



United Nations
Economic Commission for Africa



MOROCCO

COUNTRY BRIEF





Introduction

The Economic Commission for Africa (ECA) was established in 1958 by the Economic and Social Council as one of the five regional commissions of the United Nations. The mandate of ECA is to promote the economic and social development of its members, foster intraregional integration and promote international cooperation for development in Africa.

The work of ECA in North Africa is facilitated by its Subregional Office for North Africa, which is based in Rabat and which works closely with Morocco and the six other countries in the subregion (Algeria, Egypt, Libya, Mauritania, Sudan and Tunisia) on analysis, programmes and policies concerning employment and skills for sustainable development. The Subregional Office for North Africa works with ECA members to formulate and implement policies and programmes that support their economic and social transformation, with a focus on regional integration. The Subregional Office supports action to foster the emergence of

business environments that are conducive to high-growth entrepreneurship and, more broadly, to put national economies on the path to a resilient recovery and inclusive, green growth. Those goals can be achieved by increasing private sector participation in national economies and leveraging new regional integration opportunities stemming from the Agreement Establishing the African Continental Free Trade Area, the reset of global value chains and the accelerated global shift towards a greener economy.

At the national level, the key areas of focus of ECA in Morocco have been employment, in particular the contribution of women- and family-owned small and medium-sized enterprises to job creation and resilient growth, and the ways in which Governments can create favourable conditions for such businesses to survive and thrive. Other interventions are targeted at regional integration, the management and use of data for the accelerated implementation of the Sustainable Development Goals,

improved data collection and sharing for better-informed migration policies and

the introduction of new policies on skills recognition.

Employment

Low productive employment is a major issue in North Africa, where women and young people are among the most affected of the population. In 2022, Morocco recorded an average unemployment rate of 11.8 per cent, characterized by high youth and female unemployment: 32.7 per cent of people aged between 15 and 24 years and 17.2 per cent of women were unemployed, compared with 10.3 per cent of men.¹ With female participation in the labour force in North Africa hovering at around 20 per cent of the relevant working-age population, the expanded female unemployment rate, which includes individuals who are able to work but

are unemployed and are not looking for work, is likely to be significantly higher.

As part of its search for practical solutions to the employment challenge, ECA has carried out multiple studies in partnership with government officials and research institutes, such as Oxford Economics Africa. The studies have been focused on the following topics: labour markets, structural challenges and consequences of the coronavirus disease (COVID-19) pandemic; fast and resilient job recovery; best practices for job creation; active labour market policies; and the skills gap in Africa and the use of gender-smart investing to support inclusive growth.²

¹ High Commission for Planning of Morocco, “Chômage”. Available at www.hcp.ma/Chomage_r438.html

² See ECA, *Labour Markets in North Africa: Structural Challenges, the Impact of the Coronavirus Disease (COVID-19), and a Roadmap for the post-Covid-19 Period* (Addis Ababa, 2021); ECA and NKC African Economics, *Best Practices in Job Creation: Lessons from Africa* (Rabat and Paarl, 2021); ECA, “Active labour market policies: good practices and recommendations for North Africa”, Policy Brief (Addis Ababa, 2021); ECA and Oxford Economics Africa, *Human Capital and Productive Employment Creation: Addressing Africa’s Skills Gap* (Rabat and Paarl, 2023); and ECA and Oxford Economics Africa *Gender-Smart Investing in Support of Inclusive Growth in North Africa* (Rabat and Paarl, 2023).



To increase and accelerate job creation in Morocco, ECA recommends that policymakers, business associations, think tanks, civil society and development partners:

- Accelerate economic transformation through intersectoral mobility and the integration of the informal sector into the formal economy.
- Build on the interaction between the demand for skills and the sizes of the economic sectors that require those skills, advocating support for high-potential and employment-intensive sectors.
- Target the capacity-building of young people, focusing on digital, technical and entrepreneurial skills, with the support of public-private partnerships.
- Promote entrepreneurship and small and medium-sized enterprises to boost green growth and employment creation in the private sector, through better regulations and policies, improved access to finance for such enterprises, the promotion of the development of national and

regional value chains, greater capacity for innovation and acceleration of the green transition.

- Enhance the policy focus on female entrepreneurship and small and medium-sized enterprises, shifting social perceptions of gender roles and promoting inclusive innovation to generate employment.
- Address distortions that prevent an efficient allocation of resources, including labour, capital and skills, within the economy, the growth of small and medium-sized enterprises and structural transformation.

To help to implement those recommendations, in 2023 ECA organized, in partnership with the European Bank for Reconstruction and Development and the European Union, and in collaboration with local business associations,³ five training workshops for women-led businesses across Morocco. The workshops helped approximately 200 female business leaders to enhance their digital skills and boost their capacity to export and access finance and markets.

³ The Moroccan Association of Women Entrepreneurs and the Association of Moroccan Exporters.

Strengthening macroeconomic policy and sustainable debt management

As part of the efforts of ECA to build the next generation of African development practitioners, the African Institute for Economic Development and Planning (IDEP) has organized multiple training sessions for the benefit of young Moroccan economists and members of the ECA young economists network.

In 2022, young Moroccan economists took part in IDEP training on macroeconomic modelling for sustainable development and general equilibrium modelling. Topics included the ways to mitigate the impact

of the COVID-19 pandemic and stimulate economic growth in Africa by using science-informed decision-making processes; the development of a macroeconomic framework for an inclusive and green economy within the context of COVID-19; support for macroeconomic stability and growth towards an inclusive structural transformation and the implementation of the 2030 Agenda for Sustainable Development and Agenda 2063: The Africa We Want, of the African Union; and the quantification of potential country systemic risks.

Tax management and governance

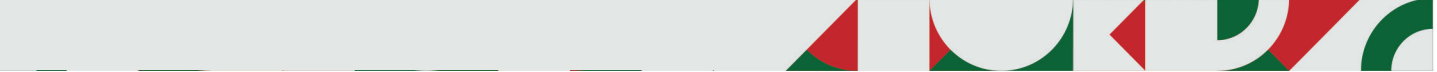
ECA has developed a methodology to measure tax expenditure for all African countries and has provided policy recommendations for effective tax administration in 10 pilot African countries, including Morocco. The findings from that work will be featured in the second economic governance report of ECA, which is expected to be published by 2024.

Morocco has taken part in an online workshop on combating illicit financial flows that was organized by ECA in collaboration with the

African Tax Administration Forum and the Organization for Economic Cooperation and Development.

Building forward better following the COVID-19 pandemic

In 2020, ECA worked in close partnership with the United Nations system in Morocco, the High Commission for Planning of Morocco and the World Bank on a strategic note on the social and economic impact of the



COVID-19 crisis in the country. The authors identified the need for a new economic and sustainable development model that is aligned with the Sustainable Development Goals; improved contextual data collection and analysis to leave no one behind; greater attention to multidimensional poverty and responses; and investment in the public health, education and administrative sectors during and after the crisis.

To facilitate mitigation efforts in the face of the COVID-19 pandemic, achieve a faster, sustainable recovery and improve resilience against future health crises in Morocco and across North Africa, ECA researched the impact of the health crisis on economies in the subregion, produced forecasts for gross domestic product, analysed the key obstacles limiting efforts to mitigate short-term and

long-term socioeconomic impacts, and recommended mitigation strategies.⁴

Key recommendations made by ECA include the need for Governments to ensure the survival and operation of enterprises through tax measures, the financing of part-time workers, guaranteed loans, special lines of credit, the greater use of public-private partnerships for higher public spending and investment efficiency, the use of social safety nets, including cash transfers, food aid, unemployment benefits, paid sick leave and food access, and other policies.

The research by ECA has informed subsequent recommendations on improving economic resilience and seizing post-pandemic opportunities, such as the reorganization of global value chains and the emergence of new, strategic economic sectors.

⁴ For more information, see ECA, *North Africa and the Challenges of the COVID-19 Era* (Addis Ababa, 2021); ECA, *COVID-19 Crisis in North Africa: the Impact and Mitigation Responses* (Addis Ababa, 2020); and ECA, *Leveraging Public-Private Partnerships in North Africa in the Wake of Coronavirus Disease* (Addis Ababa, 2022).



Boosting the implementation of the Agreement Establishing the African Continental Free Trade Area

North Africa, in particular the Maghreb, is currently one of the least integrated areas of Africa and the world, resulting in an estimated opportunity cost of 1.5–2 per cent of gross domestic product every year. The successful implementation of the Agreement Establishing the African Continental Free Trade Area could bring significant improvements and greatly accelerate job creation.

In Morocco, the agreement could lead to an estimated increase in intercontinental exports of \$8.7 billion, or more than 90 per cent, by 2045, and imports could increase by some \$7.6 billion, or over 21 per cent. The agreement would be particularly beneficial to industrial, food and agricultural exports and services.

As part of its support for integration in North Africa, ECA has carried out research in the following areas:⁵

- The potential of North Africa in global value chains, the benefits that their reshuffle in the wake of the COVID-19 crisis can offer the subregion and the ways in which the Agreement Establishing the African Continental Free Trade Area can mitigate market disruption.
- The leveraging of economic complementarities and the regional integration of North Africa to achieve a robust and job-intensive economic recovery and resilient growth by developing subregional value chains, transport infrastructure, digitalization and financial integration, improving the business climate, diversifying exports, modernizing education systems and upgrading technical and vocational training.
- Sectors in which Morocco and its neighbours have comparative advantages

⁵ For more information, see ECA, *Trade Facilitation in North Africa for Enhanced Regional Economic Integration: Challenges, Opportunities and the Way Forward* (Addis Ababa, 2020); ECA, *Unlocking the Potential of Regional Value Chains in North Africa: Focus on the Financial Services and Digital Finance Sector* (Addis Ababa, 2022); ECA, *Unlocking the Potential of Regional Value Chains in North Africa: Focus on the Pharmaceutical Industries* (Addis Ababa, 2022); and ECA, *African Solutions to the Current Food Crisis: Use of African Phosphatic Fertilizers and Supportive Policies* (forthcoming).

and complementarities, including pharmaceuticals, financial services and digital finance, and the ways to make the most of them.

- The benefits of regional integration for small and medium-sized enterprises and the contribution of such enterprises to the acceleration of inclusive and green growth, job creation and higher salaries.
- The importance of capacity development for the workforce to make the most of the agreement and the impact of the agreement on inequalities and poverty in Morocco and other countries.⁶

Facilitating the implementation of the Agreement Establishing the African Continental Free Trade Area, step by step

Following a formal request for support from the Government of Morocco, ECA is starting to work on a national strategy for the implementation of the Agreement Establishing the African Continental Free Trade Area.

Morocco is part of a project that is jointly led by ECA and the United Nations Conference on Trade and Development to integrate green initiatives into the implementation

of the Agreement Establishing the African Continental Free Trade Area through regional value chains. In addition, Morocco is 1 of 13 countries studied by ECA as part of its regulatory assessment of national data sets on regional digital trade restrictions, in order to produce indices on regional digital trade integration and digital services trade restrictiveness.

In 2022, in partnership with the African Export-Import Bank, the African Union and the secretariat of the African Continental Free Trade Area, ECA launched the African Trade Exchange Platform, which connects businesses and Governments to enable the pooled, transparent and bulk procurement of basic commodities to ensure national access to basic commodities, such as raw materials, fertilizer and agricultural products. The platform helps to realize the development potential of e-commerce and digitalization, in particular by facilitating the access of small and medium-sized enterprises to new markets and the procurement of strategic commodities in a context in which the usual provision networks have been disrupted.

⁶ ECA, *New Assessment of the Economic Impact of the AfCFTA on African Countries: Focus on Morocco and Impacts in Terms of Inequality and Poverty* (forthcoming).

Assessing and building capacities to seize the opportunities of the Agreement Establishing the African Continental Free Trade Area

Through IDEP, ECA provided policymakers and development practitioners from 25 countries, including Morocco, with training to improve their ability to design gender-responsive policies and measures that are aimed at helping women to leverage the opportunities generated by the Agreement Establishing the African Continental Free Trade Area, by introducing gender

mainstreaming into national strategies for the Agreement.

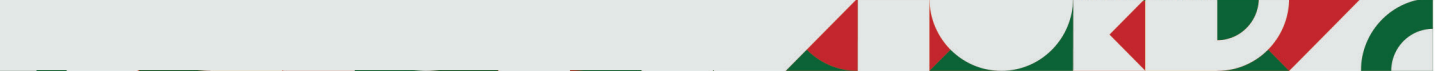
In addition, IDEP organized online training for journalists from across Africa, including Morocco, to enhance their understanding of the Agreement, its principles, phases and benefits; its potential to contribute to structural transformation; latest developments; and the expected short-term losses, mitigation strategies and analytical reporting on the opportunities associated with the Agreement at the regional level.

Enhancing data, digital transformation and resilience through climate action and harnessing the green and blue economy

ECA is a signatory of the United Nations Sustainable Development Cooperation Framework with Morocco for the period 2023–2027. ECA is mandated to provide its members with technical support to improve data collection and analysis for better-informed policy decisions and the attainment of the Sustainable Development Goals.

As part of its technical assistance for the implementation of the 2030 Agenda and Agenda 2063, ECA has developed an

integrated planning and reporting toolkit, which helps countries to monitor their progress against national, continental and global development goals. Since 2020, in collaboration with the High Commission for Planning of Morocco, ECA has trained a team from Morocco to upload data to the toolkit and monitor national performance against the targets and indicators of the Sustainable Development Goals.



ECA has assisted the High Commission for Planning in harmonizing sectoral plans to facilitate their alignment with the Sustainable Development Goals and Agenda 2063 and in monitoring and evaluating the implementation of those plans. Through its work with the integrated planning and reporting toolkit, Morocco has recognized a need for an overarching development plan that informs sectoral plans, and is, therefore, currently designing a national development plan.

In 2020, ECA, in collaboration with the African Peer Review Mechanism, provided online training to help officials from Morocco to prepare for the presentation of their voluntary national review at the high-level political forum on sustainable development.


In partnership with the High Commission for Planning, ECA is carrying out studies on the relationship between the quality of resource allocation by institutions and structural transformation, and has been supporting the High Commission in analysing the impact of distortions on productivity in the manufacturing sector. A joint policy brief is being prepared and will include policy recommendations to tackle such distortions.

In addition, ECA has been working with the High Commission to find better solutions relating to statistical issues in the use of enterprise surveys, such as missing values,

outliers, influent values and retropolation. Together, the two institutions have developed methodologies and algorithms to improve data exploration in business surveys, designed statistical methodologies for business surveys to harmonize databases and analysed survey results on the impact of distortions on productivity in the manufacturing and service sectors.

Furthermore, IDEP has carried out multiple training sessions for officials from across Africa, including Morocco, such as:

- Digital training on data analysis for sustainable development, aimed at improving the capacity to collect or analyse data for the purpose of national, subregional and regional sustainable development planning, implementation, monitoring and evaluation.
- Risk management in a context of change, aimed at raising the awareness of the importance of protecting and securing information and data, anticipating potential threats, the mechanisms to identify, transfer and reduce risk, and monitoring and evaluation action.
- Design and implementation of policies that promote the nexus between peace, security, human rights, humanitarian affairs and development



for the accelerated achievement of the Sustainable Development Goals.

Migration as an ally for development through better informed and coordinated policies

Migration is a cross-cutting issue in the 2030 Agenda and is relevant to all Sustainable Development Goals. The commitment of Morocco to migration issues was demonstrated by the fact that the Intergovernmental Conference to Adopt the Global Compact for Safe, Orderly and Regular Migration was held in Morocco in 2018.

In addition to Côte d'Ivoire, Mali, Senegal, South Africa and Zimbabwe, Morocco is a pilot country in an ECA project on migration statistics and the recognition of migrant skills that is aimed at establishing the outlines of a regional system for skills recognition for the successful implementation of the Agreement Establishing the African Continental Free Trade Area.

Following the production of initial reports on the state of migration statistics and the recognition of migrant skills in Morocco, and a fruitful dialogue with the Ministries of the Interior; Foreign Affairs, African Cooperation and Expatriate Moroccans; Health and Social Protection; Economic Inclusion, Small Business, Employment and Skills; and Higher Education, Scientific Research and Innovation; and the High Commission for Planning of Morocco, the initial objectives of the project were surpassed with the creation of a national digital platform and a single access point for timely comprehensive migration statistics and reliable information and the production of national guidelines on migration statistics, at the request of the Government. Additional project outcomes included the adoption of a road map for the creation of a new national mechanism for the recognition of the skills of migrants and the creation of an international network of African migration experts from the various countries that benefited from the project.

