Lebanon, Libya, Sudan, Syria, WBG, and Yemen. METAC's main objective is to help strengthen capacity for effective macroeconomic and financial management in the region, and to support the region's integration into the world economy. A particular focus is to help post-conflict countries in the region achieve macroeconomic stability and develop basic institutions for policymaking. METAC is designed to enhance coordination among development partners and to promote effective implementation of economic initiatives within the Middle East region. METAC's current program

cycle is financed by contributions from the European Investment Bank, the European Union, France, Germany, the IMF, Kuwait, Oman, the USAID, the host country Lebanon, and beneficiary countries.

Current Areas of activity

METAC's current activities focus on the delivery of TA and training (regional and in-country) in the areas of banking supervision, PFM, RA, and macroeconomic statistics. Until October 2012, METAC provided CD in the area of improving debt management and developing money markets for efficient financing of governments' needs and for better conduct of monetary policy.

Banking Supervision: METAC assists member countries in creating a sound banking supervision environment to maintain public trust and confidence in the banking sector. This includes enhancing banking supervision procedures in accordance with international best practices; building the capacity of bank examiners through training, seminars, and workshops; strengthening the examination process through the development of new financial statements and early warning systems (EWS); and developing credit registry systems for better monitoring of credit risk.

Public Financial Management: METAC supports member countries in building capacity for reforms in budget preparation and execution, to improve expenditure control and revenue monitoring. This includes improving organization and providing capacity building at ministries of finance; improving financial accounting and reporting; strengthening internal and external control mechanisms; reforming budgeting and accounting classifications; and improving treasury systems.

Revenue Administration: METAC provides technical advice in planning and implementing RA reforms by enhancing the organization and procedures of revenue administrations; implementing effective compliance control tools for tax collection; and developing legislative frameworks for tax administration.

Multi Sector Statistics: The main purpose of CD in the area of statistics is to improve the overall quality of macroeconomic statistics and to promote the use of internationally-accepted concepts and statistical methodologies. This encompasses the development of data compilation and dissemination procedures, the identification of emerging data sources, the preparation and verification of data, and the documentation of data sources and compilation methods.

ANNEX II:

METAC'S STRATEGIC LOG FRAME

FOR FISCAL YEAR 2018

METAC'S STRATEGIC LOG FRAME FOR FISCAL YEAR 2018

Strengthen institutional and human capacity to improve the design and implementation of sound macroeconomic and financial policies that promote sustainable growth in the region

1. Achieve a more risk-oriented banking supervisory and a regulatory framework that enhances financial stability; and support long-term capacity building to efficiently supervise, monitor and assess the soundness of conventional and Islamic banks and reduce financial sector vulnerabilities.
2. Establish an integrated budget planning and management process that effectively links policies to public resource allocation, and further develop treasury systems, including government banking arrangements, commitment controls and financial management information systems.
3. Achieve real improvements in revenue performance through enhancing strategic focus and optimizing the allocation and development of resources and systems, and increase taxpayer compliance through enhanced transparency and governance procedures.
4. Bring member countries closer to compliance with international standards for the compilation of external statistics, national accounts and price statistics.

1. Restoration of political and security stability in several METAC countries that would allow delivery of technical assistance in a timely manner.
2. Sufficient ownership of reforms by country authorities and commitment to provide resources to carry out duties and implement reforms.
3. Mobilization of sufficient financing for METAC.
4. Complementary technical assistance by headquarters and other technical assistance providers is available.
5. Restoration of political and security stability in several METAC countries that would allow delivery of technical assistance in a timely manner.
6. Sufficient ownership of reforms by country authorities and commitment to provide resources to carry out duties and implement reforms.

Banking Regulation and Supervision

Objective	Medium-Term Outcomes	Afghanistan	Algeria	Djibouti	Egypt	Iraq	Jordan	Lebanon	Libya	Morocco	Sudan	Syria	Tunisia	WBG	Yemen
Implement Basel II and III standards	Supervisors have the competencies to drive the implementation process of Basel II/III and to monitor bank's compliance with the new requirements.														
	The level of banks' capital reflects well their risk profile, their business strategy and their risk acceptance levels.														
	Banking legislation and regulations are aligned with Basel II/III requirements.														
Implement a risk-based supervision (RBS) system and other supervisory processes.	Supervisors have sufficient capacity to effectively implement risk-based supervision and other supervisory processes.														
	Bank risk assessment frameworks strengthened, Quality and timeliness of regulatory data enhanced; and Flexibility of reporting system improved.														
Develop / strengthen banking regulations and prudential norms.	The Central Bank regulations require banks to apply sound policies and processes to identify, measure, monitor and control their financial risks on a timely basis and assess their capital adequacy in relation to their risk profile.														
	Supervisors monitor banking groups and their prudential ratios on consolidated basis.														
Develop/strengthen stress testing capability.	Effective stress testing model(s) in place and being used for their intended purpose(s); and Staff have capacity to run stress testing model(s) effectively and interpret results.														
Enhance IFRS knowledge, including on interplay between IFRS and regulatory provisioning rules.	Improved provisioning guidelines and implementation of the guidelines provisioning is commensurate with credit risk and sufficient for capital adequacy assessment.														
Inputs															
Resident advisor in banking supervision. Short-term experts. Collaboration/participation in HQ missions.	a. Political stability and security conditions allow delivery of METAC TA and implementation of reforms. b. Supervisory authorities support the implementation of projects assisted by METAC, show continued commitment to apply the new manuals and the draft regulations, and take all necessary and timely actions to put METAC's recommendations into effect. c. Banking supervisors make good use of the knowledge and TA provided by METAC and apply them effectively while supervising banking and financial activities.														
Outputs	d. Sufficient financing for METAC is mobilized.														
Draft laws, regulations, reports and manuals. Workshops, seminars and on-the-job training.															

Public Financial Management

Objective	Medium-Term Outcomes	Afghanistan	Algeria	Djibouti	Egypt	Iraq	Jordan	Lebanon	Libya	Morocco	Syria	Sudan	Tunisia	WBG
Improved laws and effective PFM institutions	The capacity of the ministry of finance to meet its PFM responsibilities is enhanced													
Comprehensive, credible, and policy based budget preparation	A more credible medium-term macro-fiscal framework is included in budget documentation													
	A more credible medium-term budget framework is integrated with the annual budget process													
Improved budget execution and control	Controls over expenditure commitments and payments are strengthened													
	Planning, appraisal, selection, and implementation of public investments is improved													
Improved coverage and quality of fiscal reporting	Comprehensiveness and quality of fiscal reports is enhanced													
Improved integration of asset and liability management framework	More central government revenues and expenditures are deposited and disbursed through a Treasury Single Account													
	Cash flow forecasts for all central government are more accurate and timely													
Strengthened identification, monitoring, and management of fiscal risks	Central fiscal oversight and analysis of public corporations is strengthened													
	Disclosure and management of contingent liabilities and other specific fiscal risks is more comprehensive													
Inputs														
Resident Advisor visits Short-term experts' visits HQ-based diagnostic missions and backstopping	<ul style="list-style-type: none"> a. The country authorities remain committed to the implementation of the PFM reform agenda. b. The political and security conditions in member countries allow the normal delivery of TA. c. HQ's TA, backstopping and guidance available on diagnostic assessments, institutional framework, and PFM reform strategies. d. The coordination with the other TA providers active in the region prevent inconsistencies in the advices and foster synergies to support reforms' implementation. 													
Outputs														
TA reports, draft regulations and manuals Hands-on training through country workshops Regional workshops and seminars														

Revenue Administration

Objectives	Medium Term Outcomes	Afghanistan	Algeria	Djibouti	Egypt	Iraq	Jordan	Lebanon	Libya	Morocco	Sudan	Syria	Tunisia	WBG	Yemen
1. Strengthen revenue administration management and governance arrangements.	1.1. Organizational arrangements enable more effective delivery of strategy and reforms														
	1.2. Corporate priorities are better managed through effective risk management														
	1.3. A reform strategy and a strategic management framework are adopted and institutionalized														
	1.4. Support functions enables more effective delivery of strategy and reforms														
2. Strengthen core tax administration functions.	2.1. The integrity of the taxpayer base is strengthened														
	2.2. Taxpayer services initiatives to support voluntary compliance are strengthened														
	2.3. A larger proportion of taxpayers meet their filing obligations as required by law														
	2.4. A larger proportion of taxpayers meet their payment obligations as required by law														
	2.5. Audit and other verification programs more effectively ensure accuracy of reporting														
3. Improved customs administration functions.	3.1. Trade facilitation and service initiatives support voluntary compliance														
	3.2. Customs control during the clearance process more effectively ensures accuracy of declarations														
	3.3. Audit and anti-smuggling programs more effectively ensure enforcement of customs laws														
Inputs	Assumptions/Risks														
Resident Advisor Short-term experts HQ-based diagnostic missions	<ul style="list-style-type: none"> a. Continued commitment to reform objectives by country authorities and revenue administrations. b. Continued funding for METAC activities. c. Complementary TA from HQ and other donors. d. Political/security conditions in member countries allow for TA delivery and reform implementation. e. Sufficient funding available to support resourcing of reform programs. 														
Outputs															
TA reports containing action and/or implementations plans Regional workshops Hands-on training Country workshops															

Macro-economic Statistics

Objectives	Indicators for end of FY18	Afghanistan	Algeria	Djibouti	Egypt	Iraq	Jordan	Lebanon	Libya	Morocco	Sudan	Syria	Tunisia	WBG	Yemen
1. Strengthen compilation and dissemination of data on national accounts statistics according to the relevant internationally accepted statistical standard, including developing/improving statistical infrastructure, source data, serviceability and/or metadata.	1.1 Source data are adequate for the compilation of the national accounts														
	1.2 Data are compiled using the coverage and scope of the latest manual/guide, 2008 SNA														
	1.3 Data are compiled using the sectorization of the latest manual/guide, 2008 SNA														
	1.4 Data are compiled using the concepts and definitions of the latest manual/guide, 2008 SNA														
	1.5 Staff capacity increased through training,														
2. Strengthen compilation and dissemination of data on price statistics according to the relevant internationally accepted statistical standard, including developing/improving statistical infrastructure, source data, serviceability and/or metadata.	1.1 Data are compiled using appropriate statistical techniques, consumer prices														
	1.2 Staff capacity increased through training														
	1.3 Data are compiled using the coverage and scope of the 2013 resident property price index (RPPI) manual														
	1.4 Data are compiled using the concepts and definitions of the latest manual/guide, the 2004 PPI Handbook and 2004 CPI manual														
3. Strengthen compilation and dissemination of data on external sector statistics according to the relevant internationally accepted statistical standard, including developing/improving statistical infrastructure, source data, serviceability and/or metadata.	3.1 Data are compiled using the concepts and definitions of the latest manual/guide, BMP6														
	3.2 Data are compiled using the coverage and scope of the latest manual/guide, PBM6														
Inputs	Assumptions/Risks														
One resident advisor in real sector statistics. Short-term experts (national accounts, price statistics and ESS). HQ-based diagnostic missions and backstopping.	<ul style="list-style-type: none"> a. Sufficient ownership of reforms by the country authorities, including implementation of missions' recommendations. b. Sufficient funding by the country authorities and other donors for needed resources. c. Sufficient funding for METAC TA activities. d. Complementary HQ and donors' TA are available. Statistics Real Sector Department of the DfID project will collaborate with METAC and provide complementary TA in NA (Afghanistan and Yemen) and price statistics (Afghanistan, Iraq, and WBG). e. Initial work with the four new member countries will entail diagnostic missions to determine further TA needs. f. Political/security conditions in member countries allow for TA delivery and reforms' implementation. 														
Outputs															
TA reports. Hands-on training. Country workshops. Regional workshops and seminars.															

ANNEX III:

METAC'S WORK PLAN FOR FISCAL YEAR 2018

METAC'S WORK PLAN FOR FISCAL YEAR 2018
May 2017 – April 2018

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Date	IMF Staff	LTX	STX	Resources (in person weeks)
Regional Workshops										
Banking Supervision	Implement Basel II and III Standards	Effective practices in the supervisory review process of institutions offering Islamic Financial Services.	Supervisors have the competencies to drive the implementation process of Basel II/III and to monitor bank's compliance with the new requirements.	Banks develop an internal process to stress test their capital and to determine their optimal capital adequacy ratio considering their risk profile and risk capacity.	Training provided Training materials distributed BTO	Q3	0.00	1.50	4.00	5.50
Banking Supervision	Develop/strengthen stress testing capability of the central bank	Regional workshop on stress testing as an important tool to assess bank's risks.	Effective stress testing models in place and being used for their intended purposes.	Workshop completed; and staff run model simulation.	Training provided Training materials distributed BTO	Q4	0.00	1.50	4.00	5.50
Public Financial Management	Improve budget execution and control	Regional workshop on cash management at the CEF in November 2017.	Cash flow forecasts for all central governments are more accurate and timely.	Regional dissemination of framework and techniques for cash management.	Workshop	Q3	0.00	2.00	3.00	5.00

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Date	IMF Staff	LTX	STX	Resources (in person weeks)
Public Financial Management	Strengthen identification, monitoring, and management of fiscal risks	Regional workshop on fiscal risk management emanating from SOEs.	Central fiscal oversight and analysis of public corporations is strengthened.	Regional dissemination of framework for public corporations fiscal and financial oversight.	Workshop	Q4	0.00	2.00	3.00	5.00
Revenue Administration	Strengthen revenue administration management and governance arrangements	Manage major compliance and institutional risks via development and implementation of a revenue compliance improvement plan.	Corporate priorities are better managed through effective risk management.	Knowledge on how to identify, assess and rank compliance and institutional risks and how to develop a compliance improvement program is acquired.	Workshop	Q2	0.00	2.00	4.00	6.00

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Date	IMF Staff	LTX	STX	Resources (in person weeks)
Revenue Administration	Strengthen revenue administration management and governance arrangements	Awareness training with a strong emphasis on the internationally recognized good practices espoused in the TADAT methodology on: (i) Accurate Reporting in Declarations; (ii) Effective Tax Dispute Resolution; (iii) Effective Revenue Management; and (iv) Accountability and Transparency.	Corporate processes on: (i) Accurate Reporting in Declarations; (ii) Effective Tax Dispute Resolution; (iii) Effective Revenue Management; and (iv) Accountability and Transparency are more in conformity with internationally recognized good practices espoused in the TADAT methodology.	Acquired knowledge on (i) Accurate Reporting in Declarations; (ii) Effective Tax Dispute Resolution; (iii) Effective Revenue Management; and (iv) Accountability and Transparency in conformity with internationally recognized good practices espoused in the TADAT methodology.	Workshop	Q4	0.00	3.00	3.00	6.00
Statistics	Strengthen compilation and dissemination of data on national accounts statistics according to the relevant internationally accepted statistical standard, including developing/improving statistical infrastructure, source data, serviceability and/or metadata	Workshop on quarterly national accounts.	Staff capacity increased through training, especially on developing source data, compilation methods, and dissemination (DQAF 0.2).	Training on assessment, organization and integration of short term statistics for quarterly GDP estimates, production and expenditure approach, [Apr2018].	TA materials: presentations, case studies, exercises	Q4	2.00	3.00	2.00	7.00

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Date	IMF Staff	LTX	STX	Resources (in person weeks)
Statistics	Strengthen compilation and dissemination of data on price statistics according to the relevant internationally accepted statistical standard, including developing/improving statistical infrastructure, source data, serviceability and/or metadata	Workshop on price statistics.	Staff capacity increased through training, especially on developing source data, compilation methods, and dissemination (DQAF 0.2).	Training on assessment, organization and integration of short term statistics for PPI [Apr2018].	TA materials: presentations, case studies, exercises	Q4	2.00	0.00	2.00	4.00
Regional workshops total							4.00	15.00	25.00	44.00

TA AREA	Objective	Description /Activity	Medium-term outcome	Milestones	Output	Date	LTX	STX	Resources (in person weeks)
Afghanistan									
Banking Supervision	Implement a risk-based supervision (RBS) system and upgrade other supervisory processes	Develop a framework and processes for dealing with weak banks.	Supervisors have sufficient capacity to effectively implement risk-based supervision and other supervisory processes.	Supervisory processes are reviewed for gaps in monitoring weak/problematic banks.	Training provided Training materials distributed BTO	Q2	1.00	2.00	3.00
Public Financial Management	Improve budget execution and control	Provide training on cash management and budget execution planning and monitoring.	Controls over expenditure commitments and payments are strengthened.	Development of a simple tool to improve budget execution planning and monitoring.	TA report	Q3	1.00	1.50	2.5
Public Financial Management	Improve budget execution and control	PIMA (Joint FAD/METAC).	Planning, appraisal, selection, and implementation of public investments is improved.	Public investments are subject to progressively more objective project appraisal, costing, monitoring and evaluation.	TA report	Q2	2.50	2.50	5.00

TA AREA	Objective	Description /Activity	Medium-term outcome	Milestones	Output	Date	LTX	STX	Resources (in person weeks)
Revenue Administration	Strengthen core customs administration functions	Assist with the implementation of the risk management program including the development of risk profiles, the monitoring of the result of the pilot projects, and the identification of organizational and capacity gaps.	Customs control during the clearance process more effectively ensures accuracy of declarations.	Risk-based control selectivity is applied more consistently over time.	TA report	Q1	2.00	3.00	5.00
Statistics	Strengthen compilation and dissemination of data on national accounts statistics according to the relevant internationally accepted statistical standard, including developing/improving statistical infrastructure, source data, serviceability and/or metadata	Annual national accounts: rebasing national accounts time series.	Source data are adequate for the compilation of the national accounts (DQAF 3.1).	The results from recently conducted series of household based surveys are assessed and organized in the regular NA compilation framework [Aug2017].	TA report Project Framework Summary (PFS) updated	Q4	2.00	0.00	2.00

TA AREA	Objective	Description /Activity	Medium-term outcome	Milestones	Output	Date	LTX	STX	Resources (in person weeks)
Statistics	Strengthen compilation and dissemination of data on external sector statistics according to the relevant internationally accepted statistical standard, including developing/improving statistical infrastructure, source data, serviceability and/or metadata	Balance of Payments: development of sources and methods adherent to BPM6 methodology.	<p>1.Data are compiled using the concepts and definitions of the latest manual/guide (BMP6).</p> <p>2.Improved timeliness of data made available internally and/or to the public (shorter delays).</p>	Improved data sources for cross-border position statistics particularly for direct investment, set up data collections for secondary income transactions of households; compilation of quarterly international investment position statistics (IIP); implementation of the revised enterprise survey to support BPM6 standards in balance of payments and IIP statistics.	TA report PFS	Q4	0.00	3.00	3.00
Afghanistan total							8.50	12.00	20.50

TA AREA	Objective	Description /Activity	Medium-term outcome	Milestones	Output	Date	LTX	STX	Resources (in person weeks)
Algeria									
Banking Supervision	Implement Basel II and III Standards	Assist in implementing Pillar 2 of Basel II and III, particularly on developing a framework for Internal capital adequacy assessment Process (ICAAP).	The level of banks' capital reflects well their risk profile, their business strategy and their risk acceptance levels.	Authorities assess the impact of implementing new reforms on banks; and determine approaches to follow and calibrate requirements/options to accommodate local conditions.	TA report BTO	Q2	1.50	3.00	4.50
Banking Supervision	Implement Basel II and III Standards	Follow-up on the implementation of ICAAP framework by the authorities.		Authorities assess the impact of implementing new reforms on banks; and determine approaches to follow and calibrate requirements/options to accommodate local conditions.	TA report ICAAP framework developed	Q3	1.00	3.00	4.00
Public Financial Management	Improve the integration of asset and liability management framework	Follow-up on previous TA on cash management and cash forecasting.	Cash flow forecasts for all central government are more accurate and timely.	Cash management progressively encompasses special accounts.	TA report	Q4	0.50	2.50	3.00
Public Financial Management	Comprehensive, credible, and policy based budget preparation	MTFF/MTBF (Joint FAD/METAC).	A more credible medium-term budget framework is integrated with the annual budget process.	MTBF prepared and consistent with MTFF and costed sector strategies.	TA report	Q1	2.00	0.00	2.00

TA AREA	Objective	Description /Activity	Medium-term outcome	Milestones	Output	Date	LTX	STX	Resources (in person weeks)
Public Financial Management	Comprehensive, credible, and policy based budget preparation	Follow-up on MTFF/MTBF implementation.	A more credible medium-term budget framework is integrated with the annual budget process.	MTBF prepared and consistent with MTFF and costed sector strategies.	TA report	Q4	0.50	2.50	3.00
Revenue Administration	Strengthen revenue administration management	Provide advice on the structure of risk management units and governance arrangements for sound risk management.	Corporate priorities are better managed through effective risk management.	Structure, governance arrangements and key functions for sound risk management are in place.	TA report	Q1	1.50	2.50	4.00
Revenue Administration	Strengthen revenue administration management	Provide advise on how to identify, assess and rank compliance and institutional risks and how to develop a compliance improvement program to mitigate identified risks.	Corporate priorities are better managed through effective risk management.	A compliance improvement program to mitigate identified risks is established.	TA report	Q2	1.50	2.50	4.00

TA AREA	Objective	Description /Activity	Medium-term outcome	Milestones	Output	Date	LTX	STX	Resources (in person weeks)
Statistics	Strengthen the compilation and dissemination of data on national accounts statistics according to the relevant internationally accepted statistical standard, including developing/improving statistical infrastructure, source data, serviceability and/or metadata	Compile annual national accounts for the financial sector institutions.	Data are compiled using the coverage and scope of the latest manual/guide, 2008 SNA.	Assessment of the source data, access to the balance sheet and income statements [Dec2018].	TA report PFS	Q3	1.00	3.00	4.00
Statistics	Strengthen compilation and dissemination of data on price statistics according to the relevant internationally accepted statistical standard, including developing/improving statistical infrastructure, source data, serviceability and/or metadata	Improve methodological compliance of the CPI.	Data are compiled using the concepts and definitions of the latest manual/guide.	The weights are updated based on the recent household income and expenditure survey; CPI series updated to the new base year.	TA report PFS	Q2	1.00	3.00	4.00
Statistics	Strengthen compilation and dissemination of data on external sector statistics according to the relevant internationally accepted statistical standard, including developing/improving statistical infrastructure, source data, serviceability and/or metadata	Implement BPM6: Balance of Payments and International Investment Position.	Source data are adequate for the compilation of external sector statistics; data are compiled using the coverage and scope of the BPM6.	FDI survey forms designed and tested; Enterprises selected [Dec2018].	TA report PFS	Q2	0.00	3.00	3.00
Algeria total							10.50	25.00	35.50

TA AREA	Objective	Description /Activity	Medium-term outcome	Milestones	Output	Date	HQ Staff	LTX	STX	Resources (in person weeks)
Djibouti										
Banking Supervision	Develop/strengthen banking regulations and prudential norms	Improve and upgrade instructions on foreign exchange risk management; inter-bank risk management; and credit risk management.	The Central Bank of Djibouti's regulations require banks to apply sound policies and processes to identify, measure, monitor and control their financial risks on a timely basis and assess their capital adequacy in relation to their risk profile.	Banking risks and activities are reviewed, and appropriate recommendations for risk identification measurement and mitigation are provided.	TA report Upgraded instructions	Q1	0.00	1.00	3.00	4.00
Banking Supervision		Improve and upgrade instructions on internal control and corporate governance.			TA report Upgraded instructions	Q3	0.00	1.50	3.00	4.50
Public Financial Management	Improve laws and effective PFM institutions	HQ-led diagnostic mission of cash and debt management, treasury single account, fiscal and financial oversight of public enterprises, and public investment.	The ministry of finance's capacity to meet its PFM responsibilities is enhanced.	Development of an action plan to strengthen practices related to cash and debt management, fiscal and financial oversight of public corporations, and public investment.	TA report	Q1	2.50	2.50	5.00	10.00

TA AREA	Objective	Description /Activity	Medium-term outcome	Milestones	Output	Date	HQ Staff	LTX	STX	Resources (in person weeks)
Revenue Administration	Strengthen core customs administration functions	Advise on the development and effective application of procedures based on international standards for valuation, origin and the tariff classification of goods.	Customs control during the clearance process ensures accuracy of declarations.	A more effective process to ensure accuracy of declarations is in place.	TA report	Q2	0.00	2.00	3.00	5.00
Statistics	Strengthen compilation and dissemination of data on price statistics according to the relevant internationally accepted statistical standard, including developing/improving statistical infrastructure, source data, serviceability and/or metadata	Compilation of import price index (MPI).	Data are compiled using the concepts and definitions of the latest manual/guide.	Weighting systems are established, selected, and initiation phase is completed [Apr2018].	TA report PFS Established weighting system for MPI	Q1	0.00	1.00	3.00	4.00
Djibouti total							5.00	8.50	14.00	27.50

TA AREA	Objective	Description /Activity	Medium-term outcome	Milestones	Output	Date	LTX	STX	Resources (in person weeks)
Egypt									
Banking Supervision	Implement Basel II and III standards	Assist the CBE in enhancing the capital adequacy framework in line with BCBS requirements on total loss absorbing capacity.	Banking legislation and regulations are aligned with Basel II/III requirements.	The CBE determines the approaches to follow and calibrate requirements/options to accommodate local conditions and assess the impact of implementing new reforms on banks.	Training provided	Q2	1.50	2.00	3.50
Banking Supervision		Assist the CBE in enhancing capital adequacy framework to reflect securitization transactions.		The authorities assess the impact of implementing new reforms on banks.	Training materials distributed	Q3	1.00	2.00	3.00
Banking Supervision		Assist the CBE in developing a framework for disclosure requirements in line with Pillar 3 of Basel II and III.		Existing regulations are modified or new regulations are drafted and consulted upon with banks.	BTO	Q2	1.50	2.00	3.50
Public Financial Management	Comprehensive, credible, and policy based budget preparation	Budget reform (Joint FAD/METAC).	A more credible medium-term macro-fiscal framework is included in budget documentation.	Consistency between the macro fiscal framework and the yearly budget is improved.	TA report	Q3	2.50	2.50	5.00

TA AREA	Objective	Description /Activity	Medium-term outcome	Milestones	Output	Date	LTX	STX	Resources (in person weeks)
Public Financial Management	Strengthen identification, monitoring, and management of fiscal risks	Follow-up on fiscal risk management.	Central fiscal oversight and analysis of public corporations is strengthened.	A draft framework for the management of fiscal risks related to public corporations is available.	TA report	Q2	0.50	2.00	2.50
Public Financial Management	Strengthen identification, monitoring, and management of fiscal risks	Follow-up on fiscal risks with a focus on SOEs.	Disclosure and management of contingent liabilities and other specific fiscal risks is more comprehensive.	A draft fiscal risks statement is prepared.	TA report	Q2	0.50	2.00	2.50
Revenue Administration	Successful implementation of VAT and the executive regulations	Follow-up on VAT compliance.	VAT compliance in registration, filing, payment and reporting in line with international good practice norms.	VAT compliance on registration, filing, payment and reporting is in line with international good practice norms.	TA report	Q1	2.00	4.00	6.00
Revenue Administration	Strengthen revenue administration management	Provide advise on how to identify, assess and rank compliance and institutional risks and how to develop a compliance improvement program to mitigate identified risks.	Corporate priorities are better managed through effective risk management.	A compliance improvement program to mitigate identified risks is established.	TA report	Q3	1.50	3.00	4.50

TA AREA	Objective	Description /Activity	Medium-term outcome	Milestones	Output	Date	LTX	STX	Resources (in person weeks)
Revenue Administration	Strengthen revenue administration management	Assistance with the cleansing of the taxpayer register.	The integrity of the taxpayer base is strengthened.	Accurate and reliable taxpayer information held in centralized database.	TA report	Q4	2.00	3.00	5.00
Statistics	Strengthen compilation and dissemination of data on national accounts statistics according to the relevant internationally accepted statistical standard, including developing/improving statistical infrastructure, source data, serviceability and/or metadata	Compilation of annual national accounts.	Data are compiled using the concepts and definitions of the latest manual/guide.	The 2008 SNA standards for valuation of output and value added is consistently applied to all set of national account tables [Dec 2017]; Household final consumption expenditures are compiled independently and balanced within GDP compilation framework for the new base year [Dec2017].	TA report PFS updated	Q2	3.00	0.00	3.00
Statistics	Strengthen compilation and dissemination of data on national accounts statistics according to the relevant internationally accepted statistical standard, including developing/improving statistical infrastructure, source data, serviceability and/or metadata	Annual national accounts: Supply-use tables.	Data are compiled using the concepts and definitions of the latest manual/guide: SUT are compiled in current and constant prices.	2012/13 SUT is finalized based on updated product and activity classifications, properly distinguishing market and non- market producers [July 2017].	TA report PFS updated	Q1	3.00	0.00	3.00

TA AREA	Objective	Description /Activity	Medium-term outcome	Milestones	Output	Date	LTX	STX	Resources (in person weeks)
Statistics	Strengthen compilation and dissemination of data on price statistics according to the relevant internationally accepted statistical standard, including developing/improving statistical infrastructure, source data, serviceability and/or metadata	CPI/PPI: improving data collection, selection of outlets, quality adjustments.	Data are compiled using the concepts and definitions of the latest manual/guide.	Assessment of available source data, and update PPI weighting system to incorporate prices of exported products [Apr2018]; Rent index, based on thrusted sources is integrated CPI [Jan2018].	TA report PFS updated	Q3	1.00	3.00	4.00
Egypt total							20.00	25.50	45.50

TA AREA	Objective	Description /Activity	Medium-term outcome	Milestones	Output	Date	LTX	STX	Resources (in person weeks)
Iraq									
Banking Supervision	Develop/strengthen banking regulations and prudential norms	Upgrade and improve the regulatory framework in banking supervision and regulation on: market risk management, interest rate risk in the banking book, operational risk management and corporate governance.	The CBI and the prudential regulations require banks to apply sound policies and processes to identify, measure, monitor and control their financial risks on a timely basis and assess their capital adequacy in relation to their risk profile.	Banking risks and activities are reviewed and appropriate recommendations for risk identification, measurement and mitigation are provided; and applicable guidelines and regulations are passed.	New and upgraded prudential regulations BTO	Q1	1.00	1.50	2.50
Banking Supervision		Deliver training on the implementation of the new developed regulations.		Supervisors regularly monitor the development in banking sector activities and risks; and supervisors receive adequate training about the latest international standards and best supervisory practices.	Training provided on new and upgraded regulations BTO	Q1	1.50	2.00	3.50

TA AREA	Objective	Description /Activity	Medium-term outcome	Milestones	Output	Date	LTX	STX	Resources (in person weeks)
Public Financial Management	Improve integration of asset and liability management framework	Follow-up on HQ mission including gradual steps to (a) implement a TSA, (b) create a Cash Flow Management Unit, and (c) build up its capacity.	More central government revenues and expenditures are deposited and disbursed through a Treasury Single Account.	The organizational arrangements to set-up a cash management unit are defined.	TA report	Q2	1.00	2.00	3.00
Public Financial Management	Improve budget execution and control	Follow-up on HQ mission. Design and implement a commitment control system for budget execution.	Controls over expenditure commitments and payments are strengthened.	Measures in place to enhance integrity (integration, Management, Internal Control & Audit) of commitment Controls.	TA report	Q3	2.50	2.00	4.50
Revenue Administration	Strengthen revenue administration management	Assist in the development of a high-level set of requirements that any IT system should normally support to deliver the services required by the Tax Administration.	Knowledge is acquired on functionality that should enable the main activities of a tax administration to be supported by the IT system.	High-level set of requirements for an IT system that will support the services required by the Tax Administration.	TA report	Q2	2.00	3.00	5.00

TA AREA	Objective	Description /Activity	Medium-term outcome	Milestones	Output	Date	LTX	STX	Resources (in person weeks)
Statistics	Strengthen compilation and dissemination of data on external sector statistics according to the relevant internationally accepted statistical standard, including developing/improving statistical infrastructure, source data, serviceability and/or metadata	Balance of Payment: Development of data sources and statistics techniques with a view to minimizing errors and omissions, and enhancing data accuracy.	The coverage and scope of the balance of payments and IIP statistics are broadly consistent with the guidelines outlined in BPM6.	Minimizing internal balance of payments inconsistencies; appropriate recording specific direct investment transactions inclining production sharing agreement arrangements; addressing coverage issues for external trade data.	TA report, PFS updated	Q3	0.00	3.00	3.00
Statistics	Strengthen compilation and dissemination of data on national accounts statistics according to the relevant internationally accepted statistical standard, including developing/improving statistical infrastructure, source data, serviceability and/or metadata	Annual national accounts: enhancing data sources.	The sectorization used is in broad conformity with internationally recommended systems. The 2008 SNA is followed to sectorize institutional units.	2008 SNA residence criteria is used in classifying foreign owned companies, in oil extraction and construction [Mar 2018]; Training on sources and procedures for benchmark estimates and rebasing GDP time series, six participants in off- site missions [Apr 2018].	TA report, PFS updated	Q3	1.00	2.00	3.00
Iraq total							9.00	15.50	24.50

TA AREA	Objective	Description /Activity	Medium-term outcome	Milestones	Output	Date	HQ Staff	LTX	STX	Resources (in person weeks)
Jordan										
Banking Supervision	Develop/strengthen stress testing capability	Providing capacity development on the use of the next generation stress testing model on liquidity /solvency interaction.	Effective stress testing model(s) in place and being used for their intended purpose(s); and staff have capacity to run stress testing model(s) effectively and interpret results.	The stress testing model refined. Finalized model outputs produced and simulation conducted. Training provided.	Training provided BTO	Q4	0.00	1.00	2.00	3.00
Banking Supervision	Develop supervisory capability	Providing training on introductory insurance market functioning, supervisory and regulatory functions related to the transfer of the insurance supervision from the Ministry of Industry to the CBJ.	Improvement of the supervisory activities on insurance sector by the CBJ.	Enhancement of insurance sector analysis and supervisory capabilities on insurance per international standards set out by the IAIS.	Training provided BTO	Q3	1.00	0.00	2.00	3.00
Public Financial Management	Improve budget execution and control	PIMA (Follow-up on HQ mission May 2017).	Planning, appraisal, selection, and implementation of public investments is improved.	Public investments are subject to progressively more objective project appraisal, costing, monitoring and evaluation.	TA report	Q2	0.00	1.00	2.50	3.50

TA AREA	Objective	Description /Activity	Medium-term outcome	Milestones	Output	Date	HQ Staff	LTX	STX	Resources (in person weeks)
Public Financial Management	Improve coverage and quality of fiscal reporting	Enhance comprehensiveness and quality of fiscal reports.	Compliance with IPSAS cash-basis is improved and additional financial information are disclosed in financial statements.	Follow-up on IPSAS cash basis.	TA report	Q1	0.00	0.50	2.00	2.50
Revenue Administration	Strengthen revenue administration management	Provide advise on how to identify, assess and rank compliance and institutional risks and how to develop a compliance improvement program to mitigate identified risks.	Corporate priorities are better managed through effective risk management.	A compliance improvement program to mitigate identified risks is established.	TA report	Q3	0.00	1.50	3.00	4.50
Revenue Administration	Strengthen taxpayers' services initiatives to support voluntary compliance	Advise on the development of a formal ruling mechanism and process in conjunction with both internal and external stakeholders (public and private rulings).	A formal binding tax ruling mechanism is in place to provide taxpayers with certainty as to how the tax administration will apply the tax law to particular transactions.	Encourage accurate reporting and provide certainty to taxpayers. Contribute to a better business environment for large investment.	TA report	Q4	0.00	2.00	3.00	5.00

TA AREA	Objective	Description /Activity	Medium-term outcome	Milestones	Output	Date	HQ Staff	LTX	STX	Resources (in person weeks)
Statistics	Strengthen compilation and dissemination of data on national accounts statistics according to the relevant internationally accepted statistical standard, including developing/improving statistical infrastructure, source data, serviceability and/or metadata	Complete 2013 SUT and integration of the results in regular national accounts compilation.	Data are compiled using the coverage and scope of the latest manual/guide.	2013 SUT is developed and officially published to meet national data requirements and ISWGNA minimum requirements [Dec 2017].	TA report 2013SUT completed	Q1	0.00	2.00	0.00	2.00
Statistics	Strengthen compilation and dissemination of data on national accounts statistics according to the relevant internationally accepted statistical standard, including developing/improving statistical infrastructure, source data, serviceability and/or metadata	Annual/Quarterly national accounts: measuring financial services.	Data are compiled using the coverage and scope of the 2008 SNA.	Quarterly GDP (e) components are regularly estimated to meet national data requirements and ISWGNA minimum requirements and recommended tables: Household final consumption expenditures [Apr 2020].	TA report	Q4	0.00	1.00	3.00	4.00
Jordan total							1.00	9.00	17.50	27.50

TA AREA	Objective	Description /Activity	Medium-term outcome	Milestones	Output	Date	LTX	STX	Resources (in person weeks)
Lebanon									
Banking Supervision	Develop/strengthen stress testing capability	Develop the capacity of the BCCL supervisors in scenario analysis stress testing.	Staff have capacity to run stress testing model(s) effectively and interpret results.	Training/workshop(s) completed; and staff run model simulation.	Training provided BTO	Q1	1.00	2.00	3.00
Banking Supervision		Assist the BCCL supervisor in in using the stress test model.			Training provided and simulation test run BTO	Q4	1.00	2.00	3.00
Banking Supervision	Enhance IFRS knowledge including on interplay between IFRS and regulatory provisioning rules	Provide capacity development on the implementation IFRS 9.	Improved provisioning guidelines and implementation of the guidelines provisioning is commensurate with credit risk and sufficient for capital adequacy assessment.	Training of staff completed. Draft action plan to implement IFRS is issued.	Training provided Draft action plan to implement IFRS TA report	Q4	1.00	2.00	3.00
Public Financial Management	Improve coverage and quality of fiscal reporting	Follow-up on IPSAS cash basis.	Comprehensiveness and quality of fiscal reports is enhanced.	Compliance with IPSAS cash-basis is improved and additional financial information are disclosed in financial statements.	TA report	Q1	2.50	2.50	5.00

TA AREA	Objective	Description /Activity	Medium-term outcome	Milestones	Output	Date	LTX	STX	Resources (in person weeks)
Public Financial Management	Strengthen identification, monitoring, and management of fiscal risks	Additional training to the Macro Fiscal Unit on Fiscal Risks.	Disclosure and management of contingent liabilities and other specific fiscal risks is more comprehensive.	A draft fiscal risks statement is prepared.	TA report	Q4	2.50	2.00	4.50
Revenue Administration	Provide strategically focused framework for future development	TADAT assessment.	Agreed program of development partner interventions	TADAT PAR	TA report	Q1	2.00	4.00	6.00
Revenue Administration	Review the weaknesses identified in the TADAT assessment and confirm the scope of future TA	Support the development of a remedial action plan.	Action plan is in place; focus and scope of future TA in selected priority areas is confirmed.	TA plan is agreed on.	TA report	Q3	2.00	3.00	5.00
Statistics	Strengthen compilation and dissemination of data on national accounts statistics according to the relevant internationally accepted statistical standard, including developing/improving statistical infrastructure, source data, serviceability and/or metadata	Annual national accounts: capacity development in using administrative source data.	Data are compiled using the coverage and scope of the latest manual/guide: 2008 SNA, BPM6.	Relative to the baseline, sequence of accounts for the total economy (until net lending/borrowing) are developed to meet national data requirements and ISWGNA minimum requirements and recommended tables [Oct 2018].	TA report	Q2	1.00	3.00	4.00

TA AREA	Objective	Description /Activity	Medium-term outcome	Milestones	Output	Date	LTX	STX	Resources (in person weeks)
Statistics	Strengthen compilation and dissemination of data on price statistics according to the relevant internationally accepted statistical standard, including developing/improving statistical infrastructure, source data, serviceability and/or metadata	Residential Property Price Index (RPPI).	Data are compiled using the coverage and scope of the 2013 RPPI manual.	Validation of the data sourcing and procedures: stratification technique used; regression modeling [Apr2018].	TA report	Q1	1.00	3.00	4.00
Lebanon total							14.00	23.5	37.50

TA AREA	Objective	Description /Activity	Medium-term outcome	Milestones	Output	Date	LTX	STX	Resources (in person weeks)
Libya									
Banking Supervision	Develop/strengthen banking regulations and prudential norms	Provide capacity building on risk management in Islamic banks.	Supervisors and regulations require banks to apply sound policies and processes to identify, measure, monitor and control their financial risks on a timely basis and assess their capital adequacy in relation to their risk profile.	Banking risks and activities are reviewed and appropriate sharia' compliant recommendations are provided.	Training provided Training materials distributed BTO	Q3	1.00	1.00	2.00
Statistics	Strengthen compilation and dissemination of data on national accounts statistics according to the relevant internationally accepted statistical standard, including developing/improving statistical infrastructure, source data, serviceability and/or metadata	Provide training on re-establishing the compilation system of annual national accounts.	Staff capacity increased through training, especially on developing source data, compilation methods, and dissemination. Source data are adequate for the compilation of the national accounts.	Six staff trained during off-site missions on the methodology, compilation and dissemination of national accounts statistics [Apr 2018]; developed questionnaires for economic surveys [Apr 2018]; adopt the questionnaires of the household surveys for collecting information needed for national accounts purposes [Apr 2018].	TA report Training materials	Q2	2.00	2.00	4.00

TA AREA	Objective	Description /Activity	Medium-term outcome	Milestones	Output	Date	LTX	STX	Resources (in person weeks)
Libya									
Statistics	Strengthen compilation and dissemination of data on price statistics according to the relevant internationally accepted statistical standard, including developing/improving statistical infrastructure, source data, serviceability and/or metadata.	CPI/PPI: improving methodological compliance, joint STA/METAC mission	Staff capacity increased through training, especially on developing source data, compilation methods, and dissemination; Data are compiled using the concepts and definitions of the latest manual/guide PPI and CPI manuals	National workshops during offsite joint missions for three participants; Assessment of sources and methods for compiling CPI, TA program for compliance with international standards established [Dec 2017]	Training materials	Q4	0.50	1.00	1.50
Libya total							3.50	4.00	7.50

TA AREA	Objective	Description /Activity	Medium-term outcome	Milestones	Output	Date	LTX	STX	Resources (in person weeks)
Morocco									
Banking Supervision	Implement Basel II and III standards	Reinforce the assessment on IRRBB to accompany the move of BAM to a flexible foreign exchange rate.	Supervisors have the competencies to drive the implementation process of Basel II/III and to monitor bank's compliance with the new requirements.	Authorities assess the impact of implementing new reforms on banks; authorities determine the approaches to follow and calibrate requirements to accommodate local conditions; and modifications to existing IRRBB.	Training materials distributed TA report	Q2	1.00	2.00	3.00
		Reinforce the internal ICAAP to accompany the move of Bank Al Maghreb (BAM) to a flexible foreign exchange rate and its impact on bank's liquidity and interest rate, including how to assess and supervise market risk.	Supervisors have the competencies to drive the implementation process of Basel II/III and to monitor bank's compliance with the new requirements.	Authorities assess the impact of implementing new reforms on banks. Authorities determine the approaches to follow and calibrate requirements to accommodate local conditions.	Training materials distributed TA report	Q1	1.00	2.00	3.00

TA AREA	Objective	Description /Activity	Medium-term outcome	Milestones	Output	Date	LTX	STX	Resources (in person weeks)
Banking Supervision	Enhance IFRS knowledge including on interplay between IFRS and regulatory provisioning rules	Provide capacity development on the implementation of IFRS 9 and the provisioning rules against credit risk.	Improved provisioning guidelines and implementation of the guidelines provisioning is commensurate with credit risk and sufficient for capital adequacy assessment.	Training of staff completed. Action plan to implement IFRS is issued.	Training materials distributed TA report	Q3	1.50	2.00	3.50
Public Financial Management	Improve budget execution and control	PIMA (Joint FAD/METAC).	Planning, appraisal, selection, and implementation of public investments is improved.	Public investments are subject to progressively more objective project appraisal, costing, monitoring and evaluation.	TA report	Q2	2.50	0.00	2.50
Public Financial Management	Improve budget execution and control	Follow-up on HQ PIMA mission including budget preparation and multiyear budgeting.	Planning, appraisal, selection, and implementation of public investments is improved.	Public investments are subject to progressively more objective project appraisal, costing, monitoring and evaluation.	TA report	Q4	2.50	2.50	5.00
Revenue Administration	Strengthen core tax administration functions	Analyze debt stock, and develop strategies and implementation timetable for debt reduction and debt prevention.	A larger proportion of taxpayers meet their payment obligation as required by law.	A debt management strategy against which results are regularly reported is in place.	TA report	Q4	1.50	2.50	4.00

TA AREA	Objective	Description /Activity	Medium-term outcome	Milestones	Output	Date	LTX	STX	Resources (in person weeks)	
Revenue Administration	Strengthen revenue administration management	Advise on how to identify, assess, and rank compliance and institutional risks, and how to develop a compliance improvement program to mitigate identified risks.	Corporate priorities are better managed through effective risk management.	A compliance improvement program to mitigate identified risks is established.	TA report	Q3	1.50	2.50	4.00	
Statistics	Strengthen compilation and dissemination of data on national accounts statistics according to the relevant internationally accepted statistical standard, including developing/improving statistical infrastructure, source data, serviceability and/or metadata	Annual/Quarterly accounts by institutional sectors.	Data are compiled using the coverage and scope of the latest manual/guide.	Selection, verification and assessment of the source data, needed for establishing balance sheets by institutional sectors, training provided to six staff assigned for compilation of the accounts [Apr 2018].	TA report	Q2	1.00	3.00	4.00	
Morocco total								12.50	16.50	29.00

TA AREA	Objective	Description /Activity	Medium-term outcome	Milestones	Output	Date	LTX	STX	Resources (in person weeks)
Sudan									
Banking Supervision	Implement a risk-based supervision (RBS) system and upgrade other supervisory processes	Enhance the credit registry functioning.	Bank risk assessment frameworks strengthened, quality and timeliness of regulatory data enhanced; and Flexibility of reporting system improved.	Current database is reviewed to ensure data adequacy and integrity, and automation solution is implemented.	Review and advice on supervisory data collection TA report	Q1	1.00	2.00	3.00
Banking Supervision		Upgrade the CBOS inspection manual and further aligning it with RBS.		Risk-based supervision and inspection manual is developed.	Training provided	Q2	1.00	2.00	3.00
					Inspection manual developed TA report	Q3	1.00	2.00	3.00
Public Financial Management	Strengthen identification, monitoring, and management of fiscal risks	Follow-up on the development of MTFF.	Central fiscal oversight and analysis of public corporations is strengthened.	A fiscal risk unit is set up.	TA report	Q3	2.00	1.50	3.50
Public Financial Management	Comprehensive, credible, and policy based budget preparation	Follow-up on the development of MTFF.	A more credible medium-term macro-fiscal framework is included in budget documentation.	Consistency between the macro fiscal framework and the yearly budget is improved.	TA report	Q1	0.50	1.50	2.00
Public Financial Management	Comprehensive, credible, and policy based budget preparation	Follow-up on the development of MTFF.	A more credible medium-term macro-fiscal framework is included in budget documentation.	Consistency between the macro fiscal framework and the yearly budget is improved.	TA report	Q2	0.50	1.50	2.00

TA AREA	Objective	Description /Activity	Medium-term outcome	Milestones	Output	Date	LTX	STX	Resources (in person weeks)
Public Financial Management	Improve integration of asset and liability management framework	Follow-up on TSA/cash flow forecasting.	More central government revenues and expenditures are deposited and disbursed through a Treasury Single Account.	The TSA scope is more exhaustive.	TA report	Q3	0.50	1.50	2.00
Revenue Administration	Improve custom administration functions	Advise on the concept and practice of post clearance audits and a framework for their implementation.	Customs control during the clearance process more effectively ensures accuracy of declarations.	Initial post-clearance audit program developed and basic audits, both desk and premises audits, conducted.	TA report	Q3	2.00	3.00	5.00
Statistics	Strengthen compilation and dissemination of data on national accounts statistics according to the relevant internationally accepted statistical standard, including developing/improving statistical infrastructure, source data, serviceability and/or metadata	Follow-up on annual national accounts, improving GDP estimates.	Data are compiled using the concepts and definitions of the latest manual/guide.	Estimated informal and other non-observed activities, based on 2014/15 household income and expenditure survey [Dec 2017].	TA report Technical notes	Q3	2.00	0.00	2.00

TA AREA	Objective	Description /Activity	Medium-term outcome	Milestones	Output	Date	LTX	STX	Resources (in person weeks)
Statistics	Strengthen compilation and dissemination of data on national accounts statistics according to the relevant internationally accepted statistical standard, including developing/improving statistical infrastructure, source data, serviceability and/or metadata	Follow-up on annual national accounts, improving GDP estimates.	Source data are adequate for the compilation of the national accounts.	Regional economic surveys completed, verified, and organized for introduction of a new benchmark GDP estimates [Apr 2018].	TA report Technical notes	Q4	2.00	2.00	4.00
Statistics	Strengthen compilation and dissemination of data on price statistics according to the relevant internationally accepted statistical standard, including developing/improving statistical infrastructure, source data, serviceability and/or metadata	CPI/PPI: improving methodological compliance.	Data are compiled using the concepts and definitions of the latest manual/guide.	Updated CPI series [Oct2017]; administrative sources organized for updating the PPI weights on regular basis [Apr2018].	TA report	Q2	1.00	3.00	4.00
Sudan total							13.50	20.00	33.50

TA AREA	Objective	Description /Activity	Medium-term outcome	Milestones	Output	Date	LTX	STX	Resources (in person weeks)
Tunisia									
Banking Supervision	Develop/strengthen banking regulations and prudential norms	Assist the CBT in implementing consolidated supervision.	Supervisors monitor banking groups and their prudential ratios on consolidated basis.	Banking risks and activities are reviewed and appropriate recommendations for risk identification, measurement and mitigation are provided.	Training provided TA report	Q1	1.00	2.00	3.00
Banking Supervision	Implement Basel II and III standards	Assist in developing internal capital adequacy assessment process (ICAAP).	The level of banks' capital reflects well their risk profile, their business strategy and their risk acceptance levels.	Banks develop an internal process to stress test their capital and to determine their optimal capital adequacy ratio considering their risk profile and risk capacity.	Training provided Guidelines and procedures developed TA report	Q2	1.00	3.00	4.00
Banking Supervision					Training provided ICAAP framework TA report	Q4	1.50	2.00	3.50
Public Financial Management	Improve integration of asset and liability management framework	Follow-up on TSA and cash management HQ mission.	Cash flow forecasts for all of central government are more accurate and timely.	An updated cash plan is prepared.	TA report	Q1	1.00	2.00	3.00

TA AREA	Objective	Description /Activity	Medium-term outcome	Milestones	Output	Date	LTX	STX	Resources (in person weeks)
Public Financial Management	Improve integration of asset and liability management framework	Follow-up on TSA and cash management HQ mission.	Cash flow forecasts for all of central government are more accurate and timely.	An updated cash plan is prepared.	TA report	Q2	0.50	2.00	2.50
Public Financial Management	Strengthen identification, monitoring, and management of fiscal risks	Follow-up on HQ mission including fiscal risks from SOEs.	Central fiscal oversight and analysis of public corporations is strengthened.	A draft framework for the management of fiscal risks related to public corporations is available.	TA report	Q3	2.00	2.00	4.00
Revenue Administration	Strengthen revenue administration management	Advise on the establishment and functioning of a modern LTO.	LTO design approved.	LTO is established and operating.	TA report	Q1	2.00	4.00	6.00
Revenue Administration	Strengthen revenue administration management	Assist in the development of a longer-term strategy to implement an integrated Tax Administration Organization.	A reform strategy and a strategic management framework are adopted and institutionalized.	Multi-year reform implementation plan, with supporting resource plan, adopted and well communicated.	TA report	Q3	2.00	4.00	6.00

TA AREA	Objective	Description /Activity	Medium-term outcome	Milestones	Output	Date	LTX	STX	Resources (in person weeks)
Statistics	Strengthen compilation and dissemination of data on national accounts statistics according to the relevant internationally accepted statistical standard, including developing/improving statistical infrastructure, source data, serviceability and/or metadata	Implementing 2008 SNA requirements.	Data are compiled using the concepts and definitions of the latest manual/guide.	Assess source data and adopt procedures for implementing 2008 SNA requirements for Fis, sectorization, measuring output and its distribution to users, balance sheets [Apr 2018].	TA report PFS Technical notes shared with the BOP compilers	Q4	1.00	3.00	4.00
Statistics	Strengthen compilation and dissemination of data on price statistics according to the relevant internationally accepted statistical standard, including developing/improving statistical infrastructure, source data, serviceability and/or metadata	Compilation of CPI statistics.	Data are compiled using appropriate statistical techniques, including dealing with data sources, and/or assessment and validation of intermediate data and statistical outputs (DQAF 3.3 and/or 3.4).	Sources and procedures recently updated for measuring rentals, including owner occupied housing in CPI are assessed, recommendations provided if needed [Sep 2017].	TA report Assessment	Q1	1.00	3.00	4.00
Tunisia total							13.00	27.00	40.00

TA AREA	Objective	Description /Activity	Medium-term outcome	Milestones	Output	Date	LTX	STX	Resources (in person weeks)
West Bank and Gaza									
Banking Supervision	Enhance IFRS knowledge including on interplay between IFRS and regulatory provisioning rules	Provide capacity development on the implementation of IFRS 9 and the provisioning rules against credit risk.	Improved provisioning guidelines and implementation of the guidelines provisioning is commensurate with credit risk and sufficient for capital adequacy assessment.	Training of staff completed. Draft action plan to implement IFRS is issued.	Training materials TA report	Q3	1.00	3.00	4.00
Public Financial Management	Improve laws and effective PFM institutions	Provide TA on the operationalization of the government's PFM reform strategy.	The capacity of the ministry of finance to meet its PFM responsibilities is enhanced.	An 18-month PFM priority action plan covering key issues is approved by the authorities.	TA report	Q2	2.00	1.50	3.50
Public Financial Management	Comprehensive, credible, and policy based budget preparation	Follow-up on FAD capacity development in the macrofiscal area.	A more credible medium-term macro-fiscal framework is included in budget documentation.	Consistency between the macrofiscal framework and the yearly budget is improved.	TA report	Q3	0.50	1.50	2.00
Public Financial Management	Comprehensive, credible, and policy based budget preparation	Follow-up on FAD capacity development in the macrofiscal area.	A more credible medium-term macro-fiscal framework is included in budget documentation.	Consistency between the macrofiscal framework and the yearly budget is improved.	TA report	Q4	0.50	1.50	2.00

TA AREA	Objective	Description /Activity	Medium-term outcome	Milestones	Output	Date	LTX	STX	Resources (in person weeks)
Revenue Administration	Strengthen revenue administration management	Advise on the establishment and functioning of a modern LTO.	LTO design approved.	LTO is established and operating.	TA	Q2	2.00	3.00	5.00
Statistics	Strengthen compilation and dissemination of data on national accounts statistics according to the relevant internationally accepted statistical standard, including developing/improving statistical infrastructure, source data, serviceability and/or metadata	Annual national accounts: by institutional sectors.	Data are compiled using the concepts and definitions of the latest manual/guide.	Annual non-financial corporation sector accounts (non-financial accounts until net lending): for 2015 [Dec 2017]. Annual financial corporations accounts and general government accounts (non-financial accounts until net lending): for 2015 [Sep 2017].	TA report Technical notes	Q3	2.00	2.00	4.00

TA AREA	Objective	Description /Activity	Medium-term outcome	Milestones	Output	Date	LTX	STX	Resources (in person weeks)
Statistics	Strengthen compilation and dissemination of data on national accounts statistics according to the relevant internationally accepted statistical standard, including developing/improving statistical infrastructure, source data, serviceability and/or metadata	Annual/Quarterly national accounts: introduction of chain linked volumes.	Data are compiled using appropriate statistical techniques, including dealing with data sources, and/or assessment and validation of intermediate data and statistical outputs.	Volume measures are based on chain linking procedures, methodological description published. Annual overlap technique is applied for ensuring consistency between annual and quarterly estimates [Apr 2018].	TA report Technical notes	Q1	3.00	0.00	3.00
West Bank and Gaza Total							11.00	12.50	23.50
Total person weeks									396.00

ANNEX IV:

METAC'S UPDATED WORK PLAN FOR FISCAL YEAR 2017

METAC'S UPDATED WORK PLAN FOR FISCAL YEAR 2017
May 2016 – April 2017

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	HQ Staff	LTX	STX	Resources (in person weeks)
Regional Activities											
Banking Supervision	Prerequisite for effective Islamic banks supervision	Workshop on prerequisite for effective Islamic banking supervision.		Workshop's agenda and materials.	Training and evaluation	Completed	Nov-16	-	3.00	1.50	4.50
Public Financial Management	Strengthen planning and budget practices	Workshop on monitoring and management of fiscal risks.		Workshop delivered.	Workshop	Completed	Jan-17	-	3.00	2.00	5.00
Revenue Administration	Enhance strategic management capability in tax administration	Workshop on performance measurement and management in tax administration.		Workshop delivered.	Workshop	Completed	Mar-17	-	3.00	2.00	5.00
Statistics	PPI training	Workshop on price statistics compilation issues.	Data are compiled using the concepts and definitions of the 2004 PPI Handbook.	Enhanced staff capacity in assessment of source data and compiling national accounts.	TA materials: presentations, case studies, exercises	New	Dec-16	2.50	-	1.50	4.00
Statistics	Improve compilation and dissemination of national accounts according to the international standards	Workshop on national accounts compilation issues.	Data are compiled using the concepts and definitions of the latest manual/guide.	Enhanced institutional capacity.	TA materials: presentations, case studies, exercises	Completed	Mar-17	-	3.00	2.00	5.00
Regional Activities Total								2.50	12.00	09.00	23.50

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	Resources (in person weeks)
Afghanistan										
Banking Supervision	Improve off-site supervision and detect vulnerable banks at an early stage	Training on dealing with problem and weak banks.	DAB can identify and detect weak banks at an early stage and enhance financial stability.	Presentations and materials to be provided to DAB supervisors.	Training BTO	Completed	Aug-16	1.50	1.00	2.50
	Build the capacity of the DAB supervisors to efficiently supervise and assess banking risks	Capacity development on stress testing.	DAB is able to identify vulnerable banks at an early stage and adequately assess banks capital adequacy under stressful conditions.	Qualified and well trained supervisors.	Training BTO	New	Apr-17	1.00	1.00	2.00
Public Financial Management	Improve planning, appraisal, selection, and implementation of public investments	TA on strengthening planning, execution and monitoring of investment expenditure.	Improvement of the PEFA PI-11: Public investment management.	Regulations that require comprehensive plans for the full life-cycle costs (including recurrent costs) of the investment to be submitted, exist and are partially implemented and included in ministries, departments or agencies project proposals.	TA report	Cancelled	-	-	-	0.00

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	Resources (in person weeks)
Revenue Administration	Improve tax compliance and taxpayer service levels	Identify and discuss short-term revenue measures to address deficit tax reduction.	Short-term measures to address deficit tax reduction are identified.	Implementation plan for a unit for large taxpayers that will administer all national-level domestic taxes is established.	TA report	New	Feb-17	2.00	0.00	2.00
Revenue Administration	Strengthen core customs administration functions	Review national risk management policy and advise on how establish, test and implement multi-criteria risk profiles in ACD.	National risk management policy is reviewed and knowledge is achieved on how establish, test and implement multi-criteria risk profiles in ACD.	National risk management policy is adopted and multi-criteria risk profiles are established, tested and implemented in all border crossing points and inland custom depots.	TA report	New	Apr-17	2.00	2.00	4.00
Statistics	Improve compilation and dissemination of national accounts per international standards	Training on national accounts compilation issues, with DfID.	Staff capacity increased through training, especially on developing source data, compilation methods, and dissemination.	Enhanced staff capacity in assessment of source data and compiling national accounts.	TA materials: presentations, case studies, exercises	Completed	May-16	2.00	1.00	3.00
Statistics	Improve compilation and dissemination of national accounts per international standards	Rebasing national accounts time series, with DfID.	Data are compiled using the concepts and definitions of the latest manual/guide: rebased national accounts.	Data sources assessed, organized and integrated in the NA compilation framework for the new base year.	TA report PFS updated	Cancelled	-	-	-	-

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	Resources (in person weeks)
Statistics	Improve compilation and dissemination of price statistics per international standards	Consumer Price Index (CPI): updating weighting system, with DfID.	Data are compiled using the concepts and definitions of the 2004 CPI Manual.	Weighting system updated.	TA report	Completed	Dec-16	2.00	1.00	3.00
Statistics	Improve compilation and dissemination of external sector statistics per international standards	Balance of Payments: assessment of sources and methods.	Data are compiled using the concepts and definitions of the latest manual/guide.	Source data and methods assessed.	TA report PFS	Completed	Feb-17	1.00	2.00	3.00
Afghanistan Total								11.50	8.00	19.50

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	Resources (in person weeks)
Algeria										
Banking Supervision	Improve the functioning of the CBA credit registry system and the supervision of credit risk	Enhance the functioning of Algeria's public credit registry.	The CBA has an efficient credit registry system that provides adequate information about banks borrowers and allow to closely monitor credit risk and credit concentration.	The CBA has an efficient credit registry system that supports the CBA in monitoring and supervising credit risk.	Training BTO	Completed	Jul-16	1.50	1.00	2.50
Banking Supervision	Improve the CBA regulatory framework	Improve the regulation on related parties and enhance the enforcement and corrective framework.	The CBA has a strong regulatory framework for dealing with related parties in line with BCBS recommendations and best practices and an enhanced enforcement framework.	An efficient regulatory framework on dealing with related parties and an enhanced enforcement and corrective framework.	Regulation on conditions and requirements of transaction with related parties and enhanced regulation on enforcement and corrective actions	Completed	Mar-17	2.00	1.00	3.00
Public Financial Management	Build Treasury Directorate capacity to develop accurate in-year cash plans with what-if scenario analysis	Assist with cash management.	Active cash management techniques are adopted by the Treasury Directorate.	Treasury Directorate has a good understanding of active cash management techniques and is able to prepare what-if scenarios in Excel.	TA report	Completed	Jun-16	2.50	1.50	4.00

Public Financial Management	Strengthen macro-fiscal forecasting and budget practices	<p>TA mission to cover the following areas: (i) increasing credibility of budgets and improving allocation decisions through tighter links between the annual budget and strategic priorities; (ii) setting the annual budget in the context of robust medium-term frameworks; (iii) programs focused on outputs and outcomes; and (iv) improving public investment decision-making and management.</p> <p>Address:</p> <p>(i) methodology, coverage, and processes for macro-fiscal and budgetary forecasts; (ii) structure and coverage of the cash flow forecast, including the associated government banking arrangements, and cash flow forecasting methodology; (iii) current status of the OBL; and (iv) budget</p>	A more credible medium-term budget framework is integrated with the annual budget process.	Sector strategies exist for sectors representing at least 50% of primary expenditure with full costing of recurrent and investment expenditure as a basis for annual and medium-term budget proposals.	TA report	Completed	Jul-16	3.00	2.50	5.50
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TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	Resources (in person weeks)
		execution monitoring and control.								
Revenue Administration	Improve tax compliance and taxpayer service levels	Support compliance planning in the Large Taxpayers' Office (LTO) and MTOs. Advise on the development of a sound risk management process and differentiated treatment strategies.	Risks are identified, assessed, and ranked within a framework of taxpayer segments, core taxes, and the key obligations of registration, filing, payment, and reporting. Major risks are managed via the development and implementation of a compliance improvement program.	A compliance improvement plan that meets international good practices is in place.	TA report	Cancelled	-	-	-	0.00
Statistics	Improve compilation and dissemination of national accounts (NA) according to the international standards	NA: assessment of sources and methods.	Data are compiled using the concepts and definitions of the latest manual/guide.	Sources and methods for compiling annual and quarterly accounts assessed.	TA report PFS	Cancelled	-	-	-	0.00

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	Resources (in person weeks)
Statistics	Improve compilation and dissemination of price statistics	CPI: updating weights.	Data are compiled using the concepts and definitions of the 2004 CPI Manual.	Data sources for updating weighting system updated.	TA report PFS	Cancelled	-	-	-	0.00
Algeria Total								9.00	6.00	15.00

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	Resources (in person weeks)
Djibouti										
Banking Supervision	Improve the regulatory and supervisory frameworks for conventional banks and align the CBD prudential regulations to the BCBS guidelines, standards and international best practices	Develop a medium-term action plan to strengthen conventional banking supervision system.	The (CBD) regulatory and supervisory frameworks are in line with the BCBS guidelines, standards and international best practice in banking supervision.	Medium-term action plan to enhance supervision on conventional banks.	Medium-term action plan to enhance banking supervision on conventional banks and TA report	Completed	Oct-16	2.00	2.00	4.00
Banking Supervision	Improve Regulatory Framework	Assist the authorities in improving the instructions on capital adequacy ratio and related parties risk.	The CBD regulatory framework is in line with BCBS guidelines and standards and best practice in banking supervision.	Improved prudential regulations in line BCBS standards and best practices, and skilled supervisors able to assess the implementation of these regulations efficiently.	TA report	New	Feb-17	1.00	2.00	3.00

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	Resources (in person weeks)
Public Financial Management	Transition to MTBF	Strengthening capacity of MoF staff in macro-forecasting and budget planning.	The aggregate revenue and expenditure outturns were between 90% and 110% of the approved aggregate budgeted revenue/expenditure in at least two of the last three years.	Improve staff capacity in macroeconomic analysis.	TA report	Cancelled	-	-	-	0.00
Revenue Administration	Improve tax compliance and taxpayer service levels	Support the establishment of an integrated LTO.	Improved tax collections.	LTO design approved.	TA report	Cancelled	-	-	-	0.00
Statistics	Improve compilation and dissemination of NA according to the international standards	NA: assessment of sources and methods.	Data are compiled using the concepts and definitions of the latest manual/guide.	Sources and methods for compiling NA assessed.	TA report PFS	Completed	Nov-16	3.00	0.00	3.00
Djibouti Total								6.00	4.00	10.00

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	Resources (in person weeks)
Egypt										
Banking Supervision	Capacity development on Basel II/III standards and guidelines, particularly on advanced approaches to assess and measure banks' risks Develop/strengthen stress testing capability of the supervisors of the CBE	Training on the advanced approaches related to credit risk measurement and assessment Provide training on stress testing on individual banks.	The CBE has skilled and experienced supervisors able to efficiently supervise and examine banks. The CBE supervisors can detect at an early stage unsafe and vulnerable banks that could pose risks to the banking system.	Qualified and well trained supervisors. Enhanced internal system and practices to monitor banks and assess their vulnerabilities under stressed conditions.	Training BTO	Replaced	Mar-17	1.00	1.00	2.00
Banking Supervision	Capacity development on Basel II/III standards and guidelines, particularly on advanced approaches to assess and measure banks' risks	Provide training on the advanced approaches related to market risk measurement and assessment.	The CBE has skilled and experienced supervisors able to efficiently supervise and examine banks.	Supervisors are qualified and well trained.	Training BTO	Completed	Aug-16	1.50	1.00	2.50
Banking Supervision	Capacity development on Basel II/III standards and guidelines, particularly on advanced approaches to assess and measure banks' risks	Provide training on the assessment of internal audit function at banks.	The CBE has skilled and experienced supervisors able to efficiently supervise and examine banks.	Supervisors are qualified and well trained.	Training BTO	Completed	Apr-17	1.50	1.00	2.50

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	Resources (in person weeks)
Public Financial Management	Strengthen identification, monitoring, and management of fiscal risks	FAD/ METAC follow-up mission to assist the authorities (a) budget preparation; and (b) fiscal risk management METAC mission to provide capacity building to the Ministry of Finance on fiscal risk management based on international good practice and experiences; and provide additional advice on the institutional framework for monitoring and managing the main fiscal risks in Egypt.	Central fiscal oversight and analysis of sub-national governments and public corporation is strengthened. Central fiscal oversight and analysis of public corporations is strengthened. PEFA PI-10: Fiscal risk management.	A fiscal risk flash report is produced on a quarterly basis.	TA report	Completed	Nov-16	2.50	2.00	4.50
Public Financial Management	Stronger PFM laws and institutions	Technical Assistance on Budget legislation	A more comprehensive legal framework covering all stages of the public financial management cycle is enacted.	Fiscal Transparency Evaluation (FTE)	TA report	Cancelled	-	-	-	0.00

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	Resources (in person weeks)
Revenue Administration	Successful implementation of VAT	Follow-up on VAT compliance.	VAT compliance in registration, filing, payment and reporting in line with international good practice norms.	Compliance plan approved and implemented.	TA report	Completed	Oct-16	1.00	2.00	3.00
Revenue Administration	Improve management of tax arrears	Analyze debt stock, and develop strategies and implementation timetable for debt reduction and debt prevention.	Improved tax collection and reduced arrears.	ETA has an established compliance and debt management strategy against which results are regularly reported.	TA report	Completed	Aug-16	1.00	2.00	3.00
Revenue Administration	Assist in reviewing the introduction of VAT to identify areas where further work is needed to address issues arising from implementation	Identify issues requiring attention and corrective action that have arisen from the introduction of the VAT in September 2016 and provide advice to the authorities in determining how the issues identified could best be resolved.	VAT compliance in registration, filing, payment and reporting in line with international good practice norms.	Revised compliance plans approved and implemented.	TA report	New	Mar-17	1.00	1.00	2.00

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	Resources (in person weeks)
Revenue Administration	Improve customs operations	Development of coasted IT plan for customs.	Multi-year planning horizon for customs IT investment.	IT strategy and investment plan prepared and approved.	TA report	Cancelled	-	-	-	0.00
Statistics	Improve compilation and dissemination of national accounts according to the international standards	Compile annual national accounts.	Data are compiled using the concepts and definitions of the latest manual/guide: Integration of SUT into annual estimates.	Source data and compilation procedures for annual accounts assessed.	TA report PFS updated	Completed	Sep-16	2.00	0.00	2.00
Statistics	Improve compilation and dissemination of national accounts according to the international standards	Annual national accounts: Supply-use tables.	Data are compiled using the concepts and definitions of the latest manual/guide: SUT are compiled in current and constant prices.	Source data and compilation procedures for SUT assessed.	TA report PFS updated	Completed	Sep-16	2.00	0.00	2.00
Statistics	Improve compilation and dissemination of price statistics according to the international standards	CPI: improving data collection, selection of outlets, quality adjustments.	Data are compiled using the concepts and definitions of the 2004 CPI Manual.	Data collection, outlet selection procedures, and methods for quality adjustments improved.	TA report PFS on further development of price statistics updated	Completed	Dec-17	1.00	2.00	3.00
Egypt Total								14.50	12.00	26.50

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	Resources (in person weeks)
Iraq										
Banking Supervision	Upgrade and improve the regulatory framework in banking supervision	Develop new supervisory regulations and upgrade the existing ones in line with BCBS standards and best practices.	The CBI regulatory framework is in line with BCBS guidelines and standards and best practice in banking supervision.	Improved prudential regulations in line BCBS standards and best practices, and skilled supervisors able to assess the effective implementation of these regulations.	Upgraded prudential regulations	Completed	Nov-16	1.50	1.50	3.00
Banking Supervision		Provide TA and training on the implementation of the updated regulations.			Upgraded prudential regulations	New	Mar-17	1.00	1.50	2.50
Banking Supervision		Provide TA and training on the implementation of the updated regulations.			Training	New	Apr-17	1.50	2.00	3.50
Public Financial Management	Adopt a modern PFM Law in line with International good practices	Follow-up TA mission to review the latest version of the draft law along the recommendations included in FAD report (December 2015). Commitment Control and Budget System Law (Joint MCD/METAC).	Draft Law approved by the Parliament.	MoF to approve final PFM draft law in line with World Bank and IMF recommendations.	TA report	Completed	Sep-16	2.00	1.50	3.50

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	Resources (in person weeks)
Public Financial Management	Improve budget execution controls	Cash management and commitment control system (Joint FAD/METAC).	1. PEFA PI-22: Payroll controls 2. PEFA PI-23: Procurement 3. PEFA PI-24: Internal controls for non-salary expenditure.	A manual commitment control system is implemented.	TA report	New	Feb-17	1.50	0.00	1.50
Revenue Administration	Improve tax compliance and taxpayer service levels	Identify and discuss short-term revenue measures to address deficit tax reduction.	Short-term measures to address deficit tax reduction are identified and an implementation trajectory is discussed with the authorities.	A Large Taxpayers Unit for large taxpayers that will administer all national-level domestic taxes is established.	TA report	New	Feb-17	2.00	0.00	2.00
Revenue Administration	Improve tax compliance and taxpayer service levels	Support the establishment of an integrated LTO.	Improved tax collections.	LTO design approved.	TA report	New	Mar-17	2.00	2.00	4.00
Statistics	Improve compilation and dissemination of NA according to the international standards	Annual NA: enhancing data sources.	Data are compiled using the concepts and definitions of the latest manual/guide.	Source data and procedures for annual GDP estimates by final expenditure categories at current and constant prices assessed.	TA report PFS updated	Completed	Feb-17	1.00	2.00	3.00

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	Resources (in person weeks)
Statistics	Improve compilation and dissemination of price statistics according to the international standards.	Consumer price/Producer price: improving compilation procedures, with DfiD.	Data are compiled using the concepts and definitions of the 2004 CPI Manual and 2004 PPI Handbook: Improved coverage of price indices.	Better used classification standards, consistent aggregation of the regional indexes into the national index, and an appropriate index formula applied at the elementary levels.	TA report	Completed	Feb-17	1.00	1.00	2.00
Statistics	Improve compilation and dissemination of ESS according to the international standards	Balance of Payments: enhancing accuracy of the data.	Data are compiled using the concepts and definitions of the latest manual/guide.	Minimized errors and commissions.	TA report, PFS updated	Completed	Jan-17	0.00	2.00	2.00
Iraq Total								13.50	13.50	27.00

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	Resources (in person weeks)
Jordan										
Banking Supervision	Improve off-site supervision and detect vulnerable banks at an early stage	Capacity building in stress testing and assessing individual banks vulnerabilities under stressed conditions.	CBJ supervisors can detect at an early stage unsafe and vulnerable banks that could pose risks to the banking system.	Enhanced internal system and practices to monitor banks and assess their vulnerabilities under stressed conditions.	Training BTO	Completed	Aug-16	1.00	1.00	2.00
	Improve off-site supervision and detect vulnerable banks at an early stage	Follow up on the implementation of EWS and capacity-building on stress testing. Assist in developing an EWS system and capacity building on stress testing.	CBJ supervisors can detect at an early stage unsafe and vulnerable banks that could pose risks to the banking system.	Enhanced internal system and practices to monitor banks and assess their vulnerabilities under stressed conditions.	Training BTO	Cancelled	-	-	-	0.00
Public Financial Management	Proper classification of trust accounts to measure their impacts on fiscal discipline; and improvement of financial reporting by adopting accounting standards compliant with the cash-basis IPSAS	Follow-up TA including workshop on IPSAS (benchmark due mid-Nov 2016).	The authorities are to implement cash-basis IPSAS for the 2016 financial statements by mid-2017.	Compliance with all requirements of Phase II of the Jordanian Road Map for IPSAS Implementation for the financial statements for the year 2015 and following years.	TA report	Completed	Sep-16	2.00	1.50	3.50

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	Resources (in person weeks)
Public Financial Management	Proper classification of trust accounts to measure their impacts on fiscal discipline; and improvement of financial reporting by adopting accounting standards compliant with the cash-basis IPSAS	Follow-up TA including workshop on IPSAS (benchmark due mid-Nov 2016).	The level of unreported extra-budgetary expenditure and revenue is between 1% and 5% of total expenditure.	Compliance with all requirements of Phase II of the Jordanian Road Map for IPSAS Implementation for the financial statements for the year 2015 and following years.	TA report	New	Oct-16	1.00	1.50	2.50
Public Financial Management	Proper classification of trust accounts to measure their impacts on fiscal discipline; and improvement of financial reporting by adopting accounting standards compliant with the cash-basis IPSAS	Follow-up on Trust Accounts (Benchmark due Feb 2017).	Gradually integrate into the treasury single account the trust accounts whose existence is not justified.	IMF EFF Structural Benchmark (due Feb 2017) is met.	TA report	New	Dec-16	1.50	2.00	3.50

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	Resources (in person weeks)
Public Financial Management	Proper classification of trust accounts to measure their impacts on fiscal discipline; and improvement of financial reporting by adopting accounting standards compliant with the cash-basis IPSAS	Follow-up on Trust Accounts (Benchmark due Feb 2017).	Gradually integrate into the treasury single account the trust accounts whose existence is not justified. Remove discrepancies between fiscal accounts and its financing.	IMF EFF Structural Benchmark (due Feb 2017) is met	TA report	New	Mar-17	0.00	1.00	1.00
Public Financial Management	Improve planning, appraisal, selection, and implementation of public investments	PIMA (Joint FAD/METAC).	Improvement of the PEFA PI-11: Public investment management.	Regulations that require comprehensive plans for the full life-cycle costs.	TA report	New	Apr-17	3.00	0.00	3.00
Revenue Administration	Improved management of tax arrears Strengthen revenue administration management	Agree priorities arising from TADAT assessment and draft TA support program.	Coordinated TA support program	TA support plan approved by ISTD and agreed with key donors.	TA report	Completed	Sep-16	2.00	4.00	6.00

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	Resources (in person weeks)
Revenue Administration	Strengthen revenue administration management	Provide advise on how to identify, assess and rank compliance and institutional risks and how to develop a compliance improvement program to mitigate identified risks.	Corporate priorities are better managed through effective risk management.	A compliance improvement program to mitigate identified risks is established.	TA report	New	Apr-17	2.00	2.00	4.00
Revenue Administration	Improve service delivery measurement and management in Jordan Customs	Introduce enhanced methods and procedures for acquittal, release and performance reporting.	Improved release times and service delivery standards	Improved procedures developed, documented and staff trained.	TA report	Cancelled	-	-	-	0.00
Statistics	Improve compilation and dissemination of national accounts according to the international standards	Annual and quarterly national accounts: rebasing of time series.	Data are compiled using the concepts and definitions of the latest manual/guide.	National accounts time series rebased to 2010; quarterly time series benchmarked to annual GDP estimates.	TA report	Completed	Jul-16	1.00	2.00	3.00
Statistics	Improve compilation and dissemination of national accounts according to the international standards	Annual national accounts: rebasing of time series.	Data are compiled using the concepts and definitions of the latest manual/guide.	National accounts time series rebased to 2010.	TA report	New	Nov-16	1.00	2.00	3.00

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	Resources (in person weeks)
Statistics	Improve compilation and dissemination of price statistics according to the international standards	CPI: improving compilation procedures.	Data are compiled using the concepts and definitions of the 2004 CPI Manual.	Regularly updated CPI.	TA report	Cancelled	-	-	-	0.00
Jordan Total								14.50	17.00	31.50

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	HQ Staff	LTX	STX	Resources (in person weeks)
Lebanon											
Banking Supervision	Build the capacity of the BCCL supervisors to efficiently supervise and assess banking risks	Build capacity development on stress testing.	The BCCL is able to identify vulnerable banks at an early stage and adequately assess banks capital adequacy under stressful conditions.	Qualified and well trained supervisors.	Training BTO	Completed	Feb-17	-	1.00	1.00	2.00
Banking Supervision	Enhance the supervisory framework and implement risk-based supervision	Assist in the implementation of the risk-based inspection manual.	The BCCL has an efficient on-site supervisory framework based on forward looking assessment of Banks' risks.	New risk-based supervisory manual.	Risk-based supervisory manual TA report	Completed	Sep-16	-	1.00	2.00	3.00
Banking Supervision	Build the capacity of the BCCL supervisors to efficiently supervise and assess banking risks	Build capacity development on consolidated and cross-border supervision.	The BCCL is able to assess banks risks on consolidated basis and banks supervisors are adequately trained to supervise cross-border bank subsidiaries.	Qualified and well trained supervisors.	Training BTO	Completed	Apr-17	-	1.50	2.00	3.50
Public Financial Management	Strengthen capacity of the Macro Fiscal Unit	Provide training on monitoring and management of fiscal risks.	Fiscal Risk Statement is published on an annual basis.	Preparation of a fiscal risk statement.	TA report	Completed	Nov-16	-	2.00	1.50	3.50
Public Financial Management	Diagnostic mission	Full FAD Assessment mission.	PFM reform plan updated.	Action plan approved by MoF.	TA report	Cancelled	-	-	-	-	0.00

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	HQ Staff	LTX	STX	Resources (in person weeks)
Public Financial Management	IPSAS cash basis mission	Provide hands-on training and recommendations to the authorities for adopting accounting standards compliant with the cash basis of IPSAS.	Comprehensiveness and quality of fiscal reports is enhanced - 1. PEFA PI-26: Financial data integrity 2. PEFA PI-27: In-year budget reports 3. PEFA PI-28: Annual financial reports.	Implementation of a financial statement (cash basis) IPSAS.	TA report	New	Dec-16	-	2.00	1.50	3.50
Revenue Administration	Reduce refund fraud risk	Review current systemic weaknesses in the area of refund fraud, and develop enhanced risk management procedures.	Reduced revenue leakage arising from refund fraud.	Improved procedures developed, documented and staff trained.	TA report	Completed	Feb-17	-	2.00	2.00	4.00
Revenue Administration	Provide strategically focused framework for future development	TADAT assessment.	Agreed program of development partner interventions.	TADAT PAR and agreed support strategy.	TA report	Cancelled	-	-	-	-	0.00

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	HQ Staff	LTX	STX	Resources (in person weeks)
Statistics	Improve compilation and dissemination of national accounts according to the international standards	Annual national accounts: capacity development in using administrative source data.	Data are compiled using the concepts and definitions of the latest manual/guide.	Enhanced compilation capabilities of staff	TA report	Completed	Mar-17	-	1.00	2.00	3.00
Statistics	Improve compilation and dissemination of price statistics according to the international standards	Producer Price Index, Training.	Data are compiled using the concepts and definitions of the 2004 PPI Handbook.	Enhanced staff capacity in assessment of source data and compiling national accounts.	TA materials: presentations, case studies, exercises	Completed	Aug-16	2.00	-	1.00	3.00
Statistics	Improve compilation and dissemination of price statistics according to the international standards	Residential property price index, assessment of sources and procedures.	Data are compiled using the coverage and scope of the 2013 RPPI manual.	Validation of the data sourcing and procedures: stratification technique used; regression modeling.	TA report	New	Apr-17	-	1.00	1.00	2.00

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	HQ Staff	LTX	STX	Resources (in person weeks)
Statistics	Improve compilation and dissemination of national accounts according to the international standards	Annual national accounts: capacity development in using administrative source data.	Data are compiled using the concepts and definitions of the latest manual/guide.	Enhanced compilation capabilities of staff.	TA report	Cancelled	-	-	-	-	0.00
Lebanon Total								2.00	11.50	14.00	27.50

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	Resources (in person weeks)
Libya										
Banking Supervision	Build the capacity of the CBL supervisors to efficiently supervise and assess Islamic banking risks	Capacity-building in risk management and supervisory requirements in Islamic banks.	CBL supervisors are capable to supervise Islamic banks operations and efficiently asses their risks.	Delivered training and skilled and qualified supervisors able to assess Islamic banks risks.	Training BTO	Cancelled	-	-	-	0.00
Statistics	Improve compilation and dissemination of NA towards international standards and good practices	Annual national accounts: assessment of sources and methods.	Data are compiled using the concepts and definitions of the latest manual/guide.	Assessed source data and procedures for GDP estimates current and constant prices.	TA report PFS updated	Completed	Jan-17	2.00	1.00	3.00
Libya Total								2.00	1.00	3.00

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	Resources (in person weeks)
Morocco										
Banking Supervision	Build the capacity of the CBM supervisors to efficiently supervise and assess banks' risks	Build capacity development on foreign exchange supervision.	The CBM has an efficient supervisory framework based on forward looking assessment of Banks' risks	Delivered training and skilled and qualified supervisors able to efficiently assess banks' risks	Training TA report	Replaced	Oct-16	1.50	1.00	2.50
Banking Supervision	Improve the CBM regulatory framework in banking supervision	Assist in upgrading the CBM regulatory framework to align them to BCBS and the IFSB standards and guidelines for Islamic banks	The CBM has an improved prudential regulatory framework in line with the BCBS and IFSB standards and guidelines for Islamic banks	Improved prudential regulations in line with international standards and best practices	Prudential regulations in line with the BCBS and IFSB standards and guidelines	Replaced	Mar-17	1.00	2.00	3.00
	Build the capacity of the CBM supervisors to efficiently supervise and assess banks' risks	Provide TA on market risk supervision from a RBS perspective, following the authorities' decision to move to a more flexible foreign exchange (FX) rate regime.	Supervisors and regulations require banks to apply sound policies and processes to identify measure monitor and control their financial risk.	Banking risks and activities are reviewed, and appropriate recommendations for risk identification and measurement are provided.	TA report					
Public Financial Management	PFM reform plan	Assessment mission.	PFM reform plan updated.	Action plan approved by MoF.	TA report	Cancelled	-	-	-	0.00

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	Resources (in person weeks)
Public Financial Management	Improve budget credibility	Assist with the development of a MTBF.	MTBF is approved by parliament.	MTBF is used on a rolling basis for budget preparation.	TA report	Cancelled	-	-	-	0.00
Revenue Administration		Support the implementation of an integrated organizational structure for tax administration.				Cancelled	-	-	-	0.00
Statistics	Improve compilation and dissemination of NA according to the international standards.	National accounts: assessment of sources and methods.	Data are compiled using the concepts and definitions of the latest manual/guide.	Sources and methods for compiling annual and quarterly accounts assessed.	TA report PFS	Completed	Feb-17	3.00	-	3.00
Statistics	Improved compilation and dissemination of price statistics according to the international standards	CPI: updating weights.	Data are compiled using the concepts and definitions of the 2004 CPI Manual.	Data sources for updating weighting system updated.	TA report PFS	Cancelled	-	-	-	0.00
Morocco Total								5.50	3.00	8.50

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	HQ Staff	LTX	STX	Resources (in person weeks)
Sudan											
Banking Supervision	Follow-up on the implementation of METAC's recommendations related to the credit registry and credit scoring systems	Follow-up on the smooth functioning of the credit registry and the scoring systems.	The CBOS is able to allocate the appropriate scoring to borrowers, collect information and data related to these borrowers and closely and efficiently monitor credit risk.	Credit registry and credit scoring systems are in place and reports on borrowers' scoring and exposures in the financial sector.	TA report	Completed	Dec-16	-	1.00	1.00	2.00
Banking Supervision	Enhance the supervisory framework and implement risk-based supervision	Upgrade the inspection manual and align it to risk-based supervision.	The CBOS has an efficient risk-focused supervision framework based on forward looking assessment of Banks' risks.	Develop a new risk-based supervisory manual.	TA report	Completed	Mar-17	-	1.00	1.00	2.00

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	HQ Staff	LTX	STX	Resources (in person weeks)
Public Financial Management	Establish a TSA and Modernize Cash Management	Follow up TA mission to review progress on TSA and provide guidance Treasury Single Account, Cash Management, Budget Preparation, and Macro-Fiscal Analysis Reforms (Joint FAD/METAC).	TSA established.	TSA action plan approved by MoF.	TA report	Completed	Aug-16	-	2.00	2.0	4.00
Public Financial Management	Strengthen Macro fiscal forecasting and budget practices.	FAD/METAC Follow up mission to assist the authorities on (a) budget preparation and (b) MTFF	An MTFF is developed and updated on a regular basis.	Improve staff capacity in macroeconomic analysis.	TA report	Cancelled	-	-	-	-	0.00
Public Financial Management	Strengthen Macro fiscal forecasting and budget practices. Development of MTFF	FAD/METAC Follow up mission to assist the authorities on (a) budget preparation and (b) MTFF Follow up on the development of MTFF.	An MTFF is developed and updated on a regular basis.	Improve staff capacity in macroeconomic analysis.	TA report	New	Apr-17	-	1.00	1.00	2.00

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	HQ Staff	LTX	STX	Resources (in person weeks)
Revenue Administration	Consolidate developments in Sudan Customs	Follow-up on the recommendations in FY16 report.	Improved capacity in defined areas of customs operation.	Agreed plan for future engagement and intervention.	TA report	Completed	Apr-17	-	2.00	2.00	4.00
Statistics	Improve compilation and dissemination of national accounts according to the international standards.	Follow-up on annual national accounts, rebasing GDP time series.	Data are compiled using the concepts and definitions of the latest manual/guide: rebasing annual national accounts, improved timeliness.	Preliminary GDP estimates 2013-2014 revised, based on the new source data.	TA report	Completed	Apr-17	-	1.00	2.00	3.00
Statistics	Improve compilation and dissemination of price statistics according to the international standards.	CPI: improving methodological compliance.	Data are compiled using the concepts and definitions of the 2004 CPI Manual.	Improved methodological compliance, staff trained.	TA report	Completed	Apr-17	-	1.00	1.00	2.00

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	HQ Staff	LTX	STX	Resources (in person weeks)
Statistics	Improve compilation and dissemination of national accounts according to the international standards	Annual national accounts, rebasing GDP time series.	Data are compiled using the concepts and definitions of the latest manual/guide: Rebasing annual national accounts, improved timeliness.	Regional business survey results assessed for integration in new base year GDP estimates.	TA report	Completed	Jul-17	-	3.00	-	3.00

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	HQ Staff	LTX	STX	Resources (in person weeks)
Banking Law and Resolution	Assist the CBS in drafting amendments to the 2003 Banking Business Act (BBA) in order to strengthen, in particular, the legal framework for bank supervision and resolution	(i) Prepare preliminary draft amendments to the BBA previous to the mission. (ii) Field a mission to discuss the draft legal amendments with the CBS team and other relevant stakeholders and to finalize the amendments with the input received; (iii) Produce an aide-memoire reflecting the discussions held during the mission, recommendations made, and relevant follow-up actions; and (iv) Produce a TA report incorporating the contents of the aide-memoire and addressing any relevant remarks of the authorities and IMF staff.	Legal framework for banking supervision and resolution in line with international good practices.	1) Preparation of draft amendments (April 14, 2017); 2) Finalization of draft amendments and TA mission (April 21-30, 2017); 3) Finalization of a TAR (June 30, 2017).	(i) Drafts of the agreed amendments; (iii) An aide-memoire; and (iv) A TA report.	New	Apr-17	4.00	-	8.00	12.00
Sudan Total								4.00	12.0	18.00	34.00

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	Resources (in person weeks)
Tunisia										
Banking Supervision	Improve the Central Bank of Tunisia (CBT) supervisory and regulatory frameworks and Implement risk-based and consolidated supervision	Assist in developing a risk-based and consolidated supervision framework and provide training to the CBT examiners in this subject.	The CBT has an efficient risk-focused supervision framework based on forward looking assessment of Banks' risks, and skilled banks examiners.	Improved banks supervision system based on forward looking assessment of banks risks.	BTO	Completed	Jan-17	1.50	1.00	2.50
Banking Supervision	Improve CBT supervisory and regulatory frameworks and Implement risk-based and consolidated supervision	Assist in developing a risk-based and consolidated supervision framework and provide training to the CBT examiners in this subject.	The CBT has an efficient risk-focused supervision framework based on forward looking assessment of Banks' risks, and skilled banks examiners.	Improved banks supervision system based on forward looking assessment of banks risks.	BTO	Cancelled	-	-	-	0.00

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	Resources (in person weeks)
Public Financial Management	Extending the horizon of fiscal and budgetary forecasts and stating and reporting on measurable medium-term fiscal policy objectives	Assist with further development of medium term expenditure frameworks and program budgets Cash Management and Fiscal Risks (Joint FAD/METAC).	Measurable fiscal policy objectives for the medium-term are established.	The MTBF is used on a rolling basis for budget preparation.	TA report	Completed	Nov-16	3.00	2.50	5.50
Public Financial Management	Capacity building to the Ministry of Finance in the areas of fiscal risk management	Identify main fiscal risks in Tunisia and provide advice on the institutional framework for monitoring and managing these risks.	Fiscal Risk Statement is published on an annual basis.	Preparation of a fiscal risk statement that provides a consolidated view of all major risks to public finances.	TA report	Cancelled	-	-	-	0.00
Revenue Administration	Improve tax compliance and taxpayer service levels	Support the establishment of an integrated Large Taxpayer Office.	Improved tax collection.	Compliance planning introduced, compliance monitored and collections increased.		Cancelled	-	-	-	0.00

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	Resources (in person weeks)
Statistics	Improve compilation and dissemination of NA according to the international standards	National accounts: assessment of sources and methods.	Data are compiled using the concepts and definitions of the latest manual/guide.	Sources and methods for compiling annual and quarterly accounts assessed.	TA report PFS	Completed	Jan-17	3.00	-	3.00
Statistics	Improve compilation and dissemination of price statistics according to the international standards	CPI: Update weights.	Data are compiled using the concepts and definitions of the 2004 CPI Manual.	Data sources for updating weighting system updated.	TA report PFS	Cancelled	-	-	-	0.00
Monetary Policy Operations	Develop a credit assessment tool, which will be used to evaluate the financial soundness of debtors and guarantors of bank loan collateral accepted as monetary policy collateral.	Assist with the development of a rating tool for bank loans accepted as monetary policy collateral.	Development of terms of reference so that an external company can be hired to develop the rating tool.	Finalization of the terms of reference. Central bank familiarization with how a rating tool operates in practice, including the ex-post monitoring by the central bank.	Aide-Mémoire left with the authorities' ad referendum	New	Apr-17	-	2.00	2.00
Tunisia Total								7.50	5.50	13.00

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	Resources (in person weeks)
West Bank and Gaza										
Banking Supervision	Implement RBS and enhance risk management culture at the PMA	Assist in the establishment of an enterprise risk management (ERM) framework at the PMA.	The PMA has a modern and up to date risk management function.	Inspection manual	Drafted inspection manual	Completed	Oct-16	1.00	2.00	3.00
Banking Supervision	Implement RBS and enhance risk management culture at the PMA	Assist in the establishment of an ERM framework at the PMA.	The PMA has a modern and up to date risk management function.	On-the job training on the implementation of the RBS	TA report	Cancelled	-	-	-	0.00
Public Financial Management	PFM Reform Plan	Follow-up to assist the authorities in reviewing the PFM reform plan.	PFM reform plan updated.	PFM reform plan updated	TA report	Cancelled	-	-	-	0.00
Revenue Administration	Develop the application of automated risk assessment for compliance management	Provide TA input to guide the development of the automated Revenue Management System based on international good practice experience.	Enhanced capacity in the Tax Administration to use automated risk management.	Development of the Risk Management module in the RMS.	TA report	Completed	Apr-17	2.00	2.00	4.00

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	Resources (in person weeks)
Revenue Administration	Risk management introduced in WBG Customs	Provide TA to advise on the structure and staffing of a Risk Management Unit within WBG Customs.	More strategically focused Customs operations.	Risk Management Unit structure approved and staffed.	TA report	Completed	May-16	1.00	3.00	4.00
Revenue Administration	Prepare customs files to support successful prosecution outcomes	Develop file preparation standards that support the requirements of successful prosecution.	Increase in number and proportion of Customs cases successfully prosecuted in court	Standards developed, and manuals prepared and introduced	TA report	Completed	Aug-16	1.00	3.00	4.00
Statistics	Improve compilation and dissemination of national accounts according to the international standards	Annual national accounts: Rebase annual and quarterly time series.	Data are compiled using the concepts and definitions of the latest manual/guide.	Rebased annual and quarterly national accounts.	TA report	Completed	Sep-16	3.00	-	3.00
Statistics	Improve compilation and dissemination of price statistics according to the international standards	PPI: Update weights, selection of products/ producers, with DFID.	Data are compiled using the concepts and definitions of the 2004 PPI Handbook.	Updated PPI.	TA report	Completed	Oct-16	1.00	2.00	3.00

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	LTX	STX	Resources (in person weeks)
Statistics	Improve compilation and dissemination of national accounts according to the international standards	Annual national accounts: Assess data sources for institutional sector accounts.	Data are compiled using the concepts and definitions of the latest manual/guide: enhanced national accounts compilation framework.	Source data assessed for compilation of institutional sector accounts.	TA report	Cancelled	Apr-17	-	-	3.00
West Bank and Gaza Total								12.00	12.00	24.00

TA AREA	Objective	Description /Activity	Medium-Term Outcome	Milestones	Output	Status	Date	Resources (in person weeks)
Yemen								
Banking Supervision	Improve the regulatory and supervisory framework	Assist in the implementation of the medium-term action plan to enhance banking supervision.	The CBY implements a regulatory framework in line with the IFSB and the BCB recommendations.	Draft supervisory regulations for Islamic and conventional banks.	Drafted regulations BTO	Cancelled	-	0.00
Public Financial Management	Establish a Treasury Function	Conduct a comprehensive study and devise an action plan to transfer the Treasury function from CBY to the MoF.	Treasury Function established.	Action plan approved by MoF.	TA report	Cancelled	-	0.00
Statistics	Improve compilation and dissemination of price statistics according to the international standards	CPI: Update weighting system, with DfID.	Data are compiled using the concepts and definitions of the 2004 CPI Manual.	Updated CPI.	TA report	Cancelled	-	0.00
Yemen Total								0.00
Total person weeks								268.00

ANNEX V:

METAC STEERING COMMITTEE MEMBERS

METAC STEERING COMMITTEE MEMBERS

COUNTRY REPRESENTATIVES

Afghanistan

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West Bank and Gaza

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ANNEX VI:
METAC STAFF PROFILES

METAC STAFF PROFILES

The Center is staffed with a Center Coordinator, four resident advisors, and four support staff. The Center Coordinator has responsibility for leadership and management of the Center's activities and staff. The resident advisors deliver training and advice in their respective areas of competence, and coordinate with other TA providers. The Center also makes significant use of short-term experts.

Center Coordinator

Ms. Taline Koranchelian

E-mail: tkoranchelian@imf.org



Prior to joining METAC, Ms. Koranchelian was Assistant Director in the Strategy, Policy, and Review Department of the IMF, leading the institutional work on surveillance policy. Throughout her more than 15 years of experience at the IMF, Ms. Koranchelian held various positions in the MCD, FAD, Strategy, Policy, and Review Department, and the Executive Board of the IMF. She led surveillance and TA missions to many countries in the Middle East, Central Asia, and

Europe, and headed the preparation of various IMF policies. Before joining the IMF in 2000, Ms. Koranchelian worked in the central bank of Lebanon and was advisor to the Minister of Economy and Trade in Lebanon.

Banking Supervision Advisor

Mr. Ahmad El Radi

E-mail: aelradi@imf.org



Before rejoining METAC, Mr. Ahmad El Radi worked for five years as the Group Chief Risk Officer for a leading Lebanese Bank with subsidiaries in the Middle East, North Africa and Europe. There, his duties included assisting the Board of Directors and senior management in developing the group's risk strategy and policies, following up on their implementation, and identifying, evaluating and monitoring the group's risks. Prior to that, Mr. El Radi worked

for four years at METAC as the banking supervision Advisor, where he assisted the supervisory authorities in some countries of the Middle East region in enhancing their practices in banking supervision and providing them with advices in line with BCBS and the IFSB. Before METAC, Mr. El Radi occupied the position of the IMF Resident Advisor in banking supervision at the Central Bank of Syria for three years (January 2002 till December 2004), where he assisted in the development of the bank supervision framework including drafting supervisory regulations in line with Basel Committee recommendations and in building the staff capacity. Before joining the IMF, he worked at the Banking Control Commission – Banque du Liban – for a period of nineteen years (February 1983 till December 2001) during which he has occupied several senior functions in On-Site and Off-Site banking supervision, and was nominated as an Interim Manager at an insolvent bank.



Public Financial Management Advisor

Mr. Xavier Rame

E-mail: xrame@imf.org

Mr. Xavier Rame, is a French national, with more than 20 years of experience on public financial management (PFM). Prior joining METAC, Mr. Rame was a senior economist at the IMF's Fiscal Affairs Department, and delivered and coordinated PFM technical assistance to a large number of countries in Africa, Asia, Latin America, and the Caribbean. Mr. Rame's professional experience includes senior manager positions in international consulting firms, lecturer on public management at the French Ecole Nationale d'Administration, coordinator of the financial audit team at the French Court of accounts, and Treasury inspector at the French Ministry of Budget. Mr. Rame holds Master's degrees in International Economics from University of Aix-Marseille III and in Political Science from University of Nice. He is also an alumnus of the French National Treasury School.



Real Sector Statistics Advisor

Mr. Todor Todorov

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Before joining METAC in September 2015, Mr. Todor Todorov served for four years as a regional advisor at the IMF AFRITAC South. He started working for the IMF as a short-term expert on National Accounts (NA) statistics in 2006 conducting missions to countries in Africa, Central Asia, Eastern Europe, and also to Jordan and WBG in the Middle East. He has more than twenty-five years of experience in economic statistics and particularly in development of NA at the National Statistical Institute of his home country, Bulgaria.



Revenue Administration Advisor

Mr. Patrick De Mets

E-mail: pdemets@imf.org

Mr. Patrick De Mets is a Belgian national with extensive experience in revenue administration gained as civil servant in senior roles in different tax departments within the Belgian Ministry of Finance (MoF) and as international expert for the International Monetary Fund (IMF)/European Commission (EC). He has worked across a broad range of thematic areas, and assisted central, regional and local governments. During his 36 years of professional career within the Belgian MoF he has been responsible for implementing major modernization projects and leading multi-disciplinary teams, and contributed to integrating tax administrations and re-designing key (tax) revenue business processes. He is a member of the roster of fiscal experts of the IMF since 2010 and is a trained "Tax Administration Diagnostic Assessment Tool (TADAT)" assessor with experience in the Balkans, Comoros, Cyprus, Greece, Haiti, Malta, Ukraine and Vietnam. Under the IMF/EC/European Central Bank support program for Greece, he was the EC

domain leader for tax collection, and as an IMF expert he developed a medium-term reform action plan to integrate collection of social security contributions of the main Greek social security funds into the Greek tax administration. Before taking his assignment in METAC, he was the IMF's Resident Tax Revenue Advisor for Cyprus.

METAC OPERATIONS ARE ALSO SUPPORTED BY FOUR LOCAL STAFF:



Mrs. Anita Semaani
Office Manager



Ms. Ingrid Nehme
Administrative
Assistant



Mrs. Nathalie Tawil
Administrative
Assistant



Mr. Fadi Mehrez
Driver/Messenger

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