

Appendix 4: CONSULTATION REPORT

Overview

1. **In development, consulting is essential at every step of the process.** In Morocco, the World Bank has been engaged for a long time in the regular process of consultations with the government as well as with numerous actors and stakeholders involved in the development of the country. Consultations, conducted in a variety of formats, took place at strategic planning meetings, during preparation and supervision phases of projects, throughout the preparation and dissemination of analytical work as well as in the monitoring and evaluation phase of projects.

2. **The aim of this dialogue was to better understand the priorities, challenges and obstacles.** It also contributed to defining the perceptions, the consensus, as well as the divisions of opinion and was an opportunity to disseminate analytical reports and lessons learned. These consultations also shaped the thought process and the approaches as well as the implementation of programs in the different sectors. Consultations for preparing the strategic partnership framework took place over an 18 month period and included the following steps:

- *Technical meetings.* They were primarily focused on sectors, contributed to shaping the programmatic choices and guided the dialogue throughout the 18 month period.
- *Internal consultations at the World Bank.* The meetings at Kairouan (November 2008) and Annapolis (March 2009) facilitated a joint reflection and cross sectoral coordination of the Bank teams and the IFC to attempt to respond in a more concerted way to the needs of the country.
- *A strategic meeting between Moroccan government representatives and a team from the World Bank (Skhirat, April 2009)* provided clarification and recorded the expectations of the government in the framework of the partnership. Finally, a phase of broad consultations, directly focusing on preparing the CPS, took place during the months of May and June 2009. This report summarizes this most recent phase of consultations. (See highlights to the right).

Consultations - highlights

- ✓ 15 round tables and 4 focus groups, held in Rabat, Salé, Skhirat, Mohammedia, Tangier, Fez and Marrakech.
- ✓ More than 330 persons consulted, representing different age groups and interests :
 - More than **60 NGO members**,
 - More than **30 representatives from the private sector**,
 - More than **60 youth**,
 - More than **150 academics**, students, PhDs, research professors and heads of university.
- ✓ The participation of more than **30 experts from the World Bank Group**, local and international at different meetings.

3. **Three principal priorities structured the approach of this broad consultation:**

- **To discuss the priorities and the role of the World Bank in Morocco:** The consultations were structured so as to introduce the World Bank Group's approach to development in order to gather opinions on the development priorities in the country; the themes proposed by the CPS (pillars and cross sectoral themes); the role of the World Bank in Morocco, perceptions relating to the efficiency of its activities and its impacts; and the aspects to strengthen to better support the country.
- **To listen to constituencies with weaker voices.** All voices are important in the development process, but not all voices have the same impact. A specific effort was made to go and meet the

audiences and the beneficiaries who have the least input in order to listen to their particular visions and their perspectives on development priorities in Morocco. Particular attention was given to youth, women's NGOs, local NGOs (particularly in rural areas), young researchers and students.

- **To provide depth to the consultations on the sector specific themes.** Thematic consultations were conducted on the subjects and/or the sectors that emerged from the discussions during the pre CPS consultations phase and that had to be approached through other tools for example: gender issues, the knowledge economy, public-private partnership, or the stakes in development in rural areas.

4. **The second part of the consultation phase organized in May and June 2009 was comprised of 18 meetings.** These meetings were organized according to a variety of formats (roundtables, broad-based meetings, workshops, and brainstorming. Participation was at both local and national levels. Participants were from different provinces, primarily Rabat, Fes, Casablanca, Tanger, and Marrakech and came from rural, semi-urban and urban areas.

5. **These meetings were characterized by an atmosphere that encouraged free and open dialogue and they were a rich and unique experience for the Middle East and North Africa (MENA) region.** Although the debates were at times passionate when discussing the means and activities to implement to concretize the development objectives, there was a broad consensus on the strategic direction that emerged from the first phase of consultations. The criticisms and the suggestions were constructive and focused on the future with a common interest to work for the successful transition of the country towards stronger human development and a place in the global economy. Additionally, the debates facilitated a progressive and conceptual understanding of the CPS with the different audiences consulted.

It should be noted that the opinions expressed in this report do not reflect all of the ideas that emerged during the consultations. The opinions represented were repeatedly emphasized, had a strong consensus and took into consideration the specifics of the World Bank in terms of areas of expertise. Additionally, these findings do not claim to represent any official position of any of the groups or audiences consulted.

I. Principal Consultations: Debates and Recommendations

A. Investment and development in the private sector

I.A.4 Consultations with representatives from the private sector:

6. **This meeting, jointly organized with the IFC brought together actors from the private sector, several of whom worked quite far from the Rabat-Casablanca area.** The open and constructive debate assisted in forging a new consensus around two priorities considered by the participants as being essential elements:

- Importance of maintaining economic growth as a necessary condition of development.
- Necessity of developing a clearly articulated strategic vision of the Moroccan economy with several projects of reform.

The efforts and the engagement of the government to improve the business environment was acknowledged and emphasized in different discussions; however, several participants brought up the persistence of certain obstacles to investment particularly concerning the financial sector and public administration, specifically:

- Difficulty of access to bank credit and particularly the slow nature of the process;
- Lack of visibility on the State’s fiscal policy for the next 5 years;
- Weakness in the correspondence of education to the employment market and the lack of qualified staff;
- Slow nature of the decentralization process and the lack of transparency within the public administration.

7. **Several recommendations were formulated and particularly emphasized the importance of reforms in the judicial and education sectors.** Several participants stated that these reforms are essential conditions that cannot be ignored in the development of the private sector. Several other suggestions covering cross sectoral themes included:

“Personal security deposits are always required by banks. Even if there is a guarantee from the CCG, banks always require collateral. Too often, only a small part of the financing is granted.”

- Strengthening human capital through educational reforms and professional training;
- Accelerating the implementation of industrial policies already developed such as “Emergence” in implementing monitoring and evaluation mechanisms;
- Initiating a regular and sustainable dialogue with the different decision makers, the financial sector and the economic operators;
- Broaden the dialogue with employers in a manner that includes all regions of the country beyond the Rabat Casablanca area;
- Adapt the tax system to the specifics of the Moroccan economic fabric while taking into consideration the world economic environment and its constraints.

The informal sector was also intensely discussed and brought out diverging points of view. For certain participants, the issue is of better controlling the informal sector that is currently not subject to any tax system. Others see the problem as an excess of taxes and controls that push businesses to the informal sector.

II.A.4 Consultations on Public Private Partnership (PPP)

8. **This consultation brought together representatives from public establishments and private enterprises who manage delegated services to discuss opportunities for and constraints to developing public private partnerships in Morocco.** Two principal elements were identified as areas requiring considerable restructuring:

- The legal environment to facilitate public private partnerships in Morocco.
- The problem of underinvestment and lack of inclusion in budgeting of services.

“The legislative environment remains inefficient and still constitutes an impediment to the implementation of numerous reforms. If many laws exist or are produced, there are often gaps and inaccuracies and are rarely applied and evaluated at the level of their application.”

Several activities and reforms designed to promote public private partnerships were formulated:

- Establish a comprehensive legislative framework designed to guarantee the development of this type of partnership;
- Strengthen the regulatory mechanisms by rewriting the legislative texts on the questions of delegation of public services at the local level;
- Establish these regulatory functions at the local level in order to move towards decentralization;
- Strengthen transparency in the grants process of public private partnership contracts;
- Define and clarify the institutional plan of delegated management and establish the necessary institutional mechanisms to improve coordination and arbitration;
- Analyze the budgeting systems for delegated public services, the proposed budgetary allocations and the priorities determined by the government;
- Revisit programming and strengthen the levels of investments which remain insufficient;
- Develop capacities of central and local civil servants for more efficient management of public private partnerships.

“Educational and judicial reforms are fundamental requirements in any type of reform of significant stature.”

Most of the participants also called for more consideration of the social implications of public private partnerships. According to certain participants, an overhaul of the labor law and management laws delegated to the public authorities has become a necessity.

Consultation on the Knowledge Economy:

9. **This consultation brought private operators, academics and representatives of the public administration back together and began by discussing the significant progress that Morocco has made in the domain of information technology and communication both in terms of infrastructure and regulation.** The debates that followed the presentation of the Impact Plan, which aims to implement the necessary conditions to make the Knowledge Economy a motor of economic development in Morocco, identified the challenges that need to be met for the promotion of a knowledge economy. The participants unanimously agreed that while Morocco has strong potential for developing digital content and strengthening human competencies, there are many obstacles that need to be addressed:

- Review the pricing policies for information services and strengthen regulation in this sector;
- Respond to the lack of human resources and the needs of the sector which constitute a major impediment;
- Monitor and evaluate the training linked to this area and establish a reference for this sector. Engineering fields, the Universities and the Schools of Science and Technology should adapt to the needs of the market in this sector;
- Go from the concept of a Technoparc to that of Technopole in collaborating with the academic community;
- Seriously promote research and innovation that could help this sector create value and wealth;
- Encourage private operators to do more to promote their activities, which would make this sector to more attractive to young people.

B. Services to Citizens:

10. **The following three cross sectoral elements emerged from the discussions during the first phase of consultations and the open debates in the meetings of the second phase of consultations as key elements to improve the impact and consistency of the reforms.**

- Involve all concerned parties in the development of reform projects. Support from civil society should be better channeled to increase the efficiency of the reforms;
- Economic policies to strengthen growth should take into consideration the most vulnerable populations;
- The different programs in the fight against poverty should be better coordinated for a more comprehensive approach and execution.

Throughout the meetings, the different audiences who were consulted invited the Bank to provide a more detailed analysis of the Moroccan economy in order to move towards quantitative indicators and an examination of major structural impediments.

Consultations on the Education Sector

11. **In all consultations, the education sector emerged as being at the heart of development challenges in Morocco.** In addition, the discussion with the civil society actors, the private sector, academics, and public partnerships raised the following concerns:

- *The* quality of education is very low and is still more problematic in the context of current economic changes in Morocco.
- Reforming the education system should be considered the highest priority in terms of reforms and particular attention should be focused on the quality of teaching and informal education.

The following conclusions and recommendations emerged from the consultations conducted with the actors and representatives from the different sectors:

- Despite a relevant assessment and a strategic vision of the government and the principal actors, effective implementation remains challenged by a number of problems that impede reform;
- Involvement of all key actors in the discussions on education reforms is necessary through a long term, yearly dialogue;
- Improve governance in the education system through strengthening the responsibility and investment in the capacities of teachers;
- Improve the evaluation and monitoring system in the entire education sector and establish some quality norms;
- *Promote* the decentralization of the education system and reexamine the budgeting system in the sector as well as the mechanisms and processes of execution;
- Analyze and update the content of pedagogical manuals and teacher training.

“If we must invest in one single sector in the country, we should invest in education- in the training of the next generation.”

If we do not improve governance, we cannot succeed in improving the education sector.

12. **The debate on public education vs. private education was characterized by several diverging views.** Although several participants recommended regulation of the private education sector, it was also suggested that both private and informal education alternatives be encouraged, especially in rural areas. A third suggestion was made to strengthen partnerships between the actors in the private and public sectors. As for higher education, the participants expressed their satisfaction with the launching of the Urgent Plan for the Acceleration of the Implementation of Education Reform and Training 2009-2011. However, they insisted that is necessary to emphasize the value of scientific research in Morocco and the importance of including the university in the development of socio economic research. Several participants brought up the problem of the territorial approach of development and the importance of considering the university community as an essential partner to resolve specific problems of development to each region.

Consultations on reforming the judicial system

13. **Reform of the judicial system was brought up in the majority of consultations as being a development priority in Morocco.** The different actors who were consulted shared similar points of view and there was an overwhelming consensus that reform of the judicial system was an essential condition for success and consistent reforms in the other socio economic sectors. The consultation session on the judicial sector also invited back representatives from a network of 10 Moroccan associations that had introduced a memorandum calling for reform in the judicial sector in Morocco. Throughout the discussion of suggestions contained in the memorandum and the debate that followed, important elements emerged as priorities in formulating a strategy for reform that would be both voluntary and ambitious:

- Reform should be comprehensive in developing a strategy that strengthens the development of a modern equitable judicial system;
- Implementation of evaluation and performance mechanisms, the efficiency of the court system as well as the quality of judgments;
- *Improve* the functioning of the judicial system, and also access to justice;
- Implementation of a mechanism guaranteeing independence to the judicial system;
- Strengthen mechanisms of transparency and combating corruption;
- Reform of the penal code, penitentiary establishments, and the revision of training systems for judges and lawyers.

There is a problem with evaluating the performance of judges. The measure of their effectiveness is calculated by the number of closed cases without reviewing the integrity of their decisions.

Gender and Development

14. **Two consultations were organized around the crosscutting theme of gender.** The first meeting gathered representatives from development associations, economists and sociologists specializing in gender. The second meeting was held with female members of parliament. The results that emerged in these two meetings confirm that the advances in terms of reforms for a better integration of gender aspects are undeniable, notably in the sectoral plan. However, the lack of consistency and coordination of sectoral actions denotes the absence of a national strategy incorporating gender. The following recommendations were formulated as being necessary conditions to ensure an equitable and sustainable development in all the sectors:

- Education reform and strengthening women's access to the judicial system (particularly thorough training) are crucial to the empowerment of women.
- In dept, analyses and cross sectoral studies on gender should be conducted to serve as the foundation of a comprehensive national strategy that could then be used at the sectoral level.
- Analysis of the impact of the global economic crisis on employment and women's role in the labor force should be conducted immediately because the sectors that are threatened are essentially those that will impact women in terms of business and employment.

"The costs of reproduction weigh heavily on the daily life and the future of women and stress the economic capacity."

"It is necessary to develop gender expertise that effectively serves the communes and local associations."

"There is also a problem with the lack of reliable statistics. For example, at the level of continuing education we do not have any figures for women."

Participants invited the World Bank to play a more active role proposing appropriate analyses in providing the technical base for

supporting the government in the development and implementation of strategies and sectoral policies including the gender aspect.

C. Governance, Development and Basic Services

15. **The governance aspect in the sense of access to basic services by citizens was raised as an issue. A wide consensus was reached in the consultations on the following axes:**

- Balance between economic and social issues needs to be maintained through better distribution of the outputs of growth;
- The success of reforms is measured according to the impact on the daily lives of citizens. Monitoring and evaluation of results of the reforms is absolutely necessary;
- Monitoring and evaluation of results of the reforms will bring improvement in poverty reduction programs and should therefore serve as a reference to measure the results that show accountability for funds.

This approach has a direct impact on the improvement of governance.

Consultations on Governance and Citizen Services

16. **Morocco has a large variety of associations that have an important role to play in the development of the country in a dynamic and constructive approach.** The consultations with the consumer associations, who are an important component of the Moroccan association community, allowed for the gathering of opinions on the obstacles that inhibit performance in certain key sectors such as education, health and the judicial system. The absence of evaluation mechanisms and ensuring accountability in public administration were recurring points that emerged from the consultations. The importance of strengthening the mechanisms of evaluation and transparency in terms of delegation of management of public services was strongly underlined.

“The problem in Morocco is not a problem of resources, but of governance.”

The majority of participants identified the problems of governance at three levels:

- The lack of mechanisms and transparent procedures encourage abuse;
- Inadequate access to information leads to a lack of understanding of rights and civic duties;
- The absence of effective monitoring and evaluation takes responsibility away from the managers.

These three elements demonstrate a close link between the efficiency of public and private services and good governance.

“Good governance is based on sharing information. Unfortunately, this is not happening.”

Consultation on governance and local development

17. **This roundtable, comprised of representatives of the association community from the north, focused on the following themes:** The important socioeconomic transformations put the governance at the core of the problem in local development. The participants raised the point that the lack of good governance is an obstacle to local development and produces a loss of confidence of the population in the public management. They all identified the need to:

- Establish a code of ethics to encourage transparency in local basic services;
- Strengthen the financial transparency of local administrations in establishing mechanisms of transparent accounting;
- Improve the capacity of human resources within local entities by developing training programs for elected officials;
- Give local agencies the means to promote participation and strengthen the procedures of quality control in determining how power is delegated;
- Strengthen the capacities of local NGOs by ensuring they have an important role in local development projects;
- Develop a code of ethics and transparency to strengthen good governance within NGOs and professional associations;
- Encourage information sharing, exchange and dialogue among the different partners in development at the local level.

“The success of a reform, regardless of the sector, depends on the manner in which the government is encouraged, monitored and measured.”

Consultations with representatives from the NGO community and the academic community

“The local authorities need to be strengthened. They need qualified staff with modern procedures.”

18. **This meeting with different individuals in the academic and associative communities identified governance as a top priority for reform in Morocco.** The participants emphasized the principal needs of development in Morocco:

- Strengthen transparency in the execution of the financial laws;
- Encourage political debates on the results of reform programs;
- Revisit the “INDH” (National Human Development Initiative) to make a development tool for the community that is more efficient in reducing poverty;
- Restructure the organizational structure and function of the local governments that present various challenges;
- Analyze the aspects of governance in the education sector.

This meeting was also an opportunity for the participants to discuss the role of the World Bank Group. The following elements emerged from the debate:

“At present, there are no real tangible results for reform in the education (higher education included), judicial and employment sectors.”

- The importance of the “support” role that the World Bank Group can play in implementing reforms. According to the participants, the Bank should broaden and strengthen the analytical field, the evaluation and debates on reform programs and in collaboration with the different stakeholders in the development of the country (government, civil society, and private sector).

The support of the Bank should be cross sectoral and improve the consistency of development programs, particularly, in terms of good governance in the key sectors- education, justice and the financial sector.

D. Agricultural and Rural Development

19. **This consultation session brought together economists and sociologists specializing in rural development as well as representatives from professional associations.** The Morocco

Green Plan was cited by several participants as being open to new approaches, but does not contain detailed activities and does not clearly state what the eventual impact on the agricultural and rural development sectors will be. Additionally, the participants identified that there are multiple challenges with the agriculture sector including the management of water resources, access to financing, land reform, improvement of rural infrastructure and tax issues.

“In high school, they do not guide us, they misguide us.”

“The goal of the reforms is to modernize agriculture and make it profitable (exports), but this is not benefitting the rural population. The question to be asked is about adaptation to the context and the reality of the country. Populations at the local and regional levels need to be included.”

The participants made several recommendations including:

- Improve the dialogue between the operators in the sector and the government in order to succeed in the implementation of the Morocco Green Plan;
- Find solutions for threatened aquifers that over exploited, particularly in desert zones where ecosystems have been threatened or destroyed;
- Analyze finance mechanisms of agribusinesses with support from professional agriculture organizations;
- Promote the transfer of technology and skills in the framework of the Green Plan and evaluate the different results in terms of rural infrastructure before launching new initiatives;
- Strengthen interprofessional legislation in order to encourage coordination and development of synergies between the different agricultural entities;
- Accelerate land reform to encourage private investment in rural areas, prudently approach the question of change of usage in collective lands and introduce systematic compensation for women’s rights;
- Improve the training of administrators, specifically in schools such as the National School for Administration and The Institute of Agronomy and Veterinary Sciences;
- Evaluate the energy costs of rural investment and the national implications.

“Morocco is in the completion of many national programs: PERG, PAGER, PNRRII, etc. We need to stop, take stock and evaluate what we have done to improve the infrastructure and see how to reduce the inequalities.”

E. Youth: Actors in Development?

20. **Two meetings were organized with youth groups concerning priority activities and reform in Morocco.** The first meeting was a roundtable with young members of NGOs and the second meeting included four focus groups in the field in several semi urban neighborhoods. The participants emphasized the importance of the crosscutting nature of the following stakes:

- Social and economic integration of youth;
- Appropriate training/employment considering the needs of the private sector;
- The rural exodus that accentuates the vulnerability and the poverty in a semi urban neighborhood aggravated by the weakness of traditional social solidarity;
- Accelerated urbanization and the precarious nature of community infrastructure;
- Inequalities are pronounced, particularly in terms of economic opportunities and employment as well as political participation.

Taking the example of the necessity to better integrate gender in the reform process, it is also important to consider the role of youth in development.”

Several recommendations were made:

- Conduct a sectoral and regional social analysis on youth to support the formulation of adapted policies and strategies;
- Strengthen transparency mechanisms and encourage youth to participate in the development of social policies.

F. Decentralization

21. **Throughout the many consultations, the theme of decentralization continued to emerge.** The necessity of strengthening the decentralization process was continuously raised by the participants. For several participants, territoriality is a key requirement for equitable and supported development. The following recommendations were provided:

- Analyze and initiate a dialogue on the framework of decentralization with the different development priorities and the reforms already launched;
- Strengthen the decentralization process by supporting a strategic and global vision;
- Analyze the problems of budgeting and financial management at the local level (arbitration, allocations, procedures);
- Be vigilant in ensuring that investments destined for regions are made in an equitable manner and that they correspond to local needs.

“Economic growth can happen only if there is improvement in the employment situation for young people.”

G. Cooperation with international partners in development

22. **The meeting with the international partners in development allowed for the discussion and information dissemination on the program of activities and the areas where cooperation can be strengthened in order to better serve the development of Morocco.** Participants noted that:

- The different sectors and program of activities of the World Bank and their own programs in Morocco are complementary.
- The programs established by the Moroccan government constitute a direct line that helps to facilitate the partnership activities.
- The questions of development are territorial and adaptation to the changing climate constitutes areas where collaborative opportunities between different donor agencies can be developed.

“Real decentralization is imperative in responding efficiently to local needs. There is also an absence of coordination and consistency between the national, regional and local levels.”

Coordination between different funding agencies should be developed more in terms of collaboration and simplicity, to ensure more efficiency for development aid.

H. Main themes that emerged from the consultations:

23. **In addition to those themes discussed previously in this report, there were additional themes that emerged.** These elicited exchanges that were both important and significant.

Poverty and statistical information

24. **This question was widely emphasized by numerous participants during different consultations. According to the participants:**

- More detailed impact analyses are necessary for the government to formulate policies that respond to the challenges in the priority sectors, particularly justice, education and governance.
- Support the efforts of the High Commission Plan to develop the statistics by gender in the areas such as poverty, the standard of living, work of rural women and other areas for which there is relatively little statistical information.
- Raw statistical disaggregated data should be accessible to actors in development, particularly to researchers.

Implementation of reforms

25. This key theme continued to recur and was the subject of several discussion threads in the different meetings. The participants expressed the following points of view:

- If the reports are objective and the strategies are defined, the actual challenge for the country is the effective and efficient implementation of reforms.
- A cross sectoral consistency of reforms is essential given the interdependence of sectors

Certain participants also expressed their wish that the World Bank Group improve their performance indicators to facilitate the monitoring of reforms in which they participate.

Social protection and fight against exclusion

26. **This subject was raised in a recurrent and crosscutting manner throughout the consultations.** It came up in most of the interventions in the framework of the following observations:

- An analysis of results and real impact of programs in the fight against poverty is necessary;
- It is necessary to introduce implementation of a real policy of social protection particularly in extending the coverage of social security and in strengthening the mechanisms of the fight against social exclusion (youth and women);
- It is important to consider the vulnerable segments of the population who can be affected by reforms;
- Specific studies should be conducted to better identify the needs of certain vulnerable categories of society;
- The changes which are directly discernable for the users should be placed at the heart of programs of development in Morocco.