

Regional Workshops in Fiscal Year 2020

Banking Supervision

Basel III Finalization: Revised Approaches to Measure Risk-weighted Assets (Amman, November 4-7, 2019)

Twenty-five bank supervisors from 11 METAC member countries attended this workshop, which provided a forum to exchange views and share country, regional, and international experience on the implementation of the Basel Committee international standards on banking supervision.

The workshop focused on how to improve the ability of supervisors to better evaluate banks' capital adequacy with in-depth presentations and case studies on the revised approaches to measure credit risk, market risk and operational risk.

A survey about the implementation of the Basel standards was sent to all the participants before the workshop. The participants presented their countries' experiences and highlighted aspects related to (i) reform project organization, monitoring and governance, (ii) implementation scope, (iii) implementation challenges, (iv) how proportionality has been considered, and (v) perceived benefits. A METAC *Regional Note*, will be soon published on the results of the workshop, and lessons learned.

Public Financial Management

Strengthening PFM in the Middle East and North Africa: Lessons Learnt from Recent Initiatives, Medium-Term Outlook, and The Role of Analytical Tools (Amman, July 7-9, 2019)

METAC and FAD, the International Budget Partnership (IBP), and the Public Expenditure and Financial Accountability (PEFA) Secretariat concluded a regional a workshop on “strengthening public financial management (PFM) in the Middle East and North Africa (MENA): lessons learnt from recent initiatives, medium-term outlook, and the role of analytical tools”. Delegations from 10 countries (Afghanistan, Djibouti, Egypt, Iraq, Jordan, Lebanon, Libya, Morocco, Sudan, and Tunisia), along with representatives from the European Commission, UK's Department for International Development, Canada, USAID, and civil society organizations, gathered in Amman to work together to: (1) better understand the impact of the political, social, and economic transformation over the last 10 years on PFM systems in the MENA; (2) share experiences of using key tools available to define and support the development of more resilient and inclusive PFM systems; (3) identify challenges and opportunities, and related CD needs. Mr. Xavier Rame, METAC PFM Advisor, concluded the workshop by highlighting that, overall and despite noteworthy progress in some countries, the alignment with international standards and practices for resource allocation, budget implementation, and accountability remains too often limited in the MENA region. In a context of limited fiscal space and heightened social expectations, fiscal institutions should be further strengthened to effectively support the design of sustainable policies, shed light on the full cost of public policy choices, enhance accountability, and address populations' needs – especially the most vulnerable. Following the workshop, and in a first-ever PEFA regional learning event in the MENA delivered in English, French and Arabic, Mr. Rame participated in a two-day training session led by the PEFA Secretariat, which gathered 71 participants from 14 countries and development partners from the MENA region.

Strengthening Budget Institutions (Kuwait, October 22-24, 2019)

METAC and the CEF delivered a course on budget institutions, at the CEF offices in Kuwait. Thirty-three participants from 14 countries attended the course. Key sessions included budgeting, cash

management, public investment management, and fiscal risks management. Participants shared experiences and views on how to improve on these issues in their countries, in a challenging regional context.

Medium-term Budget Planning: Methods and Tools (Kuwait, Dec 16-19)

This workshop, joint with the IMF Middle East Center for Economics and Finance (CEF), brought together 32 policymakers and senior staff from Ministries of Finance of 14 Arab-League countries (eight were METAC countries) of different income levels and budget institutional arrangements. The workshop highlighted the relevance of medium-term budgeting for modern public finance management, including: key features of a medium-term budget framework; the role of medium-term fiscal frameworks and fiscal rules; forward costing; and institutional underpinnings. The training included a mix of lectures, individual and group work, as well as peer assistance.

Revenue Administration

Tax Expenditures in the Middle East and North Africa: Current Practice and Way Forward (Rabat, Dec 3-4, 2019)

The workshop, held jointly with the IMF's Fiscal Affairs Department, was attended by 23 participants from nine METAC members. It evaluated current practices of reporting on tax expenditures in the MENA region, and discussed recent international trends. Only one METAC country publishes an analytical report on tax expenditures, which broadly follows international practice; another country includes a summary table of tax expenditure estimates in its annual budget. Nearly all countries reported that they face significant tax compliance risks associated with the provision of tax incentives and discussed possible mitigation measures for the higher risk areas. Participants agreed that the practice of publishing an analytical report on tax expenditures will significantly improve fiscal transparency and the policy debates on domestic revenue mobilization and the cost-effectiveness of tax incentives.

Statistics

Supply and Use, and Input-Output Tables (Kuwait, Jan 12-16, 2020)

Organized jointly with the CEF, this workshop was attended by 34 participants from 15 countries (12 METAC). It covered international standards and best practices in producing benchmark GDP estimates through the compilation of SUT and IOT. It facilitated peer-to-peer discussions of countries' practices, challenges and solutions, and included a substantial practical component.