MIDDLE EAST REGIONAL TECHNICAL ASSISTANCE CENTER

METAC

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Expanding capacity building to address economic vulnerabilities in the Middle East and North Africa region

The Steering Committee of the International Monetary Fund's (IMF) Middle East Regional Technical Assistance Center (METAC) met on June 9, 2022[1], in Beirut, Lebanon, to review the Center's activities for the past year and the workplan for the period ahead, and to discuss issues of broader strategic interest. Officials from the IMF and 11 member countries attended the meeting, together with METAC's development partners that provide financial and strategic support to the Center—*Germany*, *the Netherlands*, *Switzerland*, *France*, and the *European Union*.

The meeting was held in hybrid format, allowing attendance in person and virtually, and was organized in two parts: A first session focused on METAC governance, covering the reporting on the workplan execution, planned work program, budget and fundraising, and other issues requiring Steering Committee endorsement. A second session covered broader strategic issues of interest to METAC member countries, including the regional economic outlook, the IMF's new fragile and conflict-affected states strategy, country case presentations, and new IMF training offerings.

In his opening remarks, *H.E. Mr. Youssef El Khalil, Minister of Finance of Lebanon* and Chair of the meeting, emphasized the value of METAC capacity development to strengthen macroeconomic institutions in the Middle East and North Africa region. He stressed the importance of the collaboration between the IMF, member countries, and development partners in building effective institutions for macroeconomic management.

The IMF highlighted the central role that METAC plays in the region to meet large capacity development needs to address economic vulnerabilities that have been exacerbated by the COVID-19 pandemic, the fallout from the war in Ukraine, and by political instability in the region's many fragile and conflict-affected states. As a response, the IMF will substantially increase its capacity development activities in the region through an expansion of METAC, in line with its new strategy for tailored support to fragile and conflict-affected states. The IMF thanked its partners—Germany, the Netherlands, Switzerland, France, and the European Union, as well as contributing member countries (Algeria and Morocco) for the critical funding they provide. METAC would not be able to deliver its capacity development activities without the financial support from its partners.

[1] METAC is governed by a steering committee composed of member states, the IMF, and development partners, which oversees its operations and provides strategic guidance. The member states are Afghanistan, Algeria, Djibouti, Egypt, Iraq, Jordan, Lebanon, Libya, Morocco, Sudan, Syria, Tunisia, West Bank and Gaza, and Yemen. METAC's fiscal year runs from May 1 to April 30.

Development partners praised METAC's work in the areas of good financial governance, revenue mobilization, monetary operations and financial stability, and macroeconomic statistics as a basis for evidence-based policy making. They appreciated METAC's agility in delivering its work program despite the constraints imposed by the pandemic over the past two years. They further emphasized the value of development partner collaboration and coordination of work programs and called for an increased attention to climate and gender issues.

Member country representatives expressed their appreciation for METAC's valued capacity development work and stressed the long-standing productive relations with the Center. High-ranking country officials from Yemen and Egypt presented their experience with METAC and provided examples of tangible achievements in economic institution building. Specifically, *Mr. Ibrahim Thabet Almulaik, Director General of Budget Sector, Ministry of Finance of Yemen*, discussed METAC's support to strengthen budget and expenditure management. *Ms. Rana Badawi (Sub Governor on Regulations and Basel Sectors, Central Bank of Egypt)* recounted the central bank's collaboration with METAC in developing banking regulation and supervision, including the recent establishment of an early intervention framework.

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