

**CAUCASUS, CENTRAL ASIA,
AND MONGOLIA REGIONAL
CAPACITY DEVELOPMENT
CENTER**



**ANNUAL
REPORT
2021**

February 2021–April 2022



A Multi-Donor Initiative
Supported by Member Countries
and Development Partners

CCAMTAC Member Countries



Armenia



Azerbaijan



Georgia



Kazakhstan



Kyrgyzstan



Mongolia



Tajikistan



Turkmenistan



Uzbekistan

CCAMTAC Development Partners



Ministry of Economy
and Finance



Rzeczpospolita Polska
Ministerstwo
Spraw Zagranicznych

**CAUCASUS, CENTRAL ASIA,
AND MONGOLIA REGIONAL
CAPACITY DEVELOPMENT
CENTER**



**ANNUAL
REPORT**

2021

February 2021–April 2022



PREFACE



Gita Gopinath

First Deputy Managing Director
International Monetary Fund

The IMF is very pleased to further enhance its engagement with the region with the establishment of the Caucasus, Central Asia, and Mongolia Regional Capacity Development Center (CCAMTAC). The Center is a collaborative venture between the IMF, nine member countries (Armenia, Azerbaijan, Georgia, Kazakhstan, the Kyrgyz Republic, Mongolia, Tajikistan, Turkmenistan, and Uzbekistan), and development partners. This regional center is designed to provide hands-on capacity development support to the nine beneficiary countries.

The IMF has been a close partner of the region for several decades and has helped in the market transition. Significant progress has been made to strengthen policy frameworks and institutions across the region, and the IMF and other partners have provided policy advice, financial support, technical assistance, and training. Despite this progress, numerous challenges and unmet capacity development needs remain.

CCAMTAC embodies our vision to deepen the Fund's engagement with member countries to boost the region's economic potential in an inclusive and sustainable manner. Specific priorities include further strengthening of economic, fiscal, monetary, and financial sector institutions and policy frameworks, and the development of macroeconomic statistics in line with best international practices. To achieve these goals, the Center ensures a more direct dialogue and

provision of additional resources to the CCAM countries. Its services include a combination of technical assistance, workshops, and shorter webinars on topical issues tailored to regional needs, and building peer learning networks, with the aim to respond flexibly and innovatively to new priorities and boost the ownership and effectiveness of capacity development support.

While CCAMTAC's capacity development services will focus on technical assistance-related workshops and peer-to-peer learning events, broader regional training needs of countries will continue to be met by IMF online learning, classroom, and virtual training courses, including those offered by the Joint Vienna Institute (JVI), the Singapore Training Institute (STI) (for Mongolia), and IMF Headquarters. Close cooperation between the Centers will help unlock synergies between training and technical assistance.

The setting-up of the Center has been a tremendous team effort. Several IMF departments have contributed, working closely with beneficiary countries and development partners, in preparing the groundwork, identifying initial strategic priorities for the Center, operationalizing our joint vision, and starting the operations virtually in 2021. The IMF is also very grateful for the financial support to the Center, which has been provided by the host country Kazakhstan, other CCAM members, and external partners (currently, Switzerland, Russia, China, Korea, the United States, the Asian Development Bank, and Poland). Discussions with other partners are ongoing. This generous support made the endeavor of establishing CCAMTAC possible.

CCAMTAC is off to a good start. The experiment to set-up a new center virtually has started to bear fruit, thanks to a strong collaboration among IMF departments, member countries, and partners. We are all looking forward to returning to more in-person activities and the physical opening of the Center, and, most importantly, to seeing positive outcomes of CCAMTAC's capacity development services in all nine member countries.



Galymzhan Pirmatov

Governor

National Bank of Kazakhstan

The virtual opening of CCAMTAC in February 2021 was an important milestone for the region in general, and for Kazakhstan in particular. We are pleased to be able to contribute as host country to this joint undertaking and are strongly committed to the vision of fostering capacity development.

We very much value the strong partnership between the IMF, its members, and development partners in using capacity building - technical assistance and related training - to build economic institutions, as well as to promote economic stability and inclusive growth.

The Center opened virtually and has been operating during unprecedented times. The Covid-19 pandemic is not yet over, and the world is undergoing global structural shifts with profound implications for the region, which render economic policymaking even more challenging. Tensions have strained supply chains, and commodity and food prices have surged, further adding to inflationary pressures. Global uncertainty is also reflected in increased exchange rate and financial market volatility, at a time when international interest rates are rising. More broadly, the medium-term challenges to growth in an equitable, inclusive, and green manner stand central. To tackle them, CCAM countries need to pursue efforts to strengthen institutions' macro-financial policies

and to create opportunities for long-term and, private sector-led growth.

It will be important to use the Center fully and expand the region's potential by working in close cooperation. To this end, let me share three core considerations:

1. I invite member countries to be proactive in articulating their requests for technical assistance and discussing it with IMF staff, including experts from CCAMTAC, and other development partners. Such an ongoing dialogue is a key pillar to the foundation for capacity development support that is tailored to country-specific demand, well-coordinated among development partners, and beneficial to CCAM members.
2. CCAMTAC will need to find the right balance between flexibility and pursuing medium-term capacity development objectives. While many projects are of a medium-term nature and require multi-year engagement plans, rapid changes in the global economic landscape and shocks will lead to new ad hoc demands, which may become priorities. In line with strategic advice provided to member countries from IMF Headquarters, CCAMTAC's focus on hands-on, operational support and agility in responding to new priorities will certainly be one of the objectives of the Center in the coming years.
3. Peer exchanges and peer learning help unlock synergies in capacity development and enhance regional integration. The regional events organized by CCAMTAC have given officials from all CCAM countries a platform to share their knowledge and experience, which I believe is a promising start. More intense peer exchanges, including with other emerging markets and development partners, study visits, and exchanges with regional experts can complement these activities and bring about invaluable benefits for our region.

We appreciate the Fund's and development partners' engagement in the region and look forward to the physical opening of the Center.

MESSAGES



Aliya Moldabekova

Deputy Governor
National Bank of Kazakhstan, CCAMTAC Steering
Committee Chairperson

In the past year, despite Covid-19 pandemic-related challenges, CCAMTAC was able to establish - mostly virtually - new relationships with its member countries and relevant institutions, identify and start addressing capacity development needs, and offer bilateral technical assistance, as well as a series of innovative regional activities.

The Steering Committee members and development partners had fruitful exchanges during three virtual Steering Committee meetings—the inaugural meeting in January 2021 to launch the Center virtually, the June 2021 meeting to discuss the medium-term strategy and the workplan for the year, and the December 2021 update. Also, the quarterly CCAMTAC Newsletters kept all partners abreast of developments. Exchanging regularly views between recipient countries, development partners and experts through various communication channels helped to identify common topics of interest, refine capacity development needs, and, more generally, foster regional dialogue.

Since the launch of CCAMTAC, all nine member countries benefited from virtual regional workshops and short webinars on emerging issues. Steering Committee members highly valued these regional events because officials and institutions of member countries had an opportunity to present their ongoing policy initiatives and research, promoting peer learning. For example, it provided an opportunity for my colleagues to present and discuss the Digital Tenge project as well as ongoing research using machine learning. At the bilateral level, all CCAM countries were able to receive technical assistance support, which resulted in over 60 technical assistance missions. For instance, Kazakhstan received CCAMTAC bilateral support covering a Forecasting Policy Analysis System (National Bank of Kazakhstan); Accrual Budgeting (Ministry of Finance), Fiscal Risks and Long-term Fiscal Sustainability (Ministry of Economy) and training on Financial Programming (Economic Research Institute); and National Accounts Statistics and Price Statistics (Statistics Bureau) and Government Finance and Public Sector Debt Statistics (Ministry of Finance).

All Steering Committee members certainly look forward to returning to a new normal, with more in-person activities, while continuing to leverage alternative delivery modalities to the benefit of all key stakeholders and CCAM members. It was a great experience and a privilege for me to chair the Steering Committee during the initial phase of CCAMTAC. I would like to wish the Uzbekistan authorities, who took over the chairmanship on May 1, 2022, every success in this role for our shared benefit.



Jihad Azour

Director

Middle East and Central Asia Department,
International Monetary Fund

CCAMTAC serves a diverse and dynamic region of 80 million people. Across the region, the IMF has been very strongly engaged with our members through IMF surveillance, lending, and capacity development. While we have also stepped-up our analytical work for the region, we are also committed to increase our regional presence to provide more and even better targeted support to member countries.

It is the IMF's vision to develop for the region a 21st century capacity development center in a way which provides its members the best possible results-oriented service in an agile, integrated, inclusive, and efficient way, in line with the [IMF 2018 Capacity Development Strategy](#). Building on our experience from other Regional Capacity Development Centers, the efficient use of technology, the expertise of members and partners, and ongoing innovations in delivery have been and will remain major priorities for CCAMTAC.

To achieve its objectives, the Center will combine various forms of capacity development delivery modalities and reinforce peer learning, building on the flexibility and

inventiveness initiated since the Covid-19 crisis. It will also continue to cooperate closely with partners, such as the Joint Vienna Institute (JVI), the Singapore Training Institute (STI), the China-IMF Capacity Development Center (CICDC), and other regional and national capacity development centers.

I am very grateful to our member countries, Kazakhstan as the host country, the IMF's partners, and a dedicated interdepartmental group in the IMF, who worked tirelessly to turn the vision into action and results. I also thank the Steering Committee members for their continued support and commitment in helping establish the Center and developing its work program. By working all together – with member countries, partners, and the IMF – we have been able to start this endeavor successfully and I am confident it will make a lasting contribution to the region.

CCAMTAC is off to an excellent start with over 100 CD activities since its virtual start in February 2021 until end-April 2022, including more than 60 virtual bilateral TA missions and more than 30 regional workshops, webinars, and research seminars. More than one thousand officials from the region benefitted from these activities. We have already seen the benefits of an enhanced regional capacity development approach, with stronger inter-disciplinary linkages and an increased focus among beneficiary countries on making the most of what the IMF's capacity development services can offer.

During these challenging times, we have innovated by opening this new capacity development center virtually ahead of its physical launch. We are all looking forward to building on this start by returning to more in-person activities and the physical opening of the Center, and thereby achieving further positive outcomes of CCAMTAC's services in all nine member countries.

EXECUTIVE SUMMARY



Norbert Funke

Director
CCAMTAC

I am honored to present the Center's first annual report. CCAMTAC, based in Almaty Kazakhstan, is off to a promising start thanks to the partnership between the member countries, including Kazakhstan as the host country, development partners, and the IMF. Prior to the Covid-19 pandemic the region already faced significant unmet capacity development (CD) needs. The pandemic has reinforced existing needs in core economic policy areas covered by CCAMTAC, but also on topics such as inclusion, climate, and new technologies. Following the virtual start in February 2021, the Center has gradually increased its bilateral and regional CD activities.

With seven Regional Advisors, short-term experts, and support from the IMF's Capacity Development Departments, in particular the Fiscal Affairs Department (FAD), the Institute for Capacity Development (ICD), the Monetary and Capital Markets Department (MCM), the Statistics Department (STA), and under the guidance and in close cooperation with the Middle East and Central Asia Department (MCD) and the Asia Pacific Department (APD), the Center focuses on:

- Macroeconomic analysis: macroeconomic frameworks, financial programming, and forecasting and policy analysis;
- Fiscal policy: public financial management, macro-fiscal issues, and revenue administration;

- Monetary and financial sector: monetary and foreign exchange operations and financial regulation and supervision;
- Macroeconomic statistics: real sector statistics (national accounts and prices), and government-finance and public sector debt statistics.

As detailed in the program document, the overall CD strategy and objectives of CCAMTAC are to strengthen country policymaking capacity and institutions by transferring skills and promoting best practices, and to help member countries design and implement economic policies consistent with their priorities. These are expected to help boost the region's economic potential in an inclusive and sustainable manner. To translate the vision into operations, the Steering Committee meeting in June 2021 discussed six related tasks: (i) fostering communication and regional cooperation; (ii) building capacity in analytical skills; (iii) covering traditional and new topics in a balanced manner; (iv) leveraging local and regional skills; (v) supporting the integration of CD with surveillance and lending, and (vi) ensuring good coordination with other partners.

Below CCAMTAC's high-level objective described above are objectives for all seven workstreams and the regional activities related to topics not covered by the advisors. To ensure that the CD activities meet member country needs and to assess the effectiveness of CD, the IMF follows a demand-driven prioritized approach and relies on a well-developed monitoring and evaluation program. The IMF's and CCAMTAC's results-based framework, with logframes for each workstream together with clearly defined outcomes and milestones, guides all technical assistance (TA) projects and serves to assess their success and impact. CCAMTAC's benefits to-date are demonstrated in over 100 CD activities. More than 1000 officials from the region benefitted from these activities. CCAMTAC used a broad spectrum of capacity development delivery modalities and innovation

to achieve results. Remarkable progress and selective achievements from bilateral TA include:

- In developing staff capacity in Azerbaijan, Kazakhstan, and Uzbekistan training and TA was integrated. Officials from several agencies have completed an online Financial Programming and Policies (FPP) course and tailored, expert-led workshops to lay the groundwork for follow-up TA. Following ongoing TA, in Kazakhstan, the National Bank has now a central projection tool optimized to support the monetary policy in the post-Covid period. In Uzbekistan, the Ministry of Economic Development and Poverty Reduction now has a pilot projection tool that will support the formulation of the authorities' comprehensive (and internally consistent) medium term macroeconomic outlook. This tool will support the forward-looking coordination of macroeconomic, fiscal, monetary and other policies. The ministry's macroeconomic policy team now manages domestic macroeconomic and financial data in a more transparent and systematic way thanks to a newly developed in-house data exchange/database system.
- In the fiscal area, in Georgia, CCAMTAC supported the Ministry of Finance to provide the first extensive quantification of climate change fiscal risks as well as an update of Georgia's Public Sector Balance Sheet. Similarly, in Kazakhstan, CCAMTAC assisted the Ministry of National Economy to prepare its first macroeconomic fiscal risks and long-term fiscal risks exposure disclosures. In Armenia, in revenue administration the TA supported the State Revenue Committee through an innovative "virtual help desk" approach.
- In the area of monetary and foreign exchange operations, in Uzbekistan a mission advised the Central Bank of Uzbekistan (CBU) on improving the operational framework of monetary policy to support the authorities in strengthening monetary policy transmission. In banking supervision, the Large Exposures and Concentrations workshop focused on Georgia's experience with the implementation of the relevant regulations in January 2022.
- In the area of macroeconomic statistics, in Armenia, Azerbaijan, Kazakhstan, the Kyrgyz Republic, Mongolia,

and Tajikistan, CCAMTAC supported the authorities to further improve fiscal and debt statistics for surveillance and dissemination by assisting them with the preparation of the annual 2020 Government Finance Statistics (GFS) dataset for transmission to the IMF's STA. In Uzbekistan, CCAMTAC provided tailored hands-on technical methodological training, complemented by TA, to staff from the Domestic and External Public Debt Department (DEPDD) of the Ministry of Finance. The work resulted in identifying differences between Public Sector Debt Statistic (PSDS), based on the national definitions and those in the IMF PSDS Guide, and assisted in developing plans to compile debt data in line with international statistical standards. The mission work in Armenia and Georgia focused on sectorization (Armenia) and expanding GFS and PSDS coverage (Georgia) to non-market State-owned Enterprises (SOEs). Key progress in national accounts statistics by statistical agencies during the period included: in Armenia, dissemination of the 2019 Financial Accounts; in Azerbaijan, preparation of quarterly GDP by expenditure at constant prices; in Georgia, improvement of chain-linked time series of quarterly GDP, in Kazakhstan, Kyrgyz Republic, and Uzbekistan, development of discrete time series of quarterly GDP; and in Turkmenistan, improved dissemination of national accounts data.

In all workstreams regional workshops or webinars complemented bilateral TA and helped to strengthen peer learning, including in cooperation with partners. CCAMTAC also initiated a regional research seminar series to support policymaking.

FY2021-22 activities have been well within the budget, largely reflecting the gradual increase of activities and substantial savings because of the virtual delivery of activities. The FY2023 workplan reflects a further expansion of activities with a broadening workstream and country coverage. Compared to last year, expenditure will increase, also because of the resumption of travel activity.

Let's continue our journey together to set-up a 21st century capacity development center.

ACRONYMS AND ABBREVIATIONS

ADB	Asian Development Bank	FSP	Fiscal Strategy Paper
AML/CFT	Anti-Money Laundering/Combating the Financing of Terrorism	FSSR	Financial Sector Stability Review
ATO	Australian Tax Office	FTE	Fiscal Transparency Evaluations
CCAM	Caucasus, Central Asia, and Mongolia	FY	Financial (Fiscal) Year
CCAMTAC	The Caucasus, Central Asia, and Mongolia Regional Capacity Development Center	GDP	Gross Domestic Product
CD	Capacity Development	GFS	Government Finance Statistics
CDMAP	Capacity Development and Administration Program	GFSM 2014	Government Finance Statistics Manual 2014
CICDC	China-IMF Capacity Development Center	HQ	IMF Headquarters
CPI	Consumer Price Index	HFI	High Frequency Indicator
CRM	Compliance Risk Management	ICD	Institute for Capacity Development
EBRD	European Bank for Reconstruction and Development	IEO	Independent Evaluation Office
FAD	Fiscal Affairs Department	IFRS	International Financial Reporting Standards
FCS	Fragile and Conflict-Affected States	ILAAP	Internal Liquidity Adequacy Assessment Process
FPAS	Forecasting and Policy Analysis System	IMF	International Monetary Fund
FRS	Fiscal Risks Statement	IPSAS	International Public Sector Accounting Standards
		JVI	Joint Vienna Institute

TABLE OF CONTENTS

iii

Preface

v

Messages

vii

Executive Summary

x

Acronyms and Abbreviations

1

SECTION I

Economic Developments in
the Caucasus, Central Asia, and
Mongolia

5

SECTION II

Implementation of the FY22 Workplan,
Results, and Priorities for FY23

- 6 A Overview
- 9 B Macroeconomic Frameworks,
Financial Programming,
Forecasting and Policy
Analysis
- 12 C Public Financial Management
- 15 D Revenue Administration
- 17 E Monetary and Foreign
Exchange Operations
- 19 F Financial Regulation and
Supervision
- 22 G Government Finance and
Public Sector Debt Statistics
- 25 H Real Sector Statistics
- 27 I Other Regional Activities
- 30 I Capacity Development and
Results-Based Management

31

SECTION III

Budget and Financing

33

SECTION IV

Other Issues

- 34 A Travel and Capacity
Development Delivery Mode
- 35 B The IMF Policy on
Dissemination of Capacity
Development Information

37

APPENDICES

- 38 Table A1.
CCAMTAC Regional Events
Prior to the Virtual Opening
(July 2020 - January 2021)
- 38 Table A2.
CCAMTAC TA Activity
February 2021 - April 2022
by Workstream
- 41 Table A3.
Logframes - Objectives and
Outcomes of Projects in FY22
- 45 Table A4.
CCAMTAC Phase 1 - Program
Budget, Working Budget and
Expenses
- 46 Table A5.
CCAMTAC Financial
Contributions
- 47 Table A6.
List of Issued Technical
Assistance Reports
- 48 IMF CCAMTAC Staff

BOXES

- 11 **Box 1.**
Workshop on The Use of DSGE Models in Policy Environment, March 2022
- 21 **Box 2.**
Corporate Governance
- 23 **Box 3.**
Combining Training and Peer Learning in PSDS Compilation
- 26 **Box 4.**
Uzbekistan – Dissemination of Discrete Quarterly GDP in accordance with the SDDS Requirements

FIGURES

- 3 **Figure 1.**
Economic Developments and Outlook
- 10 **Figure 2.**
Different Policy Horizons Require Different Projections Tools
- 13 **Figure 3.**
Fiscal Risks in Public-Private Partnership (PPP) Contracts
- 16 **Figure 4.**
Informal Economy
- 18 **Figure 5.**
Basic Features of Reserve Requirements
- 20 **Figure 6.**
Corporate Governance
- 22 **Figure 7.**
Consistency in Government Finance Statistics
- 26 **Figure 8.**
Time Series in Economic Statistics and QNA (February 21–25, 2022)
- 27 **Figure 9.**
Central Bank Digital Currencies Webinar (March 10, 2022)
- 30 **Figure 10.**
The Logical Framework or “Log Frame”

TABLES

- 7 **Table 1.**
CCAMTAC Capacity Development Activities in FY22
- 8 **Table 2.**
CCAMTAC Capacity Development Activities Planned for FY23 (Indicative)
- 28 **Table 3.**
Regional Webinars – February 2021 – April 2022
- 29 **Table 4.**
Research Seminars – February 2021 – April 2022
- 34 **Table 5.**
Comparison of In-Person, Virtual, and Hybrid Capacity Development Delivery

SECTION I

ECONOMIC
DEVELOPMENTS
IN THE CAUCASUS,
CENTRAL ASIA,
AND MONGOLIA

ECONOMIC DEVELOPMENTS IN THE CAUCASUS, CENTRAL ASIA, AND MONGOLIA

The outlook appeared to brighten in late 2021 and maintained momentum in early 2022. But uncertainty has risen since Russia's invasion of Ukraine and in light of broader economic and geopolitical developments.

Notwithstanding these developments, during the first half of 2022 CCAM countries have developed somewhat better than expected earlier this year. Several factors contributed: high commodity prices for commodity exporters and a larger resilience of Russia's growth, international trade and cross-border flows.

Oil importing CCAM countries, which face higher commodity prices and rising financing costs, tended to be hit harder, given close trade and financial linkages with Russia, reliance on remittances and tourism, exchange rate spillovers, and some challenges related to cross-border payments. Oil exporters benefited from the windfall of higher oil prices improving fiscal and external balances.

The IMF's baseline forecast for growth in 2022 for selected CCAM countries was revised upward in July 2022 by a margin compared to April 2022 projections, but some economies remain at risk of slowing down in

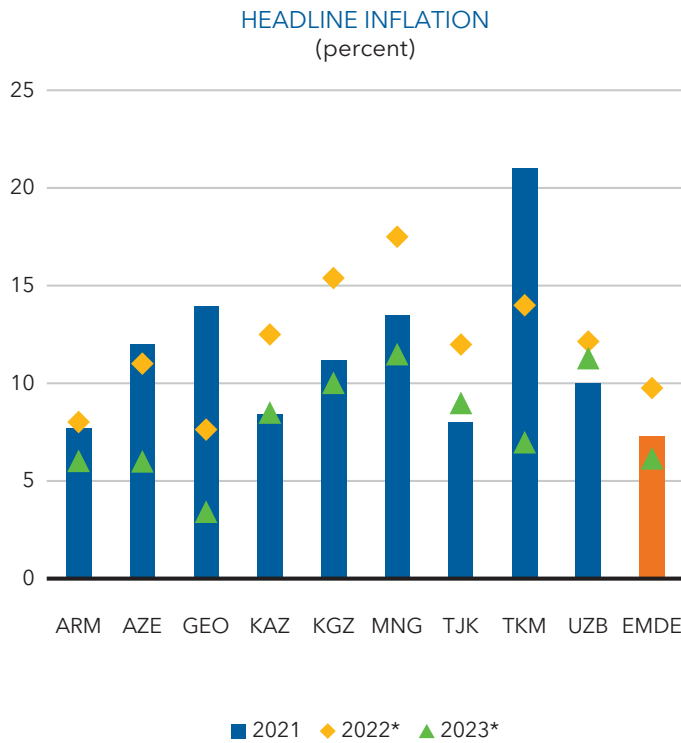
the following year. Overall, global and regional uncertainty remain high, which in turn dampens growth prospects, and presents important risks to the outlook:

- *Global outlook:* Some larger economies may face an economic recession, while globally several countries may have to solve compounding debt sustainability issues.
- *Global tightening:* Rising interest rates and uncertainty lead to tighter financing conditions, and coupled with uncertainty, higher capital flow and exchange rate volatility.
- *Inflation:* Inflation has been on the rise globally. Geopolitical developments prompted a surge in commodity prices adding to existing inflationary pressures. Despite recent monetary policy tightening in CCAM countries, rising food and commodity prices have pushed headline inflation into double digits in most countries. Inflation in some CCAM countries is anticipated to accelerate further in 2022 and remain above the monetary policy target in 2023. It will be key to minimize the risk of de-anchoring inflation expectations.

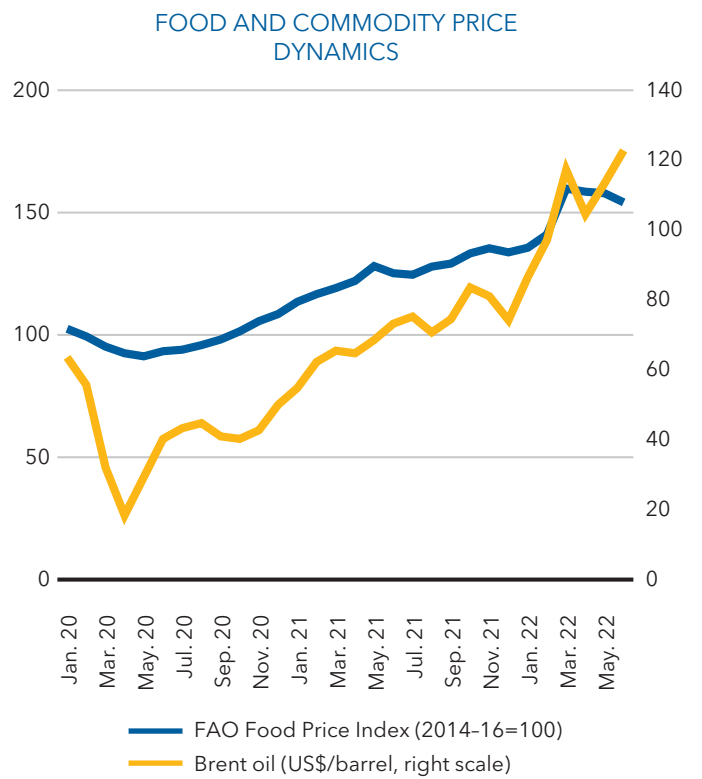
- *Food affordability:* With rising inflation, food affordability is an increasing concern in some CCAM countries.
- *Trade:* Caucasus and Central Asian countries have aimed at balancing relations between Russia and the West. Further geopolitical fragmentation could impede global trade and cooperation.
- *Covid-19 pandemic:* An uptick in the pandemic and new supply chain issues could strain further supply and demand imbalances.

Global developments require an agile economic policy response. In many countries policy space to counter spillovers from the war is limited. Governments' responses will need to be shaped against the difficult background of high and increasing inflation; slowdown in growth; significant debt in some CCAM countries and tightening credit conditions. Budget constraints are increasingly binding, as central banks hike interest rates to fight inflation. Longer-term challenges, including increasing inequality, a growing digital divide, and pressing climate issues multiply short-term challenges.

FIGURE 1. ECONOMIC DEVELOPMENTS AND OUTLOOK

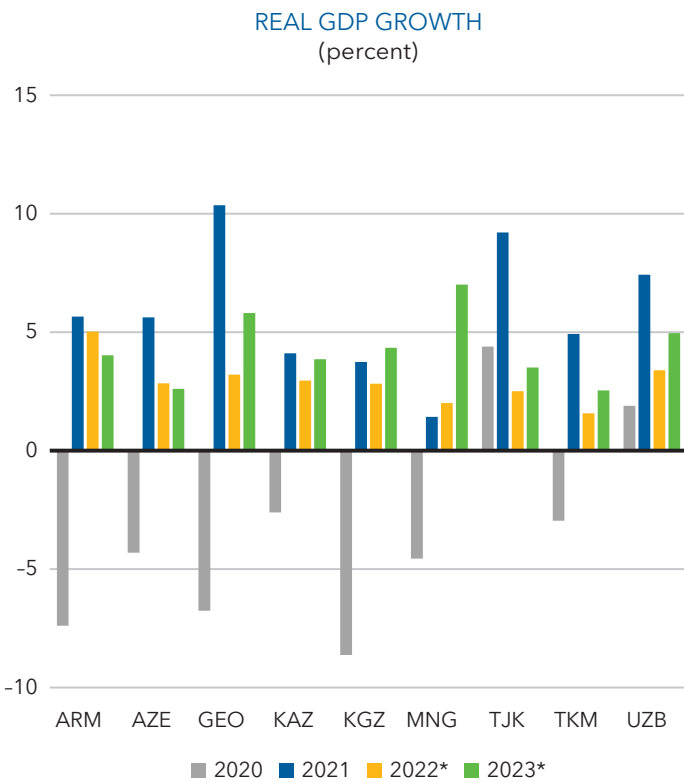


Source: IMF World Economic Outlook (*July 2022 update)

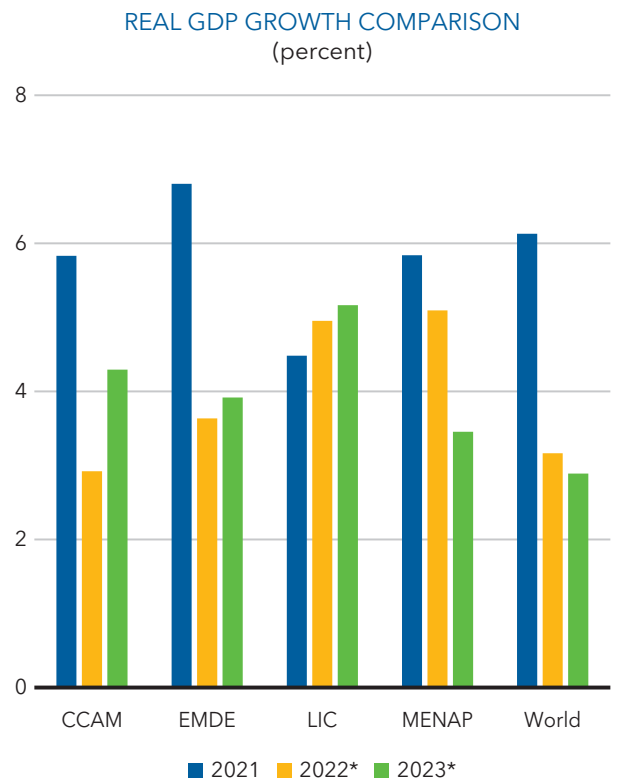


Source: FAO UN, EIA

Note: Brent spot monthly simple average, IMF staff calculations



Source: IMF World Economic Outlook (*July 2022 update)



Source: IMF World Economic Outlook (*July 2022 update)

Note: CCAM = simple average, CCAMTAC calculations

SECTION II

IMPLEMENTATION
OF THE FY22
WORKPLAN, RESULTS,
AND PRIORITIES
FOR FY23



OVERVIEW

Since the virtual launch of CCAMTAC in February 2021, the CD activity of the Center picked up gradually, in parallel with the hiring of local staff and the seven regional Resident Advisors (RAs).¹ Strong support from HQ staff and short-term experts helped bridge the gap until the advisors were in place and continued to support activities. As workplans were developed and refined in line with evolving demand, the initial focus was on (i) stocktaking and scoping, supported by regional events and peer exchanges; (ii) follow-up implementation of TA, where a scoping mission or training had already taken place; (iii) new short-term priorities, and (iv) discussions to develop short- and medium-term workplans.

During February 2021 and April 2022, CCAMTAC conducted a total over 100 activities - with some 64 bilateral missions, 17 regional workshops, and 18 webinars/research seminars, which led already to the first results on the ground. The relative importance of bilateral and regional activities differed across workstreams, depending on the prior activity in the region, the start date of the advisors, and demand. The largest number of projects and broadest coverage of countries

occurred in the areas of statistics and public financial management. In workstreams, with more limited previous projects in the region (e.g., revenue administration, monetary and foreign exchange operations), advisors focused on regional activities and peer exchanges to establish a common ground and solicit demand.

In line with discussions during the June 2021 steering committee, progress has been made towards strategic objectives along six dimensions:

- **Fostering communication and regional cooperation:** In addition to significant bilateral TA, each workstream organized at least one regional workshop/ seminar, which complemented a significant number of other regional activities (e.g., webinars). The revenue administration and monetary operations workstream put significant emphasis on regional activities.
- **Building capacity in analytical skills:** CCAMTAC initiated a new regional research/analytical series; helped to promote online learning and organized two joint workshops on debt dynamics with the China-IMF

Capacity Development Center, the Joint Vienna Institute, and the Singapore Training Institute.

- **Covering traditional and new topics.** While bilateral TA covered mostly traditional macro, fiscal, monetary and statistics topics, emerging topics have already been selectively integrated into bilateral TA, such as the analysis of climate risks. A series of webinars covered wider emerging issues, with several climate-related presentations and presentations on cyber security, central bank digital currencies, and regional integration. Collaboration with the IMF's Middle East and Central Asia Department helped to start integrating the pipeline of regional IMF analytical work in webinars. In many workshops, practitioners from advanced or emerging market countries shared their experiences.
- **Leveraging local and regional skills.** Several Resident Advisors are from the CCAM region or Central and Eastern Europe (Estonia (until May 2022), Kyrgyz Republic, Georgia, Slovak Republic) and selectively have worked with short-term experts from the broader region. Growing the list of experts remains beneficial and

¹ The term resident advisor (RA) is used interchangeably with the term long-term expert (LTX).

information on requirements and how to be added on the list can be found [here](#).

• **Ensuring the integration of CD.**

Advisors have been in close contact with area department mission teams. Selectively, area department team members have been participating in CD missions (e.g., on macroeconomic frameworks) and RAs joined economic policy discussions. The IMF’s new Capacity Development and Administration System (CDMAP)

aims at supporting the process of integrating all CD activities.

• **Coordination with other partners.**

Coordination with partners has helped to reinforce key messages and unlock synergies between work programs. A webinar on state-owned enterprises has been organized jointly with IMF HQ, the European Bank for Reconstruction and Development (EBRD) and the World Bank (WB), as well as a webinar on regional integration with the

Asian Development Bank (ADB) and Central Asia Regional Cooperation (CAREC) Institute. These joint events have been very well attended and helped to reinforce key policy messages. Development partners have also been invited to webinars and selectively to workshops.

Table 1 summarizes the CD by topic area and country. Compared to initial plans, relatively larger adjustments took place in the revenue administration and central

TABLE 1. CCAMTAC CAPACITY DEVELOPMENT ACTIVITIES IN FY22

Green - TA delivered

Topic Area	ARM	AZE	GEO	KAZ	KGZ	MNG	TJK	TKM	UZB
Regional WS - emerging topics									
Macroeconomic Frameworks 1/		FP		FPAS					FP
PFM /2	AB	MF FR	FR	AB FR			FR		MF FR AB
Revenue Administration 3/	TA		CR				TA		OS
Central Bank Operations 4/		SM		SM	SM OF	SM		SM	MT
Fin. Supervision and Reg. 5/		RM	AS	RS					
Fiscal and Debt Statistics 6/	SE GFS	GFS/ PSDS	SE	GFS/ PSDS	GFS/ PSDS	GFS/ PSDS	GFS/ PSDS		PSDS
Real Sector 7/	NA	QNA XMPI	QNA CPI	QNA CPI	NA		RPPI	NA	QNA CPI XMPI PPI RPPI

The table compares the FY22 implementation with the indicative workplan presented to the steering committee in June 2022.

1/ FP: Financial Programming; FPAS: Forecasting Policy Analysis System.

2/ AB: Accounting and Budgeting; FR: Fiscal Risks; MF: Macro Fiscal.

3/ CR: Compliance Risk Management; OS: Organizational Structure; TA: Tax Administration.

4/ OF: Operational Framework; MT: Monetary Policy Transmission; SM: Mostly HQ-funded Scoping Mission.

5/ AS: Accounting Standards (IFRS9); RM: Risk Management; RS: Risk-Based Supervision.

6/ GFS: Government Finance Statistics; PSDS: Public Sector Debt Statistics; SE: Sectorization and Reporting of SOEs.

7/ NA: National Accounts; QNA: Quarterly National Accounts; CPI: Consumer Price Index; XMPI: Export-Import Prices; PPI: Producer Price Index; RPPI: Residential Property Price Index.

bank operations workstream and on the country-level in the Kyrgyz Republic and Turkmenistan. In some of these cases, demand has not (yet) materialized as planned, as priorities have been adjusted in light of the Covid-19 pandemic or political changes. Appendix table A6 shows the TA reports that have been finalized.

The indicative workplan for FY23 builds on the FY22 implementation. Many of the projects, which occurred

in FY22, are expected to continue. The pandemic, global developments, and related heightened uncertainty have reinforced the importance of many ongoing projects, such as those related to macro forecasting and scenario analysis, generating revenues for priority areas, fiscal risks in an environment of rising interest rates, effective monetary operations to steer monetary policy, regulation and supervision as economic developments diverge, and adequate

data for policy analysis (Table 2). While advancing a transformational recovery, the management of policy trade-offs may become more challenging. CCAMTAC's CD support will need to remain agile and nimble to respond to new demands. It will be important not to lose sight of longer-term challenges, such as climate change and digitalization, and incorporate these into related CD projects.

TABLE 2. CCAMTAC CAPACITY DEVELOPMENT ACTIVITIES PLANNED FOR FY23 (INDICATIVE)

Green - TA planned

Topic Area	ARM	AZE	GEO	KAZ	KGZ	MNG	TJK	TKM	UZB
Regional WS - emerging topics									
Macroeconomic Frameworks 1/		FP		FPAS FP	FPAS FP	NTF			FP MF
PFM /2	AB FR(SOE) FR(CC)	FR	AB FT PIMA FR(SOE)	AB FR(SOE)	AB	AB	FR(SOE)		MF
Revenue Administration 3/			TA	RA	RA	RA		TA	
Central Bank Operations 4/					LM OF		OF LM	OF	RR
Fin. Supervision and Reg. 5/		DB	AS OC	RS		CG/RS LIC		RS (Multitopic)	
Fiscal and Debt Statistics 6/	SE GFS	GFS/ PSDS	SE	GFS/ PSDS	GFS/ PSDS	GFS/ PSDS	GFS/ PSDS	GFS/PSDS	GFS/ PSDS
Real Sector 7/	NA	XMPI	CPI HFI RPPI	NA QNA CPI	QNA	QNA	NA RPPI	NA CPI	NA CPI XMPI RPPI

1/ FP: Financial Programming; FPAS: Forecasting Policy Analysis System; NFT: Near-term Forecasting tools.

2/ AB: Accounting and Budgeting; FR: Fiscal Risks; MF: Macro Fiscal; FT: Fiscal Transparency; PIMA: Public Investment Management.

3/ RA: Revenue Administration; TA: Tax Administration.

4/ LM: Liquidity Management; OF: Operational Frameworks; MT: Monetary Policy Transmission; OF: Operational Framework; RR: Reserve Requirements Framework.

5/ DB: Digital Banking; AS: Accounting Standards (IFRS9); CG: Corporate Governance; LIC: Licensing; RM: Risk Management; RS: Risk-Based Supervision; OC: Operational and Cyber Risk.

6/ GFS: Government Finance Statistics; PSDS: Public Sector Debt Statistics; SE: Sectorization and Reporting of SOEs.

7/ NA: National Accounts; QNA: Quarterly National Accounts; CPI: Consumer Price Index; XMPI: Export-Import Prices; HFI: High-Frequency Indicators; PPI: Producer Price Index; RPPI: Residential Property Price Index.

MACROECONOMIC FRAMEWORKS, FINANCIAL PROGRAMMING, FORECASTING AND POLICY ANALYSIS



Martin Fukac

Advisor

Macroeconomic Frameworks for Financial Programming, Forecasting, and Policy Analysis

The objective of the workstream is to support capacity building in macroeconomic analysis and forecasting at institutions involved in formulating economic, fiscal and monetary policies. Thanks to the CD in this field, the receiving institutions will benefit from better evidence-based policy advice, which will help inform governments' strategic goals, short-term policy tactics, and long-term policies geared at raising living standards in a sustainable way. Specifically, the workstream aims at strengthening the economic policy-making process through the development, implementation, and operation of customized macroeconomic projections tools (MPT), typically for forecasting and policy analysis purposes. To be effective, MPTs should be fully integrated in the policy process, and a systematic and clear communication of its results ensured. Depending on the objectives and needs of beneficiary countries, different MPTs may be developed, ranging from accounting and adaptive expectations' financial programming macroeconomic frameworks, debt dynamics and near-term forecasting tools, to structural

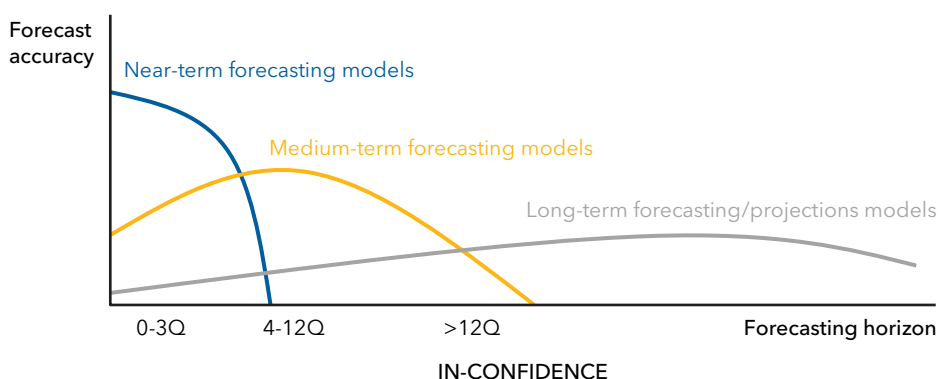
and semi-structural macroeconomic models. So far, the following institutions benefited from bilateral technical assistance and capacity development events: Ministry of Economy of Azerbaijan, Ministry of Finance of Azerbaijan, Economic Reforms and Economic Research Institute of the Ministry of Economy of Azerbaijan, Ministry of Economic Development and Poverty Reduction of Uzbekistan, Ministry of Finance of Uzbekistan, National Bank of Uzbekistan, National Bank of Kazakhstan, Ministry of Economy of Kazakhstan, Economic Research Institute of the Ministry of Economy of Kazakhstan. The following results were achieved:

Developing staff capacity. In **Azerbaijan, Kazakhstan, and Uzbekistan**, officials from several agencies have completed an online FPP course and participated in tailored, expert-led workshops to lay the groundwork for follow-up TA.² Further, in **Uzbekistan** and **Azerbaijan**, skills were also strengthened in data analysis, macroeconomic diagnostics, and data management. The need for inter-agency cooperation around these areas between

² To count the self-paced online training as adding value to achieving TA project goals, participants were required to pass it with a score of 80% and higher.

FIGURE 2. DIFFERENT POLICY HORIZONS REQUIRE DIFFERENT PROJECTIONS TOOLS

Why so many systems and models?
Because different tools are needed to forecast at different horizons.
This affects the architecture of a forecasting system.



Source: CCAMTAC

ministries, central banks, statistical commissions, and research institutes was emphasized. In **Azerbaijan**, knowledge was transferred on best practices regarding the publication of macroeconomic situation reports and forecasts. A proposal was formulated for streamlining the list of macroeconomic indicators that the Ministry of Economy prepares as inter-ministerial input for the medium-term expenditure framework, supporting efficiency, transparency, and accountability. In **Kazakhstan** and **Uzbekistan**, knowledge was transferred on organization of forecasting teams. The TA focused on strengthening the resourcing and organization of human resources that support the forecasting and policy analysis systems. The TA further focused on developing skills in economic modelling and forecasting.

Developing accounting-based and adaptive expectations macroeconomic frameworks. In **Uzbekistan**, initial work with the Ministry of Finance and an interagency team began in 2021, with an emphasis on building an accounting-type macroeconomic framework for policy analysis and forecasting, based on ICD's

Macroeconomic Foundations Tool. With CCAMTAC's support, the authorities are customizing and implementing the tool. Progress has also been made in identifying data sources and dividing responsibilities in data gathering for the macro framework across the participating institutions. In **Azerbaijan**, the groundwork began for developing an MPT based on ICD's Comprehensive Adaptive Expectations Model and tailoring it to the authorities' required specifications. Initial versions of the tool, including a module of potential output for oil and non-oil sectors, were developed. The model development has been supported by an initial assessment of the transmission mechanism of elementary economic shocks.

Developing semi-structural models.

For the National Bank of **Kazakhstan**, the CCAMTAC regional advisor together with a short-term expert has reviewed the forecasting performance of the core quarterly projection model (QPM) and assisted in re-calibrating it. The team discussed the transmission mechanism of major economic shocks, to help improve the scenarios forecast narrative. The team also identified priorities for further extensions to

the projection model and further strengthening of the National Bank's Forecasting and Policy Analysis System.

Regional workshops. With strong demand for advanced modeling, a well-attended virtual workshop on the Use of Dynamic Stochastic General Equilibrium Models (DSGE) in Policy Environment models was organized (see Box 1). Also, amid a global trend of rising debt, as a part of the workstream, CCAMTAC in cooperation with the Joint Vienna Institute (JVI), Singapore Training Institute (STI), and the China IMF Capacity Development Center organized two virtual regional workshops that focused on the key analytical concepts related to debt dynamics and a hands-on application of the ICD's Excel-based Public Debt Dynamics Tool (DDT) with CCAM countries' data.

WORK PROGRAM FOR FY 2023

The proposed FY23 workplan includes 6 country projects, totaling 17 CD activities. A series of TA programs will focus on the development and operationalization of macroeconomic projection tools, and hands-on staff training in using the tools in forecasting and informing policy discussions. The workplan will support stronger analytical skills and better macroeconomic forecasting and policy analysis at the Ministry of Economy of Azerbaijan (continuation of the same project initiated in 2021), the National Bank and the Ministry of Economy of Kazakhstan, the Ministry of Finance of Uzbekistan (new project that will be coordinated with FAD, who has been working on macro-fiscal projections with the Ministry of Finance in FY22), the Ministry of Economic Development and Poverty Reduction of Uzbekistan, the Bank of Mongolia, and the National Bank of the Kyrgyz Republic and the Ministry of Economy and Commerce (subject to authorities' pending request). For the maximum benefit

BOX 1. WORKSHOP ON THE USE OF DSGE MODELS IN POLICY ENVIRONMENT, MARCH 2022

More and more central banks, ministries of finance and economy intend to upgrade their analytical tools, with a strong interest in dynamic stochastic general equilibrium (DSGE) models. To help support the exchange of experience and connect the CCAM institutions with their global peers, CCAMTAC together with the IMF's Institute for Capacity Development and the IMF's Monetary and Capital Markets Department organized a three-day regional workshop. Its focus was on (i) sharing experience in the CCAM region, (ii) reviewing some of the frontier thinking; and (iii) discussing how CCAMTAC can support peer-learning. In addition to regional experience, experts from Australia, Sweden and Chile shared their experiences. Emerging lessons for institutions who plan to develop their models are:

- No model fits all circumstances. All generations of models and approaches have their advantages and disadvantages. All approaches still have some merits today and over time institutions want to have a suite of models;

- DSGE models have been very helpful to construct policy scenarios and analyze the implications of key structural reforms, including changes to the tax system, expenditure policies, debt, exchange rates and financing strategies;
- While DSGE models can serve a wide range of purposes, getting a DSGE model should not be an objective in itself—it should respond to clear and specific needs and policy questions for which these models are the preferred modeling option. Building a reliable DSGE model is particularly challenging in economies where basic data quality is still an issue. The time and resource requirements to develop and implement them should not be underestimated. After putting substantial effort into their development, globally some institutions have re-prioritized their use, for varying reasons: (i) they were not the most adaptable tools in turbulent times that required modeling flexibility; (ii) the management of the model was overly dependent on a small

group of staff, leading to risks associated with staff turnover; and (iii) communicating policy insights from advanced DSGE tools to policymakers became challenging.

To take this work forward, the seminar suggested several not mutually exclusive options for country authorities and CCAMTAC:

- *Making full use of available training opportunities:* This includes both relevant [online courses](#) offered by the IMF as well as virtual/face-to-face courses offered by the training centers - the Joint Vienna Institute and the Singapore Training Institute.
- *Fostering peer learning:* CCAMTAC stands ready to organize peer presentations by country authorities to receive feedback on their modeling work. These could be supplemented on occasion by regional peer workshops.
- *Analytical work:* In an advanced stage, country authorities could consider joint research or analytical work.

of the receiving institutions and TA synergies, the workplan is actively coordinated with other CCAMTAC workstreams and TA projects that are delivered by other development partners such as ADB, the State Secretariat for Economic Affairs (SECO), and WB.

Further in response to strong regional demand, CCAMTAC plans to launch a platform for a peer experience exchange in the area of advanced macroeconomic modeling. Within this initiative, CCAMTAC will start a workshop series specifically focused on topics in dynamic general equilibrium

(DSGE) modeling, where a group of experts will (i) share their practical experience in designing/managing DSGE development projects; (ii) share experience in how to build DSGE models; and (iii) invite experts and discuss topics of interest to more advanced modelers in the region.



PUBLIC FINANCIAL MANAGEMENT



John Zorab

Advisor

Public Financial Management

The objective of the workstream is to assist member countries to strengthen core PFM functions and introduce progressively more advanced PFM practices: strengthening accounting and budgeting (preparation, execution), macro-fiscal frameworks, fiscal risk management, infrastructure governance, cash and debt management, and fiscal transparency and reporting. In FY22, CCAMTAC assisted six of the nine countries with a focus on accounting and budgeting, macro-fiscal frameworks, fiscal risk management, and public investment management. The key results are:

Accounting and Budgeting. For **Armenia**, CCAMTAC supported the Ministry of Finance in piloting a stronger methodology for defining mandatory and discretionary expenditures of state budget programs. A successful application of this methodology would significantly reduce the share of mandatory expenditures in the state budget and, therefore, increase expenditure flexibility. CCAMTAC also supported the Ministry of Finance in clarifying the functions of, and restructuring, the Budget department. This is intended to pave the way for an improvement in its capacity to further develop program-based budgeting, including

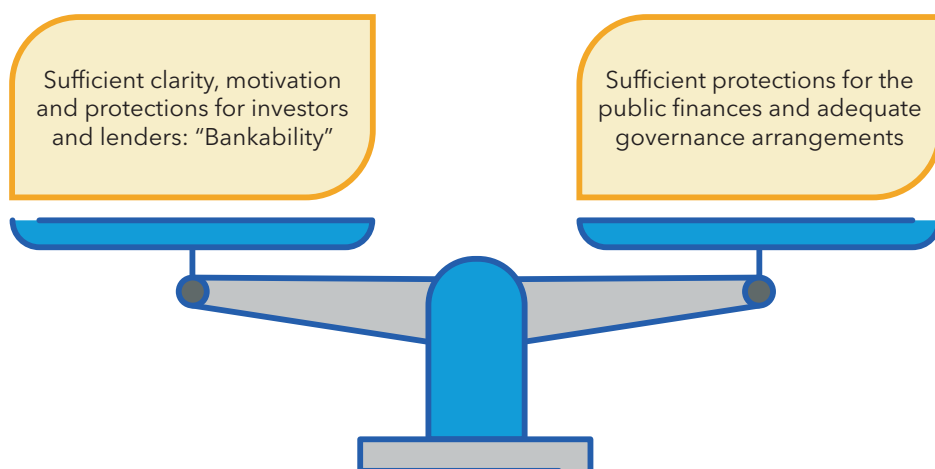
the new rolling baseline system. For **Kazakhstan**, CCAMTAC supported the Ministry of Finance by reviewing the plans, including the methodology and implementation challenges, for requiring prospective accrual financial statements to be prepared by the 17 regional governments, reflecting the approach that has been applied, with previous IMF support, for the preparation of republican (central) government prospective financial statements. The preparation and publication of prospective accrual financial statements is the first step in implementing accrual budgeting in Kazakhstan. For **Uzbekistan**, an STX supported the annual budget preparation process for the 2022 budget cycle and the preparation of the Fiscal Strategy Paper. The expert reviewed the budget instructions, that are being issued for the first time, in accordance with revised budget procedures and the new budget calendar. The authorities received guidance on the content and structure of the Fiscal Strategy Paper (FSP).

Macro Fiscal Frameworks. For **Azerbaijan**, CCAMTAC assisted the Ministry of Finance to develop its macro-fiscal framework forecasting and analysis. This built on previous assistance by the FAD and aimed to

define a credible macro-fiscal baseline for the budget consistent with the authorities' fiscal rule and to evaluate medium- and long-term macro-fiscal scenarios under various assumptions. For **Uzbekistan**, CCAMTAC also assisted the Ministry of Finance to develop a macro-fiscal spreadsheet-based model to help support the analysis of macro-fiscal risks, the robustness of fiscal forecasts used as the basis for budget preparation, and various fiscal options to implement the proposed fiscal rules. This will help contribute to the better design of a more credible fiscal policy and forecasts as well as improved capacity to analyze macro-fiscal risks.

Fiscal Risks Management. For **Azerbaijan**, CCAMTAC provided training to the Ministry of Finance on macroeconomic, state-owned enterprise (SOE) and public-private partnership (PPP) fiscal risks as well as long-term fiscal sustainability (LTFS) assessments. This focused on the key concepts and methodologies in analyzing and managing those fiscal risks and LTFS. For **Georgia**, CCAMTAC and FAD also supported the Ministry of Finance with three missions to expand (i) the Fiscal Risks Statement (FRS) to include assessments of pandemic and climate change fiscal risks; (ii) to provide the first extensive quantification of climate change fiscal risks for Georgia as well as an update of Georgia's Public Sector Balance Sheet, and (iii) to incorporate enhanced assessments of fiscal risks in its draft FRS for 2022 as well as to develop the methodology for LTFSs. For **Kazakhstan**, CCAMTAC assisted the Ministry of National Economy to prepare its first macroeconomic fiscal risks and LTFS disclosures, to be presented to Parliament in September 2022, as well as a roadmap for future enhancements of the FRSs. The mission proposed and outlined the macroeconomic fiscal risks' disclosures and a methodology for the LTFS assessment. CCAMTAC

FIGURE 3. FISCAL RISKS IN PUBLIC-PRIVATE PARTNERSHIP (PPP) CONTRACTS



Source: CCAMTAC

subsequently conducted a training workshop on the LTFS methodology for the Ministry of National Economy and other agencies involved. For **Tajikistan**, building on previous IMF support to its second SOE Fiscal Risks Management Strategy, CCAMTAC provided follow-up support to the draft of the Strategy, planned to cover 2022-2026. CCAMTAC also assisted the Ministry of Finance to resume the preparation and publication of the annual SOE FRSs, in an updated format. In a subsequent follow-up mission, CCAMTAC supported the Ministry of Finance to finalize the Strategy and provided training in SOE fiscal risks assessment, including to staff of major SOEs. In **Uzbekistan**, FAD and CCAMTAC advised the authorities on the management of fiscal risks, with a focus on the fiscal risks of public-private partnerships (PPPs), SOEs, and loans and guarantees. Included in this assignment was training on the IMF's fiscal risks assessment tools, including the PPP Fiscal Risks Assessment Model (PFRAM), the SOE Health Check Tool, and the Discrete Guarantee and Loan Assessment Tool. In a follow-up mission, CCAMTAC provided a more in-depth analysis of relevant SOEs, helped to build capacity within the Ministry of Finance to conduct SOE financial vulnerability assessments, and provided detailed guidance

on reporting and disclosing SOE fiscal risks.

Regional Workshops. To prepare for and complement bilateral capacity development, CCAMTAC organized several regional workshops. The workshop on rolling baselines introduced participants to key concepts related to the preparation of budget baseline estimates; discussed the methodology for their preparation and their role in supporting budget preparation; and outlined the institutional roles and responsibilities for their preparation. Another regional event aimed at supporting CCAM countries to strengthen the fiscal oversight of state-owned enterprises (SOEs) and better assess and manage related fiscal risks. The workshop helped participants understand the common risks that can emanate from the SOE sector and analytical approaches for assessing them; provided an overview on the use of the SOE Health Check Tool designed by the IMF's FAD; discussed institutional approaches to strengthen oversight of SOEs; and good practices and country illustrations on how to report information on SOE-related fiscal risks in budget documents. Finally, CCAMTAC in conjunction with FAD, supported by the Japan Infrastructure Governance Facility, organized a

regional workshop on the public investment management. It presented strategies and tools to strengthen public investment management, including the Public Investment Management Assessment (PIMA) and its new Climate module, and enabled participants to assess the progress in public investment management in their own countries and exchange knowledge with IMF experts.

WORK PROGRAM FOR FY 2023

Accounting and Budgeting. For *Armenia*, CCAMTAC is planning to continue to support the Ministry of Finance in improving the classification of expenditure in budget reports. For *Georgia*, CCAMTAC is planning to support the Ministry of Finance in the preparation of the second set of consolidated central government financial statements based on International Public Sector Standards (IPSASs) and the first sets of consolidated local government financial statements based on IPSASs. For the *Kyrgyz Republic*, CCAMTAC is planning to support the Ministry of Finance to advance the development of its medium-term budget framework (MTBF) and results-based budgeting, including in the preparation of a Concept Note to define the next stage of these budget preparation reforms.

Macro Fiscal Frameworks. For *Uzbekistan*, CCAMTAC is planning to

leverage the collaboration of the PFM and macroeconomic workstreams, to develop a macro-fiscal framework for the Ministry of Finance for policy analysis and forecasting. The mission will support the ministry in enhancing its ability to make aggregate fiscal forecasts, analyze fiscal rule options, and assess macroeconomic fiscal risks.

Fiscal Risks Management. For *Armenia*, CCAMTAC is planning to support the Ministry of Finance to undertake quantitative assessments and associated disclosures of climate change fiscal risks and to improve its reporting and disclosure of SOE fiscal risks. For *Azerbaijan*, CCAMTAC is planning to support the Ministry of Finance in developing the management of fiscal risks and disclosing fiscal risks as part of its MTBF document, focusing initially on those fiscal risks that are most significant for the fiscal position, in particular SOE fiscal risks. For *Georgia*, CCAMTAC is planning to support the Ministry of Finance to complete the preparation of the enhancements to the FRS 2022 and in managing the implementation of the SOE reform strategy. For *Kazakhstan*, CCAMTAC is planning to support the Ministry of National Economy to complete the preparation of its first FRS, on macroeconomic fiscal risks, and LTFS, and to prepare major expansions in the second FRS, on quasi-government sector and financial sector fiscal risks.

For *Tajikistan*, CCAMTAC is planning to support the Ministry of Finance in the implementation of the second SOE Fiscal Risks Management Strategy as well as to conduct training in the assessment of SEO fiscal risks.

Fiscal Transparency. For *Georgia*, CCAMTAC is planning to contribute to an FAD-led update of the Fiscal Transparency Evaluation (FTE), which was conducted in 2016 and has been playing a central ongoing role in stimulating and focusing further reform across all aspects of the PFM system.

Public Investment Management. For *Georgia*, CCAMTAC is planning to contribute to an IMF HQ led update of the PIMA, which was conducted in 2016 and continues to be an important foundation for focusing on reforms to improve the efficiency of public investment in Georgia. The PIMA update will include the new Climate-PIMA Module. CCAMTAC will also follow up the PIMA update to support the authorities to update their PIM Guidelines.

Regional Workshops. To prepare for and complement bilateral capacity development, CCAMTAC plans to organize one regional workshop, in conjunction with SECO, on Govtech. on fiscal reporting. This workshop will present strategies and tools to strengthen this fundamental aspect of PFM systems.

REVENUE ADMINISTRATION



Tiina Tamm

Advisor (FY 2021-22)
Revenue Administration

The objective of the workstream is to support the revenue mobilization through the introduction of improved management and governance arrangements, and improved core functions of tax administration. With mounting pressures on the expenditure side and a reduction in fiscal space, sustaining and increasing revenue has become more important during the pandemic.



Greg Topping

Advisor (FY 2023-onwards)
Revenue Administration

TA focused on compliance risk management combined with the modernization of revenue administration practices. Bilateral TA covered 4 countries and regional CD included 4 regional workshops.

In **Armenia**, the TA supported the State Revenue Committee through an innovative “virtual help desk” approach. The assignment assisted on the ongoing development of the CRM strategy and provided advice on aspects of CRM governance and the implementation of SRC’s roadmap plan.

In **Georgia**, an “on-demand” capacity development expert was assisting the Revenue Service of Georgia in implementing earlier advice from a multi-year Revenue Mobilization Thematic Fund’s project and supporting further reform efforts as

articulated under the current project, with funding from the European Commission’s Directorate-General for Neighborhood and Enlargement Negotiations and CCAMTAC. The assistance focused on topics of large taxpayer management (including the use of Key Performance Indicators (KPI)), management of tax arrears, and the optimization of the value-added tax (VAT) refunds process. Another expert assisted the authorities in reviewing the risk rules, introducing systematic monitoring and evaluation of the effectiveness of risk criteria, and improving the current risk detection model.

In **Tajikistan**, on the request of the Ministry of Finance, a short-term expert reviewed the draft Tax Code (TC) and provided written comments on tax administration aspects.

In **Uzbekistan**, a short-term expert assisted the State Tax Committee in continuing the reform of the tax administration organizational structure, with a focus on the development and organization of the local tax office network. The expert also initiated discussions on the move to the establishment of a single legal tax administration entity.

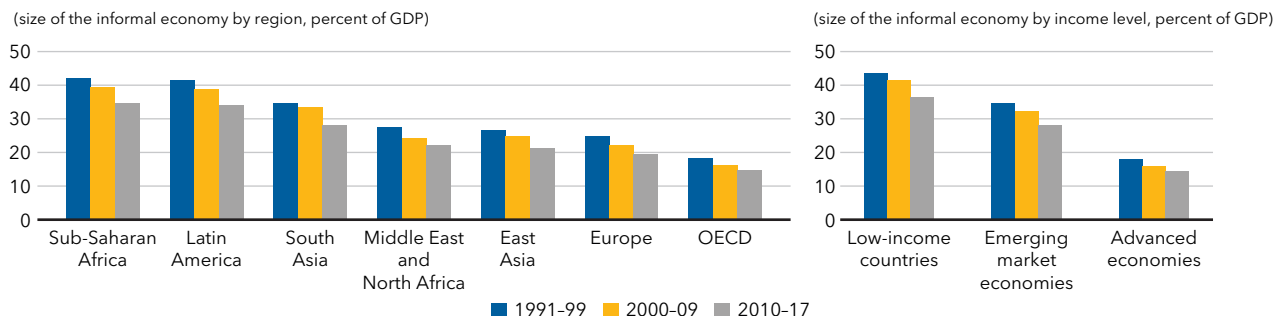
FIGURE 4. INFORMAL ECONOMY

What size is the Informal Economy?

- Very difficult to measure – as many activities are difficult to detect
- A variety of calculations were provided in the workshop and suggested the levels of activity are major in each country.
- It is estimated globally it accounts for about 1/3 of low-middle income countries and 15% in advanced economies (from a 2020 report)
- Estimated 2 billion workers globally spend part of their time in this economy

The hidden third

The informal sector, while shrinking, still represents up to a third of low- and middle-income countries' economic activity.



Source: Medina, L. and F. Schneider. Forthcoming. International Monetary Fund, Washington, DC.

Note: OECD = Organisation for Economic Co-operation and Development.

Source: CCAMTAC

A Regional Workshop on the Informal Economy was devoted to tax administration measures to combat the informal economy. The objective of the four-day workshop was to improve the understanding of principles and techniques of compliance risk management, explore the characteristics of the informal economy in the region and share experiences and challenges that the revenue administrations face with reducing the share of the informal economy. Regional level peer-to-peer contacts were encouraged.

The Regional Workshop series "Tax Administration of 21st Century" consisted of three parts. Part I – "Digital Transformation of Revenue Administrations" focused on digitalization, how this might be sequenced and advanced and its implications on tax administration in general. Part II – "Modern Approaches to Tax Audit" focused on the implications of digitalization on traditional 'hands-on' audit techniques specifically in relation to micro, small and medium businesses. Part III – "Managing the Relationship with Large Taxpayers" explored the opportunities and challenges in more actively engaging and managing the large taxpayers. The overall objective of the three 2-days workshops was to inspire the revenue administrations of CCAM countries in shaping the future of their administration in the era of digitalization.

WORK PROGRAM FOR FY 2023

In FY23, based on the preliminary requests by the revenue administration, the planned bilateral technical assistance provided by CCAMTAC will cover Georgia, Kazakhstan, Kyrgyz Republic, Mongolia, and Turkmenistan totaling 14 CD activities. A large part of the TA is planned as in-person visits. In addition, four events are planned to support regional CD and peer networking. As in FY22, much bilateral technical assistance to Armenia, Georgia, Mongolia, and Uzbekistan continues to be delivered through IMF FAD-led projects.

MONETARY AND FOREIGN EXCHANGE OPERATIONS



Altnai Aidarova

Advisor

Monetary and Foreign Exchange
Market Operations

The objective of this workstream is to support the modernization of the monetary policy frameworks and operations of member countries. The focus of the TA is to strengthen the capacity of the central bank to implement monetary policy effectively in the context of the given monetary policy regime. Bilateral TA activities covered two countries. Regional activities focused on common themes that were identified during the stocktaking, including the high level of dollarization and various aspects of monetary operations.

Central Bank Policy and Operations.

Prior to the arrival of the Resident Advisor, the work started with some stocktaking activities in five countries *Azerbaijan, Kazakhstan, Kyrgyz Republic, Mongolia, and Turkmenistan*. The missions were led by IMF HQ and a short-term expert. Virtual TA missions reviewed central bank policy and operations, implementation of past TA recommendations on monetary and foreign exchange (FX) operations and assessed CD needs to inform the work plan of the CCAMTAC resident advisor on central banking.

Operational Framework. A holistic TA to the **Kyrgyz Republic** followed up on the September-October 2020

mission. It assessed the progress related to liquidity management, monetary operations, and instruments, strengthening transmission, inflation modeling and forecasting, and yield curve/debt issuance. The experts also reviewed the calibration of the quarterly projection model (QPM), as well as tools and procedures used to forecast autonomous factors and focused on enhancing the National Bank's liquidity management through improved information exchange with the Ministry of Finance of the Kyrgyz Republic to facilitate cash flow projections for government transactions and commitments to implement a comprehensive strategy.

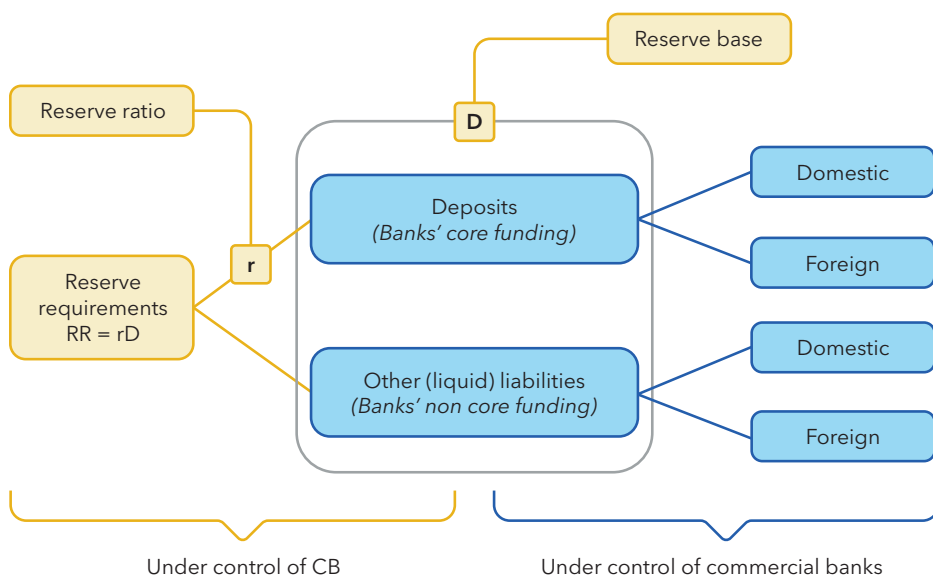
Strengthening Monetary Policy

Transmission. The Central Bank of *Uzbekistan* has set the objective of adopting inflation targeting in the medium term. To assist with this goal, the virtual mission evaluated and advised the CBU on improving the operational framework of monetary policy to support the authorities in strengthening monetary policy transmission. The IMF staff assessed CBU's monetary policy operations and determined the factors that prevent an effective transmission of changes to the key policy rate and other instruments to lending and deposit rates

impacting inflation and developed a set of recommendations to address those impediments.

Regional Workshops. With a strong interest in peer learning, a series of workshops were organized, starting with a workshop on dollarization. The first workshop aimed to exchange views with officials from the region and to assist country authorities in enhancing monetary and FX operations. The workshop covered broad principles of dollarization, managing associated risks, and measures to contain them. Several sessions were devoted to sharing country experiences and challenges on de-dollarization measures and peer discussions. Subsequent workshops focused on assisting central banks in enhancing monetary policy implementation and exchanging experiences among peers. The workshops focused on topics of interest for all central banks and each one included peer-learning sessions. The first 3-day workshop conducted in February focused on the foundation of monetary policy instruments and frameworks. The theme of the second workshop was “Central bank liquidity management and forecasting”. As the topic is of high importance, it was followed by another workshop, where IMF colleagues presented a new liquidity forecasting framework, which allows for building liquidity forecasting models and reports. In March 2022

FIGURE 5. BASIC FEATURES OF RESERVE REQUIREMENTS



Source: CCAMTAC

CCAMTAC held a workshop on “Monetary Operations and Collateral Framework” for central banks.

WORK PROGRAM FOR FY2023

The work program for FY2023 encompasses bilateral and regional engagements. The overall activity in FY2023 aims at enhancing the effectiveness of monetary policy implementation in the region.

The preliminary FY2023 bilateral workplan includes 6 country projects on monetary operations and instruments, liquidity management, and forecasting.

CCAMTAC will continue conducting regional workshops to foster peer engagements with authorities. In FY2023 the workplan preliminarily includes 6 regional activities to familiarize officials with the main concepts of monetary and FX operations and deepen analytical capacity at central banks to support the monetary policy implementation. Workshops cover issues on FX policy and intervention rules, money market development, repurchase agreements (repo), and refinancing instruments. Each engagement includes a peer-learning session.



FINANCIAL REGULATION AND SUPERVISION



Serdar Guner
Advisor
Financial Regulation
and Supervision

The objective of the workstream continues to be the development and strengthening of banking regulation and prudential norms in member countries. The focus of the workstream has been on strengthening financial supervision, related to risk management and risk-based supervision. CCAMTAC bilateral CD activities covered three out of the nine countries at the onset of operations. The first regional activity was devoted to corporate governance issues.

Risk Management. CCAMTAC reviewed the Central Bank of **Azerbaijan's** draft risk management guidelines, including Market, Operational and Liquidity Risk Management Guidelines, and provided recommendations to align them with international standards and principles, including requirements of Pillar 1 and 2 of the Basel II/III frameworks.

Risk-based supervision. In **Kazakhstan**, TA supported the Agency for Regulation and Development of the Financial Market to implement risk-based supervision. Three missions have been undertaken since September 2020. The purpose of this activity was to provide recommendations and targeted training on the implementation of Pillar 2 liquidity requirements. The team assisted the

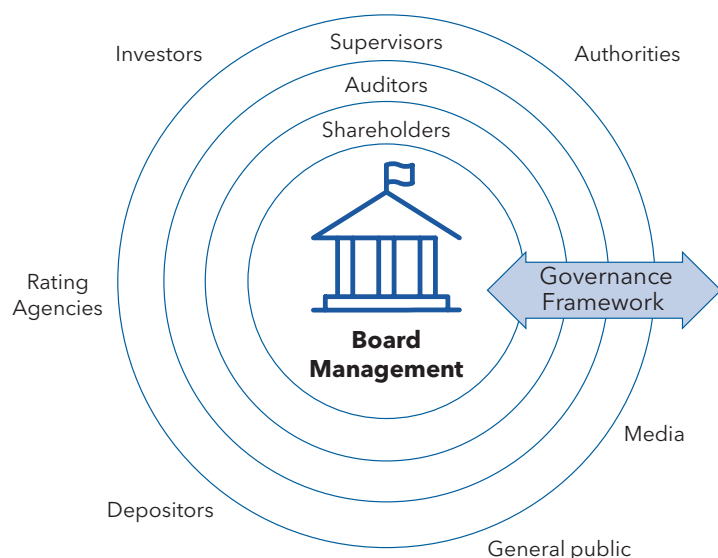
Agency with the development of the internal supervisory methodology for the assessment of a bank's Internal Liquidity Adequacy Assessment Process (ILAAP) and provided guidance on survival horizon indicators.

IFRS9 Scoping. The National Bank of **Georgia** (NBG), the main financial supervisor responsible for the supervision of commercial banks, as well as other financial services providers and intermediaries in Georgia, is in the process of transitioning its regulatory reporting to the International Financial Reporting Standards (IFRS). A scoping mission was conducted to assess the specific needs in relation to this transition, including (i) data availability, (ii) current supervisory approach towards the assessment of the asset classification and provisioning, (iii) potential role of the IFRS 9 risk parameters and outputs in stress testing/assessment of Pillar 2 capital, and (iv) divergences in IFRS9 ECL models across the banking sector.

Large Exposures and Concentrations workshop focused on **Georgia's** experience with the implementation of the relevant regulations in January 2022. The primary areas covered included the review of the existing large exposures regulations, a general

FIGURE 6. CORPORATE GOVERNANCE

Why Corporate Governance is Important Topic Today?



Consequences of poor governance

- Unidentified and unchecked risks
- Weak performance
- Fraud
- Corruption
- Money laundering
- Ratings downgrades
- Bank failure
- More work for supervisors

Good governance is essential for a healthy and resilient banking sector

Source: CCAMTAC

overview of the treatment of large exposures, including dealing with excess exposures and based on live examples and other case studies, discussed the treatment of exposures under the large exposures’ framework and management of concentrations across the regulated entities.

Regional Webinar. The first regional online seminar focused on **corporate governance**, with the goal of establishing a platform to exchange views and discuss recent developments and the impact of Covid-19 on corporate governance. Experts discussed the current state of governance and the impact of COVID on banks’ governance arrangements. The workshop (i) raised awareness about the recent developments in corporate governance practices for banks and discussed the need for

enhancements to current frameworks and capacity development; and (ii) discussed the impact of COVID-19 on corporate governance and risk management practices. The participants also exchanged views and discussed approaches that can be used as a proxy for dealing with corporate governance and COVID impact in the region.

WORK PROGRAM FOR FY 2023

The work program for FY 2023 is driven by demands and support requests received from member countries and focuses on the development of regulatory and operational frameworks for the effective and efficient delivery of banking supervision. The focus, in varying weights, will be on several countries including **Georgia, Kazakhstan, Mongolia, and**

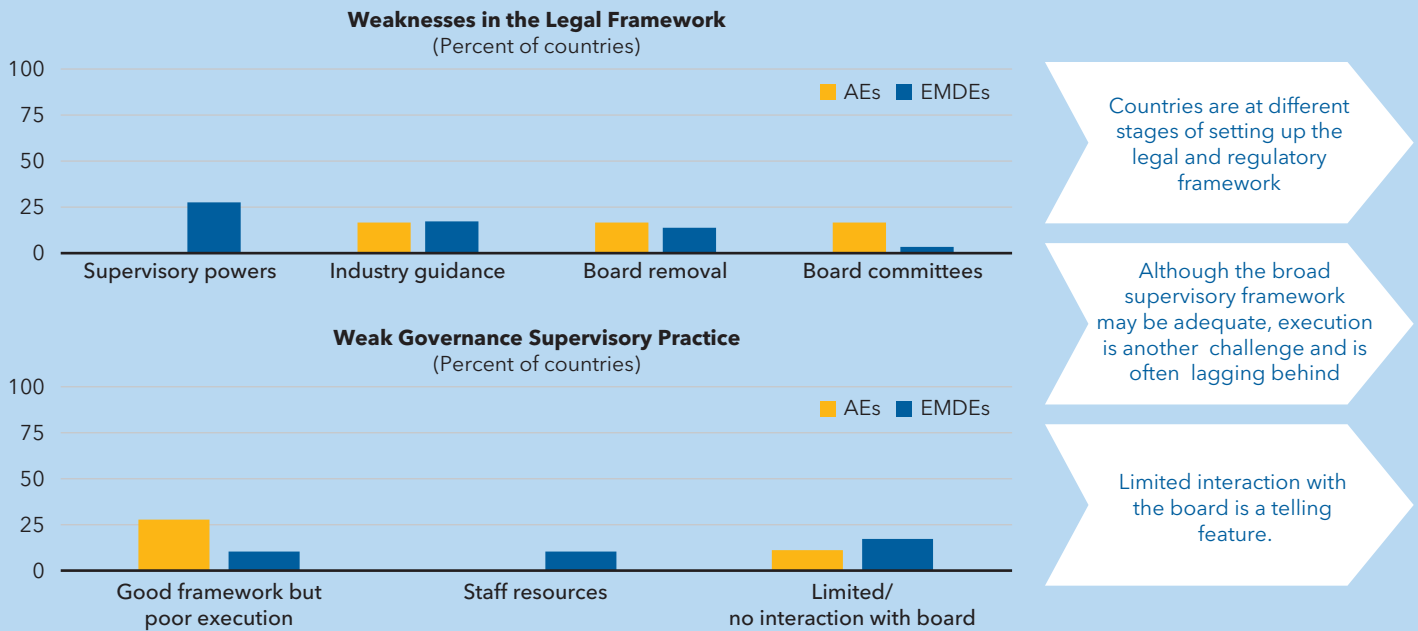
Turkmenistan. CCAMTAC expects to have several long-tenor missions for **Mongolia**, and possibly for **Turkmenistan** covering risk-based supervision. Other ad-hoc missions, including follow-up TA missions, and one-off requests are scheduled for execution during FY 2023.

Specific to ongoing discussions and reviews, it should be noted that future missions in banking regulation and supervision may materialize based on (i) the outcome of the ongoing **Tajikistan** FSSR, (ii) the outcome of a possible multi-topic mission which will include a scoping element for banking regulation and supervision, and (iii) the outcome of the discussions covering possible engagements in banking regulation and supervision for Kyrgyzstan.

BOX 2. CORPORATE GOVERNANCE

The first regional webinar focused on the corporate governance by banks and the impact of Covid-19 on overall governance frameworks.

Supervising Governance



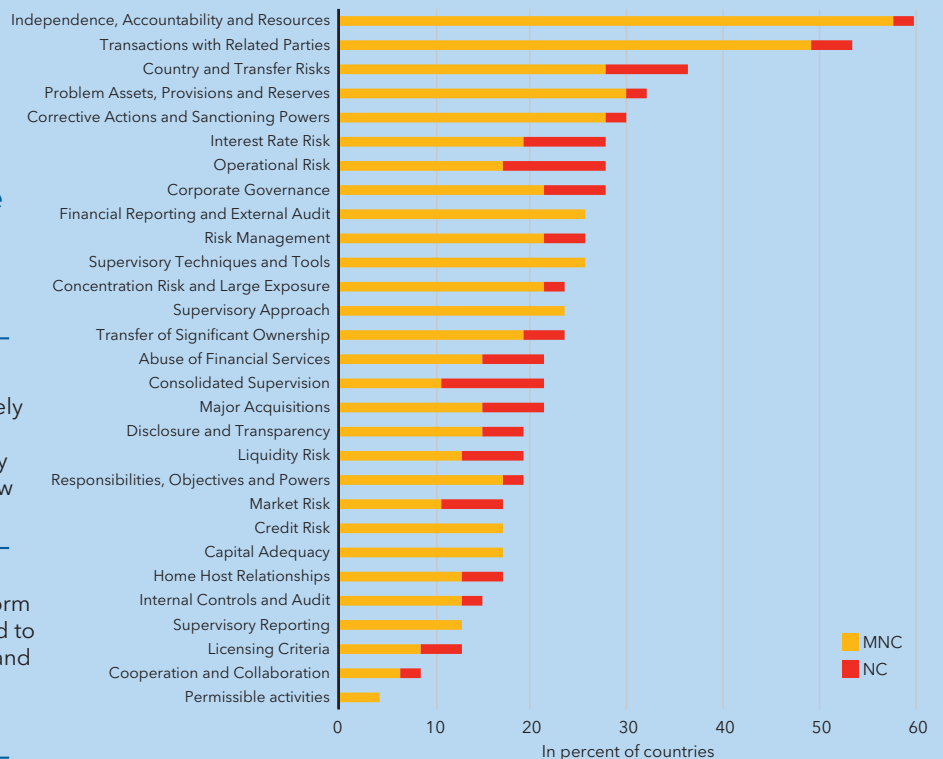
The Webinar focused on recent developments in governance including a discussion on upcoming changes in international standards and overall compliance with the Basel Committee on Banking Supervision (BCBS) Corporate governance principles for banks, which was issued in 2015.

Limitations in Compliance

High-Level View of the Results of the BCP Assessments

Principles linked with capital and liquidity standards show a relatively high level of compliance. This suggests a strong commitment by jurisdictions to implement the new regulatory framework.

Other areas of the regulatory reform agenda, such as principles related to effective corporate governance, and risk management show a lower degree of compliance.



GOVERNMENT FINANCE AND PUBLIC SECTOR DEBT STATISTICS



Ivana Jablonska

Advisor

Government Finance Statistics
and Public Sector Debt Statistics

The objective of this workstream is to enhance fiscal transparency by strengthening macroeconomic and financial statistics compilation for decision making. The Government Finance Statistics (GFS) and Public Sector Debt Statistics (PSDS) work program started with improving GFS and PSDS in CCAM countries as a foundation for analyzing, designing, and implementing sound fiscal policy. CCAMTAC has assisted its members in their efforts to compile and disseminate internationally comparable GFS data as well as in their efforts to increase the quality of PSDS. The work of CCAMTAC benefited from synergies with CD activities financed

under the Data for Decisions (D4D) Fund (to Georgia, the Kyrgyz Republic, Tajikistan, and Uzbekistan) and by the Government of Japan (to Mongolia). CCAMTAC bilateral CD activities covered eight of the nine countries (all, except Turkmenistan).

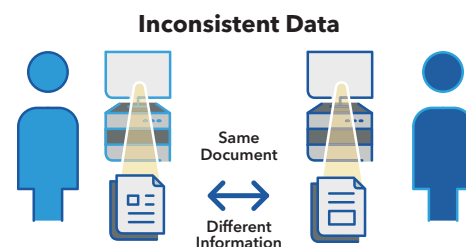
Bilateral TA: In *Armenia, Azerbaijan, Kazakhstan, the Kyrgyz Republic, Mongolia, and Tajikistan*, CCAMTAC supported the authorities to further improve fiscal and debt statistics for surveillance and dissemination by assisting them with the preparation of the annual 2020 GFS dataset for transmission to the IMF Statistics Department. The CCAMTAC experts

FIGURE 7. CONSISTENCY IN GOVERNMENT FINANCE STATISTICS

Consistency of macroeconomic statistics

Except for a few differences, GFS and other statistical systems (SNA, BOP, MFS) are consistent in respect of

- Residency
- Institutional units and sector
- Valuation
- Time of recording
- Definitions of assets and liabilities
- Accounting rules
- Use of a stocks and flows approach



Data inconsistencies among related macroeconomic datasets exist for most countries, regardless of their size and level of development. These inconsistencies occur due to various reasons, including methodological differences and vintages.

Source: CCAMTAC

also discussed with the country authorities their medium-term work plans on GFS and PSDS. The missions to **Georgia** and **Uzbekistan** covered more specific topics (see below).

Discussions during bilateral TA missions also focused on the following country-specific issues:

Improving GFS compilation practices.

The mission suggested to **Armenian** compilers to use, instead of the summary reports, existing more detailed source data, allowing for a better quality of GFS expenditure compilation. In **Azerbaijan**, the expert helped identify and advised on several methodological challenges, resulting in a better quality of the compiled GFS data. The **Kyrgyz Republic** GFS compilers benefited from the CCAMTAC mission's support in the reconciliation of the reporting for Social Security Funds with the State budget GFS figures. **Kazakhstan**, with the support of the mission, expanded the GFS coverage by including two extrabudgetary funds: Problem Loans Fund and Victim Compensation Fund. In **Mongolia**, the expert assisted the authorities in preparing *Government Finance Statistics Manual 2014* (GFSM 2014) based on fiscal data for consolidated general government,

including financial stocks and flows also for the fiscal year 2019 and expanded the historical time series. In **Tajikistan**, the mission works also consisted of improving alignment between the national budgetary framework and the GFSM 2014 standards.

Implementation of international standards to PSDS compilation.

In **Uzbekistan**, CCAMTAC provided tailored hands-on technical methodological training and TA to staff from the Domestic and External Public Debt Department (DEPDD) of the Ministry of Finance. The mission team helped to identify differences between PSDS, based on the national definitions and those in the PSDS Guide, and assisted in developing plans to compile debt data in line with international statistical standards.

Sectorization and expanding GFS and PSDS coverage to non-market State-owned Enterprises (SOEs).

The mission to **Armenia** reviewed the sectorization of units conducted by the MoF and advised on the best approach to sector classification for public sector non-profit organizations, notably foundations. The mission also confirmed the sector classification of selected public financial corporations. In **Georgia**, the mission followed up

on previous work with respect to the compilation of GFS for the non-market SOEs. The discussions with the authorities focused on the appropriate institutional arrangements necessary for obtaining sound source data for GFS compilation for those SOEs, which will be consolidated with general government data.

Regional Workshops: Two virtual regional workshops were held in FY2022, attended by participants from the ministries of finance, central banks, and national statistical offices of all nine countries. A kick-off workshop in September 2021 took stock of data compilation and reporting status in CCAM countries. It also identified data gaps and challenges and agreed on the main objectives of the CCAMTAC GFS and PSDS workstream as well as on TA activities for FY2022. STA staff illustrated the success of a similar project in the region of Western Balkan countries. Presenters from MCD and FAD delivered lectures on the synergies between FAD and MCD work and the fiscal statistics compilation.

A follow-up workshop, organized in February 2022, centered on the sectorization of entities in the general government and public sector in line with the GFSM 2014. The workshop

BOX 3. COMBINING TRAINING AND PEER LEARNING IN PSDS COMPILATION

The virtual combined TA and training mission to **Uzbekistan** took place between October 25–November 5, 2021. The training part of the mission provided a methodological background for the PSDS compilation, focusing on the issues specific to the Uzbek environment. The second part of the mission supported applying theoretical knowledge to the actual debt figures. The experts assisted the authorities in the compilation of the experimental PSDS in line with international standards. The Uzbek authorities

expressed their wish to explore an experience of a country dealing with similar problems when implementing international PSDS standards. CCAMTAC identified Macedonian compilers as suitable candidates for such peer learning. The representatives from the Ministry of Finance of North Macedonia delivered an outstanding presentation on the process of moving from a compilation of the public sector debt data in a purely national presentation to the presentation requested by internationally recognized

methodologies. The demonstration covered the experience related to the legal and administrative environment, methodologically as well as staff capacity issues. The presenters openly discussed the challenges they needed to overcome during the whole transition process. The presentation and the follow-up discussion were very much appreciated by the Uzbek authorities. CCAMTAC foresees to continue to apply similar elements of peer learning in its future work with countries.

provided methodological background and dealt with some specific cases of entities' sectorization. Workshop participants analyzed several real examples of the sectorization of units in other countries. Two CCAM countries shared their experience on the sectorization process from the point of view of fiscal risks (Georgia) and national accounts (Kazakhstan). The GFS resident advisor in AFRITAC East (AFE) shared his experience with sectorization in the countries of the AFE region.

WORK PROGRAM FOR FY 2023

The work program for FY2023 foresees ten bilateral and three regional activities. The bilateral activities will continue building on each country's individual needs in the compilation of GFS and/or PSDS, as indicated in the table below. Based on demand from the countries, a peer learning element will be included in the TA missions. The regional activities will comprise the **regional workshops/seminars** and **regional notes**. The workshops will focus on providing theoretical

background as well as on the exchange of experience on specific GFS and PSDS topics. The regional note will offer insights into specific GFS/PSDS issues.

All CD activities will be conducted in synergies with activities funded by other development programs. To ensure continuation CCAMTAC will engage, to the extent possible, the same experts who worked with countries in the FY2022. It is expected that many of the planned activities will be conducted in person.



REAL SECTOR STATISTICS



Levan Gogoberishvili

Advisor

Real Sector Statistics

The objective of this workstream is to strengthen the compilation and dissemination of data on national accounts and price statistics for decision making according to the internationally accepted statistical standards.

CCAM countries made progress in updating and implementing methodological concepts and standards pertaining to national accounts and price statistics. Demand focused on CD for improving annual and quarterly national accounts, PPI, XMPI, RPPI, and developing scanner data for CPI. Bilateral CD activities covered eight of the nine CCAM countries. Out of 41 milestones, 12 were fully or largely achieved by end of FY2022. The remaining milestones are expected to be complete by end of FY2023.

Key progress in national accounts statistics by statistical agencies during the period include:

- **Armenia:** Dissemination of the 2019 Financial Accounts.
- **Azerbaijan:** Preparation of quarterly GDP by expenditure at constant prices.

- **Georgia:** Improvement of chain-linked time series of quarterly GDP.
- **Kazakhstan, Kyrgyz Republic, and Uzbekistan:** Development of discrete time series of quarterly GDP.
- **Turkmenistan:** Improved dissemination of national accounts data.

Key progress in price statistics by statistical agencies during the period include:

- **Azerbaijan:** Development of the hybrid approach for compiling XMPI.
- **Georgia:** Modernization of the CPI by using scanner data; development of PPI for tourism.
- **Kazakhstan:** Modernization of the CPI by using scanner data.
- **Turkmenistan:** Development of the CPI methodology.
- **Tajikistan:** Development of source data for compiling the RPPI.
- **Uzbekistan:** Development of the hybrid approach for compiling XMPI; expanding the PPI to include agriculture and construction; development of source data for compiling the RPPI.

BOX 4. UZBEKISTAN - DISSEMINATION OF DISCRETE QUARTERLY GDP IN ACCORDANCE WITH THE SDDS REQUIREMENTS

CCAMTAC assisted the State Committee on Statistics of the Republic of Uzbekistan (SCS) with the development of discrete time series of quarterly GDP in accordance with the Special Data Dissemination Standard

(SDDS) requirements. Three remote TA missions were conducted during FY2022 that resulted in a publication of discrete time series of quarterly GDP on the SCS website. The discrete time series were compiled

by following best international practices. The SCS plans to continue the compilation and dissemination of discrete time series on a regular quarterly basis.

FIGURE 8. TIME SERIES IN ECONOMIC STATISTICS AND QNA (FEBRUARY 21-25, 2022)



Regional workshops: The April 2021 workshop covering the impact of COVID-19 on the compilation of national accounts launched CCAMTAC's CD program in real sector statistics and discussed country-specific baselines and TA needs to develop targeted national accounts and price statistics work plans for the short- and medium-term. The second workshop (February 2022) discussed the main challenges in the compilation of quarterly GDP. The regional workshop hosted national compilers from all nine countries of the region. To the extent possible, participants were encouraged to implement the recommended practices to (i) transition from

cumulative to discrete sub-annual source data; (ii) chain-link quarterly time series benchmarked to annual data; and (iii) compile quarterly household consumption at constant prices. Following discussions with participants, the preliminary plan of CCAMTAC TA activities was prepared for the next fiscal year.

WORK PROGRAM FOR FY 2023

In coordination with the IMF's Statistics Department, CCAMTAC will continue to promote data methods and dissemination improvements in line with international standards. The center will support ongoing initiatives aimed at updating methodologies and

implementing advanced standards. The workstream plans to deliver some 20 missions (both in-person and virtual) and one regional workshop. In FY2023 the focus will continue to be on improving source data, methodological soundness, accuracy, reliability, serviceability, accessibility, and timeliness of statistics across member countries in accordance with progress, the absorption capacity of statistical agencies, and CD priorities agreed between statistical agencies and CCAMTAC.

Regional activities planned for FY2023 will include a seminar on the compilation of high-frequency indicators.

OTHER REGIONAL ACTIVITIES

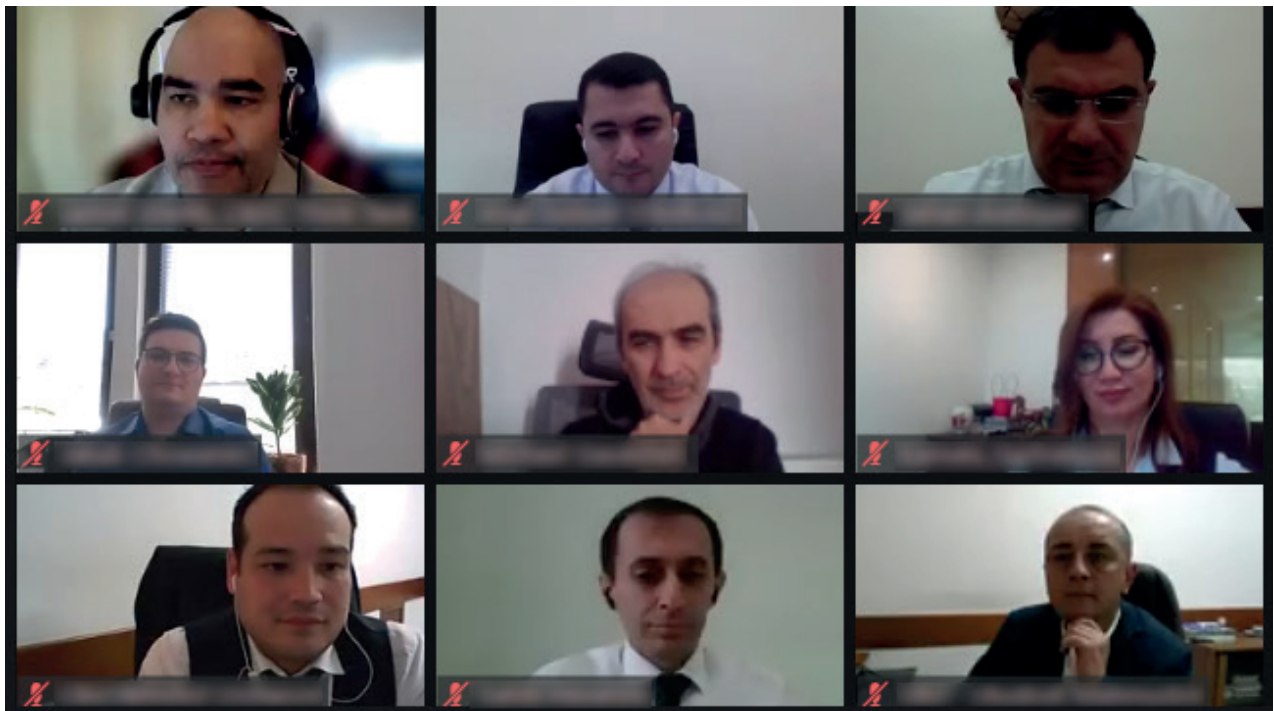
In addition to the bilateral and regional CD activities in the seven workstreams, CCAMTAC has been successfully offering a regional workshop on tax policy, many regional webinars and research seminars in cooperation with IMF departments, member countries, and partners.

These events helped cover emerging topics and areas of interest not directly covered by CCAMTAC's advisors while reaching out to a larger audience and encouraging peer exchanges. To promote peer exchanges, country officials from member and non-member

countries participated and shared their experiences.

A regional workshop on tax policy provided a high-level training on tax policy design, bringing participants up to speed on key current tax policy issues, especially

FIGURE 9. CENTRAL BANK DIGITAL CURRENCIES WEBINAR (MARCH 10, 2022)



from a regional perspective. It was the first workshop offered by CCAMTAC that exclusively focused on tax policy and design issues. The general umbrella was how CD in tax policy can assist in guiding the tax reform process.

Regional webinars were mainly designed to address priority or emerging topics in macroeconomic and financial areas, serving as an important addition to CCAMTAC's core workstreams. Since its inception, the center has been inviting IMF departments and global partners to share their expertise and assessment of (i) COVID-19-related issues and policies, (ii) post-pandemic labor market and corporate sector trends in the region, (iii) climate change-related challenges, (iv) development of digital currencies, and (v) building blocks of inclusive growth.

To provide a more comprehensive perspective on selected issues and reinforce key messages, CCAMTAC also organized webinars in cooperation with development partners, namely the Asian Development Bank (ADB), CAREC Institute, the European Bank for Reconstruction and Development (EBRD), the World Bank, and IMF HQ. While the number of evaluations in the virtual world is low, feedback was generally positive, including that the knowledge and skills learned during the webinar were useful for the job and future development.

In parallel, CCAMTAC initiated research seminars that foster peer-to-peer exchange and learning by providing a platform for officials from the region to present their research and analytical work that could be relevant and encouraging for all member countries' economic experts. These events are

intended to seek feedback from IMF, regional experts or other researchers, and for participants, who can discover new or revised research techniques, and insightful economic policy findings.

In the FY2023 CCAMTAC plans to continue organizing webinars on similar and new topics, which will keep institutions up to date on global innovations and risks and can address Steering Committee, i.e. member countries', specific requests. To further promote outreach, it is suggested to selectively open these seminars to regional research institutes and universities.

CCAMTAC also plans to organize a few multi-day workshops on topics not covered by the seven workstreams. These will include workshops on digital currencies, external statistics, and tax policy.

TABLE 3. REGIONAL WEBINARS - FEBRUARY 2021 - APRIL 2022

	Title	Date	Country interventions	Number of participants 1/	Share of female participants 2/
1	Cybersecurity of Remote Work During the COVID-19 Pandemic	4 Feb 21	KGZ/ARM/KAZ	n/a	n/a
2	Debt Management Responses to the COVID-19 Pandemic	16 Feb 21	GEO/MNG	n/a	n/a
3	The COVID Shock and Remittances in the Caucasus and Central Asia	4 Mar 21		n/a	n/a
4	Ask CCAMTAC	30 Mar 21		n/a	n/a
5	Unwinding COVID-19 Policy Interventions for Banking Systems	6 May 21	MNG/KAZ	43	54%
6	Macroeconomic Frameworks and Financial Programming 2.0 (FPP2.0)	19 May 21	UZB	82	43%
7	IMF Online Learning: Shaping the Future of Capacity Development	26 Aug 21	GEO	85	50%
8	IMF's Engagement on Climate Issues	16 Nov 21	GEO	70	49%
9	Debt Investment Growth and Natural Resources Model (DIGNAR)	23 Nov 21		75	48%
10	MECA Regional Economic Outlook: Analytical Chapter Outreach	9 Dec 21		70	45%
11	State-Owned Enterprises (with EBRD, WB)	2 Feb 22	AZE/GEO/UZB	235	42%
12	Green Public Financial Management	10 Feb 22	CHE	85	54%
13	Climate Change and Fiscal Policies	17 Feb 22	TJK	69	48%
14	Regional Integration (with ADB, CAREC Institute)	24 Feb 22		93	41%
15	Central Bank Digital Currencies	10 Mar 22	KAZ	110	47%
16	Inclusive Growth	14 Apr 22		71	47%

1/ Based on Zoom statistics

2/ Based on number of registered participants

TABLE 4. RESEARCH SEMINARS - FEBRUARY 2021 - APRIL 2022

	Title	Date	Main presentation	Number of participants 1/	Share of female participants 2/
1	Currency Depreciations and Savings Behavior: Evidence from Household Deposits in Armenia	22-Jul-21	ARM	50	42%
2	Consumer Credit Risk Analysis via Machine Learning Algorithms	28-Sep-21	KAZ	52	26%
3	Sterilized interventions may be not so sterilized	5-Oct-21	GEO	55	41%
4	Armenia's Ararat Fiscal Strategy Model and COVID-19 scenario	4-Nov-21	ARM	62	37%
5	Financial DSGE Model for Azerbaijan Economy, Estimation, Forecasting, and Welfare Analyses	31-Mar-22	AZE	69	41%
6	Financial Development and Growth in the Caucasus and Central Asia	14-Apr-22	IMF	48	39%

1/ Based on Zoom statistics

2/ Based on number of registered participants

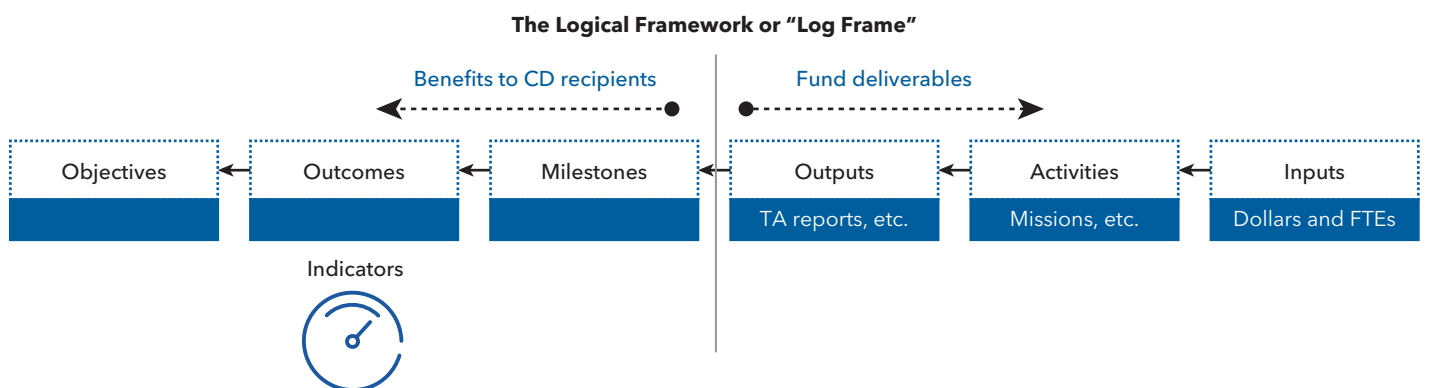
CAPACITY DEVELOPMENT AND RESULTS-BASED MANAGEMENT

The overall objective of CCAMTAC during Phase I is to help member countries build strong institutions and capacity to implement sound policies, consistent with their priorities, supporting inclusive, sustainable growth, and reducing vulnerabilities in its member countries. Supporting core development goals, CCAMTAC aims at providing increased Fund TA resources, engagement, traction, and peer-to-peer learning. CCAMTAC also works to ensure that CD activities are well integrated with IMF surveillance and lending operations, with a focus on the center's seven workstreams.

The IMF has put in place a Results-Based Management (RBM) system that supports staff and country authorities to plan, monitor, adapt and evaluate CD. RBM makes use of logical frameworks (*logframes*) which comprises a series of steps causally linking the resources (inputs) of a project to outputs and finally medium- and long-term results reflected in outcomes and objectives (see chart). While objectives are high-level goals that the authorities are trying to achieve in the medium term, outcomes refer to concrete, short- or medium-term results achieved when authorities act on CD recommendations.

The achievement of outcomes is assessed based on standard indicators and milestones. Milestones are time-bound steps toward achieving an outcome and represent significant progress markers. Appendix Table A3 summarizes the main objectives and planned outcomes for the ongoing projects at CCAMTAC.

FIGURE 10. THE LOGICAL FRAMEWORK OR "LOG FRAME"



SECTION III

BUDGET AND
FINANCING

BUDGET AND FINANCING

Expenditure during FY2022 stood at US\$4.1 million compared with a full-year budget of US\$9.2 million (excluding the IMF contribution). The lower expenditure reflects a few factors: the setting-up of the physical office has been delayed because of the pandemic; some Resident Advisors joined a few months after the start of the fiscal year; all CD activities were virtual, leading to savings in travel, and there were also no participant costs. For CD, total cash expenditure until the end-April stood at about 45 percent of the full-year budget.

The budget for FY2023 amounts to about US\$10 million, including delayed start-up costs (excluding IMF expenses) (Appendix Table A4). Depending on the uptake of CD activities and any emerging new priorities, last year's underspent could be (partially) used

and reallocated later in the year for the FY2023 budget, including to cover travel, translation, and interpretation costs.

Fundraising is progressing. At end April, the level of signed agreements to the CCAMTAC stood at just over US\$40.6 million (excluding the US\$3.3 million IMF contribution) against the CCAMTAC's program target budget of US\$45 million (including IMF contribution) for the first five-year phase (2021-26). The United States signed its agreement in June (Appendix Table A5). With US\$27.4 million, the cash flow situation is favorable for this early stage of the center. The host country Kazakhstan and three additional member countries have already contributed to the center. Discussions are also ongoing with the European Union and other member countries.

SECTION IV

OTHER ISSUES



TRAVEL AND CAPACITY DEVELOPMENT DELIVERY MODE

While all missions during the start-up phase were virtual, travel has started to resume selectively and in the future CCAMTAC plans to have virtual, in-person, and hybrid missions. Each type of delivery mode has

its advantages and disadvantages, which are selectively summarized in table 5. As a result, several criteria will influence the choice of the modality of the delivery, including pandemic-related health considerations, the

type of mission (e.g., scoping, major milestones, or follow-up), the preference of the authorities, and resource considerations. Several authorities in the CCAM region expressed a strong interest in-person CD activities.

TABLE 5. COMPARISON OF IN-PERSON, VIRTUAL, AND HYBRID CAPACITY DEVELOPMENT DELIVERY

	In-person	Virtual	Hybrid
Advantages	<ul style="list-style-type: none"> • Personal interaction facilitates understanding of context and tends to promote deeper discussions and trust • Better support of implementation • Typically, more intense (6-8 hours a day) 	<ul style="list-style-type: none"> • Easier to reach a large group of officials • Cost-effective delivery in the case of focused needs • Less environmental footprint 	<ul style="list-style-type: none"> • Ability to bring in experts in a targeted manner • Some reduction in costs and environmental footprint
Challenges	<ul style="list-style-type: none"> • A more limited number of experts who can contribute to delivery • Depending on need, may not always be cost-effective • Larger environmental footprint 	<ul style="list-style-type: none"> • Typically limited to 2-4 hours a day • Officials may be more easily interrupted by other work commitments 	<ul style="list-style-type: none"> • Logistically more difficult to organize • Time difference with overseas experts
Examples	<ul style="list-style-type: none"> • Scoping missions • Strategically or- operationally important follow-up activities • Missions to advance critical achievements 	<ul style="list-style-type: none"> • Background interactions and check-ins • Follow-up missions • Webinars 	<ul style="list-style-type: none"> • CD where experts are called in selectively • Regional seminars with knowledge-sharing lectures and smaller group hands-on training

THE IMF POLICY ON DISSEMINATION OF CAPACITY DEVELOPMENT INFORMATION

On May 1, 2022, the IMF launched its [revised policy on the dissemination of capacity development \(CD\) information](#), published before the end of FY 2022. The policy builds on existing dissemination progress and represents an important step in the Fund's commitment to transparency. The policy was informed by discussions with the Executive Board and drew from the [Updated Framework on the Dissemination of Capacity Development Information](#). It prioritizes sharing CD information more widely to support coordination and synergies among CD providers and financing partners, contribute to knowledge as a global public good, facilitate accountability to funding partners and the membership, and empower ownership within CD recipient countries. Core to the policy remains the protection of CD recipient confidentiality and the preservation of the Fund's role as a trusted advisor to its membership. A [factsheet](#) outlining key policy features is available to members and partners.

While the policy details the changes and specific circumstances, adjustments fall broadly into the following areas:

- *Faster sharing of information:* After a TA report is transmitted to the authorities the number of days before the authorities' consent is assumed if the IMF does not receive an objection is 30 business days (reduced from 60 days) when sharing with the IMF Executive Board, direct financing partners, and other parties with a legitimate interest (e.g., other CD providers) upon their request.
- *High-level summaries:* The IMF will prepare a high-level summary in addition to the TA Report for strategic CD: High-level summaries are intended for publication and will highlight the broad objectives, findings, and recommendations of the CD delivery. Authorities will be deemed to have consented to the publication and sharing of high-level summaries if they do not object within 30 business days after the IMF transmits the final summary.
- *Information sharing within the IMF:* By requesting CD from the Fund, authorities have provided irrevocable consent that any information learned by Fund staff during CD delivery that is deemed critical for surveillance or program purposes by Fund management may be shared on a strictly need-to-know basis with relevant staff in other IMF departments. If authorities request information not be shared with other Fund staff, IMF management can override this request if it deems the information critical for program or surveillance purposes.
- *Policy for modification after the report has been transmitted:* Authorities will have the opportunity to review draft TA Reports and high-level summaries and provide feedback prior to their finalization. Reports and high-level summaries may not be modified after the final report is transmitted to the authorities. Although authorities can no longer request corrections or deletions after the final TA Report or high-level summary have been transmitted, authorities can withhold consent for their dissemination and publication.
- *Fund's assessment of CD delivery (e.g., evaluations, results-based management):* For sharing with direct financing partners and the Executive Board, your consent is assumed when you request a CD. Authorities may always withdraw consent at any time before assessment information is disseminated.

APPENDICES

TABLE A1. CCAMTAC REGIONAL EVENTS PRIOR TO THE VIRTUAL OPENING (JULY 2020 - JANUARY 2021)

	Title	Date	IMF Department	Country interventions
1	Central Bank Support to Financial Markets during the COVID-19 Pandemic	8 Jul 20	MCM	GEO
2	Online Roundtable on Banking Regulatory and Supervisory Responses During the COVID-19 Pandemic	23 Jul 20	MCM	KAZ/ARM
3	Fiscal Risk Management During the Covid-19 Pandemic Webinar	29 Sep 20	FAD	GEO
4	Virtual Workshop on External Sector Statistics During the COVID-19 Era	12-14/Oct/20	STA	Selected CCA countries
5	Expenditure Policy Responses in Support of Workers and Households During the Covid-19 Pandemic	5 Nov 20	FAD	KAZ/TJK
6	Monetary and Financial Responses to the COVID-19 Pandemic for Emerging Market and Developing Economies	19 Nov 20	MCM	GEO/ARM
7	Expanding the Central Bank's Collateral Framework in Times of Stress	3 Dec 20	MCM	KAZ
8	Financial Crisis Preparedness and Management	12 Jan 21	MCM	GEO/KAZ
9	Cybersecurity of Remote Work During the COVID-19 Pandemic	4 Feb 21	MCM	KGZ/ARM/KAZ
10	Debt Management Responses to the COVID-19 Pandemic	16 Feb 21	MCM	GEO/MNG
11	The COVID Shock and Remittances in the Caucasus and Central Asia	4 Mar 21	ICD	
12	Ask CCAMTAC	30 Mar 21	MCD	

TABLE A2. CCAMTAC TA ACTIVITY FEBRUARY 2021 - APRIL 2022 BY WORKSTREAM

Country	Topic	Modality	Start date	End date	Resources
ICD Macroeconomic Frameworks					
Uzbekistan	Building macroeconomic policy and forecasting capacity	DB	15-Mar-21	19-Mar-21	HQ, STX
Regional	Debt dynamics workshop	WS	15-Mar-21	24-Mar-21	HQ, STX
Azerbaijan	Strengthen macroeconomic forecasting indicators	DB	29-Mar-21	2-Apr-21	HQ, STX
Uzbekistan	General macroeconomic analysis	DB	10-May-21	14-May-21	STXs
Azerbaijan	Macroeconomic forecasting	IL/DB	26-Jul-21	30-Jul-21	LTX, HQ
Kazakhstan	QPM review	DB	25-Oct-21	5-Nov-21	LTX, STX
Azerbaijan	FPP training	DB	22-Nov-21	26-Nov-21	LTX, HQ
Azerbaijan	MDS training and data management	DB	6-Dec-21	10-Dec-21	LTX, STX
Kazakhstan	FP2.0 TA Scoping mission	DB	6-Dec-21	10-Dec-21	HQ
Uzbekistan	Macroframeworks	DB	13-Dec-21	17-Dec-21	LTX, STXs
Azerbaijan	Macroframeworks	DB	9-Feb-22	10-Feb-22	LTX
Regional	CCAMTAC ICD MCM Workshop on Use of DSGE models in policy environment	WS	1-Mar-22	3-Mar-22	LTX
Uzbekistan	Macroframeworks	DB	25-Mar-22	29-Mar-22	LTX, STXs
Azerbaijan	Macroframeworks	DB	14-Mar-22	18-Mar-22	LTX
Regional	CCAMTAC JVI STI Public Debt Dynamics and Fiscal Adjustment	WS	21-Mar-22	25-Mar-22	LTX
Azerbaijan	Macroframeworks	DB	11-Apr-22	15-Apr-22	LTX, HQ
FAD-Revenue Administration					
Tajikistan	Improved tax administration and governance arrangement	DB	15-Feb-21	19-Feb-21	HQ, STX
Armenia	Improved tax administration and governance arrangement	DB	1-Mar-21	30-Arp-21	STX

TABLE A2. Continued

Country	Topic	Modality	Start date	End date	Resources
Georgia	Support to tax administration reforms	DB	1-Jun-21	15-Jun-21	STX
Georgia	Support to tax administration reforms	DB	27-Sep-21	30-Nov-21	STX
Uzbekistan	Improve STC organization structure	DB	25-Oct-21	10-Nov-21	STX
Regional	CCAMTAC Regional Tax Administration Workshop	WS	10-Nov-21	12-Nov-21 18-Nov-21	LTX, STX
Regional	Digitalizing the Taxpayer Services and RA processes	WS	15-Mar-22	16-Mar-22	LTX, STXs
Regional	Modern Approaches to Tax Audit - micro-small and medium businesses	WS	5-Apr-22	6-Apr-22	LTX, STXs
Regional	Managing Relationship with Large Taxpayers	WS	20-Apr-22	21-Apr-22	LTX, STXs
Georgia	Risk analysis	DB	1-Apr-22	12-Apr-22	STX
FAD-Public Financial Management					
Regional	Introduction to Rolling Baselines	WS	29-Mar-21	1-Apr-21	HQ, STX
Regional	Fiscal Risks of State-Owned Enterprises	WS	19-Apr-21	21-Apr-21	HQ
Uzbekistan	Annual Budget Preparation	DB	7-Apr-21	26-Apr-21	STX
Azerbaijan	Macro-fiscal frameworks	DB	12-Apr-21	14-May-21	STX
Armenia	Budget Preparation	DB	28-Jun-21	30-Jun-21	STX, LTX
Tajikistan	SOE Fiscal Risk Management and Governance	DB	28-Jun-21	30-Sep-21	STX, LTX
Uzbekistan	Fiscal Risk Management	DB	19-Jul-21	6-Aug-21	LTX
Armenia	Budget Preparation	DB	1-Jul-21	5-Jul-21	STX, LTX
Georgia	Fiscal Risks	DB	9-Sep-21	14-Feb-22	LTX
Armenia	Budget Preparation	DB	1-Nov-21	25-Feb-22	STX, LTX
Georgia	Fiscal Risks	DB	17-Nov-21	15-Dec-21	LTX
Kazakhstan	Accrual Budgeting FY21/23	DB	18-Nov-21	21-Jan-22	LTX, STX
Uzbekistan	Macro-Fiscal Capacity Building	DB	15-Nov-21	11-Feb-22	STX
Uzbekistan	SOE Fiscal Risk Assessment	DB	5-Jan-22	28-Jan-22	STX
Regional	Regional Workshop - Strengthening PFM Institutions	WS	24-Jan-22	27-Jan-22	LTX, STXs
Kazakhstan	Fiscal Risks Statement	DB	11-Feb-22	28-Feb-22	STX, LTX
Georgia	Fiscal Risks	DB	1-Apr-22	29-Apr-22	STX, LTX
Kazakhstan	Long Term Fiscal Sustainability Training	DB	15-Apr-22	29-Apr-22	STX, LTX
Tajikistan	SOE Fiscal Risk Management and Governance	DB	28-Mar-22	29-Apr-22	STX, LTX
Uzbekistan	Budget Preparation	DB	18-Apr-22	29-Apr-22	LTX
Azerbaijan	Fiscal Risks Management	DB	15-Apr-22	29-Apr-22	LTX, STXs
MCM Financial Regulation and Supervision					
Kazakhstan	Risk-based supervision liquidity risk	DB	19-Jul-21	3-Sep-21	LTX
Azerbaijan	Financial Sector Supervision and Regulation	DB	27-Sep-21	1-Oct-21	HQ, LTX
Georgia	IFRS9 Rollout -Scoping	DB	18-Jan-22	3-Feb-22	LTX
Regional	Corporate Governance	WS	17-Mar-22	17-Mar-22	LTX
Georgia	Large Exposures and Concentrations Workshop	DB	31-Mar-22	6-Apr-22	LTX
MCM Monetary and Foreign Exchange Operations					
Azerbaijan	Central Bank Operations (scoping)	DB	18-Jan-21	3-Mar-21	HQ, STX
Kazakhstan	Central Bank Operations (scoping)	DB	18-Jan-21	3-Mar-21	HQ, STX
Kyrgyz Rep.	Central Bank Operations (scoping)	DB	18-Jan-21	3-Mar-21	HQ, STX
Mongolia	Central Bank Operations (scoping)	DB	18-Jan-21	3-Mar-21	HQ, STX
Turkmenistan	Central Bank Operations (scoping)	DB	18-Jan-21	3-Mar-21	HQ, STX

TABLE A2. Continued

Country	Topic	Modality	Start date	End date	Resources
Regional	CCAMTAC-Dollarization Regional Workshop	WS	21-Sep-21	22-Sep-21	LTX
Kyrgyz Republic	Financial Supervision and Regulation	DB	4-Oct-21	8-Nov-21	HQ, STX
Uzbekistan	Monetary and FX Operations	DB	1-Dec-21	20-Dec-21	LTX, STX
Regional	Monetary Policy Instruments and Operating Frameworks	WS	1-Feb-22	3-Feb-22	LTX, STX
Regional	Liquidity Management and Forecasting	WS	15-Feb-22	16-Feb-22	LTX, STXs
Regional	Collateral Framework	WS	15-Mar-22	16-Mar-22	LTX, HQ, STX
STA Government Finance and Public Sector Debt Statistic					
Azerbaijan	GFS & PSDS compilation of data	DB	17-May-21	21-May-21	STX
Azerbaijan	GFS & PSDS compilation of data	DB	22-Jul-21	4-Aug-21	STX
CCAMTAC	GFS & PSDS workshop	WS	13-Sep-21	17-Sep-21	LTX, STX
Armenia	GFS & PSDS compilation of data	DB	27-Sep-21	8-Oct-21	LTX, HQ
Uzbekistan	GFS & PSDS compilation of data	DB	25-Oct-21	5-Nov-21	STX
Kazakhstan	GFS & PSDS compilation of data	DB	15-Nov-21	26-Nov-21	STX, LTX
Mongolia	GFS & PSDS compilation of data	DB	1-Dec-21	8-Dec-21	STX
Kyrgyz Republic	GFS & PSDS compilation of data	DB	6-Dec-21	17-Dec-21	LTX, STX
Georgia	GFS & PSDS compilation of data	DB	10-Jan-22	21-Jan-22	LTX
Regional	Sectorization Workshop	WS	8-Feb-22	9-Feb-22	LTX, STX
Tajikistan	GFS & PSDS compilation of data	DB	28-Feb-22	14-Mar-22	STX
Kyrgyz Republic	GFS & PSDS compilation of data	DB	25-Apr-22	29-Apr-22	LTX
STA Real Sector Statistics					
Regional	Strengthening macroeconomic and financial statistics	WS	29-Mar-21	2-Apr-21	STX
Uzbekistan	Multi-sector statistics	DB	1-Mar-21	19-Mar-21	STX
Uzbekistan	Discrete HFI	DB	17-May-21	28-May-21	LTX
Armenia	Annual GDP	DB	21-Jun-21	25-Jun-21	LTX
Uzbekistan	Prices - PPI	DB	12-Jul-21	16-Jul-21	HQ
Georgia	Prices - CPI - Scanner data	DB	12-Jul-21	16-Jul-21	HQ
Kazakhstan	Quarterly GDP	DB	23-Aug-21	3-Sep-21	LTX
Turkmenistan	GDP	DB	6-Sep-21	10-Sep-21	LTX
Uzbekistan	Discrete HFI	DB	27-Sep-21	1-Oct-21	LTX
Georgia	Prices - PPI - Agriculture	DB	4-Oct-21	8-Oct-21	STX
Uzbekistan	Prices - CPI	DB	11-Oct-21	15-Oct-21	STX
Kazakhstan	Prices - Scanner data	DB	8-Nov-21	12-Nov-21	HQ
Georgia	HFI	DB	15-Nov-21	26-Nov-21	STX
Azerbaijan	Quarterly GDP	DB	15-Nov-21	26-Nov-21	LTX
Tajikistan	Prices - RPPI	DB	29-Nov-21	3-Dec-21	STX
Uzbekistan	Prices - RPPI	DB	29-Nov-21	3-Dec-21	STX
Uzbekistan	NA - 2008 SNA	DB	20-Dec-21	24-Dec-21	LTX
Georgia	CPI - Scanner data	DB	24-Jan-22	28-Jan-22	HQ
Azerbaijan	XMPI	DB	14-Feb-22	18-Feb-22	STX
CCAM	Discrete quarterly GDP	WS	21-Feb-22	25-Feb-22	LTX, STX
Kyrgyz Republic	GDP	DB	18-Apr-22	22-Apr-22	LTX
Other Regional Workshops					
Regional	Strengthening tax policy in CCAM	WS	5-Apr-22	7-Apr-22	HQ

TABLE A3. LOGFRAMES - OBJECTIVES AND OUTCOMES OF PROJECTS IN FY22

Macroeconomic Frameworks, Financial Programming, Forecasting and Policy Analysis											
Strategic Objective	Outcome	ARM	AZE	GEO	KAZ	KGZ	MNG	TJK	TKM	UZB	REG
Participants effectively acquire knowledge and skills taught in online debt sustainability and debt management courses and use them subsequently on the job or in their interaction with the Fund	The participants value this training										●
	A Macroeconomic Projection Tool(s) / Simulation Tools(s) (MPT) is fully operational		●							●	
Stronger analytical skills and better macroeconomic forecasting and policy analysis at the Ministry / central bank / or other governmental agency(ies) feeds into the economic policymaking process	Authorities have a baseline understanding of their existing macroeconomic forecasting, policy analysis and analytical capabilities and opportunities for improvement		●		●						
	Improved skills for macroeconomic policy analysis and forecasting		●							●	
	The preparation of macroeconomic projections and economic policy analyses is integrated in the economic policy process, supported by better internal cooperation and communication									●	
	Transparency and policy credibility are improved through better external communication about macroeconomic outlook, analysis and forecasting		●								
Stronger analytical skills and better macroeconomic forecasting and policy analysis	Strengthened regional cooperation through a peer network										●
	Target analytical tools are developed and fully operational.										●
	The participants value this workshop, webinar, CD activity										●

Monetary and Foreign Exchange Operations											
Strategic Objective	Outcome	ARM	AZE	GEO	KAZ	KGZ	MNG	TJK	TKM	UZB	REG
Strengthen efficient implementation of FX operations given the monetary policy and FX regime	Active and efficient interbank/money market to support monetary policy transmission									●	
Strengthen the implementation of monetary policy under the existing monetary regime	Flexible/appropriate monetary instruments and operational strategy to deal with changing liquidity conditions										●
	Operational framework with a clear operational target of the monetary policy is in place					●					
	Participants exchanged/acquired knowledge and skills on central bank operations										●
	Robust short-term liquidity forecasting framework						●				

TABLE A3. Continued

Public Financial Management											
Strategic Objective	Outcome	ARM	AZE	GEO	KAZ	KGZ	MNG	TJK	TKM	UZB	REG
Comprehensive, credible, and policy based budget preparation	A more credible medium-term budget framework is integrated with the annual budget process	●								●	
	A more credible medium-term macro-fiscal framework that supports budget preparation		●							●	
	A more comprehensive and unified annual budget is published									●	
Improved budget execution and control	A more credible medium-term budget framework is integrated with the annual budget process		●								
	Analysis, disclosure and fiscal oversight of public corporation risks are strengthened		●								
Improved coverage and quality of fiscal reporting	Comprehensiveness, frequency, and quality of fiscal reports is enhanced			●	●						
Improved PFM laws and effective institutions	The capacity of ministry of finance to plan, implement and sustain PFM reforms is enhanced										●
Strengthened identification, monitoring, and management of fiscal risks	Central fiscal oversight and analysis of public corporation risks are strengthened			●							
	Disclosure and management of contingent liabilities and other specific risks are more comprehensive			●							
	Stronger understanding and management of the public sector balance sheet.			●							
	Analysis and disclosure of risks to fiscal forecasts and overall fiscal sustainability				●					●	
	Analysis, disclosure and fiscal oversight of public corporation risks are strengthened							●		●	
	Analysis, disclosure and management of other specific fiscal risks are more comprehensive									●	
	Fiscal costs and risks arising from PPP operations are managed and contained									●	
Strengthened fiscal policies and frameworks	Better designed and more credible macroeconomic and fiscal forecasts			●						●	

Financial Regulation and Supervision											
Strategic Objective	Outcome	ARM	AZE	GEO	KAZ	KGZ	MNG	TJK	TKM	UZB	REG
Develop/strengthen banking regulations and prudential norms	Supervisors have sufficient capacity to effectively implement risk-based supervision and other supervisory processes.			●							
Develop/strengthen banks' regulation and supervision frameworks	Institutional structure and operational procedures for RBS enhanced/developed.				●						
	Legal/prudential regulations for risk management, governance framework and prudential ratios on consolidated basis, developed/strengthened.		●								
	Supervisors are able to address at an early stage, unsafe and unsound practices or activities that could pose risks to banks or to the banking system.										●
	Supervisors have the necessary capacity to upgrade banking regulations.			●							

TABLE A3. Continued

Government Finance Statistics and Public Sector Debt Statistics												
Strategic Objective	Outcome	ARM	AZE	GEO	KAZ	KGZ	MNG	TJK	TKM	UZB	REG	
Strengthen compilation and dissemination of fiscal statistics	A new data set has been compiled and disseminated internally and/or to the public							●				
	Data are compiled and disseminated using the appropriate basis of recording consistent with the latest manual/guide							●				
	Data are compiled and disseminated using the classification of the latest manual/guide		●	●	●	●			●			
	Data are compiled and disseminated using the concepts and definitions of the latest manual/guide		●									
	Data are compiled and disseminated using the coverage and scope of the latest manual/guide		●									
	Data are compiled and disseminated using the sectorization of the latest manual/guide			●								
	Methodological basis for the statistics follows internationally accepted standards, guidelines, or good practices.				●							
	Staff capacity increased through training, especially on developing source data, compilation methods, and dissemination			●					●			
Strengthen compilation and dissemination of macroeconomic and financial statistics for decision making according to internationally accepted statistical standards, including developing statistical infrastructure, source data, serviceability and/or metadata	Staff capacity increased through training, especially on developing source data, compilation methods, and dissemination.										●	
	Data are compiled and disseminated using the classification of the latest manual/guide	●								●		
	Data are compiled and disseminated using the concepts and definitions of the latest manual/guide						●					
	Data are compiled and disseminated using the coverage and scope of the latest manual/guide	●					●					
	Data are compiled and disseminated using the sectorization of the latest manual/guide	●								●		
	Internal consistency within a macroeconomic or financial dataset has improved (reduced discrepancies)									●		
	Macroeconomic data sets used by policy-makers have been made more intersectorally consistent (reduced discrepancies)						●					
	Staff capacity increased through training, especially on developing source data, compilation methods, and dissemination	●										

TABLE A3. Continued

Real Sector Statistics											
Strategic Objective	Outcome	ARM	AZE	GEO	KAZ	KGZ	MNG	TJK	TKM	UZB	REG
Strengthen compilation and dissemination of real sector statistics - national accounts	A new data set has been compiled and disseminated internally and/or to the public		●								
	Data are compiled and disseminated using appropriate statistical techniques, including dealing with data sources, and/or assessment and validation of intermediate data and statistical outputs		●								
	Data are compiled and disseminated using the concepts and definitions of the latest manual/guide									●	
	Data are compiled and disseminated using the coverage and scope of the latest manual/guide				●					●	
	Data are compiled and disseminated using the sectorization of the latest manual/guide	●									
	Methodological basis for the statistics follows internationally accepted standards, guidelines, or good practices.								●		
	Revision studies and revision policy and practices have begun and/or have been released internally and/or to the public									●	
	Source data are adequate for the compilation of these macroeconomic statistics			●							
	Staff capacity increased through training, especially on developing source data, compilation methods, and dissemination.										●
	Statistical techniques are sound	●		●							
Strengthen compilation and dissemination of real sector statistics - prices	A new data set has been compiled and disseminated internally and/or to the public			●				●		●	
	Data are compiled and disseminated using appropriate statistical techniques, including dealing with data sources, and/or assessment and validation of intermediate data and statistical outputs				●						

Revenue Administration											
Strategic Objective	Outcome	ARM	AZE	GEO	KAZ	KGZ	MNG	TJK	TKM	UZB	REG
Strengthened revenue administration management and governance arrangements	A larger proportion of taxpayers meet their payment obligations as required by law									●	
	Audit and other verification programs more effectively ensure accuracy of reporting			●						●	
	Capacity to reform increased due to clear reform strategy and strategic management framework adopted and institutionalized							●		●	
	Corporate priorities are better managed through effective risk management	●		●						●	●
	Organizational arrangements enable more effective delivery of strategy and reforms									●	
	Support functions enable more effective delivery of strategy and reforms									●	
	Taxpayer services initiatives to support voluntary compliance are strengthened									●	
	Transparency and accountability are more effectively supported by independent external oversight and internal controls									●	

TABLE A4. CCAMTAC PHASE 1 - PROGRAM BUDGET, WORKING BUDGET AND EXPENSES

International Monetary Fund

CCAMTAC

Phase - 1: FY2021-FY2026

Multilateral - Regional Centers: Summary Progress Report

As of Apr 30, 2022; In millions

Project	Phase Summary			FY2022			FY2023
	Program Budget	Working Budget	Expenses	Working Budget	Expenses	Execution (%)	Working Budget ^{1/}
Capacity Development	29.6	29.0	2.8	5.5	2.4	45%	5.7
Public Financial Management	5.1	5.1	0.6	0.9	0.5	56%	1.0
Revenue Administration	4.7	4.5	0.4	0.8	0.4	52%	0.9
Banking Supervision and Regulation	3.6	3.5	0.3	0.7	0.3	35%	0.7
Monetary Policy Operations	3.6	3.6	0.3	0.7	0.2	31%	0.7
Real Sector Statistics	3.5	3.4	0.4	0.7	0.3	44%	0.7
Government Finance Statistics	3.4	3.3	0.4	0.7	0.4	55%	0.7
Macroframeworks	3.6	3.5	0.4	0.7	0.3	49%	0.7
Regional Workshops and Seminars	2.0	2.0	0.1	0.4	0.1	21%	0.4
Administration	8.4	8.2	1.4	3.0	1.4	48%	3.6
Governance and Evaluation	0.4	0.4	-	0.0	-	-	0.0
Strategic Budget Reserve	0.7	0.7	-	0.1	-	-	0.1
Sub Total	39.0	38.2	4.2	8.6	3.9	45%	9.4
Trust Fund Management	2.7	2.7	0.3	0.6	0.3		0.7
Total	41.7	40.9	4.5	9.2	4.1	45%	10.1
IMF Expenses	3.3	3.3	0.4	0.7	0.4	-	0.7
Total	45.0	44.2	5.0	9.9	4.6	46%	10.8

1/ Future fiscal year budgets are indicative.

TABLE A5. CCAMTAC FINANCIAL CONTRIBUTIONS

International Monetary Fund

CCAMTAC

Phase - 1: FY2021-FY2026

Multilateral - Regional Centers: Financial Contributions

As of Apr 30, 2022; In millions

Agreement/Amendment Information					Contribution Received		Contribution Expected (U.S. Dollars)	
Partners/Members	Signed Date ^{1/}	Currency	Amount	U.S. Dollars	Agreement Currency	U.S. Dollars	Requested	Future Contributions ^{2/}
Partners				19.1		10.3	-	6.9
Asian Development Bank	21-12-2020	USD	0.8	0.8	0.8	0.8	-	-
China	09-06-2021	USD	3.0	3.0	3.0	3.0	-	-
Korea	27-07-2020	USD	2.4	2.4	0.6	0.6	-	1.8
Poland	15-12-2020	PLN	2.0	0.5	2.0	0.5	-	-
Russia	17-12-2021	USD	4.0	4.0	1.0	1.0	-	3.0
Switzerland	29-05-2020	CHF	3.0	3.1	3.0	3.2	-	-
Switzerland	14-12-2021	CHF	3.0	3.3	1.0	1.1	-	2.1
United States	Pending	USD	2.0	2.0	-	-	-	-
Members				23.5		17.1	-	6.4
Armenia	21-12-2020	USD	1.0	1.0	0.4	0.4	-	0.6
Georgia	12-10-2021	USD	0.5	0.5	0.2	0.2	-	0.3
Kazakhstan (<i>host</i>)	14-12-2020	USD	20.0	20.0	20.0	15.0	-	5.0
Uzbekistan	08-07-2020	USD	2.0	2.0	1.5	1.5	-	0.5
Under Discussion				2.1				
Azerbaijan		USD	1.0	1.0				
European Commission		EUR	1.0	1.1				
IMF				3.3				
Grand Total				47.9		27.4	-	13.3
Program Document Budget				45.0				
Funding Surplus				2.9				

1/ May also refer to agreements that are under negotiation and approval date for Capacity Development Partnership agreements (e.g. flexible/umbrella agreements).

2/ The future contributions amount is set to zero for completed installments.

TABLE A6. LIST OF ISSUED TECHNICAL ASSISTANCE REPORTS³

Country	Topic	Transmission date
ICD Macroframeworks		
Revenue Administration		
Uzbekistan	The Future Role of Local Tax offices	21-Dec-21
Georgia	Advancing Key Revenue Administration Reform Issues	4-Feb-22
Public Financial Management		
Azerbaijan	Evaluating and Improving the Ministry of Finance's Macro-Fiscal Spreadsheet	12-Aug-21
Georgia	Fiscal Risks Statement	2-Mar-22
Kazakhstan	Accrual Budgeting: Introduction to Oblast	14-Mar-22
Uzbekistan	Macro-Fiscal Capacity Building	25-Apr-22
Uzbekistan	SOE Fiscal Risk Assessment	25-Apr-22
Kazakhstan	Fiscal Risks Statement	25-Apr-22
MCM Supervision		
MCM MonOps		
Kazakhstan	Work Plan for Central Bank Policy and Operations	29-Oct-21
Turkmenistan	Work Plan for Central Bank Policy and Operations	1-Nov-21
Azerbaijan	Work Plan for Central Bank Policy and Operations	2-Nov-21
Kyrgyz Republic	Work Plan for Central Bank Policy and Operations	2-Nov-21
STA Fiscal		
Azerbaijan	GFS & PSDS compilation of data	3-Nov-21
Azerbaijan	GFS & PSDS compilation of data	3-Nov-21
Armenia	GFS & PSDS compilation of data	24-Nov-21
Kazakhstan	GFS & PSDS compilation of data	5-Mar-22
Mongolia	GFS & PSDS compilation of data	25-Mar-22
Kyrgyz Republic	GFS & PSDS compilation of data	25-Mar-22
Georgia	GFS & PSDS compilation of data	16-Mar-22
Uzbekistan	GFS & PSDS compilation of data	6-Apr-22
STA Real		
Uzbekistan	Price Statistics Mission	22-Jun-21
Georgia	Prices - CPI - Scanner data	8-Sep-21
Uzbekistan	Producer Price Index	12-Nov-21
Armenia	National Accounts mission	16-Nov-21
Uzbekistan	Consumer Price Index Mission	15-Dec-21
Kazakhstan	Prices - Scanner data	15-Dec-21
Kazakhstan	NA - Quarterly GDP	24-Dec-21
Georgia	National Accounts mission	17-Dec-21
Azerbaijan	NA - Quarterly GDP	16-Mar-22
Tajikistan	Prices - RPPI	24-Mar-22
Uzbekistan	Prices - RPPI	7-Apr-22

³ Technical assistance reports are only available to the general public with an official consent of relevant authorities.

IMF CCAMTAC STAFF⁴



Norbert Funke
Director

ADVISORS AND LOCAL ECONOMIST



Altynai Aidarova
Advisor
Monetary and Foreign
Exchange Market Operations



Ivana Jablonska
Advisor
Government Finance
Statistics and Public Sector
Debt Statistics



Martin Fukac
Advisor
Macroeconomic Framework
for Financial Programming,
Forecasting, and Policy
Analysis



Tiina Tamm
Advisor
Revenue Administration



Levan Gogoberishvili
Advisor
Real Sector Statistics



John Zorab
Advisor
Public Financial Management



Serdar Guner
Advisor
Financial Regulation
and Supervision



Aliya Kistaubayeva
Economic Analyst

⁴ As of April 30, 2022.

ADMINISTRATION AND INTERPRETATION



Aliya Zhakenova
Office Manager



Nadezhda Tigay
Interpreter/Translator



Yekaterina Issayeva
Staff Assistant



Dina Shmidt
Interpreter/Translator



Azamat Seitkhamit
Staff Assistant



CCAMTAC

INTERNATIONAL MONETARY FUND

Caucasus, Central Asia, and Mongolia Regional
Capacity Development Center

77 Kunayev Street
Almaty 050010
Kazakhstan
cc-ccamtac@imf.org