

# Capacity building

Istanbul - September 26, 2010

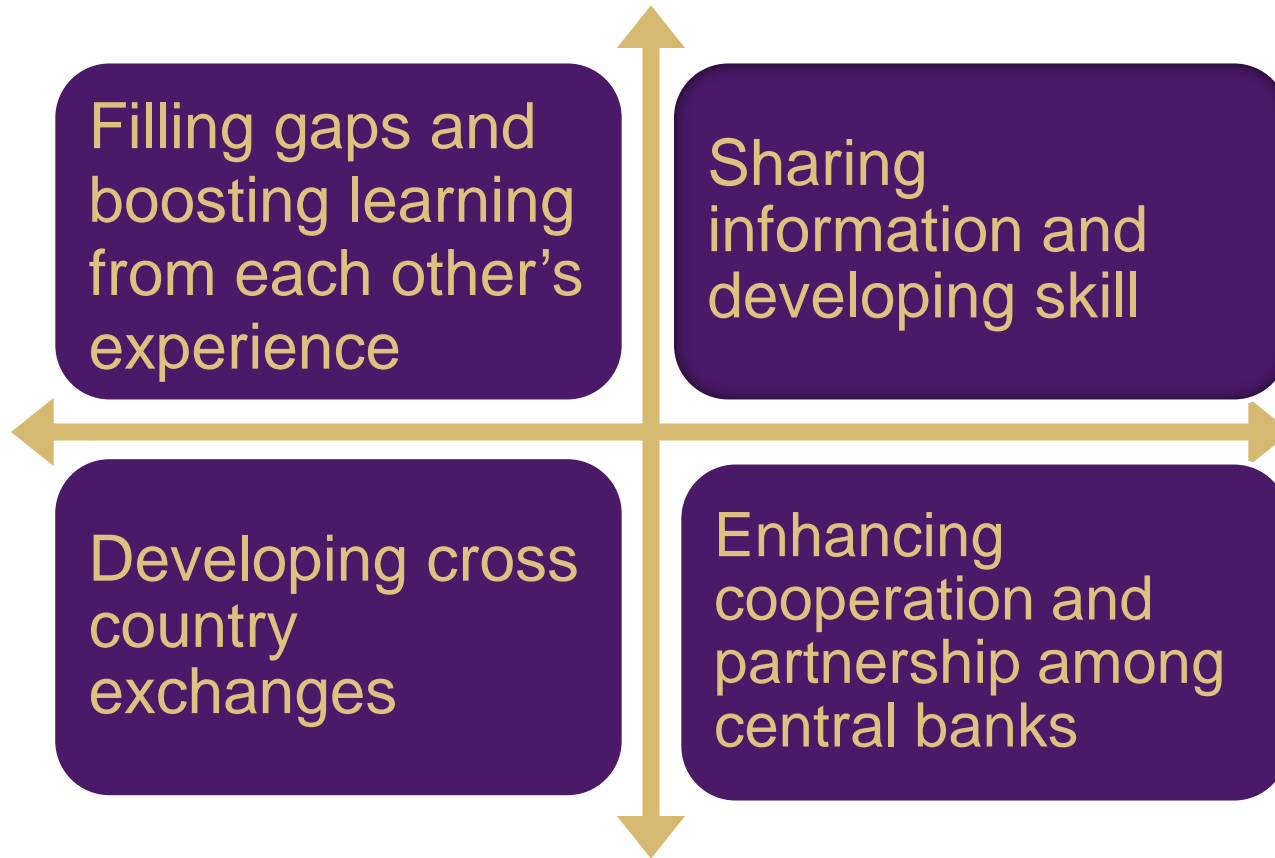
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- 2 Regulatory framework
- 3 Main focus areas
- 4 Statistical indicators
- 5 Challenges

# Capacity Building

1

## Goals of capacity building



2

## Regulatory framework at Bank Al-Maghrib

## 2 Regulatory framework



Monitoring of Bank Al Maghrib's (BAM) capacity building program since 2007 by a dedicated division



Participative approach in BAM entities to identify needs of capacity building



Cooperation activity is steered by a standing committee at the highest level of BAM

## 2 Regulatory framework



Monitoring of Bank Al Maghrib's (BAM) capacity building program since 2007 by a dedicated division



Participative approach in BAM entities regarding needs of capacity building

Elaboration of several annual cooperation programs with central banks & other regional and international financial institutions



# Capacity building

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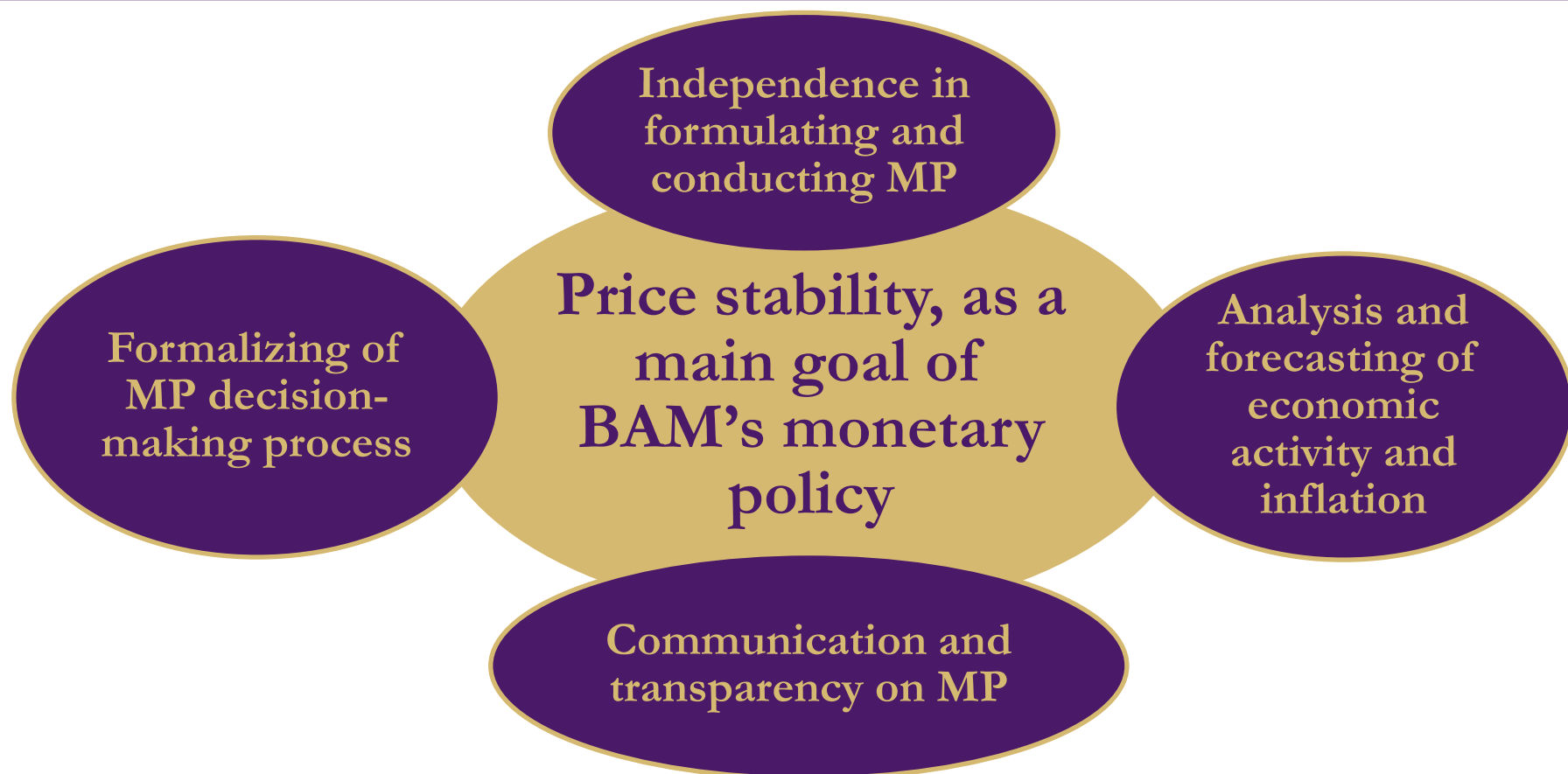
Main focus areas

# Main focus areas

1. Monetary policy
2. Banking supervision and regulation
3. Payment systems
4. Financial information
5. Internal anti-money laundering system
6. Quality management system
7. Strategic planning
8. Internal control system

# One example: Monetary Policy

## Achievements on Monetary Policy since 2006



# Monetary policy decision making process

- 1. Step 1: Staff elaborates economic and financial analysis, forecasts and studies**
  - Monthly
  - Consensus process among our core divisions
- 2. Step 2: Discussion at the Monetary and Financial Committee**
  - On monthly basis, validation of analysis, proposals on MP decision
  - Annual meetings calendar is posted on the website
- 3. Step 3: MFC submits proposals on MP decisions to the Bank Board**
  - Meetings at the end of each quarter, Taking decision on MP on the basis of the Monetary Policy Report elaborated by the staff
  - Annual meetings calendar is posted on the website



# One example: Monetary policy

## Monetary policy analytical support framework

Real economy

### International environment

- World prices of commodities and imports
- Foreign demand
- Global inflation
- Foreign exchanges

### National situation

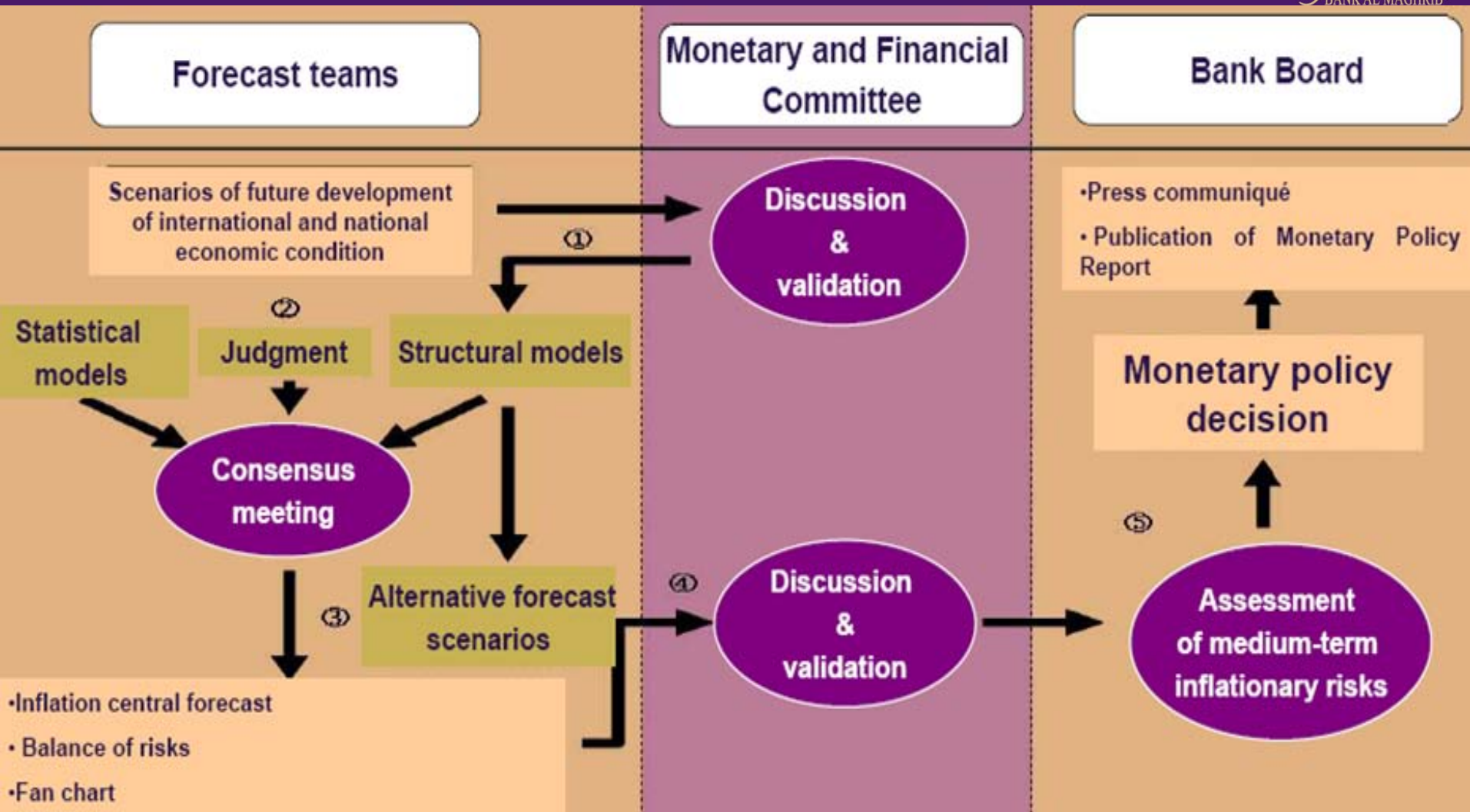
- Industrial production capacity utilization rate and global non agricultural output gap
- National accounts
- Employment and unemployment
- Industry production costs
- Average salaries and minimum wages

Multi criteria approach

### Monetary and financial economy

- Money and loans
- Asset price
- Liquidity
- Interest rates
- Exchange rate

# Quarterly Inflation forecasting process



- Monetary policy report (MPR); quarterly publication
- The basis for decisions made by the Bank Board
- 17 issues, as from December 2006
- Reducing the deadline of posting MPR on the Bank's website , from 10 days in 2007 to a maximum of 3 hours in 2009, after the Board 'meetings

- Reinforcement of the dialogue quality with economic policy players, economic operators and the media ( Revue de la presse)
- Quarterly meetings with the banking professionals

# Monetary policy

Information system underlying the analytical framework  
of monetary policy



Monetary & Financial Series Database (MFSD)



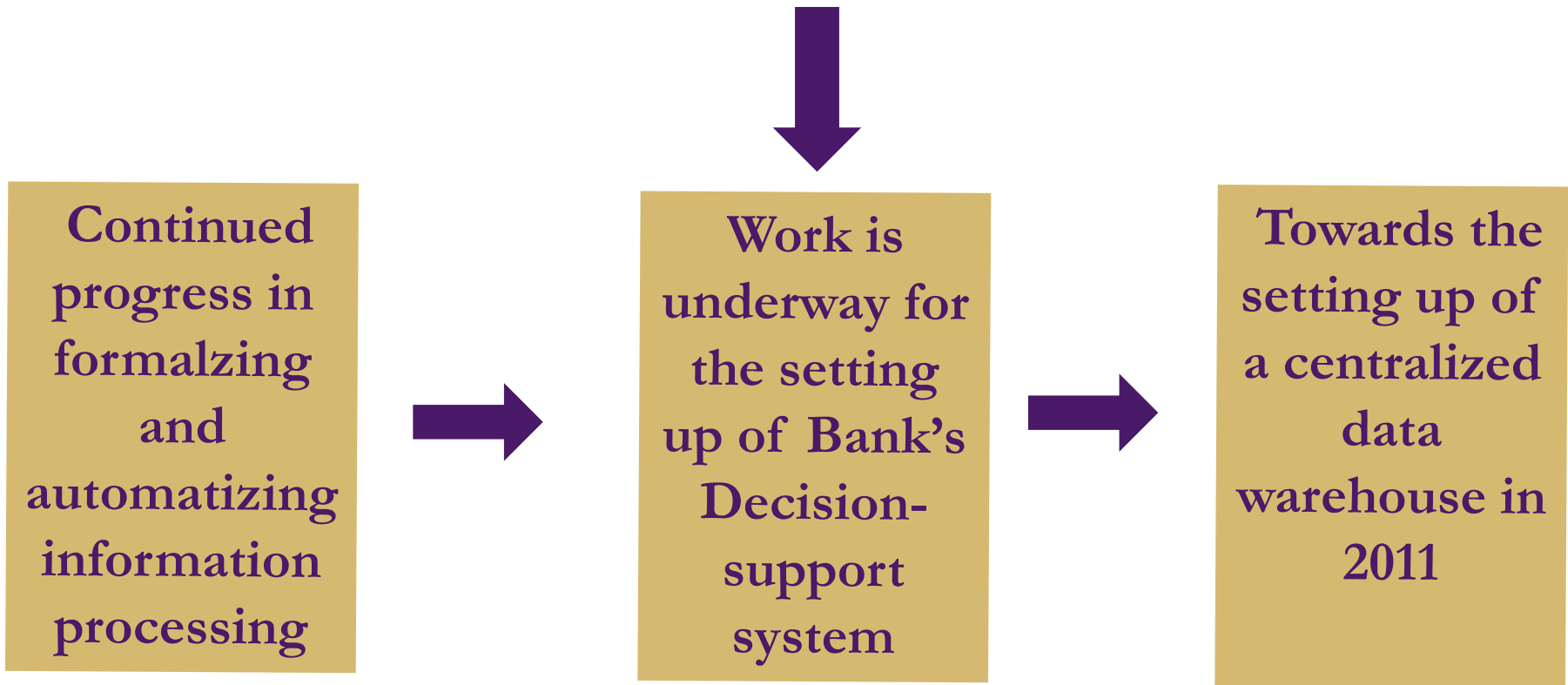
More than 300.000 series on 2010

The MFSD includes monetary, economic and financial data series: accounting data of the bank and credit institutions, money market, the foreign exchange market, the credit bureau, the default registry, prices, national accounts, production indexes, data by sector, foreign trade, balance of payments, and the Moroccan stock market indicators



# Monetary policy

## Information system underlying the analytical framework of monetary policy

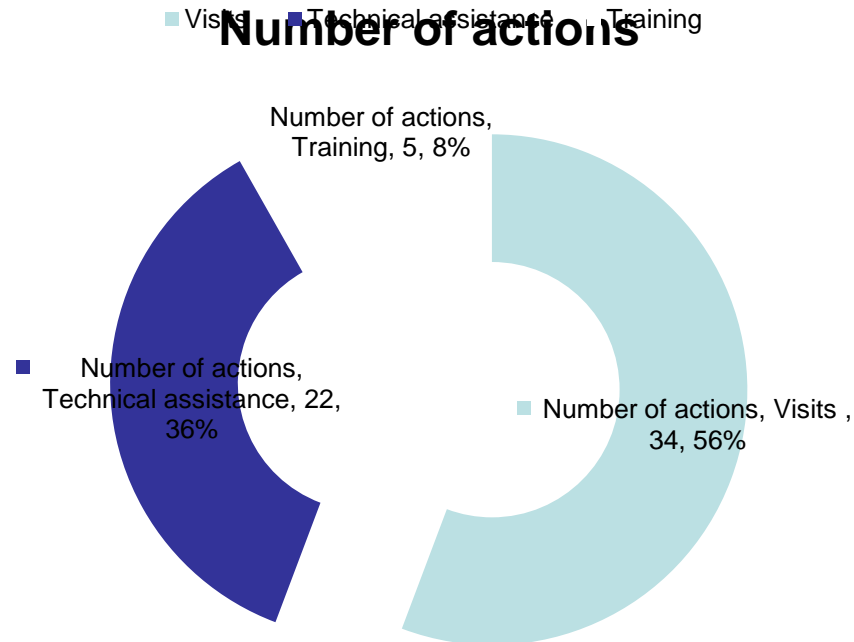


# Capacity Building

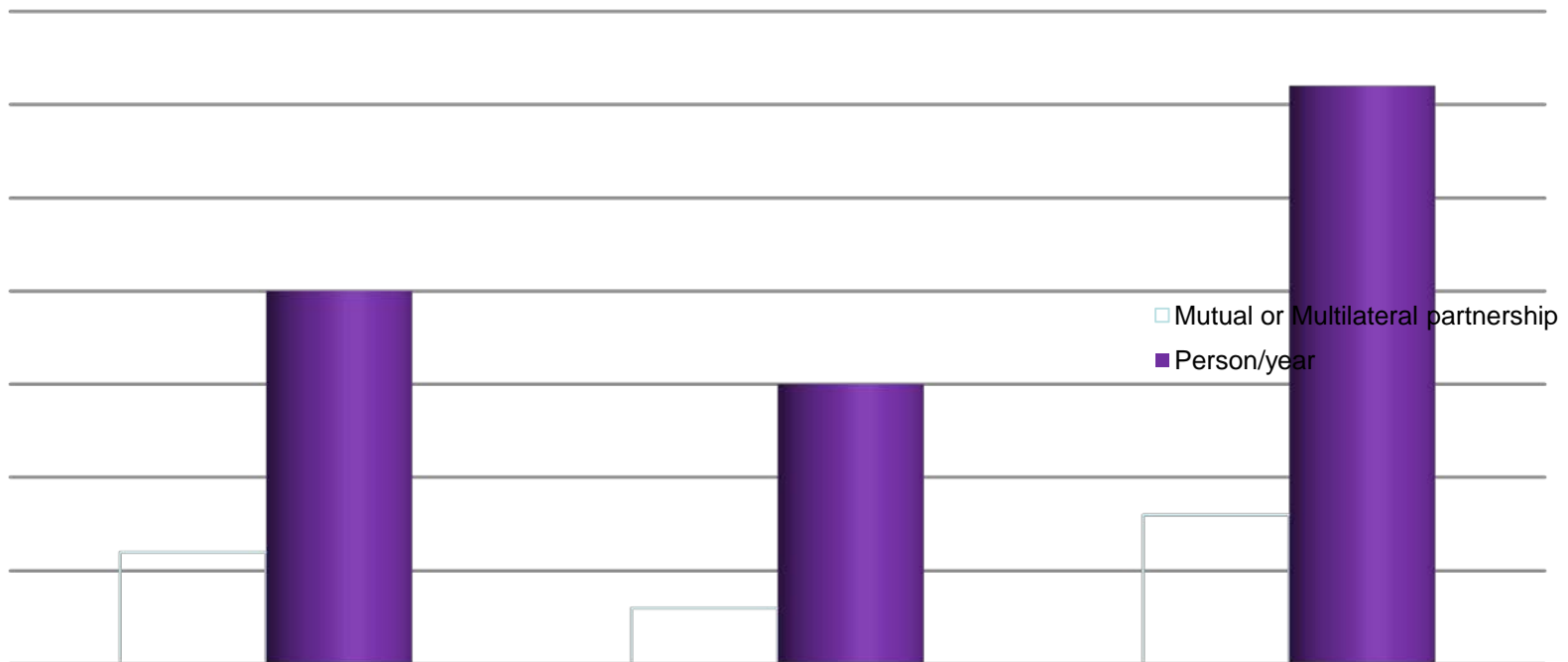
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## Statistical indicators

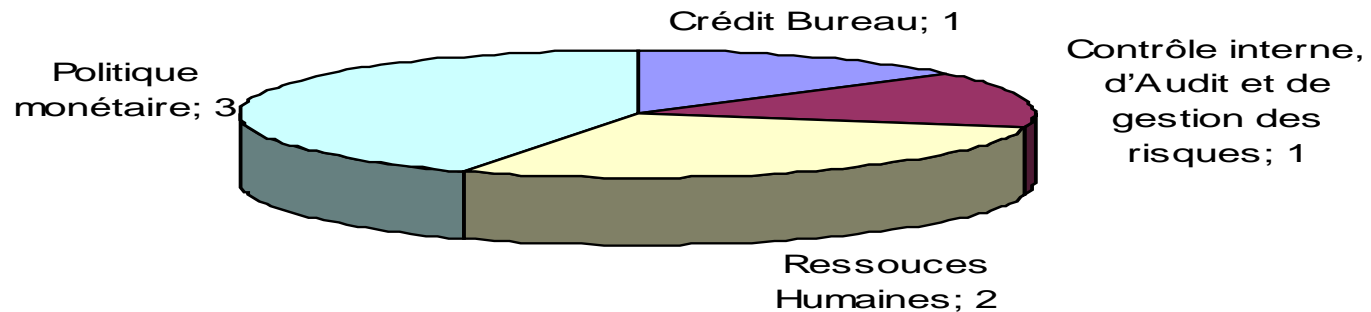
## Total capacity building program in Bank Al Maghrib by form



## Building capacities for Bank Al Maghrib



## Building capacities by Bank Al Maghrib by field in 2009



# Capacity Building

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## Challenges

## Lessons learned from past crises

- What are at stake for central banks/ Post-crisis challenges to emerging and developing countries?
- How capacity building programs in central banks can contribute to overcome the global financial crisis

# Capacity building : challenges

## Key areas

- Financial stability/Monetary policy
- How capacity building programs in central banks can contribute to overcome the global financial crisis



# Capacity building : challenges

## Key challenges in house

- Refocusing capacity building programs, in accordance with 2010-2012 BAM strategic orientations
- Enhancing performance measurement and cost-effectiveness of capacity building
- Strengthening partnership with other central banks (dedicated website for sharing information, workshops, interships, mutual programs etc...)

Thank you for your attention