



# INTERNATIONAL MONETARY FUND

Middle East Regional Technical Assistance Center

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## **METAC's Steering Committee welcomes the Center's approach to integrating climate change in its activities and approves the workplan and budget for fiscal year 2022**

The Steering Committee of the International Monetary Fund's (IMF) Middle East Regional Technical Assistance Center (METAC) met virtually on June 10, 2021, to review the Center's activities for fiscal year 2021 and the workplan for fiscal year 2022, and to reflect on how the Center can usefully integrate climate change in its capacity development (CD) activities.

Opening remarks were provided by Mr. Zeine Zeidane, Deputy Director in the IMF's Middle East and Central Asia Department (MCD), and Mr. Roger Nord, Deputy Director in the IMF's Institute for Capacity Development (ICD). They emphasized the central role that METAC plays in the region in building capacity, and the need to scale up its activities given the large size of its membership, the economic vulnerabilities that the COVID-19 pandemic has created, and the substantial increase in IMF funding programs in the region—half of METAC members currently have a financial program with the IMF. Mr. Brett Rayner, Deputy Division Chief in MCD, presented the medium-term economic outlook for the region, noting that the pandemic has exacerbated preexisting vulnerabilities, further exposing the extent of work needed to reduce poverty and provide equal opportunities for all. He added that the path to recovery is expected to be long and divergent across countries, depending on their economic structures (e.g. oil-exporters vs. oil-importers; fragile vs. non-fragile). Policymakers should remain vigilant and plan for the medium-term, and CD should help countries with the short-term consequences of COVID-19, while providing support for medium-term planning.

Mr. Mario Mansour, Director of METAC, presented the operations of the Center for fiscal year 2021. He noted that despite the pandemic, the Center delivered 8 percent more activities than its planned target for the year, at a cost below the budget, due to savings associated with the absence of travel. These savings will allow the Center to further extend its operations during Phase IV from December 2021 to April 2022. Mr. Mansour highlighted the Center's agility in assisting countries on pandemic-related issues, which included 16 new webinars and several projects tailored to countries' changing priorities and operational capabilities. Presenting the workplan for fiscal year 2022, Mr. Mansour emphasized that it builds on previous achievements and adds resources to address other pressing priorities, including in monetary policy operations, revenue mobilization by customs administrations, and government finance statistics. Steering Committee members welcomed the detailed report presented by METAC and endorsed its proposed budget and workplan for fiscal year 2022.

The Steering Committee also reflected on how METAC can explicitly integrate climate change considerations in its activities. The discussion benefited from remarks by Ms. Victoria Perry, Deputy Director in the IMF Fiscal Affairs Department (FAD), on the role of the IMF in climate change CD; by Mr. Stephan Eggli from the Swiss State Secretariat for Economic Affairs, on how Switzerland has been changing its fiscal and monetary policies to accommodate ambitious climate change targets; and by Ms. Emine Hanedar, Economist in FAD, on how fuel subsidies have evolved around the world since the start

of the pandemic. Steering Committee members welcomed the gradual approach proposed by METAC in building its CD activities on climate change, noting that climate should be a cross-cutting activity of the Center (across fiscal, monetary, financial sector supervision, and national statistics workstreams), rather than a stand-alone workstream.

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