

Highlights



As a good tradition, this April high-level officials from the region and myself attended the IMF World Bank Spring Meetings in Washington, which offered an excellent opportunity to discuss economic developments and policies, but also to learn about capacity development (CD) priorities, progress, and needs. In light of continued global uncertainties, recurring topics related to sound macro-fiscal and fiscal risk analysis, the importance of scenario analysis, improving revenue administration, monetary policy transmission, supervision, quality of data, climate-related challenges and relevant IMF support in surveillance, lending and CD played a more prominent role during the panel discussions, regional, and bilateral meetings. I was very happy to hear the positive feedback from several country authorities on IMF-CCAMTAC CD service delivery. CCAMTAC's work program in the previous and coming months covered and will cover again many of these important topics.

Let me also draw your attention to the IMF's April 2024 "[Regional Economic Outlook for the Middle East and Central Asia, April 2024: An Uneven Recovery amid High Uncertainty](#)". The report suggests that the Caucasus and Central Asia economies exhibit continued resilience amid continued geopolitical developments in the region. Growth is projected to remain robust at 3.9 percent in 2024 before picking up to 4.8 percent in 2025, owing in part to loosening macro policies, strong domestic demand, and idiosyncratic factors, such as oil production increases. That said, countries still need to closely monitor their exposure to external and internal risks and imbalances and continue to work on medium-term structural reforms to achieve stable and sustainable growth.

CCAMTAC is looking forward to discussing its recent CD activities, workplan, and broader issues during the upcoming Steering Committee meeting in Tajikistan, which has assumed the chairmanship of the CCAMTAC Steering Committee in May. I would like to thank the previous chair Armenia for the excellent support and guidance. I hope you enjoy reading this newsletter.

Norbert Funke, Director, CCAMTAC, nfunke@imf.org

Recent Activities by Workstream

Macroeconomic Frameworks

Kazakhstan: Macroeconomic Frameworks (March 3–7, 2024). Following the November 2023 scoping mission to the Ministry of National Economy (MNE) of the Republic of Kazakhstan, this was

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the first engagement of the medium-term project. Based on the earlier stocktaking, the team focused on data inputs and the design of the forecasting tool. The mission discussed the roles of the core group, helped set up an information sharing system, and advised on compiling input data for the Comprehensive Adaptive Expectations Model (CAEM) from the IMF's Institute for Capacity Development. To embed the model in the future in the policy process, the team also made presentations on the role of forecasting in the policy process, how to diagnose and forecast macroeconomic and fiscal variables in the tool, and demonstrated how the framework can be used for diagnostics and scenario analysis. To complement the TA delivery, a training schedule was also discussed.



DSGE Club (March 4–8, 2024). The CCAMTAC peer-to-peer regional workshop on DSGE models for policy analysis was well received and helped respond to the strong regional demand for policy modeling support. Participants worked for more than 30 hours on key building blocks of DSGE models to consolidate and advance the learning gains achieved through the earlier virtual club events. The first part of the workshop focused on reviewing and consolidating concepts of the New Keynesian DSGE model. The second part progressed to extending this model to incorporate features relevant to countries

in the region, such as open economy and fiscal policy considerations. Participants engaged in theoretical derivations and numerical simulations of DSGE models.

Armenia: Macroeconomic Frameworks (April 6–12, 2024). A recent five-day mission focused on advancing economic forecasting capabilities for the Ministry of Finance. Led by a team of experts, the mission aimed to enhance the Ministry's semi-structural gap model. They successfully expanded a previously developed model to include key economic factors like national expenditure and fiscal policies. Through collaborative efforts and thorough analysis, significant progress was made, empowering local officials with valuable insights for informed decision-making. Virtual meetings played a vital role in laying the groundwork before the onsite mission, highlighting the importance of ongoing collaboration. Looking ahead, the team is committed to further refining the model through regular virtual discussions, ensuring its effectiveness in guiding Armenia's economic strategies.

Mongolia: Enhancing Nowcasting and Near-Term Forecasting Capabilities (April 15–26, 2024). A technical collaboration with the Bank of Mongolia targeted improvements in the accuracy of their nowcasting and near-term forecasting system. This effort, part of a two-year program, aimed to enhance the system's ability to inform monetary policy decisions. By refining forecast weighting mechanisms and incorporating climate-related data, the collaboration yielded notable enhancements in forecast accuracy, especially regarding trends in consumer prices and economic activity predictions over short to medium-term periods. Furthermore, the mission included training sessions to enhance staff expertise in time series modeling and forecasting strategies.

Revenue Administration

Georgia: Tax Administration (January 23–February 5, 2024). This field-based mission with IMF HQ advised the Georgia Revenue Service (GRS) on strengthening its taxpayer audit capability and helped

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GRS to develop an audit reform plan. In addition, it piloted the new FAD Tax Administration – Assessment and Yield Tool (TA-AYT) to assist the authorities in measuring progress in tax administration reforms and quantifying their revenue yields.

Georgia: Strengthening the Large Taxpayer Office (February 19–March 1, 2024). At the request of the Georgia Revenue Service (GRS), a CCAMTAC funded in-person CD assignment continued to advise the GRS on strengthening its Large Taxpayer Office (LTO). This CD supports the country's medium-term revenue strategy (MTRS) that is a structural benchmark within Georgia's Stand-By Arrangement. Good progress has been made towards establishing a LTO, with an increase of 30 percent of large taxpayers covered by the LTO. Several organizational changes have also been implemented, and include, a Compliance Risk Committee (CRC), an Internal Advisory Committee, and a Service and Analysis Divisions have been established within the LTO.

Tajikistan: Tax Administration (March 4–15, 2024). In response to a request from the Ministry of Finance of Tajikistan, this combined IMF's Fiscal Affairs Department / CCAMTAC mission reviewed progress of the Government's Medium-Term State Revenue Program (MTRS) as this related to Tax Committee (TC) responsibilities. The mission identified priority tax administration measures that can supplement the scope of MTRS initiatives. The authorities supported the establishment of a mid-term CD program supporting MTRS implementation, including engagement of a resident revenue administration advisor to the TC augmented by CCAMTAC support.

Armenia: Company Income Tax Gap Estimation (March 11–22, 2024). Following a request by the Armenian authorities this mission provided an estimate of the company income tax gap using data from the State Revenue Committee's (SRC) tax audit program. During the visit a machine learning model was developed for use by the SRC in selecting future cases for audit. Preliminary results from the model suggested that audit revenue raised can be significantly increased for companies known to exhibit risk when compared with the SRC's existing risk scoring process.

Uzbekistan: Tax System Reforms – Short to Medium Term (April 12–22, 2024). This combined Fiscal Affairs Department Tax Policy and Revenue Administration/CCAMTAC mission focused on excise taxes, income, and business taxation, and considered their administrative implications. The mission reviewed tax reforms since 2019, identifying opportunities to further reform the tax system in the short and medium-term. The revenue potential of excise taxes was assessed and equity issues, both horizontal and vertical, in personal income tax, profit tax, and the simplified tax regime for address were outlined. Administrative consequences of proposed solutions were discussed with the authorities.

Public Financial Management



Uzbekistan: Treasury Strategy and Cash Management (February 6–19, 2024). CCAMTAC supported a Fiscal Affairs Department led mission to assist the newly established Treasury Service Committee (TSC) develop a medium-term reform strategy and detailed action plan to strengthen Treasury processes and institutions. The draft strategy is centered around: improving institutional arrangements; strengthening cash forecasting and management; and supporting greater digitalization of business processes. The mission team also delivered a series of practical workshops on cash management

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institutions, cash flow forecasting, including demonstration of FAD's Cash Flow Analysis Tool, and automation of IFMIS for cash management.



Regional workshop: Fiscal Risk Management (February 21–23, 2024). The IMF's Fiscal Affairs Department (FAD) and CCAMTAC delivered a joint peer learning workshop, with funding support from SECO, on strengthening fiscal risk analysis and management. The workshop was well attended by 29 participants from all CCAMTAC countries and Pakistan. The workshop covered fiscal risk

risks related to state-owned enterprises (SOEs), public private partnerships (PPPs), and climate change (including demonstration of FAD's Quantitative Climate Change Risk Assessment Fiscal Tool (Q-CRAFT)).



Regional workshop: Peer-to-Peer Macro-Fiscal meeting (February 26–27, 2024). The first regional peer-to-peer macro-fiscal network meeting took place in the CCAMTAC offices in Almaty. The network provided an opportunity for 23 senior officials of Ministries of Finance and Economies across the nine CCAMTAC member countries to exchange views and provide rich discussion on fiscal developments in member countries and the key

challenges they have for macro-fiscal work and managing short- and medium-term fiscal risks. Participants showed a strong preference for the continuation of the network with a follow-up meeting at about the same time next year.

Armenia: Functional Review of the Ministry of Finance (February 27–11 марта, 2024). CCAMTAC supported an IMF's Fiscal Affairs Department led mission to undertake a review of the functions and related organizational structure of the ministry identifying any gaps and overlaps to ensure a high performing finance ministry. The review was undertaken across four broad areas: (i) functional strength to deliver PFM objectives; (ii) effectiveness of inter-departmental coordination; (iii) adequacy of staff skills and resources, and (iv) adequacy of analytical tools and IT systems.



Regional workshop: Public Investment Management (PIM) (April 14–17, 2024). PIM practices in the region was strengthened by bringing together officials to share and learn from each other's reform experiences and discuss strategies and tools to strengthen infrastructure governance through a mix of lectures, country presentations and practical group work. 24 participants from all nine CCAMTAC member countries benefited from the workshop, which was primarily funded by the Japanese Government.

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Armenia: Strengthening the fiscal risk statement (April 15-26, 2024). The mission supported the Armenian Ministry of Finance in strengthening the fiscal risk statement (FRS) to better inform fiscal decisions, improve coordination of the fiscal risk function and build staff capacity. The main output was an updated structure for the 2024 FRS with guidance on methods to enhance the clarity of transmission channels for major fiscal risks. To support this process, a two-page summary brief on the key messages was prepared to provide key messages for senior management attention. A third output delivered by the mission was an outline of a fiscal risk register (FRR) to support the enhanced quantification of fiscal risks for future versions of the FRS.

Regulation and Supervision



Mongolia: Risk Based Supervision Workshop (February 20–27, 2024). This in-person mission in Ulaanbaatar included a workshop in Risk-Based Supervision (RBS) followed by discussions with Bank of Mongolia (BOM) regarding its RBS enhancements that is aimed for roll-out in the next twelve months. The workshop outlined the key elements of RBS including Basel Core Principles, various supervisory approaches and tools, and

the application of RBS principles including risk identification, assessment, and rating methodologies. Specific topics discussed during the workshop included the principles of Internal Capital Adequacy Assessment Process (ICAAP) conducted by banks as one of the inputs into the supervisory review and proportionality and absorption of the supervisory review into the overall supervision flows were also discussed. The workshop was attended by close to 50 staff from supervision, risk management, and other divisions of BOM.



Armenia: Interest Rate Risk in The Banking Book (IRRBB) (March 25–April 2, 2024). This in-person mission conducted in Yerevan, Armenia aimed to support the Central Bank of Armenia (CBA) to conduct an impact study of the Interest Rate Risk in the Banking book (IRRBB). The mission provided technical background to the relevant CBA staff as it relates to IRRBB and included sessions covering definitions, dimensions, risk factors and risk management of IRRBB. Economic value of equity (EVE) and net interest income (NII) measures as outlined under the Basel Standardized

methodology formed the basis for discussions during the 7-day long support sessions.

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Regional workshop: Selected Themes in Risk Based Supervision (April 22–26, 2024). This hybrid workshop, which was the second one conducted now on an annual basis provided an in-depth discussion platform for the regulators in the region covering current issues and key challenges in Risk Based Supervision (RBS). Specific topics selected for discussion included challenges in Corporate Governance and its implementation, Basel Pillar 2 implementation and addressing the surrounding operational challenges, payment Systems supervision and, Climate risk

and its integration to RBS operational flows (remote participation from DC). These topics were identified following workshops and interaction with supervisors in the region during 2023. Sessions presented by the experts included those related to these four overarching topics and included in-depth discussions on corporate governance, its development, and challenges in the application of Core principles and guidance by Basel in the region. Sessions were augmented by case studies and examples explored by participants during the sessions. In addition, Pillar 2 implementation, challenges and technical aspects in design and implementation of the framework were also explored in detail with case studies and examples on applications provided by the experts during the workshop.

Monetary and Foreign Exchange Operations



Regional workshop: Monetary Policy Implementation (February 12–15, 2024). This 4-day workshop on Monetary Policy Implementation was held in Almaty for all nine CCAM central banks. The training contributed to strengthening central bankers' theoretical and practical knowledge related to monetary policy implementation. The workshop targeted junior to mid-level technical staff who are directly involved in monetary policy analysis,

policy implementation, and market operations.

Uzbekistan: Follow-up mission repo market development (February 12–15, 2024). Since the last TA mission on the repo market a remarkable progress has been achieved in activating the repo segment of the money market. To support the Central Bank of Uzbekistan (CBU) in further strengthening the interbank repo market the CCAMTAC provided the follow-up TA. The mission took place in two modalities – virtual and in-person. In the second quarter of 2023, interbank transactions more than doubled comparing to the volume in the same quarter of 2022 with sharp increase in the share of interbank repo in total money market volume from 2.5% in the first quarter to 16.9% in the fourth quarter. The mission performed an assessment of the CBU's repo framework and provided recommendations in areas: (i) overall repo framework, (ii) legislative framework, (iii) repo trading and settlement, as well as (iv) other measures for the CBU to support repo transactions.

Kazakhstan: Emergency Liquidity Assistance (ELA) (March 26–April 5, 2024). At the request of the National Bank of Kazakhstan (NBK), the CCAMTAC provided a TA mission to enhance the Emergency Liquidity Assistance framework. The mission held extensive discussions with experts from the NBK and the Agency of the Republic of Kazakhstan for Regulation and Development of Financial Market. The mission: (i) reviewed the ELA legal framework, (ii) provided recommendations for the ELA operational framework and internal ELA procedures, (iii) discussed interagency coordination and communication. On each ELA key building block, the mission made presentations and shared

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experience of other countries on recent ELA cases and their operationalization. The IMF continued cooperation with the NBK on haircut setting for the ELA collateral.

Uzbekistan: FX and monetary Operations (March 28–April 9, 2024). The IMF Monetary and Capital Market Department (MCM) led TA mission visited Uzbekistan to support progress of the CBU in improving the monetary operations framework. In line with previous IMF TA recommendations and despite many challenges, the CBU has taken many suggestions on board. The mission reviewed and provided recommendations on enhancing monetary policy implementation practice and liquidity management given the transition from systemic excess liquidity to liquidity shortage; discussed the transmission of monetary policy signal to economy.



Azerbaijan: Revising monetary policy instruments (April 15–26, 2024). A joint CCAMTAC, MCM and Swiss National Bank TA mission visited the Central Banks of the Republic of Azerbaijan (CBAR) in Baku to provide support on enhancing the monetary operation and policy implementation framework. The main topics covered were: (i) revision of the current operational framework of monetary policy and instruments, (ii) FX operations, and (iii) enhancement of liquidity management and liquidity forecasting. The mission also developed and set up the tool for forecasting autonomous factors of liquidity using the advances statistical techniques. The follow-up mission

is envisaged later to discuss the development of the interbank market and enhancing central bank communication practice.

Government Finance and Public Sector Debt Statistics



Georgia: GFS/ PSDS mission (February 5–16, 2024). The mission delivered two workshops to different audience. The first workshop was delivered to the government finance statistics (GFS) and national accounts compilers, and it focused on the linkages between the fiscal reporting to the IMF and that of the European Commission. The second workshop, dedicated to the

bridging of accounting data into GFS categories in the Treasury System (TS), was attended by officials of the six largest non-market SOEs, employees of the Treasury, Budget and Fiscal Risks Departments of the Ministry of Finance. This workshop was the very first one of this kind and was highly appreciated by the authorities and the participants. The authorities described the transitioning process of the non-market SOEs' reporting to TS. The authorities and the mission discussed issues related to that reporting. The mission also discussed with the authorities the future GFS related technical assistance (TA) needs.

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Turkmenistan: GFS/ PSDS mission (March 4–8, 2024). This mission was the first GFS and Public Sector Debt Statistics (PSDS) TA mission conducted since 2018 and the very first in-person bilateral TA mission since existence of CCAMTAC. The team met with officials from the Ministry of Finance and Economy (MFE), the Central Bank of Turkmenistan (CBT), and the State Statistics Committee of Turkmenistan (SSCT). The mission reviewed data sources for the compilation of fiscal statistics and provided several hands-on trainings to the staff of MFE, CBT and SSCT. The authorities have been carrying out the ambitious budgetary reform, part of which is the revision of the budget framework aligned with the GFS Manual 2014, and adoption of the national accounting standards and Chart of Accounts based on the International Financial Reporting Standards. The mission and the authorities discussed how this reform can be helpful for the compilation of the sound fiscal statistics.



Uzbekistan: GFS/ PSDS mission (March 4–15, 2024). The mission provided substantial methodological and hands-on training to the new staff and assisted in enhancing GFS compilation procedures. The mission reviewed the 2022 annual GFS submitted to the IMF in October 2023 and implemented a series of quality improvements. The team stressed the need to develop technical instructions on GFS compilation and

dissemination and continue automating relevant procedures. In cooperation with the authorities, the mission expanded the coverage of annual GFS for 2022 by including the off-budget accounts of budgetary organizations, and externally financed expenditure and lending. The mission was part of the GFS and PSDS CD workstream of the CCAMTAC and the Data for Decision (D4D) fund.

Azerbaijan: GFS/ PSDS mission (April 15–19, 2024). The aim of this remote mission was to assist the compilers in reducing the discrepancies that existed in the data for the several government agencies. The team reviewed the 2022 annual GFS compiled by the authorities prior the mission. The following main data providers for compilation of GFS attended sessions: the State Treasury Agency, the State Oil Fund of Azerbaijan, the State Employment Agency, the State Social Protection Fund and the State Agency on Mandatory Health Insurance.

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Tajikistan: GFS/ PSDS mission (April 15–26, 2024). This joint CCAMTAC and D4D mission reviewed quarterly GFS for Q4 2023 and advised on the reconciliation of Q1-Q4 2022 with 2022 annual GFS reporting. In this context, the team met with the representatives of the National Bank of Tajikistan to reconcile the figures from the monetary survey with those reported by the treasury department (TD) of Ministry of Finance. The mission delivered a training on PSDS and its linkages with GFS to the staff of debt divisions and the TD. The team held a meeting with the staff of the fiscal risks department on the reporting of SOEs to ministry. The Ministry of Finance has

recently created a GFS unit in the its budget department. The mission advised the authorities on the tasks of that unit and cooperation with other divisions.

Real Sector Statistics

Tajikistan: National Accounts mission (January 29–February 9, 2024). The Statistics Agency (SA) in Tajikistan continues improvements in the compilation of National Accounts and implementation of the System of National Accounts 2008 (SNA 2008). The SA introduced quarterly estimates of GDP by production and expenditure recently. Considering implementation of SNA 2008 in Tajikistan's National Accounts, the SA requested assistance on the introduction of financial account and balance sheets.

Kazakhstan: National Accounts mission (February 12–23, 2024). The mission assisted the Bureau of National Statistics (BNS) of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan in improving source data for the compilation of national accounts. The mission reviewed the questionnaires of regular statistical surveys and made several important recommendations on improving their structure. The mission also discussed other topics related to (i) extending data submission deadlines in line with international best practice, and (ii) reducing the level of details in the published monthly data.

Kyrgyz Republic: National Accounts mission (February 26–March 7, 2024). The mission assisted the National Statistical Committee of the Kyrgyz Republic (NSC) in reviewing data sources and methods for compiling national accounts and provided recommendations for further improvement. Discussions also related to terminology, e.g. using the term “Monthly flash estimates of economic growth” instead of “monthly GDP”, and compilation techniques of real GDP in transportation, financial intermediation, and real estate services.



Kazakhstan: GDP mission (March 25–April 5, 2024). The mission assisted the Bureau of National Statistics (BNS) of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan in developing quarterly GDP on a discrete basis. The compilation of discrete time series of quarterly GDP by production and expenditure is complete. BNS sectoral departments are working on updating data on agriculture, industry, transport and other service sectors as input prior to publication. These

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changes will be automatically reflected in the published data format.



Uzbekistan: National Accounts mission (April 8–12, 2024). The mission reviewed the results of the 2024 major revision of national accounts time series and provided recommendations for improvement before their publication. In recent years, the Statistics Agency under the President of the Republic of Uzbekistan (SA) has conducted several surveys to improve measures of the non-observed economy (NOE). Research has shown that the size of the NOE in some services is larger than current estimates. Based on new data sources, the 2024 major revision will update the gross value added (GVA) of these activities for 2017–2023. The mission discussed these changes with the SA staff and noted that the new estimates, based on improved data sources, are much more reliable than the estimates before the revision. Consequently, the publication of these new estimates will improve the overall quality of national accounts.



Azerbaijan: GDP mission (April 15–26, 2024). The mission assisted the State Statistical Committee of Azerbaijan (SSC) in developing the system of quarterly national accounts. The SSC has been working for the past few years to implement discrete quarterly GDP in line with international best practice. For this purpose, a chain-linked time series of quarterly GDP data was compiled using the benchmarking and annual overlap technique, as recommended in the 2017 IMF Manual on Quarterly National Accounts. At this point, the discrete time series of quarterly GDP by production (GDP-P) is almost complete, and more than half of

the work required for the compilation of chain-linked time series of quarterly GDP by expenditure (GDP-E) is done.

Other Regional Activities

To promote topics beyond its core workstreams and strengthen peer learning, CCAMTAC actively organized and engaged in regional events, including webinars, outreach, and research seminars. These events allowed the Center to connect with the officials, institutions, and other international organizations in the region.

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Other Workshops



among peers from nine countries in the Caucasus and Central Asia regions and Mongolia.

Taxation of Extractive Industries (March 11 – 15, 2024). Complementing the tax administration work of CCAMTAC and building on previous years' tax policy workshops, the regional workshop aimed at strengthening participants' capacity for designing and analyzing extractive industries (EI) fiscal regimes. The team familiarized participants with key concepts and practices of EI taxation, including the use of the Fund's Fiscal Analysis of Resource Industries (FARI) methodology and models. The workshop included hands-on training on modeling case studies and discussions



solutions. Topics included the key standards on cross-border payments, cross-border flows analysis, correspondent banking pressures, de-risking and remittances, risk-based supervision of cross-border payments, national risk understanding of cross-border and non-resident risks, virtual assets as well as central bank digital currencies and cross-border payments, and a presentation of the innovative solutions to facilitate cross-border payments and address corresponding banking relation (CBR) pressures. Participant presentations on country experiences further promoted knowledge sharing.

Cross-border and domestic payments, financial integrity considerations (March 26–29, 2024). The Financial Integrity Group of the IMF's Legal Department in collaboration with the Financial and Fiscal Law Division delivered a four day in-person workshop on cross-border payments and financial integrity considerations. The training aimed at improving the understanding of financial integrity issues related to payments for both traditional and digital money. It also helped continue the dialogue on cross-border payment challenges in the region and practical

Course on Frontiers of Macprudential Policy (April 1–3, 2024). The training covered the foundations of the IMF framework for advice on macroprudential policy, such as the definitions of macroprudential policy and systemic risk, the institutional desirables for conducting effective macroprudential policy, and the mapping of broad-based, sectoral, liquidity, and structural vulnerabilities to macroprudential policy tools. Among the frontier topics covered by the workshop were positive neutral rates for capital buffers, the macroprudential and financial stability considerations involved in issuing a central bank digital currency (CBDC), and the use of macroprudential policies in addressing risks from capital flows, based on the recent Review of the Institutional View.

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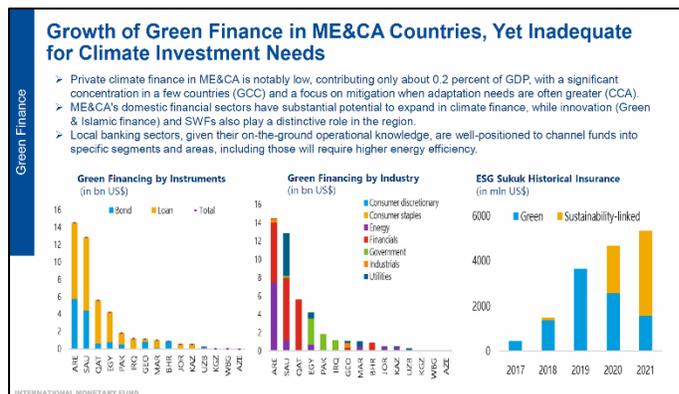
Outreach



Outreach Session on Macroeconomic Analysis (February 5 – 6, 2024). IMF CCAMTAC jointly with the World Bank office in Astana conducted an outreach session on macroeconomic analysis for the Supreme Audit Chamber (SAC) of the Republic of Kazakhstan. During the session, speakers discussed with participants the economic outlook of Kazakhstan as presented in Article IV 2022 and the recently published World Bank report. CCAMTAC economists also presented the general structure of Financial

Programming and Policies (FPP) framework and how it can be used in policy analysis and forecasting. The mission team also presented a general overview of various tools that can be used in forecasting key macroeconomic indicators. The outreach session included a session dedicated to the role of the IMF, Article IV missions, and CD-related learning opportunities available to officials of Kazakhstan engaged in economic policymaking.

Webinars



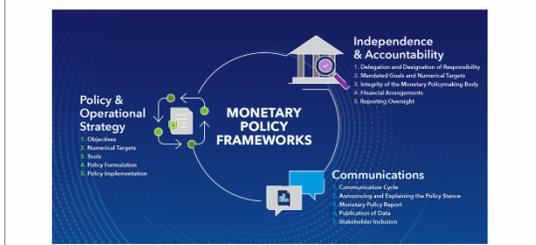
Preparing Financial Sectors for a Green Future: Managing Risks and Securing Sustainable Finance (March 14, 2024).

The webinar was dedicated to the IMF's recent [departmental paper](#) which argues that policymakers need to prepare financial sectors for the challenges stemming from climate change and implement policies to enhance the resilience of financial sectors to climate change-related risks and facilitate green financing. Presenters (co-authors) of the paper emphasized that

successful approaches to climate change in the region need to coherently integrate financial sector strategies within the overall policy framework to meet this important challenge. In the near term, policy efforts should center around better understanding and measuring climate-related risks, while over the medium term, governments can play an important role in supporting green finance through incentives and market mechanisms, phasing-out energy subsidies, and introducing new tools and markets (such as carbon pricing frameworks), which can stimulate demand for investment in green technologies. A senior expert from European Bank for Reconstruction and Development (EBRD) shared some examples of the bank's cooperation with financial institutions in the Caucasus and Central Asia in channeling green resources, issuing green bonds, attracting investors that effectively develop the market for green financing.

Research / Analytical Seminars

IAPOC: Monetary Policy Framework, Pillars, and Sub-Pillars

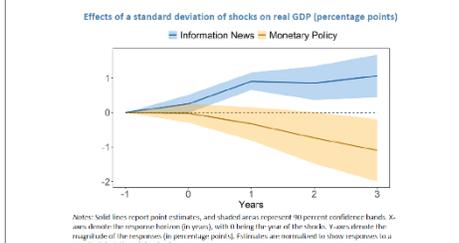


Monetary Policy Communication in the Caucasus, Central Asia and Mongolia (February 8, 2024). This research seminar was dedicated to the IMF working paper on the analysis of monetary policy communication in the Caucasus and Central Asia (CCA) region and comparing the performance of central banks in terms of communication between emerging markets (EM) and advanced economies (AE). Co-authors of the paper elaborated on the effectiveness of monetary policy

frameworks (MPF) with inflation targeting and credibility challenges faced by the monetary authorities. According to the IAPOC index, developed by the IMF, the covered central banks in some CCA countries have improved their MPFs compared to their pre-IT regime and were on average performing at par with other central banks in EM economies. Nevertheless, there was a room for improvement in terms of independence, accountability and communications in CCA central banks, but to different degrees. It was highlighted that the length and the complexity of the language used in central banks' press releases strongly affected the effectiveness of the monetary policy communication. During her intervention, a senior economist from JVI also shared some findings of her paper analyzed monetary policy communication using machine learning, which arrived at similar results, reinforcing the messages for authorities.

Opposite Growth Spillovers from Two Shocks

- Contractionary monetary policy shocks → negative growth impact
- Positive information news shocks → positive growth impact



US Monetary Policy Spillovers to Middle East and Central Asia: Shocks, Fundamentals and Propagations (February 29, 2024). The research seminar focused on a recently published IMF working paper on the spillovers of US monetary policy shocks to the Caucasus, Central Asia and Middle East (CCAME) region. While US monetary policy shocks could be divided into (1) the pure monetary policy shock, unrelated to the economic outlook; and (2) the information news shock, calculated as a residual and associated with the Fed's view of the US economic outlook,

they generate opposite spillovers on CCAME countries. Interestingly, pure contractionary monetary policy shocks tend to have an adverse growth impact on CCAME countries, whereas positive information news shocks could have positive growth impact, as the negative effect of higher global rates could be offset by positive global sentiment and potentially higher external demand. During the seminar participants were familiarized with modelling approach used in the paper and key empirical results. IMF speakers pointed out that weak economic fundamentals (high external and public debt, weak fiscal balances, and low foreign exchange reserves) can amplify the negative spillovers of contractionary US monetary policy shocks. On the other hand, the effect of positive information news shocks is strengthened by low public debt and high foreign exchange reserves. Lastly high oil prices tend to mitigate negative spillovers, while low global risk appetite amplifies them. Central bank officials from Kazakhstan and Georgia discussed the key takeaways of the research and made additional comments on additional ways to reduce countries' exposure to adverse US monetary policy spillovers.

FINEX - A New Workhorse Model for Macroeconomic Forecasting and Policy Analysis (March 19, 2024). The research seminar was dedicated to the presentation of FINEX - the new workhorse model of the IMF's Institute for Capacity Development. FINEX is a semi-structural macroeconomic

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model for policy analysis and forecasting that can be used in countries with imperfect capital mobility and hybrid monetary policy regimes. Compared with traditional quarterly projection models (QPM), the new workhorse model incorporates explicit notions of external and internal balances, a more detailed fiscal sector, and endogenous trends. The real-world application of the FINEX model for a real country shows that the model possesses a reasonable level of accuracy in fitting the past data while model-based historical decompositions facilitate an intuitive storytelling in line with the economists' consensus. A representative of Bank of Mongolia gave his assessment of the key features of the FINEX.

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Appendix I: CCAMTAC Implementation in February – April 2024 and Indicative Work Plan for May - July 2024

Country	Topic	Modality	Start date	End date	Resources
ICD Macroframeworks					
Kazakhstan	Macroeconomic Frameworks	FB	3-Mar-24	7-Mar-24	Evdokimova, Tatiana Kopp, Emanuel
Regional	DSGE club (in-person)	WSH	4-Mar-24	8-Mar-24	Fukac, Martin
Mongolia	Enhancing nowcasting and near-term forecasting capabilities	FB	15-Apr-24	26-Apr-24	Fukac, Martin
Uzbekistan	Scoping mission	FB	15-Apr-24	19-Apr-24	Fukac, Martin
Azerbaijan	AZE: ICDMF TA mission, 1/3 in FY25	FB	6-May-24	10-May-24	Fukac, Martin Ramirez, Gustavo
Mongolia	Macroeconomic Framework TA Ministry of Finance - mission 2	FB	5-Jun-24	11-Jun-24	Fukac, Martin
Azerbaijan	AZE: ICDMF TA mission, 2/3 in FY25	FB	1-Jul-24	12-Jul-24	Fukac, Martin
Uzbekistan	UZB: ICDMF TA mission, 1/3 in FY25	FB	1-Jul-24	5-Jul-24	Fukac, Martin Ter-Martirosyan, Anna
Kyrgyz Republic	Macroeconomic Framework	FB	15-Jul-24	19-Jul-24	Fukac, Martin Braumann, Benedikt
FAD Revenue Administration					
Georgia	Tax Administration	FB	23-Jan-24	5-Feb-24	McLaughlin, Lucilla
Georgia	Strengthening Georgia's Large Taxpayer Office	FB	19-Feb-24	1-Mar-24	McCutchan, Phillip Winfield
Tajikistan	Tax Administration	FB	4-Mar-24	15-Mar-24	Markov, Stoyan Evtimov, Story Thomas, Martin
Armenia	Tax Administration	FB	11-Mar-24	22-Mar-24	Pedersen, Søren Christiansen, Tobias Gabel
Uzbekistan	Tax Administration	FB	12-Apr-24	22-Apr-24	Topping, Gregory STX

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Armenia	Tax Administration	FB	6-May-24	17-May-24	Topping, Gregory, HQ
Armenia	Tax Administration	DS	13-May-24	14-May-24	Topping, Gregory, HQ
Regional	Supporting Uzbekistan State Tax Committee Peer Networking Event	WSH	28-May-24	30-May-24	Topping, Gregory, HQ, STXs
Turkmenistan	CD Scoping Visit and Audit Training	FB	3-Jun-24	7-Jun-24	Topping, Gregory
Kazakhstan	CCAMTAC LTX Joining HQ visit	FB	17-Jun-24	21-Jun-24	Topping, Gregory, HQ
Armenia	Tax Administration – Personal Income Tax Gap Measurement	FB	1-Jul-24	12-Jul-24	STXs
FAD Public Financial Management					
Uzbekistan	Cash management reforms – support to the Treasury Service Committee	FB	5-Feb-24	19-Feb-24	Aziz, Imran Sayegh, Amanda Anderson, Guy Gamkrelidze, Davit Tomczynska-Smith, Magdalena
Regional	Fiscal risk course	WS	21-Feb-24	23-Feb-24	Aziz, Imran Sayegh, Amanda
Regional	Macro fiscal network peer learning workshop	WS	26-Feb-24	27-Feb-24	Renteria, Carolina Sayegh, Amanda Aziz, Imran Funke, Norbert Fukac, Martin
Armenia	LTX CCAMTAC MOF Review	FB	27-Feb-24	11-Mar-24	Clifton, Robert Manuilova, Natalie Aziz, Imran
Uzbekistan	Support for the Fiscal Risk statement FY24	DB	8-Apr-24	30-Apr-24	Symansky, Steve
Regional	Infrastructure Governance Peer learning workshop	WS	16-Apr-24	19-Apr-24	Hearne, Ed (FAD) Aziz, Imran
Armenia	Fiscal Risk Capacity Building (legacy PPPs)	FB	15-Apr-24	26-Apr-24	Grinyer, John Rosenberg, Gregory Jon Aziz, Imran

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Regional	Budget transparency	FB	14-May-24	17-May-24	Aziz, Imran Seiwald, Johann Steger, Gerhard Sheikh Raheem, Fazeer (remote)
Kazakhstan	Fiscal Risks Statement	FB	20-May-24	31-May-24	Aziz, Imran, Barry, Phil Darcy, Martin
Turkmenistan	Support to medium term budgeting	FB	27-May-24	31-May-24	Aziz, Imran
Georgia	Public Investment Management Training	FB	17-June-24	21-June-22	Aziz, Imran Darcy, Martin
MCM Financial Regulation and Supervision					
Mongolia	Risk-Based Supervision (RBS) Workshop	WS	20-Feb-24	27-Feb-24	Guner, Serdar Ahmet Pecena, Magda Periyakavil, Ramakrishnan Mohan, Ravi Raskopf, Roland
Armenia	Interest Rate Risk in The Banking Book (IRRBB)	FB	25-Mar-24	2-Apr-24	Guner, Serdar Ahmet Gogoladze, Ana
Armenia	Corporate Governance	FB	8-Apr-24	10-Apr-24	Guner, Serdar Ahmet
Regional	Risk Based Supervision Workshop	WS	22-Apr-24	26-Apr-24	Guner, Serdar Ahmet
Armenia	Cyber Risk TA Support	FB	7-May-24	16-May-24	Guner, Serdar Ahmet
Kazakhstan	Conglomerate Supervision CAPITAL	DS	1-May-24	31-May-24	Guner, Serdar Ahmet, STX
Armenia	Corporate Governance Guidelines Development	DS	1-May-24	31-May-24	Guner, Serdar Ahmet, STX
Regional	P2P in Corporate Governance	PP	27-May-24	30-May-24	Guner, Serdar Ahmet
Mongolia	Risk Based Supervision Methodology Development - Phase 2	FB	17-Jun-24	28-Jun-24	Guner, Serdar Ahmet
Regional	Fintech Seminar	WSH	17-Jun-24	21-Jun-24	Guner, Serdar Ahmet
Regional	P2P Engagement	PP	1-Jul-24	5-Jul-24	Guner, Serdar Ahmet
Regional	Climate Risk	WSH	15-Jul-24	19-Jul-24	Guner, Serdar Ahmet
MCM Monetary and Foreign Exchange Operations					
Regional	Monetary Policy Implementation	WS	12-Feb-24	15-Feb-24	Aidarova, Altynai Maehle, Nils Mestvirishvili, Archil

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Uzbekistan	Follow-up mission Repo market development	FB DB	19-Feb-24 26-Feb-24	19-Feb-24 29-Feb-24	Aidarova, Altynai Comotto, Richard Laliashvili, Giorgi
Kazakhstan	Emergency Liquidity Assistance (ELA)	FB	26-Mar-24	5-Apr-24	Aidarova, Altynai Couderc, Stephane Savin, Daniel (STX) Zimmermann, Marcel (STX)
Uzbekistan	FX and Monetary Operations	FB	28-Mar-24	9-Apr-24	Aidarova, Altynai Armas, Adrian (STX) Mestvirishvili, Archil (STX)
Azerbaijan	Revising Monetary Policy Instruments	FB	15-Apr-24	26-Apr-24	Aidarova, Altynai
Regional	LCBM Workshop	WSH	20-May-24	24-May-24	Aidarova, Altynai
Azerbaijan	Modernizing Central Bank Communication	FB	17-Jun-24	28-Jun-24	Aidarova, Altynai STX, HQ
Regional	Workshop Monetary Policy Communication	DB	1-Jul-24	5-Jul-24	Aidarova, Altynai HQ
STA Government Finance Statistics					
Georgia	Improvement of Fiscal Reporting	FB	5-Feb-24	16-Feb-24	Jablonska, Ivana Karolova, Viera
Uzbekistan	GFS mission	FB	4-Mar-24	15-Mar-24	Karolova, Viera Dubinina, Irina (D4D)
Turkmenistan	GFS mission	FB	4-Mar-24	8-Mar-24	Jablonska, Ivana Paliova, Iana
Azerbaijan	GFS mission	DB	15-Apr-24	26-Apr-24	O'Mahoney, Roderick
Tajikistan	GFS mission	FB	15-Apr-24	26-Apr-24	Jablonska, Ivana Paliova, Iana (D4D)
Turkmenistan	Compilation of annual GFS	FB	27-May-24	31-May-24	Jablonska, Ivana Paliova
Regional	Regional Workshop	WSH	4-Jun-24	7-Jun-24	Jablonska, Ivana Braverman, Galina
Uzbekistan	Improving quality of annual and quarterly GFS	DB	24-Jun-24	28-Jun-24	Karolova, Viera
Azerbaijan	Compilation of quarterly GFS	FB	15-Jul-24	26-Jul-24	O'Mahony, Roderick
STA Real Sector Statistics					
Tajikistan	National Accounts	FB	29-Jan-24	9-Feb-24	Shaboyan, Artashes
Kazakhstan	Data Sources	FB	12-Feb-24	23-Feb-24	Gogoberishvili, Levani
Kyrgyz Republic	GDP	FB	26-Feb-24	7-Mar-24	Gogoberishvili, Levani
Kazakhstan	GDP	FB	25-Mar-24	5-Apr-24	Gogoberishvili, Levani

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Uzbekistan	National Accounts	FB	8-Apr-24	12-Apr-24	Gogoberishvili, Levani
Azerbaijan	GDP	FB	15-Apr-24	26-Apr-24	Gogoberishvili, Levani
Georgia	National Accounts	FB	13-May-24	24-May-24	STX
Tajikistan	SUT	FB	3-Jun-24	7-Jun-24	Gogoberishvili, Levani
CCAMTAC Events					
Regional	Workshop: Sovereign Risk and Debt Sustainability Framework for Market Access Countries	DB	29-Jan-24	2-Feb-24	IMF SPR
National	Outreach training: Macroeconomic Analysis for the Supreme Audit Chamber of the Republic of Kazakhstan	FB	5-Feb-24	6-Feb-24	Funke, Norbert Uskenbayeva, Aliya Abilov, Nurdaulet
Regional	Research seminar: Monetary Policy Communication in the Caucasus, Central Asia and Mongolia	DB	8-Feb-24	8-Feb-24	IMF HQ Funke, Norbert Abilov, Nurdaulet
Regional	Research seminar: US Monetary Policy Spillovers to Middle East and Central Asia: Shocks, Fundamentals and Propagations	DB	29-Feb-24	29-Feb-24	IMF MCD Funke, Norbert Abilov, Nurdaulet
Regional	Workshop: Taxation of Extractive Industries	WSH	11-Mar-24	15-Mar-24	Benninger, Thomas
Regional	Webinar: Preparing Financial Sectors for a Green Future: Managing Risks and Securing Sustainable Finance	DB	14-Mar-24	14-Mar-24	IMF MCD Funke, Norbert Uskenbayeva, Aliya
Regional	Research seminar: FINEX - A New Workhorse Model for Macroeconomic Forecasting and Policy Analysis	DB	19-Mar-24	19-Mar-24	IMF ICD Funke, Norbert Uskenbayeva, Aliya Abilov, Nurdaulet
Regional	Workshop: Cross-border and domestic payments, financial integrity considerations	DB	26-Mar-24	29-Mar-24	IMF LEG

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Regional	Workshop: Frontiers of Macroprudential Policy	DB	1-Apr-24	3-Apr-24	IMF MCM
Regional	Webinar: Regional Economic Outlook for CCA (April 2024)	DB	13-May-24	13-May-24	Funke, Norbert Uskenbayeva, Aliya
National	Workshop: Financial Programming and Policies in Tajikistan (in cooperation with JVI)	FB	3-Jun-24	7-Jun-24	Uskenbayeva, Aliya Abilov, Nurdaulet Evdokimova, Tatiana (JVI)
Regional	Research Seminar: National Bank of Georgia's Workhorse DSGE Model	DB	June 2024	June 2024	National Bank of Georgia Abilov, Nurdaulet
Regional	Webinar: Data Adequacy Assessment and Data Provision for Surveillance	DB	27-Jun-24	27-Jun-24	IMF STA IMF SPR
National	Workshop: Financial Programming and Policies in Georgia	FB	22-Jul-24	26-Jul-24	Funke, Norbert Uskenbayeva, Aliya Abilov, Nurdaulet
Regional	Workshop: CBDC and Digital Payment Innovations	WSH	29-Jul-24	2-Aug-25	CCAMTAC, IMF MCM

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Useful links:

[IMF press release on the opening of CCAMTAC](#) (February 1, 2021)

[IMF press release on CCAMTAC's signing ceremony](#) (December 24, 2020)

[IMF.org/CapDev](https://www.imf.org/CapDev)

[IMF network of Regional Capacity Development Centers \(brochure\)](#)

[IMF network of Regional Capacity Development Centers \(map\)](#)

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[CCAMTAC website](#)