

Context and purpose

Within the framework of the partnership Morocco-European Union, especially the Advanced Status Morocco-EU, an institutional twinning project has been agreed. This project involves on the one hand the Foreign Exchange Office of Morocco (Office des Changes); and on the other hand, the National Institute of Statistics and Economical Studies (INSEE), the Central Bank of France (Banque de France) and The General Directorate of Customs and Indirect Taxes (Direction Générale des Douanes et Droits Indirects, DGDDI) for a support in establishing foreign exchanges statistics aiming a further harmonization of the production and dissemination of data with the international standards.

The three institutions that have successfully supported France's application to the European invitation to tender to the twinning with the Foreign Exchange Office of Morocco, have longstanding bilateral cooperation projects with their Moroccan counterparts and have established with them collegial contact through the exchange of experts' visits and attendance in many seminars and trainings in France and Morocco.

In parallel to its mission of control and monitoring foreign financial transactions, the Foreign Exchange Office also provides a statistical mission that has been expanding during the last years due to the growth in the volume of transactions between Morocco and abroad. In its attributions, the Foreign Exchange Office is in charge of establishing and

disseminating statistics of foreign trade, Balance of Payments and International Investment Position.

The Foreign Exchange Office twinning program with the French institutions should be considered in the context of the implementation of the 6th Edition of the IMF Balance of Payments Manual, the new United Nations Recommendations on Foreign Trade (2010) and the new System of National Accounts (2008). The work and analysis that will be realized within the twinning program, will also aim to facilitate the future implementation of these new recommendations in Morocco, along with their implementation in the European Union.

The increase in the transactions volume and the complexity between Morocco and abroad, the need to develop new methods of data collection as result of the progressive liberalization of exchange controls, as well as the adjustment of the methods and practices to international directives and convergence towards the European Union legislation, require new guidelines for the statistical work of the Foreign Exchange Office, beneficiary of the twinning project.



Different Types of Activities are defined by Twinning Contract

- ✚ Technical assistance missions to carry out analysis, evaluations, diagnosis and recommendations on different aspects related to methodology, statistical analysis and data-processing work and the formulation of an internal manual of instructions for the Department of Foreign Exchange Statistics of the Foreign Exchange Office;
- ✚ Training seminars in Morocco and study visits in the European Union countries that will allow the Foreign Exchange Office staff to be informed on the European good practices and to adopt new methodologies;
- ✚ A high level expert will be available during all the project period as a Resident Twinning Adviser (RTA) for the coordination of actions with its Moroccan counterpart in the Foreign Exchange Office;
- ✚ Quarterly meetings of the Steering committee (composed of project partners and representatives of the support unit in charge of facilitating the Morocco-UE action plan 'Programme d'Appui au Plan d'Action Maroc-UE' and the Delegation of the European Union) to evaluate the achievement of the expected results, and to ensure the follow up of the action;

Expected Results

The twinning program aims the following methodological improvements:

- Evaluation of some key-items of the Balance of Payments, namely trade credits, services, transfers and investments of Moroccans Residing abroad (MRE), direct investments (including Foreign Affiliates Statistics - FATS);
- Assessment of the value of some specific items (for example sales on consignment);

Statistical analysis will be realized to prolong mirror-exercises on foreign trade and to carry out new methods of seasonal adjustment and regional breakdown of specific data.

Data-processing works will be undertaken to improve the procedures for exchanging data internally and externally. In addition to statistical work that will lead to the choice of a software for processing time series and the adoption of procedures allowing access to foreign trade databases (Comext database -Eurostat- and Comtrade -United Nations Statistics Division-), the Foreign Exchange Office wishes to set up a computing system with a Data warehouse and a metadata server.

The twinning program also aims the analysis, validation and formalization of different procedures of data collection, compilation, and dissemination as well as the preparation of an **internal manual of procedures** for the Department of Foreign Exchange Statistics of the Foreign Exchange Office.

The improvement of the Foreign Exchange Office human resources capacities on all the actions above will go through **statistical trainings** for the representatives of the Foreign Exchange Office in Morocco and in the European Union countries.

Finally, the twinning program will attempt to give a **strong visibility** for the improvement of the methodologies and treatments of foreign exchange statistics, taking into consideration their importance in the Moroccan economy analysis.

The Project: Key Figures

- **Budget** **1 260 000 Euros**
- **Duration** **24 months from February 2011**
- **Experts Number** **About thirty French side**
- **Activities Number** **19**
- **Number of expertise days** **640 days**