



From the Director's desk

We are delighted to present to you the second issue of the CICDC Newsletter, reporting on the capacity development activities of the China-IMF Capacity Development Center (CICDC) from April to June (Q2) of 2024. The six courses that we organized during Q2 covered diverse fields, including macro frameworks, digital finance, statistics, and tax policy. In addition to the courses, the CICDC also organized the visit of the Management of the IMF's Institute for Capacity Development (ICD) to China in June. In Shanghai, we witnessed the announcement by the IMF and the People's Bank of China (PBOC) on the opening of a new IMF regional center in Shanghai and the co-location of the CICDC with the Shanghai Regional Center to maximize synergies. In Shenzhen, we celebrated the beginning of the second phase of the capacity development partnership between the People's Bank of China (PBOC) and the IMF. Taking advantage of this occasion, a series of outreach meetings were organized between ICD management and the CICDC Shenzhen Center, Shenzhen Stock Exchange (SZSE), as well as Tencent and WeBank. Wrapping up the busy season, the CICDC Steering Committee meeting took place on June 28 in Beijing. Enjoy reading.

Hui He
Director, CICDC



Highlight: CICDC Steering Committee Meeting

The 6th Steering Committee Meeting of the CICDC took place on June 28, 2024 in Beijing. Mr. Jing Chen, Deputy Director-General of the International Department of the PBOC, Mr. Dominique Desruelle, Director of ICD, Ms. Michaela Erbenová, Deputy Director of ICD, Mr. Steven Barnett, IMF Senior Resident Representative in China, Mr. Hui He, Director of CICDC, as well as staff from the PBOC International Department and CICDC, participated in the Meeting. Joining virtually were Thomas Helbling, Deputy Director of the Asia and Pacific Department (APD), and colleagues from several divisions of ICD.



The Steering Committee reviewed and approved CICDC's report on its operations in FY24 and work program and budget in FY25. The Committee also discussed the vision on the CICDC during Phase II of the PBOC-IMF partnership on capacity development, recent trends of IMF's capacity development programs and the implications of the CD Strategy Review for CICDC, APD's perspective on surveillance priorities, and CICDC's capacity development priorities.

Overview of 2024 Q2 courses

1. Course on Macroeconometric Forecasting and Analysis (MFA)

April 15-26, Dalian

This course, co-organized with the National Bureau of Statistics and delivered by the IMF Institute for Capacity Development (ICD), helped government officials gain a rigorous foundation in the estimation of macro-econometric models and their application for nowcasting, forecasting, and policy analysis in central banks, ministries, and public research institutions. Mr. Xin Li, IMF Deputy Resident Representative for China, was invited to deliver a guest lecture on the Fund's latest economic forecasts and policy recommendations for China. The course also demonstrated strong synergies with ICD's macro-frameworks technical assistance (TA) projects, in which several BRI participants were involved. It is expected that the government agencies involved in this course would apply the practical techniques and forecasting models in their future work and policymaking. 33 participants from China, Cambodia, the Kyrgyz Republic, and Lao PDR participated in the course.



2. Course on Cross-border Payments in the Digital Age (CBPDA)

May 13-17, Shenzhen

This course, presented by the Monetary and Capital Markets (MCM) Department of the IMF, jointly organized with the PBOC and the Ministry of Commerce (MOFCOM), was designed based on the G20 Roadmap for Enhancing Cross-border Payments and the IMF-World Bank approach to cross-border payments technical assistance. The lectures explored the evolving landscape of cross-border payments in the digital age and focused on how it could be improved, including the pain points of developing cross-border payments, the regional and international initiatives to address those obstacles in the near term. To facilitate exchange of



experience and insights on the measures of cross-border payments among the participating countries, a panel discussion on Faster Payment system (FPS) interlinkages, country case studies presented by course participants, and guest lectures presented by experts from The SEACEN Centre and Tenpay were organized. Through the course, the participants gained a deeper understanding of cross-border payments and the actions underway to address the challenges faced by them. 61 people participated in the course, including 29 from China, and 32 from 10 Belt and

Road Initiative (BRI) countries including Cambodia, Indonesia, Lao PDR, Malaysia, Mongolia, Nepal, Papua New Guinea, Philippines, Sri Lanka, and Thailand. The course was supported by The SEACEN Centre.

3. Course on Systemic Macro Financial Risk Analysis (MFRA)

May 27-31, Dalian

In collaboration with the PBOC, the course (presented by the MCM) engaged 34 participants from China, Cambodia, Indonesia, Malaysia, Maldives, Mongolia, Pakistan, Papua New Guinea, Philippines, Uzbekistan, and Vietnam. It provided a comprehensive overview of the theories, tools, and techniques necessary for the analysis of risks to financial stability. The course addressed topics including the development of risk dashboards; identification of vulnerabilities; the use of stress tests of banks (including to assess climate-related risks) and non-financial entities, and network and contagion analysis. Utilizing real life examples derived mainly from Financial Sector Assessment Programs (FSAPs) and allowing participants to work on case studies, the course enhanced the participants' capacity in measuring and monitoring sector and systemic risk.



4. Course on Macroeconomic Diagnostics (MDS)

June 17-28, Dalian

Co-organized with the National Bureau of Statistics (NBS) and presented by the ICD, this course is designed to strengthen participants' ability to comprehensively assess a country's macroeconomic situation, including the current state of the economy; the stance of fiscal and monetary policy; financial stability; exchange rate misalignments; vulnerabilities in the different sectors; and the medium-term outlook, especially the sustainability of public and external debt. It emphasized practical tools for use in day-to-day macroeconomic analysis. And it relied on a case study on the regional developments and economic and political environment of Indonesia to illustrate how these tools are applied and how they can contribute to the policymaking process. 36 participants from China, Indonesia, and Azerbaijan participated in the training.



5. Course on Institutional Sector Accounts -- Advanced (ISA-A)

June 17-28, Shenzhen

This course was jointly organized with the PBOC and delivered by counselors from the IMF's Statistics Department. It covered advanced methodological and practical issues related to the compilation of the sequence of accounts of the System of National Accounts, SNA (current and capital accounts, financial accounts, other changes in volume of assets accounts, revaluation accounts, and balance sheets) by institutional sectors. It also examined the linkages between institutional sectors as a basis for establishing from-whom-to-whom accounts. The course consists of lectures covering conceptual and methodological issues, workshops sessions on practical compilation issues, discussions on emerging financial issues such as fintech and crypto assets. The lectures provided a thorough review of the methodological framework, concepts, and definitions relating to sectoral institutional sector accounts and balance sheets, examine potential data sources for the compilation of annual and quarterly ISA and illustrate possible compilation techniques and procedures. It also provided a forum for participants to share country practices and experiences relating to the compilation of sectoral institutional accounts and balance sheets. 45 participants from the People's Bank of China and its local branches participated in the course.



6. Course on Tax Policy and Administration: Theory and Practice (TPAT)

June 24-28, Shenzhen

This course, co-organized with the State Taxation Administration (STA) and presented by the IMF's Fiscal Affairs Department, is designed to broaden participants' knowledge of the main challenges governments face in designing, administering, and monitoring of a modern tax system. It outlined the theoretical underpinnings of tax policymaking and discussed in detail its practice and implementation with an emphasis on China and Africa. Participants also shared their experiences in developing strategies to improve their tax systems and how they are implemented and administered. During the course, a field visit to Dalian Tax Service was organized to facilitate exchange on tax administration practices. The course was jointly organized with the State Taxation Administration, and 29 participants from China, Angola, Cameroon, Ethiopia, Georgia, and Tajikistan participated in the training.



Voices from Participants

"After taking the course in macroeconomic forecasting and analysis, I feel incredibly enlightened and inspired... One of the most rewarding aspects was the opportunity to apply theoretical concepts to real-world scenarios, allowing me to develop a deeper appreciation for the complexities of economic dynamics. Throughout the course, the engaging discussions and interactive sessions fostered a collaborative learning

environment, enabling me to exchange ideas and perspectives with peers and instructors alike. ... Moving forward, I am excited to continue exploring the intricacies of macroeconomic analysis and forecasting, confident in my ability to navigate the ever-evolving economic landscape."

Mern Phatt (MFA course participant)
Ministry of Economy and Finance, Cambodia

"It was a new experience for me to join the course. Eventhough I am currently work in Macroprudential and financial system stability sector, I was gaining new knowledge from the training programme and able to share perspective from Indonesia point of view and experience with other colleagues from other jurisdictions."

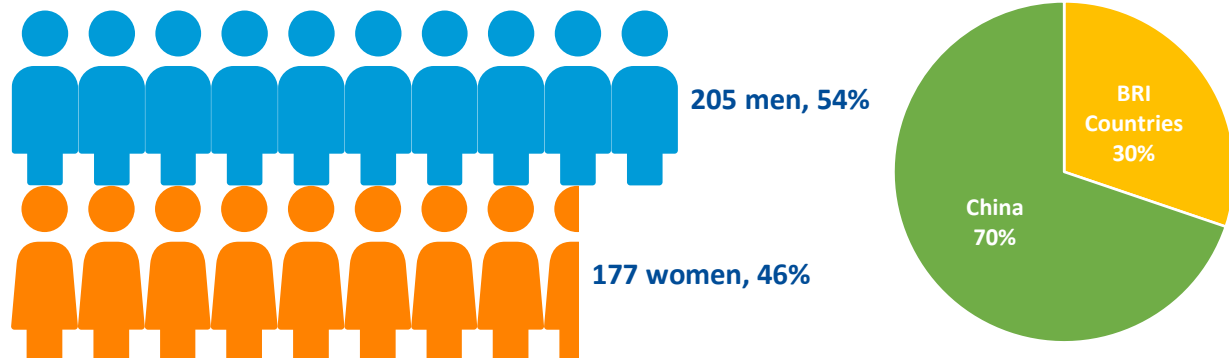
Agus Fadjar Setiawan (MFRA course participant)
Bank Indonesia

"I learnt a lot during the course. I left China inspired and motivated to bring recommendations back to my Central Bank on how we can improve the cross border and the payment landscape. I was so happy to share the knowledge and skills I have attained with my managers."

Anonymous (CBPDA course participant)

CICDC in numbers

CICDC course participants from January to June 2024:



Partnerships and outreach

1. Visit of the Director of ICD to PBOC Shanghai Head Office

Mr. Dominique Desruelle, Director of ICD, and Mr. Hui He, Director of the CICDC, visited PBOC Shanghai Head Office on June 20, 2024, and met with Mr. Penghui Jin, Executive Vice President of the PBOC Shanghai Head Office and President of the PBOC Shanghai Branch. The parties discussed the importance of capacity development and exchanged the ideas on strengthening IMF training for the staff of the PBOC Shanghai Head Office. Mr. Jin also expressed full support to the future CICDC operation in Shanghai.



2. Visit of the Director and Deputy Director of ICD to Shenzhen

From June 26 to 27, 2024, Mr. Dominique Desruelle, Director of ICD, and Ms. Michaela Erbenová, Deputy Director of ICD, engaged in a series of activities in Shenzhen, including their first visit to the CICDC Shenzhen Center on June 26. Mr. Haixin Quan, Director of the CICDC Shenzhen Center, briefed them on the history, facilities, and activities of the Shenzhen Center. Mr. Desruelle and Ms. Erbenová also met with participants of the course on Institutional Sector Accounts—Advanced (ISA-A), which was taking place at the Shenzhen Center. They highly acknowledged the work undertaken at the Shenzhen Center.



Visit of Mr. Dominique Desruelle to the CICDC Shenzhen Center



Exchange with participants of the ISA-A course in Shenzhen

On the same day, Mr. Desruelle and Ms. Erbenová met with officials from the Shenzhen Stock Exchange and discussed about the potentials of strengthening synergies on capacity building activities.



Meeting with Shenzhen Stock Exchange



On June 27, 2024, Mr. Desruelle and Ms. Erbenová visited the Headquarters of Tencent and WeBank, leading players in digital payment systems and cross-border payments based in Shenzhen. Both enterprises have supported CICDC's capacity building activities by hosting field visits, through which participants gain first hand knowledge about the real world application of FinTech. Mr. Desruelle and Ms. Erbenová were introduced to the FinTech development at Tencent and the history and operation of WeBank, and exchanged ideas on how FinTech could better serve society and how it could be regulated more effectively. As part of the exchange, the guests were introduced to the cash-free ecosystem in the premise through a hands-on walkthrough of digital payment through WeChat Pay, one of Tencent's popular mobile payment applications.



Meeting with Tencent and WeBank

Upcoming courses in 2024 Q3

- 1. Risk-Based Banking Supervision (BSO)**
July 29-August 2, Dalian
- 2. Financial Markets and Instruments (FMI)**
September 2-6, Dalian
- 3. Inclusive Growth (IG)**
September 2-6, Shenzhen
- 4. Selected Issues in the Evolving Financial Regulatory Framework (FRF)**
September 9-13, Shenzhen

For information, please visit <https://www.imfcicdc.org/content/cicdc/en.html> or contact CICDCtraining@IMF.org.