



Key Highlights

In January 2023, METAC finally transitioned to its new program phase, the fifth one since the Center was established in October 2004. The new program will see a substantial expansion of METAC's activities, both in scale and in scope. METAC will add at least two new workstreams to its portfolio: one on tax policy, with a focus on tax expenditure assessments, and one on macroeconomic frameworks. Also, in line with the IMF's Fragile and Conflict-Affected States strategy, METAC will further increase its focus on working with its fragile member countries and tailor its work program to their specific capacity developing needs. The recruitment of several new regional advisors is currently ongoing, with the first ones expected to join METAC around May 2023.

METAC's team also continued to evolve in the past few months: In November, Mr. Yasser Sobhi joined the Center as public financial management (PFM) advisor, succeeding Benoit Wiest, who left METAC in August 2022. Mr. Sobhi brings with him great PFM expertise, specifically regarding macro-fiscal policies, and a wealth of experience as IMF resident advisor and from his long career in the Egyptian Ministry of Finance, including as Deputy Minister. At the end of November, we had to bid farewell to Ms. Anita Semaani, METAC's long-standing office manager since June 2016. We miss Anita as a dear colleague, are grateful for her exceptional leadership, and wish her all the best for her future endeavors in Dubai.

METAC published two new Regional Notes on PFM-related topics. One discusses the [role of budgeting for efficient social expenditures](#), using the example of Jordan. The note was prepared in collaboration with UNESCWA and published on METAC's website in December 2022. The second note, fresh from the press in early February 2023, reviews [lessons from PFM capacity development in METAC's fragile and conflict-affected member states](#).

In November 2022, METAC convened with the Yemeni authorities and various development partners in the Yemen Technical Assistance and Capacity Development Group (TA/CDG) for a two-day consultation in Riyadh, Saudi

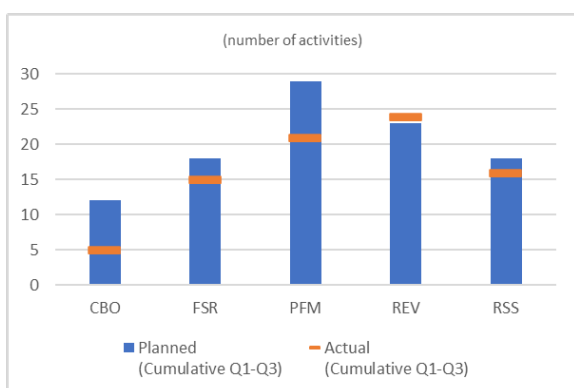
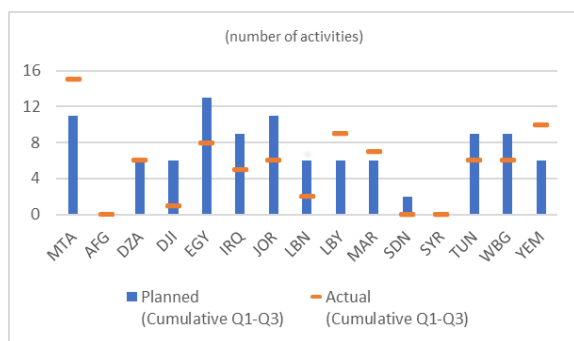
Arabia. The discussions focused on efforts to prioritize Yemen's CD needs in the fiscal, monetary, and financial stability areas, and to coordinate respective capacity development programs. The objective is to strengthen synergies among development partners in their efforts to support Yemen's macroeconomic institutions, to minimize duplication of tasks, and to optimize overall resource utilization.

METAC delivered 29 CD activities and four outreach events in FY23-Q3. Some highlights include:

- In December 2022, METAC inaugurated its new tax policy workstream with a regional workshop on tax expenditure assessments.
- METAC's new central bank operations workstream gathered pace with two missions to Tunisia (liquidity forecasting & inflation expectation survey) and one to Algeria (central bank collateral framework).
- METAC successfully completed its medium-term project assisting Bank Al Maghrib (BAM) in the development of its Supervisory Review and Evaluation Process Methodology SRP. METAC and BAM presented this project in an outreach webinar in January.
- As part of its programmatic support to strengthen expenditure control in Yemen, METAC assisted the Ministry of Finance in finalizing a Draft Manual for Commitment Control, which is now being implemented in three pilot entities.
- In a first reengagement with Djibouti since the start of the Covid-19 pandemic, METAC provided support to the Ministry of Finance to strengthen its cash management and operationalizing the Treasury Single Account (TSA).
- In Egypt, METAC assisted the Ministry of Finance and the revenue authorities in the development and implementation of a performance management framework. METAC also organized a peer study tour for a delegation from the Egyptian Revenue Administrations to the Belgian General Administration of Taxes, an international leader in the performance management area.

FY23 Capacity Development Activities

May 2022 to January 2023¹



Outreach

Yemen Technical Assistance and Capacity Development Group (TA/CDG) Workshop (Nov 1-2)

Mr. Holger Floerkemeier (METAC Director) and Mr. Jonas Frank (PFM advisor) attended the Yemen Technical Assistance and Capacity Development Group (TA/CDG) meeting in Riyadh. The TA/CDG's coordinates targeted CD by development partners in response to the needs of Yemeni public institutions (including the Central Bank and Ministry of Finance). The objective is to leverage complementarities and realize synergies while considering absorptive capacity constraints and minimizing duplication of CD efforts. The Yemeni authorities presented their reform plans, followed by discussion of CD priorities and potential

¹ FSR: financial supervision and regulation; CBO: central bank operations; PFM: public financial management; REV: revenue administration; RSS: real sector statistics; OTH: other, mainly outreach. AFG: Afghanistan; DZA: Algeria; DJI: Djibouti; EGY: Egypt;

support from development partners. Careful prioritization and sequencing of CD programs will help achieve tangible outcomes in a setting of limited institutional capacity. METAC organized a session on PFM approaches in fragile and conflict-affected states as part of the event, which was hosted by the Saudi Development and Reconstruction Program for Yemen (SDRPY).

9th Meeting of the Technical Committee of the Arab Statistics Initiative "ArabStat" (Nov 9-10)

At the invitation of the Arab Monetary Fund (AMF), METAC attended the ninth (virtual) meeting of the Steering Committee of the Arab Statistics Initiative (ArabStat) during November 9-10, 2022. Participants from the IMF's Statistics Department presented on New Technologies in Real Sector Statistics and discussed the regional data availability and policy uses of sectoral financial accounts. The meeting also discussed remittances, statistical challenges during pandemics, public debt statistics, and financial soundness indicators.

39th annual meeting of the Arab Committee on Banking Supervision, Arab Monetary Fund (Dec 5)

Ms. Nehmat Hantas, METAC's banking supervision advisor, delivered a session on Risk-based Supervision (RBS) at the 39th annual meeting of the Arab Committee on Banking Supervision, discussing the benefits of RBS and highlighting key aspects important to respond to emerging risks such as foresightedness and flexibility. The session also addressed the key risk drivers that are on the supervisory dashboard. These includes new risks related to climate change and crypto/Fintech, in addition to existent risks (credit, market, operational, interest rate risk in the banking book) and how these risks are impacting the financial sector amid the macroeconomic pressures arising from soaring inflation, increasing interest rates, rising debts, currency pressures and recession concerns.

IRQ: Iraq; JOR: Jordan; LBN: Lebanon; LBY: Libya; MAR: Morocco; SDN: Sudan; SYR: Syria; TUN: Tunisia; WBG: West Bank and Gaza; YEM: Yemen; MTA: regional activities.

Active projects conducted by METAC on enhancing RBS in member countries were also described during the meeting. The session concluded with some remarks highlighting that RBS is more relevant than ever given the challenging circumstances and encouraging supervisors to complete Basel III reforms, activate their forward-looking tools, build up capital and liquidity buffers, enhance corporate governance, put more efforts on climate risk analysis, understand the new trending crypto and fintech risks, and continue the capacity building of supervisors including the new specialized areas.

Outreach Event on Banking Regulation and Supervision and Central Banking Operations (Jan 23)

METAC organized a virtual outreach event on banking regulation and supervision, and central banking operations. The purpose of the event was to update development partners and member countries on METAC projects in these two workstreams and to gather stakeholders' feedback. METAC advisors presented their lines of work, the activities performed during the fiscal year and the most active topics that are currently in high demand by member countries. They also highlighted METAC's competitive advantages in delivering capacity development in the financial stability and central banking areas and shared some key takeaways and success factors for these activities. A representative from Bank Al-Maghrib presented the newly developed SRP (Supervisory Review and Evaluation Process) methodology, as a country case to illustrate what METAC can do to support its member countries. The presentations were followed by a Q & A session, during which some authorities inquired about the Bank Al-Maghrib's new SRP methodology to learn from the latter's experience on this topic.

Regional Workshops

Regional Workshop on Consumer Price Index (CPI) (Nov 27-Dec 1)

In cooperation with the Center for Economics and Finance (CEF), METAC conducted a one-week course on consumer price index (CPI) compilation issues. The course included an overview of index calculation methods,

developing weights, selecting samples, price collection, and data dissemination. The course was attended by 23 participants from Djibouti, Egypt, Jordan, Kuwait, Lebanon, Libya, Mauritania, Morocco, Tunisia, and the United Arab Emirates.

Regional Workshop on Tax Expenditures (Dec 12-14)

METAC and the IMF Fiscal Affairs Department (FAD) jointly hosted a three-day regional workshop on tax expenditures in Amman, Jordan, during December 12-14, 2022. The workshop aimed to build capacity in estimating and publishing tax expenditures to enhance transparency and inform policymaking. 25 participants from nine countries across the METAC and GCC regions attended the workshop. Discussions took place around nine country presentations covering income taxes and the VAT, among other taxes. Topics included: 'benchmark tax system', data requirement, estimation techniques, template microsimulation models, and current practices in the area of tax expenditures in the region.



Regional Course on Cash Management at the IMF Center for Economics and Finance (CEF) (Dec 12-15)

The four-day hybrid course conducted at the CEF in Kuwait brought together 31 participants from 12 countries (9 METAC, 2 GCC, and Mauritania) to enhance their understanding of cash management. Lectures and workshop sessions focused on Treasury Single Accounts (TSA), cash forecasting, and the coordination between cash and debt management. In the context of economic and fiscal uncertainties, countries should aim to consolidate cash resources by establishing TSAs and widening their coverage; strengthen cash forecasting to help allocating resources to key spending priorities; and strengthen cash balance management and institutional coordination.

Technical Assistance and Training

BANKING SUPERVISION

Algeria (Nov 6-10)

METAC continued to assist the General Inspection Department (GID) at the Banque d'Algérie (BA) in enhancing its Supervisory Review Process (SRP) and developing a risk rating system for banks. Around 15 supervisors from the offsite and onsite functions were involved in the mission. The GID presented the preliminary anonymized rating test results for the various banks, the challenges faced in performing these tests, the data needed for a more robust rating, and remaining information gaps. The mission team helped the supervisors in closing these gaps through (i) selecting the key questionnaires used for the qualitative assessment of the major risks, (ii) enhancing the internal control reporting, and (iii) proposing a new submission from banks of their business plan, which will be used in the assessment of the business model. It is expected that BA will finalize the reporting of the internal control and the business plan and issue them to the banks. The next mission will assist the authorities to put in place a clear process relating the results risk ratings to a set of supervisory and corrective measures and will perform an overall final review of the rating methodology.

Jordan (Nov 1-3)

The mission's purpose was to devise a multi-step plan for the Central Bank of Jordan (CBJ) for the full implementation of the Supervisory Review and Evaluation Process (SRP) framework. The mission thoroughly discussed with the CBJ's supervisors the SRP methodology and its processes. It highlighted the importance to use SRP results to determine additional capital and liquidity requirements, as well as to devise the Supervisor Examination Program (SEP) to allocate the supervisory work on a risk basis. The mission also formed an understanding of the CBJ's existing approaches and tools, its current assessment methodology, the adequacy of its regulatory and supervisory frameworks for the implementation of SRP, and the availability of the data needed for the assessment. The mission concluded by devising a roadmap for the development of an SRP risk rating system

and defined the main milestones towards full implementation of SRP.

Morocco (Nov 9-17)

The mission successfully completed with Bank Al Maghrib (BAM) the development of the Supervisory Review and Evaluation Process Methodology SRP. The mission was the last part of a series of missions to assist BAM in developing its SRP methodology. The project started in June 2021 with a presentation of the European SSM methodology as an example for BAM to develop its own SRP methodology. In July 2022, a METAC mission reviewed the draft SRP methodology developed by BAM's project team and proposed a three-phase rating assessment process inspired by the ECB methodology. Based on these propositions and the continuous discussions between METAC and the BAM's project team, a comprehensive SRP manual was developed by the BAM, and a pilot test was conducted. In November 2022, the METAC mission reviewed the SRP manual and the pilot test. It also provided training to BAM's supervisors on SRP methodology and some selected areas of risks (credit, liquidity and business model), and it proposed some further recommendations to enhance implementation. BAM is the first METAC member country implementing SRP. BAM shared its experience in developing SRP at a January 2023 METAC outreach event for development partners and member countries.

Yemen (Dec 8)

METAC contributed virtually to the EU-OECD workshop on Strengthening Financial Intermediation capacities of Yemeni Money Exchangers. METAC's banking supervision advisor shared with the participants from the Central Bank of Yemen (CBY) the preconditions to build trust in money exchange dealers. The intervention highlighted key factors to ensure resilience, including building a clear strategy for money exchange dealers, balancing between competition, market needs and supervisory capacity, providing clear definition of permissible and non-permissible activities for money exchange, requiring clear segregation of funds between customers and money exchange funds, enhancing governance, compliance and consumer protection standards, and last but not least

reinforcing the capacity of the supervisors to ensure adequate supervision.

CENTRAL BANK OPERATIONS

Algeria (Dec 12-22)

With the support of IMF METAC, the Bank of Algeria (BA) will develop an in-house credit rating system for non-financial corporations. This project is motivated by the objective to operationalize the acceptance of bank credit claims as collateral, both for monetary policy and for Emergency Liquidity Assistance (ELA). To achieve this goal, the BA will need to assure it has the appropriate databases, sufficient resources, advanced methodological knowledge, and the mandate to review its organizational structure. This was the first METAC TA mission on this topic, and the mission team made recommendations in each of the above areas. The recommendations include a step-by-step approach to gradually move from producing a rating for a small sample of non-financial corporations towards a larger coverage. A second TA mission is planned to provide further guidance in the start-up phase. Further TA support will be dependent on the pace of implementation progress by the BA.

Tunisia

Nov 14-23

METAC provided a TA mission on short-term liquidity forecasting. The mission team recommended that the current daily liquidity monitoring should be complemented with a complete daily central bank balance sheet. This will provide a more robust alternative for the current ad-hoc corrections, for example to account for transactions of the Office National de la Poste (ONP), and hence enable a correct understanding and interpretation of all autonomous factors affecting the central bank balance sheet. The mission also provided hands-on training on the use and implementation of the recently developed liquidity forecasting framework, using available data. The METAC team agreed with the BCT to plan a follow-up mission once a daily central bank balance sheet is available. The mission also followed up on several outstanding recommendations of the IMF MCM December

2020 mission on “Monetary Policy Framework and Operations”.

Jan 16-20

At the request of the Banque Centrale de Tunisie (BCT), METAC provided technical assistance to support the development of an inflation expectations survey. This is part of the strategic priorities of the BCT. As requested by the BCT, the mission focused on a survey held among a selected group of market participants and economic experts. The survey will focus on near- and medium-term inflation expectations. The survey will be carried out quarterly in the context of the BCT's macroeconomic projections and monetary policy decisions. The first edition of the survey is expected to be launched shortly, before the next BCT macroeconomic projections that should be published around mid-March.

PUBLIC FINANCIAL MANAGEMENT

Djibouti (Jan 23- Feb 3)

The mission provided support to strengthen cash management and operationalizing the Treasury Single Account (TSA). It was the first reengagement with Djibouti's Ministry of Budget since March 2020. Djibouti would highly benefit from a TSA mechanism and better cash forecasting to improve cost efficiency of cash management. The discussions focused on the difficulties the authorities encountered with the implementation of previous mission recommendations. The mission also proposed a process for preparing, monitoring and updating the annual and monthly provisional cash projections based on the draft initial budget law. The team met with the different stakeholders responsible for the improvement of cash management, including relevant departments in the Ministry of Budget, Ministry of Finance, and the Central Bank of Djibouti. It proposed a sequence of actions to support the implementation of cash management reforms and the TSA.

Jordan (Sep 20-Nov 9)

As a follow-up to the Jordan Fiscal Transparency Evaluation from October 2021, a mission supported the new Macro-Fiscal Unit (MFU) and the Fiscal Commitment Unit (FCU) of the Ministry of Finance (MoF) to strengthen

disclosure of fiscal risks and contingent liabilities by preparing a first draft Fiscal Risk Statement (FRS). While overall highlighting the need for a well-focused approach on key risks, the mission provided feedback and hands-on advice on several drafts of the macroeconomic and PPP sections. The FRS should be expanded in annual cycles: a second FRS (2024 budget documentation) could expand on legal risks, natural disaster risks, and long-term sustainability risks (pensions), while a third FRS (2025) and later editions could expand on risks for which the framework for analysis remains to be established, among others related to long-term sustainability analyses on climate change and exhaustion of natural resources.

Libya

Nov 21-23

METAC organized a virtual workshop on strengthening the medium-term fiscal framework at the Libyan Ministry of Finance. The workshop was a continuation of METAC's support to establish a medium-term fiscal framework (MTFF) that would support fiscal and economic analysis and the budget preparation process in the future. Training was provided on updating the fiscal framework with the latest available fiscal data, using the framework in fiscal risk analysis and producing different scenarios, and in reporting on quarterly budget actual performance. Further training activities will continue to enhance the macroeconomic unit's capacity to managing the fiscal framework.

Dec 13-Dec 17

A joint in-person mission by METAC and the IMF's Fiscal Affairs Department (FAD) provided CD support to the Ministry of Finance (MoF) to support the authorities in conducting a review of their public financial management (PFM) framework, identifying reform priorities and further CD needs. The mission was conducted in Amman, working with representatives from the MoF and its affiliates. The mission discussed the need to overhaul the entire PFM framework over the medium-term. This will include major revisions or upgrades in processes, systems, and legislation. The reform process should be designed consistently and coherently across

PFM areas and in a feasible manner. Notably, the potential reforms in budget execution processes, cash management, GFMIS, and Charts of Accounts are all interlinked. Budget planning and the budget preparation process need to be improved as well.

Morocco

Nov 21-30

METAC continued to support the Moroccan Ministry of Finance in enhancing the development of its internal control framework. This included reviewing the implementation of the reform project roadmap, and building capacity on the information system that will be implemented. The CD built on three previous METAC missions. It identified strengths and reform needs in the internal control system, reviewed the project roadmap, and took stock of progress in implementing previous recommendations. The mission also presented the tools and functionalities of the application used in France and discussed the expected functionalities of the future information system in Morocco to support the internal control reforms.

Jan 30- Feb 10

A joint FAD/METAC mission provided support to the Moroccan authorities on strengthening their fiscal framework with the introduction of a medium-term debt anchor and an operational rule which will enhance the credibility and consistency of the authorities' fiscal policy and facilitate debt-reduction. The mission also provided recommendations on how to incorporate the proposed fiscal anchor into the legal and fiscal frameworks.

Yemen (Nov 11-Dec 30)

As part of programmatic support on expenditure control, METAC support the Ministry of Finance (MoF) in finalizing a Draft Manual for Commitment Control, which will be used by three pilot entities (Customs Agency; Ministry of Public Works; University of Aden/Ministry of Higher Education). Building on the first version of the Manual prepared during a previous phase, the updated version is further tailored to the pre-cash phase of budget execution while ensuring a link with budget planning. The templates for commitment requests were finalized, allowing

proper tracking of commitments in the pilot entities and at the Ministry of Finance for aggregate expenditure control. The Ministry of Finance is planning to further practice the commitment control process with the pilot entities in the coming months, while METAC will support the semi-automation of templates during February-April 2023.

REVENUE ADMINISTRATION

Algeria (Jan 8-16)

METAC assisted the Algerian General Directorate of Taxes (GDT) in strengthening the management of tax arrears. The creation of a dedicated collection directorate within the central services is a significant improvement of the tax arrears management function. The mission provided advice to the new directorate on how to move forward towards becoming more digital, more taxpayer-oriented and more efficient in its enforcement tasks.

Egypt

Dec 4-8

METAC assisted the Ministry of Finance and the revenue authorities in the development and implementation of a performance management framework. It shared best practices in the field of performance management, assessed the current state and maturity level of performance management, and advised how to further develop SMART objectives and monitoring and evaluation of the formulated objectives. Assistance also included the development of an action plan with timeline for implementation.

Dec 19-21

METAC organized a peer-to-peer engagement activity for the officials of the Egyptian Revenue Administrations to the Belgian General Administration of Taxes (GAT). The latter was identified as a highly suitable organization which applies internationally recognized good practice in performance management and measurement. During the study tour, GAT focused its sharing of experience on general organizational management from strategy to implementation, and in particular on the area of performance management. Additional areas covered upon the Egyptian Ministry of Finance's request ahead of the study tour

included data management, cash register, e-invoicing, e-reporting, international taxation, human resource management and Value Added Tax (VAT) gap analysis. The peer-to-peer engagement included presentations by senior officials from the relevant departments of GAT and in-depth bilateral discussions between the Egypt delegation and GAT staff.

Lebanon

Jan 16-27

METAC provided a follow-up technical assistance to the Lebanese customs Authority (LCA), based on the May 2022 report on "Short-and-Medium-Term Actions for Stabilizing Revenue Administration." The mission assessed the current situation and the progress made to date. The mission's focus was on helping the LCA drafting their new organizational structure and reactivating their legal committee in charge of drafting the new customs code. Finally, the mission supported the LCA in developing a detailed roadmap for the remaining immediate and short-term priorities to be implemented.

Nov 21-28

METAC assisted the Ministry of Finance of Lebanon in developing a reform governance framework supported by a detailed action plan for implementation. The new governance framework was developed based on a review of the existing tax reform governance framework and a series of presentations and discussions with officials based on good international practice (as documented in the VITARA Reform Management module).

Libya

Nov 20-29

METAC delivered a remote mission to support the Libyan Tax Administration (LTA) in its digitalization efforts. The mission evaluated LTA's current state of digitalization, raised senior management awareness of information technology (IT) functional requirements for an integrated tax administration solution (ITAS) and explained the technology architecture and application of advanced data analytics in improving compliance program results. The authorities' preparedness to modernize the tax administration through digitalization was also discussed regarding the maturity of the

taxpayer compliance culture, taxpayer IT literacy, tax administration maturity, and LTA's IT capabilities and experiences.

Jan 22-31

METAC supported the Libyan tax administration in developing a roadmap for a digitization program. This CD project included several components such as the governance, tender, change management, data network, data analysis and implementation of the digitization program.

Yemen (Jan 9-Feb 9)

METAC assisted the Yemeni General Taxation Department in developing a general tax audit manual to be used as a reference by their current and new tax auditors. This hands-on tax audit manual will be fundamental to address weaknesses in tax audit practices, and provides the auditors with practical know-how to build their audit capacity.

Morocco (Jan 12-20)

METAC arranged an expert visit to Morocco to assist the General Directorate of Taxes (GDT) in the development of a Compliance Improvement Plan (CIP) for the large taxpayer's segment (LTS). Since the last METAC mission conducted in March 2022, GDT has made progress in implementing a compliance risk management (CRM) framework and has established a centralized risk management function and a Compliance Risk Committee. An action plan was put forward to document the risk management processes which will enable GDT to finalize a CIP for the LTS.

Tunisia (Jan 16-27)

METAC participated in an HQ-led mission to assess progress in strategically important customs modernization projects, and to provide advice to the Tunisia Customs Administration (TCA) on the implementation of related reforms, and other relevant areas of the strategic management plan. The mission reviewed progress made in the implementation of the TCA modernization plan and discussed with TCA management a potential medium-term capacity development program. The mission also advised on a switch from transaction-based audits to PCA system risk management-based verification.

West Bank and Gaza (Nov 27-Dec 9)

METAC provided advice to the tax administration of the Palestinian Authority, on improving tax compliance in the large taxpayer department (LTD). During the assignment, a critical review of current LTD processes was undertaken, and presentations were delivered to the LTD leadership on good practices used by large taxpayer segments internationally. Several recommendations were made including an action plan covering the increased use of compliance risk management (CRM) approaches; setting up a Risk Management Unit; and piloting a sector or industry using modern CRM principles.

STATISTICS

Jordan

Nov 28-Dec 7

METAC participated in a mission to assess the state of play of national accounts compilation at the Department of Statistics (DOS) of Jordan. The Data Quality Assessment Framework (DQAF), which comprehensively covers the various quality aspects of data collection, processing, and dissemination was used to assess data quality prerequisites and the five dimensions of data quality: assurances of integrity, methodological soundness, accuracy and reliability, serviceability, and accessibility. The mission also reviewed the scope, objectives, and timeline of the four-year national accounts improvement project to advance national accounts statistics in Jordan.

Jan 15-26

In the second METAC mission to assist the Jordanian Department of Statistics (DOS) with the update of the producer price index (PPI), the current methodology was thoroughly reviewed and areas for improvement were identified. In addition, the mission outlined the steps required to complete an interim update of the PPI using 2018 data from the Annual Economic Surveys and proposed a roadmap for a full update using 2022 data once available.

Tunisia (Jan 16-20)

Statistiques Tunisie conducted a National Survey on Household Budget, Consumption and Standard of Living (HBS) from mid-March

2021 to mid-March 2022 despite the difficult circumstances caused by the COVID-19 pandemic. There was concern of how representative the results were of typical expenditure patterns, as basket weights have a significant impact when updating the CPI. A METAC mission was conducted to assist in analyzing the survey, finding that the pandemic had a significant impact on survey results, and validating the agency's plans to conduct a "mini-HBS" during 2023.

Staff News



At the end of November 2022, the METAC team bid farewell to Ms. Anita Semaani. As the esteemed office manager since June 2016, Ms. Semaani was the heart and soul of METAC's administrative team, a highly able and effective manager and valued advisor for the Center's local and international staff alike. We thank Anita for her invaluable contributions and steadfast leadership—especially during the challenging time of the pandemic, port explosion, office relocation, and new program phase preparation—and wish her all the best for her future endeavors in Dubai.



Mr. Yasser Sobhi, an Egyptian national, joined METAC in November 2022 as Public Financial Management Advisor. He has been working with the IMF Fiscal Affairs Department's public financial management division since 2017, and was stationed as a resident advisor in the Kingdom of Saudi Arabia, supporting the Ministry of Finance in establishing a macro-fiscal policy unit. Prior to joining the IMF, Mr. Sobhi worked at the Ministry of Finance in Egypt for twelve years as an economist, and then as a Deputy Minister of Finance for macro-fiscal policies, covering several fiscal policy and related public financial management issues. He is fluent in Arabic, French, and English. He studied economics at Cairo

University and holds a master's degree from Columbia University.

Analytical Corner

METAC Regional Notes

[Exploring the Role of Budgeting for Efficient Social Expenditures: Jordan Country Case](#) (Regional Note #8). The note is the outcome of a joint effort of the United Nations Economic and Social Commission for Western Asia ([UNESCWA](#)) and METAC and was co-authored by Jonas Frank, and Benoit Wiest, both Public Financial Management Advisors at METAC and Niranjana Sarangi, Senior Economic Affairs Officer at UNESCWA. The note explores the contribution of key budgetary institutions to spending efficiency in the social sectors by presenting the results of a Jordan case study.

[Delivering PFM Capacity Development in Fragile and Conflict-Affected States \(FCS\): Learning from Recent Experience](#) (Regional Note #9). FCS constitute a large share of METAC's membership. During or in the aftermath of conflict, government and fiscal institutions are key to reestablish basic resource management. Putting in place core PFM institutions and processes supports service delivery to the population and contributes to improved governance and trust in the public sector. The proposed technical solutions need to be tailored, considering the manifold institutional and capacity constraints. The right choice of assistance modalities enhances ownership, supported with a stepwise approach aiming for realistic and attainable results.

IMF Publications

Regional

[How Fiscal Restraint Can Help Fight Inflation](#) (IMF Blog November 2022). Fiscal policy can ease the task of monetary policy in reducing inflation while mitigating risks to financial stability.

[As Commodity Prices Surge Again, MENA Countries Can Draw Lessons from the Past](#) (IMF Country Focus, December 2022). Policymakers have been more restrained in

their response to surging commodity prices this time around. The current commodity price boom is affecting the region's commodity exporters and importers differently. Commodity exporters are benefiting from a marked improvement in their terms of trade, while commodity importers are feeling the pain of higher imported energy and food prices. A key question is how countries are managing this boom relative to experience, particularly as the current commodity price shock is occurring in a global and regional context that is distinct from previous episodes.

[Hydrogen's Decade](#) (IMF Blog, December 2022). If the 1990s were the decade of wind, the 2000s the decade of solar, and the 2010s the decade of batteries, the 2020s could launch us toward a next frontier of the energy transition: hydrogen.

[Global Food Prices to Remain Elevated Amid War. Costly Energy. La Niña](#) (IMF Blog, December 2022). Interest-rate hikes have eased price pressures, but the weather, war and material costs could keep food prices elevated for longer.

[How Economies and Financial Systems Can Better Gauge Climate Risks](#) (IMF Blog January 2023). With the right tools, policymakers can help to manage the climate risks impacting economies and financial systems.

[Personal Income Taxes in the Middle East and North Africa: Prospects and Possibilities](#) (IMF Working Paper, February 2023). Personal income taxes (PITs) play little or no role in many countries of the Middle East and North Africa region. This paper examines how PITs have evolved in recent decades, and what they might look like in the next 20 years.

Algeria

[Designing a Rules-based Fiscal Framework for Algeria](#) (Algeria: Selected Issues, February 2023). A rules-based fiscal framework could help rebuild buffers and support the government's policy agenda. The authors propose an approach that relies on two separate pillars: gross debt and savings.

[A Reexamination of Inflation Dynamics and Drivers in Algeria](#) (Algeria: Selected Issues, February 2023). Understanding the dynamics of inflation and its recent drivers is important to

inform monetary policy. The authors' analysis points to risks of inflation persistence in Algeria due to a confluence of external and domestic supply shocks, exacerbated by domestic demand factors, suggesting the need for swift monetary policy tightening to tame inflation.

Egypt

[Frequently Asked Questions on Egypt and the IMF](#) (December 2022). Why is exchange rate flexibility important for Egypt? How will Egypt's large external financing gap be filled? How does the IMF-supported program protect Egypt's vulnerable households? What measures in the program support development of the private sector? What is the IMF doing to promote greater transparency over policies in Egypt?

[Egypt: Request for Extended Arrangement Under the Extended Fund Facility](#) (January 2023). Egypt exhibited resilience to the COVID-19 pandemic shock following timely policy response supported by the 2020 Rapid Financing Instrument (RFI) and 2020–21 Stand-By Arrangement (SBA). While performance under the SBA was strong, the immediate health crisis delayed efforts to reinvigorate much needed structural reforms while high public debt vulnerabilities continued to expose the country to changes in global financial conditions and investor sentiments. As economic recovery gained momentum during FY2021/22, imbalances also started building amidst a stabilized exchange rate. The outbreak of Russia's war on Ukraine crystallized pre-existing pressures, giving way to capital outflows and large reserves losses while high commodity prices led to rising inflation. Trade spillovers have also been significant given Egypt's dependence on Russia and Ukraine for wheat and tourism. In October, the authorities took bold policy actions to unwind prior policy distortions including a shift to a flexible exchange rate while taking measures to help shield the Egyptian population from a mounting cost-of-living crisis. But global uncertainty casts a long shadow on Egypt's recovery and the longstanding need for advancing deep structural reforms to spur sustainable, inclusive, and job-rich growth remains.

Iraq

[Strengthening Sustainability of the Public Pension System in Iraq](#) (Iraq: Selected Issues, February 2023). The paper assesses Iraq's national pension system by examining the fiscal burden of budget-financed pensions and providing a sustainability analysis of the contributory pension scheme for public sector workers. It also outlines reform options that can assist the authorities in containing the fiscal burden of the pension system, improving its adequacy, and reducing labor market distortions to remove barriers to private sector growth.

[The Fiscal Costs of Iraq's Electricity Sector and Potential Gains from Reform](#) (Iraq: Selected Issues, February 2023). The paper examines the fiscal burden stemming from the challenges of Iraq's electricity sector and discusses elements of a potential reform strategy to help the sector provide adequate supply while moving closer to cost recovery.

[Republic of Iraq: Technical Assistance Report on Government Finance Statistics](#) (February 2023). The TA supported the Budget, Public Accounting and Debt Departments in enhancing budget preparation and reporting in line with the Government Finance Statistics Manual 2014 (GFSM 2014) framework and its integration in the Integrated Financial Management Information System (IFMIS).

Jordan

[Jordan: Technical Assistance Report-High Level Summary Report - Retail CBDC Exploration](#) (February 2023). The TA analyzed the retail payments markets of Jordan to identify pain points that retail Central Bank Digital Currency (rCBDC) could address.

Lebanon

[Lebanon: Technical Assistance Report on Putting Tax Policy Back on Track](#) (January 2023). Lebanon's tax revenue more than halved between 2019 and 2021, in the face of the deepest economic crisis since the end of the civil war. This report identifies tax policy reform options to stop the drain on Lebanon's tax revenue in the immediate and near-terms and to move toward a more efficient, effective, and inclusive tax system in the medium-term.

Morocco

[Morocco: Central Bank Transparency Code Review](#) (December 2022). The Bank Al-Maghrib (BAM) has implemented expanded and comprehensive transparency practices in several areas, notably related to the primary mandate of price stability and the shared mandate of financial stability. This reflects the BAM's public commitment to transparency anchored in the new 2019 BAM Law and articulated as a strategic orientation under the quinquennial plan for 2019-2023. This level of transparency enabled the BAM to gain the noteworthy trust of stakeholders and to safeguard its autonomy.

West Bank and Gaza

[West Bank and Gaza: Excess Cash in the Palestinian Banking System](#) (September 2022). For more than a decade, commercial banks in West Bank and Gaza (WBG) have struggled to manage buildups of excess physical Israeli shekel cash. (...) This has long hindered liquidity management and been a drag on the profitability of Palestinian banks, but periodic large increases in excess cash in recent years have created additional risks and raised the costs to the Palestinian banking system.

Technical Assistance Reports

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

Revenue Administration
Lebanon: Diagnostic of the Tax Information Technology System - November 2022
Libya: Revision and Update of the ASYCUDA World Prototype for Libyan Customs Administration – November 2022
Yemen: Improving Taxpayer Services - November 2022
Statistics
Iraq: Consumer Price Index – December 2022
Iraq: Supply and Use Tables – November 2022
Jordan: Supply and Use Tables – November 2022
Tunisia: Non-Financial Balance Sheets – November 2022
WBG: Administrative Data for GDP Compilation – December 2022

IMF Online Courses

General information is available at: <https://www.edx.org/school/imfx>. Registration for online courses, available to government officials and, in some cases, to the public can be accessed at: <http://imf.smartcatalogiq.com>

The IMF Institute offers online training to both member countries officials and the general public. Microlearning videos are available at: [IMF Institute Learning Channel - YouTube](#)

Activities Planned During February-April

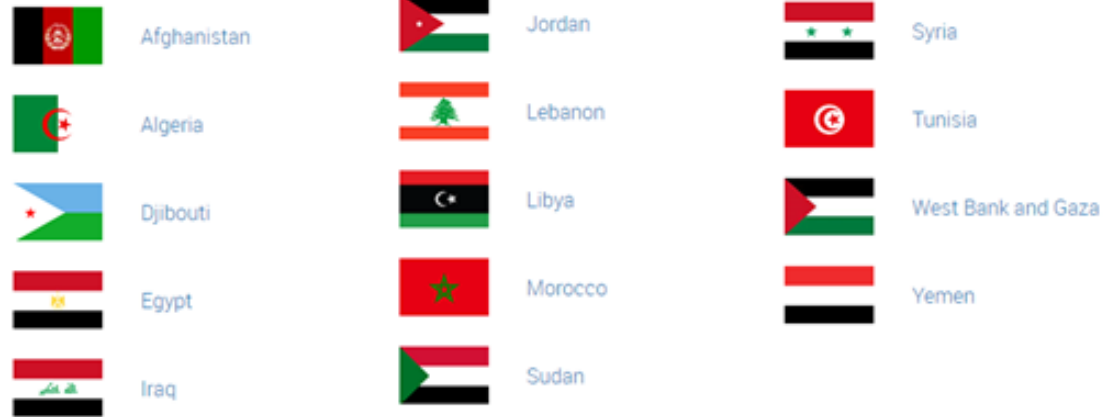
Country	Topic and Lead METAC Advisor	Month/Day
Banking Regulation and Supervision – Ms. Nehmat Hantas		
EGY	Enhancing liquidity risk assessment framework	03/01-09
IRQ	Enhancing supervisory reporting	04/26-30
LBN	Workshop on corporate governance, expected credit loss and cyber risk	02/15-17
REG	Webinar on crypto asset risks and challenges	02/09
Public Financial Management – Mr. Jonas Frank		
OA	Regional note on fiscal transparency	04/28
YMN	Automation of expenditure control templates and processes	02/13-04/28
	Cash forecasting	02/27-03/03
Public Financial Management – Mr. Yasser Sobhi		
EGY	Fiscal risks management on PPP	03/12-16
Customs Administration – Mr. Djamel Bouhabel		
DJI	Support to strategic planning/ Draft strategic plan	03/05-16
EGY	Support to the PCA function	03/12-17
JOR	The use of new emerging technologies in customs	02/12-23
LBN	Support to the legal framework /drafting new customs code	04/25-29
OA	High-level outreach event for three FCS: Iraq, Libya and Yemen	02/09-10
TUN	Support to the PCA function	02/20-03/03
Tax Administration – Ms. Fadia Sakr		
JOR	Assist ISTD in developing a transfer pricing audit program for the large taxpayer department	02/06-16
LBN	Advise the tax administration on the methodology to develop strategic and operational plans	03/13-24
MAR	Assist the tax administration in finalizing a strategic plan	03/27-04/07
OA	High-level outreach event for three FCS: Iraq, Libya and Yemen	02/09-10
SDN	Modernization of the organizational structure of the HQ and RO	02/12-23
TUN	Advise on identification and mitigation of IT risks for AEOI purposes	03/21-04/01
Statistics – Mr. Issam Alsammak		
EGY	Supply and use tables	02/05-16
	Financial and balance sheet accounts	04/02-13
IRQ	Supply and use tables	02/26-03/09
	Consumer price index	03/12-16
JOR	Annual national accounts source data improvement	02/12-23
LBN	Development of consumer price index and producer price index	04/03-14
LBY	Producer price index development	02/12-16
YMN	National accounts training	03/19-23
Central Bank Operations – Mr. Stefaan Ide		
IRQ	Domestic liquidity management	03/05-09
REG	Workshop on central bank operations and digital money	02/13-15

Note: OA: Outreach activity ; REG: Regional activity

Development Partners



Members



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