



Highlights



I hope you enjoy reading the second update from the Caucasus, Central Asia, and Mongolia Regional Capacity Development Center (CCAMTAC), which is part of the IMF's [network](#) of 17 such centers worldwide. This newsletter covers activities between May and July 2021 and provides in the Appendix a summary of recent and planned activities until the end of October.



Norbert Funke,
Director, CCAMTAC



The steering committee meeting on June 29 took stock of progress in setting-up the center and endorsed the indicative workplan for May 2021 – April 2022 (see CCAMTAC website [here](#)). Thank you to all member countries and donors for their support. I am excited that we have identified all seven resident advisors, most have already started and all will be in place by September. CCAMTAC has also hired two interpreters and an economic analyst. The newly appointed advisors have started to reach out to country teams and member countries, and they started to deliver technical assistance.

My first business travel since the beginning of the pandemic, just before the recent global spike in COVID-19 cases, was long awaited. I am very grateful to the Kazakh authorities for engaging meetings about CCAMTAC and their hospitality during my pre-assignment visit in July. Together with IMF colleagues, we have identified future office space for CCAMTAC in Almaty, lease negotiations are ongoing.

CCAMTAC's CD delivery continued, with several country-specific activities, in areas where Resident Advisors have already started, two regional webinars and an inaugural research seminar series. I hope you enjoy reading this newsletter. For any background information on CCAMTAC, please check our new website at <https://ccamtac.imf.org>.

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

CCAMTAC's development partners (external donors): Asian Development Bank, China, Korea, Poland, and Switzerland



Recent Activities by Workstream

Macroeconomic Frameworks:



Azerbaijan: Scoping Mission (July 26 – 30, 2021): CCAMTAC delivered a virtual scoping mission to the Macroeconomic Analysis and Forecasting Department of the Ministry of Economy of Azerbaijan. The mission took stock of existing capacity and, together with the authorities, drafted an action plan for strengthening the analytical, modeling and forecasting system of the Ministry. The planned program will be built on past TA by partners and be coordinated with relevant stakeholders.

Uzbekistan: Macroeconomic Frameworks (May 10 – 14, 2021). As part of the ongoing project, a mission engaged virtually with a core interagency macro team from the Ministry of Economic Development and Poverty Reduction (MoED), Ministry of Finance (MoF), and the Central Bank of Uzbekistan (CBU) to develop further the financial programming (FP2.0) Pillar I macroeconomic framework for economic projections and policy analysis. Discussions built on work done during and after the previous mission in March 2021. Various refinements and extensions were introduced to the evolving Pillar 1 macroeconomic framework. Another achievement related to progress in identifying data sources and dividing responsibilities for the macro framework related data gathering process across the participating institutions.

Public Financial Management:

Azerbaijan: Improving and operationalizing macro-fiscal frameworks (April 12 – May 14, 2021). An expert assisted the authorities to further develop and operationalize a rules-based macro-fiscal framework through forecasting and analysis. The work involved reviewing and improving the tools that are currently used in the Ministry of Finance to build a credible macro-fiscal baseline for the budget consistent with their fiscal rule, to evaluate medium- and long-term macro-fiscal scenarios under various assumptions and delivering any needed training to the macro-fiscal team.

Armenia Budget Preparation, (June 28 – July 30, 2021) (extended). The purpose of the activity is to assist the Ministry of Finance (MoF) to pilot the revised distinction between mandatory and discretionary expenditures. An earlier FAD mission in October 2020 recommended a methodology for identifying, mapping, and documenting mandatory expenditures, and distinguishing them from discretionary expenditures.

Tajikistan: Strengthening Fiscal Risks Management and Disclosure (June 28 – September 7, 2021). Building on the achievements of the first State-owned Enterprise (SOE) Fiscal Risks Management Strategy 2021-2025, CCAMTAC's PFM advisor and a short-term expert helped draft the successor strategy, planned to cover 2021-2025. They have assisted the Ministry of Finance to resume the preparation and publication of the annual fiscal risks statements, in an updated format. They have also assisted the Ministry of Finance to implement the recently-approved methodology for establishing a buffer in the state budget to accommodate the materialization of SOE fiscal risks.

Uzbekistan. Strengthening Fiscal Risks Management (July 19 – August 9, 2021). CCAMTAC's PFM advisor has participated in an IMF headquarters-led assignment to advise 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.

Other activities: To ensure good coordination with ongoing projects supported by other donors or organizations, CCAMTAC's PFM advisor reached out and coordinated with other projects and short-term experts, including in **Armenia: Public Investment Management (PIM) and the Budget Process** (Japan Infrastructure Governance Facility); Piloting the Revised Mandatory/Discretionary Distinction (European Commission's DGNEAR project); **Azerbaijan: Fiscal Reporting** (European Commission's DGNEAR project); **Strengthening Macro-fiscal Spreadsheet** (European Commission's DGNEAR project). **Georgia: Draft Comprehensive Public Corporation Reform Strategy** (European Commission's DGNEAR project); **Financial Reporting Reform** (European Commission's DGNEAR project).

Regulation and Supervision:

Kazakhstan. Risk-based supervision – liquidity (July 19 - Sept.3, 2021): The Agency for Regulation and Development of the Financial Market of the Republic of Kazakhstan (the Agency) has requested Technical Assistance (TA) to implement risk-based supervision. Three missions have been undertaken since September 2020. The purpose of this activity is to provide recommendations and targeted training on the implementation of Pillar 2 liquidity requirements. The mission assists the Agency with the development of the internal supervisory methodology for the assessment of a bank's Internal Liquidity Adequacy Assessment Process (ILAAP), and also provides guidance on survival horizon indicators.

Government Finance and Public Sector Debt Statistics



STATISTICS
**Transactions in
Assets and Liabilities
and Other Economic
Flows**
JULY 29 - AUGUST 2, 2021
Lecture 3
GFS Workshop Baku

Azerbaijan. Improve GFS data for policymaking (May 17-21, and July 22 - August 4, 2021). Two missions supported the authorities' effort to improve government finance statistics (GFS) and data for policymaking and discussed areas for further improvements. The first mission identified and discussed several compilation challenges and advised on improving compilation practices. The second part of the remote TA focused on implementation. It supported the authorities in

addressing some of the challenges. For example, the team established a bridge table that can be used to correctly classify nonfinancial transactions. Also, the classification of transfers from the central bank to the ministry was reviewed. In addition to the bilateral technical work with the GFS team, a three-day workshop was offered for source data providers and users of GFS as inputs for other statistical products to sensitize these stakeholders.

Real Sector Statistics:

Uzbekistan: National accounts (May 17–28, 2021). A remote CCAMTAC technical assistance (TA) mission assisted the State Committee on Statistics (SCS) in (i) developing quarterly national accounts on a discrete basis; and (ii) improving the GDP by expenditure estimates in accordance with the 2008 System of National Accounts (2008 SNA) standards. As an outcome of the mission, the SCS has adapted the 2008 SNA as the methodology for its national accounts program and has publicly disseminated a revised time series of national accounts. The changes include: (i) implementation of the user cost approach for the compilation of imputed rent of owner-occupied dwellings; and (ii) new estimates of exports and imports that are consistent with the balance of payments. The mission also introduced the IMF benchmarking tool XLPBM, which was applied to benchmark monthly and annual data for Mining, Construction, and Railway transportation and provided recommendations on how to improve the questionnaires and monthly structure of discrete data. A follow-up CCAMTAC TA mission is scheduled for September 2021.

Armenia: National accounts (June 21–25, 2021). A remote CCAMTAC technical assistance mission assisted the Statistical Committee of the Republic of Armenia (SCA) in (i) developing institutional sector accounts; and (ii) updating the reference year of the chain-linked GDP estimates at constant prices. The mission provided examples of best practices in balancing the sequence of accounts. These examples and recommendations will help the SCA to finalize the compilation of financial accounts. The mission also reviewed the compilation of constant-price GDP estimates with the current reference year 2008. A new draft chain-linked time series were compiled with the updated reference year 2013.

Uzbekistan: Price Statistics (July 12–16, 2021). A remote CCAMTAC technical assistance mission assisted the SCS in updating and expanding the producer price index (PPI). The mission reviewed progress with developing the PPI in agriculture and construction and developed a detailed work plan to guide the authorities on the way forward.

Georgia: Price Statistics (July 19–23, 2021). A remote CCAMTAC technical assistance mission assisted the National Statistics Office of Georgia (Geostat) with continuing its modernization of the consumer price index (CPI) using scanner data. The mission provided hands-on training by live coding the loading, inspection, and processing of the raw files as received from the supermarket chains. The next CCAMTAC TA will be conducted by the end of 2021.

Other Workstreams

For other CCAMTAC workstreams where advisors started - revenue administration and monetary and foreign exchange operations - the first steps have included reaching out to country teams and authorities, with a view to refine the workplan and prepare for opening virtual workshops.

Regional Activities – Webinars and Research Seminar

Two remote webinars and an inaugural research seminar took place.

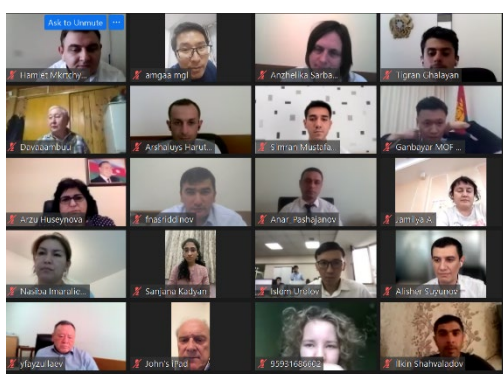
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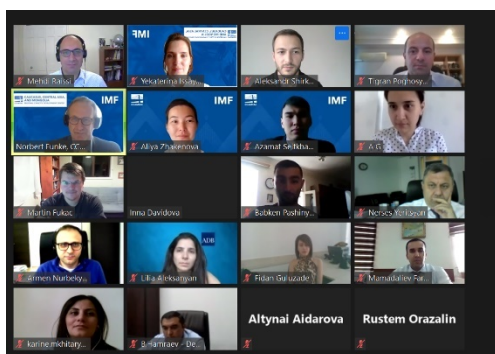


Unwinding Covid-19 Policy Interventions (with Monetary and Capital Markets Department, May 6, 2021) The COVID-19 pandemic has severely affected all countries. Countries have responded appropriately not only by loosening monetary and fiscal policies but also by using regulatory and supervisory measures, including providing borrower support, adjusting bank capital requirements, and putting in place liquidity measures. This Webinar reviewed key policy

interventions in the banking sector and offered some guidance and broad principles for managing the exit from crisis-related measures. It also suggested ways to prioritize supervisory tasks during the exit process. For detailed information [click here](#).



Macroeconomic Frameworks / Financial Programming 2.0 (with Institute for Capacity Development, May 19, 2021) Well-developed, flexible and easily adaptable macroeconomic frameworks have become even more important during the current COVID-19 pandemic, which has raised questions about the near-term policy stance, medium-term macroeconomic developments, and about longer-term debt dynamics. Moderating the event, Fernando Delgado explained that CD in this area is relatively new in the IMF's range of assistance to member countries. The webinar was targeted at senior managers and staff responsible for macroeconomic analysis, forecasting, macro-fiscal analysis, and forecasting and policy analysis systems (FPAS) from Central Banks, Ministries of Finance and Economy, and Statistical Agencies. For detailed information [click here](#).



The new Research Seminar series of the Caucasus, Central Asia, and Mongolia Regional Capacity Development Center aims at promoting analytical work and knowledge exchange in the region. Presentations could potentially address a broad range of macro-critical economic policy issues, with a focus on papers related to countries in the region, which are not yet published. In the first paper Aleksandr Shirkhanyan (Central Bank of Armenia, co-authors: Diego Jimenez-Hernandez and Joshua J. Kim (both Stanford University) analyzed how households make such savings decisions following a large

currency depreciation in Armenia. For detailed information [click here](#).

Upcoming activities

The indicative workplan for May 2021 – April 2022 has been approved by the Steering Committee ([see workplan FY22 here](#)). As the Resident Advisors are coming on board, they are

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reaching out to all teams and country authorities to refine the workplans. Past activities and current plans for July to October are included in Appendix I.

New staff



John Zohrab, a New Zealand national, joined CCAMTAC in June 2021 as the Public Financial Management Advisor. Prior to joining the Center, he worked for nearly 20 years as the IMF advisor for public financial management resident in the Central Asia and Caucasus region. Before joining the IMF, he was in the New Zealand Treasury for 11 years, in investment banking for 6 years and an independent advisor for 6 years. He has worked for the IMF on the range of PFM issues in Armenia, Azerbaijan, Georgia, Kazakhstan, the Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan. He also worked in Mongolia on an advisory project before joining the IMF.



Altynai Aidarova is a Kyrgyz national with more than 17 years of expertise in central banking and monetary operations. Prior to joining the Center as Monetary and Foreign Exchange Operations Advisor in July, Altynai has worked at the National Bank of the Kyrgyz Republic heading the Economic Department, responsible for monetary policy formulation and economic modeling. In 2019 she spent some time at the Office of the Swiss Executive Director, IMF. Altynai holds an MA in Development Economics from the Williams College and a Degree of Economist-Mathematician from the Kyrgyz-Russian Slavic University.



Serdar Guner will join CCAMTAC at end-August 2021 as Resident Advisor for Financial Regulation and Supervision. He has over 30 years of hands-on experience and expertise in supervision and regulation of banking as well as non-banking institutions, including new business models, products, and delivery modes. Serdar's engagements have included supervision and regulation of financial services in North America, Europe, Asia Pacific, the Caucasus and Africa in varying capacities including leadership roles to affect efficient and effective delivery of supervision function. During his tenure, Serdar actively engaged in the supervision of both banking and non-banking entities, including supervision of FinTech and innovation space. He also led and participated in forensic reviews and operations involving complex derivatives and instruments. Additionally, he built and managed teams and infrastructure for an effective delivery of supervision.

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Salima Valiyeva joined in early August until end-September as interpreter when she will start a fellowship in Geneva. Salima just finished a one-year course at Moscow State Linguistic University on Conference Interpreting in International Organizations: Preparation for UN Language Competitive Examinations. She holds a master's in professional studies in Conference Interpreting from the University of Maryland and a bachelor's degree from the Nazarbayev University.



Aliya Kistaubayeva, a Kazakh national, will join CCAMTAC in September as Economic Analyst. She has over eight years of experience at the National Bank of Kazakhstan, most recently as a senior analyst in the Monetary Policy Department. Prior, she worked as an Economist in the Monetary Operations Accounting Department. Aliya holds a Master of Public Administration from Columbia University and a Bachelor in Economics from Queen Mary, University of London. Her research interests cover macroeconomic issues related to the exchange rate market in EM, government debt, capital flows.



Nadezhda Tigay joined CCAMTAC in mid-August 2021 as interpreter / translator (part-time). She has previously worked in the private and public sector, including as translator / interpreter at PricewaterhouseCoopers, Forte Language Services, and Bank CenterCredit. Nadezhda continues to work as English instructor at KIMEP university. She holds a master's degree from KIMEP university and a bachelor from Uzbek State university in Translation Studies.

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Appendix I: CCAMTAC Work Plan Implementation May-October 2021

Country	Topic	Modality	Start date	End date	Working Days	Lead
Armenia	National Accounts	DB	21-06-21	25-06-21	5	Levan Gogoberishvili (LTX)
	Budget Preparation	DB	28-06-21	30-07-21	18	Mary Betley John Zohrab (LTX)
	GFS & PSDS compilation of data	DB	27-09-21	08-10-21	10	David Bailey (HQ) Ivana Jablonska
Azerbaijan	Macro Fiscal Analysis	DB	12-04-21	14-05-21	14	Steven A. Symansky
	Government Finance	DB	17-05-21	21-05-21	5	Roderick O'Mahony
	Government Finance	DB	22-07-21	04-08-21	10	Roderick O'Mahony
	Macroframework: Scoping Mission	DB	26-07-21	30-07-21	5	Martin Fukac (LTX)
	Macroeconomic Forecasting	DB	05-10-21	06-10-21	2	Martin Fukac (LTX)
Georgia	GDP	DB	12-07-21	16-07-21	5	Margarida Martins
	CPI - Scanner data	DB	19-07-21	23-07-21	5	Vanda Guerreiro, Jens Mehrhoff
	Prices - PPI - Agriculture	DB	13-09-21	17-09-21	5	Andrew Baer (HQ)
Kazakhstan	Risk-based supervision liquidity risk	DB	19-07-21	03-09-21	14	Magda Pecena, Tijs Merlijn de Bie
	NA - Quarterly GDP	DB	23-08-21	03-09-21	10	Levan Gogoberishvili (LTX)
	Prices - CPI methodology	DB	25-10-21	29-10-21	5	STX- Daniel Santos
	Scoping mission	DB	tbd			Martin Schindler
Kyrgyz Republic	NA - Quarterly GDP	DB	04-10-21	08-10-21	5	Levan Gogoberishvili (LTX)
	Central Bank Operations - Mission 1	DB	19-10-21	29-10-21	10	Manmohan Singh (HQ)
Tajikistan	SOE Fiscal Risk Management and Governance	DB	28-06-21	07-09-21	16	Vladimir Krivenkov John Zohrab (LTX)
	NA – HFI	DB	20-09-21	24-09-21	5	STX
Uzbekistan	Macroframeworks FP2.0	DB	10-05-21	14-05-21	5	Holger Floerkemeier
	National accounts - Discrete quarterly GDP	DB	17-05-21	28-05-21	10	Levan Gogoberishvili (LTX)
	Producer Price Index	DB	12-07-21	16-07-21	5	Brian Graf
	Fiscal risks (HQ)	DB	19-07-21	09-08-21	16	Katja Funke Avril Halstead Martin Darcy John Zohrab (LTX)

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	National accounts	DB	13-09-21	17-09-21	5	
	Prices - RPPi	DB	11-10-21	15-10-21	5	STX - Patrick Kelly
	GFS & PSDS compilation of data	DB	18-10-21	29-10-21	10	David Bailey (HQ)
Regional	De-dollarization strategies	WS	21-09-21	22-09-21	2	Altynai Aidarova (LTX)
	GFS & PSDS workshop	WS	13-09-21	17-09-21	5	Ivana Jablonska (LTX)



Useful links:

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

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

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

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

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

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