

# Morocco

## Technical Assistance in Fiscal Year 2018

### Financial Supervision (September 4-8)

METAC continued TA to BAM on strengthening RBS, in preparation of the authorities' plan to move to a more flexible FX regime. To this end, it organized two missions in FY18:

- The first mission focused on the new BCBS's framework related to IRRBB and the adjustments needed in terms of adaptations to be brought to the Moroccan regulatory context. The mission proposed changes to BAM's Directive on IRRBB management, the Circular on Internal Control, and the Directive on Governance. The mission also organized training presentations followed by a workshop to 16 supervisors, to help them address upcoming regulatory and supervisory challenges. A subsequent mission is planned for later in the year to help the authorities implement effectively the ICAAP.
- The second mission dealt with the effective implementation of ICAAP and how banks supervisors should challenge and make use of the collected information to build up their supervisory judgment on the banks' risk-profiles.

### Public Financial Management (September 5-14)

Strengthening public investment is a priority for the Moroccan government as part of their strategy to enhance growth and meet social expectations regarding access to public infrastructure. Given the fiscal constraints and their commitment to bring debt down to 60 percent of GDP by 2021, the authorities are taking measures aiming at improving efficiency and quality of public investment. Using the PIMA methodology, a joint FAD - METAC- World Bank mission assessed the efficiency of Jordan's public investment, outlined its relative institutional strengths and weaknesses, and provided practical recommendations to enhance the efficiency and impact of public investment. The assessment findings will inform the finalization of the authorities' action plan to strengthen public investment management.

### Revenue Administration (September 18-22)

Morocco is one of the first countries selected to benefit from the "G20 Compact with Africa" initiative to which the IMF contributes. As part of the implementation of the revenue mobilization component of the initiative, METAC joined an IMF headquarters mission to discuss Morocco' priorities with the Directorate General of Taxes. The following new tools were presented and discussed: 'Medium-Term Revenue Strategy'; 'International Survey on Revenue Administration', and the diagnostic assessment tools: 'Revenue Administration Gap Analysis Program' and 'TADAT'. As a result, Directorate General of Taxes requested that FAD and METAC undertake a TADAT assessment and a VAT gap analysis later in FY18.

### Statistics (February 19-23, April 30 – May 11)

METAC supported the extension of the coverage of Morocco's GFS to the general government. To this end, it organized two missions, which focused on: (i) assessing the institutional arrangements for the compilation of the fiscal statistics, including the new GFS committee; (ii) identifying existing source data for the compilation of sub-sectors of the general government other than budgetary central government and to identify data gaps; and (iii) initiating procedures

to collect source data for the rest of the general government sector. The second mission assessed progress made with the implementation of the past missions' recommendations.