



CEF Newsletter No. 4

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Inside this Issue

Message from the Director	1
CEF High-Level Symposia Debating Regional and Global Economic Challenges	2
Insights from the CEF Directors of Training Seminar	4
Launching the ESR.x Online Course in Arabic	5
CEF Activities during January-December 2019	6



Message from the Director

Dear friends of the CEF,

It is my pleasure to present to you the CEF's fourth issue of the newsletter. Its purpose is to give a feel of the various types of the center's activities through an overview of selected events. A key event was the 2018 Directors of Training Forum, which helped identify the core topics and themes corresponding to the Arab world's needs and is guiding the priorities and choice of training and public economic discussions led by the CEF.

An important priority of the center is to further enrich the inter-regional content of the center's activities, notably by seeking to draw lessons from other regions' experiences to inform the design of policies and strategies for Arab countries. Toward that end, joint work with other IMF departments is being expanded to incorporate, in workshop settings, lessons from countries in a variety of economic settings and regions, to foster a better understanding and address specific, concrete challenges faced by Arab countries. This approach is being incorporated in the face-to-face courses, as well as the online courses in Arabic. Following the successful delivery of the online course on Financial Programming and Policies, the CEF is launching an online course on Energy Subsidy Reform in Arabic, given the high policy-relevance of the topic for most countries in the region.

The global and inter-regional approach is also underpinning the high-level symposia, which are open to the wider public and led in partnership with the Arab Fund for Economic and Social Development. High priority is also being accorded to discussions of the implications for the region of the world economic outlook, including such salient topics as the impact of the rise of protectionism and climate change. The integration of the comparative and global perspective in the CEF courses and symposia is also enriching the CEF's highly successful joint programs with the Arab Monetary Fund, the World Bank, the Organization for Economic Co-operation and Development, the World Trade Organization, and Bank Al-Maghrib, as well as our engagement with the Kuwaiti community and civil society.

My CEF colleagues and I look forward to your visit and participation in our events, and to your feedback on any aspect of the CEF's work to better serve the region. I would also welcome your thoughts through our website at www.cef.imf.org in English and Arabic, which includes our newsletters and updates on our activities, and through Instagram @imfcef or by email at cefmgmt@imf.org

Oussama Kanaan,
Director, IMF-Middle East Center for Economics and Finance

CEF High-Level Symposia

Debating Regional and Global Economic Challenges



The CEF, jointly with the Arab Fund for Economic and Social Development (AFESD), held three high-level symposia since Fall 2017, which address various economic issues related to the Arab region and the broader global economy. Open to the wider public, these fora aimed at stimulating discussion on economic issues that are of special interest to policymakers and scholars in Kuwait and the wider Arab community.

The first Symposium, on “The Economic Policy Challenges Faced by Kuwait and the Arab World”, was held on Tuesday, October 31, 2017. The panel discussion was chaired and moderated by His Excellency Dr. Yousef Al-Ebraheem, Economic Advisor at Al-Diwan Al-Amiri. Mr. Aasim Husain, Deputy Director of the IMF’s Middle East and Central Asia Department and Mr. Stéphane Roudet, who leads the yearly IMF mission to appraise Kuwait’s economic situation (the IMF Article IV Consultation mission), launched the discussion with presentations on economic challenges in the Arab world and in Kuwait. In his presentation, Mr. Husain outlined the growth prospects for the region, noting that the growth outlook was improving somewhat. He also pointed that growth prospects were quite different for various groups of countries, especially oil exporters and oil importers. Mr. Husain stressed that, despite these positive developments, medium-term growth prospects remained muted, especially in light of the job creation challenges in several Arab countries. His presentation highlighted the need for reform to

achieve the much higher growth needed to absorb the large numbers of job seekers expected to enter the labor market in the coming years.

Mr. Roudet next focused on the challenges faced by Kuwait. Given the lower-for-longer oil price environment, he explained why the IMF was encouraging fiscal reforms in Kuwait, highlighting three broad objectives. First, he noted the importance of saving a sufficient part of the oil wealth for future generations, to allow the economy and its citizens to continue to live prosperously even after oil income dries up. He also suggested reforms would help gradually reduce the government deficit and financing needs, while creating room for growth-enhancing investment over the medium term, to reduce the economy’s dependence on oil. Finally, he explained that delinking government expenditure from volatile oil revenue would help maintain macroeconomic stability by avoiding large swings in spending necessitated by sharp oil price movements. This was followed by a discussion with His Excellency Mr. Warren Hauck, Ambassador of Australia to Kuwait, who compared Kuwait’s experience with that of Australia, highlighting the importance of good governance, investment in human capital, and an open trade regime as key factors for sustainable, inclusive economic growth.

The second symposium, with the theme of “Inclusive Development in the Arab World: A Call for Action”, was held on Wednesday, February 14, 2018. The panel discussion was chaired and moderated by His



Excellency Dr. Yousef Al-Ebraheem, and featured Mr. Jihad Azour, Director of the IMF's Middle East and Central Asia Department, as the keynote speaker, and Mr. Ibrahim Elbadawi, Managing Director of the Economic Research Forum, and Professor Adeel Malik of Oxford University as discussants. In his presentation and subsequent discussion with the audience, Mr. Azour explained the reforms needed for higher and more inclusive growth in the Arab World. He discussed the key policies needed to enhance private sector development, boost business productivity and investment, and enable a sustained reduction in unemployment, poverty, and inequality. Mr. Azour briefed the participants about the conference on promoting growth, jobs, and inclusiveness in the Arab World that the IMF organized with the Moroccan government, the Arab Fund for Economic and Social Development, and the Arab Monetary Fund in Marrakesh last month. He drew their attention to the conference's "ACT NOW" call for action to promote Accountability and transparency, Competition, and Technology and Trade while ensuring that No one is left behind by building stronger safety nets, creating Opportunities through more and higher social and investment spending and fairer taxation, and creating Work for all through improved education and skill matching.

Following Mr. Azour's presentation, Mr. Elbadawi and Mr. Malik presented a complementary analysis of the reforms needed to achieve inclusive development in Arab countries, bringing to the fore lessons from specific Arab countries as well as global experience.

The third symposium, entitled "The World Economic Outlook, Implications for Kuwait and the Region", was held on Monday November 12, 2018. The panel



discussion was chaired and moderated by His Excellency Dr. Yousef Al-Ebraheem, and included as the keynote speaker, Professor Maurice Obstfeld, the IMF's Economic Counsellor and Research Department Director, and as discussants Professor Kamiar Mohaddes of Cambridge University, and Mr. Christopher Payne, Economic Advisor to the Governor at the Dubai International Financial Center.

During his introductory remarks and the subsequent discussion, His Excellency Dr. Yousef Al-Ebraheem indicated that the symposium was the ninth high-level forum organized by the CEF jointly with the AFESD, aimed at stimulating an open debate on the evolving economic challenges faced by policymakers in Kuwait and the wider Arab community. He discussed recent global economic developments, and overviewed the key reforms necessary to better prepare the Arab world tackle the resulting challenges, taking into consideration conflicts, the refugee crisis, high unemployment especially among the youth, uncertain prospects for private sector growth, and volatile oil prices.

In his presentation and subsequent discussion with the audience, Professor Maurice Obstfeld projected that the global economic expansion remains broadly solid for the moment but has become less balanced and may have plateaued in major economies. Speaking of growth prospects for the GCC countries, he noted that oil prices have risen this year on the grounds of geopolitical concerns and supply failures. Professor Obstfeld noted that Emerging Market (EM) spreads have widened, and currencies generally depreciated, while capital inflows have shrunk, especially for countries with weaker fundamentals. Past favorable financial conditions have left a legacy of higher corporate and sovereign debt exposures worldwide, but EMs might be especially vulnerable, given the present confluence of pressures, to global shocks – these could come from trade actions, slowdown in China, unexpected financial tightening in Advanced Economies, tensions within the European Union, and adverse geopolitical events.

Reflecting geopolitical concerns (including the U.S. secondary sanctions relating to Iran) and supply failures (for example, in Venezuela), Mr. Obstfeld indicated that oil prices have risen in 2018 despite some softening later in the year. This development has helped lift the current and projected growth in GCC countries. For Kuwait in particular, a period of

faster growth provides an opportunity to accelerate key fiscal and structural reforms. Following Professor Obstfeld's presentation, Professor Mohaddes and Mr. Payne presented a complementary analysis of the reforms needed in Kuwait and the region to address the challenges and opportunities presented by the world economic outlook, discussing lessons from

other countries' experiences in the Middle East and other regions. The floor was then open for discussion with the audience, whose interventions reflected a broad range of interests, including participants from the public sector, the banking and business community, academia, as well as representatives from international organizations.

Insights from the CEF Directors of Training Seminar

The fourth Directors of Training Seminar was held at the CEF on February 18, 2018. It involved 31 training directors representing 17 countries and 28 institutions from the Arab world. The aim of the seminar was to help identify the core topics and themes corresponding to the region's needs, thus guiding the choice of CEF activities planned for 2019. The directors of training continued to have a very favorable overall assessment of the quality of CEF training, viewing it as responsive to their feedback and attuned to the regions evolving policy challenges.

The directors valued the intensification of dialogue between CEF staff and country authorities during the preparation of the program of courses for 2017 and 2018. In particular, direct bilateral discussions with the directors was helpful in taking on board the countries' changing priorities on course topics. While in 2016 there was a special interest by many directors in enhancing training in the area of Islamic Finance, such interest has relatively waned in favor of a strong demand for courses related to macro- fiscal,



financial sector, and governance areas. This shift in priorities has been driven by the deterioration in the macroeconomic and fiscal conditions in many Arab countries.

There was appreciation among directors of the enhancements to the CEF's selection process which markedly improved matching of courses with the candidates' qualifications and training needs. This has resulted from closer coordination between course administrators and country authorities, at the onset of the selection process, to take into consideration their views on the applicants' suitability.

There was a spirited discussion of the delivery modalities for training. Directors welcomed the introduction of the Arabic online FPP course, and expressed interest in additional online courses in Arabic, in particular on energy subsidy reform. Many directors stressed the value of online courses as a complement to face-to-face learning in preparation for more advanced courses, but also in some cases

as a good substitute especially for participants from outside the public sector. Many directors noted that while customized training has obvious advantages given its tailoring to country's specific circumstances, its appeal is tempered by its cost relative to CEF-based training.

Among the areas that should be given high priority by the CEF, Directors underscored the value of case studies and practical exercises drawing on the

recent experience of Arab countries. Some directors pointed to the benefits of requesting officials to make a presentation to their colleagues, following their return from CEF courses, to discuss their key take-aways from the course. There was a broad consensus among directors on the value of further expanding social media communication, and in particular of an online platform to enable participants in CEF activities to share experiences.

Launching the ESR.x Online Course in Arabic



To further expand the reach of its program in economics and finance and better meet the Arab world's training needs, the CEF has developed the Arabic online version of the Energy Subsidy Reform course (ESR.x) on edX¹. This project was funded by the generous support of the State of Kuwait, and led by the CEF in collaboration with the IMF's Institute for Capacity Development, the Fiscal Affairs Department and the Middle East and Central Asia Department. Drawing on lessons from a variety of international country experiences, the course discusses the concept of energy subsidies, their definition and measurement, and examines their economic, social, and environmental implications. It also presents toolkits to assess the welfare and distributional aspects of alternative subsidy reform scenarios, as well as to design effective fuel pricing mechanisms. Finally, the course illustrates successes and failures from case studies, and brings to the fore best practices in energy subsidy reform.

¹ edX is a platform that provides a wide range of training courses online from the world's leading institutions. ESRx will be launched on the platform via the IMF's online learning program (IMFx).

The learning sequences feature short video lectures punctuated with interactive quizzes and hands-on exercises. The course also includes a discussion forum to allow participants to network and discuss the course content and share their countries' experiences. The expected workload for this course is six to eight hours per week over six weeks. This course is self-paced. Participants who successfully complete the course will receive an official certificate. Interested government officials are encouraged to apply online through the link posted on the CEF website (www.cef.imf.org)



CEF Activities during January-December 2019

No.	Sponsoring Agency	Course Title	Course ID	Course No.	Course Date	Lang.	Application	Duration Weeks
1	OECD	Public and Private Sectors' Alliances in the Fight against Corruption	PPS	CE19.100	Jan 7-10	E/A	Invitation	0.8
2	WBG	Creating Markets and Unleashing Private Sector Development through Competition	PSD	CE19.101	Jan 13-17	E/A	Invitation	1.0
3	IMF(ICD)-AMF	Financial Sector Policies*	FSP	CE19.01	Jan 20-31	E	OAS	2.0
4	METAC	National Accounts Compilation Issues, Price and Volume Measures	NAS	CE19.102	Jan 21-24	E/A	ONS	0.8
5	IMF(LEG)	Public Financial Management Legal Frameworks	LFPFM	CE19.02	Jan 27-31	E/A	OAS	1.0
6	IMF(FAD)	Tax Policy and Administration: Theory and Practice	TPAT	CE19.03	Jan 27-31	E/A	OAS	1.0
7	IMF(STA)-AMF	Government Finance Statistics*	GFS	CE19.04	Feb 3-14	A	OAS	2.0
8	IMF(ICD)	Financial Programming and Policies	FPP	CE19.05	Feb 3-14	A	OAS	2.0
9	WTO	Regional Workshop on Dispute Settlement for Arab Countries	TP1	CE19.103	Feb 4-7	E/A	Invitation	0.8
10	IMF(STA)	Quarterly National Accounts	QNA	CE19.06	Feb 10-21	E/A	OAS	2.0
11	IMF(STA)-AMF	Introductory Course on Monetary and Financial Statistics*	MFS-I	CE19.07	Feb 17-28	E/A	OAS	2.0
12	IMF(ICD)-AMF	Fiscal Policy Analysis*	FPA	CE19.08	Mar 3-14	A	OAS	2.0
13	IMF(ICD)	Macroeconomic Management in Resource Rich Countries	MRC	CE19.09	Mar 3-14	E/A	OAS	2.0
14	IMF(ICD)	Financial Development and Financial Inclusion	FDFI	CE19.10	Mar 3-14	E	OAS	2.0
15	IMF(STA)	Compiling Natural Resources in National Accounts	ANR	CE19.31	Mar 17-21	E/A	OAS	1.0
16	IMF (MCM)	High-Level Seminar on Banking Supervision and Regulation	BRS-GCC	CE19.33	Mar 24-28	E/A	Invitation	1.0
17	METAC	Performance Management in Tax Administration	PMTA	CE19.104	Apr 1-4	E/A	ONS	0.8
18	OECD	Effective Competitiveness Policies in MENA Countries	COMP	CE19.105	Apr 8-11	E/A	Invitation	0.8
19	IMF(ICD)-BAM	Model-Based Monetary Policy Analysis and Forecasting**	MPAF	CE19.11	April 8-19	E	OAS	2.0
20	WTO	Trade Policy	TP2	CE19.106	Apr 14-18	E/A	Invitation	1.0
21	IMF(ICD)	Macroeconomic Diagnostics	MDS	CE19.12	Apr 14-25	E	OAS	2.0
22	IMF(ICD)-AMF	Fiscal Frameworks*	FF	CE19.13	Apr 21-May 2	E/A	OAS	2.0

No.	Sponsoring Agency	Course Title	Course ID	Course No.	Course Date	Lang.	Application	Duration Weeks
23	METAC	Implementation of the International Financial Reporting Standard	IFRS9	CE19.107	Apr 22-25	E/A	ONS	0.8
24	IMF(FAD)	Reforming Fuel Subsidies	RFS	CE19.14	Apr 28-May 2	E/A	OAS	1.0
25	WBG	Emerging Trends in E-Governance and Applications to E-Procurement	GOV-PPM	CE19.108	Apr 28-May 2	E/A	Invitation	1.0
26	IMF(ICD)-AMF	Financial Sector Surveillance*	FSS	CE19.15	June 16-27	E	OAS	2.0
27	WBG	Managing Water Scarcity in MENA: Resource and Demand Management, Sector Financing, and Desalination	MWS	CE19.109	June 18-20	E/A	Invitation	0.6
28	OECD	Public Procurement in MENA Countries	PPM	CE19.110	June 24-27	E/A	Invitation	0.8
29	IMF(COM)-WTO	Parliamentary Workshop for Members of Parliament in the MENA Region	PARL-MENA	CE19.32	Sept 3-5	E/A	Invitation	0.6
30	IMF(ICD)	Monetary Policy	MP	CE19.16	Sept 8-19	E	OAS	2.0
31	IMF(ICD)	Fiscal Policy Analysis	FPA	CE19.17	Sept 8-19	A	OAS	2.0
32	IMF(STA)-AMF	International Trade in Goods and Services Statistics*	ITGS	CE19.18	Sept 15-19	E/A	OAS	1.0
33	IMF(MCM)	Macro-Stress Testing	MST	CE19.19	Sept 22-26	E	OAS	1.0
34	IMF(LEG)	Implementing the International AML-CFT Standards	AMLS	CE19.20	Sept 22-26	E/A	Invitation	1.0
35	WBG	Regional Course on Boosting Women's Access to More and Better Jobs in MENA	WEE	CE19.111	Sept 29-Oct 3	E/A	Invitation	1.0
36	IMF(STA)-AMF	Compilation of Balance of Payment Statistics*	BPSCG	CE19.21	Oct 6-10	E/A	OAS	1.0
37	IMF(ICD)	Exchange Rate Policy	ERP	CE19.22	Oct 6-17	E	OAS	2.0
38	IMF(ICD)-BAM	Macroeconometric Forecasting and Analysis**	MFA	CE19.23	Oct 7-18	E	OAS	2.0
39	WBG	Urban Mobility and its Impact on Economic Growth in MENA	UMEG	CE19.112	Oct 13-17	E/A	Invitation	1.0
40	IMF(FAD)	Strengthening Budget Institutions	SBI	CE19.24	Oct 20-24	E/A	OAS	1.0
41	IMF(ICD)	Fiscal Sustainability	FS	CE19.25	Oct 27-Nov 7	E/A	OAS	2.0
42	OECD	Risk Management and Audit in the Public Sector	RM-AUD	CE19.113	Oct 28-31	E/A	Invitation	0.8
43	IMF(FIN)	Safeguards Assessments of Central Banks	SAC	CE19.26	Nov 3-7	E/A	OAS	1.0
44	WTO	Trade Policy	TP3	CE19.114	Nov 11-14	E/A	Invitation	0.8

No.	Sponsoring Agency	Course Title	Course ID	Course No.	Course Date	Lang.	Application	Duration Weeks
45	IMF(MCM)	Current Issues in Banking Supervision and Regulation	BRS	CE19.27	Nov 17-21	E/A	OAS	1.0
46	IMF(STA)-AMF	Financial Soundness Indicators*	FSI	CE19.28	Nov 17-28	E/A	OAS	2.0
47	OECD	Good Practices for SMEs and Access to Finance Policies	SME	CE19.115	Nov 25-28	E/A	Invitation	0.8
48	IMF(ICD)	Inclusive Growth	IG	CE19.29	Dec 1-12	E/A	OAS	2.0
49	IMF(ICD)-AMF	Vulnerability Diagnostics*	VDS	CE19.30	Dec 8-19	E	OAS	2.0
50	METAC	Methods and Tools for Building a Medium-Term Budget	BUD	CE19.116	Dec 16-19	E/A	ONS	0.8

OAS: Online Application System

ONS: Online Nomination System

AMF: Arab Monetary Fund

BAM: Bank Al-Maghrib

IMF: International Monetary Fund

IMF Departments Abbreviations: Fiscal Affairs (FAD); Institute for Capacity Development (ICD);

Legal (LEG); Monetary and Capital Markets (MCM); Statistics (STA)

METAC: Middle East Regional Technical Assistance Center

OECD: Organization for Economic Co-operation and Development

WBG: World Bank Group

WTO: World Trade Organization

* The course will be conducted at the Arab Monetary Fund (AMF) in Abu-Dhabi, United Arab Emirates (UAE).

** The course will be conducted at Bank Al Maghrib (BAM) in Rabat, Morocco.

Note: Course dates are subject to change. Please visit our website regularly: www.cef.imf.org for the latest updates.