Morocco – Municipal Solid Waste Program

Making MSW systems perform better through gradual transformation

May 2013

1. Morocco at a glance

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Morocco</th>
<th>Upper MIC</th>
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<tbody>
<tr>
<td>GNI per capita (Atlas $)</td>
<td>2,970</td>
<td>5,884</td>
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<tr>
<td>Population (million)</td>
<td>31</td>
<td></td>
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<tr>
<td>Urban population</td>
<td>56.7%</td>
<td>57.4%</td>
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Source: World Bank, 2011

- Scarce natural resources
- Tourism among key economic sectors
- Key service delivery decentralized (water, sanitation, MSW, etc.)
- Local governance is a challenge
2. Situation of the MSW sector before the reform

Key facts

- 5 Mt/yr of urban waste (+ 2.8%/yr)
- US$ 200 million spent per year on MSW which represents 15% of total municipal budgets
- 4% of urban waste collected and disposed of in sanitary landfills
- <5% of waste recycled
- 300 open dumpsites
- Municipalities responsible for MSWM (from collection to elimination)
- Private sector emerged as a key player: 44% of urban waste professionally collected

2. MSW sector situation before the reform

Significant environmental and social impacts

Cost of environmental degradation: 0.5% of GDP

3,500 waste-pickers on dumpsites
22,000 in the streets
2. MSW sector situation before the reform

Key sector issues and challenges

- **Focus on cleanliness** with very limited attention to waste disposal/treatment
- **Ad hoc fiscal transfers** to municipalities with lack of transparency and poor accountability
- **Weak legal and institutional frameworks** which constrain strategic planning, governance of the sector and inter-ministerial coordination
- **Weak technical and managerial capacity** at municipal level
- **Low value-for-money** of PSP services mainly due to limited competition, poor contracting documents, and lack of transparency
- Uncertainties on long-term **financial sustainability**

3. Morocco’s SW sector program

**MSW Sector becomes a national priority**

### Policies

- MSWM under the full responsibility of the municipality
- Active role of the Center to support municipalities in addressing sector externalities
- Gradual approach to modernize MSW systems and transform the sector
- Private sector: strategic player to transfer know-how and mobilize finance
- Early mainstreaming of social and environmental dimensions

### Key milestones

- **Enactment of law 28-00 in 2006** on solid waste management
- **Enactment of law 54-05 in 2006** on delegated services (light PPP law for local services)
- **Government’s declaration in October 2007**: MSW Sector becomes a priority of the Government’s reform agenda
- **Allocation of state budget and creation of a special account** to support the upgrading of MSW systems
- **Launch of the sector reform program and development of the National Solid Waste Program** with support of the World Bank
3. Morocco’s SW sector program of reforms

**Overview of the National Solid Waste Program**

- Comprehensive mechanism set up to support municipalities cope with solid waste law requirements
- Objectives by 2022:
  - SW plans for all provinces/prefectures
  - 90% collection coverage
  - 100% waste collected disposed of in sanitary landfills
  - Closure/rehab. of 220 dumpsites,
  - Sorting of 20% of recyclable material
  - Awareness raising and training of stakeholders on MSWM

Key features of the technical support and financial incentives:
- Transparency in the allocation of funds
- Per-equation to alleviate disparities in municipal revenues
- Performance to reward good practices and innovative projects
- Mainstreaming of environmental aspects and integration of social considerations
- Capacity building to leverage private sector

National commission to coordinate, supervise and monitor implementation of activities and reforms:
- Ministry in charge of Environment, representing the sector and chair of the commission
- Ministry of Interior, representing and supervising LGs
- Ministry of Finance, mobilizing $$$ and promoting the governance agenda

4. Phase 1 – 2008-2012 – Initialization

**Reform areas and key policy measures**

1. **Strengthening governance** of the MSW sector
   - Setting-up of the national commission of the solid waste program
   - Strengthening of the regulatory framework (decrees, provincial commissions for SW plans)
   - Development of transparent and tender package templates for PSP
   - Development of a communication program

2. **Improving sustainability** of MSWM
   - Technical support to municipalities
   - Specific financial incentive disbursed
   - Development of an innovative nationwide CDM program
   - Training of 1,250 municipal agents

3. **Mainstreaming environmental and social** dimensions
   - National and regional EIA systems upgraded
   - Social inclusion of waste-pickers introduced in the MSW services TORs
4. Phase 1 – 2008-2012 – Initialization

**Tangible results, yet to consolidate**

<table>
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<th>2008 reference</th>
<th>2012 end phase 1</th>
<th>2022 objective</th>
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<tr>
<td>Percentage of urban population with access to upgraded MSW collection services</td>
<td>44 %</td>
<td>78 %</td>
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<tr>
<td>Percentage of MSW collected and disposed of in sanitary landfills</td>
<td>10 %</td>
<td>32 %</td>
</tr>
<tr>
<td>Number of dump sites rehabilitated or closed</td>
<td>0</td>
<td>22 completed</td>
</tr>
<tr>
<td>Number of provinces/prefectures with validated SWM master plans</td>
<td>0</td>
<td>5 completed</td>
</tr>
<tr>
<td>Percentage of waste sorted and recycled</td>
<td>&lt; 5%</td>
<td>about 5%</td>
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**PSP Experience**

- More than 90 cities have contracted out to private operators to provide street cleaning and modernized waste collection services
- 11 inter-municipal sanitary landfills are being operated by private operators
- Market size amounts to around MAD 2 billion per annum (eq. to US$ 250 million), involving more than 12 domestic and international firms.

Pilot sorting facility in Rabat

Rehab. of Salé dumpsite

New context, emerging challenges

New context for municipal service delivery:
- New Constitution
- Higher governance expectations
- Decentralization agenda

MSW sector emerging challenges:
- Strengthening demand-side governance
  - Improving accountability of service providers,
  - Increasing sector transparency,
  - Ensuring open access to information, and
  - Providing citizens and civil society with new and effective opportunities for engagement and “voice”.
- Enhancing institutional and financial sustainability of the services
  - Supporting local governments in professionalizing their integrated MSW systems,
  - Augmenting their fiscal potential,
  - Introducing waste fees as a complement to the current main funding of MSW services through municipalities’ general budget obligations, and
  - Consolidating the enabling environment for private sector participation, in particular execution of contracts

Emerging challenges cont’d

- Upgrading the country’s environmental monitoring and control system
  - Development of the legal, institutional and regulatory frameworks,
  - Capacity building within the Environment Department, and inter-agencies coordination which would ensure proper and regular inspection and control of MSW facilities.
- Developing financially viable and socially inclusive recycling value chains
  - Introduction of eco-taxes on plastic packaging,
  - Establishment of a well governed system to manage eco-tax revenues,
  - Development and support to recycling/income generating activities, and social integration of vulnerable groups (specifically waste pickers) in the sector with attention being paid to women.
6. Key lessons from MENA experience in the MSW sector

**Municipal matters are national matter**
1. Municipal solid waste management should be integrated and remain the full responsibility of the municipality.
2. Coordination at national level is key to monitor, empower, incentivize and accompany municipalities to modernize their MSW systems.
3. Municipal Institutional strengthening and managerial capacity building are fundamental and should be a key priority of the Center.

**PSP does not equal efficiency.**
1. Private sector can help leapfrog the professionalization of services but has to be prepared and managed appropriately.
2. Financial sustainability and local capacity to manage waste elimination technologies should be assessed carefully.

**Social issues are at the heart of SW sector reform**
1. Engaging with the citizens on MSW services is key to improve quality and service coverage while strengthening accountability of service providers and identifying public needs (public health education, behavior change, and willingness to pay).
2. Waste-pickers play a key role in MSW services and should be part of the solution while upgrading the systems.

Gradual approach to improve the economic, environmental and social performance of the sector is preferable to a big-bang approach.

THANK YOU

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